

**COLORADO GENERAL ASSEMBLY**

**JOINT BUDGET COMMITTEE**



**FY 2007-08 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 2006-07 FIGURE SETTING  
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE  
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

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**Department of Military and Veterans Affairs**

	<b>FY 2004-05</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>	<b>Staff</b>	<b>Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Appropriation</b>	<b>Request</b>	<b>Recommend.</b>	<b>Requests</b>

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

Maj. Gen. Mason C. Whitney, 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	1,789,327	1,842,035	1,610,432	1,769,153	1,758,101	
FTE	<u>27.6</u>	<u>27.6</u>	<u>25.6</u>	<u>28.6</u>	<u>28.6</u>	
General Fund	1,559,952	1,615,185	1,524,683	1,680,662	1,671,349	DI #2
FTE	24.7	24.7	24.7	27.7	27.7	DI #2
Cash Funds	0	388	3,454	3,522	3,451	
FTE	0.1	0.1	0.1	0.1	0.1	
Cash Funds Exempt	97,841	89,774	0	0	0	
FTE	2.0	2.0	0.0	0.0	0.0	
Federal Funds	131,534	136,688	82,295	84,969	83,301	
FTE	0.8	0.8	0.8	0.8	0.8	
Health, Life and Dental	<u>0</u>	<u>0</u>	<u>299,320</u>	<u>446,236</u>	<u>450,103</u>	
General Fund	0	0	103,925	128,080	126,962	
Cash Funds	0	0	269	0	0	
Cash Funds Exempt	0	0	11,294	3,630	3,823	
Federal Funds	0	0	183,832	314,526	319,318	
Short-term Disability	<u>0</u>	<u>0</u>	<u>7,937</u>	<u>10,125</u>	<u>10,125</u>	
General Fund	0	0	3,213	3,633	3,633	
Cash Funds	0	0	5	5	5	
Cash Funds Exempt	0	0	282	85	85	
Federal Funds	0	0	4,437	6,402	6,402	
S.B.04-257 Amortization Equalization Disbursement	<u>0</u>	<u>0</u>	<u>38,793</u>	<u>101,087</u>	<u>92,304</u>	
General Fund	0	0	15,174	36,346	33,276	
Cash Funds	0	0	25	52	44	
Cash Funds Exempt	0	0	1,408	845	1,073	

**FY 2007-08 JBC Staff Figure Setting**  
**Department of Military and Veterans Affairs**

	<b>FY 2004-05</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>	<b>Staff</b>	<b>Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Appropriation</b>	<b>Request</b>	<b>Recommend.</b>	<b>Requests</b>
Federal Funds	0	0	22,186	63,844	57,911	
S.B.06-235 Amortization Equalization Disbursement	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18,240</u>	
General Fund	0	0	0	0	5,942	
Cash Funds	0	0	0	0	9	
Cash Funds Exempt	0	0	0	0	224	
Federal Funds	0	0	0	0	12,065	
Salary Survey and Senior Executive Service	<u>0</u>	<u>0</u>	<u>154,043</u>	<u>330,327</u>	<u>330,327</u>	pending c.p.
General Fund	0	0	61,339	114,611	114,611	
Cash Funds	0	0	50	98	98	
Cash Funds Exempt	0	0	4,170	11,571	11,571	
Federal Funds	0	0	88,484	204,047	204,047	
Performance-based Pay Awards	<u>0</u>	<u>0</u>	<u>0</u>	<u>63,556</u>	<u>63,556</u>	pending c.p.
General Fund	0	0	0	22,852	22,852	
Cash Funds	0	0	0	33	33	
Cash Funds Exempt	0	0	0	531	531	
Federal Funds	0	0	0	40,140	40,140	
Shift Differential - Federal Funds	16,278	19,195	14,996	15,356	15,356	
Workers' Compensation	<u>114,310</u>	<u>110,419</u>	<u>120,186</u>	<u>106,019</u>	<u>106,019</u>	pending c.p.
General Fund	57,680	55,717	60,694	37,107 BA	37,107	
Federal Funds	56,630	54,702	59,492	68,912 BA	68,912	
Operating Expenses	<u>642,294</u>	<u>507,945</u>	<u>1,162,711</u>	<u>1,157,021</u>	<u>1,157,021</u>	DI #1
General Fund	374,075	358,881	768,178	762,488	762,488	
Cash Funds Exempt	0	9,467	46,000	46,000	46,000	
Federal Funds	268,219	139,597	348,533	348,533	348,533	
Information Technology Asset Maintenance -						
General Fund	14,212	15,447	15,447	27,372	27,372	DI #4

