

This file contains two documents related to the Department of Revenue:

- A two page memorandum dated March 13, 2008 concerning technical comebacks from staff revising the recommendations made a staff figure setting for the Department of Military and Veterans Affairs on February 5, 2008.
- A file dated February 5, 2008, which includes all of staff's funding recommendations related to the Department of Military and Veterans Affairs's FY 2008-09 budget request.

M E M O R A N D U M

TO: Members of the Joint Budget Committee

FROM: David Meng, Joint Budget Committee Staff

SUBJECT: Staff Technical Comeback - Department of Military and Veterans Affairs
Figure Setting

DATE: March 13, 2008

During figure setting, staff made a technical error in calculating POTS items (Short-term disability, Amortization Equalization Disbursement, Supplemental Amortization Disbursement, and Salary Survey and Senior Executive Service. The overall impact of the error is a slight decrease from the original recommendation. **Staff requests Committee approval to substitute these figures for the original recommendations made during figure setting for the Department of Military and Veterans Affairs.**

Line	Staff Recommendation		Difference
	Original	Revised	
Net Total Change			(6,955)
General Fund			(3,441)
Cash Funds			(210)
Cash Funds Exempt/ Reappropriated Funds			0
Federal Funds			(3,304)

Short-term Disability - Total	8,940	9,540	600
General Fund	3,276	3,422	146
Cash Funds	91	100	9
Cash Funds Exempt/ Reappropriated Funds	0	0	0
Federal Funds	5,573	6,018	445

Amortization Equalization Disbursement	109,918	116,543	6,625
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MEMO
Page 2
March 13, 2008

Line	Staff Recommendation		Difference
	Original	Revised	
General Fund	40,208	41,236	1,028
Cash Funds	1,123	1,240	117
Cash Funds Exempt/ Reappropriated Funds	0	0	0
Federal Funds	68,587	74,067	5,480

Supplemental Amortization Equalization Disbursement	50,869	53,941	3,072
General Fund	18,192	18,644	452
Cash Funds	526	578	52
Cash Funds Exempt/ Reappropriated Funds	0	0	0
Federal Funds	32,151	34,719	2,568

Salary Survey and Senior Executive Service	266,214	248,962	(17,252)
General Fund	91,455	86,388	(5,067)
Cash Funds	3,724	3,336	(388)
Cash Funds Exempt/ Reappropriated Funds	0	0	0
Federal Funds	171,035	159,238	(11,797)

COLORADO GENERAL ASSEMBLY

JOINT BUDGET COMMITTEE



FY 2008-09 STAFF FIGURE SETTING: DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

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

**Prepared By:
David Meng, JBC Staff
February 5, 2008**

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**FY 2006-07 FIGURE SETTING
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

Table of Contents

Numbers Pages	1
Narrative	9
Long Bill Footnote Update	31

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

	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>Department Request</u>	<u>FY 2008-09</u>		<u>Change Requests</u>
	<u>Actual</u>	<u>Actual</u>	<u>Final Appropriation</u>		<u>Staff Recommends</u>	<u>Old Format</u>	
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.							
Personal Services	1,710,779	1,641,533	1,764,177	2,206,235		2,147,047	
FTE	27.6	25.6	28.6	35.2		34.7	
General Fund	1,484,006	1,524,231	1,675,952	1,979,057		1,922,542	DI # 3,4,5,7
FTE	24.7	24.7	27.7	32.5		32.0	DI # 3,4,5,7
Cash Funds	311	0	3,511	3,662		3,624	
FTE	0.1	0.1	0.1	0.1		0.1	
Cash Funds Exempt/Reappropriated Funds	89,774	0	0	0		0	
FTE	2.0	0.0	0.0	0.0		0.0	
Federal Funds	136,688	117,302	84,713	223,516		220,881	DI # 7
FTE	0.8	0.8	0.8	2.6		2.6	DI # 7
Health, Life and Dental	<u>224,235</u>	<u>299,051</u>	<u>450,103</u>	<u>552,233</u>	A	<u>552,233</u>	<u>552,233</u>
General Fund	82,629	103,925	126,962	191,994		191,994	
Cash Funds	0	0	0	0		0	474
Cash Funds Exempt/Reappropriated Funds	13,212	11,294	3,823	474		474	0
Federal Funds	128,394	183,832	319,318	359,765		359,765	
Short-term Disability	<u>8,285</u>	<u>7,931</u>	<u>10,125</u>	<u>9,304</u>	A	<u>8,940</u>	<u>8,940</u>
General Fund	3,399	3,212	3,633	3,237		3,276	
Cash Funds	6	0	5	5		5	91
Cash Funds Exempt/Reappropriated Funds	449	282	85	116		86	0
Federal Funds	4,431	4,437	6,402	5,946		5,573	
SB04-257 Amortization Equalization							
Disbursement	0	<u>37,360</u>	<u>92,304</u>	<u>115,772</u>	A	<u>109,918</u>	<u>109,918</u>
General Fund	0	15,174	33,276	41,097		40,208	
Cash Funds	0	0	44	61		46	1,123
Cash Funds Exempt/Reappropriated Funds	0	0	1,073	1,428		1,077	0
Federal Funds	0	22,186	57,911	73,186		68,587	

FY 2008-09 JBC Staff Figure Setting
Department of Military and Veterans Affairs

	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>				<u>Change Requests</u>
	<u>Actual</u>	<u>Actual</u>	<u>Final Appropriation</u>	<u>Department Request</u>		<u>Staff Recommends</u>		
						<u>Old Format</u>	<u>New Format</u>	
SB06-235 Supplemental Amortization								
Equalization Disbursement	0	0	18,240	37,221	A	50,869	50,869	
General Fund	0	0	5,942	13,321		18,192	18,192	DI # 3,4,5
Cash Funds	0	0	9	20		22	526	
Cash Funds Exempt/Reappropriated Funds	0	0	224	457		504	0	
Federal Funds	0	0	12,065	23,423		32,151	32,151	
Salary Survey and Senior Executive Service	167,064	153,993	251,368	249,025	A	266,214	266,214	
General Fund	68,234	61,339	82,000	86,819		91,455	91,455	
Cash Funds	71	0	104	133		153	3,724	
Cash Funds Exempt/Reappropriated Funds	9,066	4,170	2,595	3,113		3,571	0	
Federal Funds	89,693	88,484	166,669	158,960		171,035	171,035	
Performance-based Pay Awards	0	0	103,269	110,030	A	110,030	110,030	
General Fund	0	0	37,299	38,360		38,360	38,360	
Cash Funds	0	0	57	59		59	1,435	
Cash Funds Exempt/Reappropriated Funds	0	0	251	1,376		1,376	0	
Federal Funds	0	0	65,662	70,235		70,235	70,235	
Shift Differential - Federal Funds	19,195	19,579	15,356	19,579		17,480	17,480	
Workers' Compensation	110,419	87,577	61,602	78,772	A	78,772	78,772	
General Fund	55,717	44,226	21,295	26,782		26,782	26,782	
Federal Funds	54,702	43,351	40,307	51,990		51,990	51,990	
Operating Expenses	507,945	957,050	1,157,021	2,337,795		2,333,640	2,333,640	
General Fund	358,881	768,178	762,488	1,462,223		1,458,068	1,458,068	DI #1,3,4,5,8
Cash Funds	0	0	0	0		0	46,000	
Cash Funds Exempt/Reappropriated Funds	9,467	2,851	46,000	46,000		46,000	0	
Federal Funds	139,597	186,021	348,533	829,572		829,572	829,572	
Information Technology Asset Maintenance - General Fund	15,447	14,801	27,372	27,372		27,372	27,372	
Legal Services for 110 hours-General Fund	7,090	1,656	7,923	7,923		7,923	7,923	Pending C.P.
Purchase of Services from Computer Center - General Fund	1,866	0	543	9,411	A	9,411	9,411	Pending C.P.

