

# Joint Budget Committee



## Staff Budget Briefing FY 2025-26

### Department of Military and Veterans Affairs

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

Prepared by:  
Jon Catlett, JBC Staff  
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Joint Budget Committee Staff  
200 E. 14th Avenue, 3rd Floor • Denver • Colorado • 80203  
Telephone: (303) 866-2061 • TDD: (303) 866-3472  
<https://leg.colorado.gov/agencies/joint-budget-committee>

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## ADDITIONAL RESOURCES

Brief summaries of all bills that passed during the 2024 legislative session that had a fiscal impact on this department are available in Appendix A of the annual Appropriations Report: <https://leg.colorado.gov/sites/default/files/fy24-25apprept.pdf>

The online version of the briefing document 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.

# Overview of Military and Veterans Affairs

The Department of Military and Veterans Affairs has approximately 5,000 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.

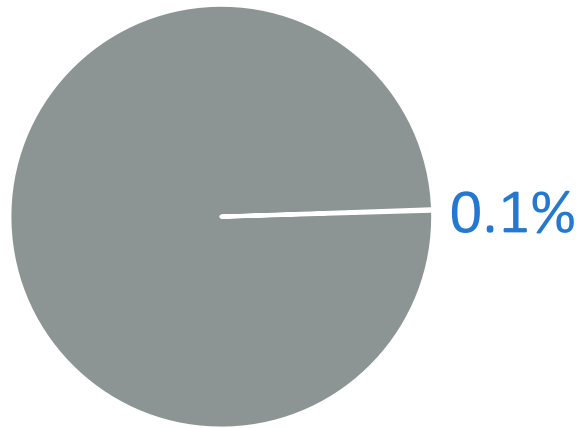
# Recent Appropriations

Military and Veterans Affairs: Recent Appropriations				
Funding Source	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26*
General Fund	\$12,680,614	\$15,286,685	\$17,704,398	\$18,053,241
Cash Funds	1,571,906	2,011,125	2,288,239	2,340,167
Reappropriated Funds	80,305	65,557	51,198	26,042
Federal Funds	128,724,283	132,002,139	129,237,856	130,126,151
<b>Total Funds</b>	<b>\$143,057,108</b>	<b>\$149,365,506</b>	<b>\$149,281,691</b>	<b>\$150,545,601</b>
Full Time Equivalent Staff	2,513.9	2,491.6	2,274.7	2,276.9

\*Requested appropriation

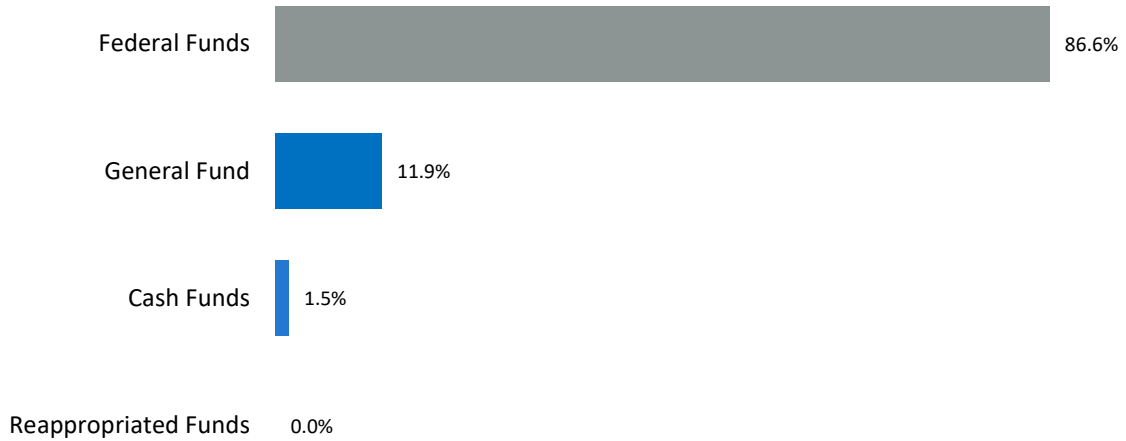
# Graphic Overview

## Department's Share of Statewide General Fund



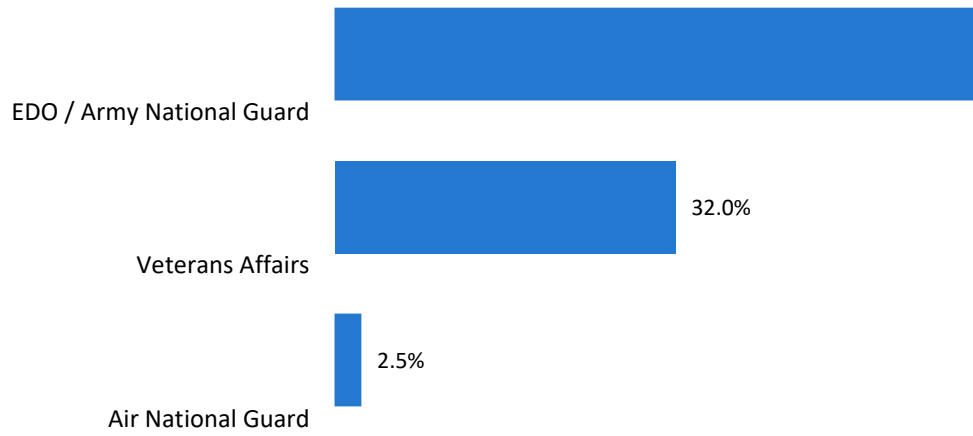
Based on the FY 2024-25 appropriation.

## Department Funding Sources



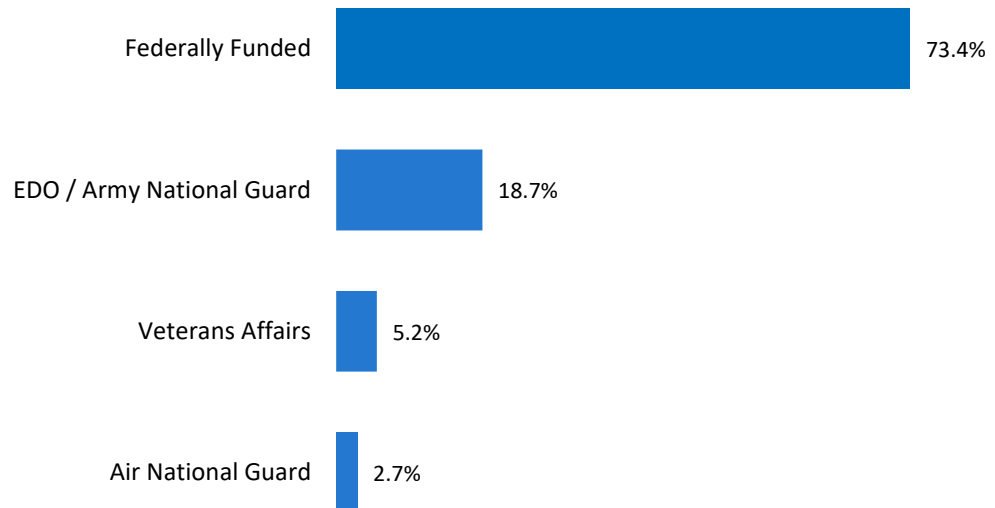
Based on the FY 2024-25 appropriation.

### Distribution of General Fund by Division



Based on the FY 2024-25 appropriation.