**FY 2007-08 JBC Staff Figure Setting**  
**Department of Military and Veterans Affairs**

	<b>FY 2004-05 Actual</b>	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Appropriation</b>	<b>FY 2007-08 Request</b>	<b>Staff Recommend.</b>	<b>Change Requests</b>
Legal Services for 110 hours-General Fund	6,773	7,090	7,455	7,455	7,455	pending c.p.
Purchase of Services from Computer Center - General Fund	2,432	1,866	1,894	805	805	pending c.p.
Multiuse Network Payments	<u>0</u>	<u>196,565</u>	<u>423,785</u>	<u>385,937</u>	<u>385,937</u>	pending c.p.
General Fund	0	196,565	192,785	154,937	154,937	
Federal Funds	0	0	231,000	231,000	231,000	
Payment to Risk Management and Property Funds - General Fund	78,337	51,897	83,301	101,111	111,685	pending c.p.
Vehicle Lease Payments - General Fund	25,731	17,996	56,726	56,726	56,726	pending c.p.
Leased Space - General Fund	42,420	41,896	44,978	44,978	44,978	
Capitol Complex Leased Space (Camp George W)	<u>70,678</u>	<u>83,216</u>	<u>85,028</u>	<u>81,272</u>	<u>81,272</u>	pending c.p.
General Fund	44,873	53,980	55,015	48,984 BA	48,984	
Federal Funds	25,805	29,236	30,013	32,288 BA	32,288	
Communications Services Payments - GF	7,802	10,019	10,666	10,618	10,618	pending c.p.
Utilities	<u>921,910</u>	<u>955,365</u>	<u>1,116,591</u>	<u>1,116,591</u>	<u>1,116,591</u>	
General Fund	441,008	547,149	635,552	635,552	635,552	
Federal Funds	480,902	408,216	481,039	481,039	481,039	
Local Armory Incentive Plan - Cash Funds	43,875	65,524	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>	
Cash Funds	0	0	1,000	1,000	1,000	
Cash Funds Exempt	0	0	2,000	2,000	2,000	
Colorado National Guard Tuition Fund a/	<u>509,290</u>	<u>685,270</u>	<u>606,000</u>	<u>825,803</u>	<u>825,803</u>	
General Fund	175,803	175,803	175,803	175,803	175,803	
Cash Funds Exempt	333,487	509,467	430,197	650,000	650,000	

**FY 2007-08 JBC Staff Figure Setting**  
**Department of Military and Veterans Affairs**

	<b>FY 2004-05 Actual</b>	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Appropriation</b>	<b>FY 2007-08 Request</b>	<b>Staff Recommend.</b>	<b>Change Requests</b>
Army National Guard Cooperative Agreement- Federal Funds	2,216,571	2,665,849	2,219,648	3,354,435	3,354,435	
FTE	17.5	17.5	20.5	51.5	51.5	
Administrative Services	273,774	281,608	261,009	268,825	267,443	
FTE	<u>5.1</u>	<u>5.1</u>	<u>5.1</u>	<u>5.1</u>	<u>5.1</u>	
General Fund	132,029	127,567	137,197	140,990	140,579	
FTE	3.3	3.3	3.3	3.3	3.3	
Federal Funds	141,745	154,041	123,812	127,835	126,864	
FTE	1.8	1.8	1.8	1.8	1.8	
req v. approp						
<b>SUBTOTAL - (1) EXECUTIVE DIRECTOR AND ARMY NATIONAL GUARD</b>	6,776,014	7,559,202	8,390,556	10,330,418	10,341,882	23.1%
FTE	<u>50.2</u>	<u>50.2</u>	<u>51.2</u>	<u>85.2</u>	<u>85.2</u>	
General Fund	2,963,127	3,277,058	3,954,025	4,191,110	4,193,714	6.0%
FTE	28.0	28.0	28.0	31.0	31.0	
Cash Funds	43,875	65,912	51,413	51,320	51,250	-0.2%
FTE	0.1	0.1	0.1	0.1	0.1	
Cash Funds Exempt	431,328	608,708	495,351	714,662	715,307	44.3%
FTE	2.0	2.0	0.0	0.0	0.0	
Federal Funds	3,337,684	3,607,524	3,889,767	5,373,326	5,381,611	38.1%
FTE	20.1	20.1	23.1	54.1	54.1	

a/ H.B. 04-1347 appropriation from the Department of Higher Education to the National Guard Tuition Assistance Program.

