

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



FY 2012-13 STAFF FIGURE SETTING

**DEPARTMENT OF MILITARY
AND VETERANS AFFAIRS**

**JBC Working Document - Subject to Change
Staff Recommendation Does Not Represent Committee Decision**

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FY 2012-13 Staff Figure Setting
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

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**FY 2012-13 Joint Budget Committee Staff Figure Setting
Department of Military and Veterans Affairs**

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Approp	FY 2012-13 Request	FY 2012-13 Staff Recomm.	Change Request
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DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
Major General H. Michael Edwards, Adjutant General and Executive Director

(1) EXECUTIVE DIRECTOR AND ARMY NATIONAL GUARD

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. Starting in FY 2010-11, the State's support for the Civil Air Patrol is shown in this Division. The cash funds sources are armory rental fees, the Western Slope Military Veterans' Cemetery Fund; real estate proceeds; and the Distance Learning Cash Fund. The reappropriated funds source is the Colorado Commission on Higher Education financial assistance program.

Personal Services	2,208,801	1,983,808	2,017,444	2,065,860	Pending	NP-1
FTE	<u>33.8</u>	<u>31.8</u>	<u>33.3</u>	<u>33.3</u>		
General Fund	1,999,074	1,709,733	1,792,441	1,834,575		
Cash Funds	0	0	3,729	3,729		
Federal Funds	209,727	274,075	221,274	227,556		
Health, Life and Dental	<u>533,594</u>	<u>546,744</u>	<u>636,077</u>	<u>740,736</u>	Pending	
General Fund	185,517	164,270	175,825	179,254		
Cash Funds	455	229	16,583	16,520		
Federal Funds	347,622	382,245	443,669	544,962		

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Approp	FY 2012-13 Request	FY 2012-13 Staff Recomm.	Change Request
Short-term Disability	<u>8,945</u>	<u>9,912</u>	<u>12,236</u>	<u>12,390</u>	<u>11,658</u>	
General Fund	3,213	3,555	4,602	4,080	4,080	
Cash Funds	92	104	185	129	129	
Federal Funds	5,640	6,253	7,449	8,181	7,449	
 S.B. 04-257 Amortization Equalization						
Disbursement	<u>119,077</u>	<u>152,605</u>	<u>192,694</u>	<u>224,000</u>	<u>223,392</u>	
General Fund	42,197	53,996	71,928	73,764	72,995	
Cash Funds	1,244	1,623	2,923	2,334	2,334	
Federal Funds	75,636	96,986	117,843	147,902	148,063	
 S.B. 06-235 Supplemental Amortization						
Equalization Disbursement	<u>73,141</u>	<u>110,831</u>	<u>154,456</u>	<u>192,500</u>	<u>191,678</u>	
General Fund	25,310	38,307	57,412	63,391	62,430	
Cash Funds	770	1,187	2,349	2,006	2,006	
Federal Funds	47,061	71,337	94,695	127,103	127,242	
 Salary Survey and Senior Executive Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	0	
Cash Funds	0	0	0	0	0	
Federal Funds	0	0	0	0	0	
 Performance-based Pay Awards	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	0	
Cash Funds	0	0	0	0	0	
Federal Funds	0	0	0	0	0	

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2012-13	Change
	Actual	Actual	Approp	Request	Staff Recomm.	Request
Shift Differential - FF	24,035	19,242	16,106	22,507	22,507	
Workers' Compensation	<u>71,565</u>	<u>72,598</u>	<u>58,445</u>	<u>73,508</u>	Pending	NP-3
General Fund	24,322	24,683	19,871	25,002		
Federal Funds	47,243	47,915	38,574	48,506		
Operating Expenses	<u>2,314,578</u>	<u>2,549,809</u>	<u>2,056,770</u>	<u>2,056,770</u>	<u>2,056,770</u>	
General Fund	1,202,007	1,133,396	1,181,198	1,181,198	1,181,198	
Cash Funds	0	0	46,000	46,000	46,000	
Federal Funds	1,112,571	1,416,413	829,572	829,572	829,572	
Information Technology Asset Maintenance - GF	21,590	22,372	22,372	22,372	22,372	
Legal Services for 110 Hours - GF	8,292	8,071	8,328	8,328	Pending	
Purchase of Services from Computer Center - GF	10,222	134,000	178,810	352,381	Pending	NP-6
Multiuse Network Payments - GF	11,235	23,160	59,906	87,235	Pending	NP-7
Management and Administration of OIT - GF	13,490	60,097	60,776	0	Pending	NP-8
Payment to Risk Management and Property Funds - GF	129,081	38,724	110,330	147,740	Pending	NP-2

