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*REPORT TO THE SUBCOMMITTEE ON  
INTERGOVERNMENTAL RELATIONS  
COMMITTEE ON  
GOVERNMENT OPERATIONS  
UNITED STATES SENATE*

Case Studies Of Revenue Sharing  
In 26 Local Governments

**ENCLOSURE N**

City and County of Denver, Colorado

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*BY THE COMPTROLLER GENERAL  
OF THE UNITED STATES*

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## SUMMARY

At the request of the Chairman, Subcommittee on Intergovernmental Relations, Senate Committee on Government Operations, GAO conducted case studies on general revenue sharing at 26 selected local governments throughout the country, including the consolidated city and county of Denver, Colorado.

For the period January 1, 1972, through June 30, 1974, Denver was allocated a total of \$31,679,798 in revenue sharing funds, or \$61.55 per capita. Of the amount allocated, \$28,366,401 was received by June 30, 1974, and \$3,313,397 was received in July 1974. The revenue sharing funds allocated to Denver were equivalent to about 14.5 percent of its own tax collections.

The Chairman's letter listed seven areas on which the Subcommittee wanted information. Following is a brief description of the selected information GAO obtained on each area during its review of Denver.

1. The specific operating and capital programs funded in part or in whole by general revenue sharing in each jurisdiction. Denver had obligated or expended \$17,272,994 through June 30, 1974, in the following designated functional areas:

Operations and maintenance:	
Public safety	\$ 6,051,062
Public transportation	2,250,800
Health	1,318,300
Recreation	135,000
Social services for poor or aged	573,959
Environmental protection	418,103
Financial administration	87,290
	<hr/>
Total	10,834,514
Capital acquisitions:	
Highway and streets	\$ 2,827,235
Recreation	2,314,253
Public safety	353,886
Environmental protection	302,182
Hospitals or clinics	131,589
Other	509,335
	<hr/>
Total	6,438,480
Total	<u>\$17,272,994</u>

The city's accounting records showed that, within these use designations, \$5,578,670 was transferred to the general fund to reimburse fire department payrolls and \$1,911,516 was used for land for a sports arena complex.

2. The fiscal condition of each jurisdiction, including its surplus or debt status. Denver's financial condition has been under pressure in recent years. The general fund's expenditures have increased faster than its revenue earmarked for the general fund. This condition has been offset by diverting capital improvement revenue to the general fund (about \$14.6 million from 1971-74.). In addition, there is evidence that Denver's economic base is in the early stages of decline and that its present revenue structure suffers from regressivity and inflexibility. Despite these problems, tax rates have been stable and the long-term debt is well within statutory limits. Denver's total fund balances at the end of its 1969-73 fiscal years showed a surplus position. However, its general obligation debt had increased substantially from \$21.4 million in 1969 to \$83.7 million at the end of 1974.

3. The impact of revenue sharing on local tax rates and any changes in local tax laws, and an analysis of local tax rates vis-a-vis per capita income. Denver levies six major taxes, which have provided over two-thirds of the general fund revenue during the past 5 years as well as providing revenue for various other funds. These six taxes are: a 27.411 mill tax levied on the assessed value of real property, a 3 percent sales tax, a portion of a 2.1 percent tax on the depreciated list price of automobiles, a \$2 per month occupation tax assessed on workers and employers, a 4 percent tax on lodging, and franchise taxes of 2.5 percent of local telephone exchange receipts and 3 percent of gas and electricity sales. Revenue sharing funds helped Denver meet increasing operations costs without creating new taxes or increasing tax rates.

Denver's revenue-generating ability has been questioned by a local research organization, which completed a study in 1974 pointing out unfavorable population and business trends. These trends indicate an increased demand for services and a reduced economic base available for generating revenues to support expanded public services.

The percentage of a family's income that is paid to the city and county of Denver, other local governments--including school district and special district governments--and to the State government varies as family income increases. The tax burden for a family of four decreased from 10.8 percent of family income to 10.5 percent and increased to 11.1 percent

as family income increased from \$7,500 to \$12,500 and \$17,500, respectively.

4. The percentage of the total local budget represented by general revenue sharing. Revenue sharing funds received by to Denver for the 2 years ended December 31, 1973, averaged about 3.5 percent of the budgets for these years. (Denver did not include revenue sharing funds in its 1972 budget.) About 6.8 percent of its 1973 budget consisted of revenue sharing funds; after including the school district budget, the percentage was 4.9.

5. The impact of Federal cutbacks in three of four specific categorical programs and the degree, if any, that revenue sharing has been used to replace those cutbacks. In calendar years 1971, 1972, 1973, and 1974, Denver received \$22.8, \$25.9, \$27.0, and about \$25.5 million respectively, in direct Federal aid other than revenue sharing. The most significant reduction in Federal aid has been for the neighborhood health program, where Federal grant awards have decreased from \$9 million in 1972 to \$5.9 million in 1975. Denver used \$900,000 of revenue sharing funds for this program's 1973 operations and appropriated \$801,350 of revenue sharing funds through June 30, 1974, for youth and manpower training programs to supplement amounts received from Federal grants. In addition, Denver appropriated \$200,000 of revenue sharing funds to assist homeowners in correcting violations cited under the federally assisted code enforcement program. However, the appropriation is expected to be rescinded because of legal questions about Denver's right to expend funds for this purpose.

6. The record of each jurisdiction in complying with the civil rights, Davis-Bacon, and other provisions of the law. Since 1957, Colorado law has prohibited discrimination in employment, housing, and public accommodations because of race, creed, color, religion, or national origin. A State commission was created to enforce this provision. About 64 percent of Denver employees are covered by a similar provision in the city charter. Other city employees are under several different personnel systems, some of which have formal policies specifically prohibiting discrimination in employment practices.

According to the 1970 census, the civilian labor force in Denver included 21 percent black and Spanish-surnamed minorities (12 percent male and 9 percent female) and 32 percent females. As of June 30, 1974, city government employees included 28 percent black, Spanish-surnamed, and other minorities (17 percent male and 11 percent female) and 21 percent white females. Although the overall racial

composition of the city government work force compares favorably with that of the total work force, minority representation in the fire and police protection functions was only 7 and 16 percent, respectively. On the other hand, the sanitation and sewage function had 60 percent minorities, and the health, hospital, and sanitorium functions had 39 percent minorities. For the entire city government, minorities made up 10 percent of the officials/administrators (17 percent when considering only career service employees) and 59 percent of the service/maintenance job categories.

In two civil rights suits, one against the police department and one against the fire department, the Federal district court ruled that entrance tests needed to be validated to insure job relatedness and that minorities were not adequately represented in the work force. The city has agreed to hire one minority for each "Anglo" to achieve adequate minority representation in these departments.

A total of 331 complaints have been filed against city agencies since December 31, 1971, alleging discrimination in employment. This represents complaints on file with two commissions having jurisdiction over city agencies and could, therefore, include some duplication. Of these complaints, 186 had been closed at the time of our review, 44 because there was no probable cause or no jurisdiction. Results of many closed cases were not readily available.

The city does not use clauses required by the Davis-Bacon provision as implemented by Office of Revenue Sharing regulations in its construction contracts, but it does require minimum wages at least equal to those required by the provision. GAO believes the city complies with the revenue sharing prevailing wage provision.

7. Public participation in the local budgetary process, and the impact of revenue sharing on that process. Reports on the planned and actual use of revenue sharing funds are published in a local newspaper which serves the general public. In addition, all ordinances appropriating revenue sharing funds are published in a local business newspaper Denver uses for legal notices. This newspaper serves construction, law, real estate, insurance, and financial fields.

Public hearings were held on the mayor's 1973 budget, which included \$20,079,000 of revenue sharing funds. Public hearings were not held in connection with nine subsequent ordinances which rescinded and reappropriated \$8,100,000 of revenue sharing funds in the mayor's budget and added

\$1,954,600 to the amount of revenue sharing funds appropriated for 1973. These ordinances included \$2,034,100 to fund eight programs recommended by a citizens advisory council, which had been established to review services and programs affected by Federal funding reductions.

## CHAPTER 1

### INTRODUCTION

The State and Local Fiscal Assistance Act of 1972 (Public Law 92-512), commonly known as the Revenue Sharing Act, provides for distributing about \$30.2 billion to State and local governments for a 5-year program period beginning January 1, 1972. The funds provided under the act are a new and different kind of aid because the State and local governments are given wide discretion in deciding how to use the funds. Other Federal aid to State and local governments, although substantial, has been primarily categorical aid which generally must be used for defined purposes. The Congress concluded that aid made available under the act should give recipient governments sufficient flexibility to use the funds for their most vital needs.

On July 8, 1974, the Chairman, Subcommittee on Intergovernmental Relations, Senate Committee on Government Operations, requested us to conduct case studies on general revenue sharing at 26 selected local governments throughout the country. The request was part of the Subcommittee's continuing evaluation of the impact of general revenue sharing on State and local governments. The Chairman requested information on

- the specific operating and capital programs funded by general revenue sharing in each jurisdiction;
- the fiscal condition of each jurisdiction;
- the impact of revenue sharing on local tax rates and tax laws, including an analysis of tax burden on residents of each jurisdiction;
- the percentage of the total budget of each jurisdiction represented by general revenue sharing;
- the impact of Federal cutbacks in several categorical programs and the degree, if any, that revenue sharing has been used to replace those cutbacks;
- the record of each jurisdiction in complying with the civil rights, Davis-Bacon, and other provisions of the law; and
- public participation in the local budgetary process and the impact of revenue sharing on that process.

Denver, Colorado, is one of the 26 selected local governments, which include large, medium, and small municipalities and counties as well as a midwestern township.

BACKGROUND INFORMATION ON CITY  
AND COUNTY OF DENVER

The city and county of Denver are the same entity and have the same boundaries. Denver is the largest municipality in the Rocky Mountain area, with a population of about 500,000. It is the core of a five-county metropolitan area having a population of over 1.2 million. The city serves as the major trade and distribution center for the entire Rocky Mountain area. The services sector of Denver's economy provides the largest source of employment, followed by trade, government, and manufacturing.

Denver's economic base, stable and diverse, compares to many large eastern cities; evidently, however, it is in the early stage of decline. Denver's median family income is lower than that of the surrounding four counties and the Nation. According to 1970 census data, families in Denver had a median income of \$9,654. Families in the four surrounding counties had a median income of \$11,455, while the national median was \$9,867.

In 1904 Denver adopted a home rule charter providing for a consolidated city and county government. It is governed by a mayor and 13 member-council, both elected on a nonpartisan basis for 4-year terms. Other elective city officials include the auditor and two election commissioners. Elective county officials include county judges, juvenile court judges, and a district attorney.

Denver is responsible for providing a full range of public services. Education, however, is provided by an independent district coterminous with the city and county and governed by an elected seven-member board of education, which sets its own property tax mill levy for revenues.

A city-owned water system is administered by a five-member board of water commissioners appointed for 6-year terms by the mayor. The water system collects and diverts water from the nearby mountains. It is self-supporting and provides water to city users and to a substantial number of other users in the metropolitan area.

## REVENUE SHARING ALLOCATION

Revenue sharing funds are allocated according to a formula in the Revenue Sharing Act. The amount available for distribution within a State is divided into two portions-- one-third for the State government and two-thirds for all eligible local governments within the State.