### Distribution of Total Funds by Division



Based on the FY 2024-25 Appropriation

# Cash Funds Detail

Department of Military and Veterans Affairs				
Cash Funds Detail				
Fund Name	FY 2024-25 Approp.	Note	Primary Revenue Sources	Primary Uses in Dept.
Colorado State Veterans Trust Fund	\$1,495,469	<sup>1</sup>	Annual transfer of 1 percent of the money from the Master Tobacco Settlement Agreement	Grants to veterans programs operated by nonprofit veterans' organizations; Community Living Centers capital improvements, amenities for existing or future veteran's nursing homes.
Western Slope Veterans' Cemetery Fund	324,468	<sup>1</sup>	Gifts, grants, contributions, and donations from any persons. Federal Government entitlement reimbursements per burial	Operation and maintenance of the Western Slope Veterans Memorial Cemetery
Veterans One Stop Center Cash Fund	174,653	<sup>2</sup>	Rental income; gifts grants and donations	Operation and overhead of the Western Region One Source Center
Veterans Assistance Grant Program Cash Fund	164,556	<sup>3</sup>	Transfer of 5 percent of the moneys from the Senior Property Tax	Grants to non-profit and governmental agencies providing services to Veterans
Military Real Estate Proceeds Cash Fund	66,000	<sup>2</sup>	Sale or lease of DMVA properties	Rent, hire, purchase, take conveyance of buildings, lands, tenements, and appurtenances as may be deemed for use by the National Guard
Electric Vehicle Service Equipment Fund	50,000		Fees for electric vehicle charging stations	Defray the costs associated with operating electric vehicle services equipment
Various	13,093			Various
<b>Total:</b>	<b>\$2,288,239</b>			

<sup>1</sup> Exempt from TABOR.

<sup>2</sup> At least partially TABOR exempt. Some revenue deposited in these funds are statutorily exempt from TABOR pursuant to Section 24-77-102 (17)(b), C.R.S.

<sup>3</sup> H.B. 16-1161 transferred 5.0 percent of any unspent senior property tax appropriation to this cash fund. This cash fund is scheduled to sunset in Sept 2024. The Veterans Assistance Grant Program is primarily funded by General Fund.

# General Factors Driving the Budget

Federal funds comprise 90.0 percent of the Department's FY 2024-25 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						
Authorized Strength	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Army National Guard	3,851	3,892	3,882	3,909	3,585	3,872
Air National Guard	1,637	1,629	1,658	1,655	1,620	1,621
<b>Total Authorized Strength</b>	<b>5,488</b>	<b>5,521</b>	<b>5,540</b>	<b>5,564</b>	<b>5,205</b>	<b>5,493</b>
National Guard Members	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Army National Guard	3,789	3,778	3,810	3,647	3,474	3,467
Air National Guard	1,592	1,730	1,708	1,608	1,605	1,596
<b>Total Members</b>	<b>5,381</b>	<b>5,508</b>	<b>5,518</b>	<b>5,255</b>	<b>5,079</b>	<b>5,063</b>
<b>Percentage of Slots Filled</b>	<b>98.1%</b>	<b>99.8%</b>	<b>99.6%</b>	<b>94.4%</b>	<b>97.6%</b>	<b>92.2%</b>

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

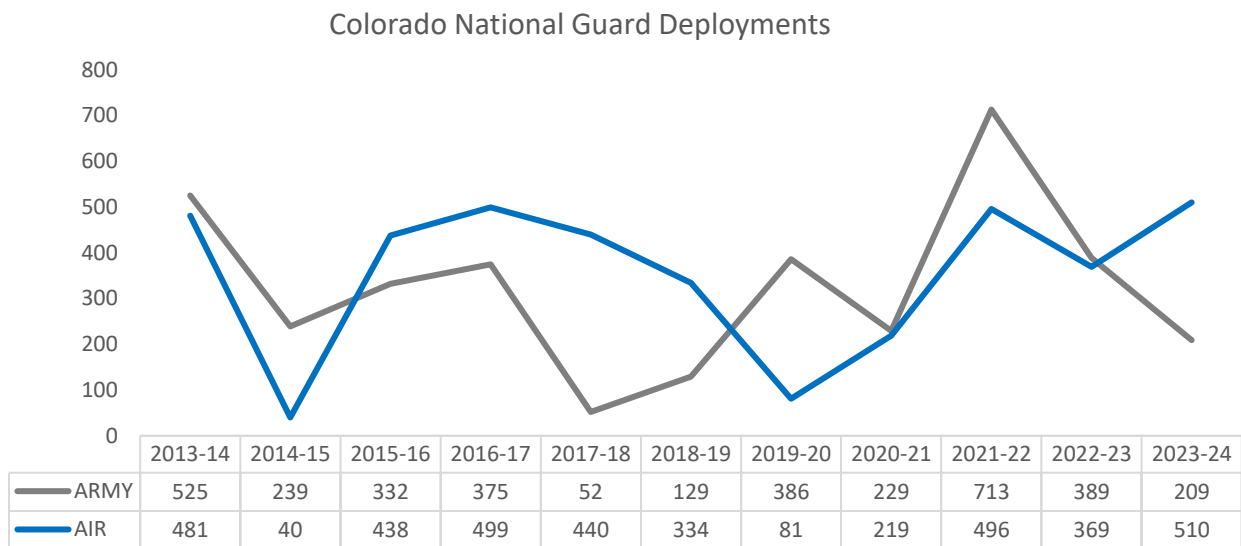


those facilities, changes in federal policies on cost-sharing with states, and State policies on compensation and operating costs for the Department’s civilian administrative staff.

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. Federal deployments in FY 2023-24 included:

- 169th Field Artillery Brigade (FAB) deployment to support *Operation Spartan Shield* in the Middle East;
- 169th FAB Radar deployment to support *Operation Inherent Resolve* in the Middle East;
- 947th EN Company deployment to support *Operation Spartan Shield* in the Middle East; and
- Army Space Support Team deployment to support *Operation Spartan Shield* in the Middle East.

The table below shows the number of National Guard members activated for federal duty since FY 2013-14.



The Governor may 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. For FY 2023-24 there were six statewide activations which included:

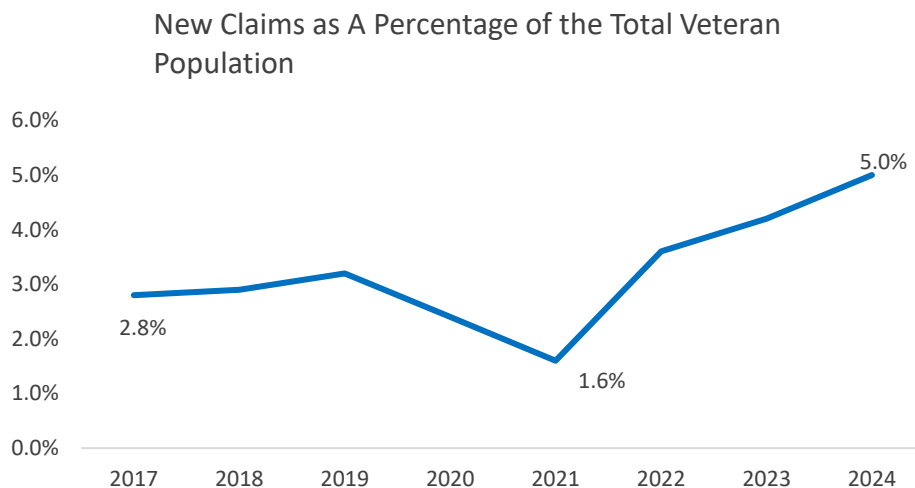
- Hazardous materials incident in Fremont County
- Cyber security election support (three separate state activations)
- Extreme cold weather response
- Blue Mesa middle bridge collapse and closure

**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 nonprofit 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 assists veterans with claims before the U.S. Department of Veterans Affairs and supports 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 focuses on a customer service mentality to increase the number of Colorado veterans assisted in obtaining benefits. While service provision has grown in recent years, new claims decreased in 2020 and 2021 due to restrictions implemented for COVID-19. However, in 2022, service provision recovered, and in 2023 and 2024, service reach grew and continues to exceed pre-pandemic levels. 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 \$1.4 million in cash funds from the Colorado State Veterans Trust Fund (CSVTF) for grants in FY 2022-25. The CSVTF 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 money is transferred to the Fund, and all interest earned on the Fund’s principal is available for appropriation, with the remaining 10.0 percent retained in the Fund (Section 28-5-709 (3)(c), C.R.S.).

