

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



FY 2011-12 STAFF FIGURE SETTING

**DEPARTMENT OF MILITARY
AND VETERANS AFFAIRS**

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

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FY 2011-12 Staff Figure Setting
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

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**Fiscal Year 2011-12 Joint Budget Committee Staff Figure Setting
Department of Military and Veterans Affairs**

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	Change	
	Actual	Actual	Appropriation	Request	Staff Recomm.	
					Requests	
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS						
Major General H. Michael Edwards, 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. Starting in FY 2010-11, the State's support for the Civil Air Patrol is shown in this Division. The cash funds sources are armory rental fees, the Western Slope Military Veterans' Cemetery Fund; real estate proceeds; and the Distance Learning Cash Fund. The reappropriated funds source is the Colorado Commission on Higher Education financial assistance program.						
Personal Services	2,130,962	2,118,234	2,046,221	2,025,426	2,031,287	NP
FTE	<u>34.0</u>	<u>32.8</u>	<u>33.3</u>	<u>33.3</u>	<u>33.3</u>	
General Fund	1,882,446	1,929,805	1,819,116	1,796,901	1,806,284	
Cash Funds	0	(106)	3,786	3,786	3,729	
Federal Funds	248,516	188,535	223,319	224,739	221,274	
Health, Life and Dental	<u>191,992</u>	<u>567,805</u>	<u>546,744</u>	<u>633,667</u>	<u>636,077</u>	NP
General Fund	191,992	185,560	164,270	173,415	175,825	
Cash Funds	0	0	229	16,583	16,583	
Federal Funds	0	382,245	382,245	443,669	443,669	
Short-term Disability	<u>3,423</u>	<u>9,571</u>	<u>9,912</u>	<u>11,675</u>	<u>11,768</u>	
General Fund	3,423	3,213	3,555	4,000	4,032	
Cash Funds	0	104	104	129	130	
Federal Funds	0	6,254	6,253	7,546	7,606	
S.B. 04-257 Amortization Equalization Disbursement	<u>41,236</u>	<u>140,807</u>	<u>152,605</u>	<u>184,686</u>	<u>185,305</u>	
General Fund	41,236	42,197	53,996	63,277	63,489	
Cash Funds	0	1,623	1,623	2,043	2,050	
Federal Funds	0	96,987	96,986	119,366	119,766	

**Fiscal Year 2011-12 Joint Budget Committee Staff Figure Setting
Department of Military and Veterans Affairs**

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12		Change
	Actual	Actual	Appropriation	Request	Staff Recomm.	Requests
S.B. 06-235 Supplemental Amortization Equalization						
Disbursement	<u>18,645</u>	<u>97,833</u>	<u>110,831</u>	<u>148,407</u>	<u>148,524</u>	
General Fund	18,645	25,310	38,307	50,847	50,887	
Cash Funds	0	1,187	1,187	1,641	1,642	
Federal Funds	0	71,336	71,337	95,919	95,995	
Salary Survey and Senior Executive Service	<u>86,388</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	86,388	0	0	0	0	
Cash Funds	0	0	0	0	0	
Federal Funds	0	0	0	0	0	
Performance-based Pay Awards	<u>38,360</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	38,360	0	0	0	0	
Cash Funds	0	0	0	0	0	
Federal Funds	0	0	0	0	0	
Shift Differential - Federal funds	24,052	48,452	19,242	21,474	Pending	
Workers' Compensation	<u>78,566</u>	<u>71,565</u>	<u>72,598</u>	<u>70,954</u>	<u>Pending</u>	
General Fund	26,711	24,321	24,683	24,124		
Federal Funds	51,855	47,244	47,915	46,830		
Operating Expenses	<u>2,290,613</u>	<u>2,314,578</u>	<u>2,056,770</u>	<u>2,061,937</u>	<u>2,056,770</u>	NP
General Fund	1,425,222	1,179,137	1,181,198	1,182,490	1,181,198	
Cash Funds	161	22,870	46,000	46,000	46,000	
Federal Funds	865,230	1,112,571	829,572	833,447	829,572	
Information Technology Asset Maintenance - GF	22,372	21,590	22,372	22,372	22,372	
Legal Services for 110 Hours - General Fund	7,715	8,292	8,071	8,071	Pending	

