

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2007-08 STAFF BUDGET BRIEFING
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

JBC Working Document - Subject to Change

Staff Recommendation Does Not Represent Committee Decision

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**FY 2007-08 JBC Staff Budget Briefing
Department of Military and Veterans Affairs**

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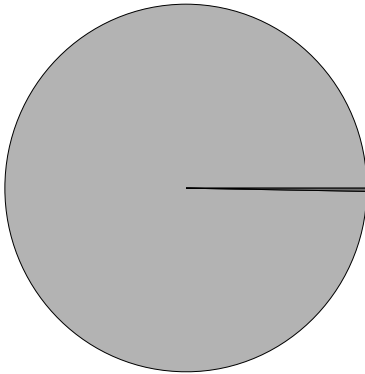
Appendix A: Colorado Army National Guard Deployments since 9/11/01

Appendix B: Map of Armories

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 Department of Military and Veterans Affairs
 GRAPHIC OVERVIEW**

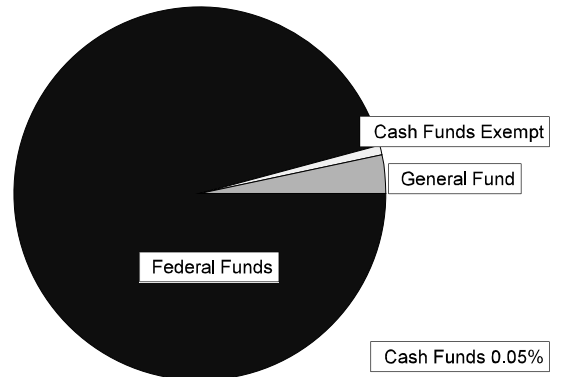
Department Share of State General Fund

FY 2006-07 Appropriation

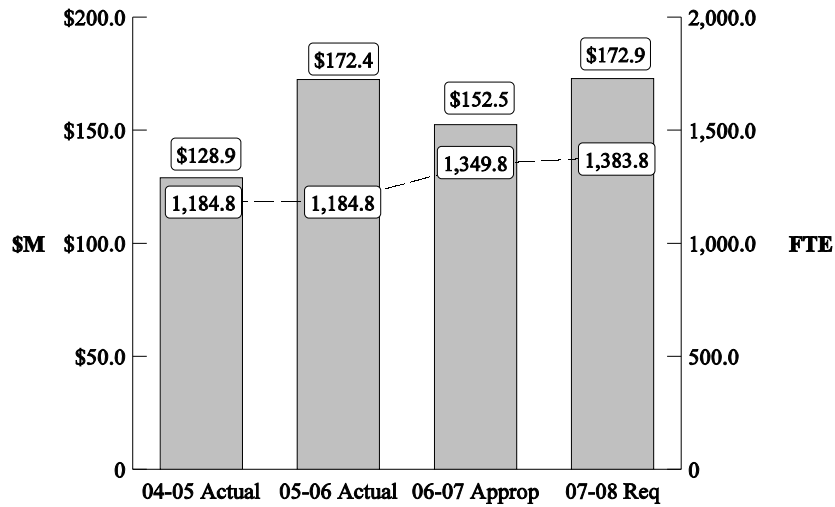


Department Funding Source Split

FY 2006-07 Appropriation



Budget History



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DEPARTMENT OVERVIEW

Key Responsibilities

- ▶ Provide trained and ready military forces for the U.S. active armed services.
- ▶ Provide trained and ready military units for the preservation of life and property during natural disasters and civil emergencies in Colorado.
- ▶ Provide support for federal and state homeland security missions.
- ▶ Maintain equipment and facilities for state military forces.
- ▶ Provide for safekeeping the public arms, military records, relics and banners of the state.
- ▶ Assist veterans and National Guard members with claims for federal and state benefits.
- ▶ Maintain the Western Slope Veterans Memorial Cemetery.
- ▶ Provide support for the Civil Air Patrol, Colorado Wing.
- ▶ Assist in fighting the spread of drug trafficking and abuse.

Factors Driving the Budget

The major factor driving the Department's budget continues to be the Global War on Terror (GWOT), the military name for the current wars in and around Iraq and Afghanistan. This has resulted in unprecedented federal activation of Colorado Air and Army National Guard members. Almost 90 percent of the Army Guard units have been activated for periods up to one and one-half years in support of operations in Iraq, and Afghanistan, and for domestic security missions. See Appendix A for a list of deployments since 9/11.

Calls of the state militia to federal active duty in combat zones abroad has created severe difficulties in recruiting and retaining National Guard troops. About 80 percent of the Colorado National Guard is traditional; that is, members have regular civilian careers and are required to spend only 39 days per year in National Guard training. Historically, most members of the Colorado National Guard have spent 60 days per year in support of training and federal military deployments as well as state emergency missions.

With the current wars, this has grown to more than 180 days per year. Colorado has had either Air or Army units federally deployed in Afghanistan, Iraq, and the Balkans counter-terrorism or counter-narcotics operations nearly continuously for the past eight years. The increased tempo and level of deployments strains employer relations and adds to the family hardship associated with military service. The Global War on Terror has also had a profound effect on the need for veterans services in Colorado.

More than 95 percent of the Department's budget is federal funds. Under its cooperative agreements with the federal government, the Department funds 100 percent of maintenance and utilities costs

at fifteen armories, and 20 or 25 percent of the costs at four other facilities, and the federal government funds all the costs of training National Guard troops and most of the costs of construction of armories and other military buildings.

Armory maintenance contributes to readiness to perform federal and state missions by providing safe, modern, well-maintained facilities for training and mobilization. Poorly maintained facilities have a negative impact on recruitment and retention. The high operations tempo together with the age of National Guard facilities, on average about 40 years old, have increased the need for facilities maintenance. See Appendix B for a map of armories.

Military Construction Projects

The Department states that the Colorado Army National Guard this year has begun a transformation into a new organization focused on an artillery brigade. This transformation will affect nearly every existing unit and armory. Some soldiers will be required to train to new positions, some towns will see old units disappear and new ones be created. Some armories will have more soldiers assigned and others will have fewer. This will result in great turbulence, and readiness and recruiting challenges. It may present opportunities to increase the size of the Guard and to expand its presence to new cities and towns.

Last year the General Assembly approved an increase in federal funds expenditures for the following military construction projects:

\$5.4 million	Space squadron support building at Greeley National Guard Station,
\$5.1 million	Field maintenance shop at State Regional Center in Grand Junction,
\$6.1 million	Flight operations facility at Buckley Air Force Base
\$1.5 million	Armory at Fort Carson design costs

Construction of the facilities in Greeley and Grand Junction began in October 2006. Funding for the facility at Buckley is awaiting approval, and funding for the design costs for an armory at Fort Carson was not approved. The Department expects construction of a \$34 million Army aviation support facility at Buckley to be completed in December 2006.

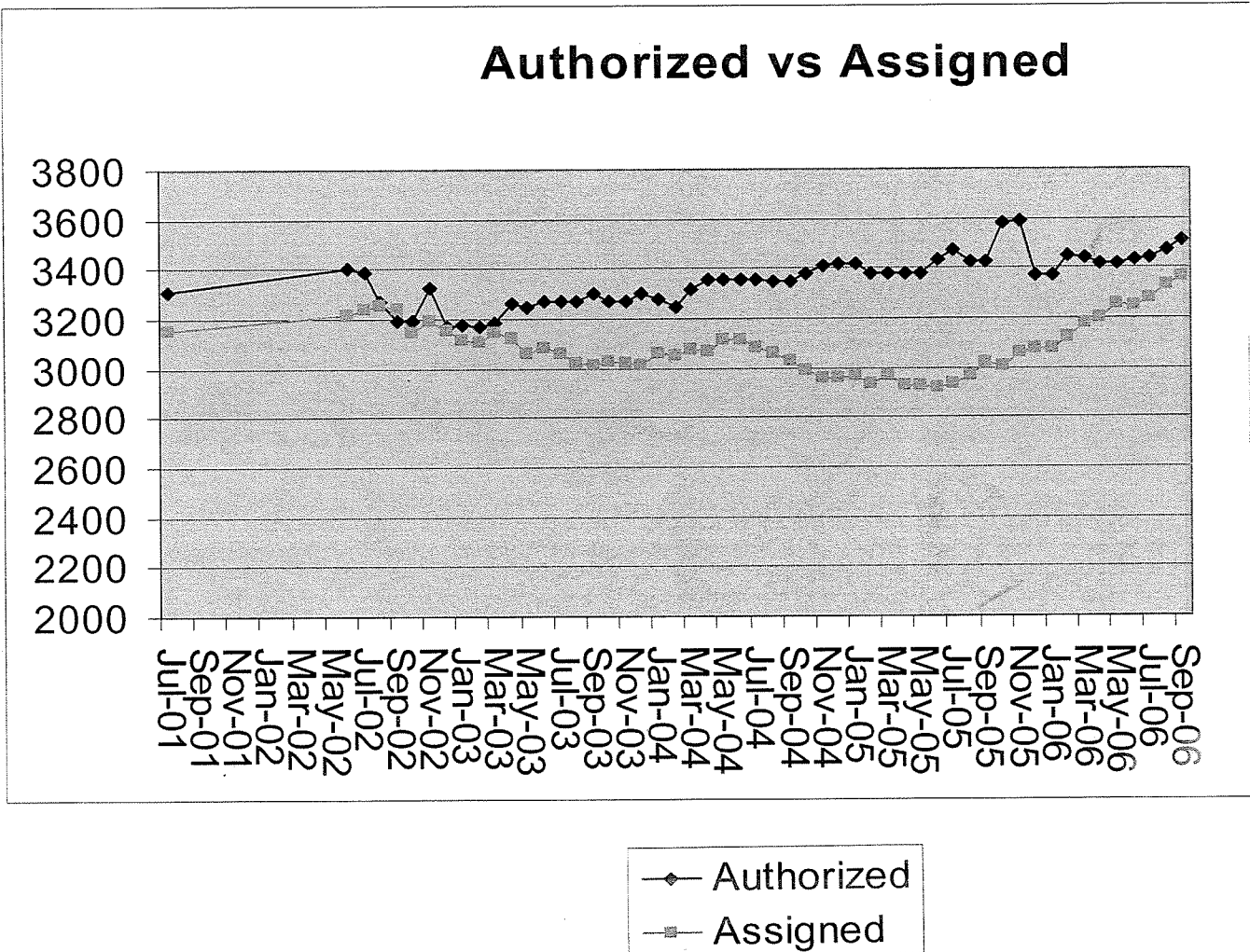
Groundbreaking for the new \$5.1 million facility in Grand Junction took place on October 17, 2006, according to a press report. The new shop will be 18,000 square feet on 6.25 acres and will hold four maintenance bays, tool and parts storage, a technical library classroom fitness room and showers, an outdoor wash bay and parking space for several military vehicles. The facility will serve units in Grand Junction, Montrose, and Eagle, with a staff of five to seven. ("National Guard Breaks Ground on Maintenance Shop," Grand Junction Daily Sentinel, October 18, 2006)

