

# JOINT BUDGET COMMITTEE



## STAFF BUDGET BRIEFING FY 2021-22

### DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

JBC WORKING DOCUMENT - SUBJECT TO CHANGE  
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

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## ADDITIONAL RESOURCES

Brief summaries of all bills that passed during the 2019 and 2020 legislative sessions that had a fiscal impact on this department are available in Appendix A of the annual Appropriations Report:  
<https://leg.colorado.gov/publications/appropriations-report-fiscal-year-2020-21>

The online version of the briefing document, which includes the Numbers Pages, may be found by searching the budget documents on the General Assembly's website by visiting [leg.colorado.gov/content/budget/budget-documents](https://leg.colorado.gov/content/budget/budget-documents). Once on the budget documents page, select the name of this department's *Department/Topic*, "Briefing" under *Type*, and ensure that *Start date* and *End date* encompass the date a document was presented to the JBC.

# DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

## DEPARTMENT OVERVIEW

The Department of Military and Veterans Affairs has approximately 5,500 Army and Air National Guard members trained and ready for federal active duty abroad and for preserving life and property during natural disasters and civil emergencies at home in Colorado.

### **EXECUTIVE DIRECTOR'S OFFICE**

- Provides general administrative support to Department divisions including: human resources, budgeting, accounting, and administrative support;
- Provides safekeeping of public arms, military records, and relics and banners of the State;
- Administers the National Guard Tuition Assistance Program; and
- The Adjutant General, as the commander of the State's military forces, provides day-to-day command and control, guidance, policies and procedures, administrative support, and logistics support to the Army National Guard, the Air National Guard, and the Civil Air Patrol.

### **ARMY & AIR NATIONAL GUARD**

- Maintains a reserve of trained forces for the U.S. Armed Forces which are called to active duty by the President;
- Protects life and property during natural disasters and civil emergencies when activated by the Governor; and
- Maintains all military equipment for the State's military forces.

### **CIVIL AIR PATROL**

- Operates as a civilian auxiliary of the United States Air Force;
- Provides volunteers for search and rescue missions, and assists federal and state organizations in disaster or emergency efforts; and
- Operates a Civil Air Patrol cadet program, and provides aerospace education.

### **DIVISION OF VETERANS AFFAIRS**

- Provides assistance to veterans seeking benefits by acting as a power of attorney for veterans and acting as a liaison between counties and the federal government;
- Provides training and payments to County Veterans Service Officers;
- Administers the Western Slope Veterans' Cemetery and its associated fund;
- Through the Colorado Board of Veterans Affairs, disperses the Colorado State Veterans Trust Fund to provide grants for veterans' programs throughout Colorado; and
- Operates the Veterans' One Stop Center (Western Region OneSource) in Grand Junction.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22 *
General Fund	\$11,206,594	\$11,856,255	\$10,343,790	\$10,643,375
Cash Funds	1,203,530	1,470,429	1,641,694	1,744,594
Reappropriated Funds	0	4,143	163,167	167,750
Federal Funds	219,710,038	118,388,018	120,137,574	120,141,589
<b>TOTAL FUNDS</b>	<b>\$232,120,162</b>	<b>\$131,718,845</b>	<b>\$132,286,225</b>	<b>\$132,697,308</b>
Full Time Equiv. Staff	1,407.5	2,579.1	2,534.6	2,533.7

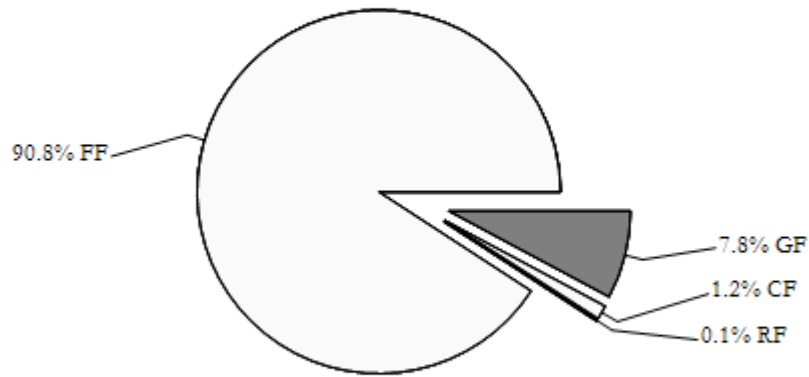
\*Requested appropriation.

# DEPARTMENT BUDGET: GRAPHIC OVERVIEW

**Department's Share of Statewide  
General Fund**

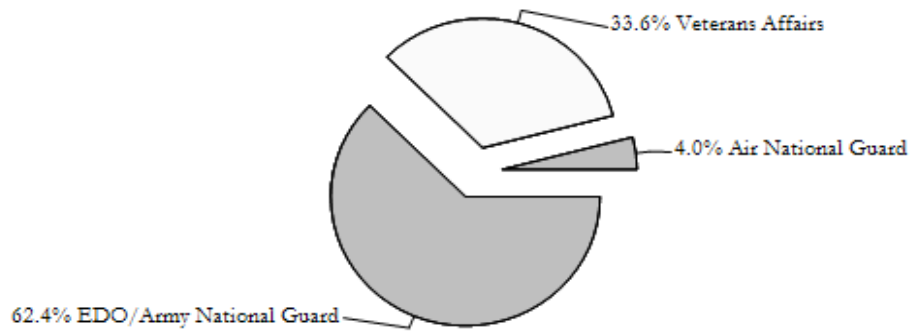


**Department Funding Sources**

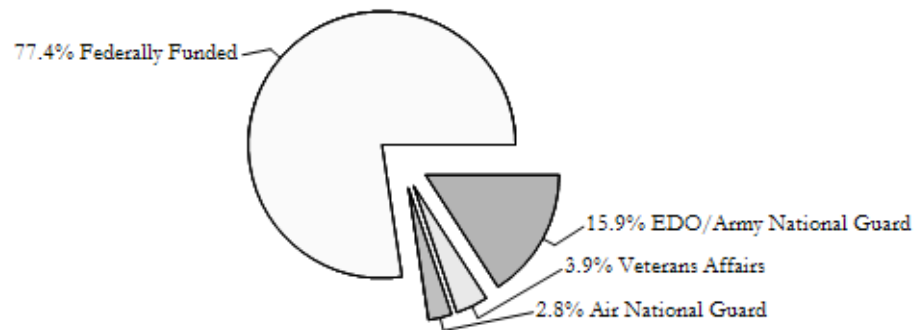


All charts are based on the FY 2020-21 appropriation.

### Distribution of General Fund by Division



### Distribution of Total Funds by Division



All charts are based on the FY 2020-21 appropriation.

## GENERAL FACTORS DRIVING THE BUDGET

Federal funds comprise 90.8 percent of the Department's FY 2020-21 budget. The majority of federal funds for the Department are never realized in the state accounting system, and are therefore largely estimates provided for informational purposes only. The largest line item for the Department, National Guard Service Members, is completely federally funded. If federal funds are removed, General Fund comprises 85.1 percent of the Department's remaining budget. The Division of Veterans Affairs is the only Division within the Department that does not receive a majority of funding from federal funds.

### COLORADO NATIONAL GUARD

The federal government fully funds the training and salary of National Guard troops and provides the majority of the funding for the construction of armories and other military buildings. Under the cooperative agreements with the federal government, the State provides funding for 50.0 percent of maintenance and utilities costs at the fifteen armories located on state land, and between 20.0 and 25.0 percent of costs at four other facilities. The State also funds most of the central administrative costs for the National Guard.

