

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
FY 2017-18 JOINT BUDGET COMMITTEE HEARING AGENDA

Tuesday, Nov. 29, 2016
3:00 pm – 4:30 pm

1:30-1:40 INTRODUCTION AND OPENING COMMENTS

1:40-1:50 GENERAL OVERVIEW

- 1 Does the County Veterans Service Officer program have a backlog of veterans seeking assistance? Assuming that the disparity between the number of claims processed by the program and the number of veterans living in Colorado eligible for federal benefits shows that many veterans are not seeking their benefits, what is the Department and Division of Veterans Affairs doing to encourage veterans to claim their federal benefits?
- 2 How many veterans living in Colorado who are eligible for federal benefits but have not registered with the federal Department of Veterans Affairs?

1:50-3:00 COLORADO NATIONAL GUARD TUITION FUND

- 3 Do state institutions of higher education provide reduced tuition for members of the Colorado National Guard?
- 4 Are all members of the Colorado National Guard considered residents of Colorado for tuition purposes? Do Guard members qualify for the College Opportunity Fund stipend?
- 5 Does the reimbursement program meet current demand amongst Guard members? Does the Department anticipate increasing demand for the reimbursement program?
- 6 Are Colorado National Guard members who reside in another state and participate in an on-line or remote campus program through one of Colorado's higher education institutions eligible for the tuition reimbursement program?

3:00-3:15 BREAK

3:15-4:00 STATE COOPERATIVE AGREEMENT MANAGER

- 7 Please provide a list with a brief description, including location and facilities covered, of each of the 13 cooperative agreements the Department has with the federal government. Please provide an equivalent list of all construction cooperative agreements.

- 8 When the federal government determines that there has been a violation of a cooperative agreement and assesses a financial penalty, is the penalty a General Fund liability? Or does the federal government withhold federal funds equivalent to the financial penalty?
- 9 Is it common practice among other states with a comparable number of cooperative agreements to have a dedicated staff providing state oversight and management?
- 10 Concerning the reversions in the EDO's personal services and operating expenses line items, what difficulties has the Department faced in their attempts to fully allocate their FTE? Have those difficulties been addressed in the current fiscal year?

ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED

1. Provide a list of any legislation that the Department has: (a) not implemented, or (b) partially implemented. Explain why the Department has not implemented or has only partially implemented the legislation on this list. Please explain any problems the Department is having implementing any legislation and any suggestions you have to modify legislation.
2. If the Department receives federal funds of any type, please respond to the following:
 - a. Please provide a detailed description of any federal sanctions or potential sanctions for state activities of which the Department is already aware. In addition, please provide a detailed description of any sanctions that MAY be issued against the Department by the federal government during FFY 2016-17.
 - b. Are expecting any changes in federal funding with the passage of the FFY 2016-17 federal budget? If yes, in which programs, and what is the match requirement for each of the programs?
3. Does the Department have any HIGH PRIORITY OUTSTANDING recommendations as identified in the "Annual Report of Audit Recommendations Not Fully Implemented" that was published by the State Auditor's Office and dated June 30, 2016 (link below)? What is the department doing to resolve the HIGH PRIORITY OUTSTANDING recommendations?

http://leg.colorado.gov/sites/default/files/documents/audits/1667s_annual_report_-_status_of_outstanding_recommendations_1.pdf

4. Is the department spending money on public awareness campaigns? What are these campaigns, what is the goal of the messaging, what is the cost of the campaign? Please distinguish between paid media and earned media. Do you have any indications or metrics regarding effectiveness? How is the department working with other state or federal departments to coordinate the campaigns?
5. Based on the Department's most recent available record, what is the FTE vacancy and turnover rate by department and by division? To what does the Department attribute this

turnover/vacancy?

6. For FY 2015-16, do any line items in your Department have reversions? If so, which line items, which programs within each line item, and for what amounts (by fund source)? What are the reasons for each reversion? Do you anticipate any reversions in FY 2016-17? If yes, in which programs and line items do you anticipate these reversions occurring? How much and in which fund sources do you anticipate the reversion being?
7. [Background Information: For FY 2017-18, the Department of Law has submitted a request to change the calculation of legal services appropriations as well as the monthly billing system for legal services provided to state agencies. Specifically, the proposal would: 1) calculate the number of budgeted legal services hours for each agency as the average of actual usage in the prior three years; 2) include a two-year average of “additional litigation costs” such as court reporting, travel for depositions, expert witness costs, etc., in the appropriation for legal services (these costs are not currently included in the appropriation and are often absorbed from other personal services and operating expenses line items); and 3) convert from monthly billing based on the actual hours of service provided to monthly billing based on twelve equal installments to fully spend each client agency’s appropriation.]

