



JOINT BUDGET COMMITTEE STAFF FY 2023-24 BUDGET BRIEFING SUMMARY

Colorado General Assembly
Joint Budget Committee

Department of Military and Veterans Affairs

The Department of Military and Veterans Affairs is responsible for training and maintaining Colorado's Army and Air National Guard to protect the safety and health of Colorado's residents and serve as a reserve force for the U.S. Armed Forces. The Department also administers state programs that assist U.S. military veterans. The Department's FY 2022-23 appropriation represents approximately 0.4 percent of statewide operating appropriations and 0.1 percent of statewide General Fund appropriations.

FY 2022-23 APPROPRIATION AND FY 2023-24 REQUEST

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
HB 22-1329 (Long Bill)	\$142,995,648	\$12,637,704	\$1,571,484	\$80,305	\$128,706,155	2,513.9
Other legislation	35,319	16,769	422	0	18,128	0.0
TOTAL	\$143,030,967	\$12,654,473	\$1,571,906	\$80,305	\$128,724,283	2,513.9
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$143,030,967	12,654,473	\$1,571,906	\$80,305	\$128,724,283	2,513.9
R1 Cash fund restoration	4,908,395	4,908,395	0	0	0	0.0
R2 Veterans cemetery staff	160,502	160,502	0	0	0	1.8
R3 Senior executive staff additions	320,257	320,257	0	0	0	1.8
R4 Technical funding adjustment	0	0	0	0	0	0.0
Centrally appropriated line items	716,568	435,758	23,808	0	257,002	0.0
Annualize prior year budget actions	3,880	3,880	0	0	0	0.0
Indirect cost assessment	47	0	(10,205)	10,252	0	0.0
Non-prioritized request	(153,999)	(153,999)	0	0	0	0.0
Technical adjustments	0	0	25,000	(25,000)	0	0.0
TOTAL	\$148,986,617	\$18,329,266	\$1,610,509	\$65,557	\$128,981,285	2,517.5
INCREASE/(DECREASE)	\$5,955,650	\$5,674,793	\$38,603	(\$14,748)	\$257,002	3.6
Percentage Change	4.2%	44.8%	2.5%	(18.4%)	0.2%	0.1%

R1 CASH FUND RESTORATION: [LEGISLATION RECOMMENDED] The request is for a one-time \$4.9 million General Fund transfer to restore funds that were swept from the Real Estate Proceeds Cash Fund in FY 2020-21. During the COVID-19 pandemic, H.B. 20-1406 (Cash Funds Transfer to the General Fund) transferred these funds from the Department to augment state revenues. These cash funds were from the sale of real estate acquired for military purposes, and the restoration of these cash funds would allow the Department to move forward with its plans for two new readiness centers. Additionally, failure to restore these cash funds would put \$46.7 million in federal matching funds at risk.

R2 VETERANS CEMETERY STAFF: The request is for \$160,502 General Fund and 1.8 FTE to staff and support the Veterans Memorial Cemetery in Western Colorado. Over the last twenty years, annual interments at the cemetery have increased significantly. This additional personnel is requested so that the Veterans Memorial Cemetery can maintain its high service level to Colorado veterans and their families and ensure that the cemetery remains compliant with National Cemetery Administration operating requirements. For more detail, please see related Briefing Issue.

R3 SENIOR EXECUTIVE STAFF ADDITIONS: The request is for \$320,257 General Fund and 1.8 FTE to add a Chief Financial Officer and a Chief Operating Officer to the Department’s leadership team. The Adjutant General and her executive staff oversee 5,500 National Guard Service members and 2,100 Civil Air Patrol volunteers. While the current Department leadership structure has remained static for fifteen years, the operational tempo has extensively expanded. According to the Department, these positions would help the Adjutant General and her staff carry out the Department's mission and values.

R4 TECHNICAL FUNDING ADJUSTMENT: [LEGISLATION REQUIRED] The request asks the JBC to consider sponsoring legislation to allow two changes in current policy. The first is for a statutory change adjusting the appropriation duration for the Veterans Trust Fund. This change would enable Tobacco Master Settlement funds credited to the Veterans Trust Fund, used for capital improvements and grants, to be available for three years. This practice is in line with other capital-related appropriations. The second component to the request is for a change in statute which would amend the allowable uses of the Real Estate Proceeds Cash Fund to include environmental impact studies. These adjustments would allow the Department to efficiently and effectively respond to changes in the real estate market and capitalize on opportunities as they arise.

CENTRALLY APPROPRIATED LINE ITEMS: The request includes an increase of \$716,568 total funds for centrally appropriated line items, summarized in the table below.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$627,521	\$261,311	\$9,469	\$0	\$356,741	0.0
Payment to risk management and property funds	91,219	91,219	0	0	0	0.0
Common policy provider rate adjustment	39,040	39,040	0	0	0	0.0
PERA Direct Distribution	38,472	41,356	(2,884)	0	0	0.0
Legal services	23,198	23,198	0	0	0	0.0
Workers’ compensation	21,553	8,621	0	0	12,932	0.0
OIT Budget package	19,767	19,767	0	0	0	0.0
DPA annual fleet request - vehicle lease payments	12,570	9,428	0	0	3,142	0.0
Shift differential	5,476	0	0	0	5,476	0.0
Capitol Complex leased space adjustment	1,695	1,695	0	0	0	0.0
Annualize prior year salary survey	0	0	0	0	0	0.0
Health, life, and dental	(54,429)	(20,762)	15,763	0	(49,430)	0.0
AED	(46,126)	(11,776)	727	0	(35,077)	0.0
SAED	(46,126)	(11,776)	727	0	(35,077)	0.0
CORE adjustment	(14,746)	(14,746)	0	0	0	0.0
Short-term disability	(2,516)	(817)	6	0	(1,705)	0.0
TOTAL	\$716,568	\$435,758	\$23,808	\$0	\$257,002	0.0

ANNUALIZE PRIOR-YEAR BUDGET ACTION: The request includes an increase of \$3,880 total funds for the annualization of a prior-year budget action related to digital trunk radios.

INDIRECT COST ADJUSTMENT: The request includes an increase of \$47 total funds for the indirect cost adjustment.

NON-PRIORITIZED ITEMS: The request includes three non-prioritized items summarized in the table below, aggregating to a reduction of \$153,999.

NON-PRIORITIZED REQUEST						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
NP DPA COE Common Policy	\$2,925	\$2,925	\$0	\$0	\$0	0.0
NP Transfer performance budgeting to DPA	724	724	0	0	0	0.0
NP OIT common policy adjustment	(157,648)	(157,648)	0	0	0	0.0
TOTAL	(\$153,999)	(\$153,999)	\$0	\$0	\$0	0.0

TECHNICAL ADJUSTMENTS: The request includes a net-zero technical adjustment, summarized in the table below.

TECHNICAL ADJUSTMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Grand Junction one refinance	\$0	\$0	\$25,000	(\$25,000)	\$0	0.0
TOTAL	\$0	\$0	\$25,000	(\$25,000)	\$0	0.0

SUMMARY OF ISSUE PRESENTED TO THE JOINT BUDGET COMMITTEE

R2 VETERANS CEMETERY STAFF: The Department requests \$160,502 General Fund and 1.8 FTE to staff and support the Veterans Memorial Cemetery in Western Colorado. This issue brief provides background information regarding Veterans Memorial Cemetery in Western Colorado, which has experienced significant growth in recent years, leading to staffing capacity issues.

FOR MORE INFORMATION

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TO READ THE ENTIRE BRIEFING: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2021.