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2012-13	Change
	Actual	Actual	Approp	Request	Staff Recomm.	Request
Vehicle Lease Payments - GF	27,541	33,755	44,148 s	47,549	Pending	DI-1
Leased Space - GF	40,095	41,260	44,978	44,978	44,978	
Capitol Complex Leased Space (Camp George West)	<u>96,360</u>	<u>89,200</u>	<u>83,459</u>	<u>91,110</u>	Pending	NP-4
General Fund	67,739	64,660	52,733	57,565		
Federal Funds	28,621	24,540	30,726	33,545		
Communications Services Payments - GF	11,233	12,163	13,001	29,265 b	Pending	NP-5
Civil Air Patrol Operations - GF	52,745	51,518	58,638	58,638	58,638	
Local Armory Incentive Plan - CF	6,262	16,252	46,610	46,610	46,610	
Distance Learning - CF	0	0	3,000	3,000	3,000	
Colorado National Guard Tuition Fund	<u>1,046,157</u>	<u>1,046,157</u>	<u>1,046,157</u>	<u>1,046,157</u>	<u>1,046,157</u>	
General Fund	246,157	246,157	246,157	246,157	246,157	
Reappropriated Funds /a	800,000	800,000	800,000	800,000	800,000	
Army National Guard Cooperative Agreement - FF	5,020,527	6,620,136	3,454,368	3,509,359	3,509,359	NP-1
FTE	51.5	57.3	51.5	51.5	51.5	

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Approp	FY 2012-13 Request	FY 2012-13 Staff Recomm.	Change Request
SUBTOTAL - (1) EXECUTIVE DIRECTOR AND ARMY NATIONAL GUARD	11,848,566	13,642,414	10,379,109	10,882,993	7,237,119	-33.5%
FTE	<u>85.3</u>	<u>89.1</u>	<u>84.8</u>	<u>84.8</u>	<u>51.5</u>	<u>(33.3)</u>
General Fund	4,121,060	3,863,877	4,203,454	4,463,472	1,692,848	-62.1%
Cash Funds	8,823	19,395	121,379	120,328	100,079	-16.8%
Reappropriated Funds	800,000	800,000	800,000	800,000	800,000	0.0%
Federal Funds	6,918,683	8,959,142	5,254,276	5,499,193	4,644,192	-15.5%

a/ Pursuant to Section 23-3.3-202, C.R.S., these funds are reappropriated 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. Cash funds sources are the Colorado State Veterans Trust Fund and the Western Slope Military Veterans Cemetery Fund. Reappropriated funds source is the Colorado State Veterans Trust Fund.

Veterans Service Operations	482,369	552,875	594,101	602,600	Pending	NP-1
FTE	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>		
General Fund	483,543	526,259	540,592	549,091		
Cash Funds	(1,797)	26,616	50,000	50,000		
Reappropriated Funds	623	0	3,509	3,509		
County Veterans Service Officer Payments - GF	190,552	196,554	190,654	190,654	190,654	
Colorado State Veterans Trust Fund Expenditures - CF	940,524	950,073	811,789	1,029,275	Pending	

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Approp	FY 2012-13 Request	FY 2012-13 Staff Recomm.	Change Request
Western Slope Veterans Cemetery	173,631	229,095	407,727	412,134	Pending	NP-1
FTE	<u>4.5</u>	<u>4.5</u>	4.5	<u>4.5</u>		
General Fund	109,464	131,038	130,755	133,338		
Cash Funds	11,067	49,757	225,972	227,796		
Federal Funds	53,100	48,300	51,000	51,000		
SUBTOTAL - (2) DIVISION OF VETERAN AFFAIRS	1,787,076	1,928,597	2,004,271	2,234,663	190,654	-91.5%
FTE	<u>12.5</u>	<u>12.5</u>	<u>12.5</u>	<u>12.5</u>	<u>0.0</u>	<u>(12.5)</u>
General Fund	783,559	853,851	862,001	873,083	190,654	-78.2%
Cash Funds	949,794	1,026,446	1,087,761	1,307,071	0	-100.0%
Reappropriated Funds	623	0	3,509	3,509	0	-100.0%
Federal Funds	53,100	48,300	51,000	51,000	0	-100.0%
(3) AIR NATIONAL GUARD						
<i>Provides ready forces to the U.S. active armed services and provides ready forces for the preservation of life and property during natural disasters and civil emergencies in Colorado</i>						
Operations and Maintenance Agreement for Buckley/Greeley	1,177,724	1,276,507	1,981,728	2,000,694	Pending	NP-1
FTE	<u>26.1</u>	<u>24.7</u>	<u>26.1</u>	<u>26.1</u>		
General Fund	369,765	333,998	363,843	367,124		
Federal Funds	807,959	942,509	1,617,885	1,633,570		
Buckley Cooperative Agreement - FF	1,525,297	1,578,739	988,906	1,013,550	Pending	NP-1
FTE	20.5	17.7	17.5	17.5		