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

	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>					
	<u>Actual</u>	<u>Actual</u>	<u>Final Appropriation</u>	<u>Department Request</u>	<u>Staff Recommends Old Format</u>	<u>Staff Recommends New Format</u>	<u>Change Requests</u>		
Multiuse Network Payments	<u>196,565</u>	<u>337,382</u>	<u>403,389</u>	S	<u>11,055</u>	A	<u>11,055</u>	<u>11,055</u>	Pending C.P.
General Fund	196,565	106,939	172,389		11,055		11,055	11,055	
Federal Funds	0	230,443	231,000		0		0	0	
Payment to Risk Management and Property Funds - General Fund	51,897	127,478	97,727	S	172,236	A	172,236	172,236	Pending C.P.
Vehicle Lease Payments - General Fund	17,996	22,758	55,061	S	48,618	A	48,618	48,618	Pending C.P.
Leased Space - General Fund	41,896	31,560	44,978		44,978		44,978	44,978	
Capitol Complex Leased Space (Camp George West)	<u>83,216</u>	<u>76,640</u>	<u>81,435</u>	S	<u>89,745</u>	A	<u>89,745</u>	<u>89,745</u>	Pending C.P.
General Fund	53,980	55,015	59,810		68,120		68,120	68,120	
Federal Funds	29,236	21,625	21,625		21,625		21,625	21,625	
Communications Services Payments - GF	10,019	10,935	10,754	S	11,392		11,392	11,392	Pending C.P.
Utilities	<u>955,365</u>	<u>1,201,089</u>	<u>1,116,589</u>		<u>0</u>		<u>0</u>	<u>0</u>	DI # 8
General Fund	547,149	635,552	635,552		0		0	0	
Federal Funds	408,216	565,537	481,037		0		0	0	
Local Armory Incentive Plan - Cash Funds	65,524	23,677	46,610		46,610		46,610	46,610	
Distance Learning	<u>0</u>	<u>0</u>	<u>3,000</u>		<u>3,000</u>		<u>3,000</u>	<u>3,000</u>	
Cash Funds	0	0	1,000		1,000		1,000	3,000	
Cash Funds Exempt/Reappropriated Funds	0	0	2,000		2,000		2,000	0	
Colorado National Guard Tuition Fund a/	<u>685,270</u>	<u>711,761</u>	<u>825,803</u>		<u>825,803</u>		<u>825,803</u>	<u>825,803</u>	
General Fund	175,803	175,803	175,803		175,803		175,803	175,803	
Cash Funds Exempt/Reappropriated Funds	509,467	535,958	650,000	(T)	650,000	(T)	650,000	(T)	650,000
Army National Guard Cooperative Agreement- Federal Funds	2,443,331	4,170,990	3,347,629		3,461,741		3,436,537	3,436,537	
FTE	17.5	47.0	51.5		51.5		51.5	51.5	

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

	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>			<u>Change Requests</u>
	<u>Actual</u>	<u>Actual</u>	<u>Final Appropriation</u>	<u>Department Request</u>	<u>Staff Recommends</u>		
					<u>Old Format</u>	<u>New Format</u>	
Administrative Services	281,608	288,894	268,794	0	0	0	DI # 7
FTE	<u>5.1</u>	<u>5.1</u>	<u>5.1</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	
General Fund	127,567	112,178	140,973	0	0	0	
FTE	3.3	3.3	3.3	0.0	0.0	0.0	
Federal Funds	154,041	176,716	127,821	0	0	0	
FTE	1.8	1.8	1.8	0.0	0.0	0.0	
SUBTOTAL - (1) EXECUTIVE DIRECTOR AND ARMY NATIONAL GUARD	7,605,012	10,223,695	10,261,173	10,475,850	10,409,823	10,409,823	Request vs. Appropriation
FTE	<u>50.2</u>	<u>77.7</u>	<u>85.2</u>	<u>86.7</u>	<u>86.2</u>	<u>86.2</u>	1.4%
General Fund	3,300,141	3,814,960	4,177,732	4,419,798	4,367,785	4,367,785	4.5%
FTE	28.0	28.0	31.0	32.5	32.0	32.0	1.5
Cash Funds	65,912	23,677	51,340	51,550	51,519	106,607	107.6%
FTE	0.1	0.1	0.1	0.1	0.1	0.1	0.0
Cash Funds Exempt/Reappropriated Funds	631,435	554,555	706,051	704,964	705,088	650,000	-7.9%
FTE	2.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	3,607,524	5,830,503	5,326,049	5,299,538	5,285,431	5,285,431	-0.8%
FTE	20.1	49.6	54.1	54.1	54.1	54.1	0.0

a/ H.B. 03-1347 appropriation from the Department of Higher Education Program

A indicates Budget Amendment

S indicates Supplemental Appropriation

(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	590,168	590,168	
FTE	<u>8.0</u>	<u>8.0</u>	<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	586,659	586,659	
FTE	6.0	8.0	8.0	8.0	8.0	8.0	
Cash Funds Exempt/Reappropriated Funds	104,653	972	3,509 (T)	3,509 (T)	3,509 (T)	3,509	
FTE	2.0	0.0	0.0	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>	<u>213,154</u>	<u>213,154</u>	
General Fund	0	72,240	88,800	213,154	213,154	213,154	DI # 2
Cash Funds Exempt/Reappropriated Funds	78,252	0	0	0	0	0	

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

	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>			Change Requests
	Actual	Actual	Final Appropriation	Department Request	Staff Recommends		
					Old Format	New Format	
Colorado State Veterans Trust Fund - Cash Funds Exempt/Reappropriated Funds	871,980	800,618	N/A	N/A	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>	<u>627,500</u>	<u>627,500</u>	
Cash Funds	0	0	67,784	77,500	77,500	627,500	
Cash Funds Exempt/Reappropriated Funds	611,917	547,827	648,909	550,000	550,000	0	
Western Slope Veterans Cemetery	237,811	243,332	398,156	406,510	406,017	406,017	
FTE	<u>2.5</u>	<u>4.5</u>	<u>4.5</u>	<u>4.5</u>	<u>4.5</u>	<u>4.5</u>	
General Fund	120,000	113,163	124,960	130,294	130,025	130,025	
FTE	2.5	2.5	2.5	2.5	2.5	2.5	
Cash Funds	0	0	0	0	0	224,992	
FTE	0.0	0.0	0.0	0.0	0.0	2.0	
Cash Funds Exempt/Reappropriated Funds	117,811	130,169	222,196	225,216	224,992	0	
FTE	0.0	2.0	2.0	2.0	2.0	0.0	
Federal Funds	0	0	51,000	51,000	51,000	51,000	
SUBTOTAL - (2) DIVISION OF VETERANS AFFAIRS	2,295,398	2,216,970	1,773,700	1,838,401	1,836,839	1,836,839	Request vs. Appropriation
FTE	<u>10.5</u>	<u>12.5</u>	<u>12.5</u>	<u>12.5</u>	<u>12.5</u>	<u>12.5</u>	3.6%
General Fund	510,785	737,384	780,302	931,176	929,838	929,838	19.2%
FTE	8.5	10.5	10.5	10.5	10.5	10.5	0.0
Cash Funds	0	0	67,784	77,500	77,500	852,492	1157.7%
FTE	0.0	0.0	0.0	0.0	0.0	2.0	0.0
Cash Funds Exempt/Reappropriated Funds	1,784,613	1,479,586	874,614	778,725	778,501	3,509	-99.6%
FTE	2.0	2.0	2.0	2.0	2.0	0.0	0.0
Federal Funds	0	0	51,000	51,000	51,000	51,000	0.0%

