

JOINT BUDGET COMMITTEE



STAFF FIGURE SETTING FY 2020-21

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

JBC WORKING DOCUMENT - SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

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FEBRUARY 4, 2020

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HOW TO USE THIS DOCUMENT

The Department Overview contains a table summarizing the staff recommended incremental changes followed by brief explanations of each incremental change. A similar overview table is provided for each division, but the description of incremental changes is not repeated, since it is available under the Department Overview. More details about the incremental changes are provided in the sections following the Department Overview and the division summary tables.

Decision items, both department-requested items and staff-initiated items, are discussed either in the Decision Items Affecting Multiple Divisions or at the beginning of the most relevant division. Within a section, decision items are listed in the requested priority order, if applicable.

DEPARTMENT OVERVIEW

The Department provides trained and ready military forces for the U.S. active armed services and for preserving life and property during natural disasters and civil emergencies in Colorado; supports federal and state homeland security missions; maintains equipment and facilities for state military forces; provides for safekeeping of the public arms, military records, relics and banners of the state; assists veterans and National Guard members with benefits claims; operates the Veterans OneSource (one stop) Center in Grand Junction; maintains the Western Slope Veterans' Cemetery; supports the Civil Air Patrol, Colorado Wing; and assists in fighting the spread of drug trafficking and abuse.

SUMMARY OF STAFF RECOMMENDATIONS

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
S.B. 19-207 (Long Bill)	\$131,630,851	\$11,615,507	\$1,470,429	\$4,143	\$118,540,772	2,579.1
Supplemental bill	87,994	240,748	0	0	(152,754)	0.0
TOTAL	\$131,718,845	\$11,856,255	\$1,470,429	\$4,143	\$118,388,018	2,579.1
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$131,718,845	\$11,856,255	\$1,470,429	\$4,143	\$118,388,018	2,579.1
Informational funds adjustment	1,460,451	0	0	0	1,460,451	(44.6)
Centrally appropriated line items	729,584	164,350	10,383	1,162	553,689	0.0
Increase Veterans Trust Fund appropriation	150,000	0	150,000	0	0	0.0
R2 DMVA energy study project	72,870	72,870	0	0	0	0.0
Annualize prior year legislation	58,539	22,420	872	0	35,247	0.0
R1 Western Region One Source service reception and triage	54,497	54,497	0	0	0	0.9
Centralized Personnel Plan adjustment	42,293	59,155	0	0	(16,862)	0.0
Common policy provider rate adjustment	23,888	23,888	0	0	0	0.0
BA1 Annual depreciation-lease equivalent payment	0	0	0	0	0	0.0
Net zero budget reorganization	0	0	0	0	0	0.0
R3 Re-estimate for National Guard Tuition Assistance	(400,000)	(400,000)	0	0	0	0.0
Annualize prior year budget actions	(35,920)	(177)	0	0	(35,743)	0.1
NP1 DPA annual fleet vehicle request	(29,913)	(17,948)	0	0	(11,965)	0.0
NP2 OIT budget request package	(4,485)	(4,485)	0	0	0	0.0
TOTAL	\$133,840,649	\$11,830,825	\$1,631,684	\$5,305	\$120,372,835	2,535.5
INCREASE/(DECREASE)	\$2,121,804	(\$25,430)	\$161,255	\$1,162	\$1,984,817	(43.6)
Percentage Change	1.6%	(0.2%)	11.0%	28.0%	1.7%	(1.7%)
FY 2020-21 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	(\$1,496,649)	\$6,029	(\$117,447)	(\$1,162)	(\$1,384,069)	44.7

DESCRIPTION OF INCREMENTAL CHANGES

INFORMATIONAL FUNDS ADJUSTMENT: The recommendation includes an increase of \$1.5 million federal funds and a decrease of 44.6 FTE shown for informational purposes. Estimates are based on recent-year spending and related information provided by the Department.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes adjustments to centrally appropriated line items. The Committee has only acted on some of these. The table below shows previously approved amounts and, where denoted by an asterisk, the requested amounts that are pending Committee action.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey adjustment	\$351,067	\$120,063	\$5,232	\$0	\$225,772	0.0
Health, life, and dental adjustment	245,901	27,524	995	0	217,382	0.0
Payments to OIT adjustment*	80,681	80,681	0	0	0	0.0
AED adjustment	60,930	4,256	1,423	0	55,251	0.0
SAED adjustment	60,930	4,256	1,423	0	55,251	0.0
CORE adjustment*	19,157	19,157	0	0	0	0.0
Shift differential adjustment	4,005	0	0	0	4,005	0.0
Short-term disability adjustment	2,387	272	53	0	2,062	0.0
Leased space adjustment	1,898	1,898	0	0	0	0.0
Indirect cost assessment adjustment*	1,162	(1,162)	1,162	1,162	0	0.0
Paid family leave	0	0	0	0	0	0.0
Payment to risk management / property funds adjustment*	(60,535)	(60,535)	0	0	0	0.0
Legal services adjustment*	(14,909)	(14,909)	0	0	0	0.0
PERA Direct Distribution	(11,872)	(11,967)	95	0	0	0.0
Workers' compensation adjustment*	(10,057)	(4,023)	0	0	(6,034)	0.0
Capitol Complex leased space adjustment*	(1,161)	(1,161)	0	0	0	0.0
TOTAL	\$729,584	\$164,350	\$10,383	\$1,162	\$553,689	0.0

*These amounts reflect the request, as Committee action is pending.

INCREASE VETERANS TRUST FUND APPROPRIATION: The recommendation increases spending authority from the Veterans' Trust Fund by \$150,000 cash funds. Amounts in the Veterans Trust Fund originate from Tobacco Litigation Settlement funds. Due to reversions into the Trust Fund, additional amounts are available for expenditure. The Board of Veterans' Affairs has expressed interest in funding a study on veterans' needs, with an emphasis on underserved veteran populations.

R2 DMVA ENERGY STUDY PROJECT: The recommendation includes one-time funding of \$72,870 General Fund to enable the Department to perform an energy study to inform and guide the future investment of State and federal dollars for energy efficiency and renewable energy projects at DMVA facilities. The study follows the recommendation of a Colorado Energy Office energy feasibility study of DMVA facilities completed in 2016.

ANNUALIZE PRIOR YEAR LEGISLATION: The recommendation includes an increase of \$58,539 total funds for the third-year impact of S.B. 18-200 (Modification to PERA to Eliminate Unfunded Liability).

R1 WESTERN REGION ONESOURCE SERVICE RECEPTION AND TRIAGE: The recommendation includes an increase of \$54,497 General Fund and 0.9 FTE in FY 2020-21, annualizing to \$59,080 General Fund and 1.0 FTE in FY 2021-22 (\$74,384 if estimated “pots” are included). In FY 2022-23, 50 percent of the cost of the position is anticipated to be funded with cash funds from organizations leasing space in the OneSource. This position is a program assistant who will serve as a triage specialist to direct and guide customers to the resources provide by State, federal and community partners, as well as assist the Division Director and State Veterans Service Officer with daily administrative tasks and program support.

CENTRALIZED PERSONNEL PLAN ADJUSTMENT: The recommendation includes an increase of \$42,293 total funds, including an increase of \$59,155 General Fund, to reflect adjustments to the costs and funding sources for central administrative costs (8.0 FTE) that are federally supported as an alternative to indirect cost collections.

COMMON POLICY PROVIDER RATE ADJUSTMENT: The recommendation includes \$23,888 General Fund for a 1.9 percent community provider rate adjustment for payments for county veterans’ services officers. This amount is subject to adjustment, based on Committee common policy decisions.

BA1 ANNUAL DEPRECIATION-LEASE EQUIVALENT PAYMENT: The bill includes \$87,994 General Fund to ensure the Department complies with Section 24-30-1310, C.R.S. This statute requires that for each new capital construction project funded, the General Assembly set aside funds in subsequent years to support future replacement of the capital asset. No FY 2020-21 increase is required because the appropriation was added in FY 2019-20 and is continued in FY 2020-21.

NET ZERO BUDGET REORGANIZATION: The bill reduces the General Fund appropriation for the Army National Guard Cooperative Agreement by \$90,000 General Fund and increases the appropriation for Executive Director’s Office operating expenses by the same amount to more accurately reflect where these funds are anticipated to be expended.

R3 RE-ESTIMATE FOR NATIONAL GUARD TUITION ASSISTANCE: The recommendation includes a \$400,000 General Fund reduction to the appropriation to the National Guard Tuition Assistance Fund based on current spending trends and reserves for the program. Staff anticipates that \$175,000 of this amount will be ongoing, while \$225,000 will be restored in FY 2021-22. This program provides tuition assistance for current members of the Colorado National Guard. The Department requested a \$175,000 ongoing reduction to the appropriation for this program from the current appropriation of \$1,596,157 General Fund.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS: The recommendation includes adjustments for the second-year impact of prior year budget actions. Salary survey is annualized by moving amounts from the Salary Survey line item to line items throughout the Department, with a net \$0 impact. The Department requested annualization of FY 2019-20 R2 Western Region Director and OneSource, which would have increased cash funds and decreased General Fund appropriations for operating and maintenance costs at the OneSource. The staff recommendation does not include this change. Finally, the Department request included a General Fund reduction to annualize the FY 2019-20 R1 request

for maintenance staff for Department facilities; staff has also annualized federal funds, consistent with Committee action in FY 2019-20, which included federal funds changes associated with this request.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS	FTE
Annualize prior year salary survey	\$0	\$0	\$0	\$0	0.0
FY 2019-20 R2 Western Region Director and One Stop	0	0	0	0	0.0
FY 2019-20 R1 CFMO FTE and Vehicle	(35,920)	(177)	0	(35,743)	0.1
TOTAL	(\$35,920)	(\$177)	\$0	(\$35,743)	0.1

NP1 DPA ANNUAL FLEET VEHICLE REQUEST: The request includes a reduction of \$29,913 total funds for vehicle lease payments, consistent with the Department of Personnel's common policy request for vehicle lease payments. Committee action on this item is pending.

NP2 OIT BUDGET REQUEST PACKAGE: The request includes a reduction of \$4,485 General Fund for the Department's share of requests in the Governor's Office of Information Technology. Committee action on this item is pending.

MAJOR DIFFERENCES FROM THE REQUEST

There is little difference between the total General Fund recommendation and the request; however, there are differences in where the General Fund is allocated. Differences include:

- A staff recommendation to decrease the appropriation for the National Guard Tuition Assistance Fund by \$400,000 General Fund, rather than the \$175,000 requested. (\$225,000 of the reduction would be for one-year only)
- Staff recommendations that provide additional General Fund for the state's share of the Centralized Personnel Plan, add a community provider rate increase for county veterans' services officers, and temporarily retain more General Fund for the Western Region OneSource Center (rather than moving costs to cash funds), due to the slow lease-up of the facility
- Higher Committee common policy action for centrally-appropriated amounts
- A recommendation that the request for a new 1.0 FTE position at the Western Region OneSource be partially shifted to cash funds after two years

The staff recommendation includes an increase of \$150,000 cash funds from the Veterans Trust Fund, which was not formally requested.

The staff recommendation also includes adjustments to federal funds and FTE shown for informational purposes. These adjustments were not included in the request.

DECISION ITEMS AFFECTING MULTIPLE DIVISIONS

→ REQUEST R1 - WESTERN REGION ONE SOURCE - SERVICE RECEPTION AND TRIAGE

REQUEST: The Department requests \$71,534 General Fund and one (0.9) FTE Program Assistant II at the Western Region OneSource (WROS) in FY 2020-21. The position will serve as a triage specialist

to direct and guide customers who may have mental health issues or substance abuse disorders, to the resources provided by the State, federal, and community partners. The position will also assist the Division Director and State Veteran Service Officer (VSO) with administrative tasks and program support. The request annualizes to \$73,043 and 1.0 FTE in FY 2021-22.

The request emphasizes that there has been daily growth in the numbers of veterans service members and families seeking assistance. Originally, the Property Manager was intended to be a front desk resource, but the Department found that the Property Manger could not conduct tours for tenants, meet with contractors, and accomplish related duties while also maintaining a presence at the front desk. While all the state staff are now rotating in the position, the volume of foot traffic interferes with their primary duties, results in delayed meetings, cancelled outreach events, and missed building leasing opportunities.

The Department proposes to hire an individual who will not only greet visitors but also help direct them to appropriate resources and be trained to diffuse tense or hostile situations, since many of those entering the building are upset and seeking to resolve a problem with the federal VA.

RECOMMENDATION:

- Staff recommends adding the 1.0 FTE position but with various adjustments:
- Staff recommends that General Fund support be provided for the position in FY 2020-21 and FY 2021-22. **Beginning in FY 2022-23, staff recommends that General Fund support be reduced to 50 percent of the total, with the balance funded through lessees operations and maintenance payments. If revenue from this source is not sufficient, staff nonetheless recommends that General Fund support be reduced to support a 0.5 FTE.**
- Staff has updated the personal services calculations to align with current assumptions for a Program Assistant II and associated operating costs, as Department figures appeared out of date based on current OSPB (as well as LCS) instructions.
- Consistent with common policy, staff recommends that any funding provided not include centrally appropriated “pots” in the first year. As the Committee is aware, the Department has reverted substantial funds over the years, and, in recent years, has done so from the centrally appropriated line items. *Department under-expenditures were \$1,156,711 General Fund (11.0 percent of the appropriation) in FY 2017-18 and \$930,693 General Fund (8.3 percent of the appropriation) in FY 2018-19.*
- Staff also recommends excluding costs related to one-time office furniture, since there appears to be a front desk and associated furniture already.

			FY 2020-21	FY 2021-22	
<i>Personal Services:</i>					
	Classification Title	Biweekly Salary	FTE	Amount	FTE
	Program Assistant II	\$1,990	0.9	\$46,566	1.0
	PERA			\$5,076	\$5,640
	AED				\$2,587

			FY 2020-21	FY 2021-22
SAED				\$2,587
Medicare			\$675	\$750
STD				\$88
Health-Life-Dental				\$10,042
Subtotal Personal Services		0.9	\$52,317	1.0 \$73,434
Operating Expenses:				
		FTE		FTE
Regular FTE Operating Expenses	\$500	1.0	\$500	1.0 \$500
Telephone Expenses	\$450	1.0	\$450	1.0 \$450
PC, One-Time	\$1,230	1.0	\$1,230	-
Office Furniture, One-Time	\$3,473	1.0		-
Subtotal Operating Expenses			\$2,180	\$950
TOTAL		0.9	\$54,497	1.0 \$74,384
	<i>General Fund:</i>		<i>\$54,497</i>	<i>\$74,384</i>
WROS line item (without "pots")			\$54,497	\$59,080

BACKGROUND AND ANALYSIS:

Background: During the 2017 legislative session, the General Assembly authorized a capital appropriation to the Department of Military and Veterans Affairs of \$3,509,650 Capital Construction Funds to remodel the vacant Grand Junction Army National Guard Armory for a new one-stop veterans' center.

During the 2018 legislative session, the Joint Budget Committee sponsored, and the General Assembly adopted, H.B. 18-1337 (Veterans' One-stop Center in Grand Junction), which authorized the Department to operate the new veterans' one-stop center in Grand Junction.

The new facility opened in May 2019 under the name Western Region OneSource. The goal of the center is to improve services for Western Slope veterans by making an existing facility a hub for veterans' organizations in the region. The facility is intended to bring together, under one roof, multiple regional organizations that serve veteran needs. The concept of the center is built on models such as the Bill Daniels Center in Denver and the Mount Carmel Center in Colorado Springs. However, the Western Region OneSource differs from the other large Colorado veterans' one-stop models in that the building, leadership, and key staffing is paid for and managed directly by the State, rather than private entities.

The Department originally anticipated that the facility would be staffed with 3.1 FTE. However, it requested and received funding for a new 1.0 FTE Western Region Division Director to be housed

on the premises starting in FY 2018-19 and is now requesting addition of a 1.0 FTE front desk position.

The new building had its grand opening in May 2019 with only state staff in residence. Although visits have been increasing, office space in the building is not thus far occupied to the extent expected. **The Department has only leased about 10 percent of the office space available.** The facility has 12,570 square foot of space. There are 5,525 square foot of office space available for lease in 10 smaller offices, 2 larger offices, and a large suite (developed for the federal Veterans Administration). All of the offices also have access to 6,242 square feet of shared space (halls, lobby, restrooms, etc.).