**Fiscal Year 2011-12 Joint Budget Committee Staff Figure Setting
Department of Military and Veterans Affairs**

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Request	FY 2011-12 Staff Recomm.	Change Requests
Purchase of Services from Computer Center - GF	10,581	10,222	134,000	172,939	Pending	
Multiuse Network Payments - General Fund	11,235	11,235	23,160	59,706	Pending	
Management and Administration of OIT - GF	14,977	13,490	60,097	61,356	Pending	
Payment to Risk Management and Property Funds - GF	153,342	129,081	38,724	153,916	Pending	
Vehicle Lease Payments - General Fund	25,300	27,541	45,406	43,548	Pending	NP
Leased Space - General Fund	38,930	40,095	44,978	44,978	44,978	
Capitol Complex Leased Space (Camp George West)	<u>81,972</u>	<u>96,360</u>	<u>89,200</u>	<u>85,424</u>	<u>Pending</u>	
General Fund	60,347	67,739	64,660	54,698		
Federal Funds	21,625	28,621	24,540	30,726		
Communications Services Payments - General Fund	11,233	11,233	12,163	12,400	Pending	
Civil Air Patrol Operations - General Fund	0	0	58,638	58,638	58,638	
Local Armory Incentive Plan - Cash Funds	2,096	6,262	46,610	46,610	46,610	
Distance Learning - Cash Funds	0	0	3,000	3,000	3,000	
Colorado National Guard Tuition Fund	<u>814,164</u>	<u>1,046,157</u>	<u>1,046,157</u>	<u>1,046,157</u>	<u>1,046,157</u>	
General Fund	164,164	246,157	246,157	246,157	246,157	
Reappropriated Funds /a	650,000	800,000	800,000	800,000	800,000	

**Fiscal Year 2011-12 Joint Budget Committee Staff Figure Setting
Department of Military and Veterans Affairs**

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Appropriation	FY 2011-12 Request	FY 2011-12 Staff Recomm.	Change Requests
Army National Guard Cooperative Agreement - Federal Funds	4,371,738	5,020,527	3,505,244	3,491,693	3,454,368	NP
FTE	51.5	51.5	51.5	51.5	51.5	
						<i>Request v. Appropriation</i>
ARMY NATIONAL GUARD	10,469,892	11,810,930	10,152,743	10,469,034	9,745,854	2.9%
FTE	<u>85.5</u>	<u>84.3</u>	<u>84.8</u>	<u>84.8</u>	<u>84.8</u>	<u>0.0%</u>
General Fund	4,234,619	3,976,218	4,043,551	4,233,833	3,653,860	4.1%
Cash Funds	2,257	31,940	102,539	119,792	119,744	16.8%
Reappropriated Funds	650,000	800,000	800,000	800,000	800,000	0.0%
Federal Funds	5,583,016	7,002,772	5,206,653	5,315,409	5,172,250	2.1%

a/ Pursuant to Section 23-3.3-202, C.R.S., these funds are reappropriated from the Department of Higher Education to the National Guard Tuition Assistance Program

(2) DIVISION OF VETERANS AFFAIRS

Represents veterans in claims for federal benefits, supports county veterans service officers, administers the Colorado State Veterans Trust Fund, and maintains the Western Slope Military Veterans Cemetery. Cash funds sources are the Colorado State Veterans Trust Fund and the Western Slope Military Veterans Cemetery Fund. Reappropriated funds source is the Colorado State Veterans Trust Fund.

Veterans Service Operations	486,835	482,369	595,556	591,567	594,101	NP
FTE	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>	
General Fund	483,326	483,543	542,047	538,058	540,592	
Cash Funds	0	(1,797)	50,000	50,000	50,000	
Reappropriated Funds	3,509	623	3,509	3,509	3,509	
County Veterans Service Officer Payments - GF	160,856	190,552	190,654	190,654	190,654	
Colorado State Veterans Trust Fund Expenditures - Cash	643,336	940,524	1,029,275	949,690	811,789	