# Summary of Request

## Department of Military and Veterans Affairs

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
<b>FY 2024-25 Appropriation</b>						
HB24-1430 (Long Bill)	\$149,281,691	\$17,704,398	\$2,288,239	\$51,198	\$129,237,856	2,274.7
<b>Total</b>	<b>\$149,281,691</b>	<b>\$17,704,398</b>	<b>\$2,288,239</b>	<b>\$51,198</b>	<b>\$129,237,856</b>	<b>2,274.7</b>
<b>FY 2025-26 Requested Appropriation</b>						
FY 2024-25 Appropriation	\$149,281,691	\$17,704,398	\$2,288,239	\$51,198	\$129,237,856	2,274.7
R1 Colorado National Guard tuition waiver	-1,421,157	-1,421,157	0	0	0	0.0
R2 Recruitment and retention bonus expansion	500,000	500,000	0	0	0	0.0
R3 Communications manager	110,244	110,244	0	0	0	1.0
R4 IT product director	155,836	155,836	0	0	0	1.0
R5 Human resources information system	325,000	325,000	0	0	0	0.0
Centrally appropriated line items	1,681,424	720,346	31,201	0	929,877	0.0
Technical adjustments	0	0	25,000	-25,000	0	0.0
Indirect cost assessment	-46,011	0	-4,273	-156	-41,582	0.0
Annualize prior year budget actions	-41,426	-41,426	0	0	0	0.2
<b>Total</b>	<b>\$150,545,601</b>	<b>\$18,053,241</b>	<b>\$2,340,167</b>	<b>\$26,042</b>	<b>\$130,126,151</b>	<b>2,276.9</b>
Increase/-Decrease	\$1,263,910	\$348,843	\$51,928	-\$25,156	\$888,295	2.2
Percentage Change	0.8%	2.0%	2.3%	-49.1%	0.7%	0.0

**R1 Colorado National Guard Tuition Waiver:** [Legislation Requested] The Department requests a modification to the existing tuition assistance program for the Colorado National Guard. Currently, the Department offers Guard members up to \$5,000 per semester in tuition assistance as an incentive for recruitment. This request aims to change the program from a tuition assistance benefit to a tuition waiver benefit for National Guard members.

Under this proposal, Colorado's public universities and colleges would fully cover the tuition costs for Colorado National Guard service members. Additionally, DMVA requests that the Department of Higher Education fully absorb the cost of the tuition waiver. According to the Department, this change will streamline processes, promote program efficiency, reduce costs, and increase accessibility.

**R2 Recruiting and Retention Bonus Expansion:** The request includes \$500,000 General Fund for fiscal year 2025-26 and ongoing to support the recruiting and retention bonus program established in fiscal year 2024-25. This program aims to attract and retain high-potential enlisted members of the Colorado National Guard whose career paths align with mission needs. It is designed to address the ongoing challenges in recruitment and retention that the Department faces due to competition from neighboring states' Guard units that offer superior benefits, as well as competition from the private sector.

**R3 Communications Manager:** The request includes \$110,244 General Fund and 1.0 FTE in FY 2025-26 and \$104,303 and 1.0 FTE in FY 2026-27 and ongoing to create a position dedicated to a cohesive communications strategy across the Department. This FTE would oversee and

coordinate outreach efforts across all divisions in the Department leading to better awareness and utilization of services by veterans and service members.

**R4 IT Product Director:** The request includes \$155,836 General Fund and 1.0 FTE in FY 2025-26 and \$149,898 General Fund and 1.0 FTE in FY 2026-27 to create an IT Product Director position. This position would serve as a liaison with the Office of Information Technology (OIT). The role will focus on modernizing internal IT systems, ensuring integration and security, and adhering to best information technology practices. The Department has indicated that the current IT infrastructure is hindered by poor integration and ineffective software lifecycle management, primarily due to a lack of strategic IT management and innovative direction.

**R5 Human resources information system:** The request includes \$325,000 General Fund for FY 2025-26 and \$30,000 for FY 2026-27 and ongoing to implement a human resources information system. This system will feature modules for personnel file management, personnel action requests, and performance management, using Hyland's OnBase platform, which will be managed by the Office of Information Technology (OIT). This system is already in use by other agencies within the state. According to the Department, it will streamline HR processes, reduce administrative workloads, and provide employees with faster and more reliable HR services.

**Centrally appropriated line items:** The request includes a net increase of \$1.7 million total funds, including \$720,346 General Fund for centrally appropriated line items, summarized in the table below.

Centrally appropriated line items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Risk management & property	\$488,591	\$488,591	\$0	\$0	\$0	0.0
Salary survey	400,578	161,050	7,659	\$0	231,869	0.0
Health, life, and dental	352,575	-6,685	13,857	0	345,403	0.0
AED and SAED adjustment	161,646	-2,850	6,064	0	158,432	0.0
Step Plan	123,286	55,488	2,289	0	65,509	0.0
Common policy provider rate adjustment	41,016	41,016	0	0	0	0.0
Legal services	38,468	38,468	0	0	0	0.0
NP Vehicle lease payments	32,746	15,531	0	0	17,215	0.0
CORE adjustment	30,235	30,235	0	0	0	0.0
Payments to OIT	29,386	29,386	0	0	0	0.0
SB18-200 PERA unfunded liability	22,793	-142,344	968	0	164,169	0.0
Capitol Complex leased space	15,894	15,894	0	0	0	0.0
Paid Family & Medical Leave Insurance	7,275	-128	273	0	7,130	0.0
Short-term disability	2,424	-43	91	0	2,376	0.0
DPS Digital trunk radio	696	696	0	0	0	0.0
Shift differential	-56,288	0	0	0	-56,288	0.0
Workers' compensation	-9,897	-3,959	0	0	-5,938	0.0
<b>Total</b>	<b>\$1,681,424</b>	<b>\$720,346</b>	<b>\$31,201</b>	<b>\$0</b>	<b>\$929,877</b>	<b>0.0</b>

**Indirect cost assessment:** The request includes net adjustments to indirect costs across all divisions.

**Technical adjustments:** The request includes a net zero decrease of \$25,000 in reappropriated funds and an increase of \$25,000 in cash funds for a budget-neutral refinance of the Grand Junction One-Stop Center.

**Annualize prior year budget actions:** The request includes a net decrease of \$41,426 General Fund, for the out-year impact of FY 2024-25 budget actions.

Annualize prior year budget actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY24 Civil Air Patrol JROTC program	-40,356	-40,356	0	0	0	0.1
FY24 EDO training specialist	-1,070	-1,070	0	0	0	0.1
<b>Total</b>	<b>-\$41,426</b>	<b>-\$41,426</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.2</b>

# Budget Reduction Options

The Executive Budget Request includes reductions of \$1.4 million General Fund for the Department of Military and Veterans Affairs, representing 8.0 percent of the Department's FY 2024-25 General Fund appropriations. These reductions are offset by a proposed increase of approximately \$1.8 million in General Fund appropriations, resulting in a net increase of 2.0 percent General Fund in the FY 2025-26 Executive Budget Request. This issue brief reviews these proposals and additional options identified by staff.

## Summary

The Department of Military and Veterans Affairs, represents 0.1 percent of total state General Fund appropriations in FY 2024-25. The Executive budget request includes proposed reductions of \$1.4 million, representing 8.0 percent of the General Fund appropriations in this section of the budget. These reductions are offset by proposed increases, so that the Department's total General Fund is requested to increase by 2.0 percent in FY 2025-26.

## Recommendation

Staff recommends that the Department discuss the Department proposals and staff options in its budget hearing, focusing particularly on:

- The potential effects of a transfer of funds from the Colorado State Veterans Trust Fund to the General Fund;
- The impact of a \$330,000 reduction to the Veterans Mental Health Services reimbursement program established via H.B. 23-1088 (Veterans Mental Health Session Reimbursement Program); and
- The operational impact, in light of the reversion history, of the proposed budget reductions to various line items described in the section below.

## Discussion

### Funding History FY 2018-19 to FY 2024-25

The Department of Military and Veterans Affairs accounts for 0.1 percent of the total state General Fund appropriations for FY 2024-25. As shown in the table below, the General Fund allocation for this Department has increased by 25.8 percent since FY 2018-19, after adjusting for inflation.

The Department's growth of General Fund appropriations surpasses the statewide increase in General Fund appropriations of 11.3 percent over the same period, also adjusted for inflation. Additionally, total funding for this section of the budget, excluding informational federal funds in the federally funded programs division, has risen by 19.0 percent during the same timeframe.