The local government share is allocated first to the State's county areas (these are geographic areas, not county governments) using a formula which takes into account each county area's population, general tax effort, and relative income. Each individual county area amount is then allocated to the local governments within the county area.

The act places constraints on allocations to local governments. The per capita amount allocated to any county area or local government unit (other than a county government) cannot be less than 20 percent, nor more than 145 percent, of the per capita amount available for distribution to local governments throughout the State. The act also limits the allocation of each unit of local government (including county governments) to not more than 50 percent of the sum of the government's adjusted taxes and intergovernmental transfers. Finally, a government cannot receive funds unless its allocation is at least \$200 a year.

To satisfy the minimum and maximum constraints, the Office of Revenue Sharing uses funds made available when local governments exceed the 145 percent maximum to raise the allocations of the State's localities that are below the 20 percent minimum. To the extent these two amounts (amount above 145 percent and amount needed to bring all governments up to 20 percent) are not equal, the amounts allocated to the State's remaining unconstrained governments (including county governments) are proportionally increased or decreased.

Denver was not raised to the 20 percent minimum constraint or lowered to the 145 percent maximum constraint in any of the first four entitlement periods (January 1, 1972, through June 30, 1974), but constraints applied to other governments in the State resulted in an increase in Denver's allocation. Our calculations showed that, if the allocation formula were applied in Colorado without all the act's constraints, Denver's allocation for the period January 1, 1972, through June 30, 1974, would have been \$30,884,843. However, because these constraints were applied, Denver's final allocation was \$31,694,705. Initial allocations and payments

to Denver for the same period were \$31,679,798, including \$3,313,397 received in July 1974. The payment for the next entitlement period will be increased by \$14,907, the difference between initial and final allocations.

The following schedule shows revenue sharing per capita and revenue sharing as a percentage of adjusted taxes for Denver (population of 514,678) and the next two largest cities in Colorado, Colorado Springs and Pueblo, with populations of 135,060 and 97,453, respectively.

<u>City</u>	Revenue sharing funds received for the period January 1, 1972, through June 30, 1974		
	<u>Received</u> (note a)	<u>Per capita</u> <u>share</u>	<u>As a percent of</u> <u>taxes (note b)</u>
Denver	\$31,679,798	61.55	14.5
Colorado Springs	4,861,567	36.00	21.0
Pueblo	4,247,307	43.58	27.9

a/Includes payment received in July 1974 for quarter ended June 30, 1974.

b/Fiscal year 1971 and 1972 taxes, as defined by the Bureau of the Census, were used and adjusted to correspond to the 2-1/2-year period covered by the revenue sharing payments.

For Colorado, the 145 percent constraint for the period covered was \$65.04 per capita. The 20 percent constraint was \$8.96 per capita.

## CHAPTER 2

### BUDGETING AND PUBLIC PARTICIPATION

#### IN THE BUDGETARY PROCESS

Denver maintain separate fund accounts for general operations, welfare, grants, pensions, special and trust funds, waste water control, capital equipment and improvements, debt service, and operations of the water works, airport, transit system, stadium, and offstreet parking facilities. Services provided through general fund operations are the county court, district attorney, public works including trash collection and street maintenance, parks and recreation including maintenance of 13,500 acres of mountain parks located outside the city limits, a 480-bed hospital, police and fire protection including operation of both a city and a county jail, libraries, theaters and arenas, and other miscellaneous services.

Local taxes are the primary revenue source for general operations, pensions, debt servicing, and captial equipment and improvements. Welfare and grant funds are received primarily from the State and Federal governments. However, Denver makes a sizable contribution to the total welfare budget, which in 1973 and 1974 amounted to over 14 percent of Denver's property tax levy. Special and trust funds include funds for public health nursing, social security, workmen's compensation, museums, zoo, botanical gardens, and the convention center. Revenues to these special and trust funds are primarily transfers from the general fund. Sewer charges are the primary revenue source for waste water control. The transit system was subsidized by the city until it was sold in 1974, but the water works, airport, stadium, and parking facilities are self-supporting.

#### RELATIONSHIP OF REVENUE SHARING TO TOTAL BUDGET

During the 2-year period ended December 31, 1973, budgets for Denver totaled approximately \$612.8 million. Revenue sharing funds received in this period totaled approximately \$21.7 million, or about 3.5 percent of the total budgeted for the 2-year period.

The following table shows Denver's budget for 1971, the year prior to revenue sharing. It also shows revenue sharing funds received and budgeted for 1972 and 1973, and their relationship to Denver's budgets for these years.

<u>Denver</u>	<u>Completed fiscal year</u>		
	<u>1971</u>	<u>1972</u>	<u>1973</u>
	(000 omitted)		
Combined city operating budgets	\$245,327	\$288,746	\$324,072
School district budget	<u>113,219</u>	<u>123,666</u>	<u>129,908</u>
Total	<u>\$358,546</u>	<u>\$412,412</u>	<u>\$453,980</u>
Revenue sharing payments received	-	\$5,915	\$15,824
Revenue sharing funds budgeted (note a)	-	-	\$22,034
Cumulative revenue sharing pay- ments received but not budgeted (note a)	-	\$5,915	\$700
Percentage of city operating budgets represented by revenue sharing	-	-	6.8
Percentage of city and school district budgets represented by revenue sharing	-	-	4.9

a/Includes interest earned.

School district budget data is included in the foregoing table to make the budgets comparable with those of local governments whose responsibilities include operating local school systems. Although independent school districts do not receive revenue sharing funds directly from the Federal Government, the financing of public schools is a major responsibility at the local government level and represents a significant part of the local tax burden.

Revenue sharing has amounted to a small percentage of total operating costs, as shown in the following schedule.

Fund	City and county of Denver budgeted operating costs			Revenue sharing funds budgeted
	FY 1971	FY 1972	FY 1973	FY1973
	(000 omitted)			
General fund:				
General government	\$ 8,143	\$ 8,444	\$ 7,908	\$ 47
Department of safety and excise	29,364	35,513	39,800	370
Department of health and hos- pitals	15,449	17,953	20,037	418
Department of public works	14,407	15,743	17,811	235
Department of parks and recrea- tion	5,128	5,638	6,574	500
Department of general services	5,487	5,841	6,808	135
Department of revenue	2,953	3,196	3,335	-
Independent agencies	6,158	7,174	7,470	133
Payments to the elderly	-	-	800	-
Total	87,089	99,502	110,543	1,838
Welfare fund	40,027	41,851	42,464	-
Grant funds	31,513	32,332	35,662	1,846
Pension funds	15,659	16,783	16,276	-
Special and trust funds	12,763	14,410	17,705	-
Waste water control fund	7,857	9,273	9,149	-
Capital equipment and improvements fund	7,382	9,874	20,790	16,250
Debt service fund	5,021	5,418	10,097	-
Enterprise funds:				
Water works	21,255	23,661	29,180	-
Airport	11,394	25,189	21,204	-
Transit system	4,455	9,626	10,055	2,100
Stadium	695	611	729	-
Off-street parking	217	216	218	-
Total	38,016	59,303	61,386	2,100
Total	<u>\$245,327</u>	<u>\$288,746</u>	<u>\$324,072</u>	<u>\$22,034</u>

In 1973 Denver transferred, from the capital improvements fund, \$6,027,400 to the general fund and \$1,050,000 to the transit system fund. Revenue sharing funds were used to finance capital improvements that would not have been funded by the regular budget until later. Many capital projects financed by revenue sharing funds were included in the capital improvements program covering the 6-year period 1972-77.

The transit system fund received \$2,100,000 from revenue sharing and \$1,050,000 from the capital improvements fund to cover operating losses. The transit system was sold in 1974 to the regional transportation district, which has its own tax sources to cover any operating deficits.

PUBLIC INVOLVEMENT IN  
BUDGETARY PROCESS

The Denver charter requires the mayor, each October, to submit to the council a proposed budget for the ensuing year prepared by the agencies, departments, boards, commissions, and other spending agencies of the city and county. This budget cannot exceed estimated opening fund balances and anticipated income. The budget for capital improvements includes plans for a 6-year program.

When the operating departments complete preparation of their requests in June or July each year, copies are sent to the council for its review. Open hearings are held in the mayor's office to develop the budget that will be submitted to the council for approval. Several meetings are involved, and a portion of the budget is discussed at each meeting. The meetings are attended by council members and the council's budget analyst. Heads of departments attend the meetings dealing with their requests. Although not required by charter, these meetings have been open to the public for several years and the press generally attends.

Prior to council action on the budget, a notice is published showing that the budget is open for public inspection. Taxpayers may file or register objections prior to final adoption of the budget, and any objections must be considered by the council.

Council meetings are open to the public. Bills introduced to the council cannot be acted upon for 7 days and are published in a local newspaper after introduction. Objections can be made to council members, and the council will usually grant interested parties permission to be heard at regular council sessions. By charter, such permission must be given on the mayor's budget. These public hearings are announced in the newspaper. Minutes of council proceedings, include the names of persons speaking on any issue. A record is not maintained of what was said by these interested parties or the council members.

The mayor's budget for 1973 included \$20,079,000 of revenue sharing funds when the required public hearings were held, one person spoke against the budget, but no record was made of what was said. Nine subsequent ordinances rescinded and reappropriated \$8,100,000 of revenue sharing funds in the mayor's budget and increased the total 1973 budgeted amount of revenue sharing funds to \$22,033,600.

Public hearings were not held on these nine ordinances. The ordinances included \$2,034,100 to fund eight programs recommended by the Denver Citizens Federal Grant Advisory Council, a group established in April 1973 to review services and programs affected by Federal funding reductions and to make recommendations about the use of city revenues concerning those programs.

The advisory council was requested to evaluate the advisory process and make recommendations for future citywide citizen participation in community government processes. It recommended funding for 21 programs, 8 of which were funded by revenue sharing and also recommended establishing a permanent advisory council to develop recommendations for all revenue sharing funds. It recognized that this could necessitate considering all other funding sources to avoid duplication.

Denver representatives said citizens groups can help determine human and social program priorities. Such advisory groups have been established under Model Cities and the Community Development Act. However, these representatives believe that it would be impractical and unproductive for any advisory groups to consider all aspects of the mayor's budget, a procedure recommended by the Denver Citizens Federal Grant Advisory Council regarding revenue sharing.

Reports on the planned and actual use of revenue sharing funds have been published in a local newspaper which serves the general public. In addition, all ordinances appropriating revenue sharing funds are published in a local business newspaper used by the city and county of Denver for legal notices. This newspaper serves construction, law, real estate, insurance, and financial fields.

## CHAPTER 3

### PROGRAMS FUNDED WITH REVENUE SHARING

Denver was allocated \$31,679,798 in revenue sharing funds for the period January 1, 1972, through June 30, 1974. Of the amount allocated, \$28,366,401 was received by June 30, 1974, and \$3,313,397 was received in July 1974. As of June 30, 1974, interest earned from investment of the funds totaled \$1,839,807. Of the funds allocated for the period ended June 30, 1974, and the interest earned thereon, the city has expended \$15,173,633 and obligated \$2,099,361.