Please discuss your agency’s position on the Department of Law’s proposed changes to the legal services system, including the potential impacts of the changes on your agency budget. That is, does your department support the proposed changes? How would you expect the changes to positively or negatively impact your department? Please explain.

8. What is the expected impact of Amendment 70 (minimum wage increase) on Department programs? Please address impacts related to state personnel, contracts, and providers of services.
9. Please provide an update on the Department’s status, concerns, and plans of action for increasing levels of cybersecurity, including existing programs and resources. How does the Department work with the Cybersecurity Center in the Office of Information Technology?
10. Is the SMART Act an effective performance management and improvement tool for your Department? What other tools are you using? Do your performance tools inform your budget requests? If so, in what way?
11. Please identify how many rules you have promulgated in the past two years. With respect to these rules, have you done any cost-benefit analysis pursuant to Section 24-4-103 (2.5), C.R.S., regulatory analysis pursuant to Section 24-4-103 (4.5), C.R.S., or any other similar analysis? Have you conducted a cost-benefit analysis of the Department’s rules as a whole? If so, please provide an overview of each analysis.
12. What has the department done to decrease red tape and make the department more navigable/easy to access?
13. What is the number one customer service complaint the department receives? What is the department doing to address it?

14. Section 24-75-1104.5 (1.3) (a.5) (II), C.R.S., requires the amount of money received in April 2017 and allocated to programs for FY 2017-18 be reduced by \$15.0 million in order to reduce the accelerated payment prior to the reduction of the April 2018 payment due to the elimination of the strategic contribution payment. Please discuss the impact on the Departments program of the FY 2017-18 funding reduction pursuant to Section 24-75-1104.5 (1.3) (a.5) (II), C.R.S.

COLORADO DEPARTMENT OF MILITARY AND VETERANS AFFAIRS



Joint Budget
Committee Hearing
29 November 2016



COLORADO DEPARTMENT OF MILITARY AND VETERANS AFFAIRS



Division of the National Guard

Division of Veterans Affairs

Division of Civil Air Patrol



COLORADO DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

Performance Plan

Department Strategic Policy Initiatives:

1. Improve Disaster Response Coordination –
Division of the National Guard
2. Expand Services Provided to Underserved
Veterans Through Planning and Outreach –
Division of Veterans Affairs
3. Provide Low-Cost Disaster Mitigation Services –
Division of the Civil Air Patrol
4. Provide STEM Education for Future Leaders –
Division of the Civil Air Patrol





COLORADO DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

Army National Guard Highlights

Army National Guard Deployments

Past: Since 2001, the Colorado Army National Guard has mobilized over 5,400 Soldiers in support of Overseas Contingency Operations.

Present: The Colorado Army National Guard's overseas presence consists of 14 individually deployed Soldiers as well as a unit deployment of 58 Soldiers from Headquarters, Headquarters Company 5th Battalion 19th Special Forces Group (Airborne) and 120 Soldiers from 3rd Battalion, 157th Field Artillery Regiment. Colorado's Soldiers are serving in locations including Germany, Slovenia, the Middle East, and South Korea.

Future: The Colorado Army National Guard is currently preparing to deploy 206 Soldiers in support of several operations throughout the middle east. This includes elements of the 169th Fires Brigade, the 3rd Battalion, 157th Field Artillery Regiment and the 5th Battalion, 19th Special Forces Group.



COLORADO DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

Air National Guard Highlights

Air National Guard Deployments

Past: Since 2001, the Colorado Air National Guard has mobilized over 3,200 Airmen in support of Overseas Contingency Operations

Present: The 140th Wing recently redeployed nearly 230 personnel from Eastern Europe in support of the European Re-assurance Initiative. Seven personnel are currently deployed in support of Overseas Contingency Operations.

- Aerospace Control Alert at Buckley AFB: 71 Personnel, 2 F-16s (24/7 mission) including approximately 90 sorties

Future: In 2017, the 140th Wing will deploy approx. 150 personnel to Nellis AFB, NV to participate in Red Flag Combat Training Exercises, approx. 240 personnel to Asia in support of Pacific Air Forces' Theater Security Package; and approx. 110 personnel in support of Reserve Component Period 6 Agile Combat Support taskings. Individual deployments will continue to be tasked as needed by higher headquarters.



COLORADO DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

Colorado National Guard Tuition Assistance

- This program is an important part of recruiting and retention for the Colorado National Guard.
- The program is currently paying 53.4% of the average tuition cost in the state. Statutory requirement is 50-100%.
- Additional funds are needed to keep pace with growing tuition costs.