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

	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>			<u>Change Requests</u>
	<u>Actual</u>	<u>Actual</u>	<u>Final Appropriation</u>	<u>Department Request</u>	<u>Staff Recommends</u>		
					<u>Old Format</u>	<u>New Format</u>	
(3) AIR NATIONAL GUARD							
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	2,059,999	2,059,999	
FTE	<u>26.1</u>	<u>26.1</u>	<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 (M)	456,018 (M)	456,018 (M)	
FTE	5.4	5.4	5.4	5.4	5.4	5.4	
Federal Funds	1,486,356	1,498,494	1,569,147	1,614,126	1,603,981	1,603,981	
FTE	20.7	20.7	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	986,664	986,664	
FTE	15.0	15.0	15.0	17.5	17.5	17.5	
Security for Space Command Facility at Greeley - Federal Funds	137,237	168,874	204,656	215,170	214,621	214,621	
FTE	5.0	5.0	5.0	5.0	5.0	5.0	
SUBTOTAL - (3) AIR NATIONAL GUARD	3,085,154	3,269,629	3,167,044	3,276,729	3,261,284	3,261,284	Request vs. Appropriation
FTE	<u>46.1</u>	<u>46.1</u>	<u>46.1</u>	<u>48.6</u>	<u>48.6</u>	<u>48.6</u>	3.0%
General Fund	351,443	373,522	448,095	458,484	456,018	456,018	1.8%
FTE	5.4	5.4	5.4	5.4	5.4	5.4	0.0
Federal Funds	2,733,711	2,896,107	2,718,949	2,818,245	2,805,266	2,805,266	3.2%
FTE	40.7	40.7	40.7	43.2	43.2	43.2	2.5

(4) FEDERAL FUNDED PROGRAMS

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	88,685,726	88,685,726	
FTE	1,077.0	1,077.0	1,239.0	1,239.0	1,239.0	1,239.0	
Operating and Maintenance - FF	56,294,079	29,705,038	57,419,961	59,142,560	59,142,560	59,142,560	

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

	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>			<u>Change Requests</u>
	<u>Actual</u>	<u>Actual</u>	<u>Final Appropriation</u>	<u>Department Request</u>	<u>Staff Recommends</u>		
					<u>Old Format</u>	<u>New Format</u>	
Construction - FF	21,100,000	12,100,000	13,100,000	39,100,000	39,100,000	39,100,000	
Special Programs - FF	715,700	128,933	715,700	715,700	715,700	715,700	
SUBTOTAL - (4) FEDERAL FUNDED PROGRAMS							Request vs. Appropriation
Federal Funds	159,269,782	110,200,927	157,338,308	187,643,986	187,643,986	187,643,986	19.3%
FTE	1,077.0	1,077.0	1,239.0	1,239.0	1,239.0	1,239.0	<u>0.0</u>
(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	68,703	68,703	
FTE	1.0	1.0	1.0	1.0	1.0	1.0	
Operating Expenses-General Fund	13,315	13,324	13,324	13,324	13,324	13,324	
Repeater Upgrade - General Fund	41,322	772	0	0	0	0	
Aircraft Maintenance-General Fund	34,885	34,693	45,314	45,314	45,314	45,314	
SUBTOTAL - (5) CIVIL AIR PATROL							Request vs. Appropriation
General Fund	152,004	113,343	124,664	127,483	127,341	127,341	2.1%
FTE	1.0	1.0	1.0	1.0	1.0	1.0	<u>0.0</u>

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

	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>		<u>Change Requests</u>	
	<u>Actual</u>	<u>Actual</u>	<u>Final Appropriation</u>	<u>Department Request</u>	<u>Staff Recommends</u> <u>Old Format New Format</u>		
TOTAL - MILITARY AND VETERANS AFFAIRS						Request vs. Appropriation	
AFFAIRS	172,407,350	126,024,564	172,664,890	203,362,449	203,279,273	203,279,273	17.7%
FTE	<u>1,184.8</u>	<u>1,214.3</u>	<u>1,383.8</u>	<u>1,387.8</u>	<u>1,387.3</u>	<u>1,387.3</u>	<u>3.5</u>
General Fund	4,314,373	5,039,209	5,530,793	5,936,941	5,880,982	5,880,982	6.3%
FTE	42.9	44.9	47.9	49.4	48.9	48.9	1.5
Cash Funds	65,912	23,677	119,124	129,050	129,019	959,099	705.1%
FTE	0.1	0.1	0.1	0.1	0.1	2.1	0.0
Cash Funds Exempt/Reappropriated Funds	2,416,048	2,034,141	1,580,665	1,483,689	1,483,589	653,509	-58.7%
FTE	4.0	2.0	2.0	2.0	2.0	0.0	0.0
Federal Funds	165,611,017	118,927,537	165,434,307	195,812,769	195,785,683	195,785,683	18.3%
FTE	1,137.8	1,167.3	1,333.8	1,336.3	1,336.3	1,336.3	2.5

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
FY 2008-09 FIGURE SETTING**

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

Consistent with JBC policy, all amount transferred to the Department or appropriated in another line item will now be classified as reappropriated funds. Funds classified as Cash Funds Exempt that are not appropriated elsewhere will now be classified as Cash Funds. In each affected line item, a table will show the effects of this change in policy.

(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 Division by managing the general administrative functions, which include: Leadership and Policy Development; Human Resource Management; Accounting; Purchasing/Contracting; Budgeting; and Information Technology. Except for the Leadership and Policy Development, each of the functions has multiple operations within the Department, representing the different state and federal responsibilities of the Department. The Executive Director's office is also responsible for the legislative program of the Department at both the state and federal level.

The Army and Air National Guards are each 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 100 percent of maintenance and utilities costs at fifteen state owned armories, and 20 or 25 percent of the costs at four federal facilities.

PERSONAL SERVICES (DECISION ITEMS #3, #4, #5, #7)

The Department requests \$2,206,235 and 35.2 FTE, comprised of \$1,979,057 and 32.5 FTE General Fund, \$3,662 and 0.1 FTE cash funds from armory rental fees, and \$223,516 and 2.6 FTE federal funds.

Most of Department's General Fund personnel expenditures are for administrative and professional staff in the Executive Director/Army National Guard office, and for the labor trades and crafts employees who maintain and repair the armories and other military facilities. The table below shows the breakdown of personnel in the Executive Directors Office. (Please note that the FY 2008-09 Request column shows the addition of personnel from the Administrative Services line as well as increased personnel count as a result of Decision Items.)

	FY 2006-07 Actual	FY 2007-08 Approp.	FY 2008-09 Request	FY 2008-09 Recommend.
Adjutant General / Deputy Dir.	4.0	4.0	4.5	4.0
Accounting	6.0	6.0	10.1	10.1
Human / Resource Management	7.5	7.5	7.5	7.5
Information Technology	1.5	1.5	1.5	1.5
Planning/Budgeting	2.6	2.6	3.1	3.1
Clerical Support	2.0	3.0	4.5	4.5
Maintenance / Skilled Trades	2.0	4.0	4.0	4.0
TOTAL	25.6	28.6	35.2	34.7
General Fund	24.7	27.7	32.5	32.0
Cash Funds	0.1	0.1	0.1	0.1
Federal Funds	0.8	0.8	2.6	2.6

The FY 2008-09 request reflects an increase due to salary survey and performance-based pay awards, and the Department's decision items, one of which (decision item #7) is neutral to the overall budget, but increases this line.