	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Approp	FY 2012-13 Request	FY 2012-13 Staff Recomm.	Change Request
Security for Space Command Facility at Greeley - FF	248,433	377,671	216,588	221,082	Pending	NP-1
FTE	5.0	7.0	5.0	5.0		
SUBTOTAL - (3) AIR NATIONAL GUARD	2,951,454	3,232,917	3,187,222	3,235,326	0	-100.0%
FTE	<u>51.6</u>	<u>49.4</u>	<u>48.6</u>	<u>48.6</u>	<u>0.0</u>	<u>(48.6)</u>
General Fund	369,765	333,998	363,843	367,124	0	-100.0%
Federal Funds	2,581,689	2,898,919	2,823,379	2,868,202	0	-100.0%
(4) FEDERAL FUNDED PROGRAMS						
<i>Trains state military forces. Note: This section is included in the Long Bill for informational purposes only. These funds are not subject to appropriation by the General Assembly and do not pass through the state accounting system. Totals are reported based on the federal fiscal year beginning October 1, not the State fiscal year beginning July 1.</i>						
Federal Funded Programs Operations - FF	187,578,486	205,646,369	205,646,369	205,646,369	205,646,369	
FTE	1,239.0	1,239.0	1,239.0	1,239.0	1,239.0	
SUBTOTAL - (4) FEDERAL FUNDED PROGRAMS - FF	187,578,486	205,646,369	205,646,369	205,646,369	205,646,369	0.0%
FTE	1,239.0	1,239.0	1,239.0	1,239.0	1,239.0	0.0

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2012-13	Change
	Actual	Actual	Approp	Request	Staff Recomm.	Request
TOTAL - DEPARTMENT OF MILITARY AND VETERANS AFFAIRS	204,165,582	224,450,297	221,216,971	221,999,351	213,074,142	-4.0%
FTE	<u>1,388.4</u>	<u>1,390.0</u>	<u>1,384.9</u>	<u>1,384.9</u>	<u>1,290.5</u>	(94.4)
General Fund	5,274,384	5,051,726	5,429,298	5,703,679	1,883,502	-67.0%
Cash Funds	958,617	1,045,841	1,209,140	1,427,399	100,079	-93.0%
Reappropriated Funds	800,623	800,000	803,509	803,509	800,000	-0.4%
Federal Funds	197,131,958	217,552,730	213,775,024	214,064,764	210,290,561	-1.8%

s = A supplemental adjustment for this line item is included in HB 1191, Supplemental Appropriations for the Department of Military and Veterans Affairs

b = This request was amended by a budget amendment.

n/a = Not applicable or not available

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
FY 2012-13 STAFF FIGURE SETTING**

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Department Structure. The Department of Military and Veterans Affairs is comprised of four divisions, which will be considered in order:

- (1) Executive Director and Army National Guard
- (2) Division of Veterans Affairs
- (3) Air National Guard
- (4) Federal Funded Programs

SMART Act recommendations of House and Senate Oversight Committees. The SMART Act allows a Committee of Reference to make formal recommendations to the Joint Budget Committee regarding the budget requests of the state agencies that they oversee. The Senate and House State, Veterans, and Military Affairs Committees did not make any recommendations regarding the budget request of the Department of Military and Veterans Affairs, over which these committees have oversight. The letters from this Committee are reproduced in Appendix 1 of this document.

(1) EXECUTIVE DIRECTOR AND ARMY NATIONAL GUARD

The Executive Director's Office is responsible for the overall administration of the Department. It provides leadership to the Department by managing the general administrative functions, which include Leadership and Policy Development; Human Resource Management; Accounting; Purchasing and contracting; Budgeting; and Information Technology. The Executive Director's office is also responsible for the legislative program of the Department at both the state and federal level.

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

Personal Services. The following table presents the staffing summary for the Executive Director and Army National Guard Division.

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
FY 2012-13 STAFF FIGURE SETTING**

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Executive Director and Army National Guard Staffing Summary	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Approp.	FY 2012-13 Request	FY 2012-13 Recommend.
Adjutant General/ Deputy Director	4.0	4.0	4.0	4.0	4.0
Accounting	10.0	10.0	10.0	10.0	10.0
Human Resource Management	1.0	1.0	1.0	1.0	1.0
Information Technology	1.1	0.2	0.0	0.0	0.0
Planning/ Budgeting	3.1	3.7	4.0	4.0	4.0
Clerical Support	3.3	3.3	3.3	3.3	3.3
Maintenance/Skilled Trades	<u>11.3</u>	<u>10.1</u>	<u>11.0</u>	<u>11.0</u>	<u>11.0</u>
TOTAL	33.8	32.3	33.3	33.3	33.3

Of the FTE in the preceding table, 22.3 are administrative and professional staff in the Executive Director and Army National Guard Office while 11.0 are labor trades and crafts FTE who maintain and repair armories and other military facilities.

As indicated in the following table, the Staff recommendation for this line item is pending a Committee decision on the base personal services adjustment.