**Fiscal Year 2011-12 Joint Budget Committee Staff Figure Setting
Department of Military and Veterans Affairs**

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12		Change
	Actual	Actual	Appropriation	Request	Staff Recomm.	Requests
Western Slope Veterans Cemetery	218,508	173,631	409,106	408,569	407,727	NP
FTE	<u>4.5</u>	<u>4.5</u>	<u>4.5</u>	<u>4.5</u>	<u>4.5</u>	
General Fund	167,185	109,464	131,039	130,079	130,755	
Cash Funds	51,323	11,067	227,067	227,490	225,972	
Federal Funds	0	53,100	51,000	51,000	51,000	
						<i>Request v.</i>
						<i>Appropriation</i>
SUBTOTAL - (2) DIVISION OF VETERAN AFFAIRS	1,509,535	1,787,076	2,224,591	2,140,480	2,004,271	-4.1%
FTE	<u>12.5</u>	<u>12.5</u>	<u>12.5</u>	<u>12.5</u>	<u>12.5</u>	<u>0.0%</u>
General Fund	811,367	783,559	863,740	858,791	862,001	-1.3%
Cash Funds	694,659	949,794	1,306,342	1,227,180	1,087,761	-6.1%
Reappropriated Funds	3,509	623	3,509	3,509	3,509	0.0%
Federal Funds	0	53,100	51,000	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 in Colorado

Operations and Maintenance Agreement for Buckley/Greeley	1,285,742	1,177,724	2,011,848	2,009,443	1,995,570	NP
FTE	<u>26.1</u>	<u>26.1</u>	<u>26.1</u>	<u>26.1</u>	<u>26.1</u>	
General Fund	342,236	369,765	378,942	376,436	377,685	
Federal Funds	943,506	807,959	1,632,906	1,633,007	1,617,885	
Buckley Cooperative Agreement - Federal Funds	1,627,832	1,525,297	1,002,078	1,002,687	988,906	NP
FTE	20.5	20.5	17.5	17.5	17.5	
Security for Space Command Facility at Greeley - FF	238,500	248,433	219,888	219,888	216,588	NP
FTE	5.0	5.0	5.0	5.0	5.0	

**Fiscal Year 2011-12 Joint Budget Committee Staff Figure Setting
Department of Military and Veterans Affairs**

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12		Change
	Actual	Actual	Appropriation	Request	Staff Recomm.	Requests
						<i>Request v. Appropriation</i>
SUBTOTAL - (3) AIR NATIONAL GUARD	3,152,074	2,951,454	3,233,814	3,232,018	3,201,064	-0.1%
FTE	<u>51.6</u>	<u>51.6</u>	<u>48.6</u>	<u>48.6</u>	<u>48.6</u>	<u>0.0%</u>
General Fund	342,236	369,765	378,942	376,436	377,685	-1.3%
Federal Funds	2,809,838	2,581,689	2,854,872	2,855,582	2,823,379	0.0%
(4) FEDERAL FUNDED PROGRAMS						
Trains state military forces. Note: This section is included in the Long Bill for informational purposes only. These funds are not subject to appropriation by the General Assembly 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 - Federal Funds	88,685,726	91,345,949	0	0	0	
FTE	1,239.0	1,239.0	0.0	0.0	0.0	
Operating and Maintenance - Federal Funds	59,142,560	60,916,837	0	0	0	
Construction - Federal Funds	13,100,000	34,600,000	0	0	0	
Special Programs - Federal Funds	715,700	715,700	0	0	0	
Federal Funded Programs Operations - Federal Funds	0	0	205,646,369	205,646,369	205,646,369	
FTE		0.0	1,239.0	1,239.0	1,239.0	
						<i>Request v. Appropriation</i>
Federal Funds	161,643,986	187,578,486	205,646,369	205,646,369	205,646,369	0.0%
FTE	1,239.0	1,239.0	1,239.0	1,239.0	1,239.0	0.0%