**(2) DIVISION OF VETERANS AFFAIRS**

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

Veterans Service Operations	521,284	514,139	558,090	571,543	569,991	
FTE	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>	
General Fund	408,252	409,486	554,766	568,024	566,482	
FTE	6.0	6.0	8.0	8.0	8.0	
Cash Funds Exempt	113,032	104,653	3,324	3,519	3,509	

**FY 2007-08 JBC Staff Figure Setting  
Department of Military and Veterans Affairs**

	<b>FY 2004-05 Actual</b>	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Appropriation</b>	<b>FY 2007-08 Request</b>	<b>Staff Recommend.</b>	<b>Change Requests</b>
FTE	2.0	2.0	0.0	0.0	0.0	
County Veterans Service Officer Payments	<u>88,800</u>	<u>78,252</u>	<u>88,800</u>	<u>88,800</u>	<u>88,800</u>	
General Fund	0	0	88,800	88,800	88,800	
Cash Funds Exempt	88,800	78,252	0	0	0	
Colorado State Veterans Trust Fund - Cash Funds Exempt	859,565	871,980	0	0	0	
Colorado State Veterans Trust Fund Expenditures	<u>604,984</u>	<u>611,917</u>	<u>680,435</u>	<u>775,000</u>	<u>675,000</u>	
Cash Funds	0	0	25,000	25,000	25,000	
Cash Funds Exempt	604,984	611,917	655,435	750,000	650,000	
Western Slope Veterans Cemetery	252,801	260,538	390,254	398,815	395,446	
FTE	<u>2.5</u>	<u>2.5</u>	<u>4.5</u>	<u>4.5</u>	<u>4.5</u>	
General Fund	0	120,000	121,964	125,337	123,587	
FTE	0.0	2.5	2.5	2.5	2.5	
Cash Funds Exempt	252,801	140,538	217,290	222,478	220,859	
FTE	2.5	0.0	2.0	2.0	2.0	
Federal Funds	0	0	51,000	51,000	51,000	
req v. approp						
<b>SUBTOTAL - (2) DIVISION OF VETERANS AFFAIRS</b>	2,327,434	2,336,826	1,717,579	1,834,158	1,729,237	6.8%
FTE	<u>10.5</u>	<u>10.5</u>	<u>12.5</u>	<u>12.5</u>	<u>12.5</u>	
General Fund	408,252	529,486	765,530	782,161	778,869	2.2%
FTE	6.0	8.5	10.5	10.5	10.5	
Cash Funds	0	0	25,000	25,000	25,000	0.0%
Cash Funds Exempt	1,919,182	1,807,340	876,049	975,997	874,368	11.4%
FTE	4.5	2.0	2.0	2.0	2.0	
Federal Funds	0	0	51,000	51,000	51,000	0.0%

**(3) AIR NATIONAL GUARD**

**FY 2007-08 JBC Staff Figure Setting**  
**Department of Military and Veterans Affairs**

	<b>FY 2004-05 Actual</b>	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Appropriation</b>	<b>FY 2007-08 Request</b>	<b>Staff Recommend.</b>	<b>Change Requests</b>
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.						
Operations and Maintenance Agreement for Buckley/Greeley	1,728,448	1,838,367	1,985,732	2,020,694	2,007,409	
FTE	<u>26.1</u>	<u>26.1</u>	<u>26.1</u>	<u>26.1</u>	<u>26.1</u>	
General Fund	385,626	352,011	442,010 (M)	448,861	446,835	
FTE	5.4	5.4	5.4	5.4	5.4	
Federal Funds	1,342,822	1,486,356	1,543,722	1,571,833	1,560,574	
FTE	20.7	20.7	20.7	20.7	20.7	
Buckley Cooperative Agreement - FF	1,018,914	1,110,118	921,406	947,654	941,323	
FTE	15.0	15.0	15.0	15.0	15.0	
Security for Space Command Facility at Greeley -						
Federal Funds	189,824	137,237	198,957	205,258	203,861	
FTE	5.0	5.0	5.0	5.0	5.0	
						req v. approp
<b>SUBTOTAL - (3) AIR NATIONAL GUARD</b>	2,937,186	3,085,722	3,106,095	3,173,606	3,152,593	2.2%
FTE	<u>46.1</u>	<u>46.1</u>	<u>46.1</u>	<u>46.1</u>	<u>46.1</u>	
General Fund	385,626	352,011	442,010	448,861	446,835	1.5%
FTE	5.4	5.4	5.4	5.4	5.4	
Federal Funds	2,551,560	2,733,711	2,664,085	2,724,745	2,705,758	2.3%
FTE	40.7	40.7	40.7	40.7	40.7	

**(4) FEDERAL FUNDED PROGRAMS**

Trains state military forces. 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.