FY 2018-19 to FY 2024-25 Appropriations Comparison - Adjusted for Inflation					
Fund	FY 2018-19		FY 2024-25	Increase/ -Decrease after inflation adjustment	
	Nominal Dollars	FY 24-25 Dollars		Amount	Percent
General Fund	\$11,110,115	\$14,076,516	\$17,704,398	\$3,627,882	25.8%
Total Funds*	\$26,377,314	\$33,420,056	\$39,781,691	\$6,361,635	19.0%

\*excludes Federally Funded Programs division, which is composed entirely of informational federal funds

## Budget Requests for General Fund Relief

For this section of the budget, the budget request includes proposals for General Fund relief totaling \$1.4 million, representing 8.0 percent of the General Fund appropriations. **These reductions are offset by proposed increases, so that the Department/Division’s total General Fund is requested to increase by 2.0 percent.** The proposals for General Fund relief are summarized in the table below. Some of the proposals require statutory change.

Budget Requests for General Fund Relief				
Option	General Fund	Other Funds	Bill? Y/N	Description
<b>Expenditure Reductions</b>				
R1 Colorado National Guard tuition waiver	-\$1,421,157	\$0	Y	This request includes an ongoing 100 percent cut to this tuition assistance program from the Department and recognizes cost savings by requesting that the Department of Education fully absorb the cost of a CONG tuition waiver. Additional details regarding this proposal are found in an issue brief on page 20 of this document.
Subtotal - Expenditures	-\$1,421,157	\$0		
Net General Fund Relief	-\$1,421,157			

## Additional Options for JBC Consideration

The table below summarizes options identified by JBC staff that the Committee could consider in addition to or instead of the options presented in the budget request

A General Fund reduction of 5.0 percent to the sections of the budget covered in this briefing would require a reduction of \$885,220. Staff have identified approximately \$3.1 million in General Fund relief for FY 2025-26. The General Fund relief identified is primarily driven through a one-time cash fund to General Fund transfer. However, additional options for ongoing General Fund reductions totaling approximately \$1.1 million are outlined in the tables below.

Additional Options for General Fund Relief				
Option	General Fund	Other Funds	Bill? Y/N	Description
<b>Revenue Enhancements</b>				
State Veterans Trust Fund	\$2,000,000	-\$2,000,000	Y	This fund is used primarily to fund grants to veteran’s programs. The request proposes to transfer approximately 47.9 percent of the end-of-year fund balance to the General Fund. This is a one-time option.
Subtotal - Revenue	\$2,000,000	-\$2,000,000		

## Additional Options for General Fund Relief

Option	General Fund	Other Funds	Bill? Y/N	Description
<b>Expenditure Reductions</b>				
Veterans Mental Health Services	-\$330,000	0	N	In FY 2023-24 the program reverted over \$600,000 General Fund. Currently, the program is having challenges contracting with eligible providers and is on track to revert \$330,000 in FY 2024-25, approximately 50 percent of the appropriation. Note that this option is presented based on long-term systemic challenges the program faces and should not be interpreted to be reflective of the program's merits.
Personal Services- EDO	-125,000	0	N	A Long Bill Footnote allows for transfers of 20 percent appropriation across four line items in the EDO. Over the past four fiscal years, these four lines collectively have reverted between \$125,000 and \$406,866 annually.
Western Region One Source Refinance	-75,000	75,000	N	This option would reduce General Fund provided to the One Source and assume at least a partial backfill of the General Fund reduction with increased cash funds from the Western Region One Source Cash Fund.
Veterans Service Operation	-100,000	0	N	This option would reduce General Fund appropriated to the Veteran Service Operation line item. This line item has grown significantly in recent years and reverted approximately \$150,000 in FY 2023-24.
Veterans Assistance Grant Program	-400,000	0	N	The Veterans Assistance Grant Program received an additional \$0.5 million General Fund appropriation in FY 2023-24. The grant program reverted \$457,000 in that same fiscal year.
Operations and Maintenance Agreement for Buckley Greeley	-95,000	0	N	This budget line has reverted an average of \$108,000 General Fund annually over the last three fiscal years.
<b>Subtotal - Expenditures</b>	<b>-\$1,125,000</b>	<b>\$75,000</b>		
<b>Net General Fund Relief</b>	<b>\$3,125,000</b>			

## Revenue Enhancements

### Colorado State Veterans Trust Cash Fund Transfer to General Fund

*Description:* This budget balancing option would transfer \$2.0 million from the Colorado State Veterans Trust Fund to the General Fund.

*Key Considerations:* The transfer would not negatively affect any existing program. However, it would reduce the amount available in future years to support Veteran cemeteries, non-profits, and nursing homes that support Colorado Veterans. This budget-balancing measure is a one-time option.

*Additional background:* The Colorado State Veterans Trust Fund is funded through Tobacco Master Settlement funds and receives 1 percent annually of this distribution. Pursuant to Section 28-5-709, C.R.S., the total Tobacco Master Settlement Agreement funds may be used for:

- Capital improvements or needed amenities for state veterans nursing homes;
- Costs incurred by state veteran cemeteries;
- Costs incurred by the Division of Veterans Affairs to administer the program; and



- Grants to veteran programs operated by nonprofit veterans’ organizations that meet criteria adopted by the Colorado Board of Veterans Affairs and selected by that Board as grant recipients.

Currently, the Department’s Veterans Trust Fund has a balance in excess of \$4 million beyond what it is permitted to spend. However, in FY 2024-25 the Committee approved additional funding beyond the TMSA distribution in order to initiative a deliberate spend down of the fund’s balance to further support Colorado veterans.

The table below shows the Colorado State Veterans Trust Fund account balance projected with the \$2.0 million transfer through FY 2026-27.

Colorado State Veterans Trust Fund Balance								
	Actual					Projected		
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Beginning Balance	\$6,642,454	\$6,858,826	\$4,005,282	\$4,246,487	\$4,530,384	\$4,673,969	\$4,456,634	\$2,176,508
Revenue	963,358	855,157	913,183	1,012,575	1,109,847	1,039,677	1,002,252	1,027,000
Expenditures	-746,986	708,701	-71,977	-728,678	-966,262	-1,270,755	-1,282,378	-1,320,849
<b>GF Transfer</b>		-3,000,000					<b>-2,000,000</b>	
Ending Fund Balance	\$6,858,826	\$4,005,282	\$4,246,488	\$4,530,384	\$4,673,969	\$4,456,634	\$2,176,508	\$1,882,659

\*Revenue is driven by Tobacco Master Settlement Agreement transfer from Treasury plus interest income.

In recent years the Colorado General Assembly has made significant transfers from various cash funds in the Department of Military and Veterans Affairs to the General Fund. In FY 2020-21, as a budget balancing measure, the General Assembly enacted cash fund transfers totaling \$8.9 million from the Department of Military and Veterans Affairs cash funds to the General Fund. The following transfers listed in the table below were enacted via H.B. 20-1406 (Cash Funds transfer to General Fund), H.B. 20-1380 (Move Tobacco Litigation Settlement Money to General Fund), and H.B. 20-1381 (Cash Fund Transfers to General Fund). The table below outlines the amounts and sources of the FY 2020-21 cash fund transfers.

FY 2020-21 Statutory Transfers to the General Fund			
Source Fund	Net GF Revenue	Other Funds Revenue Impact	Total
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>

Note that the balances of these cash funds have not recovered to balances approaching pre-pandemic levels, and none of the funds can sustain the transfer amounts that the General Assembly implemented in FY 2020-21. Continuing to transfer funds away from these cash reserves could negatively impact the Department's ability to conduct real estate transactions in a timely, effective, and market-favorable manner. Additionally, it could reduce the

Department's capacity to provide adequate funding over the long term to non-profits and institutions that support Colorado veterans.

## Expenditure Reductions

### Reduce Veteran's Mental Health Services, Division of Veterans Affairs

*Description:* This budget-balancing option proposes a reduction of \$330,000 in the General Fund allocation for Veterans Mental Health Services. This budget line stems from H.B. 23-1088, which established the Veterans Mental Health Session Reimbursement Program within the Division of Veterans Affairs. The program aims to enhance access to mental health services for veterans residing in veterans' community living centers.

