

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**FY 2008-09 STAFF BUDGET BRIEFING  
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

**JBC Working Document - Subject to Change**

**Staff Recommendation Does Not Represent Committee Decision**

**Prepared By:**

**David Meng, Joint Budget Committee Staff**

**November 8, 2007**

**For Further Information Contact:**

**Joint Budget Committee  
200 East 14th Avenue, 3rd Floor  
Denver, Colorado 80203  
Telephone: (303) 866-2061  
Facsimile: (303) 866-2150**

**FY 2008-09 JBC Staff Budget Briefing  
Department of Military and Veterans Affairs**

**Table of Contents**

**Graphic Overview ..... 2**

**Department Overview ..... 3**

**Decision Item Priority List ..... 10**

**Overview of Numbers Pages ..... 12**

**Numbers Pages ..... 13**

**Long Bill Footnote Update ..... 22**

**Issue:**

**Colorado State Veterans Trust Fund ..... 23**

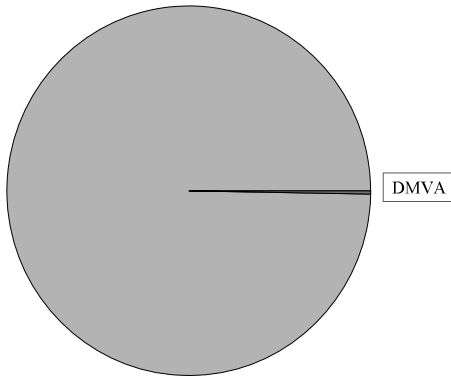
**Appendix A: Decision Items**

- Appendix B: Organization Chart**
- Map of Armories**
  - National Guard Deployments**
  - Civil Air Patrol**

**FY 2008-09 JBC Staff Budget Briefing  
 Department of Military and Veterans Affairs  
 GRAPHIC OVERVIEW**

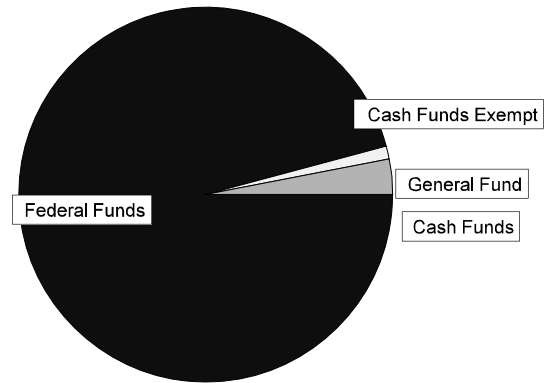
**Department Share of State General Fund**

FY 2007-08 Appropriation

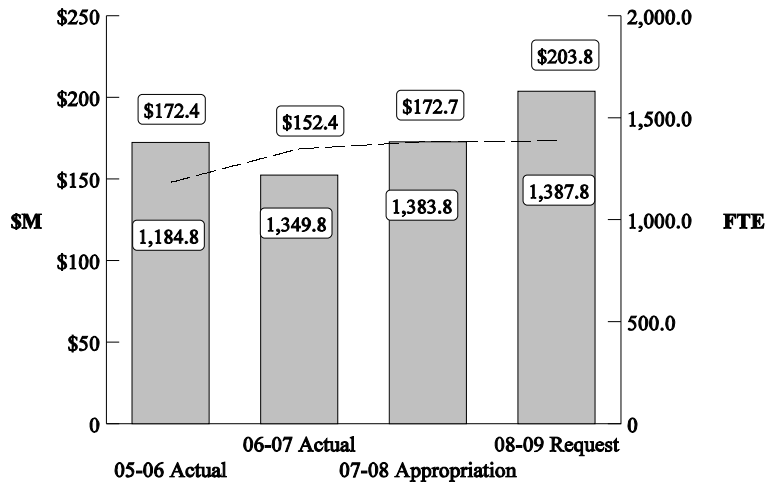


**Department Funding Source Split**

FY 2007-08 Appropriation



**Budget History**



**FY 2007-08 JBC Staff Budget Briefing**  
**Department of Military and Veterans Affairs**  
**DEPARTMENT OVERVIEW**

**Key Responsibilities**

- ▶ Provide trained and ready military forces for the U.S. active armed services.
- ▶ Provide trained and ready military units for the preservation of life and property during natural disasters and civil emergencies in Colorado.
- ▶ Provide support for federal and state homeland security missions.
- ▶ Maintain equipment and facilities for state military forces.
- ▶ Provide for safekeeping the public arms, military records, relics and banners of the state.
- ▶ Assist veterans and National Guard members with claims for federal and state benefits.
- ▶ Maintain the Western Slope Veterans Memorial Cemetery.
- ▶ Provide support for and facilitate the operation of the Civil Air Patrol, Colorado Wing.
- ▶ Assist in fighting the spread of drug trafficking.

**Factors Driving the Budget**

The major factor driving the Department's budget continues to be the Global War on Terror, the military name for the current wars in and around Iraq and Afghanistan. This has resulted in unprecedented federal activation of Colorado Air and Army National Guard members. Almost 90 percent of the Army Guard units have been activated for periods up to one and one-half years in support of operations in Iraq, and Afghanistan, and for domestic security missions.

Colorado has had either Air or Army units federally deployed in Afghanistan, Iraq, and the Balkans counter-terrorism or counter-narcotics operations nearly continuously for the past eight years (see Appendix B for the number of troops deployed by month since September 2001). The increased tempo and level of deployments strains employer relations and adds to the family hardship associated with military service. The Global War on Terror has also had a profound effect on the need for veterans services in Colorado. (See Appendix B for National Guard deployments since September 11, 2001.)

More than 95 percent of the Department's budget is federal funds. Under its cooperative agreements with the federal government, the Department funds 100 percent of maintenance and utilities costs at fifteen armories, and 20 or 25 percent of the costs at four other facilities, and the federal government funds all the costs of training National Guard troops and most of the costs of construction of armories and other military buildings.

Armory maintenance contributes to readiness to perform federal and state missions by providing safe, modern, well-maintained facilities for training and mobilization. Poorly maintained facilities have a negative impact on recruitment and retention. The high operations tempo together with the

age of National Guard facilities, on average about 40 years old, have increased the need for facilities maintenance. (See Appendix B for a map of armories.)

### **Military Construction Projects**

In 2006, the General Assembly approved an increase in federal funds expenditures for the following military construction projects:

- Space squadron support building at Greeley National Guard Station is complete.
- Field maintenance shop at State Regional Center in Grand Junction is substantially complete with the exception of some water management issues which will be completed by next Summer.
- Funds for the proposed Flight Operations Facility at Buckley Air Force Base have not yet been approved by Congress.

The Colorado Army National Guard has begun a transformation into a new organization focused on an artillery brigade. This transformation will affect nearly every existing unit and armory. Some soldiers will be required to train to new positions, some towns will see old units disappear and new ones be created. Some armories will have more soldiers assigned and others will have fewer. This will result in great turbulence, and readiness and recruiting challenges. It may present opportunities to increase the size of the Guard and to expand its presence to new cities and towns.

The Guard is proposing a five year capital construction plan that includes Readiness Centers in Grand Junction, Lakewood, North Colorado Springs, Windsor, and Fountain/Fort Carson. State funding of \$49,729,779 over the five years will bring in \$83,475,005 in federal construction dollars.

### **Colorado Army and Air National Guard**

There are more than 5,000 members of the Colorado National Guard. The Guard is both a state and a federal military force. It is Colorado's state militia, under the Governor as commander-in-chief, and also serves as a supplement to regular U.S. military forces when called into the actual service of the U.S. Major General H. Michael Edwards is both the Executive Director of the Department and the Adjutant General of the Colorado National Guard.

The primary budget driver is the "federal force structure," or number of Guard personnel authorized by the U.S. National Guard Bureau, plus the state's ability to fill the force structure, which together determine the amount of federal funds flowing into and through the Department. The federal government normally reduces a state's authorization when the state is unable to fill it, but in recent years the federal government has continued to increase the state authorization regardless of actual numbers.

Currently, the two Guard components have an authorized strength of 4,964 members, and are currently over that strength with 5,064 members. The Army National Guard has 3,629 members and the Air National Guard has 1,435 members. Air National Guard activity at Buckley Air Force Base has grown to a round-the-clock operation with the requirement to keep F-16 aircraft on alert as a result of the September 11 attacks.

### **Division of Veterans Affairs**

The Division of Veterans Affairs serves veterans by representing them in federal benefits claims, by providing information to county veterans service officers, and by maintaining the Western Slope Military Veterans' Cemetery in Grand Junction. The Division's five Veterans Service Officers represent veterans, under Powers of Attorney, in claims to the U.S. Veterans Administration and in proceedings before the U.S. Board of Veterans Appeals. The Division takes all claims, whether or not the staff believes they are meritorious.

The primary budget driver is the number of veterans who need assistance with federal benefits claims. The number of new claims has risen in recent years, from 1,273 in 2000 to 4,614 in 2005. Of an estimated 428,000 veterans in Colorado, about 100,000 are receiving pensions or other compensation. The Division's five Veterans Service Officers each handle more than 200 cases per month, and the Division currently has about 2,224 open cases.

The State Board of Veterans Affairs advises the Division on veterans issues and makes grants to veterans service organizations from the Colorado State Veterans Trust Fund, which is derived from the tobacco settlement proceeds. The Veterans Trust Fund may be used for:

- ✓ capital improvements and amenities for state veterans nursing homes
- ✓ costs for legislative oversight committee and nursing home commission
- ✓ costs of state veterans cemeteries
- ✓ costs of the Division of Veterans Affairs
- ✓ veterans programs operated by nonprofit veterans organizations

The Western Slope Military Veterans' Cemetery opened in July 2002, and now has 1,107 interments. Under the terms of the federal grant to build the cemetery, the state must operate the cemetery for 20 years or else repay the \$6.1 million cost of construction.

### **Division of Civil Air Patrol**

The Civil Air Patrol is a federally-chartered nonprofit corporation, created in Title 10 of the U.S. Code (10 U.S.C. 9441), as an auxiliary to the U.S. Air Force. Its statutory purposes include encouraging citizens to contribute to developing aviation and maintaining air supremacy; providing aviation education and training; and fostering civil aviation in local communities.

The Colorado Division of Civil Air Patrol was created to support the Civil Air Patrol, Colorado Wing. The Civil Air Patrol, Colorado Wing, is staffed by volunteers. The state provides General Fund for aircraft maintenance and operating expenses, which comprised about 12 percent of the Colorado Wing's revenue in federal FY 2005-06. (See Appendix B for a map of the Colorado Civil Air Patrol' aircraft.)