Personal Services - FF	66,375,685	81,160,003	68,366,956	86,102,647	86,102,647	
FTE	1,077.0	1,077.0	1,077.0	1,239.0	1,239.0	
Operating and Maintenance - FF	29,122,586	56,294,079	29,705,038	57,419,961	57,419,961	

**FY 2007-08 JBC Staff Figure Setting**  
**Department of Military and Veterans Affairs**

	<b>FY 2004-05 Actual</b>	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Appropriation</b>	<b>FY 2007-08 Request</b>	<b>Staff Recommend.</b>	<b>Change Requests</b>
Construction - FF	21,100,000	21,100,000	41,000,000	13,100,000	13,100,000	
Special Programs - FF	128,933	715,700	128,933	715,700	715,700	
						req v. approp
<b>SUBTOTAL - (4) FEDERAL FUNDED PROGRAMS</b>						
Federal Funds	116,727,204	159,269,782	139,200,927	157,338,308	157,338,308	13.0%
FTE	1,077.0	1,077.0	1,077.0	1,239.0	1,239.0	
<b>(5) CIVIL AIR PATROL</b>						
The Division of Civil Air Patrol supports the U.S. Civil Air Patrol, Colorado Wing.						
Personal Services-General Fund	63,722	66,296	64,103	73,001	64,974	DI #5
FTE	1.0	1.0	1.0	1.0	1.0	
Operating Expenses-General Fund	9,483	13,315	13,324	13,324	13,324	
Repeater Upgrade - General Fund	19,959	41,322	0	0	0	
Aircraft Maintenance-General Fund	34,900	34,885	34,900	45,314	45,314	DI #3
						req v. approp
<b>SUBTOTAL - (5) CIVIL AIR PATROL</b>						
General Fund	128,064	155,818	112,327	131,639	123,612	17.2%
FTE	1.0	1.0	1.0	1.0	1.0	
						req v. approp
<b>TOTAL - MILITARY AND VETERANS AFFAIRS</b>						
	<u>128,895,902</u>	<u>172,407,350</u>	<u>152,527,484</u>	172,808,129	172,685,632	13.3%
FTE	<u>1,184.8</u>	<u>1,184.8</u>	<u>1,187.8</u>	<u>1,383.8</u>	<u>1,383.8</u>	
General Fund	3,885,069	4,314,373	5,273,892	5,553,771	5,543,030	5.3%
FTE	40.4	42.9	44.9	47.9	47.9	
Cash Funds	43,875	65,912	76,413	76,320	76,250	-0.1%
FTE	0.1	0.1	0.1	0.1	0.1	

**FY 2007-08 JBC Staff Figure Setting**  
**Department of Military and Veterans Affairs**

	<b>FY 2004-05</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>	<b>Staff</b>	<b>Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>Appropriation</b>	<b>Request</b>	<b>Recommend.</b>	<b>Requests</b>
Cash Funds Exempt	2,350,510	2,416,048	1,371,400	1,690,659	1,589,675	23.3%
FTE	6.5	4.0	2.0	2.0	2.0	
Federal Funds	122,616,448	165,611,017	145,805,779	165,487,379	165,476,677	13.5%
FTE	1,137.8	1,137.8	1,140.8	1,333.8	1,333.8	

# DEPARTMENT OF MILITARY AND VETERANS AFFAIRS FY 2007-08 FIGURE SETTING

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

## **(1) EXECUTIVE DIRECTOR AND ARMY NATIONAL GUARD**

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 armories, and 20 or 25 percent of the costs at four other facilities.

### **PERSONAL SERVICES (DECISION ITEM #2)**

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.

	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Approp.</b>	<b>FY 2007-08 Request</b>	<b>FY 2007-08 Recommend.</b>
Adjutant General / Deputy Dir.	4.0	4.0	4.0	4.0
Accounting	6.0	6.0	6.0	6.0
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	2.6	2.6
Clerical Support	3.0	2.0	3.0	3.0
Maintenance / Skilled Trades	3.0	2.0	4.0	4.0
<b>TOTAL</b>	<b>27.6</b>	<b>25.6</b>	<b>28.6</b>	<b>28.6</b>
General Fund	24.7	24.7	27.7	27.7
Cash Funds	0.1	0.1	0.1	0.1
Cash Funds Exempt	2.0	0.0	0.0	0.0
Federal Funds	0.8	0.8	0.8	0.8

The Department requests \$1,769,153 and 28.6 FTE, comprised of \$1,680,662 General Fund and 27.7 FTE, \$3,522 cash funds and 0.1 FTE from armory rental fees, and \$84,969 and 0.8 FTE federal funds.