Colorado National Guard expenditures are driven by the number of Guard personnel authorized by the U.S. National Guard Bureau, or the "federal force structure," and the state's ability to fill the force structure. Combined with the associated facilities maintenance and utility needs, this determines the amount of federal funds flowing into and through the Department. Colorado has both Army National Guard and Air National Guard units.

The table below shows the recent authorized strength and active membership of the Colorado National Guard.

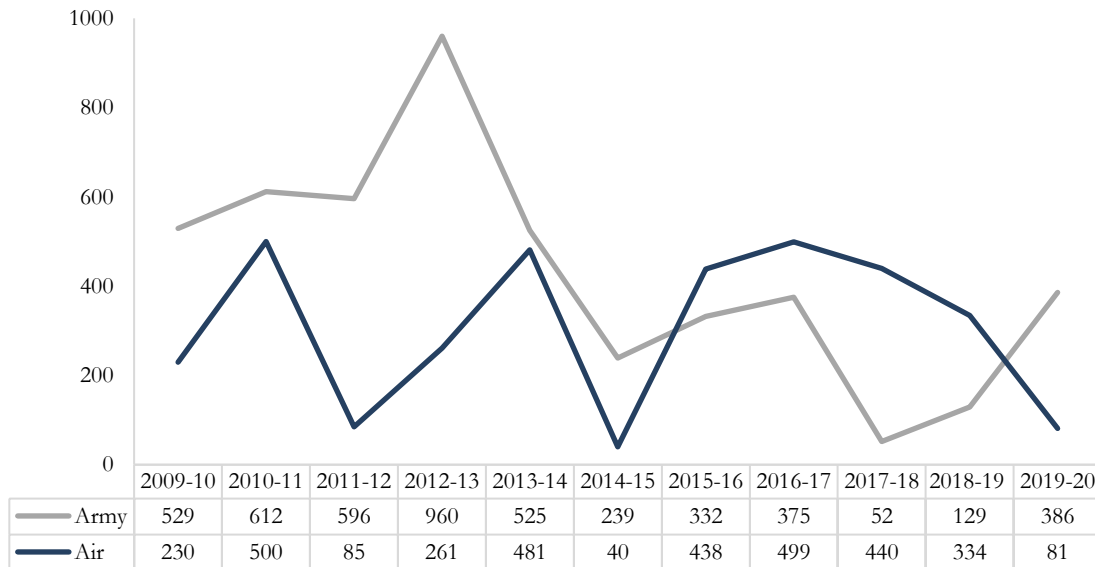
COLORADO NATIONAL GUARD AUTHORIZED STRENGTH AND MEMBERSHIP						
TOTAL AUTHORIZED STRENGTH	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Army National Guard	3,980	3,825	3,812	3,834	3,851	3,892
Air National Guard	1,566	1,559	1,559	1,632	1,637	1,629
TOTAL NATIONAL GUARD MEMBERS	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2018-19
Army National Guard	3,964	3,787	3,933	3,757	\$3,789	3,778
Air National Guard	1,544	1,518	1,507	1,560	1,592	1,730
<b>Total Members</b>	<b>5,508</b>	<b>5,305</b>	<b>5,440</b>	<b>5,317</b>	<b>5,381</b>	<b>5,508</b>
Percentage of Slots Filled	99.3%	98.5%	101.3%	97.3%	98.1%	99.8%

The budget shows federal funds for informational purposes only. The budget includes rough estimates of federal outlays for military personnel and more precise estimates of the federal share of expenditures to maintain and operate National Guard facilities in cooperation with the state. The amount of state support required for National Guard operations is driven by the creation or expansion of readiness centers, State decisions on the level of staff support for those facilities, changes in federal policies on cost-sharing with states, and State policies on compensation and operating costs for the Department's civilian administrative staff.

In addition, the State provides a tuition assistance program for members of the Colorado National Guard. Funding for the tuition assistance program is driven by tuition rates at state institutions of higher education, program participation and qualifications, and legislative appropriations.

When Colorado National Guard units are activated for federal service they are deployed by the Army or the Air Force. All costs for activation are paid by the Army or Air Force; and do not appear in the Long Bill. The table below shows the number of National Guard members activated for federal duty since FY 2009-10.

COLORADO NATIONAL GUARD DEPLOYMENT



The Governor may also activate guard units for state active duty to protect life and property during natural disasters and civil emergencies. When the Governor activates units, the State must pay the costs. The Governor may also activate National Guard troops for missions in other states. When this happens, the state requesting support must pay for the unit costs.

### DIVISION OF VETERANS AFFAIRS

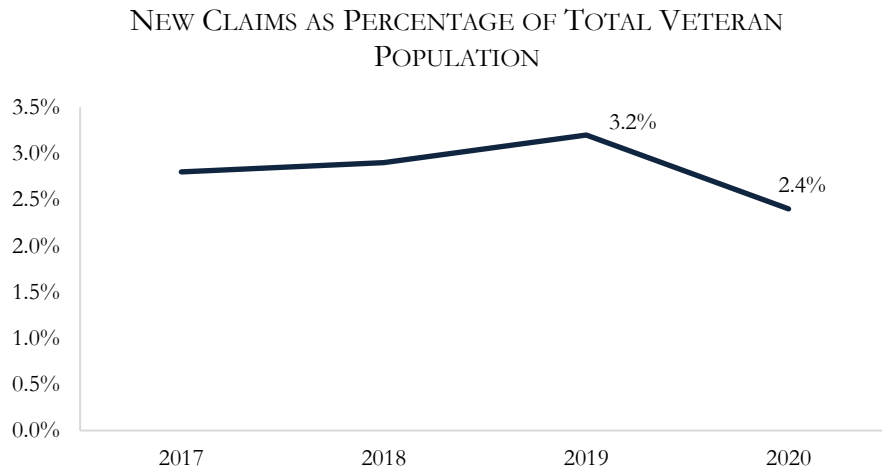
The Division of Veterans Affairs (DVA) budget includes state support to assist veterans in obtaining federal veterans’ benefits, state support for grants to governmental and non-profit entities that provide mental health, family counseling, job training, employment, housing, and state funding for the Veterans’ OneSource Center and Western Slope Veterans’ Cemetery in Grand Junction.

About half of the state General Fund money appropriated in this division supports staff who assist veterans in obtaining benefits. Veterans may apply directly to the federal government for benefits, but many use help from a third party, such as a benefits officer supported by county or state government or a nonprofit, to ensure they receive the federal benefits they have earned. The state veterans’ service operations staff assist veterans with claims before the U.S. Department of Veterans Affairs and support county veterans’ service officers with training and other resources. County veterans’ services officers are located throughout the state, and associated county costs are partially reimbursed by the Division.

The Department is focused on a customer service mentality to increase the number of Colorado veterans assisted in obtaining benefits. While service provision was increasing in recent years, new claims decreased in 2020 due to restrictions implemented for COVID-19. The figure below shows



new claims filed by the Division of Veterans Affairs as a percentage of the estimated Colorado veteran population.



The General Assembly supports grant programs for veterans' services in this division, providing over \$1.0 million cash funds from the Colorado State Veterans Trust Fund (CSVTF) for grants in FY 2020-21. The CSVTF also receives 1.0 percent of the proceeds from the Tobacco Master Settlement Agreement (Section 28-5-709 (2)(a), C.R.S.). Under current law, 90.0 percent of the tobacco settlement moneys transferred to the Fund and all interest earned on the Fund's principal are available for appropriation, with the remaining 10.0 percent retained in the fund (Section 28-5-709 (3)(c), C.R.S.).