## Summary of Major Legislation Affecting the Department

- ✓ **S.B. 07-42 (Kopp/Hodge): Concerning the M.O.S.T. Program for Military.** Allows a member of the armed forces residing in Colorado who holds a drivers license from another state to enroll in the Motorcycle Operators Safety Training Program at the same charge as that for a person with a Colorado driver's license.
- ✓ **S.B. 07-86 (Kopp/Balmer): Concerning a War on Terrorism Memorial.** Establishes the Fallen Heroes Memorials Construction Fund. Establishes the Fallen Heroes Memorial Commission in the Department of Personnel and Administration, to make recommendations on and to solicit gifts, grants, and donations for erecting memorials. Requires that the first memorial be for service members killed during the war on terrorism.
- ✓ **S.B. 07-146 (Morse/Rice): Concerning the Veterans Mental Health Services Pilot.** Creates the Mental Health Services Pilot Program for Families of Discharged Veterans of Operation Enduring Freedom and Operation Iraqi Freedom in the Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, with funds to be distributed to community mental health centers in the Colorado Springs area.
- ✓ **S.B. 07-183 (Romer/Weissmann): Concerning the review of the Sunset Provision for the Colorado Board of Veterans Affairs.** Continued the Board of Veterans Affairs unchanged.
- ✓ **H.B. 07-1069 (McKinley/Kester): Concerning the withdrawal of consent for Federal eminent domain.** Amends the "consent to acquire land" statute to withdraw the legislature's consent for the federal government to take land within the State by eminent domain for the expansion of the Pinon Canyon Maneuver Site.
- ✓ **H.B. 07-1251 (Gallegos/Wiens): Legislation implementing referendum E.** Implements Referendum E, approved in the November 2006 general election, which amends the Colorado Constitution to extend the senior homestead exemption to veterans who are 100 percent permanently disabled due to a service-connected disability. Requires the Department to notify veterans who may be eligible for the exemption by May 1, 2007, to annually verify the eligibility of each applicant, and to notify local property tax assessors of those verifications. Appropriates \$1,200 General Fund to the Department of Military and Veterans Affairs.
- ✓ **H.B. 07-1275 (Rice/Penry): Concerning the Colorado National Guard to receive forfeited property from Drug Interdictions.** Adds the Colorado National Guard, when participating in drug interdiction and enforcement, to law enforcement agencies authorized to receive property forfeited to the federal government. Creates the Department of Military and Veterans Affairs Counterdrug Program Federal Forfeiture Fund, which will be continuously appropriated to the Department.

- ✓ **H.B. 07-1359 (Buescher/Fitz-Gerald): Concerning the Changes to the Allocation of Tobacco Litigation Settlement Moneys.** Makes changes to the allocation of tobacco litigation settlement moneys and adjusts FY 2007-08 appropriations by increasing the spending authority from the Colorado State Veterans Trust Fund. It appropriates \$114,468 Cash Funds Exempt from the Veterans Trust Fund to the Department of Military and Veterans Affairs.
- ✓ **H.B. 07-1371 (Carroll, M/Morse): Concerning the Military Family Relief Fund Grants.** Eliminates the maximum pay grade requirement for certain military personnel to receive grants from the Military Family Relief Fund.
- ✓ **S.B. 06-126 (Owen/Buescher): Concerning the Use of Moneys Appropriated from the Colorado Veterans Trust Fund.** Extends the Veterans Trust Fund Expenditures limit at 75 percent of the Trust Fund transfer, plus interest, to FY 2006-07, and then reduces the limit in steps over the five years to 25 percent.
- ✓ **H.B. 06-1310 (Buescher/Owen): Concerning Simplifying Procedures for Distributing Tobacco Settlement Moneys Among the Programs Currently Receiving the Moneys.** Changes the flow of funds from the Tobacco Settlement Fund to the Veterans Trust Fund from an appropriation to a transfer.
- ✓ **S.B. 05-052 (Jones/Carroll M.): Concerning the Creation of the Military Family Relief Fund and Adding a Line to Tax Return Forms Whereby Taxpayers May Make a Contribution to the Fund.** Creates a fund administered by the Colorado National Guard Foundation for National Guard members or military reservists and their families, establishes an income tax checkoff, and appropriates cash funds to the Department of Revenue for administration of the tax contributions.
- ✓ **S.B. 05-053 (Taylor/Coleman): Concerning the Colorado National Guard Tuition Assistance Program.** Eliminates the requirement for a member to serve one year for each semester of tuition assistance; provides that the member must serve during the time he or she is receiving the assistance.
- ✓ **H.B. 05-1083 (Balmer/Hanna): Concerning Changes to the Department of Military and Veterans Affairs.** Grants eligibility for state employee benefits to all National Guard members who have served for more than thirty consecutive days.
- ✓ **H.B. 04-1347 (Witwer/Jones): Tuition Assistance to Members of the Colorado National Guard.** Creates a priority for National Guard members in tuition grants made by the Colorado Commission on Higher Education, and appropriates at least \$410,207 for the National Guard Tuition Assistance Program.



**FY 2008-09 JBC Staff Budget Briefing  
Department of Military and Veterans Affairs**

**MAJOR FUNDING CHANGES  
FY 2006-07 to FY 2007-08 Appropriations**

<b>Action (Source)</b>	<b>General Fund</b>	<b>Other Funds (Sources of funds)</b>	<b>Total Funds</b>	<b>Total FTE</b>
EDO-Army National Guard Cooperative Agreements	\$ 0	\$1,127,981 <i>(Federal Funds)</i>	\$ 1,127,981	31.0
EDO-Personal Services and Benefits adjustments	256,730	322,690 <i>(Federal Funds)</i>	\$ 579,420	3.0
EDO-Operating Expenses (for deferred armory maintenance expenses)	194,891	0	\$ 194,891	0.0
EDO-Colorado National Guard Tuition Fund	0	60,729 <i>(Cash Funds Exempt)</i>	\$ 60,729	0.0
EDO-Multiuse Network Payments	43,635	0	\$ 43,635	0.0
EDO-Workers' Compensation	(7,818)	25,561 <i>(Federal Funds)</i>	\$ 17,743	0.0
EDO-Payment to Risk Management and Property Funds	(29,558)	0	\$ (29,558)	0.0
Division of Veterans Affairs-Colorado State Veterans Trust Fund Expenditures	0	91,389 <i>(Cash Funds, Cash Funds Exempt)</i>	\$ 91,389	0.0
Federal Funded Programs	0	18,137,381 <i>(Federal Funds)</i>	\$ 18,137,381	0.0
Civil Air Patrol-Aircraft Maintenance	\$ 10,414	0	\$ 10,414	0.0

**Executive Director's Office**

- Federal funding for the Army National Guard Cooperative agreement increased by \$1,127,981 and 31.0 FTE.
- The Department received an increase in funding for Personal Services of \$579,240. The General Fund amount was \$256,730, which added 2.0 FTE for armory maintenance on the Western Slope, 0.5 FTE for purchasing support, 0.5 FTE for IT support, and the rest for increases in salary survey and benefits.
- The Department received a one-time increase in the General Fund for armory maintenance costs, \$194,891 to address about one-half of the remaining armory maintenance backlog.

- The Department's appropriation from the General Fund, Multiuse Network Payments was reduced by \$37,848 as a result of a statewide decision item.
- The Department's Workers' Compensation increased overall by \$17,743, with the General Fund decrease of \$7,818 offset by an increase in Federal Funds of \$25,561.
- Payments to Risk Management and Property Funds decreased by \$29,558 General Fund.

#### **Division of Veterans Affairs**

- Expenditures from the Colorado State Veterans Trust Fund increased by \$91,389 from Cash Funds and Cash Funds Exempt.

#### **Federal Funded Programs**

- The increase in federal funded programs to train state military forces was \$18,137,381.

#### **Civil Air Patrol**

- The Department received an increase in the General Fund of \$10,414 for aircraft maintenance costs.

**FY 2007-08 Joint Budget Committee Staff Budget Briefing**  
**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**  
**Decision Item Priority List**

<b>Priority</b>	<b>Division: Description</b> <i>Statutory Authority</i>	<b>GF</b>	<b>CF</b> <i>Source</i>	<b>CFE</b> <i>Source</i>	<b>FF</b> <i>Source</i>	<b>Total</b>	<b>FTE</b>
1	Executive Director's Office  Funding for remainder of deferred maintenance backlog and continuation of funding for non-backlogged maintenance  <i>Section 28-3-106 (q) C.R.S.</i>	\$ 254,419	\$ 0	\$ 0	\$ 0	\$ 254,419	0.0
2	Division of Veterans Affairs  Pilot incentive program increasing Payments to County Veterans Service Officers  <i>Section 28-5-70 C.R.S.</i>	124,354	0	0	0	\$ 124,354	3.0
3	Executive Director's Office  Facilities Manager  <i>Section 28-3-106 (q) C.R.S.</i>	42,285	0	0	0	\$ 42,285	0.5
4	Executive Director's Office  Purchasing Agent  <i>Section 28-3-106 C.R.S.</i>	24,737	0	0	0	\$ 24,737	0.5
5	Executive Director's Office  Budget Analyst  <i>Section 28-3-106 C.R.S.</i>	27,700	0	0	0	\$ 27,700	0.5
6	Division of Veterans Affairs - Colorado State Veterans Trust Fund  Restore Funds to the Veterans Trust Fund  <i>Section 28-5-709 C.R.S.</i>	2,280,900	0	0	0	\$ 2,280,900	0.0

**FY 2007-08 Joint Budget Committee Staff Budget Briefing  
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS  
Decision Item Priority List**

<b>Priority</b>	<b>Division: Description</b> <i>Statutory Authority</i>	<b>GF</b>	<b>CF</b> <i>Source</i>	<b>CFE</b> <i>Source</i>	<b>FF</b> <i>Source</i>	<b>Total</b>	<b>FTE</b>
7	Executive Director's Office Merge Administrative Services line with Personal Services Line <i>Section 28-3-106 C.R.S.</i>	0	0	0	0	\$ 0	0.0
8	Executive Director's Office Merge Utilities Line with Operating Expense Line <i>Section 28-3-106 C.R.S.</i>	0	0	0	0	\$ 0	0.0
N/A	Executive Director's Office Multiuse Network Payments <i>Statewide Decision Item</i>	49,058	0	0	0	\$ 49,058	0.0
N/A	Executive Director's Office C-SEAP Workers' Compensation <i>Statewide Decision Item</i>	287	0	0	558	\$ 845	0.0
N/A	Executive Director's Office Vehicle Lease Payments <i>Statewide Decision Item</i>	(25,501)	0	0	0	\$ (25,501)	0.0
	<b>Total Decision Items</b>	<b>\$ 2,778,239</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 558</b>	<b>\$ 2,778,797</b>	<b>4.5</b>