The FY 2006-07 appropriation reflects a decrease of \$(88,450) and 2.0 FTE cash funds exempt from the Western Slope Veterans' Cemetery Fund and a corresponding increase in cash funds exempt and FTE to the Division of Veterans Affairs/Western Slope Cemetery budget line, to more clearly show how Cemetery Fund moneys are being spent.

- ❑ *Decision Item #2* - The Department requests 3.0 FTE General Fund: 2.0 FTE for armory maintenance, and 1.0 FTE for Division of Veterans Affairs purchasing and information technology support.

*Department Justification - Armory maintenance personnel.* Currently there are no armory maintenance personnel on the western slope. Two factors make the addition of two structural trades positions a necessity: 1) the transformation of the Army National Guard to a more modern force structure that will result in more units being stationed on the western slope, and 2) the construction of the new field maintenance shop in Grand Junction that will increase the building maintenance requirements in the area.

The Department maintains 31 buildings at 21 locations throughout the state, including four on the western slope--Grand Junction (two buildings), Montrose, and Durango. Facilities maintenance personnel workload increased with the passage of the FY 2006-07 long bill in which the Department received funding to work off approximately one-third of the armory maintenance backlog left from the FY 2003-04 budget reductions.

The General Assembly increased the base budget and granted additional one-time funding for armory maintenance operating costs in FY 2006-07, and the Department is requesting one-time funding for armory maintenance operating costs in FY 2007-08 (Decision Item #1, described below). The level of annual personal services and operating maintenance costs is due to the age of the armories and the high operations tempo of the Global War on Terror.

*Department Justification - Division of Veterans Affairs support personnel.* The Department IT Network Administrator spends approximately one-half of their time supporting the Division of Veterans Affairs, and the Department purchasing agent spends approximately one-half of their time supporting the Division of Veterans Affairs. The additional information support is needed, in part, to meet state cyber security requirements, fend off hacker attacks, and install web-based applications.

The requested position would be dedicated half to information technology support and half to purchasing and contracting. The Division needs staff dedicated to information technology support because it relies heavily on internet-based applications to keep abreast of developments in administrative law relating to veterans benefits claims and appeals, and because it relies on e-mail to communicate with county veterans service officers. In addition, the Division has purchased new software, the Veterans Information Management System, to facilitate claims processing and track results. The IT staff would help implement and maintain the new system.

The Division needs staff dedicated to purchasing and contracting support, primarily because it administers approximately 20-25 contracts per year for the Board of Veterans Affairs. This seven-member appointed Board makes grants of more than \$600,000 per year to agencies providing direct services to veterans, and it is critical that the Division adhere strictly to the Board's grant policies and procedures. Staff support is also necessary to prepare and issue the grants in a timely way. Finally, this position would administer other contracts, such as the agreement with the "Support the Troops" license plate beneficiary, American Military Family.

**Staff recommends an appropriation of \$1,758,101 and 28.6 FTE, comprised of \$1,671,349 General Fund, \$3,451 cash funds from armory rental fees, and \$83,301 federal funds. The recommendation includes a personal services base reduction of \$(24,736).**

#### **HEALTH, LIFE, AND DENTAL**

The Department requests \$446,236, comprised of \$128,080 General Fund, \$3,630 cash funds exempt, and \$314,526 federal funds.

**Staff recommends an appropriation of \$450,103, comprised of \$126,962 General Fund, \$3,823 cash funds exempt from the Western Slope Military Veterans Cemetery Fund, and \$319,318 federal funds, pursuant to Committee common policy.**

#### **SHORT-TERM DISABILITY**

The Department requests \$10,125, comprised of \$3,633 General Fund, \$5 cash funds, \$85 cash funds exempt, and \$6,402 federal funds.

**Staff recommends an appropriation of \$10,125, comprised of \$3,633 General Fund, \$5 cash funds, \$85 cash funds exempt, and \$6,402 federal funds, pursuant to Committee common policy.**

#### **S.B. 04-157 AMORTIZATION EQUALIZATION DISBURSEMENT**

The Department requests \$101,087, comprised of \$36,346 General Fund, \$52 cash funds, \$845 cash funds exempt, and \$63,844 federal funds.

**Staff recommends an appropriation of \$92,304, comprised of 33,276 General Fund, \$44 cash funds from armory rental fees, \$1,073 cash funds exempt from the Western Slope Military Veterans Cemetery Fund, and \$57,911 federal funds, pursuant to Committee common policy.**

#### **S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT**

**Staff recommends an appropriation of \$18,240, comprised of \$5,942 General Fund, \$9 cash funds from armory rental fees, \$224 cash funds exempt from the Western Slope Military Veterans Cemetery Fund, and \$12,065 federal funds, pursuant to Committee common policy.**

#### **SALARY SURVEY AND SENIOR EXECUTIVE SERVICE**

The Department requests \$330,327, comprised of \$114,611 General Fund, \$98 cash funds, \$11,571

cash funds exempt, and \$204,047 federal funds.