## SUMMARY: FY 2020-21 APPROPRIATION & FY 2021-22 REQUEST

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2020-21 APPROPRIATION:</b>						
HB 20-1360 (Long Bill)	132,612,501	10,666,526	1,645,234	163,167	120,137,574	2,534.6
HB 20-1379	(238,282)	(234,742)	(3,540)	0	0	0.0
HB 20-1398	(87,994)	(87,994)	0	0	0	0.0
<b>TOTAL</b>	<b>\$132,286,225</b>	<b>\$10,343,790</b>	<b>\$1,641,694</b>	<b>\$163,167</b>	<b>\$120,137,574</b>	<b>2,534.6</b>
<b>FY 2021-22 REQUESTED APPROPRIATION:</b>						
FY 2020-21 Appropriation	\$132,286,225	10,343,790	\$1,641,694	\$163,167	\$120,137,574	2,534.6
R1 Reductions for DMVA	(479,910)	(565,910)	86,000	0	0	(1.0)
R2 Continuing tuition assistance funding for a lower demand	(425,000)	(425,000)	0	0	0	0.0
Non-prioritized items	(29,790)	(81,606)	0	0	51,816	0.0
Annualize prior year budget action	517,577	512,994	0	4,583	0	0.1
Annualize prior year legislation	443,191	436,795	3,596	0	2,800	0.0
Centrally appropriated line items	384,419	422,312	12,708	0	(50,601)	0.0
Indirect cost adjustment	596	0	596	0	0	0.0
<b>TOTAL</b>	<b>\$132,697,308</b>	<b>\$10,643,375</b>	<b>\$1,744,594</b>	<b>\$167,750</b>	<b>\$120,141,589</b>	<b>2,533.7</b>
<b>INCREASE/(DECREASE)</b>	<b>\$411,083</b>	<b>\$299,585</b>	<b>\$102,900</b>	<b>\$4,583</b>	<b>\$4,015</b>	<b>(0.9)</b>
Percentage Change	0.3%	2.9%	6.3%	2.8%	0.0%	(0.0%)

**R1 REDUCTIONS FOR DMVA:** This request implements reductions across all Divisions for an overall reduction of \$479,910 total funds and \$565,910 General Fund. This constitutes a 10 percent reduction in General Fund appropriations to the Department. Reductions are summarized in the table below.

R1: REDUCTIONS FOR DMVA						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>Executive Director and Army National Guard</b>						
Operating expenses	(\$145,000)	(\$100,000)	(\$45,000)	\$0	\$0	0.0
Army National Guard cooperative agreement	(119,412)	(119,412)	0	0	0	0.0
Local armory incentive plan	(19,000)	0	(19,000)	0	0	0.0
IT asset maintenance	(15,000)	(15,000)	0	0	0	0.0
<i>Executive Director Subtotal</i>	<i>(\$298,412)</i>	<i>(\$234,412)</i>	<i>(\$64,000)</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<b>Division of Veterans Affairs</b>						
Assistance grant program	\$0	(\$150,000)	\$150,000	\$0	\$0	0.0
Service operations	(132,394)	(132,394)	0	0	0	(1.0)
Grand Junction One-Stop Center	(28,516)	(28,516)	0	0	0	0.0
<i>DVA Subtotal</i>	<i>(\$160,910)</i>	<i>(\$310,910)</i>	<i>\$150,000</i>	<i>\$0</i>	<i>\$0</i>	<i>(1.0)</i>
<b>Air National Guard</b>						
Operations and maintenance agreement for Buckley/Greeley	(\$20,588)	(\$20,588)	\$0	\$0	\$0	0.0
<i>Air National Guard Subtotal</i>	<i>(\$20,588)</i>	<i>(\$20,588)</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<b>TOTAL</b>	<b>(\$479,910)</b>	<b>(\$565,910)</b>	<b>\$86,000</b>	<b>\$0</b>	<b>\$0</b>	<b>(1.0)</b>

**R2 CONTINUING TUITION ASSISTANCE FUNDING FOR LOWER DEMAND:** This request continues budget balancing reductions for tuition assistance by \$425,000 total funds due to anticipated decreased demand for the program. This request is discussed in more detail on page 15 in *Issue: R2 National Guard Tuition Assistance*.

**NON-PRIORITIZED ITEMS:** The request includes four non-prioritized items summarized in the table below totaling a \$29,790 reduction.

NON-PRIORITIZED ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annual fleet request	\$72,311	\$20,495	\$0	\$0	\$51,816	0.0
COE program financial restructure	2,754	2,754	0	0	0	0.0
Extend pause annual depreciation lease payment	(87,994)	(87,994)	0	0	0	0.0
OIT Budget request package	(16,861)	(16,861)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$29,790)</b>	<b>(\$81,606)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$51,816</b>	<b>0.0</b>

**ANNUALIZE PRIOR YEAR BUDGET ACTION:** The request includes an increase of \$517,577 total funds for the annualization of prior year budget actions, summarized in the table below.

ANNUALIZE PRIOR YEAR BUDGET ACTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Restore one time tuition assistance reduction	\$425,000	\$425,000	\$0	\$0	\$0	0.0
Restore annual depreciation lease equivalent payment	87,994	87,994	0	0	0	0.0
Annualization of WROS admin	4,583	0	0	4,583	0	0.1
<b>TOTAL</b>	<b>\$517,577</b>	<b>\$512,994</b>	<b>\$0</b>	<b>\$4,583</b>	<b>\$0</b>	<b>0.1</b>

**ANNUALIZE PRIOR YEAR LEGISLATION:** The request includes an increase of \$443,191 total funds for the annualization of prior year legislation, summarized in the table below.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 20-1379 PERA direct distribution	\$438,388	\$434,848	\$3,540	\$0	\$0	0.0
SB18-200 PERA unfunded liability	4,803	1,947	56	0	2,800	0.0
<b>TOTAL</b>	<b>\$443,191</b>	<b>\$436,795</b>	<b>\$3,596</b>	<b>\$0</b>	<b>\$2,800</b>	<b>0.0</b>

**CENTRALLY APPROPRIATED LINE ITEMS:** The request includes an increase of \$384,419 total funds for centrally appropriated line items, summarized in the table below.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Health, life, and dental adjustment	\$133,723	\$117,706	\$15,884	\$0	\$133	0.0
Payment to risk management / property funds adjustment	121,628	121,628	0	0	0	0.0
PERA direct distribution	43,796	44,066	(270)	0	0	0.0
Payments to OIT adjustment	38,854	38,854	0	0	0	0.0
Centralized personnel plan	28,277	38,528	0	0	(10,251)	0.0
AED adjustment	24,230	42,899	(1,423)	0	(17,246)	0.0
SAED adjustment	24,230	42,899	(1,423)	0	(17,246)	0.0
Leased space adjustment	1,898	1,898	0	0	0	0.0

**CENTRALLY APPROPRIATED LINE ITEMS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Capitol complex leased space adjustment	1,719	1,719	0	0	0	0.0
Workers' compensation adjustment	271	271	0	0	0	0.0
Legal services adjustment	(25,886)	(25,886)	0	0	0	0.0
Shift differential adjustment	(4,813)	0	0	0	(4,813)	0.0
CORE adjustment	(3,290)	(3,290)	0	0	0	0.0
Short term disability adjustment	(218)	1,020	(60)	0	(1,178)	0.0
<b>TOTAL</b>	<b>\$384,419</b>	<b>\$422,312</b>	<b>\$12,708</b>	<b>\$0</b>	<b>(\$50,601)</b>	<b>0.0</b>

**INDIRECT COST ADJUSTMENT:** The request includes an increase of \$596 cash funds for the indirect cost adjustment.

**CAPITAL CONSTRUCTION:** The Committee should also be aware of the Department’s request from the Capital Construction Fund for the design and construction of a new Army National Guard Readiness Center in Jefferson County. The total state funds include \$614,750 for design in FY 2021-22 and \$6.1 million for construction in the third year. Total project costs will be supplemented with \$31.1 million federal funds over five years. The request states that the new readiness center will supplement existing sites in Longmont and Colorado Springs that are over 60 years old and past their useful lives.