**FY 2008-09 JBC Staff Budget Briefing  
Department of Military and Veterans Affairs**

**OVERVIEW OF NUMBERS PAGES**

Requested Changes: FY 2006-07 Appropriation to FY 2007-08 Request

<b>Description</b>	<b>GF</b>	<b>CF</b>	<b>CFE</b>	<b>FF</b>	<b>Total</b>	<b>FTE</b>
<b>FY 2007-08 Base Appropriation</b>	<b>\$ 5,521,333</b>	<b>119,124</b>	<b>1,581,962</b>	<b>165,473,575</b>	<b>\$172,695,994</b>	<b>1,383.8</b>
<u>Decision Items</u>						
#1 Funding EDO Operating Expense Backlog and Continued Maintenance	\$ 254,419	0	0	0	\$ 254,419	0.0
#2 Pilot Incentive Program to Increase County Veterans Service Officer Payments	\$ 124,354	0	0	0	\$ 124,354	0.0
#3 Facilities Manager	\$ 42,128	0	0	0	\$ 42,128	0.5
#4 Purchasing Agent	\$ 24,737	0	0	0	\$ 24,737	0.5
#5 Budget Analyst	\$ 27,700	0	0	0	\$ 27,700	0.5
#6 Restore Funding to Veterans Trust Fund	\$ 0	0	0	0	\$ 0	0.0
#7 EDO-Merge Administrative Services Line with Personal Services Line	\$ 0	0	0	0	\$ 0	0.0
#8 EDO-Merge Utilities Line with Operating Expenses Line	\$ 0	0	0	0	\$ 0	0.0
<u>Statewide Decision Items</u>						
Vehicle Lease Payments	\$ (25,501)	0	0	0	\$ (25,501)	0.0
C-SEAP Program - Workers' Compensation	\$ 287	0	0	558	\$ 845	0.0
Multiuse Network Payments	\$ 49,058	0	0	0	\$ 49,058	0.0
Executive Director Office and Army National Guard	\$ 48,704	171	503	167,999	\$ 217,377	0.0
Division of Veterans Affairs	\$ 26,520	9,716	(95,889)	0	\$ (59,653)	0.0
Air National Guard	\$ 10,389	0	0	99,296	\$ 109,685	2.5
Federal Funded Programs	\$ 0	0	0	30,305,678	\$ 30,305,678	0.0
Civil Air Patrol	\$ 2,819	0	0	0	\$ 2,819	0.0
<b>Total Changes</b>	<b>\$ 585,614</b>	<b>\$ 9,887</b>	<b>\$ (95,386)</b>	<b>\$ 30,573,531</b>	<b>\$ 31,073,646</b>	<b>4.0</b>
<b>FY 2008-09 Request</b>	<b>\$ 6,106,947</b>	<b>\$ 129,011</b>	<b>\$ 1,486,576</b>	<b>\$ 196,047,106</b>	<b>\$ 203,769,640</b>	<b>1,387.8</b>

**FY 2008-09 JBC Staff Briefing**  
**Department of Military and Veterans Affairs**

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	Change Request
<b>DEPARTMENT OF MILITARY AND VETERANS AFFAIRS</b> <b>Major General H. Michael Edwards, Adjutant General and Executive Director</b>					
<b>(1) EXECUTIVE DIRECTOR AND ARMY NATIONAL GUARD</b>					
Provides trained and ready forces to the U.S. active armed services and provides trained and ready forces for the preservation of life and property during natural disasters and civil emergencies in Colorado.					
Personal Services	1,710,779	1,641,533	1,764,176	2,206,235	DI # 3,4,5,7
FTE	<u>27.6</u>	<u>25.6</u>	<u>28.6</u>	<u>35.2</u>	DI # 3,4,5,7
General Fund	1,484,006	1,524,231	1,675,952	1,979,057	DI # 3,4,5,7
FTE	24.7	24.7	27.7	32.5	DI # 3,4,5,7
Cash Funds	311	0	3,511	3,662	
FTE	0.1	0.1	0.1	0.1	
Cash Funds Exempt	89,774	0	0	0	
FTE	2.0	0.0	0.0	0.0	
Federal Funds	136,688	117,302	84,713	223,516	DI # 7
FTE	0.8	0.8	0.8	2.6	DI # 7
Health, Life and Dental	<u>224,235</u>	<u>299,051</u>	<u>451,400</u>	<u>533,052</u>	
General Fund	82,629	103,925	126,962	185,839	
Cash Funds	0	0	0	0	
Cash Funds Exempt	13,212	11,294	5,120	4,291	
Federal Funds	128,394	183,832	319,318	342,922	
Short-term Disability	<u>8,285</u>	<u>7,931</u>	<u>10,125</u>	<u>9,550</u>	
General Fund	3,399	3,212	3,633	3,426	
Cash Funds	6	0	5	5	
Cash Funds Exempt	449	282	85	95	
Federal Funds	4,431	4,437	6,402	6,024	

**FY 2008-09 JBC Staff Briefing**  
**Department of Military and Veterans Affairs**

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	Change Request
SB04-257 Amortization Equalization Disbursement	<u>0</u>	<u>37,360</u>	<u>92,304</u>	<u>118,810</u>	
General Fund	0	15,174	33,276	43,430	DI # 3,4,5
Cash Funds	0	0	44	59	
Cash Funds Exempt	0	0	1,073	1,173	
Federal Funds	0	22,186	57,911	74,148	
 SB06-235 Supplemental Amortization Equalization					
Disbursement	<u>0</u>	<u>0</u>	<u>18,240</u>	<u>38,242</u>	
General Fund	0	0	5,942	14,085	
Cash Funds	0	0	9	19	
Cash Funds Exempt	0	0	224	375	
Federal Funds	0	0	12,065	23,763	
 Salary Survey and Senior Executive Service	<u>167,064</u>	<u>153,993</u>	<u>251,368</u>	<u>278,701</u>	
General Fund	68,234	61,339	82,000	100,233	
Cash Funds	71	0	104	99	
Cash Funds Exempt	9,066	4,170	2,595	2,787	
Federal Funds	89,693	88,484	166,669	175,582	
 Performance-based Pay Awards	<u>0</u>	<u>0</u>	<u>103,269</u>	<u>112,961</u>	
General Fund	0	0	37,299	40,609	
Cash Funds	0	0	57	57	
Cash Funds Exempt	0	0	251	1,130	
Federal Funds	0	0	65,662	71,165	
 Shift Differential - Federal Funds	19,195	19,579	15,356	19,579	
 Workers' Compensation	<u>110,419</u>	<u>87,577</u>	<u>105,320</u>	<u>80,663</u>	
General Fund	55,717	44,226	36,408	27,425	
Federal Funds	54,702	43,351	68,912	53,238	

**FY 2008-09 JBC Staff Briefing**  
**Department of Military and Veterans Affairs**

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	Change Request
Operating Expenses	<u>507,945</u>	<u>957,050</u>	<u>1,157,021</u>	<u>2,337,795</u>	
General Fund	358,881	768,178	762,488	1,462,223	DI #1,3,4,5,8
Cash Funds Exempt	9,467	2,851	46,000	46,000	
Federal Funds	139,597	186,021	348,533	829,572	
Information Technology Asset Maintenance - General Fund	15,447	14,801	27,372	27,372	
Legal Services for 110 hours-General Fund	7,090	1,656	7,923	7,923	
Purchase of Services from Computer Center - General Fund	1,866	0	770	860	
Multiuse Network Payments	<u>196,565</u>	<u>337,382</u>	<u>381,574</u>	<u>430,632</u>	
General Fund	196,565	106,939	150,574	199,632	
Federal Funds	0	230,443	231,000	231,000	
Payment to Risk Management and Property Funds - General Fund	51,897	127,478	97,920	166,250	
Vehicle Lease Payments - General Fund	17,996	22,758	62,512	37,011	
Leased Space - General Fund	41,896	31,560	44,978	44,978	
Capitol Complex Leased Space (Camp George West)	<u>83,216</u>	<u>76,640</u>	<u>81,311</u>	<u>83,881</u>	
General Fund	53,980	55,015	49,023	62,256	
Federal Funds	29,236	21,625	32,288	21,625	
Communications Services Payments - GF	10,019	10,935	10,912	11,392	



**FY 2008-09 JBC Staff Briefing**  
**Department of Military and Veterans Affairs**

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	Change Request
Utilities	<u>955,365</u>	<u>1,201,089</u>	<u>1,116,591</u>	<u>0</u>	DI # 8
General Fund	547,149	635,552	635,552	0	DI # 8
Federal Funds	408,216	565,537	481,039	0	DI # 8
Local Armory Incentive Plan - Cash Funds	65,524	23,677	46,610	46,610	
Distance Learning	<u>0</u>	<u>0</u>	<u>3,000</u>	<u>3,000</u>	
Cash Funds	0	0	1,000	1,000	
Cash Funds Exempt	0	0	2,000	2,000	
Colorado National Guard Tuition Fund a/	<u>685,270</u>	<u>711,761</u>	<u>825,803</u>	<u>825,803</u>	
General Fund	175,803	175,803	175,803	175,803	
Cash Funds Exempt	509,467	535,958	650,000	650,000	
Army National Guard Cooperative Agreement-Federal Funds	2,443,331	4,170,990	3,347,629	3,461,741	
FTE	17.5	47.0	51.5	51.5	
Administrative Services	281,608	288,894	268,794	0	DI # 7
FTE	<u>5.1</u>	<u>5.1</u>	<u>5.1</u>	<u>0.0</u>	DI # 7
General Fund	127,567	112,178	140,973	0	DI # 7
FTE	3.3	3.3	3.3	0.0	DI # 7
Federal Funds	154,041	176,716	127,821	0	DI # 7
FTE	1.8	1.8	1.8	0.0	DI # 7

**FY 2008-09 JBC Staff Briefing**  
**Department of Military and Veterans Affairs**

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	Change Request
<b>SUBTOTAL - (1) EXECUTIVE DIRECTOR AND ARMY NATIONAL GUARD</b>	7,605,012	10,223,695	10,292,278	10,883,041	Request vs. Appropriation 5.7%
FTE	<u>50.2</u>	<u>77.7</u>	<u>85.2</u>	<u>86.7</u>	<u>1.5</u>
General Fund	3,300,141	3,814,960	4,168,272	4,589,804	10.1%
FTE	28.0	28.0	31.0	32.5	1.5
Cash Funds	65,912	23,677	51,340	51,511	0.3%
FTE	0.1	0.1	0.1	0.1	0.0
Cash Funds Exempt	631,435	554,555	707,348	707,851	0.1%
FTE	2.0	0.0	0.0	0.0	0.0
Federal Funds	3,607,524	5,830,503	5,365,318	5,533,875	3.1%
FTE	20.1	49.6	54.1	54.1	0.0

a/ H.B. 03-1347 appropriation from the Department of Higher Education to the National Guard Tuition Assistance Program

**(2) DIVISION OF VETERANS AFFAIRS**

Represents veterans in claims for federal benefits, supports county veterans service officers, administers the Colorado State Veterans Trust Fund, and maintains the Western Slope Military Veterans Cemetery.