**Fiscal Year 2011-12 Joint Budget Committee Staff Figure Setting
Department of Military and Veterans Affairs**

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12		Change
	Actual	Actual	Appropriation	Request	Staff Recomm.	Requests
(5) CIVIL AIR PATROL						
The Division supports the U.S. Civil Air Patrol, Colorado Wing, a non-profit organization which is a civilian auxiliary of the United States Air Force. Its primary mission is search and rescue. It is also chartered with promoting aerospace education and operating a cadet program. The State supports the Wing with 1.0 FTE and provides operating costs and minor maintenance. For FY 2010-11, the responsibilities have been transferred to the Executive Director and Army National Guard Division.						
Personal Services - General Fund	68,703	69,269	0	0	0	
FTE	1.0	1.0	0.0	0.0	0.0	
Operating Expenses - General Fund	13,324	7,860	0	0	0	
Aircraft Maintenance - General Fund	45,287	44,885	0	0	0	
						<i>Request v. Appropriation</i>
SUBTOTAL - (5) CIVIL AIR PATROL - General Fund	127,314	122,014	0	0	0	0.0%
FTE	1.0	1.0	0.0	0.0	0.0	0.0%
						<i>Request v. Appropriation</i>
VETERANS AFFAIRS	176,902,801	204,249,960	221,257,517	221,487,901	221,287,346	0.1%
FTE	<u>1,389.6</u>	<u>1,388.4</u>	<u>1,384.9</u>	<u>1,384.9</u>	<u>1,384.9</u>	<u>0.0%</u>
General Fund	5,515,536	5,251,556	5,286,233	5,469,060	5,484,304	2.8%
Cash Funds	696,916	981,734	1,408,881	1,346,972	1,207,505	-4.4%
Reappropriated Fund	653,509	800,623	803,509	803,509	803,509	0.0%
Federal Funds	170,036,840	197,216,047	213,758,894	213,868,360	213,792,028	0.1%

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
FY 2011-12 STAFF FIGURE SETTING**

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(1) EXECUTIVE DIRECTOR AND ARMY NATIONAL GUARD

The Executive Director and Army National Guard Office is responsible for the overall administration of the Department. It provides leadership to the Department by managing the general administrative functions, which include: Leadership and Policy Development; Human Resource Management; Accounting; Purchasing/Contracting; Budgeting; and Information Technology. Except for the Leadership and Policy Development, each of the functions has multiple operations within the Department representing different state and federal responsibilities of the Department. The Executive Director's office is also responsible for the legislative program of the Department at both the state and federal level.

The Army and Air National Guards are each separate entities, funded by the federal government and managed and staffed by Federal Civil Service employees. The federal government fully funds National Guard training and provides most of the funding for construction of armories and other military facilities. Under its cooperative agreements with the federal government, the Department provides 50 percent of maintenance and utilities costs at fifteen state owned armories, and 20 or 25 percent of these costs at four federal facilities.

Personal Services

The following table shows the staffing summary for the Executive Director and Army National Guard Division.

Executive Director and Army National Guard Staffing Summary				
	FY 2009-10 Actual	FY 2009-10 Approp.	FY 2011-12 Request	FY 2011-12 Recommend.
Adjutant General/ Deputy Director	4.0	4.0	4.0	4.0
Accounting	10.0	10.0	10.0	10.0
Human Resource Management	1.0	1.0	1.0	1.0
Information Technology	1.1	0.0	0.0	0.0
Planning/ Budgeting	3.1	4.0	4.0	4.0
Clerical Support	3.3	3.3	3.3	3.3
Maintenance/Skilled Trades	<u>11.3</u>	<u>11.0</u>	<u>11.0</u>	<u>11.0</u>
TOTAL	33.8	33.3	33.3	33.3

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
FY 2011-12 STAFF FIGURE SETTING**

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The line item funds 33.3 FTE for administrative and professional staff in the Executive Director and Army National Guard office, and the labor trades and crafts employees who maintain and repair armories and other military facilities. The Department's request is for \$2,025,426 and 33.3 FTE, including \$1,796,901 General Fund, \$3,786 cash funds, and \$224,739 federal funds. For FY 2010-11, the 1.0 FTE from the Civil Air Patrol Division was transferred to this line item, and 1.0 FTE was transferred to the Governor's Office of Information Technology.

The following table details the staff recommendation and incorporates the common policies adopted by the Committee.

Executive Director's Office and Army National Guard Recommended Personal Services Budget					
	Total	FTE	General Fund	Cash Funds	Federal Funds
FY 2010-11 Long Bill Appropriation	\$2,064,596	33.3	\$1,837,491	\$3,786	\$223,319
1% across the board General Fund (GF) personal services reduction	<u>(18,375)</u>	<u>0.0</u>	<u>(18,375)</u>	<u>0</u>	<u>0</u>
FY 2010-11 Final Appropriation	2,046,221	33.3	1,819,116	3,786	223,319
Restore the 1.0 percent General Fund reduction for FY 2010-11	18,375	0.0	18,375	0	0
Restore the FY 2010-11 PERA contribution swap	<u>46,777</u>	<u>0.0</u>	<u>39,075</u>	<u>0</u>	<u>7,702</u>
FY 2011-12 Base Appropriation	2,111,373	33.3	1,876,566	3,786	231,021
Vacancy Savings base reduction	(31,671)	0.0	(28,148)	(57)	(3,465)
PERA 2.5 percent contribution swap	<u>(48,416)</u>	<u>0.0</u>	<u>(42,134)</u>	<u>0</u>	<u>(6,282)</u>
FY 2011-12 Personal Services Recommendation	\$2,031,287	33.3	\$1,806,284	\$3,729	\$221,274