According to the act, a veteran must confirm that they have exhausted the annual number of sessions with a mental healthcare provider covered by their federal Veterans Administration benefits before utilizing the program. The program reimburses mental healthcare providers for up to 26 sessions per year for each eligible veteran.

*Key Considerations:* The Department reverted \$628,325 from the General Fund in FY 2023-24 and is on track to revert \$330,000 in FY 2024-25. The program encounters systemic challenges that hinder full implementation, and these issues do not seem to be short-term in nature. However, if this budget balancing measure is taken, and future funding proves insufficient, staff would recommend reinstating the funding to its original level. This recommendation is based entirely on the implementation challenges the program faces and does not reflect any shortcomings in the program's merits.

### Reduce Personal Services Line, Executive Director's Office / Army National Guard

*Description:* This budget balancing option would reduce the appropriation to the Personal Services line in the Department's EDO by \$125,000. This line item funds the administrative FTE in the Executive Director's Office. Staff who provide maintenance and other functions eligible for federal match under the Army National Guard Cooperative Agreement were moved to the Cooperative Agreement line item beginning in FY 2019-20.

*Key Considerations:* This line item has a footnote attached to it that was added in FY 2019-20 to help the Department make more efficient use of its appropriations. The footnote allows the Department to transfer up to 20.0 percent of the total General Fund appropriations between four line items, Personal Services, Operating Expenses, Vehicle Lease Payments, and Army National Guard Cooperative Agreement in the EDO. This flexibility was added to allow the Department greater flexibility and make more efficient use of its appropriations. Consequently, when examining the reversion history of these lines it is important to examine them in aggregate.

In recent years, the Department has reverted between \$400,000 and \$125,000 across these line items. The table below outlines the four lines impacted by the footnote, and indicates the appropriation, expenditure, variance, percent utilization, and the budget line compound annual growth rate (CAGR) over the last four fiscal years. As a note of reference, the Department's General Fund appropriation grew by a CAGR of 6.9 percent over the same period.

Executive Director's Office – Department of Military & Veterans Affairs					
Personal Services Line - EDO					
	FY 2023-24	F 2022-23	FY 2021-22	FY 2020-21	FY 2019-20
Appropriation	\$2,190,223	\$1,882,285	\$1,813,589	\$1,776,088	\$1,731,454
Actual Expenditure	2,093,223	1,616,991	1,637,485	1,717,543	1,731,454
Reversion	97,000	265,294	176,104	58,545	0
% Utilization	96%	86%	90%	97%	100%
<i>Line Item CAGR</i>	6.1%				

Vehicle Leases – EDO					
	FY 2023-24	F 2022-23	FY 2021-22	FY 2020-21	FY 2019-20
Appropriation	\$44,106	\$34,678	\$30,251	\$33,616	\$40,251
Actual Expenditure	20,445	21,994	30,251	25,434	19,398
Reversion	23,661	12,684	0	8,182	20,853
% Utilization	46%	63%	100%	76%	48%
<i>Line Item CAGR</i>	2.3%				

Operating Expenses – EDO					
	FY 2023-24	F 2022-23	FY 2021-22	FY 2020-21	FY 2019-20
Appropriation	\$302,342	\$281,899	\$351,899	\$351,899	\$311,899
Actual Expenditure	297,342	259,104	208,449	225,840	401,899
Reversion	5,000	22,795	143,450	126,059	-90,000
% Utilization	98%	92%	59%	64%	129%
<i>Line Item CAGR</i>	-0.7%				

Army National Guard Cooperative Agreement - EDO					
	FY 2023-24	FY 2022-23	FY 2021-22	FY 2020-21	FY 2019-20
Appropriation	\$1,945,394	\$1,898,709	\$1,756,075	\$1,755,686	\$1,901,775
Actual Expenditure	1,945,703	1,792,616	1,825,419	1,722,763	1,660,069
Reversion	-309	106,093	-69,344	32,923	241,706
% Utilization	100%	94%	104%	98%	87%
<i>Line Item CAGR</i>	0.6%				

4 Line Total - EDO					
	FY 2023-24	F 2022-23	FY 2021-22	FY 2020-21	FY 2019-20
Appropriation	\$4,482,065	\$4,097,571	\$3,951,814	\$3,917,289	\$3,985,379
Actual Expenditure	4,356,713	3,690,705	3,701,604	3,691,580	3,812,820
Reversion	125,352	406,866	250,210	225,709	172,559
% Utilization	97%	90%	94%	94%	96%
<i>Line Item CAGR</i>	3.0%				

## Refinance Western Region One Source

*Description:* This budget balancing option would result in a net-zero refinance of the Grand Junction Veterans One Stop Center including a decrease of \$75,000 General Funds and an increase in \$75,000 from Veterans One-Stop Cash Fund. The One Source opened in May 2019 and brings together various government and non-profit resources for veterans living on the western slope in a single Grand Junction location. Cash fund amounts in this line item are from lease payments from government and nonprofit entities that use space in the facility,

donations, and interest earned. These funds deposited to the Veterans One-stop Center Cash Fund, which is subject to annual appropriation to the Department for the costs of operating the Center.

*Key Considerations:* Occupancy and associated revenue at the One Source have steadily increased, and the Veterans One-Stop Center Cash Fund has a sufficient balance to support this initiative in the short run. One of the original goals of the One Source was to enhance its self-sufficiency over time and reduce reliance on the General Fund. This budget-balancing measure would decrease the proportion of General Fund from 41.5 percent to 22.1 percent of the One Source’s total funding. The WROS Cash Fund has a balance of over \$230,000 and had a positive cash flow in FY 2022-23 of approximately \$50,000. The cash flow was slightly negative to the cash fund in FY 2023-24 but was driven by a year-over-year increase in program costs of just over 50.0 percent.

The WROS also receives reappropriated funds from the Colorado State Veterans Trust Fund. The table below shows the WROS appropriation by fund source over the previous five fiscal years.

Western Region Ones Source					
Source Fund	FY 2024-25	FY 2023-24	FY 2022-23	FY 2021-22	FY 2020-21
General Fund	\$150,683	144,040	\$133,666	\$185,589	\$189,550
WROS Cash Fund	174,549	172,772	147,772	103,157	35,327
Reappropriated Fund	50,000	50,000	75,000	119,615	157,862
FTE	4.1	4.1	4.1	4.1	3.1
<b>TOTAL</b>	<b>\$375,232</b>	<b>\$366,812</b>	<b>\$356,438</b>	<b>\$408,361</b>	<b>\$382,739</b>

## Reduce Veterans Service Operations

*Description:* This budget balancing option includes a \$100,000 General Fund reduction of the Veterans Service Operations Line Item in the Division of Veterans Affairs. This budget line item funds salaries, operating, and administrative expenses of the Division of Veterans Affairs. The FTE in this Division are responsible for assisting veterans in obtaining federal and state benefits, and provide training and support to county veterans’ service officers.

*Key Considerations:* The Veterans Service Line General Fund appropriation has grown significantly in recent years, increasing from just under \$1.0 million in FY 2019-20 to \$1.6 million in FY 2023-24, an annual growth rate of 13.4 percent, significantly more than the Departments compound annual General Fund growth rate of 6.9 percent over this same period. Over the previous three fiscal years, General Fund reversions from this line have ranged from approximately \$62,000 to \$148,000.

Veterans Service Operations - Division of Veterans Affairs					
	FY 2023-24	F 2022-23	FY 2021-22	FY 2020-21	FY 2019-20
Appropriation	\$1,580,231	\$1,130,158	\$885,229	\$982,156	\$956,436
Actual Expenditure	1,431,800	1,068,476	815,674	933,353	919,682
Reversion	148,431	61,682	69,555	48,803	36,754
% Utilization	91%	95%	92%	95%	96%
<i>Line Item CAGR</i>	<i>13.4%</i>				

## Reduce Veterans Assistance Grant Program

*Description:* This budget balancing option includes a \$400,000 General Fund reduction to the Veterans Assistance Grant Program. This grant money is used to provide funding to non-profit and governmental agencies providing services to Veterans. A cash fund component to the grant program was added in FY 2019-20 and reflects amounts deposited to the Veterans Assistance Grant Program Cash Fund from unspent FY 2017-18 Senior Property Tax Exemption appropriations. These funds, however, have almost entirely been expended, and the program is now reliant on General Fund support. The cash fund currently has a balance of approximately \$35,000 and is on track to sunset in FY 2025-26

*Key Considerations:* The table below displays the General Fund appropriations and expenditures for the Veterans Assistance Grant Program over the past five years. This grant program has experienced a significant increase in General Fund support, rising from \$850,000 in FY 2022-23 to \$1.35 million in FY 2023-24. It is important to note that the Department has historically returned a substantial amount of funding to this program. In FY 2023-24, the Department reverted just over \$450,000 General Fund.