LEASES REPORTED	SQUARE FT.
Leases in place as of Jan 2020: Student Transportation of America (employs veterans), Volunteers of America, Rocky Mountain Human Services All Veterans Services Program	542
Prospective tenants as of November 2019: VA Healthcare system (2,000 sq. ft.), Medicare Resource Center, Marillac Clinic - <i>none have taken occupancy as of January 2020 - 7 other "prospects" now identified</i>	2,310
Balance of office space that would remain available, even if prospective tenants become lessees	2,673

Since the Department provided data in November, there do not appear to be any new confirmed leases from the “prospective tenants” identified, although the Department provided a list of seven (different) potential lessees in January. The Department indicates that it still anticipates that the federal VA to occupy a large suite, but that federal funding processes are lengthy.

The Department provided the following data on visits to state staff working within the facility and other front desk drop-ins and calls.

WROS Reception/Triage					
	Walk-ins and Appointments for VSO or Military ID (monthly)	Visits/working day	Additional walk-in visits avg/day in December seeking help other than for VSO or Military ID's	Average Front Desk phone calls/day	Average Front Desk contacts/day (VSO/ID/Other Help+ Front Desk Calls)
May	110	4.8			
June	140	6.7			
July	184	8.4	Not provided	Not provided	Not provided
August	179	7.8			
September	150	7.5			
October	187	8.5			
November	149	8.3			
December	110	5.8	4.1	9.8	19.7

Analysis:

- Staff agrees that a front door position would be useful at this facility. In a building intended to help veterans and their families, it seems appropriate that someone should be immediately available to greet and help visitors. During a visit this summer, the facility manager expressed concerns both about the workload impact of drop-in visitors and safety concerns. Specifically, she described situations in which angry or upset veterans had arrived at the facility and lack of an individual at the front desk had created a potentially hazardous situation. From the data provided, there are visitors and calls throughout the day, although the numbers are still modest.

- Staff is nonetheless concerned about adding another state staff position when only state staff (currently 4.0 FTE) and three lessees are occupying the building, and lease-up has been slow.
- This facility is supposed to be a shared community endeavor involving multiple government and nongovernmental partners. Staff believes new front-desk position should be funded at least in part through revenue from tenants. However, the number of leases and related revenue to-date is too low for this at this time.
- Given the above issues, staff is recommending that the State agree to fully fund the new position for two years. By the end of that time, staff anticipates that the WROS will have built sufficient costs into its leases to cover 50 percent of the costs for the reception position or will have worked with other building occupants to ensure front-desk coverage in some other way, e.g., through volunteers or donations. *Thus, staff recommends that this position “annualize” in FY 2022-23 to have 50 percent of costs covered through cash sources.*
- This project is an experiment. Centers of this type run by nonprofits in Denver and Colorado Springs seem to be busy and successful; however, the question remains whether a state-run facility can harness the same collaboration and energy. The Department and General Assembly will need to carefully watch this project over the next few years. If it does not develop as hoped, there will be options for course corrections in the coming years, including through the sunset review process scheduled in FY 2022-23.

① ANNUALIZATION ADJUSTMENTS

The request includes the second-year impact of budget and legislative actions taken during the 2019 session that affect multiple line items:

- Annualize S.B. 18-200 (PERA) to reflect the impact of increasing the employer share of PERA contributions by 0.5 percent from 10.4 percent to 10.9 percent of employee salaries. This reflects PERA’s analysis of its financial status and the authority granted in S.B. 18-200 to increase employer and employee contribution rates to address this. The recommendation is based on the Department request for \$58,539, including \$22,420 General Fund.
- Annualize prior year salary survey. This moves prior year centrally appropriated amounts into individual line items. Changes incorporated by the Department result in a reduction in federal funds shown for informational purposes and a net \$0 impact in General Fund and cash funds.

Line item recommendations throughout this packet incorporate these annualization amounts.

(1) EXECUTIVE DIRECTOR AND ARMY NATIONAL GUARD

The Executive Director's Office is responsible for the administration of the Department. It provides leadership to the Department by managing the general administrative functions, which include policy development; human resource management; accounting; purchasing and contracting; and budgeting. The Executive Director's Office is also responsible for the legislative program of the Department at the state and federal level.

The Army National Guard is funded by the federal government and managed and staffed by Federal Civil Service employees. The federal government fully funds National Guard training and provides most of the funding for construction of armories and other military facilities. Under its cooperative agreements with the federal government, the Department provides 50 percent of maintenance and utilities costs at fifteen armories on state-owned land, and 20 to 25 percent of these costs at four other facilities.

EXECUTIVE DIRECTOR AND ARMY NATIONAL GUARD						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 Appropriation						
S.B. 19-207 (Long Bill)	\$21,450,665	\$7,512,741	\$118,093	\$4,143	\$13,815,688	109.4
Supplemental bill	87,994	240,748	0	0	(152,754)	0.0
TOTAL	\$21,538,659	\$7,753,489	\$118,093	\$4,143	\$13,662,934	109.4
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$21,538,659	\$7,753,489	\$118,093	\$4,143	\$13,662,934	109.4
Informational funds adjustment	514,502	0	0	0	514,502	0.0
Centrally appropriated line items	729,584	164,350	10,383	1,162	553,689	0.0
R2 DMVA energy study project	72,870	72,870	0	0	0	0.0
Annualize prior year legislation	38,891	12,456	0	0	26,435	0.0
R1 Western Region One Source service reception and triage	0	0	0	0	0	0.0
Centralized Personnel Plan adjustment	42,293	59,155	0	0	(16,862)	0.0
BA1 Annual depreciation-lease equivalent payment	0	0	0	0	0	0.0
Net zero budget reorganization	0	0	0	0	0	0.0
R3 Re-estimate for National Guard Tuition Assistance	(400,000)	(400,000)	0	0	0	0.0
Annualize prior year budget actions	(119,629)	(39,505)	(4,226)	0	(75,898)	0.1
NP1 DPA annual fleet vehicle request	(29,913)	(17,948)	0	0	(11,965)	0.0
NP2 OIT budget request package	(4,485)	(4,485)	0	0	0	0.0
TOTAL	\$22,382,772	\$7,600,382	\$124,250	\$5,305	\$14,652,835	109.5
INCREASE/(DECREASE)	\$844,113	(\$153,107)	\$6,157	\$1,162	\$989,901	0.1
Percentage Change	3.9%	(2.0%)	5.2%	28.0%	7.2%	0.1%
FY 2020-21 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	\$22,000,392	\$7,659,186	\$122,348	\$4,143	\$14,214,715	109.5
	(\$382,380)	\$58,804	(\$1,902)	(\$1,162)	(\$438,120)	0.0

DECISION ITEMS - EXECUTIVE DIRECTOR AND ARMY NATIONAL GUARD

→ REQUEST R2 DMVA ENERGY STUDY PROJECT

REQUEST: The Department requests \$72,870 General Fund for a one-time project in FY 2020-21 to enable the Department to perform an energy study to guide the future investment of state and federal dollars for energy efficiency and renewable energy projects at DMVA facilities.

The Department notes that its performance plan emphasizes energy and environmental stewardship. A Colorado Energy Office 2016 audit of DMVA facilities recommended further study.

The Department proposes to acquire professional architect-engineer-consultant services to guide its investment approach for energy efficiency. The study will provide the Department with a viable project list and supporting economic analysis and will research other funding avenues including grants and performance contracting.

The project will use selected sites along the Front Range, near and around Denver, to minimize study costs. These facilities are representative of facilities located throughout the State. The Department assumes a \$0.35 cost per square foot for a level II energy audit (standards established by the American Society of Heating, Refrigerating, and Air-Conditioning engineers), reflecting the expectation that the study would be informed by data from other studies conducted in the last two years.

In response to Committee questions, the Department provided a list of six facilities, including the readiness centers at Fort Lupton, Watkins, and Windsor and three buildings at the Joint Force Headquarters. The Department indicated that these sites were selected as a representative sample of Department buildings, but they are all in or close to the metro area to help limit the project's cost. The cost is based on \$0.35 per square foot and total square footage of 208,200.

RECOMMENDATION: Staff recommends the request for \$72,870 General Fund on a one-time basis.

ANALYSIS:

- As indicated in the request, the Colorado Energy Office's (CEO) 2016 analysis provided *some* support for a more in-depth analysis. The Energy Performance Contract Feasibility study conducted in 2016 by the CEO looked at utility consumption and cost information at 43 DMVA buildings across the state. The analysis found:

“The majority [of CDMVA facilities] are below what would normally be considered a target [energy use intensity] for potential energy performance contracting and even some energy efficiency projects. This is mainly due to relatively infrequent operating hours and minimal space temperature conditioning at the sites.

....the [Colorado Energy Office/CEO] does not recommend that CDMVA pursue additional [Energy Performance Contract] work at this time...[however] CEO recommends continuing efforts to establish a plan with the Federal counterparts to fund and implement site specific energy efficiency projects at these facilities...”

- Colorado spends considerable resources on DMVA facilities and facility maintenance. Given the number of properties overseen by the Department and the costs to maintain them, it seems reasonable to make a one-time investment to help determine what types of energy efficiency projects are likely to be worthwhile and cost-effective. The Department maintains 81 buildings (1,673,061 square feet) across 25 sites. This includes 23 readiness centers serving both the Army National Guard and the Air National Guard. The facilities are located throughout the State and range from old buildings that require significant maintenance to state-of-the art facilities. The State provides funding for 50 percent of maintenance and facility operating costs at the fifteen readiness centers located on state land and between 20.0 and 25.0 percent of costs at four other readiness centers. State expenditures just for controlled maintenance were \$1,276,300 in FY 2018-19 and \$794,740 in FY 2019-20, split equally between federal funds and General Fund.
- Staff has explored with the Department whether this project could be funded within existing resources. Specifically, the Department again appears likely to revert substantial funds in FY 2019-20, so staff inquired whether the Department could fund this study in the current year within existing resources. However, the Department indicates that it does not believe it has the capacity at this time to complete the contract before the end of the fiscal year.

→ REQUEST R3 RE-ESTIMATE FOR NATIONAL GUARD TUITION ASSISTANCE

REQUEST: The Department requests a \$175,000 (11.0 percent) General Fund reduction for FY 2020-21 and ongoing to better align the appropriation for the National Guard Tuition Assistance program with program needs. The request notes that the program used only 75 percent of appropriated funds in FY 2017-18 and FY 2018-19. A reduction will enable the unused resources to be redirected to other Department and State Needs.

RECOMMENDATION: Staff recommends the request for an ongoing reduction of \$175,000 but also recommends an additional one-time reduction of \$225,000, for a total reduction in FY 2020-21 of \$400,000.

BACKGROUND AND ANALYSIS:

Program background: The National Guard Tuition Assistance Program, created in Section 23-7.4-302, C.R.S., provides funding for tuition assistance for members of the Colorado National Guard who attend Colorado state universities and colleges. A member of the National Guard is eligible for Tuition Assistance of at least 50 percent of tuition, but no more than 100 percent, so long as:

- the person is a current member of the Colorado National Guard
- the National Guard member has not received tuition payments for more than 132 semester hours
- the National Guard member's assistance from all sources, including the federal government, does not exceed 100 percent of the cost of tuition; and
- the member is determined eligible based on the Department rules. These rules determine eligibility based on the member's service record and academic standing.

Statute requires the program pay at least 50 percent and not more than 100 percent of tuition. It currently pays up to \$4,250 per semester (\$8,500 per year) in tuition assistance for any member of the

Guard (excluding retirees), regardless of whether the Guard member is a part-time or full-time Guard member.¹ **National Guard Tuition Assistance is the largest state-funded recruitment incentive to attract enlistment in the Colorado National Guard.**

Access to this program, pursuant to statute, is subject to available appropriation. Thus, it is not strictly an entitlement, and the Department has modified the program over time to keep costs under control. Nonetheless, the Department has sought to be fair to all participating Guard members and, so far as resources allow, offer a consistent benefit to any Guard member who qualifies.

The Department indicates that there is no federal tuition benefit for members of the Air National Guard and that most Army National Guard members are eligible for little if any federal tuition assistance.

For FY 2019-20, the program appropriation was \$1,596,157 General Fund. The Executive Request for FY 2020-21 would reduce the appropriation by \$175,000 General Fund to a total of \$1,421,157 on an ongoing basis. The request is based on an anticipated ongoing lower level of spending for the program.

Recent Funding History:

- During the 2017 legislative session, the Department received an increase of \$87,162 for FY 2016-17 and \$300,000 for FY 2017-18. In its request, the Department argued that additional funding was required to address rising higher education tuition rates.
- The Department subsequently failed to spend any of the additional funding provided for FY 2016-17, FY 2017-18, or FY 2018-19 and spent less than the FY 2015-16 appropriation of \$1,296,157 in all three years.
- The Department indicates that it took actions to control expenditures, which were intended to bring down costs. These included eliminating summer session funding after FY 2014-15, tightening of requirements to require a GPA of at least 2.5, requiring 6 months service prior to eligibility, and disallowing funding for second degrees. In addition, for FY 2017-18, CSU determined that CSU-Global was not eligible for the program, leading to late withdrawal of students from the program.
- Access to CSU-Global has been reinstated for FY 2019-20, based on a statutory change, and the Department has now reinstated a summer session, which should increase expenditures.
- While Department actions affect expenditures, the program is also affected by factors beyond the Department's control, such as the impact of a strong economy on whether part-time Guard members are fully employed in other jobs or pursuing additional education. These factors are likely to continue to affect program expenditures in the near-term.
- The program has significant reserves held in the National Guard Tuition Assistance Fund. Through FY 2016-17, the Department used this Fund to cushion variability in its expenses. Statutory and budget changes in FY 2016-17 inadvertently eliminated the Department's ability to revert unused funds into this cash fund. As a result, unspent funds were reverted to the General Fund in FY 2017-18 and FY 2018-19. However, beginning in FY 2019-20, unused funds will again revert into the cash fund.

¹ Resident tuition at the Colorado School of Mines (highest in the State) is \$16,650, so \$8,500 represents 51.1 percent of Mines' tuition. If tuition increases by 3.0 percent in FY 2020-21, staff assumes that the maximum program grant will need to increase to \$8,575 (0.9 percent increase)

PROGRAM UTILIZATION

The table below summarizes program utilization. As shown, there appears to be little relationship between total utilization (Guard members participating/total credit hours) and expenditures. This is apparently because (a) credit hours are shown even if the Department recoups tuition assistance because of a student’s low GPA; (b) reimbursements are capped, although credit hours are not; and (c) credit hour costs vary by type of institution and therefore the “case mix” can affect total costs.

The FY 2019-20 projection data was provided in response to staff questions. *Even with relatively optimistic assumption for spring and summer terms, the Department’s estimated expenditures for FY 2019-20 are below the estimates originally included in its request item.*

NATIONAL GUARD TUITION ASSISTANCE UTILIZATION						
	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20 (proj)
Total Credit Hours	5,258	4,907	5,830	4,631	4,473	3,961
Percentage Change		-6.70%	18.80%	-20.60%	-3.40%	-11.4%
Total Nat’l Guard members	514	489	534	357	393	334
Percentage Change		-4.90%	9.20%	-33.10%	10.10%	-15.0%
Expenditures	\$1,366,469	\$1,496,089	\$1,207,509	\$1,260,129	\$1,194,910	\$1,224,610
Percentage Change		9.50%	-19.30%	4.40%	-5.20%	2.5%

STAFF PROJECTION/RESERVE FUNDS ANTICIPATED

The chart below compares actual data and an updated projection of expenditures and reserves with the Executive Request for a \$175,000 reduction and estimates of FY 2019-20 expenditures that have been updated since the request was submitted. As shown, it appears likely that the Department reserves will be over \$670,000 by the end of FY 2019-20 and will continue to grow, unless the Department makes substantial changes to increase program expenditures.