The following table, which incorporates the Personal Service Calculation common policy approved by the Committee, summarizes Staff's calculation of the FY 2008-089 personal services recommendation for the Executive Director and Army National Guard.

Executive Director's Office Recommended Personal Services Budget Breakdown						
	FTE	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	Total
FY 2007-08 Base Appropriation	28.6	\$1,675,952	\$3,511	\$0	\$84,713	\$1,764,176
Salary Survey	0.0	49,815	104	0	3,206	\$53,125
Performance Pay	0.0	18,127	46	0	1,010	\$19,183
1.0% base reduction		(17,439)	(37)	0	(889)	(\$18,365)
Subtotal	28.6	1,726,455	3,624	0	88,040	\$1,818,119
Decision Item # 3 (Facilities Manager)	0.0	0	0	0	0	\$0
Decision Item # 4 (Purchasing Agent)	0.5	23,982	0	0	0	\$23,982
Decision Item # 5 (Budget Analyst)	0.5	26,884	0	0	0	\$26,884
Decision Item # 7 (Transfer EDO- Administrative Services)	5.1	145,221	0	0	132,841	\$278,062
Subtotal Decision Items	6.1	196,087	0	0	132,841	\$328,928
Staff Recommendation for FY 2007-08	34.7	\$1,922,542	3,624	0	220,881	\$2,147,047

Following is a brief description and analysis of the Decision Items that affect this line item.

Decision Item #3 - The Department requests \$37,190 and 0.5 FTE General Fund to hire a Facilities Manager.

The Department's responsibility for the oversight and execution of facilities acquisition, sale, and maintenance is distributed throughout the department. At the present time, no one individual is 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 the new position will include:

- Facilities Maintenance Management
- Facilities Construction Management for State Funded Projects
- Capital Construction/Controlled Maintenance Budget
- Environmental Programs
- Energy Conservation
- Real Estate Programs

The Department states that the existing situation whereby the authority and decision making functions regarding facilities leads to "fuzzy" lines of responsibility and authority regarding facilities that are partially state owned and partially federal owned. Staff contends that this result could be achieved by giving the authority to oversee facilities management to one person on staff with a realignment of duties within the Department's existing staff.

Staff Recommendation – Staff recommends against approval of this Decision Item. The Department has not provided information as to why this function could not be consolidated under one person with a realignment of duties within existing personnel resources. If the Committee does approve this item, it will also affect the following lines in the Executive Director's Office: S.B. 04-257 Amortization Equalization Disbursement - \$533, S.B. 06-235 Supplemental Amortization Equalization Disbursement - \$250, and Operating Expenses - \$4,155.

Decision Item # 4 – The Department requests \$23,982 and 0.5 FTE to add a Purchasing Agent (General Professional III)

Up until FY 2002-03, the Department's purchasing/contracting section consisted of one contracting and one purchasing FTE. When the Division of Veterans Affairs was transferred to the Department, another 0.5 FTE was transferred as support. This 0.5 FTE position was eliminated in the budget reductions of FY 2003-04, and restored in the FY 2006-07 budget. The restoration of this position did not, however, address the existing backlog of contracting and purchasing work.

Currently, the Department has identified a backlog of purchasing and contracting work of 1,040 hours. The backlog will increase as the Department's purchasing/contracting necessary for conducting \$6.9 million in accumulated Controlled Maintenance Projects and the upcoming construction of three to four new armories by FY 2010-11. When the Department constructed a new Guard Maintenance Facility at Fort Carson in FY 2002-03, Purchasing and Contracting transactions increase from about 500 per year to over 1,700 per year. They since dropped to about 800 per year, before a predicted increase in FY 2007 due to new construction and controlled maintenance projects.

In addition, the state dollars at risk from purchasing and contracting transactions has increased from about \$2 million in FY 2000 to about \$4.5 million in FY 2006, and were projected to increase to over \$8 million in 2007. Trend analysis shows that the progression of transactions and the dollars involved are increasing.

Staff Recommendation – Staff recommends approval of Decision Item # 4, adding \$23,982 and 0.5 FTE General Fund for a Purchasing Agent. Approving this request will also change the following line items in the Executive Director's Office: S.B. 04-257 Amortization Equalization Disbursement - \$344, S.B. 06-235 Supplemental Amortization Equalization Disbursement - \$161, and Operating Expenses - \$250.

Decision Item #5 – The Department requests \$26,884 and 0.5 FTE for a Budget Analyst II, bringing the Department to a full FTE Budget Analyst.

Currently the Department has a permanent part time Budget Analyst II (0.5 FTE). Due to the extensive nature of the duties of the position, responsibilities must be shared with the Resource Manager and Deputy Executive Director, even though the current incumbent spends 20 to 40 hours per month of uncompensated time to meet the deadlines imposed by the Executive and the Legislature. While the incumbent in the position has been willing to spend the extra time, he will be leaving the Department in 2008.

The Department states that the budget preparation duties exceed the permanent part-time employee's hours by the following amounts:

- The Deputy Director spends approximately 10 to 15 hours per week from July through December on budget preparation (260 to 390 total hours).
- The Resource Manager spends approximately 20 to 30 hours per week from July through December on budget preparation (520 to 780 total hours).
- The Budget Analyst spends approximately 10 to 15 hours per week year round in uncompensated time for budget preparation (520 to 780 total hours).

In addition to budget preparation, the Budget Analyst's duties include budget tracking, providing management reports on expenditure rates, federal fund tracking and state share tracking, and preparation of capital construction budgets.

Staff Recommendation – Staff recommends approval of Decision Item # 5, adding \$26,684 and 0.5 FTE General Fund to give the Department a full-time Budget Analyst (1.0 FTE). Approving this request will also change the following line items in the Executive Director's Office: S.B. 04-257 Amortization Equalization Disbursement - \$385, S.B. 06-235 Supplemental Amortization Equalization Disbursement - \$181, and Operating Expenses - \$250.

Decision Item #7 – The Department requests permission to merge the Administrative Services line into the Personal Services line.

The request to merge the two lines has no budgetary impact. It would move 5.1 FTE and \$281,525 (comprised of \$146,992 General Fund and \$134,533 Federal Funds) to the Personal Services line from the Administrative Service Line, which would then be eliminated. Both lines are in the Executive Director's Office.

The Administrative Service line was added to the Executive Director's Office in the FY 1999-2000 Long Bill. The FTE in this line provide the administrative support in accounting, personnel, and purchasing for the management, expenditure and accounting of federal funds in the Master Cooperative Agreement for the funding of the National Guard.

According to the Department, personal services lines that have five or fewer FTE are 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 difficult for these lines to generate vacancy savings to pay for retirements and potential promotions as the responsibilities and duties of the person in such lines change over time. Consolidating lines with few FTE into the EDO-Personal Services lines allows 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.

Staff Recommendation – Staff recommends approval of Decision Item # 7, merging the Administrative Services line with the Personal Services line in the Executive Director's Office. This item has no impact on the Department's or Division's overall budget.

Staff recommends an appropriation of \$2,147,047 and 34.7 FTE, comprised of \$1,922,542 and 32.0 FTE General Fund, \$3,624 and 0.1 FTE cash funds from armory rental fees, and \$220,881 and 2.6 FTE federal funds. The recommendation includes a personal services base reduction of \$(18,365). These amounts include Decision Items # 4, 5, and 7, for which staff recommends approval, but not Decision Item # 3, for which staff does not recommend approval.

HEALTH, LIFE, AND DENTAL

The Department requests \$552,233, comprised of \$191,994 General Fund, \$474 cash funds exempt, and \$359,765 federal funds.

