

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
FY 2023-24 JOINT BUDGET COMMITTEE HEARING AGENDA

Thursday, December 15, 2022

2:30 pm – 3:00 pm

2:30-2:35 INTRODUCTIONS AND OPENING COMMENTS

Presenter: Brigadier General (BG) Laura Clellan, The Adjutant General, Executive Director

2:35-2:45 COMMON QUESTIONS

Main Presenters:

- BG Laura Clellan, The Adjutant General, Executive Director
- Michael Bruno, Deputy Executive Director
- Dr. David Callahan, Division Director, Division of Veterans Affairs

Topics:

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2:45-3:00 FY 23-24 REQUEST

Main Presenters:

- BG Laura Clellan, The Adjutant General, Executive Director
- Michael Bruno, Deputy Executive Director
- Dr. David Callahan, Division Director, Division of Veterans Affairs

Topics:

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- R2 Veterans Cemetery Staff: Page 11
- R3 Senior Executive Staff Additions: Page 12
- R4 Technical Funding Adjustment: Page 13

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COMMON QUESTIONS FOR DISCUSSION AT DEPARTMENT HEARINGS

- 1 Please describe the implementation plan for new programs added to the Department from one-time stimulus funds (such as the CARES Act, ARPA, and one-time General Fund), as well as any challenges or delays to program implementation.

Department of Military & Veterans Affairs (DMVA) Response:

- DMVA has not created any new programs using stimulus funds, but is using State and Local Fiscal Recovery Funds (SLFRF) to complete a number of construction and maintenance projects on our Readiness Centers in the total amount of \$3,194,302.00
 - We have not encountered any challenges or delays in implementation and, in consultation with the Office of the State Controller (OSC), have enacted or are in the process of enacting the following:
 - The addition of all required SLFRF conditions to DMVA's Procurement and Contracting documents.
 - The development of agency policies and procedures to create a standard framework for monitoring and oversight of contractors and deliverable requirements.
 - The development, in conjunction with the OSC, of a Program Manager policy to ensure roles, responsibilities and communication are clear and to ensure both agency and vendor compliance with state, federal, and special SLFRF requirements.
 - Regular contact with the OSC to ensure that we are in compliance and up to date on any changes in SLFRF requirements.
 - SLFRF funding will require additional reporting in regard to expenditure activities.
- 2 Please identify how many rules you have promulgated in the past year (FY 2021-22). With respect to these rules, have you done any cost-benefit analyses pursuant to Section 24-4-103 (2.5), C.R.S., regulatory analyses pursuant to Section 24-4-103 (4.5), C.R.S., or any other similar analysis? Have you conducted a cost-benefit analysis of the Department's rules as a whole? If so, please provide an overview of each analysis.

DMVA Response: Not Applicable.

- 3 How many temporary FTE has the Department been appropriated funding in each of the following fiscal years: FY 2019-20, FY 2020-21, FY 2021-22, and FY 2022-23? For how many of the temporary FTE was the appropriation made in the Long Bill? In other legislation? Please indicate the amount of funding that was appropriated. What is the department's strategy related to ensuring the short term nature of these positions? Does the department intend to make the positions permanent in the future?

DMVA Response: The DMVA does not use term-limited appointments. The DMVA funds our temporary employees through vacancy savings and only for temporary projects.

- 4 Please provide a description, calculation, and the assumptions for the fiscal impact of implementing the provisions of the Partnership Agreement, including but not limited to changes in annual leave accrual, holiday pay, and paid family and medical leave. If your department includes employees who are exempt from the Partnership Agreement, please indicate whether or not you intend to implement similar benefit changes as those required for covered employees. Please provide a breakdown of the fiscal impact of implementing the provisions of the Partnership Agreement for: a) employees who are subject to the Agreement, and b) employees who are exempt from the Agreement.

DMVA Response: The cost to departments for employees using the paid family medical leave was requested and approved last year (DPA FY 2022-23 R-02). For FY 2023-24 the cost is part of the POTS appropriation called Temporary Employees Related to Authorized Leave. The adjustment to annual leave and the additional holiday, as noted in the fiscal note for the bill (S.B. 22-139) were expected to be minimal and if necessary will be addressed through the annual budget process. The Governor's November 1, 2022 budget included funding for the economic articles of the Partnership Agreement, including funding for paid family medical leave. The department is working with OSPB and DPA to submit a January budget amendment if necessary to seek additional adjustments related to the Partnership Agreement. In addition, OSPB will provide the JBC with a breakdown of the fiscal impact of implementing the Partnership Agreement by department.

Questions from the Departmental Briefing to be addressed at the Hearing.

