Other Operational Savings

The budget problem will not be solved by addressing only "waste, fraud and abuse," the all-too-common political football. We do not want to dismiss the opportunity to save a couple hundred thousand or a few million dollars, however. That's real money that must come from citizens, who certainly expect continued efforts by government to locate efficiencies.

A. The Division of Housing must certify "all factory/ manufactured structures built in or shipped to Colorado and approve(s) multifamily construction in counties with no construction codes."[1] In order to provide this service, Division employees travel across the country to manufacturing plants at taxpayer expense. Although the Division has the option of using third party inspectors,[2] it does not do so. There is little justification for using the Colorado government to inspect manufactured-housing plants in other states, rather than relying on ratings from private insurance policies. It is even more puzzling why our government sends people from Colorado to inspect these plants when the job could easily be done by contracting with local inspectors in the several states where factories operate.

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B. The Department of Local Affairs (DOLA) provides training classes to improve operations of town, county and special governments. It is difficult to quantify how much is spent each year on training because itemized costs are not accounted for. Four organizations could perform the training function: Colorado Municipal League, Colorado Counties, Special Districts Association and Colorado Association of School Boards are membership organizations that represent local communities in Colorado. They coordinate with DOLA to ensure classes are not redundant with their own training. Turning training over to professional groups would save the State money not only for the classes themselves but also reduce the number of employees and overhead required by each division.

C. Tony Grampsas Youth Services Program. Although it is protected by a well-respected name, there was a time when "midnight basketball" spending was not considered a serious crime prevention activity. Well over a decade after this experiment began, Colorado's program still exists, and spends an even $1,000,000 from general funds in 2008-09. The goals of this program are noble, "to provide funding to community-based organizations that serve children, youth and their families with programs designed to reduce youth crime and violence and prevent child abuse and neglect."[3] The operation could be turned back to the private sector, which likely would take great care in disbursing money raised by charity. Generally, central planners do not consistently put moneys to the highest and best use. For example, funded programs include a 26-week cultural enrichment course at a cost of $588 per child served. Should tax payers be forced to pay $90 per month, per student, for art classes?

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D. The State Fair is part of a separate political Authority within the Department of Agriculture. The State Auditor issued negative findings of the State Fair over the course of several years.[4]

Operations have consistently relied on significant General Fund subsidies to make up hefty deficits. In addition, the capital construction budget has provided millions more into the facilities in Pueblo.

The State Fair was begun at a time when agriculture played a major portion of the Colorado economy and has run for 125 years. Large agri-businesses should now provide the operations and subsidies, as the Colorado economy has diversified beyond its first industries. It has continued value in exposing families whose lives are centered around the city to rural life, activities and values. An operational audit shows the Authority had a net operating loss of $2.4 million in the year ending June 2008. It has lost money every year for a very long time, and in the prior five years losses total $8 million.[5] Some of the current subsidy is going to pay off a capital loan. After that debt is discharged and the new business plan is in effect, current plans call for subsidies of $800,000 per year for all future years. The Auditor's Office projects that the Authority will incur losses above that figure.[6]

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Endnotes

[1] Strategic Plan for FY 2010-11, pg. 19.

[2] Telephone interviews by Todd Hollenbeck with Department of Local Affairs Deputy Director Bruce Eisenhauer and that Department's Public Information Officer, Linda S. Rice, July 2010.

[3] Tony Grampsas Youth Services Program 2008-09 Annual Report, http://www.cdphe.state.co.us/ps/tgys/2008-2009%20TGYS%20Annual%20Report%20FINAL.pdf P.2.

[4] "Financial and Compliance Audit, Fiscal Years ended June 30, 2008 and 2007." Colorado State Auditor.

[5] Ibid.

[6] Ibid.