NATIONAL GUARD TUITION ASSISTANCE - REQUESTED APPROPRIATION CHANGE						
	APPROPRIATION/EXPENDITURES			TUITION ASSISTANCE CASH FUND		
	APPROPRIATION/REQUEST	EXPENDITURE	REVERSION/(EXCESS) EXPENDITURE	BEGINNING BALANCE	CHANGE IN BALANCE**	ENDING BALANCE
FY 2013-14	\$1,296,157	\$1,252,380	\$43,777	\$351,607	\$43,777	\$395,384
FY 2014-15	1,296,157	1,366,469	-70,312	395,384	-71,076	324,308
FY 2015-16	1,296,157	1,496,089	-199,932	324,308	-199,932	124,376
FY 2016-17	1,383,319	1,207,509	175,810	123,587	175,288	298,875
FY 2017-18	1,596,157	1,260,129	336,028	298,875	-	298,875
FY 2018-19	1,596,157	1,194,910	401,247	298,875	-	298,875
FY 2019-20*	1,596,157	1,224,610	371,547	298,875	371,547	670,422
FY 2020-21*	1,421,157	1,261,348	159,809	670,422	159,809	830,231
FY 2021-22*	1,421,157	1,299,189	121,968	830,231	121,968	952,199

Staff has projected 3.0 percent growth in the program going forward, to align with anticipated tuition increases, but, even with this level of growth, reserves are likely to continue to grow dramatically.

In light of this, staff recommends that, in addition to the \$175,000 reduction proposed, the Committee *apply an additional one-time reduction of \$225,000. In its hearing responses, the Department suggested that Tuition Assistance Cash Fund might need a balance of \$600,000 to cover annual expenditure shifts.* However, **without an adjustment to the appropriation, reserves are likely to grow well beyond \$600,000.** The staff recommendation is intended to bring the reserve down to the \$600,000 level by the end of FY 2020-21. Future adjustments can be considered if reserves continue to build.

NATIONAL GUARD TUITION ASSISTANCE - RECOMMENDED APPROPRIATION CHANGE						
APPROPRIATION/EXPENDITURES				TUITION ASSISTANCE CASH FUND		
	APPROPRIATION/RECOMMEND	EXPENDITURE	REVERSION/(EXCESS) EXPENDITURE	BEGINNING BALANCE	CHANGE IN BALANCE**	ENDING BALANCE
FY 2013-14	\$1,296,157	\$1,252,380	\$43,777	\$351,607	\$43,777	\$395,384
FY 2014-15	1,296,157	1,366,469	-70,312	395,384	-71,076	324,308
FY 2015-16	1,296,157	1,496,089	-199,932	324,308	-199,932	124,376
FY 2016-17	1,383,319	1,207,509	175,810	123,587	175,288	298,875
FY 2017-18	1,596,157	1,260,129	336,028	298,875	-	298,875
FY 2018-19	1,596,157	1,194,910	401,247	298,875	-	298,875
FY 2019-20*	1,596,157	1,224,610	371,547	298,875	371,547	670,422
FY 2020-21**	1,196,157	1,261,348	-65,191	670,422	-65,191	605,231
FY 2021-22*	1,421,157	1,299,189	121,968	605,231	121,968	727,199

➔ STAFF-INITIATED ADJUSTMENTS FOR CENTRALIZED PERSONNEL PLAN

Staff recommends an adjustment in the Personal Services line item for the Executive Director and Army National Guard. The recommendation is intended to ensure that the total federal funds budgeted in this line item aligns with the Centralized Personnel Plan (CPP) agreement total of \$406,570.

The Department FTE in the Executive Director’s Office, Personal Services line item serve central administrative functions of a type that would normally be supported at least in part by indirect cost collections. However, under federal law, the Department is unable to levy indirect cost collections. Instead, the National Guard Bureau allows the Department to fund split the cost for some non-management staff who serve central functions such as accounting and procurement through the Centralized Personnel Plan.

The table below shows the history of recent-year CPP plan amounts. Between FY 2016-17 and FY 2018-19, federal funds increased, and General Fund declined. However, for FY 2019-20, the federal funds share has declined, with additional costs shifted to the General Fund.

CENTRALIZED PERSONNEL PLAN				
	Total	GF	FF	FTE
FY 2016-17	\$526,448	\$249,088	\$277,360	7.0
FY 2017-18	612,318	246,237	366,081	8.0
FY 2018-19	646,661	230,176	416,485	8.0
FY 2019-20	695,901	289,331	406,570	8.0
Change FY 19 to 20	49,240	59,155	(9,915)	

To maintain a consistent approach to adjustments related to the Centralized Personnel Plan--similar to the approach used when indirect cost collections decline--staff has recommended both a federal funds decrease and a General Fund increase to reflect the costs associated with supporting the 8.0 FTE funded through the Centralized Personnel Plan.

The staff recommendation also includes a further reduction of \$6,947 federal funds in the EDO Personal Services line item to bring the total federal funds in this line item to the \$406,570 anticipated from the CPP.

→ STAFF-INITIATED INFORMATIONAL FEDERAL FUNDS ADJUSTMENT

Staff recommends increasing the Army National Guard Cooperative Agreement line item to reflect a total of \$12,300,000. This is an informational funds adjustment to reflect anticipated spending and requires an incremental adjustment of \$514,502 federal funds.

Expenditures in this line item have continued to increase. Actual expenditures in FY 2017-18 were \$11,335,345, while expenditures in FY 2018-19 were \$12,096,785. Consistent with the approach used last year (which increased the line item amount to \$10.2 million), staff recommends increasing the base amount in this line item to the rounded average of the last two actual expenditure years (\$11,700,000) but also recommends an additional adjustment of \$600,000 to a total of \$12,300,000 to reflect the anticipated impact of new maintenance staff for which the General Fund match was first appropriated in FY 2019-20. Although it appears that the Department has not filled these positions in FY 2019-20, staff assumes that these positions will be filled by mid-FY 2020-21 and that this may contribute to greater federal receipts.

→ NET ZERO TRANSFER BETWEEN LINE ITEMS

The staff recommendation transfers \$90,000 General Fund from the Army National Guard Cooperative Agreement line item to the Operating Expenses line item. Although the Department did not formally request this, it indicated that there was an error in its FY 2019-20 budget reorganization calculations, and that \$90,000 that was moved in FY 2019-20 should not have been. Using the transfer authority provided by footnote, the Department has moved this amount back to the original line item for the FY 2019-20 fiscal year. The staff recommendation for FY 2020-21 aligns the appropriation with where the funds are anticipated to be expended.

→ NON PRIORITIZED (NP), CENTRALLY APPROPRIATED, AND OTHER PENDING ITEMS

The request includes non-prioritized adjustments and various adjustments to centrally appropriated items for which no Committee decision has been made thus far. In addition, this Department receives funding from Tobacco Litigation Settlement funds, for which allocations are also still pending.

- Once the Committee has made remaining common policy decisions for centrally appropriated line items, staff requests permission to adjust all pending line items and apply appropriate fund splits.
- Staff also requests permission to set the Colorado Veterans Trust Fund line item based on 90 percent of the Tobacco Settlement allocation to be received by the Trust Fund and estimated interest on the Trust Fund, along with any other adjustments approved through the figure setting process.

LINE ITEM DETAIL — EXECUTIVE DIRECTOR AND ARMY NATIONAL GUARD

PERSONAL SERVICES

This line item funds the administrative FTE in the Executive Director's Office. Staff who provide maintenance and other functions eligible for federal match under the Army National Guard Cooperative Agreement were moved to the Cooperative Agreement line item beginning in FY 2019-20. The federal funds remaining in this line item represent the federal contribution to supporting these central administrative staff. These funds are provided in lieu of an indirect cost payment.

A footnote added in FY 2019-20 provides significant flexibility for the Department to transfer funds between this line item and the Cooperative Agreement line item.

STATUTORY AUTHORITY: Section 28-3-105 to 106, C.R.S.

REQUEST: The Department requests an appropriation of \$2,208,990 total funds, including \$1,777,250 General Fund, \$4,165 cash funds, \$1,143 reappropriated funds, and \$423,432 federal funds, and 25.4 FTE. The request includes \$10,659 total funds to annualize S.B. 18-200 (PERA) and \$42,138 total funds to annualize prior year salary survey.

RECOMMENDATION: **The staff recommendation is included in the table below.** The staff recommendation includes:

- The Department's request for annualization of salary survey and S.B. 18-200 (Annualize prior year budget action and legislation)
- An adjustment for the Centralized Personnel Plan
- An adjustment for statewide indirect cost assessments. Only cash funds are collected, but these are used to offset General Fund otherwise required. The final number is pending a Committee common policy decision.

EXECUTIVE DIRECTOR AND ARMY NATIONAL GUARD, PERSONAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
S.B. 19-207 (Long Bill)	\$2,156,193	\$1,731,454	\$4,111	\$4,143	\$416,485	25.4
TOTAL	\$2,156,193	\$1,731,454	\$4,111	\$4,143	\$416,485	25.4
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$2,156,193	\$1,731,454	\$4,111	\$4,143	\$416,485	25.4
Centralized Personnel Plan adjustment	42,293	59,155	0	0	(16,862)	0.0
Annualize prior year budget actions	42,138	36,899	54	0	5,185	0.0
Annualize prior year legislation	10,659	8,897	0	0	1,762	0.0
Centrally appropriated line items	0	(1,162)	0	1,162	0	0.0
TOTAL	\$2,251,283	\$1,835,243	\$4,165	\$5,305	\$406,570	25.4
INCREASE/(DECREASE)	\$95,090	\$103,789	\$54	\$1,162	(\$9,915)	0.0
Percentage Change	4.4%	6.0%	1.3%	28.0%	(2.4%)	0.0%
FY 2020-21 EXECUTIVE REQUEST	\$2,208,990	\$1,777,250	\$4,165	\$4,143	\$423,432	25.4
Request Above/(Below) Recommendation	(\$42,293)	(\$57,993)	\$0	(\$1,162)	\$16,862	0.0

HEALTH, LIFE, AND DENTAL

This line item funds the Department’s share of group health, life and dental insurance plans for state employees. Health, life, and dental is appropriated to the Executive Director’s Office and distributed as needed throughout the Department.

STATUTORY AUTHORITY: Section 24-50-601, C.R.S.

REQUEST: The Department requests an appropriation of \$1,473,940 total funds, including \$564,379 General Fund, \$22,753 cash funds, and \$885,808 federal funds, including the requested common policy adjustment and adjustment for the requested R1 Western Region One Source position.

RECOMMENDATION: **The staff recommendation is shown in the table below and reflects Committee common policy.** Consistent with common policy, staff has not included increases for new staff added in the Department’s decision item.

EXECUTIVE DIRECTOR AND ARMY NATIONAL GUARD, HEALTH, LIFE, AND DENTAL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
S.B. 19-207 (Long Bill)	\$1,217,997	\$526,813	\$22,758	\$0	\$668,426	0.0
TOTAL	\$1,217,997	\$526,813	\$22,758	\$0	\$668,426	0.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$1,217,997	\$526,813	\$22,758	\$0	\$668,426	0.0
Centrally appropriated line items	245,901	27,524	995	0	217,382	0.0
R1 Western Region One Source service reception and triage	0	0	0	0	0	0.0
TOTAL	\$1,463,898	\$554,337	\$23,753	\$0	\$885,808	0.0
INCREASE/(DECREASE)	\$245,901	\$27,524	\$995	\$0	\$217,382	0.0

EXECUTIVE DIRECTOR AND ARMY NATIONAL GUARD, HEALTH, LIFE, AND DENTAL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Percentage Change	20.2%	5.2%	4.4%	0.0%	32.5%	0.0%
FY 2020-21 EXECUTIVE REQUEST	\$1,473,940	\$564,379	\$23,753	\$0	\$885,808	0.0
Request Above/(Below) Recommendation	\$10,042	\$10,042	\$0	\$0	\$0	0.0

SHORT-TERM DISABILITY

This line item funds the Department’s share of the short-term disability program for state employees, administered by the Department of Personnel.

STATUTORY AUTHORITY: Section 24-50-603, C.R.S.

REQUEST: The Department requests an appropriation \$17,927 including \$6,914 General Fund.

RECOMMENDATION: **The staff recommendation is shown in the table below and reflects Committee common policy.** Consistent with common policy, staff has not included increases for new staff added in the Department’s decision items. Staff requests permission to make adjustments if necessary based on the Committee’s final action on total compensation policy.

EXECUTIVE DIRECTOR AND ARMY NATIONAL GUARD, SHORT-TERM DISABILITY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
S.B. 19-207 (Long Bill)	\$15,637	\$5,892	\$216	\$0	\$9,529	0.0
TOTAL	\$15,637	\$5,892	\$216	\$0	\$9,529	0.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$15,637	\$5,892	\$216	\$0	\$9,529	0.0
Centrally appropriated line items	2,387	272	53	0	2,062	0.0
R1 Western Region One Source service reception and triage	0	0	0	0	0	0.0
TOTAL	\$18,024	\$6,164	\$269	\$0	\$11,591	0.0
INCREASE/(DECREASE)	\$2,387	\$272	\$53	\$0	\$2,062	0.0
Percentage Change	15.3%	4.6%	24.5%	n/a	21.6%	0.0%
FY 2020-21 EXECUTIVE REQUEST	\$17,927	\$6,914	\$266	\$0	\$10,747	0.0
Request Above/(Below) Recommendation	(\$97)	\$750	(\$3)	\$0	(\$844)	0.0

S.B. 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT

This line item funds the costs associated with S.B. 04-257, which requires statutorily defined increases of state contributions for employees PERA accounts.

STATUTORY AUTHORITY: Section 24-51-508, C.R.S.

REQUEST: The Department requests an appropriation of \$535,115 total funds, including \$205,730 General Fund.

RECOMMENDATION: **The staff recommendation is shown in the table below and reflects Committee common policy.** Consistent with common policy, staff has not included increases for new staff added in the Department’s decision items. Staff requests permission to make adjustments if necessary based on the Committee’s final action on total compensation policy.

EXECUTIVE DIRECTOR AND ARMY NATIONAL GUARD, S.B. 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
S.B. 19-207 (Long Bill)	\$477,108	\$179,196	\$6,570	\$0	\$291,342	0.0
TOTAL	\$477,108	\$179,196	\$6,570	\$0	\$291,342	0.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$477,108	\$179,196	\$6,570	\$0	\$291,342	0.0
Centrally appropriated line items	60,930	4,256	1,423	0	55,251	0.0
R1 Western Region One Source service reception and triage	0	0	0	0	0	0.0
TOTAL	\$538,038	\$183,452	\$7,993	\$0	\$346,593	0.0
INCREASE/(DECREASE)	\$60,930	\$4,256	\$1,423	\$0	\$55,251	0.0
Percentage Change	12.8%	2.4%	21.7%	n/a	19.0%	0.0%
FY 2020-21 EXECUTIVE REQUEST	\$535,115	\$205,730	\$7,916	\$0	\$321,469	0.0
Request Above/(Below) Recommendation	(\$2,923)	\$22,278	(\$77)	\$0	(\$25,124)	0.0

S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT

Senate Bill 06-235 created a mechanism to increase the State’s PERA contribution rate, in lieu of pay increases, beginning on January 1, 2008.

STATUTORY AUTHORITY: Section 24-51-411, C.R.S.

REQUEST: The Department requests an appropriation of \$535,115 total funds, including \$205,730 General Fund.

RECOMMENDATION: **The staff recommendation is shown in the table below and reflects Committee common policy.** Consistent with common policy, staff has not included increases for new staff added in the Department’s decision items. Staff requests permission to make adjustments if necessary based on the Committee’s final action on total compensation policy.

EXECUTIVE DIRECTOR AND ARMY NATIONAL GUARD, S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
S.B. 19-207 (Long Bill)	\$477,108	\$179,196	\$6,570	\$0	\$291,342	0.0

EXECUTIVE DIRECTOR AND ARMY NATIONAL GUARD, S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
TOTAL	\$477,108	\$179,196	\$6,570	\$0	\$291,342	0.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$477,108	\$179,196	\$6,570	\$0	\$291,342	0.0
Centrally appropriated line items	60,930	4,256	1,423	0	55,251	0.0
R1 Western Region One Source service reception and triage	0	0	0	0	0	0.0
TOTAL	\$538,038	\$183,452	\$7,993	\$0	\$346,593	0.0
INCREASE/(DECREASE)	\$60,930	\$4,256	\$1,423	\$0	\$55,251	0.0
Percentage Change	12.8%	2.4%	21.7%	n/a	19.0%	n/a
FY 2020-21 EXECUTIVE REQUEST	\$535,115	\$205,730	\$7,916	\$0	\$321,469	0.0
Request Above/(Below) Recommendation	(\$2,923)	\$22,278	(\$77)	\$0	(\$25,124)	0.0

PERA DIRECT DISTRIBUTION

This line item funds a direct distribution to the Public Employees Retirement Association.