Veterans Service Operations	495,438	552,953	570,051	591,237	
FTE	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>	
General Fund	390,785	551,981	566,542	587,728	
FTE	6.0	8.0	8.0	8.0	
Cash Funds Exempt	104,653	972	3,509	3,509	
FTE	2.0	0.0	0.0	0.0	
County Veterans Service Officer Payments	<u>78,252</u>	<u>72,240</u>	<u>88,800</u>	<u>213,154</u>	
General Fund	0	72,240	88,800	213,154	DI # 2
Cash Funds Exempt	78,252	0	0	0	

**FY 2008-09 JBC Staff Briefing**  
**Department of Military and Veterans Affairs**

	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>	<b>FY 2008-09</b>	<b>Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Appropriation</b>	<b>Request</b>	<b>Request</b>
Colorado State Veterans Trust Fund - Cash Funds Exempt	871,980	800,618	N/A	N/A	
Colorado State Veterans Trust Fund Expenditures	<u>611,917</u>	<u>547,827</u>	<u>716,693</u>	<u>627,500</u>	
Cash Funds	0	0	67,784	77,500	
Cash Funds Exempt	611,917	547,827	648,909	550,000	
Western Slope Veterans Cemetery	237,811	243,332	398,156	406,510	
FTE	<u>2.5</u>	<u>4.5</u>	<u>4.5</u>	<u>4.5</u>	
General Fund	120,000	113,163	124,960	130,294	
FTE	2.5	2.5	2.5	2.5	
Cash Funds Exempt	117,811	130,169	222,196	225,216	
FTE	0.0	2.0	2.0	2.0	
Federal Funds	0	0	51,000	51,000	
<b>SUBTOTAL - (2) DIVISION OF VETERANS AFFAIRS</b>	<b>2,295,398</b>	<b>2,216,970</b>	<b>1,773,700</b>	<b>1,838,401</b>	<b>Request vs. Appropriation 3.6%</b>
FTE	<u>10.5</u>	<u>12.5</u>	<u>12.5</u>	<u>12.5</u>	<u>0.0</u>
General Fund	510,785	737,384	780,302	931,176	19.3%
FTE	8.5	10.5	10.5	10.5	0.0
Cash Funds	0	0	67,784	77,500	14.3%
Cash Funds Exempt	1,784,613	1,479,586	874,614	778,725	-11.0%
FTE	2.0	2.0	2.0	2.0	0.0
Federal Funds	0	0	51,000	51,000	0.0%

**FY 2008-09 JBC Staff Briefing**  
**Department of Military and Veterans Affairs**

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	Change Request
<b>(3) AIR NATIONAL GUARD</b>					
Provide ready forces to the U.S. active armed services and provides ready forces for the preservation of life and property during natural disasters and civil emergencies.					
Operations and Maintenance Agreement for					
Buckley/Greeley	1,837,799	1,872,016	2,017,242	2,072,610	
FTE	<u>26.1</u>	<u>26.1</u>	<u>26.1</u>	<u>26.1</u>	
General Fund	351,443	373,522	448,095 (M)	458,484	
FTE	5.4	5.4	5.4	5.4	
Federal Funds	1,486,356	1,498,494	1,569,147	1,614,126	
FTE	20.7	20.7	20.7	20.7	
The "(M)" designation indicates that this appropriation is the maximum amount of General Fund moneys that may be expended on this program in support of a federally supported program.					
Buckley Cooperative Agreement - FF	1,110,118	1,228,739	945,146	988,949	
FTE	15.0	15.0	15.0	17.5	
Security for Space Command Facility at Greeley -					
Federal Funds	137,237	168,874	204,656	215,170	
FTE	5.0	5.0	5.0	5.0	
<b>SUBTOTAL - (3) AIR NATIONAL GUARD</b>	3,085,154	3,269,629	3,167,044	3,276,729	3.5%
FTE	<u>46.1</u>	<u>46.1</u>	<u>46.1</u>	<u>48.6</u>	<u>2.5</u>
General Fund	351,443	373,522	448,095	458,484	2.3%
FTE	5.4	5.4	5.4	5.4	0.0
Federal Funds	2,733,711	2,896,107	2,718,949	2,818,245	3.7%
FTE	40.7	40.7	40.7	43.2	2.5

**FY 2008-09 JBC Staff Briefing**  
**Department of Military and Veterans Affairs**

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	Change Request
<b>(4) FEDERAL FUNDED PROGRAMS</b>					
Trains state military forces. Note: This section is included in the Long Bill for informational purposes only. The funds are not subject to appropriation and do not pass through the state accounting system. Totals are reported based on the Federal fiscal year beginning October 1 and not the State's fiscal year beginning July 1.					
Personal Services - FF	81,160,003	68,266,956	86,102,647	88,685,726	
FTE	1,077.0	1,077.0	1,239.0	1,239.0	
Operating and Maintenance - FF	56,294,079	29,705,038	57,419,961	59,142,560	
Construction - FF	21,100,000	12,100,000	13,100,000	39,100,000	
Special Programs - FF	715,700	128,933	715,700	715,700	
<b>SUBTOTAL - (4) FEDERAL FUNDED PROGRAMS</b>					<b>Request vs. Appropriation</b>
Federal Funds	159,269,782	110,200,927	157,338,308	187,643,986	19.3%
FTE	1,077.0	1,077.0	1,239.0	1,239.0	0.0

**(5) CIVIL AIR PATROL**

The Division of Civil Air Patrol supports the U.S. Civil Air Patrol, Colorado Wing.

Personal Services-General Fund	62,482	64,554	66,026	68,845
FTE	1.0	1.0	1.0	1.0
Operating Expenses-General Fund	13,315	13,324	13,324	13,324

**FY 2008-09 JBC Staff Briefing**  
**Department of Military and Veterans Affairs**

	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>	<b>FY 2008-09</b>	<b>Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Appropriation</b>	<b>Request</b>	<b>Request</b>
Repeater Upgrade - General Fund	41,322	772	0	0	
Aircraft Maintenance-General Fund	34,885	34,693	45,314	45,314	
<b>SUBTOTAL - (5) CIVIL AIR PATROL</b>					<b>Request vs. Appropriation</b>
General Fund	152,004	113,343	124,664	127,483	2.3%
FTE	1.0	1.0	1.0	1.0	0.0
<b>TOTAL - MILITARY AND VETERANS AFFAIRS</b>					<b>Request vs. Appropriation</b>
	172,407,350	126,024,564	172,695,994	203,769,640	18.0%
FTE	<u>1,184.8</u>	<u>1,214.3</u>	<u>1,383.8</u>	<u>1,387.8</u>	<u>4.0</u>
General Fund	4,314,373	5,039,209	5,521,333	6,106,947	10.6%
FTE	42.9	44.9	47.9	49.4	1.5
Cash Funds	65,912	23,677	119,124	129,011	8.3%
FTE	0.1	0.1	0.1	0.1	0.0
Cash Funds Exempt	2,416,048	2,034,141	1,581,962	1,486,576	-6.0%
FTE	4.0	2.0	2.0	2.0	0.0
Federal Funds	165,611,017	118,927,537	165,473,575	196,047,106	18.5%
FTE	1,137.8	1,167.3	1,333.8	1,336.3	2.5

**FY 2008-09 JBC Staff Budget Briefing  
Department of Military and Veterans Affairs  
LONG BILL FOOTNOTE UPDATE**

**4 All Departments, Totals --** The General Assembly requests that copies of all reports requested in other footnotes contained in this act be delivered to the Joint Budget Committee and the majority and minority leadership in each house of the General Assembly.

Comment: No information is requested or required to comply with this footnote.

**5 All Departments, Totals --** Every department is requested to submit to the Joint Budget Committee information on the number of additional federal and cash funds exempt FTE associated with any federal grants or private donations that are applied for or received during FY 2007-08. The information should include the number of FTE, the associated costs (such as workers' compensation, health and life benefits, need for additional space, etc.) that are related to the additional FTE, the direct and indirect matching requirements associated with the federal grant or donated funds, the duration of the grant, and a brief description of the program and its goals and objectives.

Comment: The Governor vetoed this footnote on the grounds that the footnote violates the separation of powers in Article III of the Colorado Constitution by attempting to administer the appropriation and by attaching requirements to federal funds and private donations which are not subject to legislative appropriation and on the grounds that placing information requirements on such funds constitutes substantive legislation that cannot be included in the general appropriation bill, and on the grounds that this footnote requires a substantial dedication of resources and constitutes an unfunded mandate.

The General Assembly overrode the Governor's veto of this footnote.

**101 Department of Military and Veterans Affairs, Federal Funded Programs --**These federal funds are shown for informational purposes. These funds are not to be included in the spending authority for the Department because these funds do not flow through the accounting system of the state. It is the intent of the General Assembly that these programs, funding, and FTE are included to demonstrate the full scope of activities of the Department of Military and Veterans Affairs.

Comment: No information is requested or required to comply with this footnote.

**FY 2008-09 JBC Staff Budget Briefing  
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

**Colorado State Veterans Trust Fund**

**ISSUE:**

Due to changes in law (H.B. 06-1310), the amount of funding available to be spent from the Trust Fund will decline for several years before beginning to recover.

The Colorado State Veterans Trust Fund was created (28-5-709 C.R.S.) with the specific goal of assisting eligible veterans residing in the State of Colorado. It is funded by an annual transfer of one percent (up to a maximum of \$1,000,000) of the moneys received by the State from the tobacco Master Settlement Agreement with the major tobacco companies.

**SUMMARY:**

- Originally the statute required that 75% of the transfers to the fund be retained in the fund to build it up to what was hoped to be a \$20 million trust fund at the expiration of the Master Settlement Agreement. The other 25% of the annual transfer, along with any earned interest, was available to be appropriated by the legislature and spent on the purposes outlined in the statute.
- The Trust Fund appropriation is administered by the Board of Veterans Affairs for the purposes outlined in Section 28-5-709 1 (b) C.R.S.
- In 2003, due to the State's financial condition, the General Assembly transferred \$2,280,900 from the Trust Fund to the General Fund. (S.B. 03-190)
- Following that transfer, the General Assembly passed S.B. 03-282, which changed the percentage available for appropriation from the Trust Fund to 75%, with 25% retained for fund accumulation, for FY 2003-04, FY 2004-05, and FY 2005-06, after which the percentages would revert to the original requirements (75% retained in fund/25% available for appropriation).
- In the 2006 Session, the General Assembly passed H.B. 06-1310, which (among other issues) amended the statute, keeping 75% of the transfer available for appropriation and 25% retained in the Trust Fund through FY 2006-07. Starting in FY 2007-08, the percentage of each transfer that is available to be appropriated decreases by 10% each fiscal year until FY 2011-12, when the original percentages of 25% available/75% retained are reached.
- Due to reductions in the percentage of transfers to the Trust Fund that are available for appropriation, the appropriations from the Trust Fund will decline for the next several years until such time as the interest income on the trust fund increases enough to offset each years reduction in the percentage available for appropriation.



- ❑ For fiscal years 2006-07 and 2007-08, the General Assembly fully funded the Division of Veterans Affairs Veterans Service Operations and the County Veterans Service Officer Payments from the General Fund, relieving the Trust Fund from having to fund these expenses. This reduced expenses covered by the fund by \$246,742.

## **DISCUSSION:**

The Colorado State Veterans Trust Fund is designed by statute with the specific goal of assisting eligible veterans residing in the State of Colorado. The Fund receives one percent of the total moneys received by the State from the Master Tobacco Settlement, up to a maximum of \$1,000,000. The General Assembly sets a percentage of the moneys received that can be appropriated, plus any interest earned by the fund. Prior to FY 2003-04, the percentage of transfers that could be appropriated was 25%, with 75% required to be retained in the Fund.