Colorado Army and Air National Guard

There are more than 4,700 members of the Colorado National Guard--1,400 Air National Guard and 3,300 Army National Guard. The Guard is both a state and a federal military force. It is Colorado's state militia, under the Governor as commander-in-chief, and also serves as a supplement to regular U.S. military forces when called into the actual service of the U.S. Major General Mason C. Whitney is both the Executive Director of the Department and the Adjutant General of the Colorado National Guard.

The primary budget driver is the "federal force structure," or number of Guard personnel authorized by the U.S. National Guard Bureau, plus the state's ability to fill the force structure, which together determine the amount of federal funds flowing into and through the Department. The federal government normally reduces a state's authorization when the state is unable to fill it, but in recent years the federal government has continued to increase the state authorization regardless of actual numbers.

The Department has fallen short of the state's federally-authorized number of Army National Guard since late 2001. The National Guard offers a signing bonus of up to \$20,000, and in the past nine months, the Army National Guard has increased recruitment by 300 members, although it still has about 150 personnel fewer than authorized. The following chart shows the authorized number of Army National Guard troops versus the assigned (actual) number of troops.



The Air National Guard has maintained their strength during recent years. Air National Guard activity at Buckley Air Force Base has grown to a round-the-clock operation with the requirement to keep F-16 aircraft on alert as a result of the September 11 attacks.

Division of Veterans Affairs

The Division of Veterans Affairs serves veterans by representing them in federal benefits claims, by providing information to county veterans service officers, and by maintaining the Western Slope Military Veterans' Cemetery in Grand Junction. The Division's five Veterans Service Officers represent veterans, under Powers of Attorney, in claims to the U.S. Veterans Administration and in proceedings before the U.S. Board of Veterans Appeals. The Division takes all claims, whether or not the staff believes they are meritorious.

The primary budget driver is the number of veterans who need assistance with federal benefits claims. Of an estimated 428,000 veterans in Colorado, about 100,000 are receiving pensions or other compensation. The Division's five Veterans Service Officers each handle more than 200 cases per month, and the Division currently has about 6,000 open cases.

The State Board of Veterans Affairs advises the Division on veterans issues and makes grants to veterans service organizations from the Colorado State Veterans Trust Fund, which is derived from the tobacco settlement proceeds. The Veterans Trust Fund may be used for:

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

The Western Slope Military Veterans' Cemetery opened in July 2002, and now has 938 interments. Under the terms of the federal grant to build the cemetery, the state must operate the cemetery for 20 years or else repay the \$6.1 million cost of construction.

Division of Civil Air Patrol

The Civil Air Patrol is a federally-chartered nonprofit corporation, created in Title 10 of the U.S. Code (10 U.S.C. 9441), as an auxiliary to the U.S. Air Force. Its statutory purposes include encouraging citizens to contribute to developing aviation and maintaining air supremacy; providing aviation education and training; and fostering civil aviation in local communities.

The Colorado Division of Civil Air Patrol was created to support the Civil Air Patrol, Colorado Wing. The Civil Air Patrol, Colorado Wing, is staffed by volunteers. The state provides General Fund for aircraft maintenance and operating expenses, which comprised about 12 percent of the Colorado Wing's revenue in federal FY 2005-06.

Summary of Major Legislation Affecting the Department

- ✓ **S.B. 06-080 (Tochtrop/Soper): Concerning the Creation of the Support the Troops Special License Plate for Motor Vehicles.** Requires the adjutant general of the state to select a nonprofit organization that aids veterans, active service members, and their families, to administer the donations required of applicants for the special license plate.
- ✓ **S.B. 06-126 (Owen/Buescher): Concerning the Use of Moneys Appropriated to the Colorado State Veterans Trust Fund.** Extends the Veterans Trust Fund expenditures limit, which was 75 percent of the trust fund appropriation, one more year to FY 2006-07, and then reduces the limit in steps over the next four years, back to 25 percent.
- ✓ **S.B. 06-1025 (Carroll M./Hagedorn): Concerning Concurrent Legislative Jurisdiction over the Real Property Constituting the Buckley Air Force Base.** Creates concurrent federal/state jurisdiction for a parcel of land at Buckley Air Force Base.
- ✓ **S.C.R. 06-001 (Evans/Gallegos): Submitting to the Registered Electors . . . an Amendment . . . Concerning the Extension of the Existing Property Tax Exemption for Qualifying Seniors to any United States Military Veteran who is One Hundred Percent Permanently Disabled Due to a Service-Connected Disability.** Approved 11/7/06.
- ✓ **H.B. 06-1310 (Buescher/Owen): Concerning Simplifying Procedures for Distributing Tobacco Settlement Moneys Among the Programs Currently Receiving the Moneys.** Changes the flow of funds from the Tobacco Settlement Fund to the Veterans Trust Fund from an appropriation to a transfer.
- ✓ **S.B. 05-052 (Jones/Carroll M.): Concerning the Creation of the Military Family Relief Fund and Adding a Line to Tax Return Forms Whereby Taxpayers May Make a Contribution to the Fund.** Creates a fund administered by the Colorado National Guard Foundation for National Guard members or military reservists and their families, establishes an income tax checkoff, and appropriates cash funds to the Department of Revenue for administration of the tax contributions.
- ✓ **S.B. 05-053 (Taylor/Coleman): Concerning the Colorado National Guard Tuition Assistance Program.** Eliminates the requirement for a member to serve one year for each semester of tuition assistance; provides that the member must serve during the time he or she is receiving the assistance.
- ✓ **S.B. 05-240 (Teck/Buescher): Concerning the Acquisition of Property by the Department of Military and Veterans Affairs.** Requests the Department of Human Services and the State Board of Land Commissioners to transfer certain property to the Department of Military and Veterans Affairs for the Western Slope Military Veterans' Cemetery and for new National Guard training and maintenance facilities.