STATUTORY AUTHORITY: Section 24-51-414 (2), C.R.S.

REQUEST: Consistent with OSPB direction, the Department included a request for a direct distribution to the Public Employees Retirement Association (PERA) of \$238,282 total funds, including \$90,981 General Fund.

RECOMMENDATION: **The staff recommendation, below, reflects Committee common policy.**

EXECUTIVE DIRECTOR AND ARMY NATIONAL GUARD, PERA DIRECT DISTRIBUTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
S.B. 19-207 (Long Bill)	\$250,154	\$93,955	\$3,445	\$0	\$152,754	0.0
Supplemental bill	\$0	\$152,754	\$0	\$0	(\$152,754)	0.0
TOTAL	\$250,154	\$246,709	\$3,445	\$0	\$0	0.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$250,154	\$246,709	\$3,445	\$0	\$0	0.0
Centrally appropriated line items	(11,872)	(11,967)	95	0	0	0.0
TOTAL	\$238,282	\$234,742	\$3,540	\$0	\$0	0.0
INCREASE/(DECREASE)	(\$11,872)	(\$11,967)	\$95	\$0	\$0	0.0
Percentage Change	(4.7%)	(4.9%)	2.8%	n/a	n/a	n/a
FY 2020-21 EXECUTIVE REQUEST	\$238,282	\$90,981	\$3,540	\$0	\$143,761	0.0
Request Above/(Below) Recommendation	\$0	(\$143,761)	\$0	\$0	\$143,761	0.0

SALARY SURVEY

Pursuant to Section 24-50-104 (4)(c), C.R.S., the Department of Personnel’s total compensation report recommends salary adjustments for each year. Adjustments approved by the General Assembly are funded by this line item.

STATUTORY AUTHORITY: Section 24-50-104 (4)(c), C.R.S.

REQUEST: The Department request is for \$234,066, including \$89,643 General Fund, for a 2.0 percent salary survey increase.

RECOMMENDATION: **The staff recommendation is shown in the table below and reflects Committee common policy for a 3.0 percent salary survey increase.** Staff requests permission to make adjustments if necessary based on the Committee’s final action on total compensation policy.

EXECUTIVE DIRECTOR AND ARMY NATIONAL GUARD, SALARY SURVEY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
S.B. 19-207 (Long Bill)	\$311,446	\$116,756	\$4,280	\$0	\$190,410	0.0
TOTAL	\$311,446	\$116,756	\$4,280	\$0	\$190,410	0.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$311,446	\$116,756	\$4,280	\$0	\$190,410	0.0
Centrally appropriated line items	351,067	120,063	5,232	0	225,772	0.0
Annualize prior year budget actions	(311,446)	(116,756)	(4,280)	0	(190,410)	0.0
TOTAL	\$351,067	\$120,063	\$5,232	\$0	\$225,772	0.0
INCREASE/(DECREASE)	\$39,621	\$3,307	\$952	\$0	\$35,362	0.0
Percentage Change	12.7%	2.8%	22.2%	n/a	18.6%	n/a
FY 2020-21 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	(\$117,001)	(\$30,420)	(\$1,745)	\$0	(\$84,836)	0.0

MERIT PAY

Employee performance-based pay is centrally appropriated and funded by this line item pursuant to Section 24-50-104 (1)(c)(I), C.R.S.

STATUTORY AUTHORITY: Section 24-50-104 (1)(c)(I), C.R.S.

REQUEST: The Department requests no appropriation for this line item.

RECOMMENDATION: **Consistent with Committee common policy, the staff recommendation does not include an appropriation for this line item.**

PAID FAMILY LEAVE

This line item is for a centrally appropriated line item to provide paid family leave.

STATUTORY AUTHORITY: None.

REQUEST: Consistent with OSPB direction, the Department included a request for paid family leave of \$26,574, including \$10,630 General Fund and \$15,944 federal funds.

RECOMMENDATION: **Staff has not included an amount for Paid Family Leave, consistent with Committee common policy.**

SHIFT DIFFERENTIAL

This line item pays for shift premiums for personnel working outside of regular business hours.

STATUTORY AUTHORITY: Section 24-50-104 (1)(a), C.R.S.

REQUEST: The Department requests an appropriation of \$36,438 federal funds.

RECOMMENDATION: **Staff recommends approval of the request**, which is consistent with Committee policy.

WORKERS' COMPENSATION

This line item pays the Department's share of the State's workers' compensation program administered by DPA.

STATUTORY AUTHORITY: Section 24-10-1510, C.R.S.

REQUEST: The Department requests an appropriation of \$98,478 total funds, including \$47,271 General Fund.

RECOMMENDATION: **The staff recommendation is pending Committee approval** of a common policy for this line item. Staff requests permission to adjust all pending line items and apply a fund split once Committee policy is established.

OPERATING EXPENSES

Expenditures from this line item range from office equipment and supplies to travel expenses to utilities and maintenance costs. Amounts in the line item include appropriations associated with management of the Executive Director's Office as well as some costs associated with the Army National Guard Cooperative Agreement.

STATUTORY AUTHORITY: Section 28-3-106 (1)(q), C.R.S.

REQUEST: The Department requests an appropriation of \$430,769 total funds, including \$384,769 General Fund. The total includes an increase of \$72,870 General Fund for the one-time appropriation for an energy study requested pursuant to R2.

RECOMMENDATION: The staff recommendation is shown in the table below. As discussed above, the recommendation includes:

- A net \$0 adjustment that moves \$90,000 General Fund to this line item from the Army National Guard Cooperative Agreement line item to correct a technical error in a transfer made in FY 2019-20.
- The Department’s R2 budget request for an energy study.

EXECUTIVE DIRECTOR AND ARMY NATIONAL GUARD, OPERATING EXPENSES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
S.B. 19-207 (Long Bill)	\$357,899	\$311,899	\$46,000	\$0	\$0	0.0
TOTAL	\$357,899	\$311,899	\$46,000	\$0	\$0	0.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$357,899	\$311,899	\$46,000	\$0	\$0	0.0
Net zero budget reorganization	90,000	90,000	0	0	0	0.0
R2 DMVA energy study project	72,870	72,870	0	0	0	0.0
TOTAL	\$520,769	\$474,769	\$46,000	\$0	\$0	0.0
INCREASE/(DECREASE)	\$162,870	\$162,870	\$0	\$0	\$0	0.0
Percentage Change	45.5%	52.2%	0.0%	0.0%	0.0%	0.0%
FY 2020-21 EXECUTIVE REQUEST	\$430,769	\$384,769	\$46,000	\$0	\$0	0.0
Request Above/(Below) Recommendation	(\$90,000)	(\$90,000)	\$0	\$0	\$0	0.0

INFORMATION TECHNOLOGY ASSET MAINTENANCE

This line item provides funding for the upkeep and maintenance of the Department's information technology infrastructure.

STATUTORY AUTHORITY: Section 24-30-101, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$22,372 General Fund.

RECOMMENDATION: **Staff recommends approval of the request for a continuation level of \$22,372 General Fund.**

LEGAL SERVICES

This line item funds the purchase of legal services from the Department of Law. The Department has historically used approximately 110 hours of legal services.

STATUTORY AUTHORITY: Pursuant to Sections 24-31-101 (1) (a), C.R.S., and defined in Section 24-75-112 (1)(i), C.R.S.

REQUEST: The Department requests an appropriation of \$69,920 General Fund, based on OSPB common policy.

RECOMMENDATION: **The staff recommendation is pending** Committee common policy figure setting for the Department of Law.

PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS

This line item funds the Department's share of the costs of the State's self-insurance program for property losses and other risks.

STATUTORY AUTHORITY: Section 24-30-1510, C.R.S.

REQUEST: The Department requests an appropriation of \$159,717 General Fund, including a decrease of \$60,535 General Fund for the common policy adjustment.

RECOMMENDATION: **Staff recommendation is pending Committee approval** of a common policy for this line item. Staff requests permission to adjust all pending line items and apply a fund split, once Committee policy is established.

VEHICLE LEASE PAYMENTS

This line item funds lease costs of the Department's vehicle fleet.

STATUTORY AUTHORITY: Section 24-30-1104 (2)(IV)(k), C.R.S.

REQUEST: The Department requests an appropriation of \$64,566 total funds, including \$22,303 General Fund, to support its fleet of 35 vehicles, including 9 vehicles first funded in FY 2019-20 but only available for a fully year in FY 2020-21.

RECOMMENDATION: **The staff recommendation is pending committee common policy for this line item.**

LEASED SPACE

This line item funds the lease for the offices of the Division of Veterans Affairs.

STATUTORY AUTHORITY: Section 24-30-1303, C.R.S.

REQUEST: The Department requests an appropriation of \$61,995 General Fund, including a lease space increase of \$1,898.

RECOMMENDATION: **Staff recommends approval of the request** for \$61,995 General Fund.

CAPITOL COMPLEX LEASED SPACE

This line item provides funding for the buildings occupied by the Colorado National Guard occupied at Camp George West. The federal government pays a share of the Camp George West utilities costs; it does not pay any of the other Capital complex leased space costs.

STATUTORY AUTHORITY: Section 24-82-101, C.R.S.

REQUEST: The Department requests an appropriation of \$47,442 General Fund, including a reduction of \$1,161 for a common policy adjustment.

RECOMMENDATION: **The staff recommendation is pending Committee approval** of a common policy for this line item. Staff requests permission to adjust all pending line items and apply a fund split, once Committee policy is established.

PAYMENTS TO OIT

This line item represents payments to the Governor's Office of Information Technology (OIT).

STATUTORY AUTHORITY: Section 24-37.5-104, C.R.S.

REQUEST: The Department requests an appropriation of \$301,798 General Fund, including an increase of \$80,681 General Fund for OIT common policy adjustments, partially offset by a decrease of \$4,485 General Fund for the Department's share of the OIT budget request package.

RECOMMENDATION: **The staff recommendation is pending Committee approval** of a common policy for this line item. Staff requests permission to adjust all pending line items once Committee policy is established.

CORE OPERATIONS

This line item funds the Department's share of operations of the statewide accounting system used by the Office of the State Controller to record all state revenues and expenditures.

STATUTORY AUTHORITY: Section 24-30-209, C.R.S.

REQUEST: The Department requests an appropriation of \$76,867 General Fund, including an increase of \$19,157 General Fund for a common policy adjustment.

RECOMMENDATION: **Staff recommendation is pending Committee approval** of a common policy for this line item.

ANNUAL DEPRECIATION-LEASE EQUIVALENT PAYMENT

This line item includes appropriations deposited to the Capital Construction Fund and the Controlled Maintenance Trust Fund to support the future replacement of capital assets funded for this

department during or after FY 2015-16. Appropriations are based on the depreciation schedule for each new asset.

STATUTORY AUTHORITY: Section 24-30-1310, C.R.S.

REQUEST: The Department requests an appropriation of \$87,994 General Fund through BA1 Annual Depreciation-Lease Equivalent Payment.

RECOMMENDATION: Consistent with Committee action to add this amount for FY 2019-20 through supplemental action, **staff recommends continuation of \$87,994 General Fund for this line item in FY 2020-21 to comply with statute.**

CIVIL AIR PATROL OPERATIONS

The Civil Air Patrol is a federally-chartered nonprofit organization that serves as a civilian auxiliary of the U.S. Air Force. It has three key missions: emergency services (which include search and rescue, and disaster relief operations), aerospace education, and cadet programs for teenage youth. The Colorado Wing of the Patrol consists of approximately 2,000 volunteers and has 15 aircraft located around the state. The Colorado Wing receives support from the Federal Government; the Department supports the Wing by providing 1.0 FTE and by paying part of the minor aircraft maintenance and operating expenses.

STATUTORY AUTHORITY: Section 28-1-101, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$58,638 General Fund.

RECOMMENDATION: **Staff recommends approval of the request for a continuation level of \$58,638 General Fund.**

LOCAL ARMORY INCENTIVE PROGRAM

This line item reflects estimated spending from revenues collected from armory rentals to defray costs associated with operating National Guard facilities.

STATUTORY AUTHORITY: Section 28-3-106 (1)(s)(I), C.R.S.

REQUEST: The Department requests a continuation appropriation of \$20,000 cash funds.

RECOMMENDATION: **Staff recommends continuing the appropriation of \$20,000 cash funds.**

STATEWIDE INDIRECT COST COLLECTIONS

This line item includes the Department's statewide indirect cost collections from cash fund sources.

STATUTORY AUTHORITY: Section 24-75-1401, C.R.S.

REQUEST: The Department requests \$5,305 cash funds, including a common policy adjustment of \$1,162.

RECOMMENDATION: **The staff recommendation amount is pending a Committee common policy decision for statewide indirect cost collections. Staff requests permission to reflect the cash funds portion of any statewide indirect cost assessment amount identified and to use it to offset General Fund otherwise required.** The Department has indicated that federal law prohibits collection of federal indirect cost amounts under national guard cooperative agreements.

APPROPRIATION TO THE COLORADO NATIONAL GUARD TUITION FUND

This line item provides funding for tuition assistance for members of the Colorado National Guard who attend Colorado state universities and colleges. A member of the National Guard is eligible for Tuition Assistance of at least 50 percent of tuition, but no more than 100 percent, so long as:

- the person is a current member of the Colorado National Guard
- the National Guard member has not received tuition payments for more than 132 semester hours
- the National Guard member’s assistance from all sources, including the federal government, does not exceed 100 percent of the cost of tuition; and
- the member is determined eligible based on the Department rules. These rules determine eligibility based on the member’s service record and academic standing.

The Department indicates that there is no federal tuition benefit for members of the Air National Guard and that most Army Guard members are eligible for little if any federal tuition assistance. The program currently pays up to \$8,500 per year in tuition assistance per guard member.

During the 2017 legislative session, the Department received an increase of \$87,162 for FY 2016-17 and \$300,000 for FY 2017-18. In its FY 2017-18 budget request, the Department argued that additional funding was required to address rising higher education tuition rates. The Department subsequently failed to spend any of the additional funding provided for FY 2016-17 or FY 2017-18, and spent less than the FY 2015-16 appropriation of \$1,296,157 in both years.

	NATIONAL GUARD TUITION ASSISTANCE		
	APPROPRIATION	EXPENDITURE	(REVERSION)/EXCESS EXPENDITURE*
FY 2013-14	\$1,296,157	\$1,252,380	(\$43,777)
FY 2014-15	1,296,157	1,366,469	70,312
FY 2015-16	1,296,157	1,496,089	199,932
FY 2016-17	1,383,319	1,207,509	(175,810)
FY 2017-18	1,596,157	1,260,129	(336,028)
FY 2018-19	1,596,157	1,194,910	(401,247)

*Includes amounts deposited to and spent from the National Guard Tuition Fund for years prior to FY 2017-18. In FY 2017-18, the Department was required by the Controller to revert excess funds to the General Fund.

STATUTORY AUTHORITY: Section 23-7.4-302, C.R.S.

REQUEST: The Department requests a reduction of \$175,000 General Fund and an ongoing appropriation of \$1,421,457.

RECOMMENDATION: As discussed above, staff recommends the requested reduction and a one-time additional cut of \$225,000 as reflected in the table below, for a total reduction of \$400,000 in FY 2020-21. This figure would annualize to an ongoing reduction of \$175,000, consistent with the request, for FY 2021-22.

EXECUTIVE DIRECTOR AND ARMY NATIONAL GUARD, APPROPRIATION TO THE COLORADO NATIONAL GUARD TUITION FUND						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
S.B. 19-207 (Long Bill)	\$1,596,157	\$1,596,157	\$0	\$0	\$0	0.0
TOTAL	\$1,596,157	\$1,596,157	\$0	\$0	\$0	0.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$1,596,157	\$1,596,157	\$0	\$0	\$0	0.0
R3 Spending authority National Guard Tuition Assistance	(400,000)	(400,000)	0	0	0	0.0
TOTAL	\$1,196,157	\$1,196,157	\$0	\$0	\$0	0.0
INCREASE/(DECREASE)	(\$400,000)	(\$400,000)	\$0	\$0	\$0	0.0
Percentage Change	(25.1%)	(25.1%)	0.0%	0.0%	0.0%	0.0%
FY 2020-21 EXECUTIVE REQUEST	\$1,421,157	\$1,421,157	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$225,000	\$225,000	\$0	\$0	\$0	0.0

ARMY NATIONAL GUARD COOPERATIVE AGREEMENT

This line item funds programs that are funded under the Department's cooperative agreements with the U.S. National Guard Bureau for the operations and maintenance of the Colorado Army National Guard program. The line item includes both personal services and operating expenses. Beginning in FY 2019-20, General Fund amounts that provide the match for federal funds expended in this line item were moved to the line item to provide additional transparency. A Long Bill footnote, also added in FY 2019-20, allows the Department flexibility to move General Fund to and from this line item based on federal matching requirements.