According to Section 28-5-709 1 (b) C.R.S., the moneys in the Trust Fund are to be used for:

- ❑ Capital improvements or needed amenities for existing or future state veterans nursing homes.
- ❑ Costs incurred by the legislative oversight committee and the state and veterans nursing home commission created in article 12 of title 26, C.R.S., to evaluate the quality of care provided to veterans and their families at certain state and veterans nursing homes.
- ❑ Costs incurred by existing or future state veterans cemeteries.
- ❑ Costs incurred by the Division of Veterans Affairs.
- ❑ Veterans programs operated by nonprofit veterans organizations that meet criteria adopted by the Board and that are selected by the Board as grant recipients. (See the table on Page 28 to see the types of programs that were funded from the Trust Fund.)

During the State's fiscal problems, the General Assembly, in 2003, directed that \$2,280,900 be transferred from the Trust Fund to the State General Fund. Later that session, the law was changed regarding the percentages of the Tobacco Settlement moneys that were available for appropriation. From FY 2003-04 through FY 2005-06, 25% of the annual transfer to the Trust Fund plus all earned interest was available for appropriation. After FY 2006-07, the law reverted to the previous provision that allowed 25% of the transfers plus all earned interest to be appropriated, with the remaining 75% of the transfer retained in the Fund.

During the 2006 General Assembly, H.B. 06-1310 passed, changing the percentages that could be spent and what must be retained according to the following schedule:

Fiscal Year	Amount Retained in the Fund	Amount Available for Appropriation
2006-07	25%	75%
2007-08	35%	65%
2008-09	45%	55%
2009-10	55%	45%
2010-11	65%	35%
2011-12 (and thereafter)	75%	25%

Because the dollar amounts available for appropriation associated with these changing percentages will fall faster than interest income from the fund grows, funds available for appropriation from the fund will drop until 2012-13, when the amount of moneys available for appropriation will begin to increase again.

For example, in FY 2007-08, the amount of transferred funds available for appropriation will be about \$717,000 (65% of \$1,000,000 tobacco moneys transferred plus about \$67,000 interest earned in the previous fiscal year). In FY 2008-09, the amount of transferred funds available for appropriation will drop by \$100,000, but interest income from the larger trust fund will not increase enough to offset that decrease. For FY 2008-09, the projection is that about \$627,500 will be available for appropriation.

The table on the following page shows the fund balance, projected transfers of tobacco moneys to the fund, interest earned, and the moneys available for expenditure from the fund. The projections assume that the revenues from the Tobacco Settlement continue to come in at \$1 million per year.

Due to the increasing percentage of transfers that must be retained for fund accumulation, the moneys available for appropriation fall from approximately \$717,000 in FY 2007-08 to \$628,000 in FY 2008-09. They ultimately fall to about \$382,000 in FY 2011-12. After that, the funds available for appropriation will grow as the growing trust fund generates more interest income for the fund.

On the following page is another table, showing the effects of the restoration of funds (\$2,280,900) requested by the Department. While the restoration of funds will allow an increase in funds available for appropriation in FY 2009-10, the funds available will resume their decline in subsequent years, falling to a low of about \$500,000 in FY 2011-12.

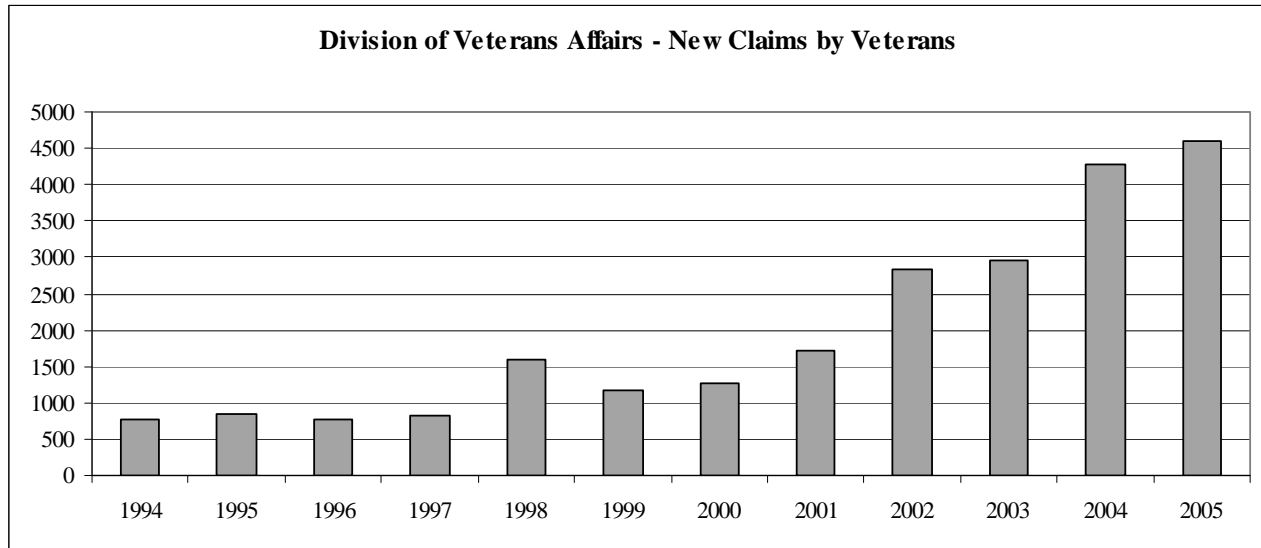
**COLORADO STATE VETERANS TRUST FUND  
FUND PROJECTIONS  
(No Restoration of Funds)**

	<u>Actual 2006-07</u>	<u>Appropriation 2007-08</u>	<u>Requested 2008-09</u>	<u>Projected 2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>	<u>Projected 2013-14</u>	<u>Projected 2014-15</u>
Percentage to be Retained in the Trust Fund	25%	35%	45%	55%	65%	75%	75%	75%	75%
Beginning Fund Balance	928,507	1,250,282	1,609,411	1,612,382	1,612,530	1,612,538	1,612,538	1,612,538	1,612,538
Long Bill Appropriation/ Transfer to Trust Fund	800,618	998,322	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Other Contributions	1,200	0	0	0	0	0	0	0	0
Interest	67,784	77,500	80,471	80,619	80,627	80,627	80,627	80,627	80,627
Transfer from WWII Fund	0	0	0	0	0	0	0	0	0
Total Available	1,798,109	2,326,104	2,689,882	2,693,001	2,693,157	2,693,164	2,693,165	2,693,165	2,693,165
Supplemental Decrease	0	0	0	0	0	0	0	0	0
Supplemental Increase	0	0	0	0	0	0	0	0	0
Total Available	1,798,109	2,326,104	2,689,882	2,693,001	2,693,157	2,693,164	2,693,165	2,693,165	2,693,165
Fund Expenditures	(547,827)	(716,693)	(1,077,500)	(1,080,471)	(1,080,619)	(1,080,627)	(1,080,627)	(1,080,627)	(1,080,627)
DVA Expenditures	0	0	0	0	0	0	0	0	0
Ending Fund Balance	1,250,282	1,609,411	1,612,382	1,612,530	1,612,538	1,612,538	1,612,538	1,612,538	1,612,538
Amount of Transfers Available	800,618	648,909	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Previous Years Interest	<u>43,613</u>	<u>67,784</u>	<u>77,500</u>	<u>80,471</u>	<u>80,619</u>	<u>80,627</u>	<u>80,627</u>	<u>80,627</u>	<u>80,627</u>
<b>Available for Expenditure</b>	<b>844,231</b>	<b>716,693</b>	<b>1,077,500</b>	<b>1,080,471</b>	<b>1,080,619</b>	<b>1,080,627</b>	<b>1,080,627</b>	<b>1,080,627</b>	<b>1,080,627</b>

**COLORADO STATE VETERANS TRUST FUND  
FUND PROJECTIONS  
(Funds Restored)**

	<u>Actual 2006-07</u>	<u>Appropriation 2007-08</u>	<u>Requested 2008-09</u>	<u>Projected 2009-10</u>	<u>Projected 2010-11</u>	<u>Projected 2011-12</u>	<u>Projected 2012-13</u>	<u>Projected 2013-14</u>	<u>Projected 2014-15</u>
Percentage to be Retained in the Trust Fund	25%	35%	45%	55%	65%	75%	75%	75%	75%
Beginning Fund Balance	928,507	1,250,282	3,890,311	4,457,327	5,035,677	5,714,595	6,498,541	7,287,738	8,077,198
Long Bill Appropriation/ Transfer to Trust Fund	800,618	998,322	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Other Contributions	1,200	0	0	0	0	0	0	0	0
Interest	67,784	77,500	194,516	222,866	251,784	285,730	324,927	364,387	403,860
Transfer from WWII Fund	0	0	0	0	0	0	0	0	0
Total Available	1,798,109	2,326,104	5,084,827	5,680,193	6,287,461	7,000,325	7,823,468	8,652,125	9,481,058
Supplemental Decrease	0	0	0	0	0	0	0	0	0
Supplemental Increase	0	2,280,900	0	0	0	0	0	0	0
Total Available	1,798,109	4,607,004	5,084,827	5,680,193	6,287,461	7,000,325	7,823,468	8,652,125	9,481,058
Fund Expenditures	(547,827)	(716,693)	(627,500)	(644,516)	(572,866)	(501,784)	(535,730)	(574,927)	(614,387)
DVA Expenditures	0	0	0	0	0	0	0	0	0
Ending Fund Balance	1,250,282	3,890,311	4,457,327	5,035,677	5,714,595	6,498,541	7,287,738	8,077,198	8,866,671
Amount of Transfers Available	600,464	648,909	550,000	450,000	350,000	250,000	250,000	250,000	250,000
Previous Years Interest	<u>43,613</u>	<u>67,784</u>	<u>77,500</u>	<u>194,516</u>	<u>222,866</u>	<u>251,784</u>	<u>285,730</u>	<u>324,927</u>	<u>364,387</u>
<b>Available for Expenditure</b>	<b>644,077</b>	<b>716,693</b>	<b>627,500</b>	<b>644,516</b>	<b>572,866</b>	<b>501,784</b>	<b>535,730</b>	<b>574,927</b>	<b>614,387</b>

Meanwhile, the numbers of veterans requiring assistance from the Division will likely increase. As the chart below shows, the number of new claims for services have increased dramatically in the last 12 years. As more Iraqi and Afghanistan veterans return home and begin to make claims for services, and aging World War II, Korean War, and Vietnam War veterans continue to make claims, the number of veterans requiring services will continue to increase.



During the last two years, the Board of Veterans Affairs has awarded over \$1.1 million to veterans organizations and the Division to assist in carrying out its responsibilities. In FY 2006-07, the Board awarded grants for the following categories of services. (For a complete list of the organization and purposes of the grants in FY 2006-07, see the table at the end of this section)

Category of Service	Amount
Transportation of veterans to medical, dental and other appointments	\$203,553
Assistance to homeless and indigent veterans	215,649
Employment assistance to veterans	47,713
Amenities for State Veterans Nursing Homes	70,610
<b>Total</b>	<b>\$537,525</b>

This analysis is complicated by a lawsuit against the states by the participants in the Master Agreement alleging that the states have not diligently enforced their laws concerning tobacco companies that are not participating in the agreement. The tobacco companies are holding back (in escrow) a portion of the moneys owed under the settlement until that issue is resolved. Depending on the outcome of the litigation, the moneys received by the Veterans Trust Fund could be significantly affected.