### USES OF REVENUE SHARING

The uses of revenue sharing funds described in this chapter are those reflected by the Denver's financial records. As we have pointed out in earlier reports on the revenue sharing program ("Revenue Sharing: Its Use by and Impact on State Governments," B-146285, Aug. 2, 1973, and "Revenue Sharing: Its Use by and Impact on Local Governments," B-146285, Apr. 25, 1974), fund "uses" reflected by the financial records of a recipient government are accounting designations of uses. Such designations may have little or no relation to the actual impact of revenue sharing on the recipient government.

For example, in its accounting records, a government might designate its revenue sharing funds for use in financing environmental protection activities. The actual impact of revenue sharing on the government, however, might be to reduce the amount of local funds which would otherwise be used for environmental protection, thereby permitting the "freed" local funds to be used to reduce tax rates, to increase expenditures in other program areas, to avoid a tax increase or postpone borrowing, to increase yearend fund balances, and so forth.

Throughout this case study, when we describe the purposes for which revenue sharing funds were used, we are referring to use designations as reflected by city financial records.

### Functional uses

The following schedule shows the functional designations of Denver's expended and obligated revenue sharing funds through June 30, 1974.

<u>Function</u>	<u>Expended</u>	<u>Obligated</u>	<u>Total</u>
Operations and maintenance:			
Public safety	\$ 6,051,062	\$ -	\$ 6,051,062
Environmental protection	364,592	53,511	418,103
Public transportation	2,250,800	-	2,250,800
Health	1,318,300	-	1,318,300
Recreation	135,000	-	135,000
Social services for poor or aged	539,665	34,294	573,959
Financial administration	87,290	-	87,290
Total	<u>10,746,709</u>	<u>87,805</u>	<u>10,834,514</u>
Capital acquisitions:			
Highways and streets	1,423,251	1,403,984	2,827,235
Hospitals or clinics	20,357	111,232	131,589
Public safety	310,407	43,479	353,886
Recreation	2,290,551	23,702	2,314,253
Environmental protection	302,182	-	302,182
Other	80,176	429,159	509,335
Total	<u>4,426,924</u>	<u>2,011,556</u>	<u>6,438,480</u>
Total	<u>\$15,173,633</u>	<u>2,099,361</u>	<u>17,272,994</u>

Specific uses

The following schedule shows the specific designations of Denver's expended and obligated revenue sharing funds for operations and maintenance items through June 30, 1974.

	<u>Expended</u>	<u>Obligated</u>
Public safety:		
Fire department salaries	\$ 5,578,670	\$ -
Police department overtime	250,000	-
Undersheriff pay increase	120,000	-
District attorney office	50,000	-
County court salaries	24,069	-
Building department inspector's salary	19,923	-
City attorney annexation costs	8,400	-
Environmental protection:		
Elm tree disease control	364,592	53,511
Public transportation:		
Transit system	2,100,000	-
Fuel oil reserves	100,000	-
Department of public works-- pay increase and overtime	50,800	-
Health:		
Neighborhood health program	900,000	-
Hospital pay increase	418,300	-
Recreation:		
Theaters and arenas--costs of unanticipated bookings	135,000	-
Social services:		
Manpower training programs:		
In-school youth	176,327	587
Other manpower	225,056	33,195
Grant to an independent association to assist minority businesses	112,631	240
Other	25,651	272
Financial administration:		
Cost of additional election	82,500	-
Department of public works-- salary of clerk	<u>4,790</u>	<u>-</u>
Total	<u>\$10,746,709</u>	<u>\$87,805</u>

The following schedule shows the specific designations of Denver's expended and obligated revenue sharing funds for capital items through June 30, 1974.

	<u>Expended</u>	<u>Obligated</u>
Highways and streets:		
Citywide street repairs	\$ 409,751	\$ 55,178
Citywide sidewalk and bus loading	89,970	13,914
Bridge and viaducts--rehabilita- tion, extension, and inspection	204,448	118,782
Replace 13th Street bridge	68,927	246,156
Widen Sheridan--Hampden to Quincy	166,456	31,551
Industrial roadway and railway	-	13,640
Asphalt plant	53	434,947
Convention center parking	17,063	5,687
Equipment for public works depart- ment	366,020	406,027
Other	100,563	78,102
Hospitals or clinics:		
Health station	11,050	36,000
Hospital operating room renovation	9,307	-
Hospital equipment	-	75,232
Public safety:		
Automobiles--police department	134,329	-
Automobiles--undersheriff	27,893	-
Other equipment--police and fire departments	99,213	-
Replacement of two fire stations	48,972	43,479
Recreation:		
Land for sports arena complex	1,894,435	17,081
Stadium lighting improvement	201,494	30
Stadium restroom renovation	19,969	6,591
Equipment for department of parks and recreation	174,653	-
Environmental protection:		
Platte River valley improvement	2,425	-
Citywide curb, gutter, sidewalk, and drainage	299,757	-
Other:		
Land for U.S. Mint relocation	36,790	19,945
General purpose equipment	-	403,399
Air-condition branch libraries	43,386	5,815
Total	<u>\$4,426,924</u>	<u>\$2,011,556</u>

Revenue sharing funds have been used to benefit all segments of Denver's population. However, as the League of Women Voters of Denver pointed out in its October 1974 report on monitoring revenue sharing, the city's tight

financial situation does not allow the use of revenue sharing for special needs of the poor and aged. The report said the majority of the electorate is served by capital acquisitions, cultural and recreational opportunities, and the maintenance of city services.

Plans for unobligated funds

Denver appropriated \$12 million of its available revenue sharing funds for 1974 operations and maintenance expenses of the fire department. Denver plans to continue transferring a large part of its revenue sharing funds to the general fund for fire department expenses. For 1975, \$13 million has been appropriated for this purpose.

ACCOUNTING FOR REVENUE SHARING FUNDS

Revenue sharing funds are commingled in the bank accounts but accounted for separately in the records. The funds are budgeted, obligated, expended, and otherwise accounted for separately from but in the same manners as other funds. Unexpended revenue sharing funds are also invested separately from other funds. Expenditures are either made directly from the fund or recorded as transfers to other funds. Through June 30, 1974, \$9,842,452 of revenue sharing funds had been transferred to the following funds.

General fund	\$6,842,452
Transit fund	2,100,000
Neighborhood health program fund	900,000

Except for \$5,592,452 transferred to the general fund as a reimbursement of fire department and other payrolls, the transfers were not for specific expenditures. Transfers to the transit and neighborhood health program funds were to cover operating deficits, and a \$1,250,000 transfer to the general fund was for additions to the budgets of specified operating units.

AUDITS OF REVENUE SHARING

The records of Denver's auditor and the treasurer are examined annually by a firm of certified public accountants. The examination for 1973 included revenue sharing transactions. The report on this examination contains the opinion that the financial statements presented fairly Denver's investments and fund balances at December 31, 1973, and the changes in fund balances for the year then ended, in accordance with generally accepted accounting principles, applied on a basis consistent with that of the preceding year.

At the time of our review, compliance with provisions of the Revenue Sharing Act had not been reviewed, and the Office of Revenue Sharing had not audited Denver's revenue sharing activities.

## CHAPTER 4

### COMPLIANCE PROVISIONS OF

### THE REVENUE SHARING ACT

The act provides that, among other requirements, each recipient shall

- create a trust fund in which funds received and interest earned will be deposited. Funds will be spent in accordance with laws and procedures applicable to expenditure of the recipient's own revenues;
- use fiscal, accounting, and audit procedures which conform to guidelines established by the Secretary of the Treasury;
- not use funds in ways which discriminate because of race, color, national origin, or sex;
- under certain circumstances, not use funds either directly or indirectly to match Federal funds under programs which make Federal aid contingent upon the recipient's contribution;
- observe requirements of the Davis-Bacon provision on certain construction projects in which the costs are paid out of the revenue sharing trust fund;
- under certain circumstances, pay employees who are paid out of the trust fund not less than prevailing rates of pay; and
- periodically report to the Secretary of the Treasury on how it used its revenue sharing funds and how it plans to use future funds. The reports shall also be published in the newspaper and the recipient shall advise the news media of the publication of such reports.

Further, local governments may spend funds only within a specified list of priority areas.

For purposes of this review, we gathered selected information relating to the nondiscrimination, Davis-Bacon, and prevailing wage provisions.

NONDISCRIMINATION PROVISION

The act provides that no person in the United States shall, on the ground of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with general revenue sharing funds.

As of June 30, 1974, the Denver government work force consisted of 10,207 persons, the majority of whom were under the career service authority. Separate personnel systems were in effect for policemen, firemen, the board of water commissioners, the library commission, museums, and several independent agencies. As of June 30, 1974, the work force under these various personnel systems was as follows:

Career service authority	6,506
Policemen	1,340
Firemen	930
Board of water commissioners	880
Denver library commission	351
Museums	125
Other	<u>75</u>
Total	<u>10,207</u>

The career service authority is authorized by the Denver charter. The charter states that the personnel rules of the career service authority must provide that no discrimination shall be made because of race, color, creed, national origin, or political opinion or affiliation. Further, no discrimination shall be made because of the age or sex of an individual.

On December 10, 1974, the career service board passed a resolution reaffirming its policy that

- recruitment, selection, training, and promotion of persons in all job classifications will be accomplished without regard to sex, race, color, creed, national origin, or political opinion or affiliation;
- employment decisions will be based on principles of equal employment opportunity;
- validated tests will be used for selection and promotion; and

--all personnel actions such as compensation, promotion, benefits, transfers, layoffs, return from lay-off, city-sponsored training, education, and tuition assistance will be accomplished without regard to sex, race, color, creed, national origin, or political opinion or affiliation.

In response to the board action, the career service authority prepared an affirmative action program for 1975 with the following goals.

1. Conduct an aggressive program of outreach recruitment designed to reach minorities and women.
2. Continue an intensive test validation program--15 classes to be subjected to intensive review by the end of 1975.
3. Support community action programs related to employment of minorities and women and develop an instructional unit on preemployment-interviewing techniques for supervisors during the year.
4. Complete automation of the applicant census.
5. Complete analysis of new applicant census statistics and institute appropriate affirmative action to remedy any deficiencies identified as a result.

According to officials, of the other major employment systems in the city, the water and library systems specifically preclude discrimination because of color, creed, race, sex, and national origin, while the police and fire departments do not but do provide that employment actions be based solely on merit and qualifications.

Since 1957, Colorado has prohibited discrimination in employment based on race, creed, color, national origin, and religion. A State Civil Rights Commission of seven members appointed by the Governor was created at that time to enforce these prohibitions as well as nondiscrimination in housing and public accommodations. Enforcement is first attempted by means of conference and conciliation agreement. If unsuccessful, the commissioners may hold a public hearing and issue their decision, which has the force and effect of law but may be appealed through the courts.

Comparison of local government  
work force and civilian labor force

According to the 1970 census, the civilian labor force in Denver consisted of 221,827 persons. Following is a breakdown of this labor force by selected minorities and sex but not by job category.