## INFORMATIONAL ISSUE: 2020 SESSION BUDGET BALANCING ACTIONS

In response to the budget challenges in the 2020 Session, the Joint Budget Committee and the General Assembly took actions that reduced the FY 2020-21 General Fund appropriations to the Department of Military and Veterans Affairs by \$1,350,961. The General Assembly's actions made an additional \$8.9 million available for balancing purposes by transferring cash funds to the General Fund. These adjustments contributed to the net decrease in the Department's General Fund budget for FY 2020-21.

### SUMMARY

#### *FY 2020-21 Budget*

- For FY 2020-21, the General Assembly's actions included \$1.5 million in General Fund reductions in the Department of Military and Veterans Affairs, although increases in cash funds and reappropriated funds appropriations offset \$154,322 and \$157,862 of that decrease respectively.
- The FY 2020-21 balancing actions also included \$8.9 million in cash fund transfers to the General Fund that made revenues available for budget balancing outside of the Department.

### DISCUSSION

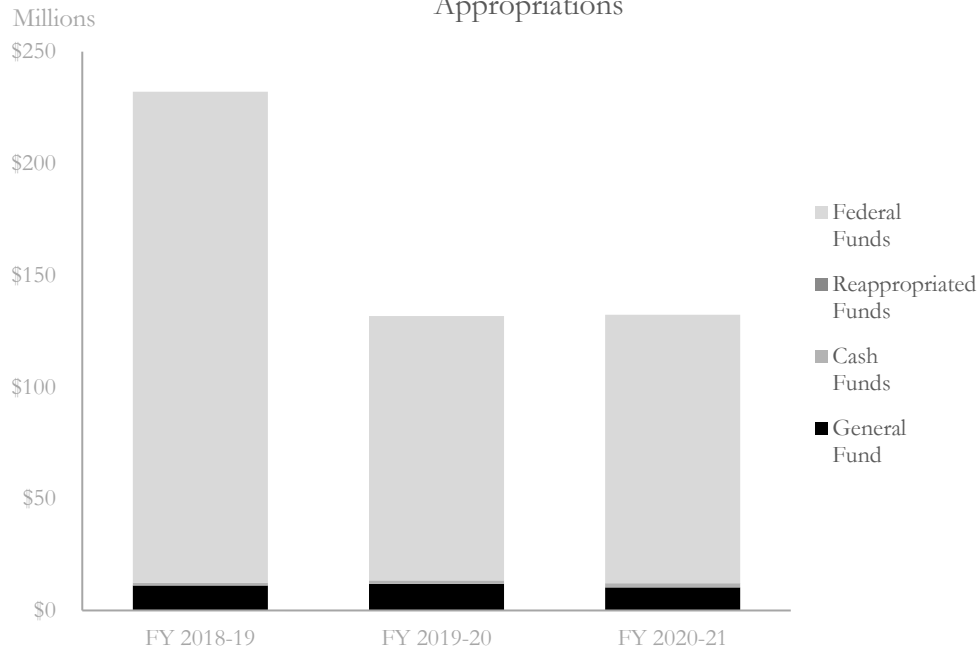
Confronting the budget challenges of the 2020 legislative session, the Committee and the General Assembly took a variety of budget balancing actions in the Department of Military and Veterans Affairs in FY 2020-21.

*FY 2018-19 to FY 2019-20:* Appropriations to the Department increased by \$650,000 General Fund and decreased \$100.4 million total funds from FY 2018-19 to FY 2019-20. The decrease in total funds was due to an adjustment in the presentation of informational federal funds to ensure that amounts shown in the budget are based on the number of National Guard members serving in Colorado. Funding for uniformed personnel does not flow through the state accounting system, and actual expenditure data is therefore unknown.

*FY 2019-20 to FY 2020-21:* Facing revenue challenges for FY 2020-21, the General Assembly took a variety of actions to both reduce the Department's General Fund appropriations and to make other revenues available for balancing purposes. While the Department's *total* budget increased by \$567,380 from FY 2019-20 to FY 2020-21, the General Fund appropriation was decreased by \$1.5 million (representing a decrease of \$900,000 below FY 2018-19 levels).

The following graph shows the Department's annual appropriations for FY 2018-19 through FY 2020-21. A table with appropriations detail by major fund source follows the graph. Please note that the FY 2019-20 appropriations include the adjustments and reductions made during the 2020 Session.

### Recent Department of Military and Veterans Affairs Appropriations



#### Department of Military and Veterans Affairs Appropriations FY 2019-20 through FY 2020-21

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2018-19 Final	\$232,120,162	\$11,206,594	\$1,203,530	\$0	\$219,710,038	1,407.5
FY 2019-20 Adjusted	131,718,845	11,856,255	1,470,429	4,143	118,388,018	2,579.1
FY 2020-21	132,286,225	10,343,790	1,641,694	163,167	120,137,574	2,534.6
Change from FY 2019-20 to FY 2020-21	\$567,380	(\$1,512,465)	\$171,265	\$159,024	\$1,749,556	6.5
Percent change FY 2019-20 to FY 2020-21	0.4%	(12.8%)	11.6%	3838.4%	1.5%	0.3%

### SUMMARY OF 2020 SESSION BUDGET BALANCING APPROPRIATION CHANGES

The following table summarizes the budget balancing actions that impacted appropriations to the Department of Military and Veterans Affairs for FY 2020-21, including actions taken through the Long Bill and other legislation. Please note:

- Unless otherwise indicated, JBC Staff assumes that the FY 2020-21 adjustments are ongoing for FY 2021-22. Staff has noted where the Committee (or the General Assembly) specifically designated actions as one-time in nature. For this department, only a portion of the reduction associated with National Guard Tuition Assistance was clearly one-time. Staff has also noted whether the Governor's/Department's budget request proposes to continue the reduction in FY 2021-22 or restore the funding.
- The table only reflects balancing actions that specifically changed appropriations. The cash fund reductions in the table below that do not have an associated General Fund reduction were part of actions to make additional resources available for budget balancing purposes outside of the Department of Military and Veterans Affairs.

- Actions to increase available revenues (such as transfers from cash funds to the General Fund) are not included in this table and are discussed in a separate section.