- ✓ **H.B. 05-1053 (Berens/Hanna): Concerning the Addition of a Line to Tax Return Forms Whereby Taxpayers May Make a Contribution to the Military Personnel Assistance Fund.** Extends eligibility for grants from the fund to active duty military and adds related administrative provisions.
- ✓ **H.B. 05-1083 (Balmer/Hanna): Concerning Changes to the Department of Military and Veterans Affairs.** Grants eligibility for state employee benefits to all National Guard members who have served for more than thirty consecutive days.
- ✓ **S.B. 04-126 (Entz/Sinclair): Concerning the Colorado Division of Civil Air Patrol.** Defines the position of Commanding Officer of the Civil Air Patrol under the Adjutant General to clarify state authority over state expenditures for the patrol.
- ✓ **H.B. 04-1347 (Witwer/Jones): Tuition Assistance to Members of the Colorado National Guard.** Creates a priority for National Guard members in tuition grants made by the Colorado Commission on Higher Education, and appropriates at least \$410,207 for the National Guard Tuition Assistance Program.
- ✓ **S.B. 03-282 (Teck/Witwer): Concerning Tobacco Litigation Settlement Moneys.** For FY 2003-04, FY 2004-05, and FY 2005-06, makes 75 percent of the appropriation into the Colorado State Veterans Trust Fund, plus 100 percent of the interest earned, subject to annual appropriation; repeals this provision effective July 1, 2006.
- ✓ **H.B. 03-1147 (Frangas/Teck): Income Tax Check Offs.** Extends indefinitely the existing income tax check off for the Western Slope Military Veterans' Cemetery and exempts the check off from Department of Revenue guidelines regarding continuation of the check off.
- ✓ **H.B. 03-1249 (Sinclair/Lamborn): Authorizing the Receipt of Gifts, Grants, and Donations, and the Public or Private Use of Distance Learning Facilities.** Establishes the Military and Veterans Affairs Fund, consisting of gifts, grants, and donations, and the Distance Learning Cash Fund, consisting of fees for using distance learning facilities.
- ✓ **H.B. 02-1413 (Sinclair/Nichol): Transferring the Division of Veterans Affairs to the Department of Military Affairs.** Renames the Department the Department of Military and Veterans Affairs and creates the Division of Veterans Affairs, transferred from the Division of Adult and Veterans Services in the Department of Human Services.

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MAJOR FUNDING CHANGES

FY 2005-06 Actual to FY 2006-07 Appropriation

Action (Source)	General Fund	Other Funds (Sources of funds)	Total Funds	Total FTE
Executive Director's Office, Operating Expenses	\$ 409,297	208,936 <i>(Federal Funds)</i>	\$ 618,233	0.0
Executive Director's Office, Multiuse Network Payments		231,000 <i>(Federal Funds)</i>	\$ 231,000	0.0
Federal Funded Programs		\$(20,068,855) <i>(Federal Funds)</i>	\$(20,068,855)	0.0
Colorado State Veterans Trust Fund		\$(871,980) <i>(Veterans Trust Fund)</i>	\$ (871,980)	0.0

The Department received an increase in General Fund for armory maintenance costs, comprised of approximately \$185,000 for ongoing annual maintenance costs and approximately \$221,000 in one-time funding to address about one-third of the armory maintenance backlog.

The appropriation reflected an anticipated increase of almost \$20 million to Federal Funded Programs for military construction projects. The Department spent almost \$40 million more on Federal Funded Programs in FY 2005-06 than expected and appropriated, so from FY2005-06 actual to FY 2006-07 appropriation, there was a net decrease of approximately \$20 million.

Finally, H.B. 06-1310 changed the flow of funds from the Tobacco Settlement Fund to the Veterans Trust Fund from an appropriation to a transfer, thus eliminating the Colorado State Veterans Trust Fund appropriation from the long bill.

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DECISION ITEMS

Priority	Division: Description <i>[Statutory Authority]</i>	GF	CF (source of funds)	CFE (source of funds)	FF	TOTAL	FTE
1	Executive Director's Office, Operating Expenses <i>[Section 28-3-106 (1)(q), C.R.S.]</i>	\$194,891	0	0	0	\$194,891	0.0
2	Executive Director's Office, Personal Services <i>[Section 28-3-106 (1)(q), C.R.S.]</i>	\$133,764	0	0	0	\$133,764	3.0
3	Division of Civil Air Patrol, Aircraft Maintenance <i>[Section 28-1-101 (1)(a), C.R.S.]</i>	\$10,414	0	0	0	\$10,414	0.0
4	Executive Director's Office, Information Technology Asset Maintenance <i>[Section 28-3-106 (1), C.R.S.]</i>	\$11,925	0	0	0	\$11,925	0.0
5	Division of Civil Air Patrol, Personal Services <i>[Section 28-1-101 (1)(a), C.R.S.]</i>	\$7,125	0	0	0	\$7,125	0.0
NP	Executive Director's Office, Multiuse Network Payments <i>[statewide]</i>	(\$37,848)	0	0	0	(\$37,848)	0.0
	TOTAL REQUEST	\$320,271	\$0	\$0	\$0	\$320,271	3.0

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OVERVIEW OF NUMBERS PAGES

Requested Changes: FY 2006-07 Appropriation to FY 2007-08 Request

Description	GF	CF	CFE	FF	Total	FTE
Health, Life and Dental	\$ 24,155	(269)	(7,664)	130,694	\$ 146,916	0.0
Amortization Equalization Disbursement	\$ 21,172	27	(563)	41,658	\$ 62,294	0.0
Salary Survey and Performance-Based Pay	\$ 76,124	81	7,932	155,703	\$ 239,840	0.0
Colorado National Guard Tuition Fund	\$0	0	219,803	0	\$ 219,803	0.0
Army National Guard Cooperative Agreement and Federal Funded Programs	\$ 0	0	0	19,272,168	\$19,272,168	193.0
Colorado State Veterans Trust Fund Expenditures	\$ 0	0	94,565	0	\$ 94,565	0.0
Operations and Maintenance Agreement for Buckley/Greeley	\$ 6,851	0	0	28,111	\$ 34,962	0.0
Department Decision Items						
EDO/Army National Guard - Personal Services	\$155,979	68	0	2,674	\$ 158,721	3.0
EDO/Army National Guard - Operating Expenses	\$ (5,690)	0	0	0	\$ (5,690)	0.0
Information Technology Asset Maintenance	\$ 11,925	0	0	0	\$ 11,925	0.0
Division of Civil Air Patrol - Personal Services	\$ 8,898	0	0	0	\$ 8,898	0.0
Division of Civil Air Patrol - Aircraft Maintenance	\$ 10,414	0	0	0	\$ 10,414	0.0
Statewide Decision Items						
Vehicle Lease Payments	\$ 0	0	0	0	\$ 0	0.0
Multiuse Network Payments	\$(37,848)	0	0	0	\$ (37,848)	0.0
Other	\$(15,572)	538	20,514	(191,888)	\$ (186,408)	0.0
Total Change	\$304,718	\$ (93)	\$319,259	\$19,700,508	\$20,324,392	196.0

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	FY 2004-05	FY 2005-06	FY2006-07	FY2007-08	Change
	Actual	Actual	Appropriation	Request	Request

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
Maj. Gen. Mason C. Whitney, Adjutant General and Executive Director

(1) EXECUTIVE DIRECTOR AND ARMY NATIONAL GUARD

Provides trained and ready forces to the U.S. active armed services and provides trained and ready forces for the preservation of life and property during natural disasters and civil emergencies in Colorado.

Personal Services	1,789,327	1,842,035	1,610,432	1,769,153	
FTE	<u>27.6</u>	<u>27.6</u>	<u>25.6</u>	<u>28.6</u>	
General Fund	1,559,952	1,615,185	1,524,683	1,680,662	DI #2
FTE	24.7	24.7	24.7	27.7	DI #2
Cash Funds	0	388	3,454	3,522	
FTE	0.1	0.1	0.1	0.1	
Cash Funds Exempt	97,841	89,774	0	0	
FTE	2.0	2.0	0.0	0.0	
Federal Funds	131,534	136,688	82,295	84,969	
FTE	0.8	0.8	0.8	0.8	
Health, Life and Dental	<u>0</u>	<u>0</u>	<u>299,320</u>	<u>446,236</u>	
General Fund	0	0	103,925	128,080	
Cash Funds	0	0	269	0	
Cash Funds Exempt	0	0	11,294	3,630	
Federal Funds	0	0	183,832	314,526	
Short-term Disability	<u>0</u>	<u>0</u>	<u>7,937</u>	<u>10,125</u>	
General Fund	0	0	3,213	3,633	
Cash Funds	0	0	5	5	
Cash Funds Exempt	0	0	282	85	
Federal Funds	0	0	4,437	6,402	

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	FY 2004-05	FY 2005-06	FY2006-07	FY2007-08	Change
	Actual	Actual	Appropriation	Request	Request
Amortization Equalization Disbursement	<u>0</u>	<u>0</u>	<u>38,793</u>	<u>101,087</u>	
General Fund	0	0	15,174	36,346	
Cash Funds	0	0	25	52	
Cash Funds Exempt	0	0	1,408	845	
Federal Funds	0	0	22,186	63,844	
Salary Survey and Senior Executive Service	<u>0</u>	<u>0</u>	<u>154,043</u>	<u>330,327</u>	
General Fund	0	0	61,339	114,611	
Cash Funds	0	0	50	98	
Cash Funds Exempt	0	0	4,170	11,571	
Federal Funds	0	0	88,484	204,047	
Performance-based Pay Awards	<u>0</u>	<u>0</u>	<u>0</u>	<u>63,556</u>	
General Fund	0	0	0	22,852	
Cash Funds	0	0	0	33	
Cash Funds Exempt	0	0	0	531	
Federal Funds	0	0	0	40,140	
Shift Differential - Federal Funds	16,278	19,195	14,996	15,356	
Workers' Compensation	<u>114,310</u>	<u>110,419</u>	<u>120,186</u>	<u>125,625</u>	
General Fund	57,680	55,717	60,694	43,969	
Federal Funds	56,630	54,702	59,492	81,656	
Operating Expenses	<u>642,294</u>	<u>507,945</u>	<u>1,162,711</u>	<u>1,157,021</u>	DI #1
General Fund	374,075	358,881	768,178	762,488	
Cash Funds Exempt	0	9,467	46,000	46,000	
Federal Funds	268,219	139,597	348,533	348,533	
Information Technology Asset Maintenance - General Fund	14,212	15,447	15,447	27,372	DI #4