Veterans Assistance Grant Program					
	FY 2023-24	F 2022-23	FY 2021-22	FY 2020-21	FY 2019-20
Appropriation	\$1,350,000	\$850,000	\$850,000	\$850,000	\$1,000,000
Actual Expenditure	892,207	714,561	655,808	671,252	885,374
Reversion	457,793	135,439	194,192	178,748	114,626
% Utilization	66%	84%	77%	79%	89%
<i>Line Item CAGR</i>	7.8%				

## Reduce Operations and Maintenance Agreement for Buckley Greeley

*Description:* This budget-balancing option includes a \$95,000 General Fund reduction of the Operations and Maintenance Agreement for Buckley Greeley in the Air National Guard. This line item provides General Fund support and reflects federal support for the operations and maintenance costs of the Air National Guard activities housed at Buckley Air Force Base and Greeley. These costs include personal services, operating expenses, and utilities. The portion of General Fund is based on the annual cooperative agreement between the Department and the U.S. Department of Defense.

*Key Considerations:* The table below shows the General Fund appropriation for FY 2019-20 through FY 2023-24 as well as the actual expenditure. Reversions in recent years have ranged from approximately \$97,000 in FY 2023-24 to \$107,000 in FY 2021-22. Note that changes to the General Fund appropriation for this line item may have implications for levels of federal funding.

Buckley Cooperative Agreement / Air Traffic Control Buckley					
	FY 2023-24	F 2022-23	FY 2021-22	FY 2020-21	FY 2019-20
Enacted	\$429,923	\$424,736	\$415,035	\$414,957	\$404,557
Actual Expenditure	332,985	302,595	307,793	377,315	376,109
Reversion	96,938	122,141	107,242	37,642	28,448
% Utilization	77%	71%	74%	91%	93%
<i>Line Item CAGR</i>	1.5%				

# Informational Issue: R1 CONG Tuition Waiver

This issue brief provides an overview of the Department's request to modify the National Guard Tuition Assistance Program and replace it with a National Guard Tuition Waiver to allow active Guard members to attend state universities that would waive the cost of tuition. The creation of the waiver rather than tuition assistance, would, according to the DMVA, result in an ongoing savings of \$1.4 million General Fund beginning in FY 2025-26.

## Summary

The Colorado National Guard currently offers a tuition assistance program that awards Service Members in good standing up to \$5,000 in tuition assistance per semester as a recruiting and retention benefit. The program is administered by the DMVA and received a \$1.4 million General Fund appropriation for FY 2024-25. The Department states that the current structure of the program leads to timing inefficiencies and uncertainty that prevents some CONG members from benefiting from the program.

## Discussion

### Program Background

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.). The program currently pays up to \$5,000 per semester (\$10,000 per year) in tuition assistance for any active member of the Guard, regardless of whether the Guard member is a part-time or full-time Guard member. **National Guard Tuition Assistance is the largest state-funded recruitment incentive to attract enlistment in the Colorado National Guard.**

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. Access to this program, pursuant to statute, is subject to available appropriation. 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.

A member of the National Guard is eligible for state funded 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.

## Funding History

Prior to fiscal year 2016-17, the program received direct support from the General Fund as well as reappropriated funds transferred from the Department of Higher Education to the National Guard Tuition Assistance Fund. Since these funds were placed in a cash fund, the Department had the flexibility to spend below the appropriation in some years and above the appropriation in others, using the fund balance to manage fluctuations in program participation.

During the 2017 legislative session, DMVA requested an increase of \$87,162 for fiscal year (FY) 2016-17 and \$300,000 for FY 2017-18 due to rising tuition rates. However, the Department did not utilize the increased funding allocated for FY 2016-17, and in fact, spent less than its original appropriation for FY 2015-16 over 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. These changes allowed the Department to spend down the existing fund balance while accepting reductions in General Fund appropriations in past years for budget balancing actions.

## Request

The Department requests a modification to the current structure of the Colorado National Guard (CONG) tuition assistance program and replace it with a CONG tuition waiver. According to the Department, the program's current structure has inefficiencies and unnecessary administrative burdens, which a shift to a tuition waiver would alleviate. The waiver would allow active CONG service members to attend state colleges and universities, which would waive the cost of tuition. The Department's request is for public colleges and universities in Colorado to absorb the program's cost, and eliminate this line item in the Department's EDO. This action would result, according to the Department, in a net savings of \$1.4 million General Fund.

The DMVA currently administers and funds the program, which, the Department states, leads to complications. The DMVA and state universities operate under different fiscal rules, regulations, and timelines. As a result, CONG service members must coordinate with both the

state university administrations and the DMVA to enroll in and pay for their classes. This situation adds an extra layer of work for the Guard members and can lead to inefficiencies between the DMVA and state universities, ultimately affecting the program's ability to fund tuition.

This request proposes to include National Guard members in the current tuition waiver programs offered by state universities. Upon enrollment, state universities would collaborate directly with members of the Colorado National Guard to waive tuition costs. This would streamline the existing process and eliminate financial barriers associated with state fiscal year budget limitations.

Currently, there are three tuition waiver programs in Colorado that involve public colleges and universities. Eligible students who meet applicable criteria from the following demographics are able to attend public colleges and universities free of tuition. These groups include:

- 1 Higher Education support for the homeless;
- 2 Higher Education support for homeless youth; and
- 3 University employee tuition waiver.

The request would require JBC sponsored legislation to end the existing tuition assistance program and replace the program with a waiver that is similarly structured to the aforementioned programs. The Department asserts that removing the waiver program from the DMVA would improve program efficiency by eliminating an unnecessary administrative step. This change would also save approximately \$1,421,147 in General Funds, which could be redirected to other more value added initiatives within the Department.

The Department indicates that removing certain barriers would streamline the process for National Guard members, enabling them to work directly with universities. The DMVA asserts that the additional workload for these universities would be minimal, as the number of Guard members enrolling in public universities and colleges is a very small fraction of the overall student population. The Department cites that during the fall semester of 2023, the University of Colorado–Boulder had a total enrollment of 37,153 students. Only 18 were National Guard members participating in the current tuition assistance program, representing less than 0.05 percent of the total enrollment. The table below illustrates the percentage of Colorado National Guard service members relative to the total student body at some of the more utilized universities.

Fall 2023 Enrollment			
University / College	Total Enrollment	CO National Guard members enrolled	Percentage of Total Enrollment
University of Colorado - Boulder	37,153	18	0.05%
Colorado State University Ft Collins	33,648	27	0.08%
Metro State University	16,345	26	0.15%

Finally, the Department stated that the shift to a tuition waiver would promote more equitable outcomes, and that this change would likely benefit younger and lower ranking service



members. These members are often from a more diverse and economically disadvantaged background relative to their older and higher ranking counterparts. These groups often struggle with upfront costs which represent a barrier under the current structure.

Additionally, a move to a tuition waiver, as stated by DMVA, would be beneficial for first-generation college students who find the existing paperwork overwhelming. It would also improve access to the program by Guard members who often have limited time due to significant military and personal responsibilities. The tuition waiver system, according to DMVA, improves overall access to higher education for all CONG service members. Furthermore, it would be particularly beneficial to socioeconomically disadvantaged populations and historically underserved groups within the Guard by streamlining the process and removing financial obstacles.

The table below shows a breakdown of the Colorado National Guard tuition assistance programmatic spending by university over the previous three fiscal years.