Also affecting this analysis is a proposal by the Department to restore the \$2,280,900 taken from the Trust Fund in 2003. If this is authorized by the General Assembly, there will be slight increase in funds available for appropriation in FY 2009-10, before the funds available for appropriation resume their downward trend, reaching a low of about \$400,000 in FY 2011-12. After that year, the amounts available for appropriation will start to grow as the balance in the Trust Funds grows and the reduction in the amount of transfers available stabilizes at 25%. However, the appropriations will not reach the current level of appropriations until

**Recommendation:**

Staff Recommends the Committee discuss with the Department the ramifications to the veteran community of the projected decrease in funds available for appropriation in the next four fiscal years.

**Colorado State Veterans Trust Fund Grants Awarded in FY 2006-07**

<b>Grantee Organization</b>	<b>Purpose of Grant</b>	<b>Amount</b>
American Legion Post 113, Alamosa	Provide transportation for homeless & indigent veterans to appointments	\$25,870
American Legion Post 2, Pueblo	Provide transportation to homeless, indigent, aging & mental health veterans in Otero, Pueblo, Fremont, Bent, & Crowley Counties	10,540
American Legion Post 208, Pagosa Springs	Purchase a new vehicle & to provide transportation for Archuleta County veterans to their health care appointments	32,710
VFW Post 3621, Lamar	Purchase a new vehicle & to provide transportation	31,400
VFW Post 4031, Durango	Provide transportation services to veterans	25,000
VFW Post 4031, Craig	Provide transportation for medical appointments	10,000
Disabled American Veterans Chapter 8, Greeley	Renovation of Homeless Shelter & reimbursement for volunteer drivers	8,949
VFW Post 9644, Sheridan	Provide supportive services for the homeless program	75,000
American Legion Post 1992, Aurora	Provide supportive services for the homeless and work programs.	30,000
American Legion Post 66, Akron	Provide transportation to veterans	10,000
State Veterans Nursing Home, Walsenburg	Purchase entertainment system for the residents	7,500
American Legion Post 2700, Grand Junction	Provide assistance and employment outreach services to veterans in Mesa County	33,000
American Legion Post 44, Steamboat Springs	Provide transportation services to VA Medical Facilities in Denver and Grand Junction	5,000
Disabled American Veterans, VA Regional Office, Denver	Homeless veterans Stand Down Program	10,200
VFW Post 6331, Aurora	Employment training program. Teacher resource materials, student workbooks, bus tickets and printing	9,650

<b>Grantee Organization</b>	<b>Purpose of Grant</b>	<b>Amount</b>
VFW Post 4051, Colorado Springs	Provide supportive service expenses provided by the Crawford House	50,000
VFW Post 171, Golden	Provide supportive services to Veterans in need in Jefferson County	20,000
American Legion Post 203, Pueblo	Homeless veterans Stand Down & Homeless program	10,000
VFW Post 5231, Mancos	Assistant employment program	2,063
State Veterans Nursing Home, Walsenburg	Purchase a new van	22,033
VFW Post 899, Alamosa	Assistant employment program	3,000
TREA Chapter 1, Colorado Springs	Provide supportive service to Veterans in need in Colorado Springs for Stand down and professional suits	11,500
Disabled American Veterans Chapter 5, Loveland	Purchase 2 vans for transporting veterans to VA medical facilities	31,000
State Veterans Nursing Home, Homelake	Provide wheelchair accessible green house, foundation pad, renovation of tub room, smoking gazebo, ice machine, dishwasher and other maintenance costs	63,110
<b>TOTAL</b>		<b>\$537,525</b>



**FY 2008-09 JBC Staff Budget Briefing  
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

**APPENDIX A**

**DECISION ITEMS**

<b>Decision Item # 1 - Funding to Address the Remaining Maintenance Backlog</b>	<b>..... A-2</b>
<b>Decision Item # 2 - Pilot Program to Increase Veterans Service Officer Payments</b>	<b>..... A-5</b>
<b>Decision Item # 3 - Add Facilities Manager (0.5 FTE)</b>	<b>..... A-6</b>
<b>Decision Item # 4 - Add Purchasing Agent (0.5 FTE)</b>	<b>..... A-8</b>
<b>Decision Item # 5 - Add Budget Analyst (0.5 FTE)</b>	<b>..... A-9</b>
<b>Decision Item # 6 - Restoration of Funding to Veterans Trust Fund</b>	<b>..... A-10</b>
<b>Decision Item # 7 - Merge Two Lines in Executive Director' Office</b>	<b>..... A-11</b>
<b>Decision Item # 8 - Merge Two Lines in Executive Director' Office</b>	<b>..... A-13</b>

**Decision Item # 1: Funding Executive Director's Office Maintenance Backlog and Continued Maintenance.** The Department has requested \$254,419 GF to address the remaining maintenance backlog from FY 2005-06 and to continue this increase in the future for addressing accumulated maintenance projects. The request is summarized in the following table.

<b>Executive Directors Office and Army National Guard Line Item</b>	<b>FY 2008-09 Requested Funding</b>	<b>FTE</b>	<b>FY 2009-10 Requested Funding</b>	<b>FTE</b>
Operating Expenses-General Fund	\$254,419	0.0	\$254,419	0

**Department Justification for the Request.** The budget reduction of 2002 and 2003 reduced the EDO-Operating Expense appropriation from \$544,245 GF (FY 2001-02) to \$359,075 (FY 2003-04), a decrease of \$185,170. When those budget reductions were made by the General Assembly, the Department made the decision to provide only the minimum "life & safety" repairs and maintenance at the National Guard Armories located throughout Colorado. This caused routine maintenance and repairs to be deferred until funds could be restored.

In addition to taking the action to reduce maintenance to "life & safety" repairs and maintenance, these other actions taken by the Department to save money:

- Sold, traded or leased six armory facilities, reducing repair expense
- Changed from a 5 day/8 hour work schedule to a 4 day/10 hour work schedule to reduce maintenance and utility costs.

In FY 2006-07 the \$185,170 GF funding was restored, and \$220,527 GF was appropriated to address approximately one-third of the maintenance and repair backlog that had accumulated as a result of the budget cutbacks. In FY 2007-08, \$194,891 GF was appropriated to address the second third of the maintenance and repair backlog. The requested appropriation of \$254,419 GF is the final third of the maintenance backlog that had accumulated during the budget cuts.

The following table shows the Department's remaining backlog that will be addressed with this appropriation:

<b>Facility</b>	<b>Repairs Needed</b>	<b>Estimated Cost</b>
Watkins Armory	Repair HVAC	\$14,989
Canon City	Repair Heating System	14,941
Longmont Armory	Repair Bathroom	14,873
	Repair Windows	14,958
	Repair Parking Lot	14,589
	Repair Fencing Front and North Side	14,882
Boulder Armory	Repair Windows Bldg 201	148,46
	Replace Windows Bldg 301	14,000
	Water Line Repair	14,753
Pueblo Armory	Replace Tile in Class Room and Hallway	10,442
	Repair Cooling in Class Room	12,775
LaJunta Armory	Needs a Ventilation System in Back Bay	14,557
	Install Blinds in Office and Class Room	11,400
Durango Armory	Repair or Replace Overhead Door	14,853
Revere Park 248	Clean out Air Ducts	14,941
Revere Park 268	Clean out Air Ducts	14,941
Buckley Building 1000	Parking Lot Needs Crack Seal and Seal Coat	14,745
	Seal Drill Floor	11,122
	Grand Total	254,419

The Department is requesting to continue funding for this line at the full requested level of \$822,016, an increase of \$254,419 GF from the base. During the period 2001-06, maintenance/construction costs have increased by 75% (CDOT Report, 5 Nov 2006). This increase would set the current continuation appropriation at \$952,419 (an increase of \$408,184 vs the requested \$254,419). The current total of armory maintenance requests totals \$1,104,704.

The increased maintenance requirements are mainly due the age of the facilities, and the high Operations Tempo of the Army National Guard units as they have deployed and redeployed. Over the last six years (since 9/11), almost 100% of the Army Guard units have been activated for periods of up to 1.5 years in support of operations in Afghanistan, Iraq, and Homeland Security.

The grand total of non-backlog maintenance requests are broken out by facility in the following table.

Facility	Amount
Canon City	\$79,641
Sterling Armory	88,530
Colorado Springs Armory	99,103
Pueblo Armory	58,925
Durango Armory	80,806
Revere Parkway 268	26,692
Fort Collins Armory	50,358
Grand Junction Armory	76,594
Denver Armory	30,272
Buckley Building 1520	59,141
Buckley Building 1000	67,774
Watkins Armory	53,603
Longmont Armory	62,687
Boulder Armory	68,464
LaJunta Armory	96,221
Revere Parkway 248	52,976
Aurora Armory	52,918
Total	\$1,104,704

***Department Plan if the Request is Denied.*** The \$254,419 of deferred maintenance at the state armories will not be completed. This will reduce property values, shorten the life of the facilities/systems, and degrade the safe working environment for the Department's employees. It will increase the cost of the deferred maintenance in future years.

**Decision Item # 2: Increase funding for the County Veterans Service Officer Payments.** The Department requests an increase of \$124,354 in FY 2008-09 for a pilot incentive program to increase the payment to selected Colorado Counties for the work provided by County Veterans Service Officers to aid veterans in claiming earned benefits from the U.S. Department of Veterans Administration. The VA benefits include compensation, pension, health care, vocational rehabilitation and employment, education and training, home loans, life insurance, dependents and survivors' benefits, and burial. The change request was prompted by counties requesting increases in CVSO reimbursements. If the pilot program is successful, then all counties would be included in the incentive program in FY 2009-10. The table below summarizes the request.

<b>Division of Veterans Affairs Line Item</b>	<b>FY 2008-09 Requested Funding</b>	<b>FTE</b>	<b>FY 2009-10 Requested Funding</b>	<b>FTE</b>
County Veterans Service Officer Payments	\$124,354	0.0	\$218,506	0.0

**Department Justification for Request.** Colorado currently has 426,271 registered veterans living in the state based on data from the Office of the Actuary, VA as of September 30, 2005. There are 75 County Veterans Service Officers (CVSO) serving 64 counties. The CVSOs provide help to veterans in filing claims for benefits and services from the U.S. Department of Veterans Affairs. Section 28-5-801 C.R.S. mandates that "the board of county commissioners of each county in this state shall establish a county veterans service office and shall appoint a county veterans service officer for such county"...

Section 28-5-707 C.R.S. states that (among other requirements) the Division is authorized to issue vouchers for the semiannual payment to the general fund of each county to reimburse the counties for the annual costs of the County Veterans Service Officers. The County Commissions reported that in FY 2005-06 that \$1,229,233 was spent on the CVSOs in the state. Currently, the state appropriates \$88,800 in support of the program, an amount that has not changed since 1996.

The program would be a pilot program that consists of the base program that continues paying the current amounts for CVSOs (\$100 or \$200 per month), and adding a variable program based on the number of veterans in a county and the amount benefits derived by those veterans. The data will be based on data published by the U.S. Department of Veterans Affairs. The requested appropriation would be spent in five counties (Arapahoe, Denver, El Paso, Jefferson and Mesa) for a pilot program where the counties will receive an increase of up to 25% of county expenditures. The five counties were chosen for the large number of veterans in those counties or their location.

