

# BUSINESS MEETING ITEM COVER SHEET

DEPARTMENT County Attorney

DIVISION

TITLE Resolution 2010-92 (Human Services Ballot Issue)

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DOCUMENT TYPE Resolution

SUBTYPE

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BUSINESS MEETING DATE 07/27/10

COMMISSIONERS' ACTION

Approved

Denied

Other

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ORIGINAL(S) RETURNED TO Vault

AGENDA ITEM NUMBER

10a

COMMENTS

RESOLUTION NO. 2010-92

A RESOLUTION DESCRIBING A PROPOSAL FOR AN INCREASE IN THE BOULDER COUNTY AD VALOREM PROPERTY TAX MILL LEVY TO INCREASE FUNDING FOR HUMAN SERVICES PROGRAMS

WHEREAS, Human Services in the State of Colorado are provided through a state supervised, county administered delivery system, and Boulder County is statutorily responsible for raising a portion of the funding for human services through property taxes; and

WHEREAS, unprecedented caseload growth and service demands, coupled with reduced financial support from the State, have placed significant strains on the department's, and community-based safety net human services providers', ability to effectively meet the Boulder County residents' needs within available resources; and

WHEREAS, the precarious financial position has been further exacerbated by state statutory changes made in 2008, which required the county to reduce its TANF reserves, an account that had effectively provided the department with a safety net in times of economic downturn; and

WHEREAS, in order to avoid severe cutbacks in those County human services programs, including potential termination of several such programs, this Board finds that the most appropriate response is to seek an increase in the County's aggregate ad valorem property tax mill levy in order to provide alternative funding for these programs and avoid the cutbacks or termination of services which will otherwise be necessary; and

WHEREAS, to help meet the service demands of Boulder County's residents, the county will be seeking a time-limited five-year property tax mill levy increase, with the expectation that the economic recovery will allow for caseloads to drop and state funding to increase, so that after said five year period, the increased mill levy will no longer be necessary; and

WHEREAS, the intent of this mill levy increase is to generate the necessary revenues to backfill the state's funding gaps to Boulder County created by:

- Significant caseload growth in Food Stamps and Medicaid with no additional state funding to support expanded workload associated with caseload growth;
- Increased demand for Low Income Child Care with no additional funding;
- State cuts to child welfare; and
- State legislation that led to the depletion of the TANF reserves; and

WHEREAS, the federal Food Stamps and Medicaid programs provide the most basic safety net for families and individuals living in poverty. These benefits not only provide food security and medical coverage, the direct benefit to the county's economic development is significant, providing a payer source for medical care, and providing an

influx of millions of dollars into the local economy through the purchase of food. However, a state study of eligibility services associated with Food Stamps and Medicaid determined that it was under-funded by more than \$28 million. The Study found that counties were being under-funded by about one-third of what was needed to support the eligibility activities; and

WHEREAS, in April 2010, Boulder County's combined Medicaid and Food Stamps caseload was 22,161, a 46% increase since April 2007; if funding had been provided to Boulder County in accordance with the state study and kept pace with the caseload growth, Boulder County would have been allocated \$4.66 million, or roughly \$1.8 million more than it received from the state; and

WHEREAS, the Child Care Assistance Program is funded through a block grant from the State of Colorado, and is primarily used to provide child care subsidies to low income working families, and those who, for a short time, are in search of work. Demand from county residents increased significantly from 2007 to 2010, while at the same time, the amount of funding decreased. Parents are required to pay a portion of the cost of the child care, based on their families' incomes; and

WHEREAS, in early 2010, the number of children receiving child care subsidies had grown to 1,056, an increase of 45% over 2007; however, between 2007 and 2010, the funding allocated to Boulder County by the State for the Child Care Assistance Program had dropped by more than \$100,000, and Boulder County was forced to place a freeze on its Child Care Assistance Program beginning in January 2010; as of July 2010, there are 652 children on the waiting list; and

WHEREAS, Boulder County families that are unable to access the subsidy program have difficult choices to make, and may include leaving their children in substandard or unsafe situations that fail to prepare the child for early education, or place the child at risk. For many families, the lack of affordable child care prevents them from accessing work force development services and/or employment; and

WHEREAS, the State provides counties with annual block grants to provide a variety of child welfare related services including: child protection, risk assessment, early intervention, out-of-home placement/foster care, and subsidized adoption; and

WHEREAS, through community partnerships, Boulder County has adopted a very effective collaborative model that has greatly reduced the number of children needing to be removed from their parents' custody, even as the County Department of Human Services received an increased number of reports of child abuse and neglect. However, funding to Boulder County for the program has been cut by the state, despite a 6% increase in child abuse and neglect reports in Boulder County; and

WHEREAS, by state statute adopted in 2008, counties were required to spend down any TANF reserves, which had been used before as a "rainy-day fund" to cover periods when human services caseloads were up and/or state funding for services was

down. However, the state-mandated limits placed on the TANF reserves safety net came at the worst possible time. As the economy fell into recession, from 2008 to 2009, the number of TANF households in Boulder County grew by 41%, and grew by an additional 20% in the first six months of 2010. Where once the department's rainy day TANF reserves balance was in excess of \$14 million, the department now faces the real prospect of fully exhausting its reserve balances altogether. In response, the department has had to terminate long-standing funding support for emergency service community providers, significantly reduce its investment in workforce development, and greatly restrict the level of funding for mental health services; and

WHEREAS, Boulder County seeks to implement many of its human services objectives through a public/private partnership with non-profit agencies through contracts for services with those agencies, and will use certain of the proceeds hereof to preserve current levels of basic human services during the economic downturn for emergency food, shelter, and other safety net services through contracts with such agencies; and

