

PROPOSED FEDERAL BUDGET IMPACTS COLORADO CITIES AND TOWNS

Proposed cuts

Many federal programs that assist Colorado municipalities in providing a wide range of public services have been put at risk in the Trump administration's proposed FY 2018 budget. Among the program reduction or elimination proposals:

- Eliminate the \$3 billion Community Development Block Grant program (CDBG). Colorado's 17 municipalities that receive direct disbursements, known as "entitlement communities," shared some \$27 million in 2015, while the state received nearly \$8 million for disbursement to non-entitlement local governments. Cities and towns use CDBG dollars to fund both municipal programs and contract services through nonprofit entities. Housing programs are the major focus, but city council decisions on where to spend CDBG money reflect local needs. Among the wide variety of programs that benefit: public housing, homeless facilities, homeownership assistance, food banks, mental health services, child care services, and senior citizen services.
- Reduce funding for the EPA Superfund program by 30 percent. Colorado has 17 cities and towns that are directly impacted by the 25 Superfund sites in the state.

- Reduce the Amtrak budget by \$630 million to eliminate long distance routes, including the California Zephyr and Southwest Chief that serve Colorado. Coloradans board Amtrak trains in Fort Morgan, Denver, Winter Park/Fraser, Granby, Glenwood Springs, Grand Junction, Lamar, La Junta, and Trinidad. The state is working with local governments and Amtrak on plans to expand service to Pueblo.
- Eliminate the Essential Air Service program, which subsidizes passenger flights to rural areas. Cortez, Pueblo, and Alamosa would lose passenger air service.
- Eliminate TIGER transportation grants that have funded such projects as railroad crossing quiet zones in Windsor, Southwest Chief track improvements in southeast Colorado, and North I-25 improvements impacting Johnstown, Loveland, Windsor, and Fort Collins.
- Reduce funding for U.S. Department of Agricultural-Rural Development programs such as the water and wastewater loan and grant program (recent projects include Wiggins, Crook, and Del Norte) and the rural single-family housing direct loan program.

Tax-exempt status of municipal bonds

The greatest impact Congress can have on improving our nation's infrastructure is retaining the tax-exempt status of municipal bonds. Local government investments in infrastructure financed through municipal bonds are two-and-one-half times that of all federal infrastructure investment. Eliminating or reducing municipal bond tax-exempt status would drive up the cost of financing infrastructure both for municipal budgets and for taxpayers.

Taxpayer deduction of state and local taxes

Elimination of the state and local government tax deduction on federal tax returns would result in double taxation for American taxpayers. In Colorado, one-third of taxpayers use it, with an average deduction of \$2,796. It is not just the top tier income levels making use of the deduction — 40 percent of taxpayers in the \$50,000 to \$75,000 bracket take the deduction, which has been a fundamental element in the federal income tax code since its inception more than a century ago.

For more information, contact CML Executive Director Sam Mamet at smamet@cml.org, 303-831-6411, or 303-866-578-0936.

RURAL THEATER GRANTS AVAILABLE

SINCE 2013, THE COLORADO OFFICE OF Economic Development and International Trade (OEDIT) has helped to revitalize 13 rural community theaters through the Rural Theater Digital Conversion Grant. The grant consists of funds pooled by OEDIT, Denver Film Society, Gates Foundation, and Boettcher Foundation, to assist rural movie theaters with the cost of new digital equipment, providing funding up to \$20,000.

There is still \$130,000 of the \$348,000 in funds approved by the Colorado Economic

Development Commission (EDC) for any eligible rural theater looking to digitize its film equipment.

Both nonprofit and for-profit theaters can apply for funds. The available funding amount is variable and dependent on total demand, the specific theater, and theater location. For grant requirements or to apply, visit www.coloradosbdc.org/resources/theater.

If you have questions, contact Bob Todd at robert.todd@state.co.us or 303-892-3824.

MUNICIPAL DATA MAP

MUNICIPAL PROFILES FOR ALL 272 Colorado cities and towns are just a click away using the new Municipal Data Map featured on the CML website (www.cml.org/muni-map). Developed jointly by CML and the Colorado Department of Local Affairs (DOLA), the map was brought to life by DOLA GIS Developer Todd Bleess. Population, tax rates, websites, and more can be viewed using this interactive graphic.

CML Research Analyst Mark Radtke said, "This is a tool that will be useful to CML members in many ways, such as comparing tax rates in a region or among peer municipalities."

To access this new feature, visit the CML website (www.cml.org), click "Resources," then select "Municipal Data Map."