R2 VETERANS CEMETERY STAFF

- 5 *[Senator Zenzinger]* Provide the history and background concerning this cemetery, including an explanation of why it is not funded and managed by the federal government.

DMVA Response:

- The Veterans Memorial Cemetery of Western Colorado came about due to the efforts of four local veterans who wanted a place to bury their fellow veterans, and loved ones, without traveling the 240+ miles to the Eastern slope. The Veterans Memorial Cemetery of Western Colorado was authorized by the Colorado Legislature in 1999 to honor Colorado veterans. A grant to build the cemetery was obtained from the United States Veterans Administration (VA), and the construction began in June 2001. The cemetery was completed in September 2002.
- Due to the relative population of the western slope, in relation to the eastern slope, the location did not qualify for a National Cemetery. Because of the distance between the existing national cemeteries

located in Denver and Salt Lake City, Grand Junction did qualify for the Veterans Cemetery Grants Program.

6 *[Senator Bridges]* Why did federal funding for the cemetery end?

DMVA Response:

- In 2001, through the Veterans Cemetery Grants Program, the National Cemetery Administration provided a \$5.9M grant to the state of Colorado for initial development of the cemetery. This was awarded to the cemetery on the stipulation that the state maintain and supply additional construction for the first 20 years. In September 2022, the cemetery reached that 20 year mark and is now eligible for future infrastructure grants through the Veterans Cemetery Grants Program.
- The cemetery does receive \$893.00 per veteran burial by the federal government. The cemetery applies for this reimbursement through Veteran Pension Claims. Burial of spouses and children are not eligible for this reimbursement by the federal government. This amount increases yearly at the beginning of the federal fiscal year. FY 2023 brought a burial reimbursement increase from \$828 to \$893 per veteran burial.
- Below are the amounts reimbursed since 2018, these are by Federal Fiscal Years:
 - 2018-2019 \$139,595.00
 - 2019-2020 \$153,238.00
 - 2020-2021 \$182,968.00
 - 2021-2022 \$233,311.00
 - 2022- Current \$56,774.00

DIVISION OF VETERANS AFFAIRS

7 *[Senator Bridges]* Please address VSO's at hearing (in relation to recent Legislative Audit Committee hearing).

DMVA Response: We are currently working closely with the Governor's office on solutions. Governor Polis will submit his budget amendments on January 3rd.



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**Department of Military
and Veterans Affairs**



**Brief to
Joint
Budget
Committee
15 December 2022**





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Department of Military and Veterans Affairs



MISSION: Colorado's Department of Military and Veterans Affairs **supports** the Division of the Colorado National Guard in delivering land, air, space, and cyber power in support of state and federal operations; **enables** the Division of Veterans Affairs to deliver high quality service to the State's Veterans and their families; and **oversees** the operations of the Colorado Wing of the Civil Air Patrol in delivering aerospace education and emergency services.

VISION: We are an **inclusive** organization that earns and maintains the trust and confidence in those we serve at the local, state and federal levels; we are recognized for **excellence in service** to our Veterans, service members, and families; and, we are the state of choice for future force structure gains, equipment modernization, and infrastructure investment.





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DOMESTIC OPERATIONS 2022

13 MAR 2020 – 31 July 2022: **CONG COVID-19 Response**

- 15 different task forces staffed by 1524 Colorado National Guard Soldiers & Airmen; 841 operational periods.

01 JAN - Present: **Task Force FireGuard**

- 15 Service Members (SMs) utilizing national level assets to provide early detection of Wildland Fires.
- As of 9 Dec: 1,142 Fires Detected & over 11,000 reports generated.

27 – 28 JUN: **Cyber Election Support**

- 4 SMs supported the Colorado Secretary of State's (SoS) office providing network monitoring and cyber threat identification during the State's primary elections.

06 – 09 NOV: **Cyber Election Support**

- 8 SMs supported the SoS's office during the general election.

SEARCH & RESCUE MISSIONS (SARs)

- 25 missions, 25 lives saved, 58+ flight hours

3x 8th Civil Support Team Call-Outs (in support of Denver Fire Department; FBI; BSFB)

3x 140th Explosive Ordnance Disposal Team Call-Outs (supported Arapahoe County Sherriff's Office with disposal of military style munitions (cradle to grave))





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Colorado National Guard Deployments