	<u>Male</u>		<u>Female</u>		<u>Total</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Civilian labor force:						
Total	<u>127,270</u>	<u>57</u>	<u>94,557</u>	<u>43</u>	<u>221,827</u>	<u>100</u>
Black	9,772	4	8,657	4	18,429	8
Spanish surname	18,486	8	10,638	5	29,124	13

Statistical information furnished us by city officials shows that, as of June 30, 1974, the city government had a total of 10,207 employees as follows:

	<u>Male</u>		<u>Female</u>		<u>Total</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
City government work force:						
White	5,171	51	2,207	21	7,378	72
Black	546	5	478	5	1,024	10
Spanish surname	1,119	11	542	5	1,661	16
Other	<u>84</u>	<u>1</u>	<u>60</u>	<u>1</u>	<u>144</u>	<u>2</u>
Total	<u>6,920</u>	<u>68</u>	<u>3,287</u>	<u>32</u>	<u>10,207</u>	<u>100</u>

During the year ended June 30, 1974, the city government hired a total of 1,694 persons, broken down as follows:

	<u>Male</u>		<u>Female</u>		<u>Total</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
City government new hires:						
White	504	30	610	36	1,114	66
Black	93	5	120	7	213	12
Spanish surname	143	8	172	10	315	18
Other	<u>27</u>	<u>2</u>	<u>25</u>	<u>2</u>	<u>52</u>	<u>4</u>
Total	<u>767</u>	<u>45</u>	<u>927</u>	<u>55</u>	<u>1,694</u>	<u>100</u>

A detailed breakdown of the above statistics by function and job category is presented in appendixes I and II. We were unable to prepare a similar analysis of promotions for the year ended June 30, 1974, since the city does not maintain statistics of that nature.

The city government employment statistics show a relatively low percentage of females (32 percent) compared to that in the total civilian labor force (43 percent). Although the overall racial composition of the city government work force compares favorably with that of the civilian labor force, the statistics show certain functions and job categories with either low or high proportions of minorities. For instance, of the 936 persons engaged in the fire protection function, 64 (7 percent) are minorities, and of the 1,735 persons in the police protection function, 270 (16 percent) are minorities. On the other hand, of the 711 persons engaged in the sanitation and sewage function, 425 (60 percent) are minorities, and of the 2,533 persons in the health, hospital, and sanitorium functions, 996 (39 percent) are minorities.

In the various job categories, minorities make up 10 percent of the officials/administrators and 9 percent of the professionals. (The mayor pointed out that this figure is somewhat misleading, because our figures combined employees from several personnel agencies, including some over which the mayor has no authority for personnel appointments. He also said if only career service employees are considered, minorities represent 17 percent of the officials/administrators.) Minorities make up 57 percent of the paraprofessionals and 59 percent of those in service/maintenance.

In January 1975 the career service authority reported on the employment of minorities and the disadvantaged in the career service, listing steps taken from March 1967 through December 1974 to remove artificial barriers to employment and improve capabilities of the disadvantaged. The report pointed out that minorities under career service increased from 25.6 percent of the career service work force in 1967 to 36.5 percent in 1974, including 13.3 percent black and 21.3 percent Spanish surnamed.

#### Complaints against the city

A total of 331 complaints alleging employment discrimination have been filed against city agencies since December 31, 1971. Since this represents complaints on file with two commissions having jurisdiction over city agencies, it could include some duplication.

During the period December 31, 1971, to March 5, 1975, the Colorado Civil Rights Commission received 153 complaints against city agencies regarding employment discrimination. The complaints included discrimination in hiring, promotions, and discharges and were lodged against various city agencies. As of March 5, 1975, 128 of the cases had been closed, 41 of them because there was no probable cause for the complaint. The basis for closing 59 of the cases was not recorded. Twenty-one cases were transferred to the U.S. Equal Employment Opportunity Commission, 5 were satisfied by conference, and 2 went to court. Of the 25 cases still open, 3 had a finding of probable cause (with 1 awaiting determination of damages) and the remaining 22 are under investigation.

During the period December 31, 1971, to January 31, 1975, the Equal Employment Opportunity Commission had 178 complaints filed with it concerning discrimination in employment based on, for the most part, race, national origin, and sex. The complaints involved almost all phases of employment. Twenty-four agencies were respondents in these complaints, with the career service authority receiving almost one-third of the complaints. As of January 31, 1975, 58 of the cases were closed: 27 by administrative action, 3 for no cause or jurisdiction, 7 by resolution, 1 with unsuccessful conciliation, 8 by deferral to the State, and 12 without explanation. Of the 120 open cases, 3 were awaiting a decision, while the rest were under or awaiting investigation.

#### Civil rights suits

As of the date of our review, the courts had ruled on two civil suits brought against the city's police and fire departments regarding discrimination in employment.

As a result of a civil suit against the fire department, the U.S. District Court for the district of Colorado, on May 31, 1974, issued an order approving a consent decree agreement requiring the department to make certain changes in its hiring policies and procedures. The consent decree required Denver to evaluate, refine, and validate its test qualifications and standards for firefighter positions to insure job relatedness. Until this is done and accepted by the court, or until minorities compose 20 percent of the department, appointments will be alternated between qualified male minorities and qualified "Anglo" male applicants.

On June 24, 1972, the U.S. District Court for the district of Colorado ruled that there was a substantial disparity in the Denver police force between the number of white police officers and the number of black or Spanish-American officers. The court ruled that there were two reasons for the disparity:

(1) many tests used had not been validated and did not adequately, fairly, or properly reflect the true ability of the minority applicant or the probability that the individual would or would not make a good police officer and (2) there had not been a continuing group of minority persons applying for police officer positions. The suit had not been settled at the time of our review, but we were told that, in the meantime, the court had agreed to the hiring of only one majority police officer for each minority person hired.

### Services and capital projects

The services and capital projects funded with revenue sharing either directly benefited minorities or benefited them to the extent they use city services. We found no evidence of discrimination against minorities in the services provided or the capital projects authorized with revenue sharing funds, and we found no situations where revenue sharing funds were used to avoid potential discrimination problems in employment.

### Discussions with civic organizations

We met with the president of the Citizens Coalition of Denver, an organization concerned about human needs and the social service programs financed by public funding. The organization seeks to assist the city, State, and Federal governments in setting priorities based on human needs and relieving some of the sufferings of low-income people. Its president is also the chairman of the federally funded programs committee of the League of Women Voters of Denver, and was a member of the Denver Citizens Federal Grant Advisory Council in 1973.

She told us that the Citizens Coalition and the League of Women Voters of Denver had filed letters of administrative complaint with the mayor and Office of Revenue Sharing regarding the use of revenue sharing funds to pay fire department salaries while there was suit pending alleging discrimination in the department. This payment of fire department salaries with revenue sharing funds began in January 1974. As previously noted, a consent decree agreement on this alleged discrimination was approved by the court on May 31, 1974. The president also said, except for this, she knew of no discriminatory use of revenue sharing funds and felt that if any discrimination existed it was unintentional.

The chairman of the Denver Citizens Federal Grant Advisory Council said he knew of no discrimination in the use of revenue sharing funds, and that, if any existed, it was not intentional.

## DAVIS-BACON PROVISION

The Revenue Sharing Act provides that all laborers and mechanics, employed by contractors and subcontractors to work on any construction project of which 25 percent or more of the cost is paid out of the revenue sharing trust fund, shall be paid wage rates which are not less than rates prevailing for similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended.

Office of Revenue Sharing regulations implementing this provision require that contracts exceeding \$2,000 shall contain a provision stating the minimum wages to be paid various classes of laborers and mechanics as determined by the Secretary of Labor. Further, the contract shall stipulate that the contractor shall pay wage rates not less than those stated in the specifications, regardless of any contractual relationships alleged to exist between the contractor and such laborers and mechanics. A further contract stipulation is that there may be withheld from the contractor so much of accrued payments as considered necessary by the contracting officer to pay to laborers and employees the difference between wage rates required by the contract and rates actually received.

Denver has appropriated \$7,294,000 for 21 construction projects. We were informed that all of these projects are anticipated to be at least 25 percent funded by revenue sharing.

The city does not use clauses required by the Davis-Bacon provision as implemented by Office of Revenue Sharing regulations in its construction contracts funded by revenue sharing but does mandate minimum wages in all its construction contracts. A Department of Labor Davis-Bacon specialist told us that the wages so mandated at the time of our review were at least equal to those required by his department.

The city includes several requirements in its construction contracts which are, we believe, essentially the same as the requirements of the Davis-Bacon provision.

## PREVAILING WAGE PROVISION

The Revenue Sharing Act provides that certain recipient employees whose wages are paid in whole or in part out of the revenue sharing trust fund shall be paid at rates which are no lower than the prevailing rates for persons employed in similar public occupations by the recipient government.

The individuals covered by this provision are those in any category where 25 percent or more of the wages of all employees in the category are paid from the trust fund. We believe this provision was being complied with.

Revenue sharing funds were handled in various ways: some were transferred to other funds for specific purposes, some were transferred to the general fund to reimburse it for specific payments, and some were retained in the revenue sharing trust fund with direct payment to contractors, employees, and others.

The revenue sharing funds transferred to other funds for specific purposes but not for specific payments amounted to \$4,250,000. These funds were appropriated specifically for operational expenses. Once the transfers were made, the revenue sharing funds lost their identity, and we could not ascertain whether these funds were used to pay wages.

Funds totaling \$5,592,452 were transferred to the general fund to reimburse it for salaries, including \$5,578,670 to reimburse all fire department salaries paid during the first 5 months of 1974.

The fire department has a separate classification and pay plan from that of other city employees. The secretary of the city civil service commission told us that every employee of the fire department has a specific job and pay classification under the fire department's personnel system. Therefore, we concluded that the prevailing wage requirement was being complied with in this instance.

The funds paid directly to contractors, employees, and others from the revenue sharing trust fund included \$239,038 in wages paid through June 30, 1974. Wages totaling \$164,720 were paid for the in-school youth program. The payroll information clerk told us that all school youth wages were paid from this project account and that all youths received the same wages. The career service authority, which established classifications and pay schedules for most city employees, included these youths in its classification schedule at the minimum wage.

The other wage payments from the revenue sharing trust fund were for employees on an elm tree disease control program. Total wages paid were \$74,318. All employees were in classified positions of the career service authority and had specified pay schedules.

## CHAPTER 5

### FINANCIAL STATUS

Denver's financial condition has been under pressure in recent years. The general fund's expenditures have increased faster than its revenue; this condition has required diverting capital improvement revenue to the general fund. In addition, there is some evidence that Denver's economic base is in the early stages of decline and that its present revenue structure suffers from regressivity and inflexibility. (See p. 34.)

General revenue sharing has had a favorable impact on Denver's financial condition. The funds have enabled Denver to "catch up" on capital improvements and have helped meet the increasing cost of operations without creating new taxes or increasing tax rates.

### TREND OF FUND BALANCES

Total fund balances at the end of each of the five fiscal periods reviewed showed a surplus position. Denver is prohibited from deficit-spending for current operations. The city charter provides that budgeted expenditures shall not be in excess of the estimated opening balances and anticipated incomes.

The following table shows fund balances and investments in fixed assets at the end of each of five fiscal periods.