State Tuition Assistance Programs in Nearby States

- Colorado – Up to \$8500 per year at state institutions
- Nebraska – pays 75% of tuition up to the in-state rate
- Texas – Not to exceed \$2250 per semester
- New Mexico – Bachelor’s only, up to 100%
- Utah – Up to \$5000 per year
- Wyoming – 100% of tuition and fees

State Tuition Assistance Program Specifics

Guard Members	YES	NO
Special Tuition Rate for Guard Members		X
In-state Tuition	X	
Qualify for COF*	X	
Other state resident/CONG Member...do they qualify?	X	
ROTC Cadet		X
SMP Cadet		X
Deployed/Participating in Online Education	X	
Post-9/11 GI Bill	X	

*students qualify for COF only if they reside in-state



COLORADO DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

Front Range Blizzard

Who: 4 Small Unit Support Vehicle, 5 HUMMV, 1 UH-60, 30 members

What: Blizzard response

When: 23MARCH16

Presidential NSSE AF Academy

Who: 22 Civil Support Team members, 1 UH-60 w/ crew of 4, 2 F-16 Fighting Falcons

What: US Secret Service support (Immediate Response to Thunder Bird F-16 crash)

When: 2JUNE16

Cold Springs Wildfire Support

Who: 261 man days; 87 members; 2 UH-60 Black Hawk; 1 CH-47 Chinook; 1 LUH-72 Lakota; 3 HUMWV; 2 fuel trucks

What: Assist with aerial firefighting and security operations in support of Boulder County

Total Flight Hours: 50.5

Total Bucket Drops: 166

Total Water Dropped: 156,050 gal.

When: 10JULY16 – 13JULY16

Junkins Wildfire Support

Who: 246 man days; ~45 members; 3 UH-60 Black Hawk; 2 fuel trucks; 1 HEMTT

What: Assist with aerial firefighting and search and rescue in support of Custer and Pueblo counties

Total Flight Hours: 74.6

Total Bucket Drops: 226

Total Water Dropped: 111,910 gal.

When: 18OCT16 – 25OCT16

FY 2015 Search and Rescue Missions

Missions	Lives Saved	Crews
34	28	75

FY 2016 Search and Rescue Missions

Missions	Lives Saved	Crews
19	31	57



COLORADO DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

Federally Funded Projects (Colorado Army National Guard)

Construct 117th Space Battalion Readiness Center

- . Construction: Federal Fiscal Year 17
- . Project Cost: \$16,000,000
- . Operation and Maintenance: 100% Federal funded
- . Jobs: 200 badge employees, 50 per day

Construct Airborne Equipment Maintenance Shop

- . Construction: Jun 2017 – June 2018
- . Project Cost: \$3,000,000
- . Operation and Maintenance: 100% Federal funded
- . Jobs: 60 badge employees, 15 per day

Sustainment, Restoration & Modernization Program

- . Construction: Various
- . Project Cost: Total \$6,000,000 across the state
- . Operation and Maintenance: Up to 100% Federally funded
- . Jobs: Average 30 badge employees, 10 per day

**\$25M Army Guard
\$46M Air Guard
\$71M Total Federally
Funded Projects**



COLORADO DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

Federally Funded Projects (Colorado Air National Guard)

Construct Range Control Facility & Fitness Center

- . Construction: Mar 2016 – Dec 2016
- . Project Cost: \$1.7M
- . Operation and Maintenance: 100% Federal funded
- . Jobs: 40 badge employees, 12 per day

Repair Main Apron Access and Alert Pavements

- . Construction: Sep 2014 – Oct 2016
- . Project Cost: \$14,250,000
- . Operation and Maintenance: 100% Federal funded
- . Jobs: 175 badge employees, 45 per day

Remodel Hangar 909

- . Construction: Sep 2016 – Jul 2017
- . Project Cost: \$11,300,000
- . Operation and Maintenance: 100% Federal funded
- . Jobs: 100 badge employees, 35 per day

**\$25M Army Guard
\$46M Air Guard
\$71M Total Federally
Funded Projects**



COLORADO DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

Federally Funded Projects (Colorado Air National Guard)

Repair Airfield Lighting

- . Construction: Dec 2016 – Nov 2017
- . Project Cost: \$3,700,000
- . Operation and Maintenance: 100% Federal funded
- . Jobs: 30 badge employees, 15 per day

Construct Aerospace Ground Equipment/Aerospace Support Equipment

- . Construction: Oct 2016 – Sep 2017
- . Project Cost: \$5,500,000
- . Operation and Maintenance: 100% Federal funded
- . Jobs: 65 badge employees, 20 per day