Staff recommends an appropriation of \$552,233, comprised of \$191,994 General Fund, \$474 cash funds from the Western Slope Military Veterans Cemetery Fund, and \$359,765 federal funds, pursuant to Committee common policy.

Reappropriated Funds Table					
Health, Life & Dental	Total	General Fund	Cash Funds	CFE/RF	FF
Request	\$552,233	\$191,994	\$0	\$474	\$359,765
Change	0	0	474	(474)	0
New Request	\$552,233	\$191,994	\$474	\$0	\$359,765

SHORT-TERM DISABILITY

The Department requests \$9,304, comprised of \$3,237 General Fund, \$5 cash funds, \$116 cash funds exempt, and \$5,946 federal funds.

Staff recommends an appropriation of \$8,940, comprised of \$3,276 General Fund, \$91 cash funds from the Western Slope Military Veterans Cemetery Fund and armory rental fees), and \$5,573 federal funds, pursuant to Committee common policy.

Reappropriated Funds Table					
Short-term Disability	Total	General Fund	Cash Funds	CFE/RF	FF
Request	\$8,940	\$3,276	\$5	\$86	\$5,573
Change	0	0	86	(86)	0
New Request	\$8,940	\$3,276	\$91	\$0	\$5,573

S.B. 04-157 AMORTIZATION EQUALIZATION DISBURSEMENT

The Department requests \$115,772, comprised of \$41,097 General Fund, \$61 cash funds, \$1,428 cash funds exempt, and \$73,186 federal funds.

Staff recommends an appropriation of \$109,918, comprised of \$40,208 General Fund, \$1,123 cash funds from armory rental fees and the Western Slope Military Veterans Cemetery Fund, and \$68,587 federal funds, pursuant to Committee common policy.

Reappropriated Funds Table					
Amortization Equalization Distribution	Total	General Fund	Cash Funds	CFE/RF	FF
Request	\$109,918	\$40,208	\$46	\$1,077	\$68,587
Change	0	0	1,077	(1,077)	0
New Request	\$109,918	\$40,208	\$1,123	\$0	\$68,587

S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT

The Department requests \$37,221, comprised of \$13,321 General Fund, \$20 cash funds, \$457 cash funds exempt, and \$23,423 federal funds.

Staff recommends an appropriation of \$50,869, comprised of 18,192 General Fund, \$526 cash funds from armory rental fees and the Western Slope Military Veterans Cemetery Fund, and \$32,151 federal funds, pursuant to Committee common policy.

Reappropriated Funds Table					
Supplemental Amortization Equalization Distribution	Total	General Fund	Cash Funds	CFE/RF	FF
Request	\$50,527	\$17,850	\$22	\$504	\$32,151
Change	0	0	504	(504)	0
New Request	\$50,527	\$17,850	\$526	\$0	\$32,151

SALARY SURVEY AND SENIOR EXECUTIVE SERVICE

The Department requests \$249,025, comprised of \$86,819 General Fund, \$133 cash funds, \$3,113 cash funds exempt, 158,960 federal funds.

Staff recommends an appropriation of \$266,214, comprised of \$91,455 General Fund, \$3,724 cash funds from armory rental fees and the Western Slope Military Veterans Cemetery Fund, and \$171,035 federal funds pursuant to Committee common policy.

Reappropriated Funds Table					
Salary Survey and Senior Executive Service	Total	General Fund	Cash Funds	CFE/RF	FF
Request	\$266,214	\$91,455	\$153	\$3,571	\$171,035
Change	0	0	3,571	(3,571)	0
New Request	\$266,214	\$91,455	\$3,724	\$0	\$171,035

PERFORMANCE-BASED PAY AWARDS

The Department requests \$110,030, comprised of \$38,360 General Fund, \$59 cash funds, \$1,376 cash funds exempt, and \$70,235 federal funds.

Staff recommends an appropriation of \$110,030, comprised of \$38,360 General Fund, \$1,435 cash funds from armory rental fees and the Western Slope Military Veterans Cemetery Fund, and \$70,235 federal funds pursuant to Committee common policy.

Reappropriated Funds Table					
Performance- Based Pay Awards	Total	General Fund	Cash Funds	CFE/RF	FF
Request	\$110,030	\$38,360	\$59	\$1,376	\$70,235
Change	0	0	1,376	(1,376)	0
New Request	\$110,030	\$38,360	\$1,435	\$0	\$70,235

SHIFT DIFFERENTIAL

The Department requests \$19,579 federal funds.

Staff recommends an appropriation of \$17,480 federal funds, pursuant to Committee common policy.

WORKERS' COMPENSATION

The Department requests \$78,772, comprised of \$26,782 General Fund and \$51,990 federal funds.

Staff recommendation is pending Committee common policy.

OPERATING EXPENSES (DECISION ITEM #1, #3, #4, #5, #8)

The Department requests \$2,337,795, comprised of \$1,462,223 General Fund, 46,000 cash funds exempt from real estate proceeds, and \$829,572 federal funds. The request is broken out in the table below:

Executive Director's Office Requested Operating Expense Line Breakdown					
	General Fund	Cash Funds	Cash Funds Exempt/ Reappropriated Funds	Federal Funds	Total
FY 2007-08 Base Appropriation	\$567,597	\$0	\$46,000	\$348,533	\$962,130
Decision Item # 1 (Funding of Maintenance Backlog)	254,419	0	0	0	\$254,419
Decision Item # 3 (Facilities Manager)	4,155	0	0	0	\$4,155
Decision Item # 4 (Purchasing Agent)	250	0	0	0	\$250
Decision Item # 5 (Budget Analyst)	250	0	0	0	\$250
Decision Item # 8 (Merger of Utilities Line to Operating Expenses Line)	635,552	0	0	481,039	\$1,116,591
Change from cash funds exempt to cash funds	0	46,000	(46,000)	0	\$0
Total Operating Expenses Request	1,462,223	46,000	0	829,572	\$2,337,795

Decision Item #1 - Deferred Maintenance on Armories. During the State's fiscal downturn, the General Assembly cut approximately \$185,000 from the Department's operating expenses line item. Among the steps the Department took in response were selling, trading or leasing six armory facilities to reduce maintenance costs, changing from a 5 day/8 hour schedule to a 4 day/10 hour

schedule to reduce maintenance and utility costs, and authorizing only health and safety repairs and maintenance of existing facilities.

In FY 2006-07, General Assembly approved restoring the \$185,170 General Fund that had been cut, however, by that time a maintenance backlog of approximately \$667,000 had accumulated. The General Assembly approved a one-time increase of \$220,527 General Fund to address about one-third of that backlog, and for FY 2007-08, the General Assembly approved \$194,891 General Fund to address the second one-third of the backlog identified in the previous year. For FY 2008-09, the Department is requesting \$254,419 General Fund to address the remaining third of the maintenance backlog, and to add that amount into the Department's base.

Under cooperative agreements with the federal government, the state is responsible for all maintenance costs on fifteen Colorado National Guard armories and 20 or 25 percent of the maintenance costs on four other facilities. Annual maintenance costs are increasing by approximately \$200,000 per year, due to the age of the armories and the high operations tempo of the Global War on Terror.

The Department requests that this funding be made part of the Department's base for this line. The Department cites the Colorado Construction Cost Index, compiled by CDOT, which has gone from 160 to 280 during the period from 2001 to 2006, which represents an increase of 75% over that period of time. The Department has submitted a list of maintenance requests that are not part of the backlog that totals approximately \$1 million, which would be addressed in future years by granting this request to make the funds part of the base in this line.

Staff Recommendation – **Staff recommends approval of the Department's request of \$254,419 General Fund to complete the backlog of maintenance and that this amount be added to the Department's base in this line.**

Decision Item # 3 – Facilities Manager. The Department requests \$4,155 General Fund Operating Expenses for the 0.5 FTE Facilities Manager (See Personal Services for justification narrative).