The selected county CVSO programs would have agreements in place so that targeted increases would be provided with stipulations that: (1) the counties would maintain their support of the CVSO program and the additional funds would be used to increase the effort of the CVSO programs to register veterans, and (2) the progress of the county expenditures would be reported with the number

of newly registered veterans in each county.

The model of maintaining base support of the CVSOs and adding a variable increase for enrolling veterans will have a positive benefit in helping veterans attained earned benefits. The increased benefits received by the veterans will increase the economic prosperity of the counties and the state of Colorado.

**Department Plan if the Request is Denied.** If the funding is not approved, there would be no change in the amount of moneys provided to the counties. The amount would remain \$200 per month for a full-time CVSO and \$100 per month for a part-time CVSO, amounts that have not changed since 1996.

**Decision Item # 3 - Increased Funding and FTE for Facilities Manager.** The Department is requesting \$42,128 and 0.5 FTE for a Facilities Manager. The position would report to the Deputy Executive Director for this core function. The request is summarized in the following table.

<b>Executive Directors Office and Army National Guard Line Item</b>	<b>FY 2008-09 Requested Funding</b>	<b>FTE</b>	<b>FY 2009-10 Requested Funding</b>	<b>FTE</b>
Personal Services	\$37,190	0.5	\$40,821	0.5
Operating Expenses	4,155	0.0	700	0.0
S.B. 04-257 Amortization Equalization Distribution	533	0.0	582	0.0
S.B. 06-235 Supplemental Amortization Equalization Distribution	250	0.0	182	0.0
Total	\$42,128	0.5	\$42,285	0.5

**Department Justification for Request.** The Department's responsibility for the oversight and execution of facilities acquisition, sale, and maintenance is distributed throughout the department with no one individual responsible for the oversight and coordination of these tasks that constitute the Department's core function. The Department is responsible for the upkeep of 26 state owned facilities located throughout Colorado, as well as the execution of \$1.3 million of minor maintenance and \$1.6 Million in controlled maintenance funds.

The duties of this new position will include:

- ✓ Facilities Maintenance Management: Supervise the facilities maintenance section. Responsible to insure that minor maintenance projects are appropriate, timely and within

budget; controlled maintenance projects are bid, awarded and executed within limits imposed by state statutes, legislative, executive and department guidelines; projects with federal funding components are within the funding limits of the Master Cooperative Agreement; minor maintenance and controlled maintenance project funding is in place before project is bid; negotiate with ANG Facilities Management Team regarding the state and federal funding components of all maintenance projects and; approves the state funding for maintenance purchase orders and contracts.

- ✓ Facilities Construction Management for State Funded Projects: Supervises the Department's state architect.
- ✓ Capital Construction/Controlled Maintenance Budget: Develops the Annual Capital Construction/Controlled Maintenance Budget for the Department, coordinating with the ANG Facilities Management Officer on priorities and projects; negotiates on behalf of the Department; completes all schedules, long range plans and budget forms required by the executive and legislative branches; and develops supplemental requests.
- ✓ Environmental Programs: Coordinates facilities activities with the ANG environmental section, insuring the environmental laws, rules and regulations are followed, and will work with the environmental section to mitigate environmental problems at state facilities.
- ✓ Energy Conservation: Provide focus and direction for energy conservation programs within the Department.
- ✓ Real Estate Programs: Serve as the Department's subject matter expert on real estate matters relating to the purchase and sale of state properties in support of the Colorado National Guard.

***Department Plan if the Request is Denied.*** If the funding is not approved, the Department will continue with the current "fuzzy" lines of responsibility and authority. There will be duplication of efforts, unclear lines of responsibility and authority, decision making conflicts, and conflicting priorities being pursued by different functional areas.

**Decision Item # 4 - Increased Funding and FTE for full-time Purchasing Agent.** The Department is requesting \$24,737 and 0.5 FTE to provide the Department with a full FTE. The request is summarized in the following table.

<b>Executive Directors Office and Army National Guard Line Item</b>	<b>FY 2008-09 Requested Funding</b>	<b>FTE</b>	<b>FY 2009-10 Requested Funding</b>	<b>FTE</b>
Personal Services	\$23,982	0.5	\$26,322	0.5
Operating Expenses	250	0.0	250	0.0
S.B. 04-257 Amortization Equalization Distribution	344	0.0	375	0.0
S.B. 06-235 Supplemental Amortization Equalization Distribution	161	0.0	117	0.0
Total	\$24,737	0.5	\$27,064	0.5

**Department Justification for Request.** Up until FY 2002-03, the Department's Purchasing/Contracting section consisted of one Contracting FTE and one Purchasing FTE. When the Division of Veterans Affairs was transferred to the Department, a 0.5 FTE for purchasing support was also transferred. In FY 2007-08, this 0.5 purchasing FTE was restored to support the Division of Veterans Affairs. It did not address the existing work backlog in purchasing/contracting, nor the expected increase in Controlled Maintenance projects and the expected construction of up to four new armories between 2009-2013. It is difficult to predict the transaction from these projects, but during the construction of the Guard Maintenance Facility at Fort Carson in 2003, the volume of transactions tripled.

Over the last six years, the Department states that it has seen an increase in purchasing/contracting transactions from under 200 in 2001 to an estimated 1,700 in 2007. Analysis shows that the number of transactions is growing by 10% to 15% per year. In addition, the total dollar value of those transactions has grown from about \$2,000,000 in 2001 to about \$4,500,000 in 2006 and spiked to over \$8,000,000 in 2007.



The current backlog of tasks in purchasing/contracts is shown below:

- Follow-up of documents to signatories (20 hrs)
- Discretionary purchases spot checks (45 hrs)
- Cell phone replacement, supplies, new orders, spot check of bill (25 hrs)
- Process and enter into COFRS purchase orders under \$5,000 (230 hrs)
- Assist with bid openings (20 hrs)
- Credit Card back-up (Travel and Procurement Cards) (75 hrs)
- Real Estate Services - Main contract (625 hrs)

The funding of this 0.5 FTE will enable the Department to hire a full time purchasing agent (current funding allows a part time agent). This full time FTE will provide the ability to work off the backlog and support the future increase in workload.

***Department Plan if the Request is Denied.*** If the 0.5 FTE is not funded, the Department will be limited in its ability to support the ongoing facilities maintenance and construction program and will cause the continuing accumulation of backlogged tasks. This could result in the loss of the federal funds share for armory maintenance and construction.

***Decision Item # 5 - Increased Funding and FTE for Budget Analyst.*** The Department is requesting \$27,700 and 0.5 FTE for a Budget Analyst. The Department is currently allotted 0.5 FTE Budget Analyst. The request is summarized in the following table.

<b>Executive Directors Office and Army National Guard Line Item</b>	<b>FY 2008-09 Requested Funding</b>	<b>FTE</b>	<b>FY 2009-10 Requested Funding</b>	<b>FTE</b>
Personal Services	\$26,884	0.5	\$29,509	0.5
Operating Expenses	250	0.0	250	0.0
S.B. 04-257 Amortization Equalization Distribution	385	0.0	420	0.0
S.B. 06-235 Supplemental Amortization Equalization Distribution	181	0.0	131	0.0
<b>Total</b>	<b>\$27,700</b>	<b>0.5</b>	<b>\$30,310</b>	<b>0.5</b>

***Department Justification for Request.*** In FY 2001-02, the Department submitted a budget request for a full-time budget analyst position in the EDO-Personal Services line. At that time, the Department did not have a budget position authorized and the budget was prepared by a combination of persons in the Department, as an extra responsibility. The General Assembly decided at that time to fund 0.5 FTE.

The Department was able to hire a PERA retiree to fill the part-time position. Due to the nature of the duties, the duties must be shared with the Resource Manager & Deputy Executive Director, even though the incumbent has been willing to spend 20 to 40 hours per month extra uncompensated time. The incumbent will be leaving the Department in 2008.

The position will perform the following functions:

- Coordinates the entire budget process.
- Develops budgetary information to ensure sufficient funding of statutory requirements.
- Justifies and defends departmental practices, decisions and requests primarily to OSPB, Legislative Council, and the JBC.
- Resolves budget-related problems within the department and between DMVA and other departments.
- Ensures efficient and optimal utilization of all funds.
- Develops and prepares all management budgetary decision support tools and reports.
- Responsible for developing the supporting data for various management decision making reports.

***Department Plan if the Request is Denied.*** If the 0.5 FTE is not funded, the quality and timeliness of the Department's budget submissions will be negatively impacted, the analysis of the budget as a management decision tool will be severely diminished and the probability of over expenditures of operating and personal services appropriations will increase and the ability of the Department to provide timely fiscal note analysis to the legislature will be curtailed.

***Decision Item # 6 - Restoration of Funds to the Colorado State Veterans Trust Fund.*** The Department is requesting \$2,280,900, which was transferred from the Veterans Trust Fund to the General Fund in 2003 (S.B. 03-190), be restored to the trust fund. There is no impact in FY 2008-09 to the Department's budget request. This request will require legislative action to restore the funds.

Moneys in the Trust Fund are not available for appropriation under current statute (Section 28-5-709 C.R.S.). Trust Fund expenditures are funded by transfers of one percent (up to \$1,000,000) of the state's proceeds from the Master Settlement Agreement with the tobacco companies. A percentage (currently 35%) of that transfer must be retained in the Trust Fund, while the remainder of the transfer, plus any earned interest, is available for appropriation for:

- Capital improvements or needed amenities for existing or future state veterans nursing homes.
- Costs incurred by the legislative oversight committee and the state and veterans nursing home commission in evaluating the quality of care provided to veterans and their families at certain state and veterans nursing homes.
- Costs incurred by existing or future state veterans cemeteries.
- Costs incurred by the Division of Veterans Affairs.
- Veterans programs operated by nonprofit veterans organizations that meet criteria adopted by the Board of Veterans Affairs and are selected by the Board as grant recipients.

***Department Justification for Request.*** Originally, the Veterans Trust Fund (VTF) was set up to receive the transfer from the tobacco settlement. It was allowed to spend up to 25% of the transfer, plus any accumulated interest. The Fund was required to retain the other 75% to build up the Trust Fund. In 2003, during the State's fiscal crisis, most of the moneys in the Trust Fund (\$2,280,900) were transferred to the General Fund. In addition, the GF appropriation to the Division of Veterans Affairs was reduced by approximately \$213,000. Those funds were replaced by VTF expenditures that kept two Veterans Service Officers from being laid off and kept the County Veterans Service Officer Payments at the same level. That funding was restored in FY 2006-07, however, the \$2.3 million to the VTF has not been restored.

During the next four fiscal years, the percentage of the tobacco moneys transferred that must be retained in the fund will go up by ten percent per year until it hits 75% in FY 2011-12. That means that the amount of the transfer available for appropriation will be reduced by \$100,000 each year. Transferring this \$2,280,900 will increase the interest income of the fund, which will offset some of the reduction in moneys available for appropriation.