Repair F-16 Apron

- . Construction: Mar 2017 – Mar 2018
- . Project Cost: \$9,600,000
- . Operation and Maintenance: 100% Federal funded
- . Jobs: 50 badge employees, 35 per day

**\$25M Army Guard
\$46M Air Guard
\$71M Total Federally
Funded Projects**



COLORADO DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

State Cooperative Agreement Manager

- Cooperative agreement costs not approved by the federal government become general fund liabilities.
- Several other states have State Cooperative Agreement Managers – NV and AR responded to our query. AR has 2 x FTE for this task. NV has 1 x FTE.
- Current FTE reversions reflect short-term hiring issues for niche positions.
- The Department seeks this position for the purpose of closer cooperative agreements oversight and better management of FF/GF cost splits, which will decrease reversions.

Cooperative Agreement Appendices

- Appendix 1 – Army National Guard Facilities
- Appendix 2 – Army National Guard Environmental
- Appendix 3 – Army National Guard Security
- Appendix 4 – Army National Guard Electronic Security System
- Appendix 5 – Army National Guard Command, Control, Communication, Computers and Information Management
- Appendix 7 – Army National Guard Sustainable Range Program
- Appendix 10 – Army National Guard Anti-Terrorism Program
- Appendix 14 – Army National Guard Administrative Services
- Appendix 40 – Army National Guard Distance Learning Program
- Appendix 21 – Air National Guard Facilities and Operations and Maintenance Activities
- Appendix 22 – Air National Guard Environmental Control Activities
- Appendix 23 – Air National Guard Security Services
- Appendix 26 – Air National Guard Air Traffic Control Activities
- MCCA - Watkins Parachute Drying Facility



COLORADO DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

Future of the Colorado National Guard

Fifth Generation Fighter – Bringing the F-35 to Buckley will ensure the future of both the 140th Wing and the installation. This aircraft is key to the continued success of the Aerospace Control Alert mission and the Fifth Generation Enterprise.

Cyber – The CONG has been conducting cyber operations since 1999 with the Cyber Network Defense Team. This critical mission grows in importance every day. The National Guard is uniquely positioned to take advantage of Colorado's highly skilled workforce in this area and has recently added a Cyber Protection Team to its cyber force.





COLORADO DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

National Guard Family Programs

- 28 (Federal Funds) staff members as part of Family Programs. This includes a recently hired personal financial counselor who offers assistance to all Service Members and their Families.
- Conducted 25 Yellow Ribbon pre-deployment and post-deployment events for service members and their families.
- Received \$197,005.28 from the 2015 Tax Check-Off for Military Relief Fund.
 - Since 2005 the fund has received a total of \$2,046,517.07 and provided \$1,693,223.31 in grants to service members and their families.





COLORADO DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

Division of Veterans Affairs Highlights

- 14,667 in SFY 15 Client visits.
- 26,883 DVA-assisted claims submitted to the federal VA .
- \$43 million in previous claims completed by US Department of Veterans Affairs.
- Administered Referendum E (Disabled Veterans Property Tax Exemption).
 - 794 validated applications, 6,334 veterans are currently using this benefit.