Decision Item # 4 – Purchasing Agent. The Department requests \$250 General Fund in Operating Expenses for the 0.5 FTE Purchasing Agent (See Personal Services for justification narrative).

Decision Item # 5 – Budget Analyst. The Department requests \$250 General Fund in Operating Expenses for the Budget Analyst (See Personal Services for justification narrative).

Decision Item # 8 – Transfer of Utilities Line to Operating Expenses Line. The Department requests to merge the Utilities line into the Operating Expenses line to give the Department the ability to better manage its utilities expenses. The Department is not requesting an increase in either the (exclusive of Decision Items) Operating Expenses or Utilities lines.

The Department states that it needs flexibility to adjust its spending to cover fluctuations in utility costs for the armories for both general and federal funds. The Department has experienced wide variations in utilities expenses over the last eight years, with a general and pronounce trend upward

as energy costs in particular, have increased over that period of time. The Department's utilities expenses will continue to be shown with the Operating Expenses line (as is currently the case with the Western Slope Veterans Cemetery line and other lines in the Department), providing transparency to the expense.

Of the 21 agencies and departments of State government, only six (including this Department) have a separate Utilities line item in the Executive Director's offices, so this request is not out of line with the practice in most departments in State government. This request will not have an impact on the Department's budget, since both operating expenses and utilities lines are continuation budgets (outside of Decision Items). It will reduce the need for supplemental appropriations as the Department will have more flexibility to manage its utilities expense as part of the operating expenses.

Staff recommends approval of Department Decision Item # 8, merging the Utilities line item into the Operating Expenses Line Item. This will have the effect of increasing the Operating Expenses line by \$1,116,859, comprised of \$635,552 General Fund and \$481,037 federal funds, while zeroing out all lines in the Utilities line item.

Staff recommends an appropriation of \$2,333,640, comprised of \$1,458,068 General Fund, 46,000 cash funds from real estate proceeds, and \$829,572 federal funds.

INFORMATION TECHNOLOGY ASSET MAINTENANCE

The Department requests a continuation of \$27,372 General Fund.

Staff recommends a continuation appropriation of \$27,372 General Fund.

LEGAL SERVICES FOR 110 HOURS

The Department requests a continuation of \$7,923 General Fund, and 110 hours of legal services for lawsuits, workers' compensation cases, and contract review.

Staff recommends a continuation of 110 hours for legal services. Staff recommendation for the appropriation is pending Committee common policy.

PURCHASE OF SERVICES FROM COMPUTER CENTER

The Department requests \$9,411 General Fund for services from the computer center.

Staff recommendation is pending Committee common policy.

MULTIUSE NETWORK PAYMENTS

The Department requests \$11,055 General Fund.

Staff recommendation is pending Committee common policy.

PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS

The Department requests \$172,236 General Fund.

Staff recommendation is pending Committee common policy.

VEHICLE LEASE PAYMENTS

The Department requests \$48,618 General Fund.

Staff recommendation is pending Committee common policy.

LEASED SPACE

The Department requests \$44,978 General Fund for space leased for the Division of Veterans Affairs offices located at 7465 E. First Avenue in Denver.

Staff recommends continuation funding of \$44,978 General Fund.

CAPITOL COMPLEX LEASED SPACE (Camp George West)

The Department requests \$89,745, comprised of \$68,120 General Fund and \$21,625 federal funds, for space at Camp George West.

Staff recommendation is pending Committee common policy.

COMMUNICATIONS SERVICES PAYMENTS

The Department requests \$11,392 General Fund.

Staff recommendation is pending Committee common policy.

UTILITIES (Decision Item # 8)

The Department is requesting, through Decision Item 8, to merge the Utilities line with the Operating Expenses line, transferring spending authority from this line to the Department's Executive Director's Office, Operating Expenses. (See the Decision Item narrative in the Operating Expenses Line above.)

Staff recommends merging this line with the Operating Expenses line, however if the Committee does not approve of this request, staff recommends a continuation appropriation of \$1,116,591, comprised of \$635,552 General Fund, and \$481,039.

LOCAL ARMORY INCENTIVE PLAN

The Department has statutory authority to spend armory rental proceeds for costs of operating armories outside normal hours. The spending authority is needed for costs of increased use of the armories for extended hours due to the Global War on Terror.

The Department requests \$46,610 cash funds from armory rental proceeds.

Staff recommends a continuation appropriation of \$46,610 cash funds from armory rental proceeds.

DISTANCE LEARNING

The Department requests \$3,000, comprised of \$1,000 cash funds and \$2,000 cash funds exempt from fees on distance learning facilities and equipment, to pay for distance learning programs.

Staff recommends a continuation appropriation of \$3,000 cash funds, from reserves in the Department of Military and Veterans Affairs fund and the Distance Learning Cash Fund.

Reappropriated Funds Table					
Distance Learning	Total	General Fund	Cash Funds	CFE/RF	FF
Request	\$3,000	\$0	\$1,000	\$2,000	\$0
Change	0	0	2,000	(2,000)	0
New Request	\$3,000	\$0	\$3,000	\$0	\$0

COLORADO NATIONAL GUARD TUITION FUND

The Department requests \$825,803, comprised of \$175,803 General Fund and \$650,000 cash funds exempt from the Department of Higher Education.

The National Guard tuition assistance program reimburses Colorado public institutions of higher education for tuition for eligible National Guard members. H.B. 04-1347 provided additional funding for the program through annual transfers of up to \$650,000 from the Department of Higher Education/Colorado Commission on Higher Education/Financial Aid budget. The Department requests \$825,803, comprised of a continuation General Fund appropriation of \$175,803, plus the maximum transfer allowed of \$650,000 cash funds exempt.

The maximum transfer from Higher Education was not needed in FY 2006-07 due to the number of National Guard members who were activated and not in Colorado to take advantage of the tuition assistance program. Since then, deployments have remained steady while troop strength has increased, and demand for tuition assistance has increased. The Department is now experiencing its highest levels of tuition usage to date and expects continuation of that level next year.

Staff recommends an appropriation of \$825,803, comprised of \$175,803 General Fund and \$650,000 reappropriated funds from the Department of Higher Education.

Reappropriated Funds Table					
Colorado National Guard Tuition Fund	Total	General Fund	Cash Funds	CFE/RF	FF
Request	\$825,803	\$175,803	\$0	\$650,000 (T)	\$0
Change	650,000	0	0	650,000	0
New Request	\$825,803	\$175,803	\$0	\$650,000	\$0

ARMY NATIONAL GUARD COOPERATIVE AGREEMENTS

This line item funds programs that are 100 percent federally funded under the Department's cooperative agreements with the U.S. Department of Defense. The Department requests \$3,461,741 and 51.5 FTE federal funds.

This line item contains both personal services and operating expenses. Staff's recommendation for personal services is \$2,353,004 and include a base reduction of \$23,768, and operating expenses of \$1,083,533, all federal funds.

Staff recommends an appropriation of \$3,436,537 and 51.5 FTE federal funds. This includes a base reduction of \$(23,768).

ADMINISTRATIVE SERVICES

	FY 2006-07 Actual	FY 2007-08 Approp.	FY 2008-09 Request	FY 2008-09 Recommend.
Accounting	4.1	4.1	0.0	0.0
General Professional	1.0	1.0	0.0	0.0
TOTAL	5.1	5.1	0.0	5.1
General Fund	3.3	3.3	0.0	0.0
Federal Funds	1.8	1.8	0.0	0.0

The U.S. Department of Defense requires the Department to have a Direct Administrative Services Cost Plan, in order to receive funding for eight partially federally funded state FTE. It is a separate line item to track funding changes for those specific staff members.