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	FY 2004-05	FY 2005-06	FY2006-07	FY2007-08	Change
	Actual	Actual	Appropriation	Request	Request
Legal Services for 110 hours - General Fund	6,773	7,090	7,455	7,455	
Purchase of Services from Computer Center - General Fund	2,432	1,866	1,894	805	
Multiuse Network Payments	<u>0</u>	<u>196,565</u>	<u>423,785</u>	<u>385,937</u>	DI-NP
General Fund	0	196,565	192,785	154,937	
Federal Funds	0	0	231,000	231,000	
Payment to Risk Management and Property Funds - General Fund	78,337	51,897	83,301	111,685	
Vehicle Lease Payments - General Fund	25,731	17,996	56,726	56,726	
Leased Space - General Fund	42,420	41,896	44,978	44,978	
Capitol Complex Leased Space	<u>70,678</u>	<u>83,216</u>	<u>85,028</u>	<u>94,839</u>	
General Fund	44,873	53,980	55,015	56,387	
Federal Funds	25,805	29,236	30,013	38,452	
Communications Services Payments - General Fund	7,802	10,019	10,666	10,618	
Utilities	<u>921,910</u>	<u>955,365</u>	<u>1,116,591</u>	<u>1,116,591</u>	
General Fund	441,008	547,149	635,552	635,552	
Federal Funds	480,902	408,216	481,039	481,039	
Local Armory Incentive Plan - Cash Funds	43,875	65,524	46,610	46,610	
Distance Learning	<u>0</u>	<u>0</u>	<u>3,000</u>	<u>3,000</u>	
Cash Funds	0	0	1,000	1,000	
Cash Funds Exempt	0	0	2,000	2,000	

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	<u>FY 2004-05</u> <u>Actual</u>	<u>FY 2005-06</u> <u>Actual</u>	<u>FY2006-07</u> <u>Appropriation</u>	<u>FY2007-08</u> <u>Request</u>	<u>Change</u> <u>Request</u>
Colorado National Guard Tuition Fund	<u>509,290</u>	<u>685,270</u>	<u>606,000</u>	<u>825,803</u>	
General Fund	175,803	175,803	175,803	175,803	
Cash Funds Exempt	333,487	509,467	430,197	650,000	
Army National Guard Cooperative Agreement- Federal Funds	2,216,571	2,665,849	2,219,648	3,354,435	
FTE	17.5	17.5	20.5	51.5	
Administrative Services	273,774	281,608	261,009	268,825	
FTE	<u>5.1</u>	<u>5.1</u>	<u>5.1</u>	<u>5.1</u>	
General Fund	132,029	127,567	137,197	140,990	
FTE	3.3	3.3	3.3	3.3	
Federal Funds	141,745	154,041	123,812	127,835	
FTE	1.8	1.8	1.8	1.8	
					req v. approp
SUBTOTAL - (1) EXECUTIVE DIRECTOR AND ARMY NATIONAL GUARD	6,776,014	7,559,202	8,390,556	10,374,165	23.6%
FTE	<u>50.2</u>	<u>50.2</u>	<u>51.2</u>	<u>85.2</u>	
General Fund	2,963,127	3,277,058	3,954,025	4,215,949	6.6%
FTE	28.0	28.0	28.0	31.0	
Cash Funds	43,875	65,912	51,413	51,320	-0.2%
FTE	0.1	0.1	0.1	0.1	
Cash Funds Exempt	431,328	608,708	495,351	714,662	44.3%
FTE	2.0	2.0	0.0	0.0	
Federal Funds	3,337,684	3,607,524	3,889,767	5,392,234	38.6%
FTE	20.1	20.1	23.1	54.1	

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	FY 2004-05	FY 2005-06	FY2006-07	FY2007-08	Change
	Actual	Actual	Appropriation	Request	Request
(2) DIVISION OF VETERANS AFFAIRS					
Represents veterans in claims for federal benefits, supports county veterans service officers, and maintains the Western Slope Military Veterans Cemetery.					
Veterans Service Operations	521,284	514,139	558,090	571,543	
FTE	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>	
General Fund	408,252	409,486	554,766	568,024	
FTE	6.0	6.0	8.0	8.0	
Cash Funds Exempt	113,032	104,653	3,324	3,519	
FTE	2.0	2.0	0.0	0.0	
County Veterans Service Officer Payments	<u>88,800</u>	<u>78,252</u>	<u>88,800</u>	<u>88,800</u>	
General Fund	0	0	88,800	88,800	
Cash Funds Exempt	88,800	78,252	0	0	
Colorado State Veterans Trust Fund - Cash Funds Exempt	859,565	871,980	0	0	
Colorado State Veterans Trust Fund Expenditures	<u>604,984</u>	<u>611,917</u>	<u>680,435</u>	<u>775,000</u>	
Cash Funds	0	0	25,000	25,000	
Cash Funds Exempt	604,984	611,917	655,435	750,000	
Western Slope Veterans Cemetery	252,801	260,538	390,254	398,815	
FTE	<u>2.5</u>	<u>2.5</u>	<u>4.5</u>	<u>4.5</u>	
General Fund	0	120,000	121,964	125,337	
FTE	0.0	2.5	2.5	2.5	
Cash Funds Exempt	252,801	140,538	217,290	222,478	
FTE	2.5	0.0	2.0	2.0	
Federal Funds	0	0	51,000	51,000	

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Department of Military and Veterans Affairs**

	FY 2004-05	FY 2005-06	FY2006-07	FY2007-08	Change
	<u>Actual</u>	<u>Actual</u>	<u>Appropriation</u>	<u>Request</u>	<u>Request</u>
					req v. approp
SUBTOTAL - (2) DIVISION OF VETERANS AFFAIRS					
AFFAIRS	2,327,434	2,336,826	1,717,579	1,834,158	6.8%
FTE	<u>10.5</u>	<u>10.5</u>	<u>12.5</u>	<u>12.5</u>	
General Fund	408,252	529,486	765,530	782,161	2.2%
FTE	6.0	8.5	10.5	10.5	
Cash Funds	0	0	25,000	25,000	0.0%
Cash Funds Exempt	1,919,182	1,807,340	876,049	975,997	11.4%
FTE	4.5	2.0	2.0	2.0	
Federal Funds	0	0	51,000	51,000	0.0%
 (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 civil emergencies.					
Operations and Maintenance Agreement for					
Buckley/Greeley	1,728,448	1,838,367	1,985,732	2,020,694	
FTE	<u>26.1</u>	<u>26.1</u>	<u>26.1</u>	<u>26.1</u>	
General Fund	385,626	352,011	442,010	448,861	
FTE	5.4	5.4	5.4	5.4	
Federal Funds	1,342,822	1,486,356	1,543,722	1,571,833	
FTE	20.7	20.7	20.7	20.7	
Buckley Cooperative Agreement - FF	1,018,914	1,110,118	921,406	947,654	
FTE	15.0	15.0	15.0	15.0	
Security for Space Command Facility at Greeley -					
Federal Funds	189,824	137,237	198,957	205,258	
FTE	5.0	5.0	5.0	5.0	
					req v. approp
SUBTOTAL - (3) AIR NATIONAL GUARD	2,937,186	3,085,722	3,106,095	3,173,606	2.2%
FTE	<u>46.1</u>	<u>46.1</u>	<u>46.1</u>	<u>46.1</u>	
General Fund	385,626	352,011	442,010	448,861	1.5%
FTE	5.4	5.4	5.4	5.4	
Federal Funds	2,551,560	2,733,711	2,664,085	2,724,745	2.3%
FTE	40.7	40.7	40.7	40.7	

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Department of Military and Veterans Affairs**

	FY 2004-05 Actual	FY 2005-06 Actual	FY2006-07 Appropriation	FY2007-08 Request	Change Request
(4) FEDERAL FUNDED PROGRAMS					
Trains state military forces. Note: This section is included in the Long Bill for informational purposes only. The funds are not subject to appropriation and do not pass through the state accounting system. Totals are reported based on the federal fiscal year beginning October 1, not the state fiscal year beginning July 1.					
Personal Services - FF	66,375,685	81,160,003	68,366,956	86,102,647	
FTE	1,077.0	1,077.0	1,077.0	1,239.0	
Operating and Maintenance - FF	29,122,586	56,294,079	29,705,038	57,419,961	
Construction - FF	21,100,000	21,100,000	41,000,000	13,100,000	
Special Programs - FF	128,933	715,700	128,933	715,700	
					req v. approp
SUBTOTAL - (4) FEDERAL FUNDED PROGRAMS					
Federal Funds	116,727,204	159,269,782	139,200,927	157,338,308	13.0%
FTE	1,077.0	1,077.0	1,077.0	1,239.0	
(5) CIVIL AIR PATROL					
The Division of Civil Air Patrol supports the U.S. Civil Air Patrol, Colorado Wing.					
Personal Services-General Fund	63,722	66,296	64,103	73,001	DI #5
FTE	1.0	1.0	1.0	1.0	
Operating Expenses-General Fund	9,483	13,315	13,324	13,324	
Repeater Upgrade - General Fund	19,959	41,322	0	0	
Aircraft Maintenance-General Fund	34,900	34,885	34,900	45,314	DI #3
					req v. approp
SUBTOTAL - (5) CIVIL AIR PATROL					
General Fund	128,064	155,818	112,327	131,639	17.2%
FTE	1.0	1.0	1.0	1.0	