Total Deployed 2021-2022: **1209** / Currently Deployed: **44**



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Recent Appropriations

Funding Source	FY 2020-21	FY2021-22	FY2022-23	FY 2023-24 *
General Fund	\$10,350,429	\$11,766,152	\$12,665,672	\$18,329,266
Cash Funds	\$1,641,694	\$1,663,652	\$1,572,269	\$1,610,509
Reappropriated Funds	\$163,167	\$124,920	\$80,305	\$65,557
Federal Funds	\$120,147,532	\$125,096,869	\$128,740,050	\$128,981,285
Total Funds	\$132,302,822	\$138,651,593	\$143,058,296	\$148,986,617
Full Time Equivalent Staff				

***Requested Appropriations**



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FY 23-24 Budget Requests

FY 2022-23 Department Requests

Request Name	FTE	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
R-01 Cash Fund Restoration	0.0	\$4,908,395	\$4,908,395	\$0	\$0	\$0
R-02 Veterans Cemetery Staff	1.8	\$160,502	\$160,502	\$0	\$0	\$0
R-03 Senior Executive Staff Additions	1.8	\$320,257	\$320,257	\$0	\$0	\$0
R-04 Technical Funding Adjustment	0.0	\$0	\$0	\$0	\$0	\$0
Total of Requests	3.6	\$5,389,154	\$5,389,154	\$0	\$0	\$0



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Decision Item Discussion

R-01: Cash Fund Restoration

- The request is for a one-time \$4,908,395 General Fund transfer to restore funds that were swept from the Real Estate Proceeds Cash Fund in FY 2020-21, ref H.B. 20-1406.
 - Restoration would enable Department to move forward with land acquisition for two projects:
 - First, land acquisition in support of a new Readiness Center (RC) for 3-157th Field Artillery Battalion.
 - Currently located at Longmont RC, facility constructed in 1954, undersized with numerous documented Life/Health/Safety issues.
 - Without State funding, Department stands to lose ~\$15.5M in federal matching funds for construction.
-
- Second, acquire land at Pueblo West to consolidate the Pueblo RC and Rocky Ford Field Maintenance Shop (FMS) .
 - Pueblo RC, constructed in 1961, insufficient space to accommodate the military vehicles for the Forward Support Company (FSC). Located on the State Fairgrounds with no ability for expansion .
 - Rocky Ford FMS, constructed in 1949, one of the oldest facilities in the COARNG inventory at 73 years old, beyond its useful life. Location requires Pueblo RC Soldiers to travel over 100 miles round trip for military equipment repairs, negative impact on Soldier and unit readiness.
 - If DMVA does not acquire the Pueblo West land, department stands to lose \$46.75M in federal matching funds for construction.



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Decision Item Discussion

R-02: Veterans Cemetery Staff

- Requesting \$160,502 in General Funds and 1.8 FTEs for FY 2023-24, annualizing to \$134,893 and 2.0 FTE to staff the Veterans Memorial Cemetery in Western Colorado.
- One staff will be a program assistant to work in the office and the other to serve as a lead grounds keeper.
- Veterans Memorial Cemetery opened in 2002, and annual interments have increased **296%** since its inception.
- Support is needed to meet rapidly rising annual internments, increased early registrations intake, and for sustaining prompt and efficient services on a uniformed basis.





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Decision Item Discussion

R-03: Senior Executive Staff Additions

- The request is for \$320,257 in General Funds and 1.8 FTEs to add a Chief Financial Officer and a Chief Operating Officer to the Department's leadership team.
- The Adjutant General (TAG) and her executive staff oversee 200 State Employees, 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.
- The addition of these two positions will have a long-term positive impact on department success by improving: communication, employee engagement, leadership, oversight, customer service and processes, both internally and externally.



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Decision Item Discussion

R-04: Technical Funding Adjustment [Legislation Required]

- The request asks the JBC to consider sponsoring legislation to allow two changes in current policy:
 - Request statutory change to allow the department a temporary increase in spending authority for Veterans Trust Fund (VTF) funds enabling the Colorado Board of Veterans Affairs to better serve the needs of Colorado Veterans.
 - The Department proposes the following language: “Beginning July 1, 2023, for a period of no more than three years, the Department may request to the Office of the State Controller additional spending authority of no more than \$250,000 annually beyond what is appropriated by the General Assembly from the Tobacco Master Settlement, based upon available fund balance.”
 - Increasing access to available funds will enable the Department to provide assistance to all Veterans across Colorado on a uniformed basis and improve Veteran outcomes and their quality of life.
-
- Second, request statutory changes to clarify the ability of TAG to direct available funds within the Real Estate Proceeds Cash Fund to conduct appraisals, environmental studies, or buy land.
 - Not intended to bypass or circumvent established processes for approval from Office of State Architect, CDC, JBC or General Assembly.
 - Allows Department to respond to changes in the market in order to maximize return on State dollars and capitalize on opportunities as they arise.



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Questions?