WHEREAS, for all of these reasons, the Board finds that it is appropriate to seek voter approval for a temporary mill levy increase to fund human services to ensure that the state's underfunding of such services does not harm families and children in Boulder County; and

WHEREAS, §29-1-301, C.R.S., provides that County property tax revenues cannot increase more from year to year than 5.5% as computed in compliance with the provisions of that section, unless, pursuant to §29-1-302(2)(b), C.R.S., the question of exempting the increase in property tax revenues is included in the question submitted for an increase in the mill levy, and this Board desires to exempt the revenues in the determination of the limitation as provided in §§29-1-301(2) & 29-1-302(2)(b), C.R.S.; and

WHEREAS, this Board finds that a temporary increase in the County's aggregate mill levy authorization of 0.9 mill (nine-tenths of one mill) is necessary to meet the needs outlined above, and revenues from the balance of the authorized increase shall be deposited in the Boulder County Health and Human Services Property Tax Fund and/or Social Services Fund to be expended for these human services programs; and

WHEREAS, an increase in the mill levy of 0.9 mill would result in an annual increase for a \$300,000 home of approximately \$21; and

WHEREAS, this Board intends that the revenues produced by the temporary increase be as close as possible to the annual deficits in state funding during the five year term of the tax increase, and therefore, in setting the annual mill levy, the Board will review the then-current state fiscal year funding levels for Boulder County. To the extent that the level of the state's funding predicted for the County's next succeeding fiscal year will be increased relative to projected caseloads, the Board, based upon its best estimates at the time of setting the annual mill levy, shall reduce the effective temporary mill levy authorized in this Resolution by providing a temporary mill levy credit against the 0.9

mill authorized hereby for that next succeeding County fiscal year; except that the portion of the revenues from the temporary mill levy used to fund basic human services during the economic downturn for emergency food, shelter, and other safety net services through contracts with non-profit agencies beginning in 2011 shall be subject to reduction only where the Board's assessment, in adopting the budget annually, determines that the unmet needs of eligible services for those non-profit safety net services have been reduced from the prior year; and

WHEREAS, the revenues produced by this increase in the mill levy shall be exempted from the fiscal year spending limitations and be a voter-approved revenue change and property tax revenue change for purposes of the limitations of Art. X, §20, of the Colorado Constitution.

NOW, THEREFORE, BE IT RESOLVED that the Board of County Commissioners of Boulder County, in accordance with Section 20 of Article X of the Colorado Constitution and §29-1-302, C.R.S., does hereby refer to the November 2, 2010, general election ballot a proposal to increase Boulder County property taxes by up to \$5.4 million annually through an increase in the aggregate Boulder County ad valorem property tax mill levy of 0.9 mill (nine-tenths of one mill), such increase to be in excess of property tax revenues that would be permitted under §29-1-301, C.R.S., each year without such increase and a voter-approved revenue change and property tax revenue change, the proceeds to be allocated for services for health and human services programs as outlined in the preamble of this resolution.

BE IT FURTHER RESOLVED that, in setting the annual mill levy, the Board will review the then-current state fiscal year funding levels for Boulder County. To the extent that the level of the state's funding predicted for the County's next succeeding fiscal year will be increased relative to projected caseloads, the Board, based upon its best estimates at the time of setting the annual mill levy, shall reduce the effective temporary mill levy authorized in this Resolution by providing a temporary mill levy credit against the 0.9 mill authorized hereby for that next succeeding County fiscal year; except that the portion of the revenues from the temporary mill levy used to fund basic human services during the economic downturn for emergency food, shelter, and other safety net services through contracts with non-profit agencies beginning in 2011 shall be subject to reduction only where the Board's assessment, in adopting the budget annually, determines that the unmet needs of eligible services for those non-profit safety net services have been reduced from the prior year.

BE IT FURTHER RESOLVED that funds generated by the increase in property tax mill levy will be appropriated annually as determined by the Boulder County Board of County Commissioners in its sole discretion, in accordance with the provisions of this resolution, and nothing contained herein shall be construed as creating a claim by any individual or group for receipt of such funds.

BE IT FURTHER RESOLVED that if any provision of this resolution or the application thereof to any person or circumstances is held invalid, such invalidity shall

not affect other provisions or applications of this resolution which can be given effect without the invalid provision or applications and to this end, the provisions of this resolution are declared to be severable.

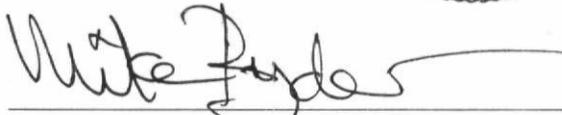
BE IT FURTHER RESOLVED that the proposal set forth in this Resolution shall take effect immediately upon approval by a majority of voters voting thereon at the November 2, 2010 general election, for purposes of adopting the County's aggregate and component mill levy for 2011, the authorized increase in the mill levy being temporary and expiring after the 2015 fiscal year.

ADOPTED this 27<sup>th</sup> day of July, 2010.

(SEAL)

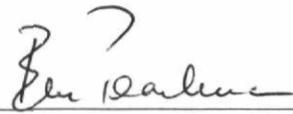


ATTEST:

  
Deputy Clerk to the Board

BOARD OF COUNTY  
COMMISSIONERS OF BOULDER  
COUNTY

  
Cindy Domencio, Chair

  
Ben Pearlman, Vice-Chair

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Will Toor, Commissioner (EXCUSED)