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Department of Military and Veterans Affairs**

	FY 2004-05	FY 2005-06	FY2006-07	FY2007-08	Change
	Actual	Actual	Appropriation	Request	Request
					req v. approp
TOTAL - MILITARY AND VETERANS AFFAIRS					
AFFAIRS	<u>128,895,902</u>	<u>172,407,350</u>	<u>152,527,484</u>	172,851,876	13.3%
FTE	<u>1,184.8</u>	<u>1,184.8</u>	<u>1,187.8</u>	<u>1,383.8</u>	
General Fund	3,885,069	4,314,373	5,273,892	5,578,610	5.8%
FTE	40.4	42.9	44.9	47.9	
Cash Funds	43,875	65,912	76,413	76,320	-0.1%
FTE	0.1	0.1	0.1	0.1	
Cash Funds Exempt	2,350,510	2,416,048	1,371,400	1,690,659	23.3%
FTE	6.5	4.0	2.0	2.0	
Federal Funds	122,616,448	165,611,017	145,805,779	165,506,287	-0.1%
FTE	1,137.8	1,137.8	1,140.8	1,333.8	

**FY 2007-08 JBC Staff Budget Briefing
Department of Military and Veterans Affairs
LONG BILL FOOTNOTE UPDATE**

- 5 All Departments, Totals** -- The General Assembly requests that copies of all reports requested in other footnotes contained in this act be delivered to the Joint Budget Committee and the majority and minority leadership in each house of the General Assembly. Until such time as the Secretary of State publishes the code of Colorado regulations and the Colorado register in electronic form pursuant to section 24-4-103 (11) (b), C.R.S., each principal department of the state is requested to produce its rules in an electronic format that is suitable for public access through electronic means. Such rules in such format shall be submitted to the Office of Legislative Legal Services for publishing on the Internet. Alternatively, the Office of Legislative Legal Services may provide links on its internet web site to such rules. It is the intent of the General Assembly that this be done within existing resources.

Comment: The Department of Military and Veterans Affairs complied with this footnote.

- 2 All Departments, Totals** -- Every department is requested to submit to the Joint Budget Committee information on the number of additional federal and cash funds exempt FTE associated with any federal grants or private donations that are applied for or received during FY 2006-07. The information should include the number of FTE, the associated costs (such as workers' compensation, health and life benefits, need for additional space, etc.) that are related to the additional FTE, the direct and indirect matching requirements associated with the federal grant or donated funds, the duration of the grant, and a brief description of the program and its goals and objectives.

Comment: *The Governor vetoed this footnote.*

- 96 Department of Military and Veterans Affairs, Federal Funded Programs** -- These federal funds are shown for informational purposes. These funds are not to be included in the spending authority for the Department because these funds do not flow through the accounting system of the state. It is the intent of the General Assembly that these programs, funding, and FTE are included to demonstrate the full scope of activities of the Department of Military and Veterans Affairs.

Comment: No information is requested or required to comply with this footnote.

**FY 2007-08 JBC Staff Budget Briefing
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

Performance Measures

ISSUE:

Department Performance Measures

DISCUSSION:

Department Mission

"To provide day-to-day command and control, guidance, policies, and administrative and logistics support to the divisions of the National Guard, Division of Veterans Affairs and Civil Air Patrol."

Goals and Performance Measures

The Department's strategic plan is 4 pages long and is comprised of 14 goals, 14 prioritized objectives, and 38 critical performance measures.

Staff Analysis

Staff analyzed the Department's performance measures using the following common checklist:

1. Do the goals and performance measures correspond to the program's directives provided in statute?
2. Are the performance measures meaningful to stakeholders, policymakers, and managers?
3. Does the Department use a variety of performance measures (including input, output, efficiency, quality, outcome)?
4. Do the performance measures cover all key areas of the budget?
5. Are the data collected for the performance measures valid, accurate, and reliable?
6. Are the performance measures linked to the proposed budget base?
7. Is there a change or consequence if the Department's performance targets are not met?

The Department's statutory responsibilities are to provide trained and ready military forces for the U.S. active armed services and for the preservation of life and property during natural disasters and civil emergencies in Colorado; provide support for federal and state homeland security missions; maintain equipment and facilities for state military forces; provide for safekeeping the public arms, military records, relics and banners of the state; assist veterans and National Guard members with claims for federal and state benefits; maintain the Western Slope Veterans Memorial Cemetery;

support for the Civil Air Patrol, Colorado Wing; and assist in fighting the spread of drug trafficking and abuse. The Department's strategic plan refers to the federally mandated measures of readiness of the state's military forces, and it does address the other statutory responsibilities.

Following are examples of key goals and performance measures from selected programs or divisions.

Prioritized Objectives and Performance Measures

1.1 To provide a 24-hour year round rapid response capability for State emergencies and search and rescue by June 2008.

		FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Estimate	FY 2007-08 Projected
1.1.1 To deploy initial forces and equipment within 6 (4) hours	Target	<6 hrs	<6 hrs	<6 hrs	<6 hrs
	Actual	<6 hrs	<6 hrs		
1.1.2 To provide aircraft response, including Civil Air Patrol (CAP) within 90 minutes – weather permitting	Target	<90 mins	<90 mins	<90 mins	<90 mins
	Actual	75 mins	80 mins		
1.1.3 To provide follow on forces and equipment within 18 hours	Target	<18 hrs	<18 hrs	<18 hours	<18 hours
	Actual	<N/A	<72 hrs *		
1.1.4 To maintain a CAP aircraft operational readiness rate of 87%	Target	>86%	>86%	>86%	>86%
	Actual	<86%	<86%	<86%	
1.1.5 To initiate CAP ground search alert within 30 minutes	Target	<30 mins	<30 mins	<30 mins	<30 mins
	Actual	<30 mins	<30 mins		

Note: time goal lengthened to 6 hours FY 03

* Katrina 700 person force

2.2 To maintain all facilities to state/industry standard by June 2009.

		FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Estimate	FY 2007-08 Projected
2.2.1 To attain 100% of the usage of maintenance resourcing model	Target	100%	100%	100%	100 %
	Actual	0	0		
2.2.2 To respond to 100% of routine maintenance requests within 3 days	Target	90%	90%	90%	100%
	Actual	81%	80%		
2.2.3 To respond to 90% of emergency maintenance requests within 3 hours	Target	90%	90%	90%	90%
	Actual	88%	80%		

The Department's performance measures include outcomes that would be meaningful to stakeholders and policymakers, as well as tasks and processes that would be meaningful for managers.

The Department currently has both state and federal performance measures for the Colorado National Guard. The Guard is subject to very specific measures of military readiness established by U.S. National Guard Bureau, described in the "Readiness of State Military Forces" issue section below. Since the Department's primary mission is to provide trained and ready military forces for federal and state duty, the measures of readiness mandated by the federal National Guard Bureau could also be used for analysis of the Department's budget request.

The Department states that it is inappropriate to use the federal readiness measures as a basis for state budgeting, because state General Fund is used for infrastructure support and facility maintenance and not for training, military pay, or military equipment purchases.

The Board of Veterans Affairs is currently in the process of developing a strategic plan, which includes the goal of identifying the needs of current and future veterans and developing a multi-year plan to address them. The statute mandates a process, and the division performance measures are expressed in terms of processes rather than outcomes. The Division of Veterans Affairs does not currently track claims it assists with that result in full or partial awards, nor does it monitor the characteristics of the claims it receives or the claims that are successful.

The Colorado Division of Civil Air Patrol was created in order to support the federal Air Force auxiliary, the U.S. Civil Air Patrol, Colorado Wing. The U.S. Civil Air Patrol, Colorado Wing, assists local first responders upon request with search and rescue missions and reports the results of those missions on its website. The Department reports that in federal FY 2004-05, the Civil Air Patrol, Colorado Wing, flew 46 missions and saved 6 people.

If the Department's performance targets are not met, for the National Guard, reduced readiness would mean reduced safety and security in Colorado and abroad. For the Division of Veterans Affairs, the consequence has not been estimated. A federal study concluded that power-of-attorney representation by a veterans affairs officer is linked to larger annual compensation payments to veterans, so it is likely that if the Division did not assist veterans with their claims, Colorado veterans would receive lower compensation and pension awards.