STATUTORY AUTHORITY: Sections 28-3-105 and 106, C.R.S.

REQUEST: The Department requests an appropriation of \$13,766,927 and 84.1 FTE, including \$1,945,686 General Fund. This includes annualization of FY 2019-20 salary survey allocations, annualization of FY 2019-20 R1, and annualization of S.B. 18-200 (PERA)

RECOMMENDATION: **The staff recommendation is included in the table below.** The staff figure includes:

- The requested adjustments for salary survey (increase \$185,599) and annualization of S.B. 18-200 (PERA) (increase \$28,232)

- A net zero budget adjustment to reduce \$90,000 General Fund moved into this line item in FY 2019-20 back to the Operating Expenses line item. The Department indicates that this is a correction to the FY 2019-20 budget reorganization.
- An informational federal funds adjustment to bring total federal funds in this line item to \$12,300,000 based on recent year actuals and other adjustments.
- A reduction of \$35,920 total funds to annualize FY 2019-20 R1. This includes a reduction of \$177 General Fund (requested) as well as a reduction of \$35,743 federal funds that was not included in the request but has been included for consistency in how R1 was appropriated when first added in FY 2019-20.

EXECUTIVE DIRECTOR AND ARMY NATIONAL GUARD, ARMY NATIONAL GUARD COOPERATIVE AGREEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
S.B. 19-207 (Long Bill)	\$13,553,273	\$1,901,775	\$0	\$0	\$11,651,498	84.0
TOTAL	\$13,553,273	\$1,901,775	\$0	\$0	\$11,651,498	84.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$13,553,273	\$1,901,775	\$0	\$0	\$11,651,498	84.0
Informational funds adjustment	514,502	0	0	0	514,502	0.0
Annualize prior year budget actions	149,679	40,352	0	0	109,327	0.1
Annualize prior year legislation	28,232	3,559	0	0	24,673	0.0
Net zero budget reorganization	(90,000)	(90,000)	0	0	0	0.0
TOTAL	\$14,155,686	\$1,855,686	\$0	\$0	\$12,300,000	84.1
INCREASE/(DECREASE)	\$602,413	(\$46,089)	\$0	\$0	\$648,502	0.1
Percentage Change	4.4%	(2.4%)	0.0%	0.0%	5.6%	0.1%
FY 2020-21 EXECUTIVE REQUEST	\$13,766,927	\$1,945,686	\$0	\$0	\$11,821,241	84.1
Request Above/(Below) Recommendation	(\$388,759)	\$90,000	\$0	\$0	(\$478,759)	(0.0)

UPDATE ON FY 2019-20 REQUEST R1. FY 2019-20 Request R1 increased maintenance staffing for Department facilities by 9.0 FTE and added funding for eight new vehicles. The request overall represented an increase of over 30 percent in Department facilities maintenance FTE and almost 40 percent in related appropriations. The table below shows the annualized impact originally anticipated in FY 2020-21.

FY 2020-21 (Annualized)	TOTAL	GENERAL FUND	FEDERAL FUNDS	FTE
Personal Services	\$499,340	\$76,882	\$422,458	9.0
Operating Expenses related to new staff	8,550	1,331	7,219	
Operating Expenses related to new vehicles	30,354	15,177	15,177	
Vehicle Lease Payments (7 utility trucks/1 large van)	34,378	17,189	17,189	
Total	\$572,622	\$110,579	\$462,043	9.0
<i>AED, SAED, HLD, STD estimate year 2 [not included above]</i>	<i>140,619</i>	<i>30,786</i>	<i>109,833</i>	

The Department reports that although it was funded for the 9.0 FTE for a full year in FY 2019-20, due to delays in personnel processes, it has not brought on any of the new staff. In response to staff questions, it reported:

All Position Descriptions have been submitted to DMVA HRO for classification and announcement. However, none of the 9.0 FTE funded in last year's R1 have been hired due to DMVA HRO experiencing backlog in personnel actions. We are expecting at least four of these positions to have been hired by May 2020, and the remaining five by October 2020. At the beginning of FY 2019, the department had a backlog of 1,089 work orders. Since then, the department backlog has decreased by 200 work orders, totaling 883 outstanding work orders. The decrease is due to current maintenance technicians working additional hours and tackling quick turn-around jobs. Nonetheless, if the 9.0 FTE are not hired, the backlog of work orders is expected to compound and increase due to newly acquired and constructed facilities requiring maintenance support.

The Department provided the following data on its work order backlog.

	2017	2018	2019
Work Orders Received	2,902	3,022	3,101
Work Orders Completed	1,927	1,725	2,012
Backlog	975	1,297	1,089

USS COLORADO COMMISSIONING

Senate Bill 17-183 (Support USS Colorado Commissioning) authorized a one-time appropriation of \$100,000 General Fund related to commissioning of this vessel. No funding is requested or recommended for this for FY 2020-21.

(2) DIVISION OF VETERANS AFFAIRS

The Division of Veterans Affairs represents veterans in federal benefits claims, provides information and training to county veterans service officers, and operates and maintains the Western Slope Military Veterans Cemetery in Grand Junction. The State Board of Veterans Affairs advises the Division on matters pertaining to veterans, makes grants from the Colorado State Veterans Trust Fund for capital improvements and amenities at state veteran's nursing homes; costs of state veteran's cemeteries; costs of the Division, and for veterans programs operated by non-profit veterans' organizations.

DIVISION OF VETERANS AFFAIRS				
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FTE
FY 2019-20 Appropriation				
S.B. 19-207 (Long Bill)	\$5,050,545	\$3,698,209	\$1,352,336	22.1
TOTAL	\$5,050,545	\$3,698,209	\$1,352,336	22.1
FY 2020-21 RECOMMENDED APPROPRIATION				
FY 2019-20 Appropriation	\$5,050,545	\$3,698,209	\$1,352,336	22.1
Increase Veterans Trust Fund appropriation	150,000	0	150,000	0.0
Annualize prior year legislation	9,057	8,185	872	0.0
R1 Western Region One Source service reception and triage	54,497	54,497	0	0.9
Common policy provider rate adjustment	23,888	23,888	0	0.0
Annualize prior year budget actions	34,933	30,707	4,226	0.0
TOTAL	\$5,322,920	\$3,815,486	\$1,507,434	23.0
INCREASE/(DECREASE)	\$272,375	\$117,277	\$155,098	0.9
Percentage Change	5.4%	3.2%	11.5%	4.1%
FY 2020-21 EXECUTIVE REQUEST				
Request Above/(Below) Recommendation	(\$168,320)	(\$52,775)	(\$115,545)	0.1

DECISION ITEMS - DIVISION OF VETERANS AFFAIRS

→ STAFF-INITIATED COMMUNITY PROVIDER RATE INCREASE

RECOMMENDATION:

- Staff recommends that the line item for County Veterans Service Officer Payments be increased by the Committee's common policy adjustment for community provider rates. Based on a 1.9 percent community provider rate increase (the Committee's vote thus far) on the base of \$1,257,263 General Fund, **the adjustment would be an increase of \$23,888 General Fund.**
- Staff further requests permission to modify this figure based on any later adjustments to the Committee's common policy.
- Finally, staff recommends that, for future years this line item also be adjusted by the common policy community provider rate adjustment.

The Department has never requested that this line item be included in the community provider rate calculation, so far as staff is aware. However, as discussed further below, staff believes the function of this line item is similar to the function of other line items to which this provider rate increase is applied and that it is in the State's interest to provide a mechanism for routine adjustments for these types of line items to address inflation.

BACKGROUND AND ANALYSIS:

Background on Funding for County Veterans' Service Officers: A primary function of the Department's Division of Veterans Affairs is to assist veterans in obtaining federal, as well as state, benefits to which they are entitled. To achieve this, the State operates on a "hub and spokes" model. It employs 13.0 state employees to advocate for veterans. It also distributes funding and provides technical assistance to counties, each of which is required, pursuant to Section 28-5-801 (1), C.R.S., to employ at least one part-time veteran service officer (VSO).

The State currently appropriates \$1,257,263 General Fund for payments to counties for county VSOs. This includes large recent-year increases, including \$300,000 added by the General Assembly in FY 2017-18 and a further \$300,000 added in FY 2018-19.

The Department uses the appropriated funds to pay flat amounts to counties in partial reimbursement for their county VSOs: \$29,400 to any county employing one or more VSO full time and \$14,700 to all other counties, which are required to employ a veteran service officer at least part time. Presently, 21 counties receive reimbursement for full-time VSO, while 43 counties receive reimbursement for having a part-time officer. A total of 82 full- and part-time VSOs are employed statewide, as some counties (El Paso, Douglas, Larimer, Weld, Arapahoe, Jefferson, Boulder, Pueblo, Rio Grande) employ 2-5 VSOs, although no county is reimbursed for more than one.

In general, it is difficult to determine the impact of the veteran service officer structure. The Department takes the position that it is not responsible for counties' veteran service officers' performance.² Coloradans' use of VA services has been on the rise, but it is hard to know to what extent county and Department staff have driven that. On the one hand, the Department reports that client satisfaction of 98.3 percent, based on a survey tool it is using. New claims as a percentage of the Colorado veteran population have also increased markedly. On the other hand, new VA health care enrollments handled by state staff have been flat or declining. A comprehensive national 2006 analysis that attempted to determine the impact of veterans service officers on veterans' access to benefits was unable to draw clear correlations between state expenditures or ratios of veterans' service officer to benefits received by veterans.³

Background on Community Provider Rate Adjustments: The Joint Budget Committee has historically used the Community Provider Rate system to provide annual inflationary adjustments for services that, if not carried out by local government or contracted entities, would be the responsibility of state staff.

² Staff requested information from the Department on whether it used any of the data available on veterans' use of services by county to provide feedback to county staff. The Department's response (11/7/2019) was as follows: "DMVA oversees the [county veterans services officers] but does not evaluate their performance in any way. DMVA provides training. If we do encounter an issue, we work with the County Commissioner, but the overall responsibility lies within the county".

³ Hunter et. al., *Analysis of Differences in Disability Compensation in the Department of Veterans Affairs*, Institute for Defense Analysis, December 2006.

https://www.va.gov/vetdata/docs/surveysandstudies/state_variance_study-volumes_1_2.pdf

Thus, as outlined in the Community Provider Rate Setting (1/24/2020), community provider rates are applied to services such as payments to house state prisoners in local jails and private prisons and payments to counties for administration of state funded and locally managed human services and public health programs. The Executive request for FY 2020-21 was for a community provider rate increase of 0.5 percent. The JBC has voted to approve a 1.9 percent increase, although it has noted that this could be subject to change.

Analysis:

- Payments to counties for VSO services seems similar to the other types of services/line items to which community provider rates apply. Counties already receive state support to help cover their required responsibilities in administering health and human services programs. The VSO program is another state-mandated, county-delivered service and is commonly embedded in county human services departments. While neither staff nor the Department can provide a cost-benefit analysis for VSO services, there is no question that county VSOs are mandated by statute.
- If State support were the only source of funding for a county VSO, the resulting pay rate would be \$14.13 per hour (\$29,400/2,080 hours per year), with no additional support for benefits or operating expenses. The General Assembly should assume that counties are also contributing to VSO support, since the “default” funding split for county administered human services programs is a 20 percent county share. However, if counties are not providing significantly more than this, and must also cover operating and benefits, compensation rates for VSOs will necessarily be low and likely very close to minimum wage.
- If the General Assembly does not provide routine inflationary increases for mandated services, pressure often builds for sudden large increases, such as those provided by the General Assembly for the county VSO program in FY 2017-18 and FY 2018-19. In general, staff believes it is better for the General Assembly to ensure that funding for key services is adjusted annually for inflation. The community provider rate is the General Assembly mechanism for this.

→ STAFF-INITIATED SPENDING AUTHORITY FROM VETERANS TRUST FUND

RECOMMENDATION: Staff recommends that the Committee provide additional spending authority of \$150,000 cash funds from the Veterans Trust Fund **above** the level that would be provided on the basis of (1) projected receipts from the Tobacco Litigation Settlement; and (2) projected interest on money in the Veterans Trust Fund. The appropriation can be justified based on amounts reverted to the Trust Fund from prior year appropriations of Tobacco Litigation Settlement Cash Funds.

The Department has informally proposed that \$125,000 from this source be used to support a contracted study on the needs of Colorado’s veteran population, with a specific focus on identifying the needs of underserved and disenfranchised veteran populations.

BACKGROUND AND ANALYSIS:

Background: The Colorado State Veterans Trust Fund is supported by a transfer of one percent of the revenue that the State receives from the Tobacco Master Settlement Agreement (MSA). Pursuant to Section 28-5-709 (3)(c), C.R.S., 90.0 percent of the moneys transferred, plus accumulated interest earned by the Trust, are subject to annual appropriation by the General Assembly. These funds can be used for:

- capital improvements and amenities at state veterans’ nursing homes;

- costs of state veterans cemeteries;
- costs of the Division of Veterans’ Affairs; and
- veterans programs operated by non-profit veterans’ organizations that are selected for grants by the Board of Veterans Affairs.

Amounts appropriated by the General Assembly must be allocated by the Board of Veterans Affairs following procedures outlined in statute. Applications for the funding must come from one of the following sources:

- A written request from the director of the State and Veterans Nursing Homes;
- A written request from the director of the Division of Veterans Affairs; or
- A grant application from a nonprofit veterans organization submitted in compliance with the procedures and timelines established by the Board.

Statute also specifies that the Division may retain up to 5.0 percent of the amount annually appropriated from the Fund for actual costs incurred by the Division and the Board to implement the act.

Staff typically sets the appropriation for this line item based on:

- Revenue anticipated to be received in April for use in the upcoming fiscal year from the Tobacco Litigation Settlement Cash Fund. The program’s 1.0 percent share is estimated based on an LCS forecast and the Committee’s Tobacco Settlement Figure Setting.
- Projected interest on the Trust Fund available for expenditure, as provided by the Department.

Consistent with statute, staff assumes that the Board of Veterans Affairs will make decisions about how the revenue is used within the statutory parameters. Division reports indicate that FY 2018-19 grantees include: multiple Veterans of Foreign Wars posts, American Legion posts, and Disabled American Veterans chapters, as well as five of the Veterans Community Living Centers (State Veterans Nursing Homes). Grants to the veterans organizations were typically for veterans assistance, transportation funding or special events (e.g., Veterans’ Stand Downs), while funding for the veterans’ community living centers was for capital improvements, furniture, and a van.

The Department reports that, despite efforts to fully allocate annual appropriations from the Veterans Trust Fund, nonprofits on average return over \$100,000 of unspent grant dollars to the Fund, as reflected in the table below.

Department of Military and Veterans Affairs								
Division of Veterans Affairs								
Veterans Trust Fund								
	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	Average
Spdg Auth	\$ 932,957	\$ 843,938	\$ 880,000	\$ 876,770	\$ 803,391	\$ 740,633	\$821,000	\$ 842,670
Actuals	\$ 871,330	\$ 770,120	\$ 737,633	\$ 751,217	\$ 748,005	\$ 615,105	\$654,974	\$ 735,483
Reversions	\$ 61,627	\$ 73,818	\$ 142,367	\$ 125,553	\$ 55,386	\$ 125,528	\$166,026	\$ 107,186
Execution Rate	93.4%	91.3%	83.8%	85.7%	93.1%	83.1%	79.8%	87.3%

Informal Department Proposal: In late January, the Department submitted an informal proposal to staff requesting additional spending authority for the Veterans Trust Fund line item to allow for a study of veterans’ needs.