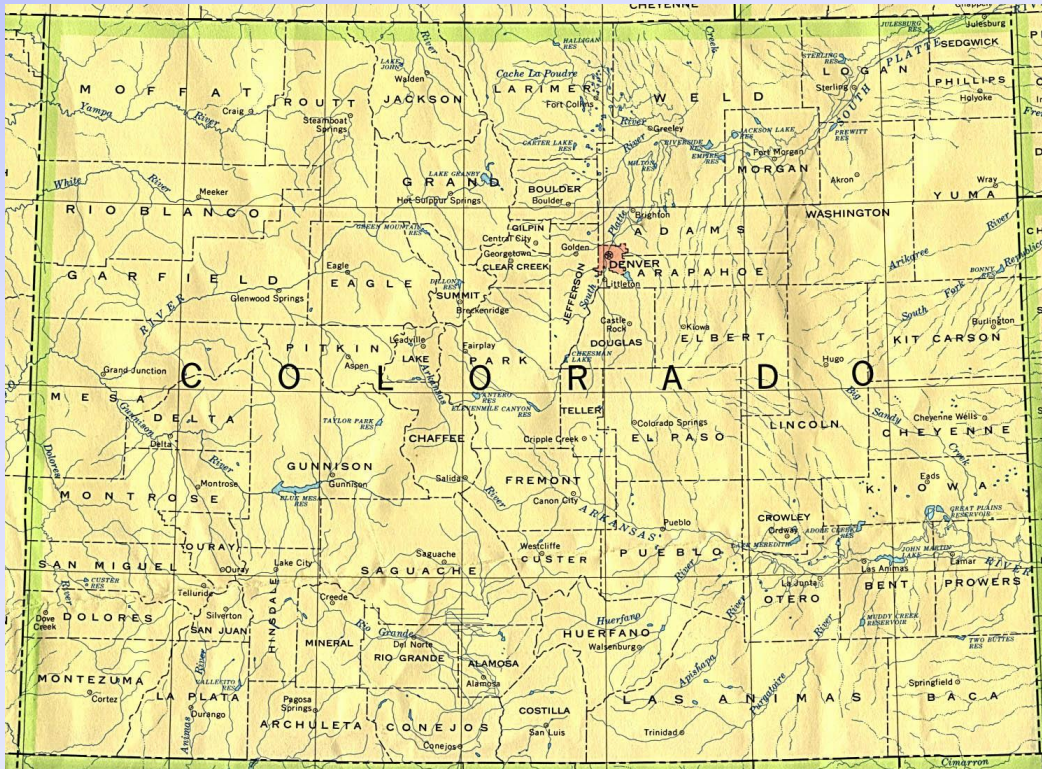
Veterans Assistance Grant

- 25 grants totaling \$966,549 have been awarded by the Department from general fund for veterans services to non-profit and government organizations.
- Grants were selected by the Department in consultation with the Division of Veterans Affairs and the Board of Veterans Affairs



COLORADO DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

Veterans Support in Colorado



- There are 413,271 veterans in Colorado.
- This number represents veterans registered with the Federal VA. There is no other method to account for veterans and they are not required to register, so a complete total will remain unknown.
- The 26,883 federal claims being worked through the Division in concert with the County Veterans Service Officers accounts for veterans actively seeking assistance in the last calendar year.
- Once a veteran's claim is adjudicated the case is considered closed.

The Division of Veterans Affairs does not have a backlog in assisting veterans with their claims.



COLORADO DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

Colorado Board of Veterans Affairs



Key Initiatives:

- Rural veterans access to care
- Student veteran issues
- Veterans homelessness/veterans stand downs
- Veterans transition and employment
- Veterans transportation issues

Veterans Trust Fund

- 29 grants totaling \$832,931 have been awarded from the Veterans Trust Fund in SFY 2015-16.



COLORADO DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

CY 16 (through 31 October) Civil Air Patrol

- Conducted 14 searches for overdue/missing aircraft, lost/missing persons and emergency beacons
 - 1 hiker saved – in Larimer County; 2 distress finds (assists to sheriffs)
- Flew roads east of the Denver metro area looking for stranded motorists after March blizzard
- Continuing aerial assessment of Waldo Canyon burn area for City of Colorado Springs
- Took aerial photos and provided aerial patrol over Thunderbird crash in Colorado Springs
- Fourth year providing chase planes in support of Army UAV operations at Pinon Canyon
- Received “Highly Successful” rating in USAF Operational Readiness Evaluation

Equipment

- 1,707 volunteers (adults and cadets) – 1 FTE
- 15 Cessna C-182s, 1 Gippsland GA-8, 2 gliders
- 22 vans and 4WD vehicles

National Awards

- Colorado Springs Cadet Squadron took 3rd place in the National Youth Cyber Defense Competition – Cyber Patriot; only team to make the finals six times
- Cadet CMSgt Victor Griswold became the first and only, so far, Cyber Patriot All-American for making the finals in all four years of high school



COLORADO DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

Key Budget Proposals

Decision Items:

1. State Tuition Assistance (\$300,000)
2. FTE for Cooperative Agreement Oversight (\$80,628/0.9 FTE)
3. Division of Veterans Affairs Lease (\$13,220)

Capital Development Requests:

1. Grand Junction Veterans One-Stop Shop (\$3.5M)





COLORADO DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

FY 2017-18 Budget Request

- \$9.3M General Fund for Personal Services, Common Policies, Tuition Assistance, Civil Air Patrol, County Veterans Service Offices, Veterans Assistance Grant, and Operations and Maintenance for Army National Guard (Armories).
- \$1.2M Cash Funds for Veterans Trust Fund Grants, Veterans Cemetery in Grand Junction, and Local Armory Incentive Program.
- \$0.8M in Re-appropriated Funds from Higher Education for National Guard Tuition Assistance.
- \$205.6M Federal Funds comprised of the Air and Army National Guard federal mission (Training, Salaries, Equipment Maintenance) and \$9.7M for Air and Army Cooperative Agreements with the Department.