**Staff recommendation is pending Committee common policy.**

#### **PERFORMANCE-BASED PAY AWARDS**

The Department requests \$63,556, comprised of \$22,852 General Fund, \$33 cash funds, \$531 cash funds exempt, and \$40,140 federal funds.

**Staff recommendation is pending Committee common policy.**

#### **SHIFT DIFFERENTIAL**

The Department requests \$15,356 federal funds.

**Staff recommends an appropriation of \$15,356 federal funds, pursuant to Committee common policy.**

#### **WORKERS' COMPENSATION**

The Department requests \$125,625, comprised of \$43,969 General Fund and \$81,656 federal funds.

**Staff recommendation is pending Committee common policy.**

#### **OPERATING EXPENSES (DECISION ITEM #1)**

The Department requests \$1,157,021, comprised of \$762,488 General Fund, 46,000 cash funds exempt from real estate proceeds, and \$348,533 federal funds.

- ❑ *Decision Item #1 - Deferred Maintenance on Armories.* When the Department's Operating Expenses budget was reduced in FY 2002-03, a backlog of deferred maintenance began to build, and the three-year backlog had reached approximately \$667,000 in FY 2005-06. Last year, the Department requested one-time General Fund of \$220,527 to address about one-third of the backlog, plus an increase to base funding of \$185,170 General Fund for ongoing annual maintenance costs, for FY 2006-07. That increase left about two-thirds of the backlog needing to be addressed. The FY 2007-08 request includes one-time General Fund of \$194,891 to address approximately one-half of the remaining backlog (the second one-third of the backlog identified last year).

*Department Justification.* 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 approximately \$200,000 per year, due to the age of the armories and the high operations tempo of the Global War on Terror.

**Staff recommends an appropriation of \$1,157,021, comprised of \$762,488 General Fund, 46,000 cash funds exempt from real estate proceeds, and \$348,533 federal funds. This includes one-time General Fund of \$194,891.**

#### **INFORMATION TECHNOLOGY ASSET MAINTENANCE (DECISION ITEM #4)**

This line provides funding for network maintenance, software upgrades, email service, anti-virus and security software, and consulting services for emergency and highly technical problems.

The Department requests \$27,372 General Fund.

- ☐ *Decision Item #4* - The Department requests an increase in base funding of \$11,925 General Fund to replace 12 workstations and associated software this year and annually.

*Department Justification.* The Department requests the increase both to be able to address Division of Veterans Affairs workstation maintenance needs, which includes maintenance-related travel time, and to come closer to the state recommended workstation life cycle of four years. The Department did not receive information technology asset maintenance for the Division of Veterans Affairs when it was transferred to the Department in July 2002. The Department supports 51 workstations at two locations and approval of this decision item would put them on a four and one-quarter year replacement cycle.

The Department's performance objectives for this decision item are to reduce the risk of data loss, which is more likely to occur with older disk drives, and to reduce the risk of security breaches, which is more likely to occur from not having software security updates available for outdated software.

**Staff recommends \$27,372 General Fund.**

#### **LEGAL SERVICES FOR 110 HOURS**

The Department requests a continuation of \$7,455 General Fund, and 110 hours of legal services for lawsuits, workers' compensation cases, and contract review.

**Staff recommendation is pending Committee common policy.**

#### **PURCHASE OF SERVICES FROM COMPUTER CENTER**

The Department requests \$805 General Fund for services from the computer center.

**Staff recommendation is pending Committee common policy.**

#### **MULTIUSE NETWORK PAYMENTS**

The Department requests \$385,937, comprised of \$154,937 General Fund and \$231,000 federal funds.

**Staff recommendation is pending Committee common policy.**

#### **PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS**

The request is for \$111,685 General Fund.

**Staff recommendation is pending Committee common policy.**

#### **VEHICLE LEASE PAYMENTS**

The Department requests \$56,726 General Fund. This line item funds the lease-purchase costs of vehicles used primarily for armory maintenance.

**The 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 \$94,839, comprised of \$56,387 General Fund and \$38,452 federal funds, for space at Camp George West.

**Staff recommendation is pending Committee common policy.**

### **COMMUNICATIONS SERVICES PAYMENTS**

The Department requests \$10,618 General Fund.