Questions for Department

Staff recommends that the Committee discuss the following questions with the Department during the FY 2007-08 budget hearing:

1. How do your performance measures influence department activities and budgeting?
2. To what extent do the performance outcomes reflect appropriation levels?
3. To what extent do you believe that appropriation levels in your budget could or should be tied to specific performance measure outcomes?
4. As a department director, how do you judge your department's performance? What key measures and targets do you used?

**FY 2007-08 JBC Staff Budget Briefing
Department of Military and Veterans Affairs**

Readiness of State Military Forces

ISSUE:

The Colorado National Guard is experiencing its largest overseas deployment since World War II. The frequency and length of Guard mobilizations for federal active duty abroad may have reduced the readiness of the state's military forces to respond to civil emergencies and natural disasters at home.

SUMMARY:

- Since 9/11, more than 90 percent of Colorado National Guard members have been called to federal active military duty in combat zones for periods of 30 days to 1 1/2 years.
- The frequency and length of Guard mobilizations for federal active duty abroad has reduced readiness, as fewer people enlist, fewer people re-enlist, and fewer members enter from the regular military.
- The National Guard has developed detailed measures of readiness for federal active military duty for troops, equipment, and training, but has not provided data on the Guard's actual performance on those measures. The federal performance measures do not indicate the troops, equipment, and training levels that are needed to maintain readiness for state active duty.

RECOMMENDATIONS:

Staff recommends the Committee ask the Department for the following information relating to the Colorado National Guard's personnel, training and equipment readiness for state active duty:

- 1. Colorado National Guard performance on federal measures of readiness**
- 2. Colorado National Guard troop assignments**
- 3. Colorado Air National Guard deployments since 9/11/01**
- 4. Colorado Army National Guard transformation - status report**

DISCUSSION:

The changing nature of National Guard duty may weaken readiness. National Guard recruitment and retention has become very difficult because of the risk of long-term and frequent deployments in combat zones, and because of intense competition from the regular military. In addition, Guard members who have recently returned from war and who may have been gone for up to three years may be less ready for duty. More than one-fourth of the total force left the Colorado National Guard

last year, and some of those leaving blamed long deployment in Iraq for their decision no to re-enlist. To address the difficulty of recruitment, Colorado has increased the number of recruiters from 24 recruiters three years ago to 48 recruiters today.

Measures of Readiness

The U.S. National Guard Bureau has developed extensive measures of readiness for federal active military duty in three major areas: personnel, training, and equipment. For example, determining personnel readiness includes determining:

- required strength
- assigned strength percentage
- available strength percentage
- available military occupational specialty qualified percentage
- available senior-grade percentage
- personnel turnover percentage

However, these measures do not indicate how many, what level, and what specialty troops are needed for state active duty.

Missions

Historically, the Colorado National Guard has been called to state active duty in response to natural disasters such as fires and floods, but it can be called to respond to other types of civil emergencies as well. The governor may call the National Guard to state active duty to assist other states, such as duty for Hurricane Katrina, or to respond to federal calls for assistance, such as duty on the Arizona-Mexico border. In July Governor Owens authorized the use of Colorado National Guard troops to help secure the U.S.-Mexico border. ("Colorado National Guard OK'd for Border," Rocky Mountain News, July 4, 2006.)

In addition, the Colorado National Guard has developed unique capabilities in support of local first responders throughout the state. Working with the U.S. National Guard Bureau for funding, the Colorado National Guard now includes the following special units:

- Civil Support/Weapons of Mass Destruction Team
- Critical Infrastructure Vulnerability Assessment Teams
- Chemical, Biological, Radiological High Yield Explosive Reaction Force
- General purpose Rapid Reaction Force.

The Guard's Joint Counterdrug Task Force assists local law enforcement agencies with linguistic, investigative, and communication support; cannabis eradication and transportation support missions; training in counterdrug operations; and surface and aerial reconnaissance. The counterdrug aviation crew observes areas to detect and report illegal drug activities--cultivated marijuana, suspected isolated drug trafficking airstrips, drug drop zones, drug trafficking corridors, illegal drug labs, and suspicious aircraft or motor vehicles.

The Army National Guard's Aviation Command, based primarily at Buckley Air Force Base, handles emergencies and special missions that cannot be handled with ground troops. Common missions for Aviation Command include interacting with the U.S. Drug Enforcement Administration to spot marijuana fields; transporting Special Forces; assisting during state emergencies such as floods, blizzards and brush fires; and assisting with troop movements.

Under the National Guard Bureau's State Partnership Program, the Colorado National Guard formed a defense partnership with the Kingdom of Jordan in 2004, and the Governor and the Adjutant General recently made an official visit to that country to support shared security objectives. (Governor Announces Official Visit to Jordan," Denver Post, August 12, 2006)

Department's Assessment of Readiness as of Fall 2005

At last year's budget hearing, the Department presented the following information regarding the Colorado National Guard's readiness to respond to calls to state active duty:

"Readiness to respond depends upon the type mission we are asked to perform, where it is, and how soon the response is needed. Obviously, with fewer Guardsmen and less equipment available because of deployments, and with the reduction in the number of armories because of the budget reductions, we are less ready to respond.

We have taken some steps to address that. Since the summer of 2004, we have maintained a 300 person rapid response force for state missions. It consists of 300 identified traditional Guardsmen (traditional meaning members who have civilian jobs) who can respond within 6 hours to meet state emergencies. Their location within the state relative to the emergency is the most critical factor in determining response time.

To more fully address the impact, we need to look at specific missions. The most frequently performed state mission is search and rescue. The Civil Air Patrol is the primary responder. They have 15 aircraft and 19 ground vehicles based statewide for search and rescue, and homeland security missions.

The Army National Guard gets involved with helicopters, usually from our facility at the Eagle County Airport. Last fiscal year they flew 15 search and rescue missions. This facility is manned by full time personnel so their readiness is a function of the availability of aircraft and crew. We have always been able to respond within minutes or 2 hours to bona fide requests. That will change as more of our pilots and helicopters deploy to Iraq this spring. [A press report states that 11 of the 12 heavy firefighting helicopters of the Colorado National Guard have been sent to Iraq. "Disaster Experts Sidelined," Rocky Mountain News, September 5, 2006.]

The next most frequent mission is disaster response; fires, snowstorms and floods. We provide manpower and equipment—usually cross-country capable vehicles. Our ability to respond is somewhat diminished because our equipment readiness is down and our manpower is down. However, in spite of this diminished capability, we were still able to provide approximately 900 personnel, Army and Air Guard, and nearly 300 vehicles over a two month period to help Louisiana, Mississippi and Texas deal with the aftermath of the hurricanes."

A detachment of ten members of the Colorado National Guard's 947th Engineer Company, based in Durango, recently completed a 13-month deployment to Iraq, according to a press report. The company had 130 soldiers in Iraq, with 20 casualties. ("Ten Durango Soldiers Home from Iraq War: National Guard troops served 13 months," Durango Herald, October 27, 2006.) More than 360 Colorado Army National Guard troops were recently deployed to Iraq for one-year tours. See Appendix A.

Staff requested information on troop assignments by rank and by function. The Department responded that a list of National Guard troops by assignment was classified information that they are unable to provide. The National Guard website does list the location of each unit, as well as a list of the most critically needed military occupational specialties in Colorado.

**FY 2007-08 JBC Staff Budget Briefing
Department of Military and Veterans Affairs**

Veterans Services

ISSUE:

The need for veterans services has increased dramatically due to the Global War on Terror (the military name for the current wars in and around Iraq and Afghanistan), among returning veterans as well as among veterans of previous wars.

SUMMARY:

- From September 11, 2001, through September of this year, a total of 1,406,281 American troops had served in the Global War on Terror. Of those, 16,290 were from Colorado.
- A recent study found that more than one-third of Iraq war veterans had sought mental health services in the year after returning home.
- National and state studies have identified areas of critical need among veterans: affordable housing, dental and eye care, medical transportation, child care, special services for incarcerated veterans re-entering the community, and others.

RECOMMENDATIONS:

Staff recommends the Committee ask the Department to provide its projections of the levels and types of services veterans will need in coming years, and how the Department believes it can best address those needs.

DISCUSSION:

The U.S. Veterans Benefits Administration reports that 27 percent of the veterans of the current wars in and around Iraq and Afghanistan had filed disability benefits claims as of the end of May 2006. Following is the current count of benefits claims through May 2006:

Veterans Benefit Claims by Veterans of the Global War on Terror

Veterans of the Global War on Terror	566,901
Claims filed by those veterans	152,669
Percent of veterans with claims	27%

Of 104,819 disabled veterans whose claims were granted, more than 1500 were totally disabled, and approximately 21,000 were 50-100 percent disabled. (VBA/OPA&I, 07-20-06, The National Security Archive at the George Washington University Gelman Library.)