<u>Fund</u>	<u>December 31</u>				
	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
	(000 omitted)				
General	\$ 3,042	\$ 7,233	\$ 6,818	\$ 148	\$ 3,948
Grants, special and miscellaneous	8,000	7,700	10,463	8,539	9,480
Capital projects, assessments, and debt service	3,527	3,583	3,819	32,536	60,200
Capital improvements and equipment	195	-205	1,695	283	1,380
Enterprise	61,001	53,964	61,940	54,514	55,465
Revenue sharing	-	-	-	5,915	15,163
Total fund balances	<u>\$ 75,765</u>	<u>\$ 72,275</u>	<u>\$ 84,735</u>	<u>\$101,935</u>	<u>\$145,636</u>
Investments in fixed assets	<u>\$435,400</u>	<u>\$455,886</u>	<u>\$497,940</u>	<u>\$539,354</u>	<u>\$559,956</u>

The significant increases in fund balances for the last two fiscal periods were due to (1) unobligated funds onhand resulting from the sale of bonds authorized for specific capital projects and (2) unobligated revenue sharing funds. One factor contributing to the continued increase in fixed assets is that depreciation is not recognized except in the water works fund.

Denver's general operating financial status has been under continued pressure since 1971. Since that time, the cost of general operations has exceeded original allocations of revenue to the general fund. Denver has met current general operating expenditures by making large transfers from the capital improvement fund, which is funded primarily by the sales tax. The effect of such transfers has been to postpone needed capital improvements to fund current operating expenses. At the time of our review, city officials were drafting an ordinance to reallocate the distribution of sales tax receipts to distribute more of the receipts to the general fund and less to capital improvements.

Revenue sharing has allowed Denver to provide needed capital improvements postponed in prior years because of the necessity of using capital improvement money to finance current expenditures. From 1971-74, about \$14.6 million was transferred for this purpose. As of June 1974, Denver had appropriated \$16.3 million of revenue sharing for capital improvements.

#### Pension funds

The financial condition of pension funds within the city government is mixed. There are four pension funds covering city employees. These are the employee's pension fund, the firemen's pension fund, board of water commissioners' pension fund, and the police pension fund. Three of these plans are funded to some degree while the fourth is on a pay-as-you-go system.

The following table reflects the balances available for payment of pension benefits at the end of each of the five fiscal periods reviewed.

	December 31				
	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
	(000 omitted)				
Employee	\$15,826	\$19,821	\$26,296	\$31,501	\$36,882
Firemen	9,675	10,459	11,289	12,040	12,870
Board of water commissioners	4,384	4,722	4,915	5,158	5,242
Police	163	275	397	423	503

As of December 31, 1973, the employee pension fund had an unfunded accrued liability of about \$17 million. The unfunded accrued liability is made up of accrued liabilities to pensioners, beneficiaries of deceased pensioners, active employees, and inactive employees having a vested right to an immediate or deferred pension or return of contributions, less the fund's assets. The fund is supported by contributions from the city and employees and by interest on investments.

As of June 1, 1972, the date of the last actuarial study, the firemen's pension fund had an unfunded liability of about \$36 million. The actuarial study stated that the plan was not actuarially sound and that the funded status of the plan was worse in 1972 than in 1963. The fund is supported by a 1 mill property tax levy, member contributions, State contributions, and interest in investments. The city feels that the State has not contributed its share to the firemen's pension fund, according to a formula set out by the State several years ago.

The board of water commissioners' pension fund is actuarially sound but not fully funded. As of December 31, 1974, the fund had an unfunded liability of about \$6 million. The board is amortizing the unfunded liability over a 40-year period. This fund is supported by contributions from the board and employees and by interest on investments.

The police pension fund is on a pay-as-you-go system. The fund requires large yearly contributions from the general fund. In 1973 appropriations totaled over \$2 million. This fund is also supported by employee and State contributions. An actuarial valuation report on the fund as of June 30, 1973, pointed out that pension costs would be significantly greater over the long run under a pay-as-you-go plan compared to a funded plan, because reserves are not accumulated and investment earnings are not available to reduce the contributions needed to meet future pension payments. In addition, contributions

have been increasing because police pension payments have been regularly adjusted for changes in active employees' salaries. If the police pension fund remains on a pay-as-you-go system, and if employee and State contributions do not increase proportionately with payrolls, city costs may increase significantly.

INDEBTEDNESS

Denver's long-term debt consists of general obligation bonds, general water bonds, revenue bonds, and special assessment bonds. Revenue from operations and assessments is used to meet debt service requirements, except for general obligation bonds. The general water bonds are general obligation bonds of the city only in the event revenues of the works fund are insufficient to meet debt service requirements.

The following table shows Denver's general obligation debt (net of sinking funds) at the end of each of the five fiscal periods reviewed.

<u>December 31</u>	<u>Amount</u>
	(000 omitted)
1969	\$21,429
1970	17,930
1971	21,662
1972	52,656
1973	83,685

Denver's general obligation long-term debt has increased substantially in recent years. In 1972 \$87.6 million in general obligation bonds was authorized by the voting public. The following projects were included in the bond authorization.

<u>Project</u>	<u>Amount</u>
	(000 omitted)
Police and fire buildings	\$21,103
Sanitary and storm sewers	20,000
Sports arena	10,000
Housing development	10,000
Vehicle service facility	10,000
Parks and recreation	9,040
Performing arts center	6,000
Branch library	<u>1,500</u>
Total	<u>\$87,643</u>

In 1972 and 1973, \$34.6 million and \$38.1 million, respectively, of the above bond authorizations were issued. The issuance of these bonds increased Denver's general obligation debt from about \$21.7 million in 1971 to about \$83.7 million in 1973. In September 1974 voters authorized an additional general obligation long-term debt, amounting to about \$25 million, for expanding Mile High Stadium and retiring existing stadium revenue bonds.

Denver has steadily reduced its outstanding debt by issuing general water and revenue bonds. Special assessment debt has increased. The following table shows the outstanding debt for five fiscal periods due to issuance of these bonds.

	<u>December 31</u>				
	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
	(000 omitted)				
General water	\$137,459	\$136,753	\$135,967	\$135,013	\$134,349
Airport (revenue bonds)	91,676	91,795	90,400	88,575	86,880
Stadium (revenue bonds)	3,000	3,000	2,915	2,815	2,725
Parking (revenue bonds)	2,438	2,298	2,153	2,003	1,848
Special assess- ment	<u>2,453</u>	<u>2,427</u>	<u>2,410</u>	<u>3,305</u>	<u>4,031</u>
Total	<u>\$237,026</u>	<u>\$ 36,273</u>	<u>\$233,845</u>	<u>\$231,711</u>	<u>\$229,833</u>

#### Borrowing procedures

Procedures for authorizing bonds differ. The deputy treasurer said general obligation bonds and special assessment bonds must be authorized by vote of the citizens. Revenue bonds, on the other hand, can be authorized by the council. After the bonds have been authorized, the council passes an ordinance allowing the city to receive bids on the sale of the bonds. When the bids are received and the low bidder identified and verified, the council passes an ordinance allowing the sale of the bonds and specifying the amount of interest to be paid.

The quality ratings assigned to the city's bonds have continued to be high. The rating for general obligation bonds recently was raised even higher. The deputy treasurer said Denver's bonds have outstanding ratings for a city. He also said the city has had no problems such as voter rejection of or the selling of bonds within the past 3 years. He added that the city is in an excellent position relative to long-term borrowing.

### Borrowing restrictions

Denver is prohibited by the city charter from long-term borrowing to finance current operating expenses. General obligation bonds are used only to finance capital improvements. The charter prohibits the issuance of general obligation bonds exceeding 3 percent of the actual valuation of taxable property within the city and county of Denver. This ceiling was effective in calendar year 1972. Prior to 1972, the charter prohibited general obligation debt exceeding 3 percent of the assessed valuation. Changing the limitation to 3 percent of the actual valuation increased the debt ceiling from about \$43 million in 1971 to \$170 million in 1972. General water bonds, revenue bonds, and special assessment bonds are not included in determining compliance with the 3 percent limitation.

Denver is in a good position relative to its debt ceiling. At time end of 1973, general obligation debt net of the bond sinking fund amounted to about \$84 million compared to a ceiling at the time of \$185 million. Since 1973, voters increased the debt by approving the \$25 million general obligation bond issue for expanding the stadium. On the basis of its bond ratings and its position in relation to the general obligation bond ceiling, Denver's long-term debt condition appears sound.

### TAXATION

#### Major taxes levied

Denver levies six major taxes: property, sales, automobile ownership, business occupational privilege, lodger, and franchise. These taxes have provided over two-thirds of the general fund revenue during the past five periods, as well as providing revenue for various other funds.

1. Property tax--The Colorado statutes provide that 30 percent of the actual value of property be used for

assessment purposes. The actual value of the property is to be determined by using market value as a guide. In practice, however, some assessments are based on less than 30 percent of actual or market value because:

- a. Reassessments are not made every year.
- b. Reassessments, when made, are based on sales in the past 2 completed calendar years, which may not take into consideration the most recent market values.

The assistant deputy assessor stated that, on the average, single family housing in Denver is presently valued for tax purposes at about 70 percent of market. This means that, on the average, the mill levy is applied to about 21 percent of current market value. He said, in the case of new homes, the mill levy is applied to between 25.5 and 27 percent of the current or market value, depending upon the taxes on homes in the immediate area.

The following table shows the mills levied within Denver for the past five fiscal periods.

<u>Fiscal year</u>	<u>General fund (note a)</u>	<u>Other funds</u>	<u>School district</u>	<u>Regional transportation district</u>	<u>Urban drainage and flood control district</u>	<u>Total</u>
(mills)						
1970	18.600	7.360	53.800	0.420	0.100	80.280
1971	18.600	8.720	56.290	.380	.100	84.090
1972	18.600	8.111	53.050	.350	.100	80.211
1973	18.600	8.111	45.770	.320	.500	73.301
1974	18.600	8.811	50.925	.500	.500	79.336

a/Includes 5 mills allowed by the State and 13.6 of the 15 mills allowed by the city charter. See p. 33.

2. Denver's sales tax was increased in 1969 from 2 to 3 percent. In addition, the State has a 3 percent sales tax and, since January 1, 1974, the regional transportation district has had a one-half of 1 percent sales tax.

3. The automobile ownership tax is 2.1 percent of the depreciated list price of the automobile. The tax is prorated by month throughout the year. For example, a person

buying a new car in July would only be assessed one-half the tax for that year. The revenue from this tax is distributed to eligible political subdivisions within Denver based on their property tax mill levies.

4. The business occupational privilege tax is a flat rate tax levied on employees and employers. Resident and nonresident workers are assessed \$2 per month and employers with offices in Denver are assessed \$2 per month for each employee who worked in the city during the month. A recent court case exempted certain Federal employees from paying this tax.

5. The lodgers tax, established in 1971, is 4 percent of the purchase price paid or charged for lodging, excluding houses and most apartments, within the city.

6. The franchise tax is a utility tax levied on the local telephone and public service companies. The telephone company is assessed 2.5 percent of gross Denver local exchange receipts. The public service company is assessed 3 percent of gross receipts from the sales of gas and electricity in Denver.

The following table shows an estimate of receipts from these taxes by all major political subdivisions for 5 calendar years.