\$9.3M in General Fund generates \$215.3M in Federal Funds



COLORADO DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

Statewide Military Issues

Trends:

- Cyber – Air Force Academy Cyberworx
- Homeland Defense – Complex Catastrophe
- Space – COANG will stand up a Space Ops Squadron of 100 personnel in the next 18 months
- 4th Infantry Division - European Command Response Force Headquarters





COLORADO DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

Economic Impact

Department of Defense activities in Colorado have a \$27 B economic impact (annually). This is the 3rd largest industry in the State of Colorado (tied with agriculture).

This impact accounts for:

5.5% of State taxes and fees

6.5% of State economic output

7.5% of State labor income





COLORADO DEPARTMENT OF MILITARY AND VETERANS AFFAIRS



Written Responses to Committee Questions

GENERAL OVERVIEW

1 Does the County Veterans Service Officer program have a backlog of veterans seeking assistance? Assuming that the disparity between the number of claims processed by the program and the number of veterans living in Colorado eligible for federal benefits shows that many veterans are not seeking their benefits, what is the Department and Division of Veterans Affairs doing to encourage veterans to claim their federal benefits?

- A. The Department assists veterans with their claims with the Federal Department of Veterans Affairs (VA) and is not experiencing a backlog.
- B. A veteran is only counted as receiving assistance when they visit a County or State Veterans Service Officer to seek assistance with a claim (point in time). Once a claim is successfully adjudicated, it is considered complete. Outside groups provide assistance to veterans, so the 26,833 number only references veterans assisted under the auspices of our state/county system. The 413,271 number presented in the staff briefing represents the sum total of veterans, *registered with the federal VA*, who reside in Colorado.

2 How many veterans living in Colorado who are eligible for federal benefits but have not registered with the federal Department of Veterans Affairs?

- A. This number cannot be determined as veterans are not required to sign up with the federal VA, nor are they required to inform the government when they change their state of residence.

COLORADO NATIONAL GUARD TUITION FUND

3 Do state institutions of higher education provide reduced tuition for members of the Colorado National Guard?

- A. No special rate exists for Guard members.

4 Are all members of the Colorado National Guard considered residents of Colorado for tuition purposes? Do Guard members qualify for the College Opportunity Fund stipend?

- A. Yes, Guard members are able to claim in-state residence immediately, so 100% of our service member/scholars should be receiving the in-state rate.
- B. Yes, Guard members qualify for the College Opportunity Fund stipend (if they are permanent Colorado residents). COF does not apply to graduate programs.

5 Does the reimbursement program meet current demand amongst Guard members? Does the Department anticipate increasing demand for the reimbursement program?

- A. No, the program was forced to limit awards for Spring 2015 semester tuition assistance and could not offer Summer 2015 tuition assistance due to a lack of funds. State institutions are

charging an average of \$663 per credit hour but the State Tuition Assistance program is awarding at \$354 per credit hour or a 53.4% reimbursement rate (assuming a 12 credit hour load...\$4250 ÷ 12 = \$354). CRS 23-5-111.4 (2) (a) states that “at least fifty percent but not more than one hundred percent of the cost of tuition” shall be paid by the Department. The Department is concerned about not meeting the statutory threshold. The Department anticipates increased demand due to decreases in federal funding for federal tuition assistance.

6 Are Colorado National Guard members who reside in another state and participate in an on-line or remote campus program through one of Colorado’s higher education institutions eligible for the tuition reimbursement program?

- A. Yes. Members of the Colorado National Guard are both eligible for this program and eligible for in-state tuition.

STATE COOPERATIVE AGREEMENT MANAGER

7 Please provide a list with a brief description, including location and facilities covered, of each of the 13 cooperative agreements the Department has with the federal government. Please provide an equivalent list of all construction cooperative agreements.

- A. The Master Cooperative Agreement has 13 appendices. They are as follows:
 - a. Appendix 1 – Army National Guard Facilities
 - b. Appendix 2 – Army National Guard Environmental
 - c. Appendix 3 – Army National Guard Security
 - d. Appendix 4 – Army National Guard Electronic Security System
 - e. Appendix 5 – Army National Guard Command, Control, Communication, Computers and Information Management
 - f. Appendix 7 – Army National Guard Sustainable Range Program
 - g. Appendix 10 – Army National Guard Anti-Terrorism Program
 - h. Appendix 14 – Army National Guard Administrative Services
 - i. Appendix 40 – Army National Guard Distance Learning Program
 - j. Appendix 21 – Air National Guard Facilities and Operations and Maintenance Activities
 - k. Appendix 22 – Air National Guard Environmental Control Activities
 - l. Appendix 23 – Air National Guard Security Services
 - m. Appendix 26 – Air National Guard Air Traffic Control Activities
- B. The Master Cooperative Construction Agreement currently covers the following projects:
 - a. Watkins Parachute Drying Facility

8 When the federal government determines that there has been a violation of a cooperative agreement and assesses a financial penalty, is the penalty a General Fund liability? Or does the federal government withhold federal funds equivalent to the financial penalty?