The Department reported that in November 2019, the Board of Veterans Affairs proposed that the DMVA Executive Director establish a Veterans Task Force focused on identifying needs and requirements of underserved and unserved veterans. The first charge would be to gather data through a needs assessment process, which would drive and inform the direction of future DMVA action.

There has been considerable discussion around which populations of veterans the state is not serving, and a study could help address this question. Specifically, the Board has been criticized for not fully identifying the needs of communities such as women, LGBTQ, transgender, post-9-11, minority and other diverse veteran populations. The Board has not been able to ensure that grantees funded through the Trust Fund are meeting the needs of all veterans in a given area, but without additional data, programs administrators lack the tools to ensure that funds address the broad array of veteran needs.

Statute at 28-5-703, C.R.S. requires the Board to “study periodically the problems of veterans and based on such studies [to] propose such program or statutory changes as it may deem advisable...” The board has reviewed reports from other state departments, traveled through the state to elicit veteran input, and responded to issues as identified. However, underserved and disenfranchised veteran populations are not likely to attend board meetings or seek out the board’s assistance. The Board believes a formal study could address this problem.

The Department estimates that an additional appropriation of \$125,000 in spending authority from the Veterans Trust Fund line item in FY 2020-21 would provide adequate support to begin the work of the Task Force. The Department anticipates that this funding will continue for the next two fiscal years and will submit a revised estimate for the second year in early FY 2020-21.

ANALYSIS:

The key question from staff’s perspective is the difference between the money actually spent each year and the amount that is allowed to be spent from the Trust Fund, i.e., 1.0 percent of Tobacco Settlement Revenue plus interest on the Trust Fund. Notably, the appropriation may in some cases be more and in some cases less than the money allowed to be expended from the Trust Fund, since the appropriation is based on an estimate of Tobacco receipts. As shown in the table below, however, *actual expenditures have fallen well below expenditures allowed*. **Staff calculates that there is currently \$718,932 in the Fund from just the last five years (the difference between allowed and actual spending) that could be appropriated for this program. A longer look-back might indicate that there is more available.** The total balance in the Veterans Trust Fund was \$7,431,487 at the beginning of FY 2019-20.

Actuals	Tobacco Revenue Transfer to Veterans Trust Fund	90 Percent of Annual Transfer	Interest Earnings	Total Legally Available for Expenditure	Spent	Difference Allowed v. Actual Spending
FY 2019	\$842,055	\$757,850	\$161,462	\$919,312	\$697,294	222,018
FY 2018	840,000	756,000	102,504	858,504	657,094	201,410
FY 2017	923,210	830,889	68,344	899,233	787,034	112,199
FY 2016	880,792	792,713	54,014	846,727	784,500	62,227

Actuals	Tobacco Revenue Transfer to Veterans Trust Fund	90 Percent of Annual Transfer	Interest Earnings	Total Legally Available for Expenditure	Spent	Difference Allowed v. Actual Spending
FY 2015	890,371	801,334	57,425	858,759	737,681	121,078

As staff understands the Department’s informal proposal, the proposed use of money from the Veterans Trust Fund is consistent with the statutory use of money in the Fund. Given this, **the Board of Veterans Affairs has authority to direct funds for this purpose within the total funds appropriated.**

In light of the significant amount of revenue in the Fund that appears to be statutorily available, staff recommends an increase of \$150,000 in spending authority from the Fund. Staff also recommends that \$100,000 to \$150,000 also be provided in FY 2021-22. The amount will depend upon the final scope and timing of the study. It is ultimately up to the Board to determine how much it wants to spend for the proposed study, and there remains sufficient uncertainty both about this and about the Tobacco Settlement money that will be available under FY 2020-21 allocations that staff recommends \$150,000 in the first year.

Moving forward, staff recommends:

- **The Department conduct some historic research and establish a consistent process going forward for tracking funds that may be legally expended under the Trust Fund statute.** This will enable the Board, the Department, and the General Assembly to consider the amount of revenue actually available for appropriation.
- **Based on the data now available, staff would recommend increasing appropriations from the Veterans Trust Fund by \$100,000 per year on an ongoing basis (FY 2022-23 onward),** in light of the reversion pattern. Staff anticipates additional feedback from the Department and the Board on this question.
- **The Board, the Department, and the General Assembly will need to decide whether to continue to grow the Veterans’ Trust Fund using amounts that are reverted each year or if they wish to increase annual grant distributions to meet veterans’ needs.** In staff’s opinion, amounts in the Trust Fund (currently \$7.4 million) provide a useful reserve in the event of recession; however, staff does not believe interest on the Trust Fund is likely to become the primary source of funding for this grant program. Given this, staff suggests increasing annual appropriations to compensate for the current pattern of reversions.
- **If the study on veterans’ needs indicates that certain veterans’ needs are not being met, appropriating an additional \$100,000 per year from the Trust Fund may enable the Board to expand services to certain groups while minimizing reductions in funding to other grantees.**

➔ STAFF-INITIATED CHANGE TO ANNUALIZATION FOR FY 2019-20 REQUEST R2 WESTERN REGION DIRECTOR AND ONE-SOURCE UTILITIES

REQUEST: The Department requested annualization of FY 2019-20 Request R2, which added 1.0 FTE and funding for utilities at the new Western Region OneSource. The proposed changes reflected the

out-year impacts of FY 2018-19 and FY 2019-20 requests as they were described in Department submissions last year. Specifically, the FY 2020-21 request included a decrease of \$31,328 General Fund and an increase of \$34,455 cash funds to annualize the FY 2019-20 request.

RECOMMENDATION: Staff does NOT recommend the adjustments requested to annualize FY 2019-20 request R2, due to technical corrections and new data now available. Not annualizing these amounts will increase General Fund required by \$31,238 in FY 2020-21.

- *Annualization for 1.0 FTE position:* The Department request included a minor error with respect to the FY 2019-20 Request R2 FTE component. Figures submitted assumed that initial one-time costs for the new Western Region Director position had been funded in FY 2019-20 and therefore had to be annualized in FY 2020-21. Based on final committee action, first-year costs were included in an FY 2018-19 supplemental, and the FY 2019-20 appropriation therefore included all ongoing amounts for the new position. This portion of the change results in a recommendation that is \$3,217 General Fund and 0.1 FTE less than the request for the new FTE.
- *Operations and Maintenance Costs:* The Department request is based on increasing the share of Western Region OneSource facilities operations and maintenance costs that will be covered by lessees from 25 percent to 50 percent in FY 2020-21 resulting in a total cash fund share of \$68,910 for FY 2020-21 in WROS operating support. This reflects the expectation that operations and maintenance will ultimately be covered entirely by lessee revenue. However, in response to staff questions, the Department has indicated that due to the slow lease-up of the facility, it has thus far received \$8,599 in rental income and only 1 large and 2 small offices have been leased, providing monthly revenue of \$1,520. This suggests that total earnings for FY 2019-20 could be as low as \$16,199, potentially leaving a deficit of over \$18,000 in O&M revenue in FY 2019-20--and certainly not offering a cushion for FY 2020-21. The Department has donation revenue which, if necessary, may be used to cover any O&M deficit in FY 2019-20; however, given this situation, the staff recommendation reflects keeping the cash funds portion of O&M at 25% (\$34,455) in FY 2020-21 rather than doubling the cash revenue expectation to \$68,910. If, as hoped, the DMVA raises more than this during FY 2020-21, staff assumes that the balance will be held in the cash fund and be available for future year appropriations. This portion of the change results in a recommendation that is \$34,455 General Fund more than the request.
- **Staff still anticipates that cash funds will ultimately cover all operations and maintenance costs; however, given revenue received thus far this will need to ramp-up at a slower pace.**

LINE ITEM DETAIL - DIVISION OF VETERANS AFFAIRS

VETERANS SERVICE OPERATIONS

This line item funds salaries, operating and administrative expenses of the Division of Veterans Affairs. These FTE are responsible for assisting veterans in obtaining federal and state benefits, and provide training and support to county veterans' service officers.

STATUTORY AUTHORITY: Section 28-5-705, C.R.S.

REQUEST: The Department requests an appropriation of \$1,032,576 total funds, including \$990,076 General Fund and \$42,500 cash funds, and 13.1 FTE. The request includes an increase of \$7,920 General Fund and 0.1 FTE to annualize FY 2019-20 Request R2, an increase of \$5,338 General Fund to annualize S.B. 18-200 (PERA) and \$20,382 to annualize prior year salary survey.

RECOMMENDATION: **The staff recommendation is shown in the table below.** As discussed above, the staff recommendation does not include annualization of FY 2019-20 Request R2 but does include the other components of the request.

DIVISION OF VETERANS AFFAIRS, VETERANS SERVICE OPERATIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
S.B. 19-207 (Long Bill)	\$998,936	\$956,436	\$42,500	\$0	\$0	13.0
TOTAL	\$998,936	\$956,436	\$42,500	\$0	\$0	13.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$998,936	\$956,436	\$42,500	\$0	\$0	13.0
Annualize prior year budget actions	20,382	20,382	0	0	0	0.0
Annualize prior year legislation	5,338	5,338	0	0	0	0.0
TOTAL	\$1,024,656	\$982,156	\$42,500	\$0	\$0	13.0
INCREASE/(DECREASE)	\$25,720	\$25,720	\$0	\$0	\$0	0.0
Percentage Change	2.6%	2.7%	0.0%	n/a	n/a	0.0%
FY 2020-21 EXECUTIVE REQUEST	\$1,032,576	\$990,076	\$42,500	\$0	\$0	13.1
Request Above/(Below) Recommendation	\$7,920	\$7,920	\$0	\$0	\$0	0.1

COUNTY VETERANS SERVICE OFFICER PAYMENTS

This line item funds payments to counties for administrative support of county veterans’ service officers. Section 28-5-801 (1), C.R.S. requires each county to appoint a County Veterans Service Officer (CVSO). The state makes assistance payments to the counties for part-time and full-time officers. The Department sets the rate. The current state reimbursement rate is \$29,400 per year per full-time VSO and \$14,700 per part-time VSO. Counties cover expenses beyond these amounts.

There are 17 counties with at least one full-time VSO, and 47 counties with a part-time VSO. A total of 82 full- and part-time VSOs are employed statewide, as some counties (El Paso, Douglas, Larimer, Weld, Arapahoe, Jefferson, Boulder, Pueblo, Rio Grande) employ 2-5 VSOs, although no county is reimbursed for more than one. Current state funding includes several recent-year increases, including \$300,000 added by the General Assembly in FY 2017-18 and a further \$300,000 added in FY 2018-19.

STATUTORY AUTHORITY: Section 28-5-707, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$1,257,280 General Fund.

RECOMMENDATION: The staff recommendation is reflected in the table below. As discussed above, the staff recommendation includes a 1.9 percent adjustment for the community provider rate increase.

DIVISION OF VETERANS AFFAIRS, COUNTY VETERANS SERVICE OFFICER PAYMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
S.B. 19-207 (Long Bill)	\$1,257,280	\$1,257,280	\$0	\$0	\$0	0.0
TOTAL	\$1,257,280	\$1,257,280	\$0	\$0	\$0	0.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$1,257,280	\$1,257,280	\$0	\$0	\$0	0.0
Common policy provider rate adjustment	23,888	23,888	0	0	0	0.0
TOTAL	\$1,281,168	\$1,281,168	\$0	\$0	\$0	0.0
INCREASE/(DECREASE)	\$23,888	\$23,888	\$0	\$0	\$0	0.0
Percentage Change	1.9%	1.9%	n/a	n/a	n/a	n/a
FY 2020-21 EXECUTIVE REQUEST	\$1,257,280	\$1,257,280	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	(\$23,888)	(\$23,888)	\$0	\$0	\$0	0.0

COLORADO STATE VETERANS TRUST FUND EXPENDITURES

The Colorado State Veterans Trust Fund is supported by a transfer of one percent of the revenue that the State receives from the Tobacco Master Settlement Agreement (MSA). Pursuant to Section 28-5-709 (3)(c), C.R.S., 90.0 percent of the moneys transferred, plus accumulated interest earned by the Trust, are subject to annual appropriation by the General Assembly. These funds can be used for capital improvements and amenities at state veterans’ nursing homes; costs of state veterans cemeteries; costs of the Division, and for veterans programs operated by non-profit veterans’ organizations.

STATUTORY AUTHORITY: Section 28-5-709, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$871,836 cash funds.

RECOMMENDATION: Staff recommendation is pending Committee approval of a common policy for this line item based on projected Tobacco MSA revenue. Staff requests permission to adjust all pending line items once Committee policy is established. The calculation reflects 90 percent of Tobacco MSA receipts to the State Veterans Trust Fund plus anticipated interest.

In addition, as discussed above, staff recommends adding \$150,000 cash funds spending authority from amounts previously reverted.

VETERANS ASSISTANCE GRANT PROGRAM

This line item was added during conference committee for the Long Bill in FY 2012-13. The money is used to provide grants to non-profit and governmental agencies providing services to Veterans. The cash funds amount was added in FY 2019-20 and reflects amounts deposited to the Veterans Assistance Grant Program Cash Fund from unspent FY 2017-18 Senior Property Tax Exemption appropriations. Funds from FY 2017-18 are anticipated to be expended over five years.

STATUTORY AUTHORITY: Section 28-5-712, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$1,157,886, including \$1,000,000 General Fund, \$157,886 from the Veterans Assistance Grant Program Cash Fund and 0.5 FTE.

RECOMMENDATION: **Staff recommends approval of the request for \$1,157,886, including \$1,000,000 General Fund, \$157,886 cash funds, and 0.5 FTE.**

WESTERN SLOPE MILITARY VETERANS CEMETERY

This line item provides funding for personal services costs for the cemetery, as well as for cemetery operating costs such as utilities, routine maintenance, minor construction and improvement, and administrative costs.

STATUTORY AUTHORITY: Section 28-5-708 and 709, C.R.S.

REQUEST: The Department requests an appropriation of \$454,635 total funds, including \$204,750 General Fund, and 5.5 FTE.

RECOMMENDATION: **The staff recommendation is shown in the table below.** The recommendation was calculated consistent with Committee common policy and includes annualization of S.B. 18-200 (PERA) and annualization of prior year salary survey.

DIVISION OF VETERANS AFFAIRS, WESTERN SLOPE VETERANS CEMETERY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
S.B. 19-207 (Long Bill)	\$444,395	\$198,736	\$245,659	\$0	\$0	5.5
TOTAL	\$444,395	\$198,736	\$245,659	\$0	\$0	5.5
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$444,395	\$198,736	\$245,659	\$0	\$0	5.5
Annualize prior year budget actions	8,461	4,235	4,226	0	0	0.0
Annualize prior year legislation	1,779	1,779	0	0	0	0.0
TOTAL	\$454,635	\$204,750	\$249,885	\$0	\$0	5.5
INCREASE/(DECREASE)	\$10,240	\$6,014	\$4,226	\$0	\$0	0.0
Percentage Change	2.3%	3.0%	1.7%	n/a	n/a	0.0%
FY 2020-21 EXECUTIVE REQUEST	\$454,635	\$204,750	\$249,885	\$0	\$0	5.5
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

GRAND JUNCTION VETERANS ONE-STOP CENTER

This line item provides funding for the operation of the One-stop Center for Veterans in Grand Junction. In FY 2017-18, the General Assembly funded renovation of an old armory building in Grand Junction to create a one-stop resource center for veterans on the site. The Department was authorized to operate the one stop center, now known as the Western Region OneSource Center, through H.B. 18-1337. The Center opened in May 2019 and brings together various government and non-profit resources for veterans living on the western slope in a single Grand Junction location. Cash fund amounts in this line item are from lease payments from government and nonprofit entities that use space in the facility. These funds deposited to the Veterans One-stop Center Cash Fund, which is subject to annual appropriation to the Department for the costs of operating the Center.

STATUTORY AUTHORITY: Section 28-5-713, C.R.S.

REQUEST: The Department requests an appropriation of \$380,387 total funds, including \$310,605 General Fund, \$69,782 cash funds, and 4.0 FTE. This amount includes a new position pursuant to Request R1 and annualization of FY 2019-20 request R2.

RECOMMENDATION: **The staff recommendation is shown in the table below.** As discussed above, the staff recommendation includes R1, as adjusted by staff, but does not annualize FY 2019-20 Request R2.