Executive Director's Office and Army National Guard - Personal Services	Total	GF	CF	RF	FF	FTE
FY 2011-12 Appropriation	2,017,444	1,792,441	3,729	0	221,274	33.3
State PERA contribution back to 10.15%	48,416	42,134	0	0	6,282	0.0
Base personal services adjustment	<i>Pending</i>					
FY 2012-13 Recommendation	<i>Pending</i>					
Request	2,065,860	1,834,575	3,729	0	227,556	33.3

The cash funds for this appropriation derive from armory rental fees. All federal funds in this division are pursuant to cooperative agreements with the federal government for operations of the Colorado National Guard.

This line item is the first of a number of line items for which the staff recommendation is pending Committee adoption of various common policies. Staff requests permission to apply subsequently approved Committee common policies to pending line items and include the resulting appropriations in the Long Bill. If staff believes there is reason to deviate from the common policy, staff will appear before the Committee later to present the relevant analysis.

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Health, Life and Dental. This line item provides funding for the employer's share of group benefit plans providing health, life and dental insurance for state employees. **The Staff recommendation is pending committee approval of a common policy for this line item.**

Health, Life and Dental	Total	GF	CF	RF	FF
FY 2010-11 Appropriation	636,077	175,825	16,583	0	443,669
Common policy adjustment	<i>Pending</i>				
FY 2012-13 Recommendation	<i>Pending</i>				
FY 2012-13 Request	740,736	179,254	16,520	0	544,962
Recommendation minus Request	<i>Pending</i>				

Short-Term Disability. This line item provides funding for the employer's share of state employee's short-term disability insurance premiums. The Staff recommendation, which is calculated in accord with Committee-approved common policy, is as follows:

Short-Term Disability	Total	GF	CF	RF	FF
FY 2011-12 Appropriation	12,236	4,602	185	0	7,449
Common policy adjustment	(578)	(522)	(56)	0	0
FY 2012-13 Recommendation	11,658	4,080	129	0	7,449
FY 2012-13 Request	12,390	4,080	129	0	8,181
Recommendation minus Request	(732)	0	0	0	(732)

S.B. 04-157 Amortization Equalization Disbursement. This line item provides additional funding for the Public Employees Retirement Association (PERA). The Staff recommendation, which is calculated in accord with Committee-approved common policy, is as follows:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
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S.B. 04-157 Amortization Equalization Disbursement	Total	GF	CF	RF	FF
FY 2011-12 Appropriation	192,694	71,928	2,923	0	117,843
Common policy adjustment	30,698	1,067	(589)	0	30,220
FY 2012-13 Recommendation	223,392	72,995	2,334	0	148,063
FY 2012-13 Request	224,000	73,764	2,334	0	147,902
Recommendation - Request	(608)	(769)	0	0	161

S.B. 06-235 Supplemental Amortization Equalization Disbursement. This line item provides additional funding for the Public Employees Retirement Association (PERA). The Staff recommendation, which is calculated in accord with Committee-approved common policy, is as follows:

S.B. 06-235 Supplemental Amortization Equalization Disbursement	Total	GF	CF	RF	FF
FY 2011-12 Appropriation	154,456	57,412	2,349	0	94,695
Common policy adjustment	37,222	5,018	(343)	0	32,547
FY 2012-13 Recommendation	191,678	62,430	2,006	0	127,242
FY 2012-13 Request	192,500	63,391	2,006	0	127,103
Recommendation minus Request	(822)	(961)	0	0	139

Shift Differential. This line item pays for shift premiums for personnel working other than a work week of 8 a.m. to 5 p.m., Monday through Friday. The Staff recommendation, which is calculated in accord with Committee-approved common policy and sets the appropriation equal to 80 percent of the prior year actual shift differential expense, is as follows:

Shift Differential	Total	GF	CF	RF	FF
FY 2011-12 Appropriation	16,106	0	0	0	16,106
Common policy adjustment	6,401	0	0	0	6,401
FY 2012-13 Recommendation	22,507	0	0	0	22,507
FY 2012-13 Request	22,507	0	0	0	22,507
Recommendation minus Request	0	0	0	0	0

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Workers' Compensation. This line item pays the Department's estimated share of the cost of the State's self-insured workers' compensation program. The Staff recommendation is pending Committee adoption of a common policy.

Workers' Compensation	Total	GF	CF	RF	FF
FY 2011-12 Appropriation	58,445	19,871	0	0	38,574
Common policy adjustment	<i>Pending</i>				
FY 2012-13 Recommendation	<i>Pending</i>				
FY 2012-13 Request	73,508	25,002	0	0	48,506
Recommendation minus Request	<i>Pending</i>				

Operating Expenses. This line item provides funding to pay the Department's expenses for supplies, telephone, training, minor armory repair and maintenance, utilities, travel, and the general operational expenses of the Department. The Department requests and Staff recommends a continuation appropriation for this line item.