2020 Session Budget Balancing Appropriation Changes - Department of Military and Veterans Affairs <sup>a</sup>						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2019-20 APPROPRIATION BALANCING ITEMS:</b>						
None.	\$0	\$0	\$0	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2020-21 APPROPRIATION BALANCING ITEMS:</b>						
<b>Appropriation Reductions</b>						
National Guard tuition assistance	(\$600,000)	(\$600,000)	\$0	\$0	\$0	0.0
PERA direct distribution (HB 20-1379) <sup>b</sup>	(238,282)	(234,742)	(3,540)	0	0	0.0
HLD decrease	(200,106)	(200,106)	0	0	0	0.0
Operating expense reduction	(150,000)	(150,000)	0	0	0	(4.1)
Veterans assistance grant reduction	(150,000)	(150,000)	0	0	0	(1.9)
Community provider rate	(12,573)	(12,573)	0	0	0	(2.5)
<b>Subtotal - Appropriation Reductions</b>	<b>(\$1,350,961)</b>	<b>(\$1,347,421)</b>	<b>(\$3,540)</b>	<b>\$0</b>	<b>\$0</b>	<b>(8.5)</b>
<b>Fund Source Adjustments</b>						
Western Region OneSource	\$212,359	(\$103,365)	\$157,862	\$157,862	\$0	0.0
<b>Subtotal - Fund Source Adjustments</b>	<b>\$212,359</b>	<b>(\$103,365)</b>	<b>\$157,862</b>	<b>\$157,862</b>	<b>\$0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>(\$1,138,602)</b>	<b>(\$1,450,786)</b>	<b>\$154,322</b>	<b>\$157,862</b>	<b>\$0</b>	<b>(8.5)</b>
<b>BALANCING ITEMS AS PERCENTAGE OF TOTAL APPROPRIATION:</b>						
FY 2019-20 Appropriation	\$131,718,845	\$11,856,255	\$1,470,429	\$4,143	\$118,388,018	2,579.1
FY 2020-21 Appropriation	\$132,286,225	\$10,343,790	\$1,641,694	\$163,167	\$120,137,574	2,534.6
FY 2020-21 Actions as Percentage of FY 2019-20 Appropriation	(0.9%)	(12.2%)	10.5%	3,810.3%	0.0%	(0.3%)

<sup>a</sup> Unless otherwise indicated, actions were reflected in the Long Bill (H.B. 20-1360)

<sup>b</sup> House Bill 20-1379 eliminated PERA Direct Distribution appropriations for all departments.

<sup>c</sup> This adjustment required statutory change and was made in H.B. 20-1369. Please note that this is a one-time reduction pursuant to the statutory change in the bill. Continuing this reduction in FY 2021-22 would require further statutory change.

## FY 2020-21 APPROPRIATION – APPROPRIATION REDUCTIONS

**NATIONAL GUARD TUITION ASSISTANCE:** The Long Bill appropriation included a \$600,000 General Fund reduction to the appropriation to the National Guard Tuition Assistance Fund based on current spending trends and reserves for the program. Of this amount, \$175,000 is ongoing, and the Department requested a continuation of the \$425,000 reduction for FY 2021-22.

**PERA DIRECTION DISTRIBUTION:** House Bill 20-1379 eliminated PERA Direct Distribution appropriations for all departments. This reduced appropriations to the Department by \$238,282 total funds.

**HLD DECREASE/PERSONAL SERVICES BASE REDUCTION:** The Long Bill appropriation reduced Health, Life, and Dental (HLD) across all Departments in lieu of a personal services base reduction. This reduced appropriations to the Department by \$200,106 total funds.

**OPERATING EXPENSE REDUCTION:** The Long Bill appropriation included reductions of \$50,000 General Fund for operating expenses for Department administration and \$100,000 General Fund for the Army National Guard Cooperative agreement.

**VETERANS ASSISTANCE GRANT REDUCTION:** The Long Bill appropriation included a reduction of \$150,000 General Fund for the Veterans Assistance Grant Program.

**COMMUNITY PROVIDER RATE:** The Long Bill appropriation included a decrease of \$12,573 General Fund for the one percent common policy across-the-board decrease for most community providers.

## FY 2020-21 APPROPRIATION – FUND SOURCE ADJUSTMENTS

**WESTERN REGION ONE SOURCE:** The Long Bill appropriation included adjustments to appropriations for the Grand Junction Veterans One-stop Center (known as the Western Region OneSource) and the Veterans Trust Fund related to operations, maintenance, and staff support at the OneSource. Appropriation adjustments include: (1) reduction of \$103,365 General Fund for operations and maintenance costs; and (2) increase of \$157,862 cash funds in the Veterans Trust Fund line item and \$157,862 informational reappropriated funds in the Grand Junction Veterans One-stop line item for amounts awarded by the Board of Veterans Affairs for the OneSource. Revenue from OneSource tenants is expected to cover these costs when the facility is fully occupied.

## ACTIONS TO INCREASE AVAILABLE REVENUES

The General Assembly made a number of transfers (totaling \$8.9 million) from Department of Military and Veterans Affairs cash funds to the General Fund to increase available General Fund. The following changes were made via H.B. 20-1406, H.B. 20-1380, and H.B. 20-1381. All of these items are assumed to be one-time.

STATUTORY TRANSFERS TO THE GENERAL FUND			
SOURCE FUND	NET GF REVENUE IMPACT	OTHER FUNDS REVENUE IMPACT	TOTAL FUNDS
Sales of real estate acquired for military purposes	\$4,908,395	(\$4,908,395)	\$0
Colorado state veterans trust fund	3,000,000	(3,000,000)	0
Veterans assistance grant program cash fund	1,000,000	(1,000,000)	0
<b>TOTAL</b>	<b>\$8,908,395</b>	<b>(\$8,908,395)</b>	<b>\$0</b>

## POINTS TO CONSIDER

Looking toward the FY 2021-22 budget, staff offers the following points to consider regarding the Department of Military and Veterans Affairs.

- The Colorado State Veterans Trust Fund is supported by 1.0 percent of annual receipts from the Tobacco Master Settlement Agreement. Funds are distributed by the Board of Veterans Affairs. Of the annual tobacco allocation, 90.0 percent is available for appropriation and 10.0 percent must be reserved. A total of \$3.8 million remained in the fund after the transfer. Additional appropriations or transfers from the Fund would require statutory change.
- Funds in the Veterans Assistance Grant Program Cash Fund originate as General Fund. The \$1.0 million transfer allows the Department to continue spending at current levels for three years.



## ISSUE: R2 NATIONAL GUARD TUITION ASSISTANCE

The Department request continues the \$425,000 General Fund reduction implemented for budget balancing funding for FY 2021-22 to meet an anticipated reduced demand for the program. This issue brief provides more information on the request, as well as background and funding history for the program.

### SUMMARY

- The overall request for the Department of Military and Veterans' Affairs includes a General Fund increase of 2.9 percent.
- The request includes a continuation of budget balancing reductions of \$425,000 General Fund for the National Guard Tuition Assistance Program, which partially offsets the small increases requested for common policy adjustments.

### DISCUSSION

The National Guard Tuition Assistance Program provides tuition assistance funding for members of the Colorado National Guard who attend Colorado state universities and colleges (Section 23-7.4-302, C.R.S.).

#### *REQUEST R2*

For FY 2019-20, the program appropriation was \$1,596,157 General Fund. For FY 2020-21, the Department initially requested a General Fund decrease of \$175,000 on an ongoing basis. Budget balancing actions caused the appropriation to be further reduced by \$425,000 General Fund for FY 2020-21 only. Due to an anticipated decrease in program demand due to COVID-19, the Department requests a continuation of the one-time \$425,000 General Fund reduction for FY 2021-22.

The reduction will allow the program to spend down the cash fund balance of the Colorado National Guard Tuition Fund. This fund's revenue source comes from unspent prior-year tuition assistance funding. The FY 2019-20 year-end balance of this fund was \$619,223.