The Department has requested, through Decision Item # 7, to merge this line with the Personal Services line (See discussion of Decision Item # 7 in the Personal Services section above.)

If the Committee's decision was not to approve this Decision Item, staff recommends a continuation appropriation of \$278,062 and 5.1 FTE, comprised of \$145,221 and 3.3 FTE General Fund, and \$132,841 and 1.8 FTE federal funds. The recommendation includes a personal services base reduction of \$2,809.

COMMON POLICY SUMMARY

Below is a table that summarizes the Executive Director and Army National Guard division, which includes the amount requested by the Department for Common Policy line items, which are pending staff recommendation and Committee action.

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS					
Executive Director and Army National Guard					
	Total Request	General Fund	Cash funds	Cash funds exempt / Reappropriated Funds	Federal funds
FY 2005-06 Actual	\$7,605,012	\$3,300,141	\$65,912	\$631,435	\$3,607,524
FY 2006-07 Actual	10,223,695	3,814,960	23,677	554,555	5,830,503
FY 2007-08 Appropriation	10,261,173	4,177,732	51,340	706,051	5,326,049
FY 2008-09 Department request	10,475,850	4,419,798	51,550	704,964	5,299,538
Sub-total of recommended Committee actions	9,980,671	4,012,248	106,607	650,000	5,211,816
Department request for common policy line items.	429,152	355,537	0	0	73,615
Total - Executive Director and Army National Guard	\$10,409,823	\$4,367,785	\$106,607	\$650,000	\$5,285,431

2) DIVISION OF VETERANS AFFAIRS

The Division represents veterans in federal benefits claims, provides information and training to county veterans service officers, and maintains the Western Slope Military Veterans' Cemetery in Grand Junction. The State Board of Veterans Affairs makes grants 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 nonprofit veterans organizations from the Colorado State Veterans Trust Fund, which is derived from the tobacco settlement proceeds.

VETERANS SERVICE OPERATIONS

The Department requests \$591,237 and 8.0 FTE, comprised of \$587,728 and 8.0 FTE General Fund and \$3,509 cash funds exempt from the Veterans Trust Fund. The request is broken out by Personal Services (\$487,421 General Fund), and Operating Expenses (\$103,816 Total, \$100,307 General Fund and \$3,509 Cash Funds Exempt from the Veterans Trust Fund. The \$3,509 request from the Veterans Trust Fund is the cost of administering the fund.

Staff functions are broken down in the following table:

	FY 2006-07 Actual	FY 2007-08 Approp.	FY 2008-09 Request	FY 2008-09 Recommend.
Veterans Service Officers	5.0	5.0	5.0	5.0
Administrative staff	3.0	3.0	3.0	3.0
TOTAL	8.0	8.0	8.0	8.0

This line item is broken down into personal services and operating expenses according to the following table. Because the appropriation from the Veterans Trust Fund is appropriated in the Veterans Trust Fund Expenditures line, it is considered reappropriated funds here.

	General Fund	Reappropriated Funds	Total
Staff Recommendation Personal Services	486,352	0	486,352
Staff Recommendation Operating Expenses	100,307	3,509	103,816
Total Recommendation	586,659	3,509	590,168

Staff recommends a continuation appropriation of \$590,168 and 8.0 FTE, comprised of \$586,659 and 8.0 FTE General Fund, and \$3,509 reappropriated funds from the Veterans Trust Fund. The recommendation includes a personal services base reduction of \$4,997 and operating expenses of \$75,308.

COUNTY VETERANS SERVICE OFFICER PAYMENTS (Decision Item #2)

This line item funds payments to counties for administrative support of county veterans service officers. The payments serve to maintain a formal connection with the county officers. The Department requests \$213,154 General Fund.

Decision Item #2 – The Department request \$124,354 General Fund for pilot program for increasing payments to counties for county veterans service officers.

The Department request is for pilot program to increase the payment to select Colorado counties for the work provided by County Veterans Service Officers. The State requires each county to have a County Veterans Service Officer. Some counties have full-time CVSOs, others have part-time or volunteer CVSOs, and at least two counties share a CVSO with another county. The State reimburses the counties at the rate of \$200 per month for a full-time CVSO and \$100 per month for a part-time CVSO. These rates have been in effect since 1996. The counties report that they spent \$1,229,223 supporting the program, while the state appropriation is \$88,800.

County Veterans Service Officers assist veterans in claiming earned benefits from the U.S. Department of Veterans Administration (VA), including compensation, pension, health care, vocational rehabilitation and employment, education and training, home loans, life insurance, dependents and survivors benefits, and burial. CVSOs often serve as the first point of contact between a veteran and the VA. They take information and refer the veteran's information to the State Veterans Service Officers, who, with power of attorney, are certified to represent veterans before the VA.

This request is for a pilot program for five counties (Arapahoe, Denver, El Paso, Jefferson and Mesa counties), which, if the pilot is successful, would be expanded statewide in FY 2009-10. The stipulations of the program include (1) maintaining support of the CVSO program and that additional funds be used to increase the effort to register veterans, and (2) the progress of the county expenditures would be reported with the number of newly registered veterans in those counties. According to figures from the VA, approximately one-quarter of the 426,271 veterans in the state have not registered with the VA, and may be losing out on benefits.

If successful in raising the number of veterans registered with the VA, the counties could be reimbursed for up to 25% of their expenditures in support of the program.

Staff recommends approval of Decision Item #2, an increase of \$124,354 to fund the pilot program to increase reimbursement to the counties for their support of the County Veterans Service Officers.

Staff recommends an appropriation of \$213,154 General Fund.

COLORADO STATE VETERANS TRUST FUND EXPENDITURES (Decision Item # 6)

The Department requests an appropriation of \$627,500, comprised of \$77,500 cash funds and \$550,000 cash funds exempt from the Veterans Trust Fund.

Under current law, trust fund expenditures in FY 2008-09 are limited to 55 percent of the amount transferred from tobacco settlement proceeds into the fund, plus any accumulated interest. (Section 28-5-709 (3)(b)(I)(B) C.R.S.).

Decision Item # 6: The Department has requested a decision item to restore \$2,280,900 in funding to the Veterans Trust Fund. In FY 2002-03, the General Assembly took \$2,280,900 from the Veterans Trust Fund to shore up the General Fund during the State's fiscal crisis. The funds have not been repaid and the Department is requesting funding to restore those funds.

There are two bills introduced in the General Assembly to restore the funding. H.B. 08-1078 (Buescher, Morse) has moved through the House Committee on State, Veterans and Military Affairs, amended to restore interest, and is scheduled to be heard in the House Appropriations Committee, so the Department's request has been dealt with by legislation. H.B. 08-1077 (King) has been postponed indefinitely.

Staff recommends that the Committee take no action on this Decision Item at this time. H.B. 08-1078 would accomplish the Decision Items purpose.

Expenditures from the trust fund have been broken out as interest from the prior fiscal year (cash funds) and expenditures from the transferred principal (cash funds exempt). Pursuant to the Committee's policy regarding changes from cash funds exempt to reappropriated funds, these will be considered cash fund expenditures.

Staff recommends an appropriation of \$627,500 cash funds from the Colorado State Veterans Trust Fund. This appropriation includes \$77,500 in interest income from the fund and up to 55 percent of the transfers from the tobacco settlement proceeds (one percent of the total transfer up to a maximum of \$1 million.) The figures in this recommendation are based on OSPB's forecast. A more recent forecast is not available as of this writing, will be presented by the tobacco settlement analyst, at which time these figures may change.