	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
	(000 omitted)				
Property	\$ 93,858	\$ 97,358	\$111,159	\$121,462	\$125,891
Sales	23,561	34,671	37,920	42,084	48,290
Automobile	4,854	6,027	5,754	6,972	7,455
Occupational	7,286	9,054	8,439	9,359	10,413
Lodgers	-	-	540	1,286	1,390
Franchise	<u>3,243</u>	<u>3,556</u>	<u>3,689</u>	<u>3,977</u>	<u>4,410</u>
Total	<u>\$132,802</u>	<u>\$150,666</u>	<u>\$167,501</u>	<u>\$185,140</u>	<u>\$197,849</u>

The following table shows Denver's portion of these receipts:

	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
	(000 omitted)				
Property	\$31,259	\$31,921	\$36,072	\$39,599	\$ 42,087
Sales	23,561	34,671	37,920	42,084	48,290
Automobile	1,715	1,792	1,940	2,263	2,438
Occupational	7,286	9,054	8,439	9,359	10,413
Lodgers	-	-	540	1,286	1,390
Franchise	<u>3,243</u>	<u>3,556</u>	<u>3,689</u>	<u>3,977</u>	<u>4,410</u>
Total	<u>\$67,064</u>	<u>\$80,994</u>	<u>\$88,600</u>	<u>\$98,568</u>	<u>\$109,028</u>

### Taxing limitations

Denver is under three types of taxing limitations-- State statutes, city charter, and municipal code. For a county the size of Denver, State statutes limit the property tax levy to 5 mills on assessed valuation. Denver is currently taxing at the 5 mill limit.

The city charter limits the general government mill levy on property to 15 mills, which is in addition to the 5 mills allowed by State statute for counties. Denver is not presently taxing at the 15 mill limit. The current mill levy for general government purposes is 13.6 mills. A city official stated that, although about \$2 million a year could be realized from an increase of 1.4 mills in the property tax, any increase would tend to be regressive.

The municipal code authorizes and establishes the rate for the sales tax, occupational tax, lodger tax, and franchise tax.

Denver's ability to generate revenue in the future has been questioned by the Denver Urban Observatory, an organization established in 1970 to perform urban research and supported by the National League of Cities; Department of Housing and Urban Development; Department of Health, Education, and Welfare; city and county of Denver; and various universities and colleges in the area. In a 1974 study, the observatory pointed out some unfavorable trends which may be gaining momentum in Denver. These trends are outlined below:

1. Denver, from 1960 to 1970, experienced a net emigration of 28,960 people. Further, Census Bureau data indicates that from the 1970 census to July 1, 1973, Denver experienced net emigration of an additional 19,378 people.

2. Denver's population mix is changing relative to the rest of the Standard Metropolitan Statistical Area. Denver is becoming more populated by the less educated, the less easily employed, the elderly, the poor, and racial minorities.

3. Denver is falling behind the rest of the area in median family income. For example, the median family income in the four outlying counties of the Standard Metropolitan Statistical Area has risen from a level of \$372 below that of Denver in 1950 to a level of \$1,801 above in 1970.

4. Denver's share of low-pay and low-skill occupations is increasing, while its share of professional, technical, and other skilled, high income occupations is declining.

5. Denver is being avoided by new industry locating in the area and there has been some emigration of industry.

The observatory stated in summary that population and employment trends now being observed in Denver could have potentially far-reaching effects on the city government. For instance, the larger the low-pay, low-skill population, the greater the possible welfare burden. Also, the larger the percentage of those with low education and low skill levels, the greater the tendency for high unemployment rates. Similarly, the higher the unemployment rate, the lower the average income level, which reduces the economic base. The smaller the base, the more difficult it is to generate revenues to support expanded public services.

Another study by the observatory pointed out that Denver's present revenue system suffers from two major faults--regressivity and inflexibility. The study defined a regressive tax as one placing the greatest burden on those least able to afford it--for example, property and general sales taxes. Revenue sharing and State aid are two sources of funds that help meet increasing operations costs without creating additional taxes or increasing current taxes.

Denver is attempting to get more money from the State. City officials plan to ask the 1975 State legislature for an increase of about \$10 million in the State's aid-to-Denver funds as well as renewal of \$10.6 million in State aid approved by the 1974 legislature. This aid would help Denver fund the city's libraries, legal aid program, welfare

program, alcoholism treatment program, and firemen's pension fund. Denver officials believe the State should help finance expensive city services, such as health care for indigent persons, city libraries, legal aid programs, cultural programs, and mountain parks, which benefit thousands of nonresidents each year. City officials feel that the alcoholism treatment program passed by the legislature last year was underfunded and that the State has not contributed to the firemen's pension fund in accordance with a formula set several years ago.

#### Family tax burden

We calculated the 1973 tax burden of residents of the city of Denver by assuming such things as level of income, size of family, and value of real property holdings for three hypothetical families. Each of the three families depicted below had four members, had income solely from wages earned by the head of the household, and owned a new home having a market value equal to 2-1/2 times that of the annual income. The annual incomes of families A, B, and C totaled \$7,500, \$12,500, and \$17,500, respectively. Families A and B each owned one automobile and used 1,000 gallons of gasoline. Family C owned two automobiles and used 1,500 gallons of gasoline.

<u>Tax</u>	<u>Family</u>		
	<u>A</u>	<u>B</u>	<u>C</u>
City and county:			
Property	\$131.47	\$219.11	\$306.75
Sales	109.00	145.00	175.00
Occupational	24.00	24.00	24.00
Automobile	<u>12.75</u>	<u>14.94</u>	<u>21.86</u>
Total	<u>277.22</u>	<u>403.05</u>	<u>527.61</u>
School district:			
Property	225.28	375.45	525.62
Automobile	<u>21.86</u>	<u>25.60</u>	<u>37.47</u>
Total	<u>247.14</u>	<u>401.05</u>	<u>563.09</u>
Urban drainage and flood control:			
Property	2.46	4.10	5.74
Automobile	<u>.24</u>	<u>.28</u>	<u>.41</u>
Total	<u>2.70</u>	<u>4.38</u>	<u>6.15</u>
Regional transportation district:			
Property	1.58	2.62	3.67
Automobile	<u>.15</u>	<u>.18</u>	<u>.26</u>
Total	<u>1.73</u>	<u>2.80</u>	<u>3.93</u>
State:			
Income	101.40	291.46	569.20
Sales	109.00	145.00	175.00
Gasoline	<u>70.00</u>	<u>70.00</u>	<u>105.00</u>
Total	<u>280.40</u>	<u>506.46</u>	<u>849.20</u>
Total	<u>\$809.19</u>	<u>\$1,317.74</u>	<u>\$1,949.98</u>
Total as percentage of income	<u>10.8</u>	<u>10.5</u>	<u>11.1</u>

The family tax burden illustrated above does not include taxes included in the purchase price of certain goods. For example, Colorado has cigarette and liquor taxes. These taxes are paid by the distributors of these items and passed along ultimately to the consumer.

CHAPTER 6

OTHER FEDERAL AID

FEDERAL AID RECEIVED

In calendar years 1971, 1972, and 1973 Denver received \$22.8, \$25.9, and \$27.0 million, respectively, in direct Federal aid in addition to Federal revenue sharing. In 1974 Denver received approximately \$25.5 million in direct Federal aid. The following schedule shows the Federal agencies that granted these funds.

	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>
----- (000 omitted) -----				
Department of Health, Education, and Welfare:				
Neighborhood health program	\$ -	\$ 8,790	\$ 8,437	\$ 7,600
Other health grants	<u>a/12,268</u>	1,848	1,761	1,900
Department of Housing and Urban Develop- ment:				
Model Cities	5,279	5,460	5,473	3,500
Federally assisted code enforcement	1,715	1,800	2,045	-
Other	116	13	258	500
Department of Labor:				
Manpower and train- ing	2,601	4,646	3,831	4,700
Law Enforcement Assistance Admin- istration	535	857	2,138	3,900
Federal Aviation				
Administration:				
Airport con- struction	21	2,360	2,761	3,100
Other agencies	<u>244</u>	<u>95</u>	<u>317</u>	<u>300</u>
Total	<u>\$22,779</u>	<u>\$25,869</u>	<u>\$27,021</u>	<u>\$25,500</u>

a/Breakdown not readily available.

REDUCTIONS IN FEDERAL AID  
AND IMPACT ON DENVER

The most significant reduction in Federal aid has been for the neighborhood health program. The Federal grant awards for calendar years 1972-75 were as follows:

1972	\$8,999,638
1973	7,991,733
1974	7,461,134
1975	5,890,000

Denver used \$900,000 of revenue sharing funds for this program's 1973 operations and in 1974 appropriated \$2,019,500 of general fund revenues for the program. In 1975 Denver plans to increase Medicaid and other collections and anticipates some assistance from the State.

Federal grants received from the Department of Labor for manpower training were also supplemented with revenue sharing funds. Through June 30, 1974, Denver had appropriated \$801,350 of revenue sharing funds for youth and other manpower training programs.

The program for federally assisted code enforcement ended in 1973 and no funds were anticipated beyond that time. The program ended with some code violations unresolved and Denver appropriated \$200,000 of revenue sharing funds to assist homeowners in correcting the violations cited. None of this \$200,000 has been expended because the city questions its legal right to expend funds for this purpose. The appropriation will probably be rescinded.

## CHAPTER 7

### SCOPE OF REVIEW

We discussed the revenue sharing program with Denver's officials in the offices of the mayor, budget and management, the auditor, the city council, and the department of public works, and obtained their comments on the implementation and impact of the revenue sharing program. We examined city records pertaining to revenue sharing, including (1) records of city council proceedings, (2) reports of the Denver Citizens Federal Grant Advisory Council, (3) operating and capital budgets and financial statements, (4) audit reports, (5) city and State legal requirements and restrictions regarding taxation, debt, finance, and accounting for funds, (6) accounting ledgers, (7) equal employment opportunity reports, (8) civil rights judicial orders against the city, (9) Federal grant awards, and (10) construction contract records.

We visited the city's school district and obtained information on budgets for the last 3 fiscal years. We also visited the Colorado Civil Rights Commission and the U.S. Equal Employment Opportunity Commission and obtained information on discrimination complaints filed against city agencies.

We reviewed reports prepared by the League of Women Voters of Denver and Denver Urban Observatory for their comments relating to revenue sharing and city financing and spending priorities. We discussed with civic organizations their views on the city's use of revenue sharing funds. Our work was limited to gathering selected data relating to areas identified by the Subcommittee Chairman.

Officials of Denver reviewed our case study, and we considered their comments in finalizing it.