#### *PROGRAM BACKGROUND*

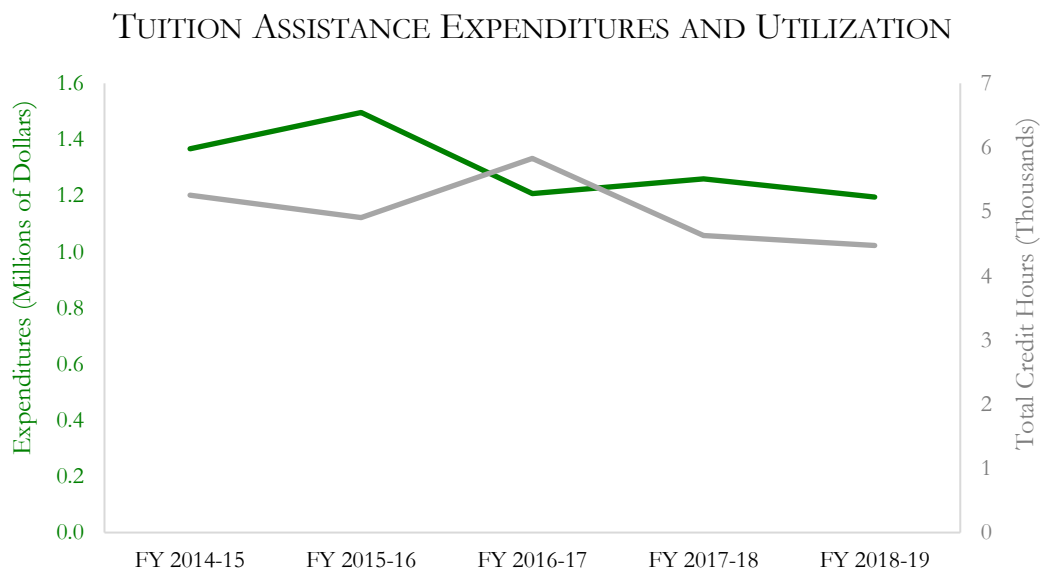
A member of the National Guard is eligible for Tuition Assistance of at least 50 percent of tuition, but no more than 100 percent, so long as:

- the person is a current member of the Colorado National Guard
- the National Guard member has not received tuition payments for more than 132 semester hours
- the National Guard member's assistance from all sources, including the federal government, does not exceed 100 percent of the cost of tuition; and
- the member is determined eligible based on the Department rules. These rules determine eligibility based on the member's service record and academic standing.

National Guard Tuition Assistance is the largest state-funded recruitment incentive to attract enlistment in the Colorado National Guard. Access to this program is subject to available appropriations. Thus, it is not strictly an entitlement, and the Department has modified the program

over time to keep costs under control. Nonetheless, the Department has sought to be fair to all participating Guard members and, so far as resources allow, offer a consistent benefit to any Guard member who qualifies. The Department indicates that there is no federal tuition benefit for members of the Air National Guard and that most Army Guard members are eligible for little if any federal tuition assistance.

Historically, there appears to be little relationship between program utilization and expenditures. This is apparently because (a) credit hours are shown even if the Department recoups tuition assistance because of a student’s low GPA; (b) reimbursements are capped, although credit hours are not; and (c) credit hour costs vary by type of institution and therefore the “case mix” can affect total costs. The figure below shows recent program expenditures compared to program utilization as demonstrated by total credit hours.



*FUNDING HISTORY*

Prior to FY 2016-17, the program received both direct General Fund support and reappropriated funds transferred from the Department of Higher Education into the National Guard Tuition Assistance Fund. Because funds were placed in a cash fund, the Department was able to spend below the appropriation in some years and above the appropriation in others, using the fund balance as a cushion against variability in program participation.

During the 2017 legislative session, the Department requested an increase of \$87,162 for FY 2016-17 and \$300,000 for FY 2017-18 due to increasing tuition rates. However, the Department did not spend the increased appropriation provided in FY 2016-17, and in fact spent less than the original FY 2015-16 appropriation in the following three fiscal years.

When the JBC approved the increases, the committee also sponsored a bill with statutory changes to allow the JBC to make direct General Fund appropriations to the Department rather than the cash fund. Removal of the cash fund appropriation unintentionally caused the Controller’s Office to revert unused funds to the General Fund.

The JBC and General Assembly therefore altered the funding mechanism again in FY 2019-20 by changing the name of the line item, allowing General Fund appropriations to be deposited into the cash fund and ending the reversions. This change has allowed the Department to spend down the existing fund balance while accepting reductions in General Fund appropriations for budget balancing.

APPENDIX A  
NUMBERS PAGES  
(DIGITAL ONLY)

Appendix A details actual expenditures for the last two fiscal years, the appropriation for the current fiscal year, and the requested appropriation for next fiscal year. This information is listed by line item and fund source. ***Appendix A is only available in the online version of this document.***

## Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
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**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**  
**Michael Loh, Adjutant General**

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

nce and Civil Air Patrol operations.

Personal Services	<u>2,446,621</u>	<u>2,065,943</u>	<u>2,208,990</u>	<u>2,238,288</u>
FTE	32.5	23.6	25.4	25.4
General Fund	2,157,792	1,731,454	1,776,088	1,815,512
Cash Funds	0	0	4,165	4,165
Reappropriated Funds	0	0	5,305	5,305
Federal Funds	288,829	334,489	423,432	413,306
Health, Life, and Dental	<u>301,603</u>	<u>445,946</u>	<u>1,263,792</u>	<u>1,597,621</u>
General Fund	294,341	440,311	354,231	672,043
Cash Funds	7,262	5,635	23,753	39,637
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	885,808	885,941
Short-term Disability	<u>5,432</u>	<u>5,945</u>	<u>17,500</u>	<u>17,282</u>
General Fund	5,199	5,892	5,985	7,005
Cash Funds	233	53	261	201
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	11,254	10,076

## Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
S.B. 04-257 Amortization Equalization Disbursement	<u>104,947</u>	<u>150,822</u>	<u>522,414</u>	<u>546,644</u>	
General Fund	97,943	149,196	178,109	221,008	
Cash Funds	7,004	1,626	7,760	6,337	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	336,545	319,299	
S.B. 06-235 Supplemental Amortization Equalization Disbursement	<u>104,947</u>	<u>150,822</u>	<u>522,414</u>	<u>546,644</u>	
General Fund	97,943	149,196	178,109	221,008	
Cash Funds	7,004	1,626	7,760	6,337	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	336,545	319,299	
PERA Direct Distribution	<u>0</u>	<u>250,154</u>	<u>0</u>	<u>282,078</u>	
General Fund	0	246,709	0	278,808	
Cash Funds	0	3,445	0	3,270	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Shift Differential	<u>0</u>	<u>0</u>	<u>36,438</u>	<u>31,625</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	36,438	31,625	

## Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Workers' Compensation	<u>153,608</u>	<u>108,535</u>	<u>98,478</u>	<u>98,749</u>	
General Fund	73,831	51,294	47,271	47,542	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	79,777	57,241	51,207	51,207	
Operating Expenses	<u>2,681,474</u>	<u>401,899</u>	<u>397,899</u>	<u>252,899</u> *	
General Fund	1,444,518	401,899	351,899	251,899	
Cash Funds	162	0	46,000	1,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	1,236,794	0	0	0	
Information Technology Asset Maintenance	<u>21,282</u>	<u>16,363</u>	<u>22,372</u>	<u>7,372</u> *	
General Fund	21,282	16,363	22,372	7,372	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Legal Services	<u>11,855</u>	<u>84,829</u>	<u>66,986</u>	<u>41,100</u>	
General Fund	11,855	84,829	66,986	41,100	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Payment to Risk Management and Property Funds	<u>273,499</u>	<u>220,252</u>	<u>154,357</u>	<u>275,985</u>	
General Fund	273,499	220,252	154,357	275,985	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

## Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Statewide training	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,754</u>	*
General Fund	0	0	0	2,754	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Vehicle Lease Payments	<u>49,422</u>	<u>61,049</u>	<u>63,322</u>	<u>135,633</u>	*
General Fund	16,113	19,398	26,977	47,472	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	33,309	41,651	36,345	88,161	
Leased Space	<u>58,651</u>	<u>54,418</u>	<u>61,995</u>	<u>63,893</u>	
General Fund	58,651	54,418	61,995	63,893	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Capitol Complex Leased Space	<u>48,219</u>	<u>48,603</u>	<u>48,777</u>	<u>50,496</u>	
General Fund	48,219	48,603	48,777	50,496	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Payments to OIT	<u>462,937</u>	<u>225,602</u>	<u>297,166</u>	<u>319,159</u>	*
General Fund	462,937	225,602	297,166	319,159	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	



## Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
CORE Operations	<u>65,924</u>	<u>57,710</u>	<u>76,867</u>	<u>73,577</u>	
General Fund	65,924	57,710	76,867	73,577	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Annual Depreciation-Lease Equivalent Payment	<u>0</u>	<u>87,994</u>	<u>0</u>	<u>0</u>	*
General Fund	0	87,994	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Civil Air Patrol Operations	<u>58,520</u>	<u>38,628</u>	<u>58,638</u>	<u>58,638</u>	
General Fund	58,520	38,628	58,638	58,638	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Local Armory Incentive Plan	<u>0</u>	<u>20,000</u>	<u>20,000</u>	<u>1,000</u>	*
General Fund	0	0	0	0	
Cash Funds	0	20,000	20,000	1,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Statewide Indirect Cost Collections	<u>0</u>	<u>0</u>	<u>5,305</u>	<u>5,901</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	5,305	5,901	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

## Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Appropriation to the Colorado National Guard Tuition					
Fund	<u>1,194,910</u>	<u>2,372,716</u>	<u>996,157</u>	<u>996,157</u>	*
General Fund	1,194,910	1,346,157	996,157	996,157	
Cash Funds	0	1,026,559	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Army National Guard Cooperative Agreement	<u>12,096,785</u>	<u>16,267,516</u>	<u>14,055,686</u>	<u>13,938,498</u>	*
FTE	71.0	98.9	84.1	84.1	
General Fund	0	1,660,069	1,755,686	1,636,663	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	12,096,785	14,607,447	12,300,000	12,301,835	
Salary Survey	<u>106,127</u>	<u>117,816</u>	<u>0</u>	<u>0</u>	
General Fund	101,574	116,756	0	0	
Cash Funds	4,553	1,060	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

## Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
<b>TOTAL - (1) Executive Director and Army National Guard</b>	20,246,763	23,253,562	20,995,553	21,581,993	2.8%
<i>FTE</i>	<u>103.5</u>	<u>122.5</u>	<u>109.5</u>	<u>109.5</u>	<u>(0.0%)</u>
General Fund	6,485,051	7,152,730	6,457,670	7,088,091	9.8%
Cash Funds	26,218	1,060,004	115,004	67,848	(41.0%)
Reappropriated Funds	0	0	5,305	5,305	0.0%
Federal Funds	13,735,494	15,040,828	14,417,574	14,420,749	0.0%

## Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
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### (2) DIVISION OF VETERANS AFFAIRS

the Colorado State Veterans Trust Fund and the Western Slope Military Veterans' Cemetery Fund.

Veterans Service Operations	<u>907,706</u>	<u>962,168</u>	<u>1,024,656</u>	<u>892,729</u> *
FTE	10.3	11.8	13.0	12.0
General Fund	865,385	919,682	982,156	850,229
Cash Funds	42,321	42,486	42,500	42,500
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0
County Veterans Service Officer Payments	<u>1,240,925</u>	<u>1,257,280</u>	<u>1,244,707</u>	<u>1,244,707</u>
General Fund	1,240,925	1,257,280	1,244,707	1,244,707
Cash Funds	0	0	0	0
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0
Colorado State Veterans Trust Fund Expenditures	<u>654,974</u>	<u>703,213</u>	<u>1,041,092</u>	<u>1,041,092</u>
General Fund	0	0	0	0
Cash Funds	654,974	703,213	1,041,092	1,041,092
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0
Veterans Assistance Grant Program	<u>967,916</u>	<u>991,108</u>	<u>1,007,886</u>	<u>1,007,886</u> *
FTE	0.5	0.5	0.5	0.5
General Fund	967,916	885,374	850,000	700,000
Cash Funds	0	105,734	157,886	307,886
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0

## Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
Western Slope Veterans Cemetery	<u>410,478</u>	<u>347,462</u>	<u>454,635</u>	<u>454,769</u>	
FTE	5.9	5.7	5.5	5.5	
General Fund	176,179	150,640	204,750	204,828	
Cash Funds	234,299	196,822	249,885	249,941	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Grand Junction Veterans One-Stop Center	<u>161,994</u>	<u>231,242</u>	<u>382,739</u>	<u>358,845</u> *	
FTE	0.9	2.4	3.1	3.2	
General Fund	161,994	231,242	189,550	161,073	
Cash Funds	0	0	35,327	35,327	
Reappropriated Funds	0	0	157,862	162,445	
Federal Funds	0	0	0	0	
<b>TOTAL - (2) Division of Veterans Affairs</b>	4,343,993	4,492,473	5,155,715	5,000,028	(3.0%)
FTE	<u>17.6</u>	<u>20.4</u>	<u>22.1</u>	<u>21.2</u>	(4.1%)
General Fund	3,412,399	3,444,218	3,471,163	3,160,837	(8.9%)
Cash Funds	931,594	1,048,255	1,526,690	1,676,746	9.8%
Reappropriated Funds	0	0	157,862	162,445	2.9%
Federal Funds	0	0	0	0	0.0%

## Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
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### (3) AIR NATIONAL GUARD

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 in Colorado.

#### Operations and Maintenance Agreement for Buckley/

Greeley	<u>2,491,022</u>	<u>3,405,738</u>	<u>2,614,957</u>	<u>2,595,287</u> *
FTE	23.6	24.1	28.0	28.0
General Fund	378,451	376,109	414,957	394,447
Cash Funds	0	0	0	0
Reappropriated Funds	0	0	0	0
Federal Funds	2,112,571	3,029,629	2,200,000	2,200,840

#### Buckley Cooperative Agreement/Air Traffic Control

Buckley	<u>721,992</u>	<u>749,436</u>	<u>730,000</u>	<u>730,000</u>
FTE	6.8	7.0	7.0	7.0
General Fund	0	0	0	0
Cash Funds	0	0	0	0
Reappropriated Funds	0	0	0	0
Federal Funds	721,992	749,436	730,000	730,000

#### Security for Space Command Facility at Greeley

Greeley	<u>389,832</u>	<u>389,200</u>	<u>390,000</u>	<u>390,000</u>
FTE	6.0	5.7	6.0	6.0
General Fund	0	0	0	0
Cash Funds	0	0	0	0
Reappropriated Funds	0	0	0	0
Federal Funds	389,832	389,200	390,000	390,000

## Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
<b>TOTAL - (3) Air National Guard</b>	3,602,846	4,544,374	3,734,957	3,715,287	(0.5%)
<i>FTE</i>	<u>36.4</u>	<u>36.8</u>	<u>41.0</u>	<u>41.0</u>	<u>0.0%</u>
General Fund	378,451	376,109	414,957	394,447	(4.9%)
Cash Funds	0	0	0	0	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	3,224,395	4,168,265	3,320,000	3,320,840	0.0%

## Appendix A: Numbers Pages

	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Appropriation	FY 2021-22 Request	Request vs. Appropriation
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### (4) FEDERAL FUNDED PROGRAMS

This section provides an estimate of federal funds authorized for Colorado National Guard operations.