Operating Expenses	Total	GF	CF	RF	FF
FY 2011-12 Appropriation	2,056,770	1,181,198	46,000	0	829,572
No adjustment recommended	0	0	0	0	0
FY 2012-13 Recommendation	2,056,770	1,181,198	46,000	0	829,572
FY 2012-13 Request	2,056,770	1,181,198	46,000	0	829,572
Recommendation minus Request	0	0	0	0	0

No federal funds appropriations for IT line items. Due to security requirements, the Department has a distinct state Information Technology (IT) system. Costs associated with joint use systems (e.g. land line phones) that are funded by the Federal government are accounted for by utilizing in-kind assistance. This process allows the cooperative agreement money that would go from Federal to State control for this purpose to remain within the Federal contracting system, preventing the co-mingling of funds. As a consequence there are no federal funds in the Department's IT appropriations.

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Information Technology Asset Maintenance. This line item provides funding for the upkeep and maintenance of the Department's information technology infrastructure. **Staff recommends approving the Department's request for a continuation appropriation of \$22,372 General Fund.**

Legal Services for 110 Hours. This line item funds the purchase of legal services from the Department of Law. The Department requests a continuation appropriation of 110 hours of legal services for lawsuits, workers' compensation cases, and contract review, to be paid from the General Fund. The dollar value of the request, based on the FY 2011-12 legal services rate is \$8,328.

Staff recommends a continuation appropriation of 110 hours of legal services. Staff recommendation for the corresponding dollar appropriation awaits Committee approval of the FY 2012-13 legal services rate, which will be established during figure setting for the Department of Law. Staff requests permission to multiply the approved rate by the number of approved hours and include the resulting appropriation in the Long Bill.

Purchase of Services from Computer Center. This line item provides funding for the Department's use of the centralized computer system maintained by the Office of Information Technology (OIT). Based on rates charged by OIT, the Department requests an increase of \$173,571 General Fund for this appropriation. **The Staff recommendation is pending Committee approval of a common policy for this line item.**

Purchase of Services from Computer Center	Total	GF	CF	RF	FF
FY 2011-12 Appropriation	178,810	178,810	0	0	0
Common policy adjustment	<i>Pending</i>				
FY 2012-13 Recommendation	<i>Pending</i>				
FY 2012-13 Request	352,381	352,381	0	0	0
Recommendation minus Request	<i>Pending</i>				

Multiuse Network Payments. This line item provides funding for the Department's costs for inclusion in the State network. Based on rates charged by OIT, the Department requests an increase

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of \$27,329 General Fund for this appropriation. **The Staff recommendation is pending Committee approval of a common policy for this line item.**

Purchase of Services from Computer Center	Total	GF	CF	RF	FF
FY 2011-12 Appropriation	60,776	59,909	0	0	0
Common policy adjustment	<i>Pending</i>				
FY 2012-13 Recommendation	<i>Pending</i>				
FY 2012-13 Request	87,235	87,235	0	0	0
Recommendation minus Request	<i>Pending</i>				

Management and Administration of OIT. This line item provides funding for the Department's share of the operations of the Office of Information Technology. Based on the OIT request, the Department requests that this appropriation be eliminated. **The Staff recommendation is pending Committee approval of a common policy for this line item.**

Purchase of Services from Computer Center	Total	GF	CF	RF	FF
FY 2011-12 Appropriation	60,776	60,776	0	0	0
Common policy adjustment	<i>Pending</i>				
FY 2012-13 Recommendation	<i>Pending</i>				
FY 2012-13 Request	0	0	0	0	0
Recommendation minus Request	<i>Pending</i>				

Payment to Risk Management and Property Funds . This line item funds the Department's share of the costs of the State's self-insurance program for property losses and other risks. The Department requests an appropriation of \$147,740 General Fund, an increase of \$37,410 from the FY 2011-12 Long Bill appropriation.

Staff's recommendation is pending Committee common policy. Staff will reflect Committee common policy in the appropriation for this line item.

Vehicle Lease Payments. This line item funds lease costs of the Department's vehicle fleet. The Department requests an appropriation of \$47,549 General Fund, an increase of \$3,401 over it's FY

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2011-12 appropriation. **The Department requests replacement during FY 2012-13 of a 2004 model year, five passenger, 4 x 4, utility vehicle that will have a projected odometer reading of 169,081 miles by May 2013.** Total acquisition cost for the new vehicle will equal \$31,694; it will be acquired through a 96 month (8 year) lease. **Staff recommends replacement of this vehicle.**

Staff's recommendation of a General Fund dollar appropriation is pending Committee common policy for lease rates.

Leased Space. This line item funds the lease for the offices of the Division of Veterans Affairs located at 7465 E. First Avenue in Denver. The Department requests a continuation appropriation of \$44,978 General Fund.

Staff recommends that the Committee approve the Department's request for a continuation appropriation of \$44,978 General Fund.

Capitol Complex Leased Space. This line item provides funding for the buildings occupied by the Colorado National Guard occupied at Camp George West. The federal government only pays its share of the Camp George West utilities costs; it does not pay any of the other Capital-complex-leased-space costs. The Department requests an appropriation of \$91,110, comprised of \$57,565 General Fund and \$33,545 federal funds. This request reflects a statewide common policy adjustment that increases the total requested appropriation by \$7,651, including an increase of \$4,832 General Fund and an increase of \$2,819 federal funds.