A recent study of Army soldiers and Marines returning from the Global War on Terror found that the prevalence of reporting a mental health problem was more than 19 percent among those returning from Iraq, more than 11 percent among those returning from Afghanistan, and 8.5 percent among those returning from other locations. Thirty-five percent of Iraq war veterans accessed mental health services in the year after returning home. ("Mental Health Problems, Use of Mental Health Services, and Attrition From Military Service After Returning From Deployment to Iraq or Afghanistan," Charles W. Hoge, M.D. et al, Journal of the American Medical Association, March 1, 2006.)

Local veterans service providers have identified the several critical areas of need among Colorado veterans, including special assistance for homeless veterans; supportive and transitional services for eye care, dental care, and transportation; services for incarcerated and ex-offender veterans. Most of the grants approved by the Colorado Board of Veterans Affairs are for services for homeless veterans and medical transportation services.

Homeless Veterans Assistance

As reported in Board of Veterans Affairs minutes, a Veterans Administration representative stated "they are seeing more and more at risk for homeless in those returning [from Iraq]. When they return their jobs are not secure and their families are in disarray....The young are not showing up at the VA Medical Center. They are living in their cars trying to find a job..."

The City and County of Denver *Homeless Veterans Reintegration Program* funding proposal, which was endorsed by the Department, states that the Metropolitan Denver Homeless Initiative 2006 point-in-time survey estimated almost 1500 veterans among the 9100 homeless in metropolitan Denver. Almost half of them reported having no income or less than \$1000 of income in 2005. The Denver Veterans Service Officer estimates that 90% of the veterans who were assessed for the city and county's homeless veterans reintegration program from 2003-06 had no steady source of income, and 10% had service connected disability income.

For FY 2005, the VA-supported Project CHALENG (Community Homelessness Assessment, Local Education and Networking Groups) reported 3500 homeless veterans in the eastern Colorado health care system, the majority of whom lived in metropolitan Denver. In a 2005 Project CHALENG national survey of 4321 respondents--including VA staff, local government, community agencies, and 282 others, most of whom were homeless veterans--the top five unmet needs of homeless veterans identified by participants were:

- long-term permanent housing
- child care
- dental care
- incarcerated veterans services
- legal assistance

Eye care and glasses were also in the top ten needs identified.

Supportive and Transitional services

The Denver Veterans Service Officer suggests the following supports would make a significant difference in veterans' efforts to succeed in living independently:

- Dental assistance

Many veterans, although they have access to the VA Medical Center, do not have access to any dental assistance, including dentures. In an emergency, the VA will extract a tooth, but there is no ongoing routine dental care. Providing or contracting with a provider for a dental care program would help.

- Eye care

Many veterans also have little access to eye care, glasses, and eye exams. Many are aging and cannot afford reading glasses, many times affecting their ability to get a job. Providing or contracting for an eye care plan would be very helpful.

- Transportation

Outpatients need transportation assistance to the medical center, since only inpatients are entitled to transportation. In addition, veterans "trapped" in Colorado may need emergency funding for transportation to their home states, where they may have jobs and benefits waiting.

Other veterans service providers have identified urgent and immediate needs of veterans claiming benefits and/or looking for a job, until they receive the first benefit or paycheck-- money for haircuts, bus tokens, rent assistance, or car payments.

Incarcerated Veterans Services

A 2000 Bureau of Justice Statistics report showed that incarcerated veterans have high levels of community readjustment problems, many having had drug abuse problems, alcohol dependency, homelessness, and mental illness.

The Colorado Department of Corrections collects information on military service for each new inmate, for individual offender management, placement and programming purposes. The electronic intake form includes fields for branch of service, dates of service, type of discharge, and whether or not the person is a Vietnam veteran. This information would be available for research.

Denver County does outreach directly to ex-offender veterans making the transition to community living to advise them of the services and benefits available; the staff also trains human services staff on what benefits and services are available for needy veterans.

Division of Veterans Affairs

The National Governors Association 8/10/06 *Veterans Affairs Policy* describes the role of state departments of veterans affairs:

"The delivery of those [federal] benefits and services to veterans and their families falls largely on state and county governments, with the assistance of veterans' service organizations and veteran service providers. The VA does not have a standardized delivery system that ensures veterans living in different states and territories receive the service-connected disability compensation and non

service-connected disability pension benefits to which they are entitled. The VA depends on a mix of national service organizations, state departments of veterans affairs, and county veterans service offices to represent veterans in their claims for benefits.

Currently, large variances exist in outcomes. No federal funds are expended on this delivery system to ensure uniformity of application quality or accountability for those outcomes. Large backlogs of claims and lengthy processing times continue to frustrate veterans. In 2005, the VA received 788,000 new claims for disability benefits, a growing number of which are complex claims related to traumatic brain and spinal cord injuries, other combat-related injuries, and environmental and infectious risks."

The Colorado Division of Veterans Affairs statutory responsibilities are to assist veterans and family members in a very specific way:

1. Render personal service to members and former members, or the surviving spouses, administrators, executors, conservators, guardians, or heirs of members or former members, of the Colorado state defense force and the Colorado National Guard in any claim they may have against the state or federal government; and
2. Assist all discharged members of the armed forces of the United States, the surviving spouses, administrators, executors, conservators, guardians, or heirs of any such veterans, or any other persons who may have proper claims by filing and prosecuting such claims on behalf of such persons for insurance, pensions, compensation, hospitalization, vocational training, education, loans, readjustment allowances, or any other benefits which such persons may be or may become entitled to receive under any of the laws of the United States, the state of Colorado, or any other state by reason of such service C.R.S. 28-5-705.

County Veterans Service Officers (CVSO's)

In addition to the statutory responsibilities described above, the Division of Veterans Affairs is also charged in statute with providing satisfactory supervision, direction, and assistance to all county veterans service officers. Section 28-5-707 C.R.S.

County veterans service officers' duty is to assist any veteran, surviving spouse, administrator, executor, guardian, conservator, or heir, or any other person who may have proper claim, by filing claims for insurance, pensions, compensation for disability, hospitalization, vocational training, or any other benefits which they may be entitled to under state or federal law by reason of their service. Section 28-5-803 C.R.S. CVSO's are especially critical for outreach to Reserve and National Guard veterans returning from the war.

In contrast to the statute specifying the duties of the Division, the statute specifying the duties of CVSO's establishes performance measures for their work:

1. The county veterans service officer shall always work in the best interest of his or her clients in an attempt to *maximize the amount of federal veteran benefits* that they receive.

2. The county veterans service officer shall undertake programs and engage in activities to *reduce state public assistance expenditures* as directed by the division. Section 28-5-804 C.R.S.

Since the Division is charged in statute with assisting CVSO's in the performance of their duties, it is reasonable, then, to expect the Division to set performance goals on those measures.

Performance Measure 1: Maximize the amount of federal veteran benefits.

The U.S. Veterans Administration (VA) Secretary requested that the Office of Inspector General determine why there are differences in the VA's average monthly disability compensation payments to veterans living in different states. (VA Office of Inspector General Review of State Variances in VA Disability Compensation Payments, May 19, 2005.)

In FY 2004, approximately 2.5 million veterans received disability compensation benefits averaging \$8,378 in annual recurring compensation payments per veteran. In FY 2004, Colorado's average annual payment was \$7944. The study found that both demographic factors and rating factors help explain the variances in state average annual disability compensation payments. When comparing the states with the highest average payments and the states with the lowest average payments, it found that the following demographic factors helped explain the variances in payments:

- Power of Attorney Representation. Veterans whose claims are represented by veterans service organizations receive, on average, \$6,225 more per year than those without representation. There was also a correlation between state ranking of compensation payments and the percentage of representation in that state.
- Enlisted versus Officer. Enlisted veterans averaged \$1,775 more per year than veterans who served as officers. There was also a correlation between the state ranking and the percentage of enlisted personnel.
- Military versus Non-Military Retirees. Military retirees receive \$1,438 more per year than non-military retired claimants. The analysis showed that states with a higher percentage of retired military veterans are ranked higher in terms of average annual disability compensation payments.
- Percentage of Veterans Receiving Benefits was related to average compensation. One explanation was the rate at which veterans submit new disability claims. The rate of new claims for the high group of states was 103.2 claims per 1,000 veterans in the state, compared to only 43.5 claims per 1,000 veterans for states in the low group.
- Period of service. Vietnam veterans receive, on average, \$2,328 more in annual compensation payments than veterans in the next highest period of service. The national average compensation payment by period of service is: Vietnam-\$10,930, Korean Conflict-\$8,602, World War II-\$7,798, Peacetime-\$6,979, and Gulf War-\$6,058.
- Branch of Service. Marine Corps veterans received the highest average amount of compensation.

- Dependents. Veterans with dependents receive more per year than veterans without dependents. States with higher percentages of veterans with dependents average higher disability payments.

Other factors were found *not* to influence the level of payments:

- Number of Pending Claims did not seem to correlate with the variance.
- Appeal rates did not appear to influence the variance.
- Rater Experience. An analysis of raters with more than 2 years experience did not appear to demonstrate a correlation to the state rankings.