CITY-COUNTY GOVERNMENT WORK FORCE

DENVER, COLORADO

JUNE 30, 1974

Function/job category	Male					Female					Total				
	White	Black	Spanish surname	Other	Total	White	Black	Spanish surname	Other	Total	White	Black	Spanish surname	Other	Total
<b>All functions:</b>															
Officials/administrators	234	6	14	4	258	23	4	-	1	28	257	10	14	5	286
Professionals	1,058	34	40	18	1,150	758	44	30	20	852	1,816	78	70	38	2,002
Technicians	404	26	44	5	479	175	44	30	3	252	579	70	74	8	731
Protective service	1,798	115	197	15	2,125	48	13	4	1	66	1,846	128	201	16	2,191
Paraprofessionals	185	32	49	9	275	31	88	107	5	231	216	120	156	14	506
Office/clerical	180	33	70	5	288	1,078	199	279	27	1,583	1,258	232	349	32	1,871
Skilled craft	808	94	241	10	1,153	5	1	-	-	6	813	95	241	10	1,159
Service/maintenance	504	206	464	16	1,192	89	85	92	3	269	593	291	556	21	1,461
<b>Total</b>	<b>5,171</b>	<b>546</b>	<b>1,119</b>	<b>84</b>	<b>6,920</b>	<b>2,207</b>	<b>478</b>	<b>542</b>	<b>60</b>	<b>3,287</b>	<b>7,378</b>	<b>1,024</b>	<b>1,661</b>	<b>144</b>	<b>10,207</b>
<b>Percent</b>	<b>51</b>	<b>5</b>	<b>11</b>	<b>1</b>	<b>68</b>	<b>21</b>	<b>5</b>	<b>5</b>	<b>1</b>	<b>32</b>	<b>72</b>	<b>10</b>	<b>16</b>	<b>2</b>	<b>100</b>
<b>General control:</b>															
Officials/administrators	30	2	-	1	33	4	-	-	-	4	34	2	-	1	37
Professionals	259	11	14	3	287	55	5	5	4	69	314	16	19	7	356
Technicians	53	8	7	2	70	28	5	1	-	34	81	13	8	2	104
Protective service	16	4	3	-	23	1	-	-	-	1	17	4	3	-	24
Paraprofessionals	61	7	7	3	78	-	-	1	-	1	61	7	8	3	79
Office/clerical	63	12	27	1	103	355	61	62	7	485	418	73	89	8	588
Skilled craft	35	3	5	-	43	-	-	-	-	-	35	3	5	-	43
Service/maintenance	19	24	20	-	63	7	4	1	-	12	26	28	21	-	75
<b>Total</b>	<b>536</b>	<b>71</b>	<b>83</b>	<b>10</b>	<b>700</b>	<b>450</b>	<b>75</b>	<b>70</b>	<b>11</b>	<b>606</b>	<b>986</b>	<b>146</b>	<b>153</b>	<b>21</b>	<b>1,306</b>
<b>Percent</b>	<b>41</b>	<b>5</b>	<b>6</b>	<b>1</b>	<b>53</b>	<b>35</b>	<b>6</b>	<b>5</b>	<b>1</b>	<b>47</b>	<b>76</b>	<b>11</b>	<b>11</b>	<b>2</b>	<b>100</b>
<b>Police protection:</b>															
Officials/administrators	7	-	1	-	8	-	-	-	-	-	7	-	1	-	8
Professionals	70	-	3	3	76	9	-	-	-	9	79	-	3	3	85
Technicians	100	4	2	1	107	2	-	1	-	3	102	4	3	1	110
Protective service	1,027	59	103	8	1,197	32	11	3	1	47	1,059	70	106	9	1,244
Paraprofessionals	4	2	1	-	7	2	1	-	-	3	6	3	1	-	10
Office/clerical	21	1	5	1	28	152	13	19	2	186	173	14	24	3	214
Skilled craft	19	1	3	-	23	5	1	-	-	6	24	2	3	-	29
Service/maintenance	14	6	8	2	30	1	2	2	-	5	15	8	10	2	35
<b>Total</b>	<b>1,262</b>	<b>73</b>	<b>126</b>	<b>15</b>	<b>1,476</b>	<b>203</b>	<b>28</b>	<b>25</b>	<b>3</b>	<b>259</b>	<b>1,465</b>	<b>101</b>	<b>151</b>	<b>18</b>	<b>1,735</b>
<b>Percent</b>	<b>72</b>	<b>4</b>	<b>8</b>	<b>1</b>	<b>85</b>	<b>12</b>	<b>2</b>	<b>1</b>	<b>-</b>	<b>15</b>	<b>84</b>	<b>6</b>	<b>9</b>	<b>1</b>	<b>100</b>
<b>Fire protection:</b>															
Officials/administrators	28	-	-	-	28	-	-	-	-	-	28	-	-	-	28
Professionals	219	-	4	-	223	-	-	-	-	-	219	-	4	-	223
Technicians	102	1	-	1	104	-	-	-	-	-	102	1	-	1	104
Protective service	521	10	43	1	575	-	-	-	-	-	521	10	43	1	575
Paraprofessionals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office/clerical	-	-	-	-	-	1	3	-	-	4	1	3	-	-	4
Skilled craft	1	-	-	-	1	-	-	-	-	-	1	-	-	-	1
Service/maintenance	-	1	-	-	1	-	-	-	-	-	-	1	-	-	1
<b>Total</b>	<b>871</b>	<b>12</b>	<b>47</b>	<b>2</b>	<b>932</b>	<b>1</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>872</b>	<b>15</b>	<b>47</b>	<b>2</b>	<b>936</b>
<b>Percent</b>	<b>93</b>	<b>1</b>	<b>5</b>	<b>-</b>	<b>99</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>93</b>	<b>2</b>	<b>5</b>	<b>-</b>	<b>100</b>
<b>Hospitals and sanatoriums:</b>															
Officials/administrators	14	-	-	1	15	4	-	-	1	5	18	-	-	2	20
Professionals	94	1	1	1	97	247	6	6	6	265	341	7	7	7	362
Technicians	13	-	5	-	18	102	23	8	1	134	115	23	13	1	152
Protective service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Paraprofessionals	43	3	7	1	54	4	9	1	-	14	47	12	8	1	68
Office/clerical	13	3	14	-	30	186	43	48	5	282	199	46	62	5	312
Skilled craft	20	1	5	-	26	-	-	-	-	-	20	1	5	-	26
Service/maintenance	63	30	45	2	140	70	68	73	3	214	133	98	118	5	354
<b>Total</b>	<b>260</b>	<b>38</b>	<b>77</b>	<b>5</b>	<b>380</b>	<b>613</b>	<b>149</b>	<b>136</b>	<b>16</b>	<b>914</b>	<b>873</b>	<b>187</b>	<b>213</b>	<b>21</b>	<b>1,294</b>
<b>Percent</b>	<b>20</b>	<b>3</b>	<b>6</b>	<b>-</b>	<b>29</b>	<b>47</b>	<b>12</b>	<b>10</b>	<b>2</b>	<b>71</b>	<b>67</b>	<b>15</b>	<b>16</b>	<b>2</b>	<b>100</b>

BEST DOCUMENT AVAILABLE

APPENDIX I

APPENDIX I

<b>Health:</b>														
Officials/administrators	8	2	2	-	12	1	-	-	-	1	9	2	-	13
Professionals	129	10	6	4	149	281	26	14	6	327	410	36	20	10
Technicians	12	1	3	-	16	26	12	16	1	55	38	13	19	1
Protective service	16	3	4	-	23	-	-	-	-	-	16	3	4	-
Paraprofessionals	13	15	15	1	44	22	77	105	5	209	35	92	120	6
Office/clerical	7	13	18	2	40	132	58	109	10	309	139	71	127	12
Skilled craft	10	-	-	-	10	-	-	-	-	-	10	-	-	-
Service/maintenance	4	9	13	-	26	3	7	8	-	18	7	16	21	-
<b>Total</b>	<b>199</b>	<b>53</b>	<b>61</b>	<b>7</b>	<b>320</b>	<b>465</b>	<b>180</b>	<b>252</b>	<b>22</b>	<b>919</b>	<b>664</b>	<b>233</b>	<b>313</b>	<b>29</b>
<b>Percent</b>	<b>16</b>	<b>4</b>	<b>5</b>	<b>1</b>	<b>26</b>	<b>38</b>	<b>15</b>	<b>20</b>	<b>1</b>	<b>74</b>	<b>54</b>	<b>19</b>	<b>25</b>	<b>2</b>
<b>Utilities and transportation:</b>														
Officials/administrators	73	-	2	-	75	1	-	-	-	1	74	-	2	-
Professionals	126	2	1	1	130	7	1	-	-	8	133	3	1	1
Technicians	90	1	12	-	103	4	-	-	-	4	94	1	12	-
Protective service	10	2	-	-	12	1	-	-	-	1	11	2	-	-
Paraprofessionals	14	1	2	-	17	-	-	-	-	-	14	1	2	-
Office/clerical	23	2	1	1	27	78	4	3	-	85	101	6	4	1
Skilled craft	411	40	73	5	529	-	-	-	-	-	411	40	73	5
Service/maintenance	83	14	19	1	117	1	-	-	-	1	84	14	19	1
<b>Total</b>	<b>830</b>	<b>62</b>	<b>110</b>	<b>8</b>	<b>1,010</b>	<b>92</b>	<b>5</b>	<b>3</b>	<b>-</b>	<b>100</b>	<b>922</b>	<b>67</b>	<b>113</b>	<b>8</b>
<b>Percent</b>	<b>74</b>	<b>6</b>	<b>10</b>	<b>1</b>	<b>91</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>83</b>	<b>6</b>	<b>10</b>	<b>1</b>
<b>Sanitation and sewage:</b>														
Officials/administrators	5	-	-	-	5	-	-	-	-	-	5	-	-	-
Professionals	37	-	2	1	40	1	-	-	-	1	38	-	2	1
Technicians	16	3	4	1	24	1	-	-	-	1	17	3	4	1
Protective service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Paraprofessionals	35	4	14	4	57	1	1	-	-	2	36	5	14	4
Office/clerical	4	-	1	-	5	14	-	2	-	16	18	-	3	-
Skilled craft	76	34	95	2	207	-	-	-	-	-	76	34	95	2
Service/maintenance	96	64	187	6	353	-	-	-	-	-	96	64	187	6
<b>Total</b>	<b>269</b>	<b>105</b>	<b>303</b>	<b>14</b>	<b>691</b>	<b>17</b>	<b>1</b>	<b>2</b>	<b>-</b>	<b>20</b>	<b>286</b>	<b>106</b>	<b>305</b>	<b>14</b>
<b>Percent</b>	<b>38</b>	<b>15</b>	<b>43</b>	<b>2</b>	<b>98</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>40</b>	<b>15</b>	<b>43</b>	<b>2</b>
<b>All other:</b>														
Officials/administrators	69	2	9	2	82	13	4	-	-	17	82	6	9	2
Professionals	124	10	9	5	148	158	6	5	4	173	282	16	14	9
Technicians	18	8	11	-	37	12	4	4	1	21	30	12	15	1
Protective service	208	37	44	6	295	14	2	1	-	17	222	39	45	6
Paraprofessionals	15	-	3	-	18	2	-	-	-	2	17	-	3	-
Office/clerical	49	2	4	-	55	160	17	36	3	216	209	19	40	3
Skilled craft	236	15	60	3	314	-	-	-	-	-	236	15	60	3
Service/maintenance	225	58	172	7	462	7	4	8	-	19	232	62	180	7
<b>Total</b>	<b>944</b>	<b>132</b>	<b>312</b>	<b>23</b>	<b>1,411</b>	<b>366</b>	<b>37</b>	<b>54</b>	<b>8</b>	<b>465</b>	<b>1,310</b>	<b>169</b>	<b>366</b>	<b>31</b>
<b>Percent</b>	<b>50</b>	<b>7</b>	<b>17</b>	<b>1</b>	<b>75</b>	<b>20</b>	<b>2</b>	<b>3</b>	<b>-</b>	<b>25</b>	<b>70</b>	<b>9</b>	<b>20</b>	<b>1</b>

GAO note: The jobs in this appendix were categorized by the city-county using Federal Equal Employment Opportunity Commission definitions.