Staff's recommendation is pending Committee approval of a common policy for this line item.

Communications Services Payments. This line item funds the Department's costs for network and telephone communications services and the digital trunked radio network. The Department requests \$29,265 General Fund, which reflects a statewide common policy adjustment of \$16,164 General Fund.

Staff's recommendation is pending Committee approval of a common policy for this line item.

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

During the 2010 session, the General Assembly consolidated the Civil Air Patrol Division with the Executive Director and Army National Guard Division. This line item combined two line items, Operating Expenses and Aircraft Maintenance, that were formerly presented in the Civil Air Patrol Division.

Staff recommends that the Committee approve the Department's request for a continuing appropriation of \$58,638 General Fund.

Local Armory Incentive Program. This line item provides spending authority for revenues collected for armory rentals. This spending authority pays for rental-related costs.

Staff recommends that the Committee approve the Department's request for a continuing appropriation of \$46,610 cash funds from armory rental proceeds.

(House Bill 11-1237 created the Chargeable Quarters and Billeting Cash Fund, which receives moneys charged for the use of National Guard facilities. The bill allows the fund to be used for the costs associated with the operation, repair and maintenance of those facilities. Moneys in the fund are continuously appropriated to the Department.)

Distance Learning. This line item provides spending authority for revenues received from the use of the Department's distance learning facilities. The Department requests an appropriation of \$3,000 cash funds from fees on distance learning facilities and equipment.

Staff recommends approving the Department's request for a continuing appropriation of \$3,000 cash funds.

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Colorado National Guard Tuition Fund. This line item provides funding for tuition assistance for members of the Colorado National Guard who attend Colorado state universities and colleges. The Department requests a continuation appropriation of \$1,046,157, comprised of \$246,157 General Fund and \$800,000 reappropriated funds from the Colorado Commission on Higher Education. The reappropriated funds are originally appropriated to the Department of Higher Education and are then reappropriated to the Department.

Staff recommends approving the Department's request for a continuing appropriation of \$1,046,157, including \$246,157 General Fund and \$800,000 reappropriated funds.

Army National Guard Cooperative Agreement. This line item funds programs that are 100 percent federally funded under the Department's cooperative agreements with the U.S. National Guard Bureau for the operations and maintenance of the Colorado Army National Guard program. The line includes both personal services and operating expenses. The Department requests an appropriation of \$3,491,693 federal funds and 51.5 FTE, of which it projects 71 percent will be used for personal services and 29 percent for operating expenses. The request is adjusted for the end of the PERA Contribution shift, an increase of \$54,991.

As the following table shows, the staff recommendation is pending a Committee decision on the base personal services adjustment.

Army National Guard Cooperative Agreement	Total	GF	CF	RF	FF	FTE
FY 2011-12 Appropriation - Personal Services Component	3,454,368	0	0	0	3,454,368	51.5
State PERA contribution back to 10.15%	54,991	0	0	0	54,991	0.0
Base personal services adjustment	<i>Pending</i>					
FY 2012-13 Recommendation	<i>Pending</i>					
Request	3,509,359	0	0	0	3,509,359	51.5

The staff recommendation is pending a Committee decision on the base personal services adjustment.

(2) DIVISION OF VETERANS AFFAIRS

The Division of Veterans Affairs represents veterans in federal benefits claims, provides information and training to county veterans service officers, and operates and maintains the Western Slope Military Veterans Cemetery in Grand Junction. The State Board of Veterans Affairs advises the Division on matters pertaining to veterans, makes grants from the Colorado State Veterans Trust

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Fund for capital improvements and amenities at state veterans nursing homes; costs of state veterans cemeteries; costs of the Division, and for veterans programs operated by non-profit veterans organizations. The Trust Fund receives one percent of the revenue from the Tobacco Master Settlement Agreement, up to \$1 million.

Veterans Service Operations. This line item funds salaries and PERA contributions for 8.0 FTE who assist veterans in obtaining benefits from the U.S. Department of Veterans Affairs. These employees also assist county veterans service officers with their duties and provide training for those officers. This line item also provides funding for the program's operating and administrative expenses. The following table summarizes staffing.

Veterans Service Operations Staffing Summary	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Approp.	FY 12-13 Request	FY 12-13 Recommend.
Veterans Service Officer	6.0	6.5	6.0	6.0	6.0
Administrative Staff	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>
Total	8.0	8.5	8.0	8.0	8.0

As the following table shows, the staff recommendation is pending a Committee decision on the base personal services adjustment.