- A. The federal government does not assess a penalty, they merely disallow the cost and it then becomes a General Fund liability in the current FY. This amount can range from a few hundred dollars to several million depending on the type of project (operations, construction).

9 Is it common practice among other states with a comparable number of cooperative agreements to have a dedicated staff providing state oversight and management?

- A. Yes. Several states were polled. Both Nevada and Arkansas responded (by the deadline) that they have a dedicated staffer providing state oversight and management. Arkansas has two FTE dedicated to this task on the State side of the Cooperative Agreements. Nevada has one FTE.

10 Concerning the reversions in the EDO's personal services and operating expenses line items, what difficulties has the Department faced in their attempts to fully allocate their FTE? Have those difficulties been addressed in the current fiscal year?

- A. The Department has struggled with both finding qualified people for niche jobs (i.e. Strategic Planner/Lean Champion/Safety Program manager). Additionally the Department has always managed resources conservatively to prevent cost overruns in light of fluctuating charges against our personnel services lines. The cooperative agreement oversight position is designed specifically to allow us to maintain greater oversight over these costs and more accurately manage these funds.

ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED

1. Provide a list of any legislation that the Department has: (a) not implemented, or (b) partially implemented. Explain why the Department has not implemented or has only partially implemented the legislation on this list. Please explain any problem the Department is having implementing any legislation and any suggestions you have to modify legislation.

- A. N/A

2. If the Department receives federal funds of any type, please respond to the following: a. Please provide a detailed description of any federal sanctions or potential sanctions for state activities of which the Department is already aware. In addition, please provide a detailed description of any sanctions that MAY be issued against the Department by the federal government during FFY 2016-17.

b. Are expecting any changes in federal funding with the passage of the FFY 2016-17 federal budgets? If yes, in which programs, and what is the match requirement for each of the programs?

- A. N/A

- B. The federal government is currently under a continuing resolution through 09 DEC 16. We do not anticipate a reduction in funding that will impact programs in either the Continuing Resolution Authority process or pending FY budgets.

3. Does the Department have any HIGH PRIORITY OUTSTANDING recommendations as identified in the "Annual Report of Audit Recommendations Not Fully Implemented" that was published by the State Auditor's Office and dated June 30, 2016 (link below)? What is the department doing to resolve the HIGH PRIORITY OUTSTANDING recommendations?

http://leg.colorado.gov/sites/default/files/documents/audits/1667s_annual_report_-_status_of_outstanding_recommendations_1.pdf

- A. N/A

4. Is the department spending money on public awareness campaigns? What are these campaigns, what is the goal of the messaging, what is the cost of the campaign? Please distinguish between paid media and

earned media. Do you have any indications or metrics regarding effectiveness? How is the department working with other state or federal departments to coordinate the campaigns?

A. N/A

5. Based on the Department’s most recent available record, what is the FTE vacancy and turnover rate by department and by division? To what does the Department attribute this?

Division	FTE Vacancy OH/LB (+13.5 FTE)	Turnover Rate
EDO/Army National Guard	110.8 On-hand/87.7 Long Bill	See DPA-provided information.
Division of Veterans Affairs	16.5 On-hand/18 Long Bill	See DPA-provided information.
Air National Guard	40.5 On-hand/48.6 Long Bill	See DPA-provided information.

A. The Department attributes being over our Long Bill FTE numbers to federal funding and the Centralized Personnel Plan (CPP) agreement with the federal government that allows for some cost sharing for employees that conduct work in support of the Cooperative Agreement.

6. For FY 2015-16, do any line items in your Department have reversions? If so, which line items, which programs within each line item, and for what amounts (by fund source)? What are the reasons for each reversion? Do you anticipate any reversions in FY 2016-17? If yes, in which programs and line items do you anticipate these reversions occurring? How much and in which fund sources do you anticipate the reversion being?

