

Joint Budget Committee Staff FY 2025-26 Budget Briefing Summary

Military and Veterans Affairs

The Department of Military and Veterans Affairs is responsible for training and maintaining Colorado’s Army and Air National Guard to protect the safety and health of Colorado’s residents and serve as a reserve force for the U.S. Armed Forces. The Department also administers state programs that assist U.S. military veterans. The Department’s FY 2024-25 appropriation represents approximately 0.4 percent of statewide operating appropriations and 0.1 percent of statewide General Fund appropriations.

Summary of Request

Department of Military and Veterans Affairs						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB24-1430 (Long Bill)	\$149,281,691	\$17,704,398	\$2,288,239	\$51,198	\$129,237,856	2,274.7
Total	\$149,281,691	\$17,704,398	\$2,288,239	\$51,198	\$129,237,856	2,274.7
FY 2025-26 Requested Appropriation						
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
Total	\$150,545,601	\$18,053,241	\$2,340,167	\$26,042	\$130,126,151	2,276.9
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

Centrally appropriated line items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
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
Total	\$1,681,424	\$720,346	\$31,201	\$0	\$929,877	0.0

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
Total	-\$41,426	-\$41,426	\$0	\$0	\$0	0.2

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their dedicated non-partisan staff.

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.

R1 Colorado National Guard Tuition Waiver: 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 Department of Military and Veterans Affairs (DMVA) and received a \$1.4 million General Fund appropriation for FY 2024-25. The Department states that the program's current structure leads to timing inefficiencies and uncertainty that prevents some service

members from benefiting from the program. The Department seeks to modify the existing program to a tuition waiver and have the program administered by the Department of Higher Education.

For More Information

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To read the entire briefing: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2024.