DIVISION OF VETERANS AFFAIRS, GRAND JUNCTION VETERANS ONE-STOP CENTER						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
S.B. 19-207 (Long Bill)	\$320,212	\$285,757	\$34,455	\$0	\$0	3.1
TOTAL	\$320,212	\$285,757	\$34,455	\$0	\$0	3.1
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$320,212	\$285,757	\$34,455	\$0	\$0	3.1
R1 Western Region One Source service reception and triage	54,497	54,497	0	0	0	0.9
Annualize prior year budget actions	6,090	6,090	0	0	0	0.0
Annualize prior year legislation	1,940	1,068	872	0	0	0.0
TOTAL	\$382,739	\$347,412	\$35,327	\$0	\$0	4.0
INCREASE/(DECREASE)	\$62,527	\$61,655	\$872	\$0	\$0	0.9
Percentage Change	19.5%	21.6%	2.5%	0.0%	0.0%	29.0%
FY 2020-21 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	(\$2,352)	(\$36,807)	\$34,455	\$0	\$0	0.0

(3) AIR NATIONAL GUARD

This Division funds the State’s share of the costs of the Colorado Air National Guard and represents some of the related federal funding. The federal government fully funds National Guard training and provides most of the funding for construction of armories and other military facilities.

AIR NATIONAL GUARD				
	TOTAL FUNDS	GENERAL FUND	FEDERAL FUNDS	FTE
FY 2019-20 Appropriation				
S.B. 19-207 (Long Bill)	\$3,629,641	\$404,557	\$3,225,084	48.6
TOTAL	\$3,629,641	\$404,557	\$3,225,084	48.6
FY 2020-21 RECOMMENDED APPROPRIATION				
FY 2019-20 Appropriation	\$3,629,641	\$404,557	\$3,225,084	48.6
Informational funds adjustment	45,949	0	45,949	(7.6)
Annualize prior year legislation	10,591	1,779	8,812	0.0
Annualize prior year budget actions	48,776	8,621	40,155	0.0
TOTAL	\$3,734,957	\$414,957	\$3,320,000	41.0
INCREASE/(DECREASE)	\$105,316	\$10,400	\$94,916	(7.6)
Percentage Change	2.9%	2.6%	2.9%	(15.6%)
FY 2020-21 EXECUTIVE REQUEST				
Request Above/(Below)				
Recommendation	(\$45,949)	\$0	(\$45,949)	7.6

DECISION ITEMS - AIR NATIONAL GUARD

The Executive Branch did not submit any decision items for this division.

→ STAFF-INITIATED INFORMATIONAL FEDERAL FUNDS ADJUSTMENTS

RECOMMENDATION: Staff recommends some adjustments to federal funds amounts and FTE that are shown for informational purposes in this section. The Department did not request these changes.

- Amounts are based on the first year of actual data available since the budget for this section was reorganized in FY 2018-19.
- To emphasize that federal funds reflected are estimates, staff has recommended round figures.
- The federal funds match rate for National Guard operations and maintenance staff funded through cooperative agreements varies by facility and type of position, with some positions entirely federally funded. Based on the FY 2018-19 actual, the General Fund bears approximately 16 percent of Air National Guard operations and maintenance costs if the 100 percent federally-funded Air Traffic Control and Space Command Security positions are excluded.
- Staff has not reduced the FTE to the level of FY 2018-19 actuals, as FY 2017-18 actual FTE in this section were 40.1 FTE, even though total spending was similar to FY 2018-19. The Department has indicated that the FY 2018-19 FTE figures were unusually low due to vacancies.

AIR NATIONAL GUARD ESTIMATED FEDERAL FUNDS				
	FY 2018-19 Actual Federal Funds	FY 2018-19 Actual FTE	Proposed FY 2020-21 FF Estimates	Proposed FY 2020-21 FTE Estimates
Operations and maintenance agreement for Buckley/Greeley	\$2,112,571	23.6	\$2,200,000	28.0
Air Traffic Control Buckley	721,992	6.8	730,000	7.0
Security for Space Command Facility at Greeley	389,832	6.0	390,000	6.0
Total	\$3,224,395	36.4	\$3,320,000	41.0

LINE ITEM DETAIL - AIR NATIONAL GUARD

OPERATIONS AND MAINTENANCE AGREEMENT FOR BUCKLEY/GREELEY

This line item provides General Fund support and reflects federal support for the operations and maintenance costs of the Air National Guard activities that are housed at Buckley Air Force Base and Greeley. These costs include personal services, operating expenses, and utilities. The portion of General Fund and federal funds is based on the annual cooperative agreement between the Department and the U.S. Department of Defense. Some federal funds were moved into this line item from the former Buckley Cooperative Agreement line item in FY 2018-19 to simplify the accounting structure.

STATUTORY AUTHORITY: Sections 28-3-105 and 106, C.R.S.

REQUEST: The Department requests an appropriation of \$2,902,171, including \$414,957 General Fund, \$2,487,214 federal funds, and 35.6 FTE.

RECOMMENDATION: **The staff recommendation is shown in the table below.** The total includes annualization of FY 2019-20 salary survey, annualization of S.B. 18-200 (PERA), and an adjustment to federal funds and FTE shown for informational purposes.

AIR NATIONAL GUARD, OPERATIONS AND MAINTENANCE AGREEMENT FOR BUCKLEY/GREELEY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
S.B. 19-207 (Long Bill)	\$2,842,804	\$404,557	\$0	\$0	\$2,438,247	35.6
TOTAL	\$2,842,804	\$404,557	\$0	\$0	\$2,438,247	35.6
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$2,842,804	\$404,557	\$0	\$0	\$2,438,247	35.6
Annualize prior year budget actions	48,776	8,621	0	0	40,155	0.0
Annualize prior year legislation	10,591	1,779	0	0	8,812	0.0
Informational funds adjustment	(287,214)	0	0	0	(287,214)	(7.6)
TOTAL	\$2,614,957	\$414,957	\$0	\$0	\$2,200,000	28.0
INCREASE/(DECREASE)	(\$227,847)	\$10,400	\$0	\$0	(\$238,247)	(7.6)
Percentage Change	(8.0%)	2.6%	0.0%	0.0%	(9.8%)	(21.3%)

AIR NATIONAL GUARD, OPERATIONS AND MAINTENANCE AGREEMENT FOR BUCKLEY/GREELEY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2020-21 EXECUTIVE REQUEST	\$2,902,171	\$414,957	\$0	\$0	\$2,487,214	35.6
Request Above/(Below) Recommendation	\$287,214	\$0	\$0	\$0	\$287,214	7.6

AIR TRAFFIC CONTROL BUCKLEY

This line item reflects the federal contribution for operations and maintenance of Air Traffic Control at Buckley. It funds personal services, operating expenses, and utilities. This line item previously included a portion of other funding for the Buckley Cooperative Agreement. This was moved to the Operations and Maintenance for Buckley/Greeley line item in FY 2018-19.

STATUTORY AUTHORITY: Sections 28-3-105 and 106, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$535,323 federal funds and 8.0 FTE.

RECOMMENDATION: The staff recommendation is shown in the table below and includes an adjustment to federal funds and FTE shown for informational purposes.

AIR NATIONAL GUARD, BUCKLEY COOPERATIVE AGREEMENT/AIR TRAFFIC CONTROL BUCKLEY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2019-20 APPROPRIATION						
S.B. 19-207 (Long Bill)	\$535,323	\$0	\$0	\$0	\$535,323	8.0
TOTAL	\$535,323	\$0	\$0	\$0	\$535,323	8.0
FY 2020-21 RECOMMENDED APPROPRIATION						
FY 2019-20 Appropriation	\$535,323	\$0	\$0	\$0	\$535,323	8.0
Informational funds adjustment	194,677	0	0	0	194,677	(1.0)
TOTAL	\$730,000	\$0	\$0	\$0	\$730,000	7.0
INCREASE/(DECREASE)	\$194,677	\$0	\$0	\$0	\$194,677	(1.0)
Percentage Change	36.4%	0.0%	0.0%	0.0%	36.4%	(12.5%)
FY 2020-21 EXECUTIVE REQUEST	\$535,323	\$0	\$0	\$0	\$535,323	8.0
Request Above/(Below) Recommendation	(\$194,677)	\$0	\$0	\$0	(\$194,677)	1.0

SECURITY FOR SPACE COMMAND FACILITY AT GREELEY

The federal government pays the State to employ full-time security guards at the Greeley facility.

STATUTORY AUTHORITY: Sections 28-3-105 and 106, C.R.S.

REQUEST: The Department requests a continuation appropriation of \$251,514 federal funds and 5.0 FTE.

RECOMMENDATION: The staff recommendation is shown in the table below and includes an adjustment to federal funds and FTE shown for informational purposes.

AIR NATIONAL GUARD, SECURITY FOR SPACE COMMAND FACILITY AT GREELEY							
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE	
FY 2019-20 APPROPRIATION							
S.B. 19-207 (Long Bill)	\$251,514	\$0	\$0	\$0	\$251,514	5.0	
TOTAL	\$251,514	\$0	\$0	\$0	\$251,514	5.0	
FY 2020-21 RECOMMENDED APPROPRIATION							
FY 2019-20 Appropriation	\$251,514	\$0	\$0	\$0	\$251,514	5.0	
Informational funds adjustment	138,486	0	0	0	138,486	1.0	
TOTAL	\$390,000	\$0	\$0	\$0	\$390,000	6.0	
INCREASE/(DECREASE)	\$138,486	\$0	\$0	\$0	\$138,486	1.0	
Percentage Change	55.1%	n/a	n/a	n/a	55.1%	20.0%	
FY 2020-21 EXECUTIVE REQUEST							
Request Above/(Below) Recommendation	(\$138,486)	\$0	\$0	\$0	(\$138,486)	(1.0)	

(4) FEDERAL FUNDED PROGRAMS

This section is included for informational purposes only and describes federal funding for the National Guard that is not subject to appropriation by the General Assembly. This includes training one weekend per month and two weeks per year for members of the Colorado National Guard.

FEDERAL FUNDED PROGRAMS				
	TOTAL FUNDS	GENERAL FUND	FEDERAL FUNDS	FTE
FY 2019-20 Appropriation				
S.B. 19-207 (Long Bill)	\$101,500,000	\$0	\$101,500,000	2,399.0
TOTAL	\$101,500,000	\$0	\$101,500,000	2,399.0
FY 2020-21 RECOMMENDED APPROPRIATION				
FY 2019-20 Appropriation	\$101,500,000	\$0	\$101,500,000	2,399.0
Informational funds adjustment	900,000	0	900,000	(37.0)
TOTAL	\$102,400,000		\$102,400,000	2,362.0
INCREASE/(DECREASE)	\$900,000	\$0	\$900,000	(37.0)
Percentage Change	0.9%	n/a	0.9%	(1.5%)
FY 2020-21 EXECUTIVE REQUEST	\$101,500,000	\$0	\$101,500,000	2,399.0
Request Above/(Below) Recommendation	(\$900,000)	\$0	(\$900,000)	37.0

DECISION ITEMS – FEDERAL FUNDED PROGRAMS

The Executive Branch did not submit any decision items for this division.

➔ STAFF-INITIATED INFORMATIONAL FEDERAL FUNDS ADJUSTMENT

This line item includes an estimate of federal expenditures for the salaries of uniformed members of the Colorado National Guard, based on the number of members of the National Guard (full-time and part-time) and the current E7 (mid-grade) salary. The Department did not request adjustments to federal funds shown for informational purposes, but staff recommends figures shown be updated based on changes to FTE and compensation.

Using the same calculation approach adopted last year, staff recommends reflecting **\$102,400,000 and 2,362.0 FTE. This is an increase of \$900,000 federal funds and a decrease of 37.0 FTE.** Calculations are reflected below.

NATIONAL GUARD PERSONAL SERVICES CALCULATION				
	NUMBER OF MEMBERS OF THE NATIONAL GUARDS (FY 2018-19)	MONTHLY PAY*	ANNUAL PAY	MEMBERS OF THE NATIONAL GUARD CONVERTED TO FTE**
Part time	3,774	\$528	\$23,912,064	754.8
Full time	<u>1,607</u>	4,071	<u>78,505,164</u>	<u>1,607.0</u>
Total	5,381		\$102,417,228	2,361.8

NATIONAL GUARD PERSONAL SERVICES CALCULATION			
NUMBER OF MEMBERS OF THE NATIONAL GUARDS (FY 2018-19)	MONTHLY PAY*	ANNUAL PAY	MEMBERS OF THE NATIONAL GUARD CONVERTED TO FTE**
*Based on an E7 rank			
**1 part-time member of the National Guard = 0.2 FTE.			

Staff recommends **rounding** the total dollars included in the Long Bill to the nearest \$100,000 and FTE to the nearest 1.0 to help clarify that the figure represents an estimate.

Because associated federal funds do not pass through the State accounting system, Department civilian staff do not have an easy way to identify actual expenditures. The Department’s United States Property and Fiscal Officer (USPFO) is responsible for all federal funds allocated to the State, including funds for National Guard uniformed personnel. However, a consolidated federal funds figure is not readily available. This is in part because a significant portion of operating resources used by state National Guard personnel are purchased through purchasing agreements at the national level and are not managed by the USPFO (e.g., national fuel purchase agreements).

LINE ITEM DETAIL – FEDERAL FUNDED PROGRAMS

FEDERAL FUNDED PROGRAMS OPERATIONS

This line item includes an estimate of federal expenditures for uniformed National Guard salaries, based on the number of members of the National Guard (full-time and part-time) and the current E7 (mid-grade) salary. These funds do not flow through the state accounting system, so this amount represents a rough estimate to reflect the scale of the Colorado National Guard.

STATUTORY AUTHORITY: Code of Federal Regulations: Title 32 and Title 10.

REQUEST: The Department requests a continuation appropriation of \$101,500,000 federal funds and 2,399.0 FTE.

RECOMMENDATION: **The staff recommendation is for \$102,400,000 federal funds and 2,362.0 FTE.** The calculation is detailed in the table for the division, as there is only one line item in this division.

LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION

LONG BILL FOOTNOTES

Staff recommends **continuing** the following footnote:

- 74 Department of Military and Veterans Affairs, Executive Director and Army National Guard, Personal Services, Operating Expenses, Vehicle Lease Payments, and Army National Guard Cooperative Agreement -- The Department is authorized to transfer up to 20.0 percent of the total General Fund appropriations in these line items between these line items. Transfers to or from the Vehicle Lease Payments line item may be used solely to address changes in the portion of costs covered by federal authorities for vehicle lease payments.

COMMENT: This flexibility was added for FY 2019-20 to help the Department make more efficient use of its appropriations. Additional information will be available in fall 2020 regarding how this flexibility was used and the impact on Department expenditures and whether this magnitude of flexibility is required.

REQUESTS FOR INFORMATION

Staff recommends **discontinuing** the following footnote:

REQUESTS AFFECTING MULTIPLE DEPARTMENTS

- 1 Department of Health Care Policy and Financing, Executive Director's Office; and Department of Military Affairs, Executive Director and Army National Guard -- The Departments are requested to explore further the potential benefits to veterans and the State of a pilot program to identify and conduct outreach to veterans enrolled in the Medicaid program who may be able to make better use of their federal Veterans Administration (VA) benefits.
- The two departments are requested to work together to refine the process for identifying which veterans might benefit from further outreach. This may include individuals with high prescription drug costs to determine if they would benefit from accessing VA prescription drug benefits; ensuring that veterans who are discharged from a nursing facility have their pension and aid and attendance benefits restored from the \$90 institutionalized amount; outreach to individuals receiving \$0 monthly VA compensation benefits; outreach to Vietnam-era veterans to ensure they are receiving benefits related to "agent orange" exposure, when relevant; exploring opportunities to increase veterans' service-connected disability ratings; and any other categories the departments believe should be targeted.
 - HCPF is requested to extract relevant data samples and to work closely with DMVA to help refine the process for identifying veterans most suitable for outreach.

- The DMVA is requested to conduct outreach to a small sample of veterans, such as those with high Medicaid pharmacy costs, to test the lists provided and veterans' responses.
- The DMVA is also requested to investigate the potential for using work-study students, funded by the federal Veterans Administration, to assist in outreach to veterans.
- Based on the results of this preliminary research, by October 1, 2019, the Departments are requested to submit a report to the Joint Budget Committee with recommendations on how the State should proceed. If the Departments continue to recommend a pilot program, they are requested to submit a detailed plan for how the pilot will be structured, including how they will identify veterans who should receive outreach, the estimated number who will receive outreach, the form of such outreach (letter/phone/etc.), the recommended length of the pilot, and how they will assess the impact of the pilot. The plan should include the proposed mechanism for determining whether a veteran has increased VA benefits as a result of the Department's outreach and a plan for determining whether the program has resulted in any General Fund savings to the State. The assessment may include a comparison with a randomized control group, if appropriate.