A. The Department had reversions in FY 2015-16.

Line Item	Program	Amount
EDO and Army National Guard	Personal Services	\$ 239,166.00
EDO and Army National Guard	Operating	\$ 33,543.00
EDO and Army National Guard	Operating - CA Split	\$ 178,723.00

The Personal Services reversions were due to a restructuring and reallocation of costs between General Fund and Federal Funds due to a renegotiated Centralized Personnel Plan (CPP) with the Federal government. Additionally, there were three vacancies which have subsequently been filled. The change in methodology from a “by person” cost allocation to a “by time/by location” cost split further increased the amount of this reversion.

The Operating and Operating – CA Split lines reverted funds because the Department was unable to execute several projects due to the timing of the end of the state FY in relation to the availability of fall-out funds (matching) at the end of the federal FY.

The Department does not anticipate any reversions in FY 2016-17 due to the stabilization of the allocation methodology and the hiring of the aforementioned vacancies.

7. [Background Information: For FY 2017-18, the Department of Law has submitted a request to change the calculation of legal services appropriations as well as the monthly billing system for legal services

provided to state agencies. Specifically, the proposal would: 1) calculate the number of budgeted legal services hours for each agency as the average of actual usage in the prior three years; 2) include a two-year average of “additional litigation costs” such as court reporting, travel for depositions, expert witness costs, etc., in the appropriation for legal services (these costs are not currently included in the appropriation and are often absorbed from other personal services and operating expenses line items); and 3) convert from monthly billing based on the actual hours of service provided to monthly billing based on twelve equal installments to fully spend each client agency’s appropriation.]

Please discuss your agency’s position on the Department of Law’s proposed changes to the legal services system, including the potential impacts of the changes on your agency budget. That is, does your department support the proposed changes? How would you expect the changes to positively or negatively impact your department? Please explain.

A. The Department does not see a significant impact arising from this proposed change.

8. What is the expected impact of Amendment 70 (minimum wage increase) on Department programs? Please address impacts related to state personnel, contracts, and providers of services.

A. The Department does not pay anyone at the minimum wage. It is assumed that there will be some cost increase on contracts due to this change.

9. Please provide an update on the Department’s status, concerns, and plans of action for increasing levels of cybersecurity, including existing programs and resources. How does the Department work with the Cybersecurity Center in the Office of Information Technology?

A. The Department remains deeply focused on Cybersecurity, particularly with the efforts of the Colorado National Guard on both a state and national level. The Department interacts with CCOIT as part of this work, to include cyber exercises and testing of software.

10. Is the SMART Act an effective performance management and improvement tool for your Department? What other tools are you using? Do your performance tools inform your budget requests? If so, in what way?

A. The SMART Act performance management requirements inform our internal processes by mandating a critical structure of assessment and metric performance measurement. We utilize the Strategic Policy Initiatives and associated metrics as our primary tool. Lean is also utilized to improve processes. Performance tools do inform our budget requests in the Division of Veterans Affairs (primarily GF funded) but do not play a major role in our Colorado National Guard requests as they are federal in nature.

11. Please identify how many rules you have promulgated in the past two years. With respect to these rules, have you done any cost-benefit analysis pursuant to Section 24-4-103 (2.5), C.R.S., regulatory analysis pursuant to Section 24-4-103 (4.5), C.R.S., or any other similar analysis? Have you conducted a cost-benefit analysis of the Department’s rules as a whole? If so, please provide an overview of each analysis.

A. N/A.

12. What has the department done to decrease red tape and make the department more navigable/easy to access?

- A. The Department has recently hired a strategic planner/Lean champion, whose focus is process improvement. Historically the Department has sought to create a customer friendly experience, most notably at the Division of Veterans Affairs, where a live person always answers the phone.

13. What is the number one customer service complaint the department receives? What is the department doing to address it?

- A. Vendors have complained about the timeliness of payments. The two primary factors have been payments in dispute and misdirected invoices. The payment in dispute issue is being improved through greater account management within our high transaction offices. The misdirected invoices arise from vendor confusion between the shipping or work address and the Department's billing address. The Department's controller is working to educate all program managers (internally) and vendors (externally) of the Department's single billing address.

14. Section 24-75-1104.5 (1.3) (a.5) (II), C.R.S., requires the amount of money received in April 2017 and allocated to programs for FY 2017-18 be reduced by \$15.0 million in order to reduce the accelerated payment prior to the reduction of the April 2018 payment due to the elimination of the strategic contribution payment. Please discuss the impact on the Departments program of the FY 2017-18 funding reduction pursuant to Section 24-75-1104.5 (1.3) (a.5) (II), C.R.S.

- A. To the best of our knowledge, the impact will be equivalent of roughly \$150,000 or 1% of \$1 million. This will likely decrease our program funding by approximately 19% and will have a negative impact on the funding of veterans programs through the Veterans Trust Fund.