In Fiscal Years 2005-06 and 2006-07, the bulk of the expenditures from the Trust Fund have been to the State Veterans Nursing Homes and to veterans organization that provide services to veterans, such as providing transportation of veterans to medical appointments, job counseling, and supporting homeless and indigent veterans. Also, in FY 2005-06, the VTF supported the Division by paying some of the administrative expenses for the Division and by paying for the County Veterans Service Officer Payments.

***Department Plan if the Request is Denied.*** If the funds are not restored, future funding of veterans' projects as defined in Section 28-5-709 C.R.S. would be reduced and the statutory ratchet down of available expenditures will not be offset by earned interest.

***Decision Item # 7 - Merge EDO-Administrative Services Line Item with EDO-Personal Services Line.*** The Department is requesting to merge, in the Executive Director's Office, the Administrative Services line item with the Personal Services line item. Though there is no overall fiscal impact, the amounts appropriated in the affected lines will change. Those changes are summarized in the table below.

<b>Executive Directors Office and Army National Guard Line Item</b>	<b>FY 2008-09 Requested Funding</b>	<b>FTE</b>	<b>FY 2009-10 Requested Funding</b>	<b>FTE</b>
Personal Services-General Fund	\$146,992	3.3	\$146,992	3.3
Personal Services-Federal Funds	134,533	1.8	134,533	1.8
Administrative Services	(146,992)	(3.3)	(146,992)	(3.3)
Administrative Services-Federal Funds	(134,533)	(1.8)	(134,533)	(1.8)
Total	\$0	0.0	\$0	0.0

**Department Justification:** The Administrative Services Line was added to the EDO in the FY 1999-2000 Long Bill. The Master Cooperative Agreement (MCA) facilitates DMVA execution of federal funds in support of the National Guard mission. The FTE in the Line provide administrative support in accounting, personnel and purchasing for the management, expenditure, and accounting of federal funds in the MCA. In 1999, the National Guard Bureau agreed to offset some of the administrative support salaries with federal funds. For reasons that are not clear any more, the functions were moved from Personal Services to a new line, Administrative Services.

Personal Services lines that have fewer than five FTE in them are very difficult to manage because the funds allocated to them are based on the Option 8 calculation rather than the actual costs of the positions. It is very difficult for these lines to generate vacancy savings to pay for retirements and potential promotions as the responsibilities and duties of the persons in such lines change over time. Consolidating lines with few FTE into the EDO-Personal Services lines allow for a more flexible, people oriented, and cost effective management of those FTE and more properly incorporates them into the line that contains the rest of the Department's general administrative support personnel.

**Department Plan if the Request is Denied.** No additional funding is required. If the request is not approved, the Department's ability to manage its workforce will be less effective.

**Decision Item # 8- Merge EDO-Utilities Line Item with EDO-Operating Expenses Line.** The Department is requesting to merge, in the Executive Director's Office, the Utilities line item with the Operating Expenses line item. Though there is no overall fiscal impact, the amounts appropriated in certain lines will change. Those changes are summarized in the table below.

<b>Executive Directors Office and Army National Guard Line Item</b>	<b>FY 2008-09 Requested Funding</b>	<b>FTE</b>	<b>FY 2009-10 Requested Funding</b>	<b>FTE</b>
Operating Expenses - General Fund	\$635,552	0.0	\$635,552	0.0
Operating Expenses - Federal Funds	481,039	0.0	481,039	0.0
Utilities - General Fund	(635,552)	0.0	(635,552)	0.0
Utilities - Federal Funds	(481,039)	0.0	(481,039)	0.0
Total	0	0.0	0	0.0

**Department Justification:** Merging the Utilities line with Operating Expenses line will give the Department the flexibility it needs adjust its spending to cover fluctuations in utility costs for the armories for both general and federal funds. This flexibility will prevent the Department from overspending the line and eliminate the extra time and effort required to initiate and pursue the 1331 emergency supplemental process.

In three of the last seven years, the Department has overexpended the Utilities line. The Department has no control over utility rates and limited control over consumption. Each time the Department has overexpended, it has requested an emergency supplemental that has been denied.

To provide visibility of the Utilities expenditures, the Department plans to break out the Utilities portion of the EDO-Operating Expense line in a similar manner as is done for the budget submission of the DVA-Western Slope Cemetery line and ANG-Operations & Maintenance Agreement Buckley/Greeley line.

**Department Plan if the Request is Denied.** No additional funding is required. If the request is not approved, the Department's ability to manage its expenses will be less effective and the Department will have to pursue emergency supplemental and supplemental appropriations to cover the overexpenditures.

**FY 2008-09 JBC Staff Budget Briefing  
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

**APPENDIX B**

**MISCELLANEOUS**

**Department Organization Chart ..... B-2**

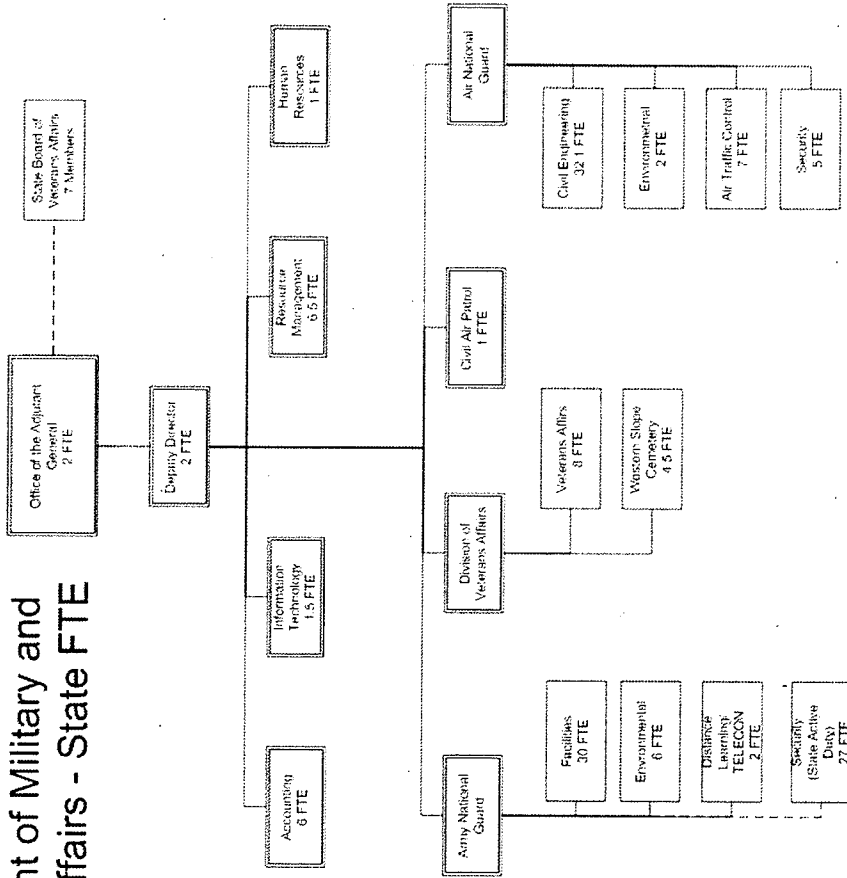
**Statewide Map of Armories ..... B-3**

**Federal Deployment of Army and Air National Guard by Month ..... B-4**

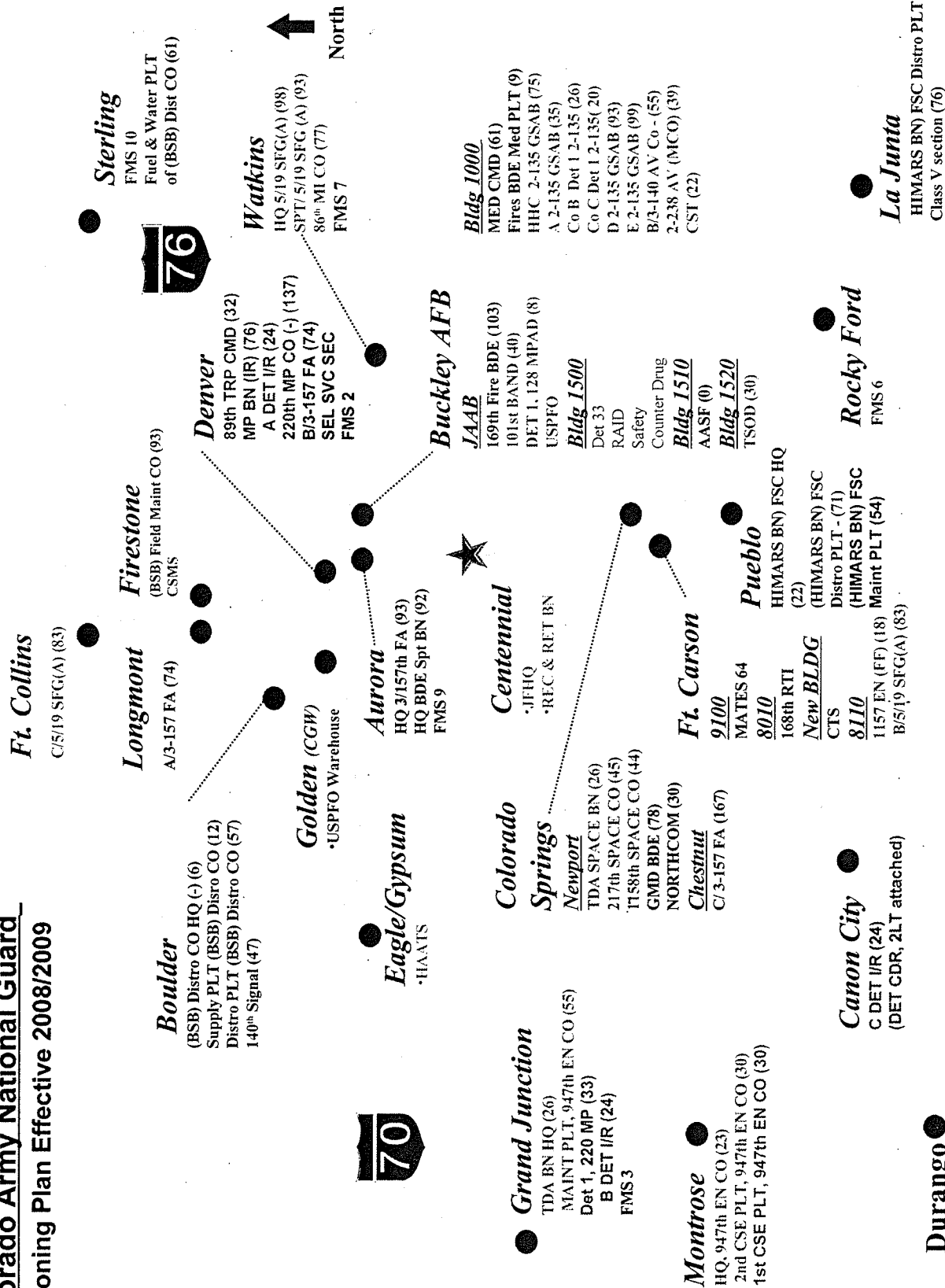
**Civil Air Patrol Statewide Distribution ..... B-5**



# Department of Military and Veterans Affairs - State FTE



**Colorado Army National Guard  
Stationing Plan Effective 2008/2009**







FFY02-FFY08 Deployment by Month