COMMENT: The Departments submitted the requested report. This was a one-time request. The Departments did not recommend moving forward with a pilot.

INDIRECT COST ASSESSMENTS

DESCRIPTION OF INDIRECT COST ASSESSMENT METHODOLOGY

The Department of Military and Veterans Affairs does not collect departmental or statewide indirect costs per the Centralized Personnel Plan (CPP), as negotiated with the federal government. The National Guard Bureau, which reimburses the state with federal funding to run the Air National Guard and Army National Guard program, prohibits indirect cost recoveries with the following criteria in the CPP:

“Congress has prohibited the expenditure of Army National Guard and Air National Guard appropriations for reimbursement of any indirect costs, except fringe benefits, of the States under NCB cooperative agreements.”

FY 2020-21 INDIRECT COST ASSESSMENT REQUEST

In lieu of indirect cost collections, the CPP allows for direct federal cost-share of some central administrative staff and expenses. The Department has received approval for 8.0 administrative staff to complete the following functions:

- 2.0 Purchasing/Contracting
- 1.0 Personnel
- 1.0 Accounts Payable
- 1.0 Payroll
- 3.0 Accountants

The total FY 2018-19 CPP is \$695,901, of which \$406,570 is federal funds and \$289,331 is General Fund. The 8.0 FTE are located in the Executive Director and Army National Guard Long Bill group.

Statewide indirect costs appear in the Department of Personnel and Administration’s plan, but are only collected for cash funds sources, since federal funds are not allowed to be collected.

JBC Staff Figure Setting - FY 2020-21
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Numbers Pages

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
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DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
Michael Loh, Adjutant General

(1) EXECUTIVE DIRECTOR AND ARMY NATIONAL GUARD

This division is responsible for the management and administration of the Department and the Army National Guard. The division includes funding for staff, centrally appropriated line items, and miscellaneous programs such as National Guard tuition assistance and Civil Air Patrol operations.

Personal Services	<u>2,346,544</u>	<u>2,446,621</u>	<u>2,156,193</u>	<u>2,208,990</u>	<u>2,251,283</u>
FTE	30.5	32.5	25.4	25.4	25.4
General Fund	2,104,862	2,157,792	1,731,454	1,777,250	1,835,243
Cash Funds	0	0	4,111	4,165	4,165
Reappropriated Funds	0	0	4,143	4,143	5,305
Federal Funds	241,682	288,829	416,485	423,432	406,570
Health, Life, and Dental	<u>170,030</u>	<u>301,603</u>	<u>1,217,997</u>	<u>1,473,940</u>	<u>1,463,898</u> *
General Fund	167,337	294,341	526,813	564,379	554,337
Cash Funds	2,693	7,262	22,758	23,753	23,753
Federal Funds	0	0	668,426	885,808	885,808
Short-term Disability	<u>2,230</u>	<u>5,432</u>	<u>15,637</u>	<u>17,927</u>	<u>18,024</u> *
General Fund	2,101	5,199	5,892	6,914	6,164
Cash Funds	129	233	216	266	269
Federal Funds	0	0	9,529	10,747	11,591
S.B. 04-257 Amortization Equalization Disbursement	<u>43,213</u>	<u>104,947</u>	<u>477,108</u>	<u>535,115</u>	<u>538,038</u> *
General Fund	39,695	97,943	179,196	205,730	183,452
Cash Funds	3,518	7,004	6,570	7,916	7,993
Federal Funds	0	0	291,342	321,469	346,593

JBC Staff Staff Figure Setting - FY 2020-21
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	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
S.B. 06-235 Supplemental Amortization Equalization					
Disbursement	<u>58,833</u>	<u>104,947</u>	<u>477,108</u>	<u>535,115</u>	<u>538,038</u> *
General Fund	55,315	97,943	179,196	205,730	183,452
Cash Funds	3,518	7,004	6,570	7,916	7,993
Federal Funds	0	0	291,342	321,469	346,593
PERA Direct Distribution					
General Fund	<u>0</u>	<u>0</u>	<u>250,154</u>	<u>238,282</u>	<u>238,282</u>
Cash Funds	0	0	3,445	3,540	3,540
Federal Funds	0	0	0	143,761	0
Salary Survey					
General Fund	<u>57,915</u>	<u>106,127</u>	<u>311,446</u>	<u>234,066</u>	<u>351,067</u>
Cash Funds	56,568	101,574	116,756	89,643	120,063
Federal Funds	1,347	4,553	4,280	3,487	5,232
Federal Funds	0	0	190,410	140,936	225,772
Paid Family Leave					
General Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>26,574</u>	<u>0</u>
General Fund	0	0	0	10,630	0
Federal Funds	0	0	0	15,944	0
Shift Differential					
General Fund	<u>0</u>	<u>0</u>	<u>32,433</u>	<u>36,438</u>	<u>36,438</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Federal Funds	0	0	32,433	36,438	36,438
Workers' Compensation					
General Fund	<u>124,934</u>	<u>153,608</u>	<u>108,535</u>	<u>98,478</u>	<u>98,478</u>
General Fund	60,049	73,831	51,294	47,271	47,271
Cash Funds	0	0	0	0	0
Federal Funds	64,885	79,777	57,241	51,207	51,207

JBC Staff Staff Figure Setting - FY 2020-21
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	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
Operating Expenses	<u>4,089,734</u>	<u>2,681,474</u>	<u>357,899</u>	<u>430,769</u>	<u>520,769</u> *
General Fund	1,435,363	1,444,518	311,899	384,769	474,769
Cash Funds	1,104,143	162	46,000	46,000	46,000
Federal Funds	1,550,228	1,236,794	0	0	0
Information Technology Asset Maintenance	<u>16,273</u>	<u>21,282</u>	<u>22,372</u>	<u>22,372</u>	<u>22,372</u>
General Fund	16,273	21,282	22,372	22,372	22,372
Cash Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Legal Services	<u>7,459</u>	<u>11,855</u>	<u>84,829</u>	<u>69,920</u>	<u>69,920</u>
General Fund	7,459	11,855	84,829	69,920	69,920
Cash Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Payment to Risk Management and Property Funds	<u>174,791</u>	<u>273,499</u>	<u>220,252</u>	<u>159,717</u>	<u>159,717</u>
General Fund	174,791	273,499	220,252	159,717	159,717
Cash Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Vehicle Lease Payments	<u>31,012</u>	<u>49,422</u>	<u>94,479</u>	<u>64,566</u>	<u>64,566</u> *
General Fund	31,012	16,113	40,251	22,303	22,303
Cash Funds	0	0	0	0	0
Federal Funds	0	33,309	54,228	42,263	42,263
Leased Space	<u>50,826</u>	<u>58,651</u>	<u>60,097</u>	<u>61,995</u>	<u>61,995</u>
General Fund	50,826	58,651	60,097	61,995	61,995
Cash Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Staff Figure Setting - FY 2020-21
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	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
Capitol Complex Leased Space	<u>54,312</u>	<u>48,219</u>	<u>48,603</u>	<u>47,442</u>	<u>47,442</u>
General Fund	54,312	48,219	48,603	47,442	47,442
Cash Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Payments to OIT	<u>464,450</u>	<u>462,937</u>	<u>225,602</u>	<u>301,798</u>	<u>301,798</u> *
General Fund	464,450	462,937	225,602	301,798	301,798
Cash Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
CORE Operations	<u>58,108</u>	<u>65,924</u>	<u>57,710</u>	<u>76,867</u>	<u>76,867</u>
General Fund	58,108	65,924	57,710	76,867	76,867
Cash Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Annual Depreciation-Lease Equivalent Payment	<u>0</u>	<u>0</u>	<u>87,994</u>	<u>87,994</u>	<u>87,994</u> *
General Fund	0	0	87,994	87,994	87,994
Civil Air Patrol Operations	<u>57,303</u>	<u>58,520</u>	<u>58,638</u>	<u>58,638</u>	<u>58,638</u>
General Fund	57,303	58,520	58,638	58,638	58,638
Cash Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Armory Incentive Plan	<u>0</u>	<u>0</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	20,000	20,000	20,000
Federal Funds	0	0	0	0	0

JBC Staff Staff Figure Setting - FY 2020-21
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	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
Statewide Indirect Cost Collections	<u>0</u>	<u>0</u>	<u>4,143</u>	<u>5,305</u>	<u>5,305</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	4,143	5,305	5,305
Appropriation to the Colorado National Guard					
Tuition Fund	<u>1,206,039</u>	<u>1,194,910</u>	<u>1,596,157</u>	<u>1,421,157</u>	<u>1,196,157</u> *
General Fund	1,206,039	1,194,910	1,596,157	1,421,157	1,196,157
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Army National Guard Cooperative Agreement	<u>11,335,344</u>	<u>12,096,785</u>	<u>13,553,273</u>	<u>13,766,927</u>	<u>14,155,686</u>
FTE	66.7	71.0	84.0	84.1	84.1
General Fund	0	0	1,901,775	1,945,686	1,855,686
Federal Funds	11,335,344	12,096,785	11,651,498	11,821,241	12,300,000
Merit Pay	<u>27,737</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	27,520	0	0	0	0
Cash Funds	217	0	0	0	0
Federal Funds	0	0	0	0	0
USS Colorado Commissioning	<u>92,448</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	92,448	0	0	0	0
Cash Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
TOTAL - (1) Executive Director and Army					
National Guard	20,469,535	20,246,763	21,538,659	22,000,392	22,382,772
<i>FTE</i>	<u>97.2</u>	<u>103.5</u>	<u>109.4</u>	<u>109.5</u>	<u>109.5</u>
General Fund	6,161,831	6,485,051	7,753,489	7,659,186	7,600,382
Cash Funds	1,115,565	26,218	118,093	122,348	124,250
Reappropriated Funds	0	0	4,143	4,143	5,305
Federal Funds	13,192,139	13,735,494	13,662,934	14,214,715	14,652,835

JBC Staff Staff Figure Setting - FY 2020-21
Staff Working Document - Does Not Represent Committee Decision

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
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(2) DIVISION OF VETERANS AFFAIRS

This division is responsible for various state veterans programs, including funding for state and county veterans service officers, grants supporting veterans organizations and programs, and the Western Slope Veterans Cemetary. Cash fund sources include the Colorado State Veterans Trust Fund and the Western Slope Military Veterans' Cemetary Fund.

Veterans Service Operations	<u>806,666</u>	<u>907,706</u>	<u>998,936</u>	<u>1,032,576</u>	<u>1,024,656</u>
FTE	10.1	10.3	13.0	13.1	13.0
General Fund	764,678	865,385	956,436	990,076	982,156
Cash Funds	41,988	42,321	42,500	42,500	42,500
County Veterans Service Officer Payments	<u>956,475</u>	<u>1,240,925</u>	<u>1,257,280</u>	<u>1,257,280</u>	<u>1,281,168</u>
General Fund	956,475	1,240,925	1,257,280	1,257,280	1,281,168
Colorado State Veterans Trust Fund Expenditures	<u>615,105</u>	<u>654,974</u>	<u>871,836</u>	<u>871,836</u>	<u>1,021,836</u>
Cash Funds	615,105	654,974	871,836	871,836	1,021,836
Veterans Assistance Grant Program	<u>960,454</u>	<u>967,916</u>	<u>1,157,886</u>	<u>1,157,886</u>	<u>1,157,886</u>
FTE	0.5	0.5	0.5	0.5	0.5
General Fund	960,454	967,916	1,000,000	1,000,000	1,000,000
Cash Funds	0	0	157,886	157,886	157,886
Western Slope Veterans Cemetary	<u>414,965</u>	<u>410,478</u>	<u>444,395</u>	<u>454,635</u>	<u>454,635</u>
FTE	5.3	5.9	5.5	5.5	5.5
General Fund	187,797	176,179	198,736	204,750	204,750
Cash Funds	227,168	234,299	245,659	249,885	249,885

JBC Staff Staff Figure Setting - FY 2020-21
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	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
Grand Junction Veterans One-Stop Center	<u>0</u>	<u>161,994</u>	<u>320,212</u>	<u>380,387</u>	<u>382,739</u> *
FTE	0.0	0.9	3.1	4.0	4.0
General Fund	0	161,994	285,757	310,605	347,412
Cash Funds	0	0	34,455	69,782	35,327
TOTAL - (2) Division of Veterans Affairs	3,753,665	4,343,993	5,050,545	5,154,600	5,322,920
FTE	<u>15.9</u>	<u>17.6</u>	<u>22.1</u>	<u>23.1</u>	<u>23.0</u>
General Fund	2,869,404	3,412,399	3,698,209	3,762,711	3,815,486
Cash Funds	884,261	931,594	1,352,336	1,391,889	1,507,434

JBC Staff Staff Figure Setting - FY 2020-21
Staff Working Document - Does Not Represent Committee Decision

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
(3) AIR NATIONAL GUARD					
Provides ready forces to the U.S. active armed services and provides ready forces for the preservation of life and property during natural disasters and in Colorado.					
Operations and Maintenance Agreement for					
Buckley/Greeley	<u>1,355,113</u>	<u>2,491,022</u>	<u>2,842,804</u>	<u>2,902,171</u>	<u>2,614,957</u>
FTE	12.3	23.6	35.6	35.6	28.0
General Fund	367,847	378,451	404,557	414,957	414,957
Federal Funds	987,266	2,112,571	2,438,247	2,487,214	2,200,000
Buckley Cooperative Agreement/Air Traffic Control					
Buckley	<u>1,443,265</u>	<u>721,992</u>	<u>535,323</u>	<u>535,323</u>	<u>730,000</u>
FTE	19.4	6.8	8.0	8.0	7.0
Federal Funds	1,443,265	721,992	535,323	535,323	730,000
Security for Space Command Facility at Greeley					
FTE	<u>378,172</u>	<u>389,832</u>	<u>251,514</u>	<u>251,514</u>	<u>390,000</u>
Federal Funds	8.7	6.0	5.0	5.0	6.0
Federal Funds	378,172	389,832	251,514	251,514	390,000
TOTAL - (3) Air National Guard	<u>3,176,550</u>	<u>3,602,846</u>	<u>3,629,641</u>	<u>3,689,008</u>	<u>3,734,957</u>
FTE	<u>40.4</u>	<u>36.4</u>	<u>48.6</u>	<u>48.6</u>	<u>41.0</u>
General Fund	367,847	378,451	404,557	414,957	414,957
Federal Funds	2,808,703	3,224,395	3,225,084	3,274,051	3,320,000

JBC Staff Staff Figure Setting - FY 2020-21
Staff Working Document - Does Not Represent Committee Decision

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Appropriation	FY 2020-21 Request	FY 2020-21 Recommendation
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(4) FEDERAL FUNDED PROGRAMS

This section provides an estimate of federal funds authorized for Colorado National Guard operations.

National Guard Service Members	<u>0</u>	<u>0</u>	<u>101,500,000</u>	<u>101,500,000</u>	<u>102,400,000</u>
FTE	0.0	0.0	2,399.0	2,399.0	2,362.0
Federal Funds	0	0	101,500,000	101,500,000	102,400,000
TOTAL - (4) Federal Funded Programs	0	0	101,500,000	101,500,000	102,400,000
FTE	<u>0.0</u>	<u>0.0</u>	<u>2,399.0</u>	<u>2,399.0</u>	<u>2,362.0</u>
Federal Funds	0	0	101,500,000	101,500,000	102,400,000

TOTAL - Department of Military and Veterans					
Affairs	27,399,750	28,193,602	131,718,845	132,344,000	133,840,649
FTE	<u>153.5</u>	<u>157.5</u>	<u>2,579.1</u>	<u>2,580.2</u>	<u>2,535.5</u>
General Fund	9,399,082	10,275,901	11,856,255	11,836,854	11,830,825
Cash Funds	1,999,826	957,812	1,470,429	1,514,237	1,631,684
Reappropriated Funds	0	0	4,143	4,143	5,305
Federal Funds	16,000,842	16,959,889	118,388,018	118,988,766	120,372,835