Veterans Service Operations	Total	GF	CF	RF	FF	FTE
FY 2011-12 Appropriation	594,101	540,592	50,000	3,509	0	8.0
State PERA contribution back to 10.15%	8,499	8,499	0	0	0	0.0
Base personal services adjustment	<i>Pending</i>					
FY 2012-13 Recommendation	<i>Pending</i>					
Request	602,600	549,091	50,000	3,509	0	8.0

The cash funds come from the Colorado State Veterans Trust Fund.

County Veterans Service Officer Payments. This line item funds payments to counties for administrative support of county veterans service officers. The Department requests a continuation appropriation of \$190,564 General Fund.

Section 28-5-801 (1), C.R.S. requires each county to appoint a County Veterans Service Officer (CVSO). Some counties have one or more full-time CVSO, others have a part-time or volunteer CVSO, while at least two counties share a CVSO with another county. The state reimburses the counties at the rate of \$200 per month for a part-time officer and \$400 per month for a full-time

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officer. The appropriation for this program is \$88,800, while counties report that they spent more than \$1.2 million in support of the program.

This line item also funds a pilot program in five counties that reimburses counties for increasing their efforts to enroll veterans with the U.S. Department of Veterans Affairs. Enrolling additional veterans has the potential to bring additional federal dollars to the state in the form of veterans pensions, health care, vocational rehabilitation and employment, education and training, home loans, life insurance, and other benefits. The original appropriation for this pilot program was \$124,354 General Fund, however, due to the General Fund revenue shortfall, that appropriation was reduced to \$79,264 in FY 2008-09. The appropriation has been set at \$101,854 since FY 2009-10. The FY 2012-13 budget request is for a continuation of the appropriation.

Staff recommends a continuation appropriation of \$190,654 General Fund.

Colorado State Veterans Trust Fund Expenditures. The Colorado State Veterans Trust fund is funded by a transfer of one percent of the revenue that the State receives from the Tobacco Master Settlement Agreement (MSA), up to a maximum of \$1 million. Pursuant to Section 28-5-709 (3) (c), C.R.S., 90 percent of the moneys transferred, plus accumulated interest earned by the Trust, are subject to appropriation by the General Assembly to the Department. These funds can be used for capital improvements and amenities at state veterans nursing homes; costs of state veterans cemeteries; costs of the Division, and for veterans programs operated by non-profit veterans organizations. The Department requests an appropriation of \$1,029,275 cash funds from the Veterans Trust Fund, which is based on the assumption that it will receive a transfer of \$900,000 and will have \$129,275 of available interest earnings.

The Staff recommendation for Colorado State Veterans Trust Fund Expenditures is pending figure setting for tobacco settlement programs, which will project an amount of tobacco settlement revenue that will be received by the Trust for FY 2012-13. Staff will add projected interest earnings of \$129,275 to 90% of the projected transfer to compute the recommended appropriation.

Western Slope Military Veterans Cemetery. This line item provides funding for personal services costs for the employees who operate and maintain the cemetery, as well as for cemetery operating costs such as utilities, routine maintenance, minor construction and improvement, and administrative costs. The following table presents the staffing summary.

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Western Slope Military Veterans Cemetery Staffing Summary	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Approp.	FY 12-13 Request.	FY 12-13 Recommend.
General Professional	1.0	1.0	1.0	1.0	1.0
Administrative Assistant	1.5	1.5	1.5	1.5	1.5
Maintenance Mechanic/ Structural Trades	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>
Total	4.5	4.5	4.5	4.5	4.5

As the next table shows, the staff recommendation for this line item is pending a Committee decision on the base personal services adjustment.

Western Slope Military Veterans Cemetery	Total	GF	CF	RF	FF	FTE
FY 2011-12 Appropriation	407,727	130,755	225,972	0	51,000	4.5
State PERA contribution back to 10.15%	4,407	2,583	1,824	0	0	0.0
Base personal services adjustment	<i>Pending</i>					
FY 2012-13 Recommendation	<i>Pending</i>					
Request	412,134	133,338	227,796	0	51,000	4.5

(3) AIR NATIONAL GUARD

This Division funds the state share of the costs of the Colorado Air National Guard and presents some of the related federal funding. The following table summarizes Division staffing.

Air National Guard Staffing Summary	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Approp.	FY 12-13 Request.	FY 12-13 Recommend.
Administrative Support	3.0	2.5	3.0	3.0	3.0
Air Traffic Controllers	7.0	7.0	7.0	7.0	7.0
Physical Plant	33.6	29.7	33.6	33.6	33.6
Security	<u>5.0</u>	<u>7.0</u>	<u>5.0</u>	<u>7.0</u>	<u>7.0</u>
TOTAL	48.6	46.2	48.6	50.6	50.6

Operations and maintenance agreement for Buckley/Greeley. This line item provides state General Fund support and reflects federal support for the operations and maintenance costs of the Air National Guard activities that are housed at Buckley Air Force Base and Greeley. It funds personal services, operating expenses, and utilities. The proportion of General Fund and federal

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funds is based on the annual cooperative agreement between the Department and the U.S. Department of Defense.