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APPENDIX II

APPENDIX II

CITY-COUNTY GOVERNMENT NEW HIRES

DENVER, COLORADO

YEAR ENDED JUNE 30, 1974

Function/job category	Male					Female					Total				
	White	Black	Spanish surname	Other	Total	White	Black	Spanish surname	Other	Total	White	Black	Spanish surname	Other	Total
<b>All functions:</b>															
Officials/administrators	13	-	1	1	15	4	-	-	-	4	17	-	1	1	19
Professionals	98	4	3	3	108	236	9	6	6	257	334	13	9	9	365
Technicians	51	4	3	1	59	61	6	5	1	73	112	10	8	2	132
Protective service	94	21	40	3	158	5	3	1	-	9	99	24	41	3	167
Paraprofessionals	38	14	11	1	64	16	17	34	-	67	54	31	45	1	131
Office/clerical	46	6	17	1	70	245	54	75	11	385	291	60	92	12	455
Skilled craft	28	3	3	1	35	-	-	-	-	-	28	3	3	1	35
Service/maintenance	136	41	65	16	258	43	31	51	7	132	179	72	116	23	390
<b>Total</b>	<b>504</b>	<b>93</b>	<b>143</b>	<b>27</b>	<b>767</b>	<b>610</b>	<b>120</b>	<b>172</b>	<b>25</b>	<b>927</b>	<b>1,114</b>	<b>213</b>	<b>315</b>	<b>52</b>	<b>1,694</b>
<b>Percent</b>	<b>30</b>	<b>5</b>	<b>8</b>	<b>2</b>	<b>45</b>	<b>36</b>	<b>7</b>	<b>10</b>	<b>2</b>	<b>55</b>	<b>66</b>	<b>12</b>	<b>18</b>	<b>4</b>	<b>100</b>
<b>General control:</b>															
Officials/administrators	1	-	-	-	1	-	-	-	-	-	1	-	-	-	1
Professionals	19	3	-	1	23	13	1	1	-	15	32	4	1	1	38
Technicians	8	1	2	1	12	4	-	-	-	4	12	1	2	1	16
Protective service	2	-	-	-	2	-	-	-	-	-	2	-	-	-	2
Paraprofessionals	7	3	2	-	12	-	-	-	-	-	7	3	2	-	12
Office/clerical	14	2	7	1	24	74	15	16	2	107	88	17	23	3	131
Skilled craft	3	-	-	-	3	-	-	-	-	-	3	-	-	-	3
Service/maintenance	-	2	-	-	2	-	-	-	-	-	-	2	-	-	2
<b>Total</b>	<b>54</b>	<b>11</b>	<b>11</b>	<b>3</b>	<b>79</b>	<b>91</b>	<b>16</b>	<b>17</b>	<b>2</b>	<b>126</b>	<b>145</b>	<b>27</b>	<b>28</b>	<b>5</b>	<b>205</b>
<b>Percent</b>	<b>26</b>	<b>5</b>	<b>5</b>	<b>2</b>	<b>38</b>	<b>45</b>	<b>8</b>	<b>8</b>	<b>1</b>	<b>62</b>	<b>71</b>	<b>13</b>	<b>13</b>	<b>3</b>	<b>100</b>
<b>Police protection:</b>															
Officials/administrators	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professionals	3	-	-	-	3	2	-	-	-	2	5	-	-	-	5
Technicians	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Protective service	45	12	19	3	79	5	3	1	-	9	50	15	20	3	88
Paraprofessionals	6	2	1	1	10	5	3	-	-	8	11	5	1	1	18
Office/clerical	5	-	1	-	6	29	6	4	1	40	34	6	5	1	46
Skilled craft	-	-	1	-	1	-	-	-	-	-	-	-	1	-	1
Service/maintenance	1	-	-	1	2	-	-	-	-	-	1	-	-	1	2
<b>Total</b>	<b>60</b>	<b>14</b>	<b>22</b>	<b>5</b>	<b>101</b>	<b>41</b>	<b>12</b>	<b>5</b>	<b>1</b>	<b>59</b>	<b>101</b>	<b>26</b>	<b>27</b>	<b>6</b>	<b>160</b>
<b>Percent</b>	<b>37</b>	<b>9</b>	<b>14</b>	<b>3</b>	<b>63</b>	<b>26</b>	<b>7</b>	<b>3</b>	<b>1</b>	<b>37</b>	<b>63</b>	<b>16</b>	<b>17</b>	<b>4</b>	<b>100</b>
<b>Fire protection:</b>															
Officials/administrators	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professionals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technicians	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Protective service	24	5	20	-	49	-	-	-	-	-	24	5	20	-	49
Paraprofessionals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office/clerical	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Skilled craft	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service/maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>24</b>	<b>5</b>	<b>20</b>	<b>-</b>	<b>49</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24</b>	<b>5</b>	<b>20</b>	<b>-</b>	<b>49</b>
<b>Percent</b>	<b>49</b>	<b>10</b>	<b>41</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49</b>	<b>10</b>	<b>41</b>	<b>-</b>	<b>100</b>
<b>Hospitals and sanatoriums:</b>															
Officials/administrators	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professionals	15	-	1	-	16	128	1	-	3	132	143	1	1	3	148
Technicians	5	-	-	-	5	42	3	3	1	49	47	3	3	1	54
Protective service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Paraprofessionals	6	2	-	-	8	-	-	2	-	2	6	2	2	-	10
Office/clerical	5	1	6	-	12	55	14	15	1	85	60	15	21	1	97
Skilled craft	4	-	-	-	4	-	-	-	-	-	4	-	-	-	4
Service/maintenance	33	10	21	3	67	41	28	33	7	109	74	38	54	10	176
<b>Total</b>	<b>68</b>	<b>13</b>	<b>28</b>	<b>3</b>	<b>112</b>	<b>266</b>	<b>46</b>	<b>53</b>	<b>12</b>	<b>377</b>	<b>334</b>	<b>59</b>	<b>81</b>	<b>15</b>	<b>489</b>
<b>Percent</b>	<b>14</b>	<b>3</b>	<b>6</b>	<b>-</b>	<b>23</b>	<b>54</b>	<b>9</b>	<b>11</b>	<b>3</b>	<b>77</b>	<b>68</b>	<b>12</b>	<b>17</b>	<b>3</b>	<b>100</b>

BEST DOCUMENT AVAILABLE

APPENDIX II

APPENDIX II

<b>Health:</b>														
Officials/administrators	-	-	1	-	1	-	-	-	-	-	-	1	-	1
Professionals	27	1	2	1	31	81	6	3	2	92	108	7	5	3
Technicians	5	-	-	-	5	11	2	2	-	15	16	2	2	-
Protective service	2	-	1	-	3	-	-	-	-	-	2	-	1	-
Paraprofessionals	6	6	2	-	14	8	14	28	-	50	14	20	30	-
Office/clerical	4	1	3	-	8	26	9	31	5	71	30	10	34	5
Skilled craft	1	-	-	-	1	-	-	-	-	-	1	-	-	-
Service/maintenance	9	2	8	1	20	2	1	9	-	12	11	3	17	1
<b>Total</b>	<b>54</b>	<b>10</b>	<b>17</b>	<b>2</b>	<b>83</b>	<b>128</b>	<b>32</b>	<b>73</b>	<b>7</b>	<b>240</b>	<b>182</b>	<b>42</b>	<b>90</b>	<b>9</b>
<b>Percent</b>	<b>17</b>	<b>3</b>	<b>5</b>	<b>1</b>	<b>26</b>	<b>39</b>	<b>10</b>	<b>23</b>	<b>2</b>	<b>74</b>	<b>56</b>	<b>13</b>	<b>28</b>	<b>3</b>
<b>Utilities and transportation:</b>														
Officials/administrators	5	-	-	1	6	-	-	-	-	-	5	-	-	1
Professionals	15	-	-	-	15	-	-	-	-	-	15	-	-	15
Technicians	27	2	1	-	30	-	-	-	-	-	27	2	1	30
Protective service	2	-	-	-	2	-	-	-	-	-	2	-	-	2
Paraprofessionals	1	-	-	-	1	-	-	-	-	-	1	-	-	1
Office/clerical	2	1	-	-	3	21	3	-	-	24	23	4	-	27
Skilled craft	7	2	-	-	9	-	-	-	-	-	7	2	-	9
Service/maintenance	59	13	12	9	93	-	-	-	-	-	59	13	12	9
<b>Total</b>	<b>118</b>	<b>18</b>	<b>13</b>	<b>10</b>	<b>159</b>	<b>21</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>24</b>	<b>139</b>	<b>21</b>	<b>13</b>	<b>10</b>
<b>Percent</b>	<b>64</b>	<b>10</b>	<b>7</b>	<b>6</b>	<b>87</b>	<b>11</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>75</b>	<b>12</b>	<b>7</b>	<b>6</b>
<b>Sanitation and sewage:</b>														
Officials/administrators	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professionals	4	-	-	-	4	-	-	-	-	-	4	-	-	4
Technicians	2	-	-	-	2	2	-	-	-	2	4	-	-	4
Protective service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Paraprofessionals	10	1	4	-	15	-	-	-	-	-	10	1	4	15
Office/clerical	2	-	-	-	2	1	-	-	-	1	3	-	-	3
Skilled craft	1	-	-	-	1	-	-	-	-	-	1	-	-	1
Service/maintenance	16	4	4	-	24	-	-	-	-	-	16	4	4	24
<b>Total</b>	<b>35</b>	<b>5</b>	<b>8</b>	<b>-</b>	<b>48</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>38</b>	<b>5</b>	<b>8</b>	<b>51</b>
<b>Percent</b>	<b>68</b>	<b>10</b>	<b>16</b>	<b>-</b>	<b>94</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>74</b>	<b>10</b>	<b>16</b>	<b>100</b>
<b>All Other:</b>														
Officials/administrators	7	-	-	-	7	4	-	-	-	4	11	-	-	11
Professionals	15	-	-	1	16	12	1	2	1	16	27	1	2	32
Technicians	4	1	-	-	5	2	1	-	-	3	6	2	-	8
Protective service	19	4	-	-	23	-	-	-	-	-	19	4	-	23
Paraprofessionals	2	-	2	-	4	3	-	4	-	7	5	-	6	11
Office/clerical	14	1	-	-	15	39	7	9	2	57	53	8	9	72
Skilled craft	12	1	2	1	16	-	-	-	-	-	12	1	2	16
Service/maintenance	18	10	20	2	50	-	2	9	-	11	18	12	29	61
<b>Total</b>	<b>91</b>	<b>17</b>	<b>24</b>	<b>4</b>	<b>136</b>	<b>60</b>	<b>11</b>	<b>24</b>	<b>3</b>	<b>98</b>	<b>151</b>	<b>28</b>	<b>48</b>	<b>234</b>
<b>Percent</b>	<b>39</b>	<b>7</b>	<b>10</b>	<b>2</b>	<b>58</b>	<b>26</b>	<b>5</b>	<b>10</b>	<b>1</b>	<b>42</b>	<b>65</b>	<b>12</b>	<b>20</b>	<b>100</b>

GAO note: The jobs in this appendix were categorized by the city-county using Federal Equal Employment Opportunity Commission definitions.

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