Colorado National Guard Tuition Assistance				
Universities	FY 2021-22	FY 2022-23	FY 2023-24	Total
Adams Arapahoe District 28J	\$0	\$0	\$1,690	\$1,690
Adams State University	7,830	17,830	17,333	42,993
Aims College District	13,814	3,520	1,225	18,559
Colorado Mesa University	48,956	44,742	32,815	126,512
Colorado Mountain College	2,710	285	7,170	10,165
Colorado Northwestern Community College	0	11,872	8,461	20,334
Colorado State U. Global Campus	190,111	151,082	155,471	496,665
Colorado State University	197,888	206,050	259,798	663,737
Colorado State University-Global	0	-2,835	-1,050	-3,885
Colorado State University - Pueblo	27,451	21,685	11,962	61,098
CSU Global	-3,390	-1,350	0	-4,740
Front Range Community College	11,394	10,466	1,661	23,521
Green Mountain Council, BSA	0	-680	0	-680
Lee's Music	0	-182	0	-182
Metropolitan State University of Denver	137,446	181,991	149,477	468,913
Northeastern Junior College	0	835	0	835
Otero Junior College Foundation	0	0	1,464	1,464
Red Rocks Community College	11,438	9,414	9,919	30,772
Regents of the University of Colorado	99,745	138,698	135,487	373,931
Regents of the University of Colorado	375,630	305,686	299,462	980,777
State BD Community College & Occ Ed	75,008	71,047	75,466	221,521
State of Colorado School of Mines	2,265	16,900	36,839	56,004
University of Northern Colorado	54,161	57,972	76,868	189,000
Western Colorado University	0	43	9,243	9,286
<b>Grand Total</b>	<b>\$1,252,456</b>	<b>\$1,245,071</b>	<b>\$1,290,763</b>	<b>\$3,788,290</b>

# Footnotes and Requests for Information

## 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 2024 Long Bill (H.B. 24-1430) can be found at the end of each departmental section of the bill at <https://leg.colorado.gov/bills/HB24-1430> The Long Bill footnotes relevant to this document are listed below.

80 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. Additional information will be available ongoing regarding how this flexibility is used and the impact on Department expenditures.

81 Department of Military and Veterans Affairs, Division of Veterans Affairs, Colorado State Veterans Trust Fund Expenditures – This appropriation remains available for expenditure until the close of the FY 2025-26 state fiscal year.

**Comment:** This footnote was added for FY 2023-24 to provide roll-forward authority to State Veterans Trust Fund Expenditures.

## Update on Requests for Information

The Joint Budget Committee annually submits requests for information (RFIs) to executive departments and the judicial branch via letters to the Governor, other elected officials, and the Chief Justice. 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 an Appendix in the annual Appropriations Report (Appendix H in the FY 2024-25 Report):

<https://leg.colorado.gov/sites/default/files/fy24-25apprept.pdf>

The RFIs relevant to this document are listed below.

None.

# 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 state 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 2025-26 budget request, the FY 2023-24 Annual Performance Report and the FY 2024-25 Performance Plan can be found at the following link:

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

# Appendix A: Numbers Pages

Appendix A details actual expenditures for the last two state 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: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
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**Department of Military and Veterans Affairs**  
**Laura Clellan, Major General**

### (1) Executive Director and Army National Guard

Personal Services	<u>1,996,446</u>	<u>2,523,164</u>	<u>2,898,407</u>	<u>3,270,027</u>	
FTE	25.4	27.2	29.2	31.4	
General Fund	1,616,991	2,093,223	2,476,736	2,849,527	
Cash Funds	0	0	4,260	4,260	
Reappropriated Funds	0	0	1,171	0	
Federal Funds	379,455	429,941	416,240	416,240	
Health, Life, and Dental	<u>760,616</u>	<u>755,617</u>	<u>2,064,395</u>	<u>2,445,026</u>	
General Fund	730,698	709,936	952,227	973,598	
Cash Funds	29,918	45,681	30,047	43,904	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	1,082,121	1,427,524	
Short-term Disability	<u>4,747</u>	<u>7,049</u>	<u>19,340</u>	<u>22,034</u>	
General Fund	4,500	6,796	8,868	9,095	
Cash Funds	247	253	328	419	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	10,144	12,520	
S.B. 04-257 Amortization Equalization Disbursement	<u>154,672</u>	<u>243,898</u>	<u>0</u>	<u>0</u>	
General Fund	146,600	235,099	0	0	
Cash Funds	8,072	8,799	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

## Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
S.B. 06-235 Supplemental Amortization Equalization					
Disbursement	<u>154,672</u>	<u>211,799</u>	<u>0</u>	<u>0</u>	
General Fund	146,600	203,000	0	0	
Cash Funds	8,072	8,799	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
AED/SAED Unfunded PERA Liability	<u>0</u>	<u>0</u>	<u>1,289,318</u>	<u>1,468,961</u>	
General Fund	0	0	591,186	606,333	
Cash Funds	0	0	21,882	27,946	
Federal Funds	0	0	676,250	834,682	
PERA Direct Distribution	<u>3,544</u>	<u>42,016</u>	<u>262,590</u>	<u>285,383</u>	
General Fund	0	41,356	258,061	115,717	
Cash Funds	3,544	660	4,529	5,497	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	164,169	
Salary Survey	<u>104,906</u>	<u>270,783</u>	<u>493,773</u>	<u>400,578</u>	
General Fund	99,600	261,311	238,502	161,050	
Cash Funds	5,306	9,472	8,379	7,659	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	246,892	231,869	
Step Plan	<u>0</u>	<u>0</u>	<u>486,910</u>	<u>123,286</u>	
General Fund	0	0	144,495	55,488	
Cash Funds	0	0	0	2,289	
Federal Funds	0	0	342,415	65,509	

## Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
Paid Family Leave	<u>0</u>	<u>17,716</u>	<u>58,019</u>	<u>66,104</u>	
General Fund	0	17,716	26,603	27,285	
Cash Funds	0	0	985	1,258	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	30,431	37,561	
Shift Differential	<u>0</u>	<u>0</u>	<u>56,288</u>	<u>0</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	56,288	0	
Temporary Employees Related to Authorized Leave	<u>0</u>	<u>0</u>	<u>17,716</u>	<u>17,716</u>	
General Fund	0	0	17,716	17,716	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Workers' Compensation	<u>83,356</u>	<u>106,097</u>	<u>136,682</u>	<u>126,785</u>	
General Fund	40,915	50,012	63,848	59,889	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	42,441	56,085	72,834	66,896	
Operating Expenses	<u>2,168,465</u>	<u>334,071</u>	<u>980,558</u>	<u>1,767,544</u>	
General Fund	259,104	297,342	884,558	1,671,544	
Cash Funds	1,909,361	36,729	96,000	96,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

## Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
Information Technology Asset Maintenance	<u>231,036</u>	<u>221,078</u>	<u>232,817</u>	<u>232,817</u>	
General Fund	231,036	221,078	232,817	232,817	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Legal Services	<u>20,895</u>	<u>46,497</u>	<u>62,380</u>	<u>100,848</u>	
General Fund	20,895	46,497	62,380	100,848	
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>349,066</u>	<u>528,070</u>	<u>857,295</u>	<u>1,345,886</u>	
General Fund	349,066	528,070	857,295	1,345,886	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Vehicle Lease Payments	<u>81,048</u>	<u>86,613</u>	<u>94,848</u>	<u>127,594</u> *	
General Fund	21,994	20,445	44,985	60,516	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	59,054	66,168	49,863	67,078	
Leased Space	<u>63,893</u>	<u>8,968</u>	<u>63,893</u>	<u>63,893</u>	
General Fund	63,893	8,968	63,893	63,893	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	



## Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
Capitol Complex Leased Space	<u>48,873</u>	<u>49,659</u>	<u>46,847</u>	<u>62,741</u>	
General Fund	48,873	49,659	46,847	62,741	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Payments to OIT	<u>625,755</u>	<u>485,030</u>	<u>779,346</u>	<u>808,732</u>	
General Fund	625,755	485,030	779,346	808,732	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
IT Accessibility	<u>0</u>	<u>228,036</u>	<u>0</u>	<u>0</u>	
General Fund	0	228,036	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
CORE Operations	<u>74,715</u>	<u>52,571</u>	<u>13,492</u>	<u>43,727</u>	
General Fund	74,715	52,571	13,492	43,727	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Digital Trunk Radio	<u>0</u>	<u>54,597</u>	<u>55,260</u>	<u>55,956</u>	
General Fund	0	54,597	55,260	55,956	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

## Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
Annual Depreciation-Lease Equivalent Payment	<u>87,994</u>	<u>87,994</u>	<u>87,994</u>	<u>87,994</u>	
General Fund	87,994	87,994	87,994	87,994	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Civil Air Patrol Operations	<u>42,638</u>	<u>70,350</u>	<u>70,365</u>	<u>70,365</u>	
General Fund	42,638	70,350	70,365	70,365	
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>0</u>	<u>20,000</u>	<u>20,000</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	20,000	20,000	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Statewide Indirect Cost Collections	<u>0</u>	<u>0</u>	<u>208,763</u>	<u>163,923</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	8,961	4,688	
Reappropriated Funds	0	0	27	1,042	
Federal Funds	0	0	199,775	158,193	

## Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
Appropriation to the Colorado National Guard Tuition Fund	<u>2,684,112</u>	<u>2,718,558</u>	<u>1,421,157</u>	<u>0</u>	
General Fund	1,421,157	1,421,157	1,421,157	0	
Cash Funds	1,262,955	1,297,401	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Army National Guard Cooperative Agreement	<u>18,659,453</u>	<u>23,844,891</u>	<u>15,133,997</u>	<u>15,603,656</u>	
FTE	84.1	84.1	84.1	84.1	
General Fund	1,792,616	1,945,703	2,183,026	2,240,170	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	16,866,837	21,899,188	12,950,971	13,363,486	
DPA Administration Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
Office of the State Architect	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
DHR State Agency Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
DHR Training Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	

## Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
DHR Labor Relations Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
Financial Ops and Reporting Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
Procurement and Contract Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
Paid Family Medical Leave Insurance	<u>0</u>	<u>36,099</u>	<u>0</u>	<u>0</u>	
General Fund	0	36,099	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Statewide training	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
<b>TOTAL - (1) Executive Director and Army National Guard</b>	28,400,902	33,031,221	27,912,450	28,781,576	3.1%
<i>FTE</i>	<u>109.5</u>	<u>111.3</u>	<u>113.3</u>	<u>115.5</u>	<u>1.9%</u>
General Fund	7,825,640	9,172,045	11,581,657	11,720,887	1.2%
Cash Funds	3,227,475	1,407,794	195,371	213,920	9.5%
Reappropriated Funds	0	0	1,198	1,042	(13.0%)
Federal Funds	17,347,787	22,451,382	16,134,224	16,845,727	4.4%

## Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
<b>(2) Division of Veterans Affairs</b>					
Veterans Service Operations	<u>1,110,103</u>	<u>1,475,626</u>	<u>1,730,422</u>	<u>1,836,476</u>	
FTE	13.0	18.5	19.0	19.0	
General Fund	1,068,476	1,431,800	1,685,038	1,789,496	
Cash Funds	41,627	43,826	45,384	46,980	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Veterans Mental Health Services	<u>0</u>	<u>14,320</u>	<u>660,143</u>	<u>660,143</u>	
FTE	0.0	1.6	2.0	2.0	
General Fund	0	14,320	660,143	660,143	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
County Veterans Service Officer Payments	<u>1,258,445</u>	<u>1,340,381</u>	<u>1,367,189</u>	<u>1,408,205</u>	
General Fund	1,258,445	1,340,381	1,367,189	1,408,205	
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>610,941</u>	<u>880,052</u>	<u>1,450,085</u>	<u>1,450,085</u>	
General Fund	0	0	0	0	
Cash Funds	610,941	880,052	1,450,085	1,450,085	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	

## Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	Request vs. Appropriation
Veterans Assistance Grant Program	<u>847,424</u>	<u>1,031,367</u>	<u>1,507,886</u>	<u>1,507,886</u>	
FTE	0.5	0.5	0.5	0.5	
General Fund	714,561	892,207	1,350,000	1,350,000	
Cash Funds	132,863	139,160	157,886	157,886	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Western Slope Veterans Cemetery	<u>495,228</u>	<u>585,591</u>	<u>725,668</u>	<u>759,945</u>	
FTE	5.8	7.6	7.8	7.8	
General Fund	244,319	340,287	460,704	489,956	
Cash Funds	250,909	245,304	264,964	269,989	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Grand Junction Veterans One-Stop Center	<u>261,392</u>	<u>299,776</u>	<u>375,412</u>	<u>386,749</u>	
FTE	4.1	4.1	4.1	4.1	
General Fund	132,770	105,968	150,863	160,442	
Cash Funds	53,622	152,391	174,549	201,307	
Reappropriated Funds	75,000	41,417	50,000	25,000	
Federal Funds	0	0	0	0	
<b>TOTAL - (2) Division of Veterans Affairs</b>	<b>4,583,533</b>	<b>5,627,113</b>	<b>7,816,805</b>	<b>8,009,489</b>	<b>2.5%</b>
FTE	<u>23.4</u>	<u>32.3</u>	<u>33.4</u>	<u>33.4</u>	<u>0.0%</u>
General Fund	3,418,571	4,124,963	5,673,937	5,858,242	3.2%
Cash Funds	1,089,962	1,460,733	2,092,868	2,126,247	1.6%
Reappropriated Funds	75,000	41,417	50,000	25,000	(50.0%)
Federal Funds	0	0	0	0	0.0%

## Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 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>3,005,302</u>	<u>3,772,091</u>	<u>2,924,744</u>	<u>3,126,844</u>
FTE	28.0	28.0	28.0	28.0
General Fund	302,595	332,985	448,804	474,112
Cash Funds	0	0	0	0
Reappropriated Funds	0	0	0	0
Federal Funds	2,702,707	3,439,106	2,475,940	2,652,732

#### Buckley Cooperative Agreement/Air Traffic Control

Buckley	<u>883,679</u>	<u>1,003,731</u>	<u>737,692</u>	<u>737,692</u>
FTE	7.0	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	883,679	1,003,731	737,692	737,692

#### Security for Space Command Facility at Greeley

FTE	<u>540,838</u>	<u>781,974</u>	<u>390,000</u>	<u>390,000</u>
General Fund	0	0	0	0
Cash Funds	0	0	0	0
Reappropriated Funds	0	0	0	0
Federal Funds	540,838	781,974	390,000	390,000

## Appendix A: Numbers Pages

	<b>FY 2022-23 Actual</b>	<b>FY 2023-24 Actual</b>	<b>FY 2024-25 Appropriation</b>	<b>FY 2025-26 Request</b>	<b>Request vs. Appropriation</b>
<b>TOTAL - (3) Air National Guard</b>	4,429,819	5,557,796	4,052,436	4,254,536	5.0%
<i>FTE</i>	<u>41.0</u>	<u>41.0</u>	<u>41.0</u>	<u>41.0</u>	<u>0.0%</u>
General Fund	302,595	332,985	448,804	474,112	5.6%
Cash Funds	0	0	0	0	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	4,127,224	5,224,811	3,603,632	3,780,424	4.9%



## Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 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>109,500,000</u>	<u>109,500,000</u>	
FTE	2,340.0	2,307.0	2,087.0	2,087.0	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	109,500,000	109,500,000	
<b>TOTAL - (4) Federal Funded Programs</b>	<b>0</b>	<b>0</b>	<b>109,500,000</b>	<b>109,500,000</b>	<b>0.0%</b>
FTE	<u>2,340.0</u>	<u>2,307.0</u>	<u>2,087.0</u>	<u>2,087.0</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	109,500,000	109,500,000	0.0%
<b>TOTAL - Department of Military and Veterans Affairs</b>	<b>37,414,254</b>	<b>44,216,130</b>	<b>149,281,691</b>	<b>150,545,601</b>	<b>0.8%</b>
FTE	<u>2,513.9</u>	<u>2,491.6</u>	<u>2,274.7</u>	<u>2,276.9</u>	<u>0.1%</u>
General Fund	11,546,806	13,629,993	17,704,398	18,053,241	2.0%
Cash Funds	4,317,437	2,868,527	2,288,239	2,340,167	2.3%
Reappropriated Funds	75,000	41,417	51,198	26,042	(49.1%)
Federal Funds	21,475,011	27,676,193	129,237,856	130,126,151	0.7%