Reappropriated Funds Table					
Veterans Trust Fund Expenditures	Total	General Fund	Cash Funds	CFE/RF	FF
Request	\$627,500	\$0	\$77,500	\$550,000	\$0
Change	0	0	550,000	(550,000)	0
New Request	\$627,500	\$0	\$627,500	\$0	\$0

WESTERN SLOPE MILITARY VETERANS CEMETERY

The Department requests a continuation appropriation of \$406,510 and 4.5 FTE, comprised of \$130,294 and 2.5 FTE General Fund, \$225,216 and 2.0 cash funds exempt from the Western Slope Military Veterans Cemetery Fund, and \$51,000 federal funds from interment fees.

	FY 2006-07 Actual	FY 2007-08 Approp.	FY 2008-09 Request	FY 2008-09 Recommend.
General Professional	1.0	1.0	1.0	1.0
Administrative Assistant	1.5	1.5	1.5	1.5
Maintenance Mechanic/ Structural Trades	2.0	2.0	2.0	2.0
TOTAL	4.5	4.5	4.5	4.5

Staff recommends a continuation appropriation of \$406,017 and 4.5 FTE, comprised of \$130,025 and 2.5 FTE General Fund, \$224,992 and 2.0 FTE cash funds from the Western Slope Military Veterans Cemetery Fund, and \$51,000 federal funds (from interment fees). The request includes \$226,668 for personal services, \$167,829 for operating expenses, and \$11,520 for utilities.

Reappropriated Funds Table					
Western Slope Military Veterans Cemetery	Total	General Fund	Cash Funds	CFE/RF	FF
Request	\$406,017	\$130,025	\$0	\$224,992	\$51,000
Change	0	0	224,992	(224,992)	0
New Request	\$406,017	\$130,025	\$224,992	\$0	\$51,000

(3) AIR NATIONAL GUARD

The following table summarizes FTE for the Division of the Air National Guard.

	FY 2006-07 Actual	FY 2007-08 Approp.	FY 2008-09 Request	FY 2008-09 Recommend.
Admin. Support	2.0	2.0	3.0	3.0
Air Traffic Controllers	7.0	7.0	7.0	7.0
Physical Plant	32.1	32.1	33.6	33.6
Security	5.0	5.0	5.0	5.0
TOTAL	46.1	46.1	48.6	48.6
General Fund	5.4	5.4	5.4	5.4
Federal Funds	40.7	40.7	43.2	43.2

OPERATIONS AND MAINTENANCE AGREEMENT FOR BUCKLEY/GREELEY

This line item funds personal services, operating expenses, and utilities for the Buckley Air Force Base. The proportion of General Fund to federal funds is based on the annual cooperative agreement between the Department and the U.S. Department of Defense. The Department requests \$2,072,610 and 26.1 FTE, comprised of \$458,484 and 5.4 FTE General Fund, and \$1,614,126 and 20.7 FTE federal funds.

Staff recommends an appropriation of \$2,059,999 and 26.1 FTE, comprised of \$456,018 and 5.4 FTE General Fund and \$1,603,981 and 20.7 FTE federal funds. The request is broken down in the following table:

Staff Recommendation			
Category	General Fund	Federal Funds	Total
Personal Services	\$237,533	\$953,275	\$1,190,808
(Includes Personal Services base reduction)	(2,399)	(9,629)	(12,028)
Operating Expenses	69,120	205,851	274,971
Utilities	149,365	444,855	594,220
Recommended Total	\$456,018	\$1,603,981	\$2,059,999

BUCKLEY COOPERATIVE AGREEMENT

This line funds personal services, operating expenses, and utilities for the Air National Guard that are 100 percent federal funded. The Department requests \$988,949 and 17.5 FTE federal funds.

Staff recommends an appropriation of \$986,664 and 17.5 FTE federal funds. The recommendation includes \$875,758 for personal services, \$12,487 for operating expenses and \$98,419 for utilities.

SECURITY FOR SPACE COMMAND FACILITY AT GREELEY

The federal government pays the state to employ five full-time security guards at the Greeley facility. The Department requests \$215,170 and 5.0 FTE federal funds.

Staff recommends an appropriation of \$214,621 and 5.0 FTE federal funds. The recommendation includes \$210,212 for personal services and \$4,409 for operating expenses.

(4) FEDERAL FUNDED PROGRAMS

This section is included for information only. It describes 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 requested level of federal funding reflects estimates of the federal

appropriation for federal fiscal year 2009, which runs from October 1, 2008 through September 30, 2009

PERSONAL SERVICES

Staff recommends the requested amount of 88,685,726 and 1,239.0 FTE federal funds.

OPERATING AND MAINTENANCE

Staff recommends the requested amount of \$59,142,560 federal funds.

CONSTRUCTION

Staff recommends the requested amount of \$39,100,000 federal funds.

SPECIAL PROGRAMS

Staff recommends the requested amount of \$715,700 federal funds.

(5) 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. It is funded primarily by the U.S. Air Force and user fees. The organization has five statutory purposes, including: 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 mission of the Division of Civil Air Patrol is to provide support for and facilitate the operation of the Civil Air Patrol, Colorado Wing. The state grants funding to the organization, through the Division, for one full-time office position, operating expenses, and aircraft maintenance.

PERSONAL SERVICES

	FY 2006-07 Actual	FY 2007-08 Appropriation	FY 2008-09 Request	FY 2008-09 Recommended
General Professional	1.0	1.0	1.0	1.0
TOTAL	1.0	1.0	1.0	1.0

The Department requests \$68,845 and 1.0 FTE General Fund.

Staff recommends an appropriation of \$68,703 and 1.0 FTE General Fund.

OPERATING EXPENSES

The Department requests continuation funding of \$13,324 General Fund for operating expenses, which includes travel expenses, aircraft supplies, and office supplies.

Staff recommends a continuation appropriation of \$13,324 General Fund.

AIRCRAFT MAINTENANCE

This line item funds the maintenance on 14 Civil Air Patrol fixed wing aircraft that does not meet the criteria for federal funding. The Department requests a continuation of \$45,314 General Fund.

Staff recommends a continuation appropriation of \$45,314 General Fund.

SUMMARY OF DEPARTMENT TOTALS WITH COMMON POLICY REQUESTS INCLUDED

Below is a table that summarizes the Department totals, including the Departmental requests for common policy line items with staffs' recommendations for all other line items.

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS					
Department Totals with Department Request for Common Policy Line Items					
	Total	General Fund	Cash Funds	Cash Fund Exempt / Reappropriated Funds	Federal Funds
FY 2005-06 Actual	\$172,407,350	\$4,314,373	\$65,912	\$2,416,048	\$165,611,017
FY 2006-07 Actual	126,024,564	\$5,039,209	\$23,677	\$2,034,141	\$118,927,537
FY 2007-08 Appropriation	172,664,890	\$5,530,793	\$119,124	\$1,580,665	\$165,434,307
FY 2008-09 Department request	203,362,449	5,936,941	129,050	1,483,689	195,812,769
Sub-total of recommended Committee actions	202,850,121	5,525,445	959,099	653,509	195,712,068
Department request for common policy line items.	429,152	355,537	0	0	73,615
Total - Department of Military and Veterans Affairs	\$203,279,273	\$5,880,982	\$959,099	\$653,509	\$195,785,683

LONG BILL FOOTNOTE UPDATE

Staff recommendations are provided below for Department footnotes in the FY 2007-08 Long Bill:

N **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 Affairs.

Comment: Staff recommends continuing this footnote. As a statement of legislative intent, no information was requested or required to comply with this footnote. The Department has an ongoing mission directly related to federal funding.