National Guard Service Members	<u>0</u>	<u>0</u>	<u>102,400,000</u>	<u>102,400,000</u>	
FTE	0.0	0.0	2,362.0	2,362.0	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	102,400,000	102,400,000	

<b>TOTAL - (4) Federal Funded Programs</b>	0	0	102,400,000	102,400,000	0.0%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>2,362.0</u>	<u>2,362.0</u>	<u>0.0%</u>
General Fund	0	0	0	0	0.0%
Cash Funds	0	0	0	0	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	102,400,000	102,400,000	0.0%

<b>TOTAL - Department of Military and Veterans Affairs</b>	28,193,602	32,290,409	132,286,225	132,697,308	0.3%
<i>FTE</i>	<u>157.5</u>	<u>179.7</u>	<u>2,534.6</u>	<u>2,533.7</u>	<u>(0.0%)</u>
General Fund	10,275,901	10,973,057	10,343,790	10,643,375	2.9%
Cash Funds	957,812	2,108,259	1,641,694	1,744,594	6.3%
Reappropriated Funds	0	0	163,167	167,750	2.8%
Federal Funds	16,959,889	19,209,093	120,137,574	120,141,589	0.0%



## APPENDIX B FOOTNOTES AND INFORMATION REQUESTS

### UPDATE ON LONG BILL FOOTNOTES

The General Assembly includes footnotes in the annual Long Bill to: (a) set forth purposes, conditions, or limitations on an item of appropriation; (b) explain assumptions used in determining a specific amount of an appropriation; or (c) express legislative intent relating to any appropriation. Footnotes to the 2020 Long Bill (H.B. 20-1360) can be found at the end of each departmental section of the bill at <https://leg.colorado.gov/bills/HB20-1360>. The Long Bill footnotes relevant to this document are listed below.

86 Department of Military and Veterans Affairs, Executive Director and Army National Guard, Personal Services, Operating Expenses, Vehicle Lease Payments, and Army National Guard Cooperative Agreement -- In addition to the transfer authority provided in Section 24-75-108, C.R.S., the Department is authorized to transfer up to 20.0 percent of the total General Fund appropriations in these line items between these line items. Transfers to or from the Vehicle Lease Payments line item may be used solely to address changes in the portion of costs covered by federal authorities for vehicle lease payments.

**COMMENT:** This flexibility was added for FY 2019-20 to help the Department make more efficient use of its appropriations. The Department used this flexibility to transfer \$90,000, or 5.2 percent of the General Fund appropriation, from the Army National Guard Cooperative Agreement to Operating Expenses in FY 2019-20. A total of \$401,899 General Fund from the Operating Expenses line item was reverted.

87 Department of Military and Veterans Affairs, Executive Director and Army National Guard, Health, Life, and Dental -- The General Fund appropriation includes a decrease of \$200,106 that is equal to 5.0 percent of the General Fund portion of estimated base salary for the Department. The reduction in this General Fund appropriation is in lieu of a 5.0 percent personal services base reduction and provides the Department with increased flexibility to absorb the reduction and engage in more considered targeted reductions across all department divisions and programs. This reduction is not intended to reduce the Health, Life, and Dental benefit provided to state employees. It is the General Assembly's intent that Health, Life, and Dental costs for employees, as approved in budget actions, be fully paid within personal services appropriations augmented by Department allocations from central benefits appropriations.

**COMMENT:** This footnote explains assumptions used in determining the amount of the FY 2020-21 appropriation for Health, Life, and Dental. The footnote describes the adjustment made as a statewide compensation balancing action. This item is addressed in the Statewide Compensation briefing document.

## UPDATE ON LONG BILL REQUESTS FOR INFORMATION

The Joint Budget Committee annually submits requests for information to executive departments and the judicial branch via letters to the Governor, the Chief Justice, and other elected officials. Each request is associated with one or more specific Long Bill line item(s), and the requests have been prioritized by the Joint Budget Committee as required by Section 2-3-203 (3), C.R.S. Copies of these letters are included as Appendix L of the annual Appropriations Report. The requests for information relevant to this document are listed below.

- 6 Department of Health Care Policy and Financing, Medical Services Premiums; Indigent Care Program, Children's Basic Health Plan Medical and Dental Costs; Department of Higher Education, Colorado Commission on Higher Education, Special Purpose, University of Colorado, Lease Purchase of Academic Facilities at Fitzsimons; Governing Boards, Regents of the University of Colorado; Department of Human Services, Division of Child Welfare, Tony Grampas Youth Services Program; Office of Early Childhood, Division of Community and Family Support, Nurse Home Visitor Program; Department of Military and Veterans Affairs, Division of Veterans Affairs, Colorado State Veterans Trust Fund Expenditures; Department of Personnel, Division of Human Resources, Employee Benefits Services, H.B. 07-1335 Supplemental State Contribution Fund; Department of Public Health and Environment, Disease Control and Environmental Epidemiology Division, Administration, General Disease Control, and Surveillance, Immunization Operating Expenses; Special Purpose Disease Control Programs, Sexually Transmitted Infections, HIV and AIDS Operating Expenses, and Ryan White Act Operating Expenses; Prevention Services Division, Chronic Disease Prevention Programs, Oral Health Programs; Primary Care Office -- Each Department is requested to provide the following information to the Joint Budget Committee by October 1, 2020 for each program funded with Tobacco Master Settlement Agreement money: the name of the program; the amount of Tobacco Master Settlement Agreement money received and expended by the program for the preceding fiscal year; a description of the program including the actual number of persons served and the services provided through the program; information evaluating the operation of the program, including the effectiveness of the program in achieving its stated goals.

**COMMENT:** The Veteran's Trust Fund (VTF) received a Long Bill appropriation of \$846,836 for FY 2019-20. A total of \$705,221.60 from the Trust Fund was awarded in grants throughout the state. Of the grant funds awarded, \$654,308.14 was expended.

Of the grantees, 55 percent were in rural areas and 45 percent in metro areas. The number of veterans served by grantees was 1,579 with 972 unique individuals receiving service. Of that amount, 13 percent identified as women. The total number served was lower than the previous year due to the impacts of COVID-19 on service provision. COVID-19 restrictions temporarily suspended some services, though there was an increase in the number of trainings via webinar and one-on-one sessions.

Programs are evaluated through a service recipient survey. Of those surveyed, 95 percent rated services favorably with 64 percent indicating a decrease in urgent needs, and 41 percent noting an increase in personal well-being.

## APPENDIX C

# DEPARTMENT ANNUAL PERFORMANCE REPORT

Pursuant to Section 2-7-205 (1)(b), C.R.S., the Department of Military and Veterans Affairs is required to publish an **Annual Performance Report** for the *previous fiscal year* by November 1 of each year. This report is to include a summary of the Department's performance plan and most recent performance evaluation for the designated fiscal year. In addition, pursuant to Section 2-7-204 (3)(a)(I), C.R.S., the Department is required to develop a **Performance Plan** and submit the plan for the *current fiscal year* to the Joint Budget Committee and appropriate Joint Committee of Reference by July 1 of each year.

For consideration by the Joint Budget Committee in prioritizing the Department's FY 2021-22 budget request, the FY 2019-20 Annual Performance Report and the FY 2020-21 Performance Plan can be found at the following link:

<https://www.colorado.gov/pacific/performancemanagement/department-performance-plans>