**Staff recommendation is pending Committee common policy.**

### **UTILITIES**

The Department requests \$1,116,591, comprised of \$635,552 General Fund and \$481,039 federal funds. The Committee approved a FY 2006-07 increase of \$161,226, which included \$88,403 General Fund, based on costs for the increased use of armories, field maintenance shops, and other military facilities due to the National Guard's unprecedented operations tempo for the Global War on Terror.

**Staff recommends a continuation appropriation of \$1,116,591, comprised of \$635,552 General Fund and \$481,039 federal funds.**

### **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, comprised of \$1,000 cash funds, and \$2,000 cash funds exempt.**

### **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 2005-06 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 a continuation level of \$175,803 General Fund and \$650,000 cash funds exempt from the Department of Higher Education.**

#### **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 \$3,354,435 and 51.5 FTE federal funds.

**Staff recommends the requested appropriation of \$3,354,435 and 51.5 FTE federal funds.**

#### **ADMINISTRATIVE SERVICES**

	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Approp.</b>	<b>FY 2007-08 Request</b>	<b>FY 2007-08 Recommend.</b>
Accounting	4.1	4.1	4.1	4.1
General Professional	1.0	1.0	1.0	1.0
<b>TOTAL</b>	<b>5.1</b>	<b>5.1</b>	<b>5.1</b>	<b>5.1</b>
General Fund	3.3	3.3	3.3	3.3
Federal Funds	1.8	1.8	1.8	1.8

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 requests continuation funding of \$268,825 and 5.1 FTE, comprised of \$140,990 and

3.3 FTE General Fund, and \$127,835 and 1.8 FTE federal funds.

**Staff recommends a continuation appropriation of \$267,443 and 5.1 FTE, comprised of \$140,579 and 3.3 FTE General Fund, and \$126,864 and 1.8 FTE federal funds. The recommendation includes a personal services base reduction of \$(2,701).**

## 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 to veterans service organizations from the Colorado State Veterans Trust Fund, which is derived from the tobacco settlement proceeds.

### VETERANS SERVICE OPERATIONS

The Department requests \$558,090 and 8.0 FTE, comprised of \$554,766 and 8.0 FTE General Fund and \$3,324 cash funds exempt from the Veterans Trust Fund.

The Division has five veterans service officers who represents veterans in federal benefits claims, and three administrative staff. The Division currently relies on grants from the Veterans Trust Fund to support two of the veterans service officers.

	FY 2005-06 Actual	FY 2006-07 Approp.	FY 2007-08 Request	FY 2007-08 Recommend.
Personal Services	8.0	8.0	8.0	8.0
<b>TOTAL</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>

The Department requests \$571,543 and 8.0 FTE, comprised of \$568,024 General Fund and 8.0 FTE, and \$3,519 cash funds exempt from the Veterans Trust Fund for costs of administering the fund.

**Staff recommends a continuation appropriation of \$569,991 and 8.0 FTE, comprised of \$566,482 and 8.0 FTE General Fund, and \$3,509 cash funds exempt 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

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 \$88,800 General Fund.

**Staff recommends a continuation appropriation of \$88,800 General Fund.**

### COLORADO STATE VETERANS TRUST FUND EXPENDITURES

The Department requests an appropriation of \$775,000, comprised of \$25,000 cash funds and \$750,000 cash funds exempt from the Veterans Trust Fund.

The statutory purposes of the Trust Fund are:

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

Under current law, trust fund expenditures in FY 2007-08 are limited to 65 percent of the amount transferred from tobacco settlement proceeds into the fund. Section 28-5-709 (3)(b)(I)(B) C.R.S. The staff recommendation represents 65 percent of the maximum transfer amount of \$1,000,000, plus estimated interest of \$25,000.

**Staff recommends an appropriation of \$675,000, comprised of \$25,000 cash funds and \$650,000 cash funds exempt from the Colorado State Veterans Trust Fund.**

#### **WESTERN SLOPE MILITARY VETERANS CEMETERY**

The Department requests a continuation appropriation of \$398,815 and 4.5 FTE, comprised of \$125,337 and 2.5 FTE General Fund, \$222,478 and 2.0 cash funds exempt from the Western Slope Military Veterans Cemetery Fund, and \$51,000 federal funds from interment fees.