The analysis of rating decisions showed that some disabilities were more susceptible to variations in rating determinations. Reasons for this include a disability rating schedule that is based on a 60-year-old model and some diagnostic conditions that lend themselves to more subjective decision making. Over the past fifty years, various studies have reported concerns about whether the rating schedule and its governing concept of average impairment adequately reflects medical and technological advancements and changes in workplace opportunities and earning capacity for disabled veterans.

Following are rating factors that the study found to be related to average annual disability payments:

- Ratings for PTSD.

During FY 1999–2004, the number and percentage of PTSD cases increased significantly. While the total number of all veterans receiving disability compensation grew by only 12.2 percent, the number of PTSD cases grew by 79.5 percent, from 120,265 cases in FY 1999 to 215,871 cases in FY 2004.

During the same period, PTSD benefits payments increased 148.8 percent from \$1.7 billion to \$4.3 billion. Compensation for all other disability categories only increased by 41.7 percent. While veterans being compensated for PTSD represented only 8.7 percent of all compensation recipients, they received 20.5 percent of all compensation payments.

- Veterans with 100 Percent Disability Related to PTSD. The level of 100 percent PTSD cases was a primary factor contributing to the variance in average annual compensation payments.
- Veterans Rated with Individual Unemployability (IU). From FY 1999 to FY 2004, the number of veterans receiving increased benefits for IU increased 107 percent from 95,052 to 196,916 (includes 53,390 PTSD cases). The data showed a direct correlation to the variance among states.
- Percentage of 10 Percent Versus 100 Percent Ratings by State. States varied in the percentages of 10 percent versus 100 percent ratings, and there was a correlation to the variance.
- Disproportionate pay levels for higher rating levels also influenced the variance of compensation payments by state.

Performance Measure 2: Reduce state public assistance expenditures

By statute, the county veterans service officer shall undertake programs and engage in activities to reduce state public assistance expenditures as directed by the division.

The PARIS Project (Public Assistance Reporting Information System) was named a best practice by the National Governors Association ("Washington System Connects Veterans with Benefits, Saves Revenue," NGA Center for Best Practices, 10/28/04.), and the Colorado Department of Human Services Audit Division initiated a Colorado project to participate in the PARIS system. The PARIS system is a pool of data from participating states and the federal government that helps veterans get the benefits they are entitled to and prevents clients from drawing duplicate benefits. As new states join the system, data matches are run against their beneficiaries to insure that they are not currently enrolled in more than one state's programs.

Data matching can allow states to identify public assistance recipients who are entitled to veterans benefits but have never applied. Those individual may then receive both types of benefits or may leave the public assistance rolls, thus saving state dollars. It may be possible through this system to identify veterans who are receiving Medicaid but could be receiving veterans benefits or a higher level of benefits.

The Colorado Department of Human Services Audit Division can extract data on active Medicaid cases from the Colorado Benefits Management System and match it against the database of all federal employees, including the military. They can also match it against the U.S. Veterans Administration (VA) database of benefits recipients. The Audit Division forwards the match data to county departments of social services for further investigation. The Audit Division believes there is an opportunity for partnership with the Department of Military and Veterans Affairs on this project, and Division of Veterans Affairs staff have been working with the Audit Division to verify the VA information. Partnering would also mean county public assistance workers calling local veterans service officers to confirm the veterans information in the matched data.

The Audit Division found 2511 matches between Human Services clients and Military & Veterans Affairs clients in the first match, done in February 2006. Potential outcomes are closing a human services case, recovering public assistance dollars paid out in error, or no action when the veteran is entitled to both kinds of benefits. The Department of Human Services plans to publish on its website the amount of potential savings.

The Denver County Veterans Service Officer helps identify veterans who may be eligible for veterans benefits by providing information to the Denver Department of Human Services intake workers. Denver County reports the amount of public assistance dollars it recovers upon approval of a veteran's VA claim.

Funding mechanisms

The General Assembly appropriates General Fund for the Division of Veterans Affairs operations and for payments to counties for County Veterans Service Officers. It also appropriates Veterans Trust Fund moneys for direct services to veterans through the Board of Veterans Affairs grant process.

The General Assembly could consider directing funding toward needy veterans, depending on the public policy goals of veterans services. Just as the U.S. Veterans Administration has targeted funding toward homeless and jobless and other needy veterans in the Denver metro area, the General Assembly could target funding toward alleviating certain critical needs of veterans, either directly for specific services or indirectly through the payments to counties.

Under current law, "the General Assembly shall annually establish in the general appropriations bill the rate of state-funded payment for full-time and part-time county veterans service officers..." Section 28-5-707 C.R.S. The funding has thus far been distributed regardless of need and regardless of success in meeting the need. The legislature could change the basis of funding to a system based on veterans needs, with consideration for providing a financial incentive for counties who have had demonstrated success in making a difference in veterans' lives.

The vast majority of benefits claims the Division receives come through the counties and veterans service organizations. The local veterans service officers are thus critical for outreach. The General Assembly could establish a formula by which payments for CVSO's could be based on the extent of veterans' needs within the county and the extent to which the counties are meeting the needs. The formula could provide an incentive for counties to invest their own funds in veteran services that make a difference, while considering their financial ability to do so.

The Board of Veterans Affairs has in the past submitted information to the General Assembly in support of more money for the division, the county veterans service officers, and the fund, but without describing how the money would be used to benefit Colorado veterans or what an appropriate level of funding would be. Neither the National Association of Directors of Veterans Affairs nor the National Conference of State Legislatures (NCSL) has research on what types and levels of veterans services other states are providing. **Staff recommends requesting NCSL to conduct such a study, to provide information that would be helpful in making funding decisions for veterans services.**

COLORADO ARMY NATIONAL DEPLOYMENTS POST 9/11/01

<u>UNIT</u>	<u>People</u>	<u>MISSION</u>	<u>DATES</u>	<u>TOTAL DUTY DAYS</u>
B/5/19 th SFG(A)	73	OEF I (Post 911 Response, Afghanistan)	05/12/01-04/12/02	26,645
5/19 th SFG(A)	194	OEF II (Afghan Nat'l Army Training)	8/26/02-8/14/04	70,810
TSOD	43	OIF II (CJSOTF Support, Iraq)	9/18/03-11/13/04	15,445
193 rd Space Bn	33	OIF I & II (ARSST Team Support, Iraq)	11/26/01-6/26/05	12,211
JFHQ-CO	9	Individual Augmentation (OIF/ONE)	5/19/03-9/2/04	2,550
JFHQ-CO (FP)	18	Force Protection Revere Pwky	10/1/02-10/1/05	3,285
1/157 th Field Artillery	362	ONE II (Force Protection at Ft Carson & Pueblo Army Depot)	5/20/03-6/1/04	198,376
2/157 th Field Artillery	191	OAF I & II (USAF Force Protection Bases in CO)	5/20/03-5/22/04	104,668
C/109 th Medical	69	OIF II (Medical Support, Iraq)	1/24/03-7/10/04	25,715
2/135 th Avn Bn	5	OIF I & II / OEF I (Avn/Maint Support)	2/5/03-4/17/04	1,846
220 th Military Police	166	OIF II (Combat MP Support, Iraq)	1/19/03-1/24/04	61,420
1157 th FF Team	16	OIF III (Fire Fighting Support, Iraq)	12/7/03-1/15/05	6,224
3650 th Maint Co	171	ONE II (Maint and Force Protection at FT Carson)	8/16/02-8/7/04	61,902
143 rd SIG Co	52	OIF III (Signal/Force Protection Support, Iraq)	1/4/04-3/10/05	19,760
128 th MPAD	10	GTMO (Public Affairs Support)	5/23/04-4/19/05	3,330
Med Command	6	OIF I, II & III (90 Day BOG Dr Rotations)	4/20/05-8/30/05	540
947 th Engineers	132	OIF Centcom Iraq	9/7/05-10/7/06	52,140
B/135 th Aviation	35	OIF Centcom Iraq	8/19/05-8/22/06	12,880
HHB 169 th FA Bde	106	OIF Centcom Iraq	4/1/06-4/10/07	39,750
135 th Aviation Bn	255	OIF Centcom Iraq	3/17/06-3/20/07	93,840
TOTAL	1,936			813,337 (2,259 man years)

LEGEND:

ONE: OPERATION NOBLE EAGLE (CONUS Support)
OIF: OPERATION IRAQI FREEDOM (Iraq/Kuwait)
OEF: OPERATION ENDURING FREEDOM (Afghanistan)
OAF: OPERATION ARMORED FALCON (CONUS AFB)
GTMO: Guantanamo Bay, CUBA
CJSOTF: Combined Joint Special Operations Task Force
ARSST: Army Space Support Teams

PERSONNAL ACTIONS:

1 KIA B/5/19th SFG(A) 1 Purple Heart B/5/19th SFG(A)
 1 WIA 5/19th SFG(A) 1 Purple Heart 5/19th SFG(A)
 1 WIA 220th MP Co 1 Purple Heart 220th MP Co
 2 WIA TSOD 2 Purple Heart TSOD
 1 KIA 947th Eng

**Colorado National Guard
Unit Locations (2005)
21 Locations / 45 Units**