As the following table shows, the staff recommendation for this line item is pending a Committee decision on the base personal services adjustment.

Operations and maintenance agreement for Buckley/Greeley	Total	GF	CF	RF	FF	FTE
FY 2011-12 Appropriation	1,981,728	363,843	0	0	1,617,885	26.1
State PERA contribution back to 10.15%	18,966	3,281	0	0	15,685	0.0
Base personal services adjustment	<i>Pending</i>					
FY 2012-13 Recommendation	<i>Pending</i>					
Request	2,000,694	367,124	0	0	1,633,570	26.1

Buckley Cooperative Agreement. This line item reflects the federal contribution for operations and maintenance of the Air National Guard. It funds personal services, operating expenses, and utilities. There are no state funds. Note that the FTE in this line item are enrolled in PERA and were therefore subject to the PERA contribution adjustment.

As the following table shows, the staff recommendation for this line item is pending a Committee decision on the base personal services adjustment.

Buckley Cooperative Agreement	Total	GF	CF	RF	FF	FTE
FY 2011-12 Appropriation	988,906	0	0	0	988,906	17.5
State PERA contribution back to 10.15%	24,644	0	0	0	24,644	0.0
Base personal services adjustment	<i>Pending</i>					
FY 2012-13 Recommendation	<i>Pending</i>					
Request	1,013,550	0	0	0	1,013,550	17.5

Security for Space Command Facility at Greeley. The federal government pays the State to employ five full-time security guards at the Greeley facility. These employees are enrolled in PERA and were therefore subject to the PERA contribution adjustment.

As the following table shows, the staff recommendation for this line item is pending a Committee decision on the base personal services adjustment.

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Security for Space Command Facility at Greeley	Total	GF	CF	RF	FF	FTE
FY 2011-12 Appropriation	216,588	0	0	0	216,588	5.0
State PERA contribution back to 10.15%	4,494	0	0	0	4,494	0.0
Base personal services adjustment	<i>Pending</i>					
FY 2012-13 Recommendation	<i>Pending</i>					
Request	221,082	0	0	0	221,082	5.0

(4) FEDERAL FUNDED PROGRAMS

This section is included for information only. It describes federal funding that is managed by the Department but which is not subject to state appropriation and does not flow through the state accounting system. These programs provide training one weekend per month and two weeks per year for members of the Colorado National Guard. The request reflects recent levels of federal funding. These expenses are not subject to the 2.5 percent PERA contribution adjustment.

Staff recommends reflecting an appropriation \$205,646,369 federal funds and 1,239.0 FTE.

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LONG BILL FOOTNOTES

- 41 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 systems 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 in the Department of Military Affairs.

Comment: Staff recommends that this footnote, which has been included in the Long Bill since at least FY 2001-02, be included in the FY 2012-13 Long Bill.

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Appendix

SMART Act Letters From Oversight Committees

State Representative
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Chairman:
State, Veterans, and Military
Affairs Committee
Member:
Health and Environment
Committee
Legislative Audit Committee
Legislative Council Committee

COLORADO
HOUSE OF REPRESENTATIVES
STATE CAPITOL
DENVER
80203

January 30, 2012

Representative Cheri Gerou
Chair, Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, Colorado 80203

Dear Representative Gerou:

The SMART Act allows a committee of reference to make formal recommendations to the Joint Budget Committee (JBC) regarding state departments' budgets, based on the committee's hearings with their assigned departments. The House State, Veterans, and Military Affairs Committee met on January 26, 2012, to discuss recommendations to the JBC per the SMART Act. At its meeting, the committee did not make any recommendations regarding the departments of State and Military and Veterans Affairs, over which the committee has oversight.

Sincerely,

Representative Jim Kerr, Chair
House State, Veterans, and Military Affairs Committee

c: Joint Budget Committee Members
House State, Veterans, and Military Affairs Committee Members
Secretary of State Scott Gessler
Rich Coolidge, Public Information Officer, Department of State
Major General H. Michael Edwards, Adjutant General
Greg Dorman, Resource Director/Legislative Liaison, Department of Military and
Veterans Affairs
John Ziegler, Staff Director, Joint Budget Committee
Bo Pogue, Legislative Council Staff



Senate
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STATE, VETERANS, AND MILITARY AFFAIRS
COMMITTEE
CHAIR
APPROPRIATIONS COMMITTEE
MEMBER
EDUCATION COMMITTEE
MEMBER

E-mail: rollie.heath.senate@state.co.us

January 30, 2012

Representative Cheri Gerou
Chair, Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, Colorado 80203

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Sincerely,

Senator Rollie Heath, Chair
Senate State, Veterans, and Military Affairs Committee

- c: Joint Budget Committee Members
House State, Veterans, and Military Affairs Committee Members
Secretary of State Scott Gessler
Rich Coolidge, Public Information Officer, Department of State
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John Ziegler, Staff Director, Joint Budget Committee
Julia Jackson, Legislative Council Staff