**Staff recommends a continuation appropriation of \$395,446 and 4.5 FTE, comprised of \$123,587 and 2.5 FTE General Fund, \$220,859 and 2.0 FTE cash funds exempt from the Western Slope Military Veterans Cemetery Fund, and \$51,000 federal funds. The request includes a personal services base reduction of \$(2,106), \$168,111 operating expenses, and \$11,520 utilities.**

### **(3) AIR NATIONAL GUARD**

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

	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Approp.</b>	<b>FY 2007-08 Request</b>	<b>FY 2007-08 Recommend.</b>
Admin. Support	2.0	2.0	2.0	2.0
Air Traffic Controllers	7.0	7.0	7.0	7.0
Physical Plant	32.1	32.1	32.1	32.1
Security	5.0	5.0	5.0	5.0
<b>TOTAL</b>	<b>46.1</b>	<b>46.1</b>	<b>46.1</b>	<b>46.1</b>
General Fund	5.4	5.4	5.4	5.4
Federal Funds	40.7	40.7	40.7	40.7

#### **OPERATIONS AND MAINTENANCE AGREEMENT FOR BUCKLEY/GREELEY**

This line item funds personal services, operating expenses, and utilities for the Buckley and Greeley Air National Guard bases. 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 \$2,020,694 and 26.1 FTE, comprised of \$448,861 and 5.4 FTE General Fund, and \$1,571,833 and 20.7 FTE federal funds.

**Staff recommends a continuation appropriation of \$2,007,409 and 26.1 FTE, comprised of \$446,835 and 5.4 FTE General Fund and \$1,560,574 and 20.7 FTE federal funds. The request includes a personal services base reduction of \$(17,281), \$278,423 operating expenses, and \$594,220 utilities.**

#### **BUCKLEY COOPERATIVE AGREEMENT**

This line item funds personal services, operating expenses, and utilities for the Colorado Air National Guard that are 100 percent federal funded. The Department requests \$947,654 and 15.0 FTE federal funds.

**Staff recommends a continuation appropriation of \$941,323 and 15.0 FTE federal funds. The request includes a personal services base reduction of \$(8,080), \$12,487 for operating expenses and \$100,927 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 \$205,258 and 5.0 FTE federal funds.

**Staff recommends a continuation appropriation of \$203,861 and 5.0 FTE federal funds. The request includes a personal services base reduction of \$(2,059) and \$5,011 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 each weekend 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 2008.

## **PERSONAL SERVICES**

**Staff recommends the requested amount of \$86,102,647 and 1,239.0 FTE federal funds.**

## **OPERATING AND MAINTENANCE**

**Staff recommends the requested amount of \$57,419,961 federal funds.**

## **CONSTRUCTION**

**Staff recommends the requested amount of \$13,100,000 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 (DECISION ITEM #5)**

	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Appropriation</b>	<b>FY 2007-08 Request</b>	<b>FY 2007-08 Recommended</b>
General Professional	1.0	1.0	1.0	1.0
<b>TOTAL</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

The Department requests \$73,001 and 1.0 FTE General Fund.

- ❑ *Decision Item #5* - The Department requests a personal services budget line increase of \$7,125 in order to give the Division general professional a \$6,171 base salary increase. This would bring the base salary to \$65,439. Following is the recent salary history of this position, to the nearest hundred dollars:

FY 2003-04	\$54,000 (adjusted to remove June 2003)
FY 2004-05	55,900
FY 2005-06	57,600
FY 2006-07	63,900 (estimated actual)
FY 2007-08	65,400 + salary survey/pay for performance (proposed)

*Department Justification.* The Department requests the legislature to intervene, because this is a one-person Division with the same incumbent. The Department is limited to the common policy increase for this position, which includes the common policy base reduction whether or not there has been a vacancy. The Department wishes to be able to award the full percentage amount for the salary survey/pay for performance increase.

Staff does not believe it is appropriate for the General Assembly to enact pay policy exceptions for individual classified staff. If the legislature wishes to address this issue, following are some options:

*Option 1.* Change common policy to address base reductions in offices where there has been no turnover.

*Option 2.* Change common policy to allow departments to allocate base reductions across divisions as they see fit.

*Option 3.* Change common policy to eliminate the base reduction factor, and incorporate a base reduction into the salary survey/pay for performance amount.

**Staff recommends a continuation appropriation of \$64,974 and 1.0 FTE General Fund. This includes a personal services base reduction of \$(656). Staff recommends adding the words "Division of" to the title of this section of the long bill, to more accurately reflect the name of the Division in statute.**

#### **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 (DECISION ITEM #3)**

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 \$45,314 General Fund.

- ☐ *Decision Item #3* - The Department requests an increase in base funding of \$10,414 General Fund.

*Department Justification.* The request is based, in part, on increased labor and parts costs and, in part, on budget shortfalls due to lesser income from membership dues.

**Staff recommends \$45,314 General Fund.**

## LONG BILL FOOTNOTE UPDATE

Staff recommendations are provided below for Department footnotes in the FY 2006-07 Long Bill:

- 96 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.