Staff recommends an appropriation of \$2,031,287 and 33.3 FTE, including \$1,806,284 General Fund, \$3,729 cash funds and \$221,274 federal funds.

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
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HEALTH, LIFE AND DENTAL

This line provides funding for the employer's share of group benefit plans providing health, life and dental insurance for state employees. The Department requests \$633,667, including \$173,415 General Fund, \$16,583 cash funds, and \$443,669 federal funds.

Pursuant to Committee common policy, staff recommends and appropriation of \$636,077, including \$173,825 General Fund, \$16,583 cash funds, and \$443,669 federal funds. This recommendation includes the effect of the bill to pro-rate benefits for part-time employees.

SHORT-TERM DISABILITY

This line provides funding for the employer's share of state employee's short-term disability insurance premiums. The Department requests \$11,675, including \$4,000 General Fund, \$129 cash funds, and \$7,546 federal funds.

Pursuant to Committee common policy, staff recommends and appropriation of \$11,768, including \$4,032 General Fund, \$130 cash funds, and \$7,606 federal funds.

S.B. 04-157 AMORTIZATION EQUALIZATION DISBURSEMENT

Pursuant to S.B. 04-157, the line provides additional funding to increase the state contribution for the Public Employees Retirement Association (PERA). The Department requests \$184,686, including \$63,277 General Fund, \$2,043 cash funds, and \$119,366 cash funds.

Pursuant to Committee common policy, staff recommends and appropriation of \$185,305, including \$63,489 General Fund, \$2,050 cash funds, and \$119,766 federal funds.

S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT

Pursuant to S.B. 06-235, the line provides additional funding to increase the state contribution for the Public Employees Retirement Association (PERA). The Department requests \$148,407, including \$50,847 General Fund, \$1,641 cash funds, and \$95,919 federal funds.

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Pursuant to Committee common policy, staff recommends and appropriation of \$148,524, including \$50,887 General Fund, \$1,642 cash funds, and \$95,995 federal funds.

SHIFT DIFFERENTIAL

This line item provides funding for shift premiums for personnel working other than a work week of 8 a.m. to 5 p.m., Monday through Friday. The Department requests \$21,474 federal funds.

Staff's recommendation is pending Committee common policy. Staff will reflect Committee common policy in the appropriation for this line item.

WORKERS' COMPENSATION

This line item provides funding to pay the Department's estimated share for inclusion in the State's workers' compensation program for state employees, which is administered by the Department of Personal and Administration. The Department requests \$70,954, including \$24,124 General Fund and \$46,830 federal funds.

Staff's recommendation is pending Committee common policy. Staff will reflect Committee common policy in the appropriation for this line item.

OPERATING EXPENSES

This line item provides funding to pay the Department's expenses for supplies, telephone, training, minor armory repair and maintenance, utility expenses, travel and the general operational expenses for the Department. The Department requests a continuing appropriation of \$2,061,937, including \$1,182,490 General Fund, \$46,000 cash funds, and \$833,447 federal funds. The Department's request includes a statewide decision item for printing of statewide warrants and mainframe documents. The Committee did not approve that request in its consideration of common policies, and that request is not reflected in the staff recommendation.

Staff recommends approving the Department's request for a continuing appropriation of \$2,056,770, including \$1,181,198 General Fund, \$46,000 cash funds, and \$829,572 federal funds.

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
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INFORMATION TECHNOLOGY ASSET MAINTENANCE

This line item provides funding for the upkeep and maintenance of the Department's information technology infrastructure. The Department requests a continuation appropriation of \$22,372 General Fund..

Staff recommends approving the Department's request for an appropriation of \$22,372 General Fund.

LEGAL SERVICES FOR 110 HOURS

This line items funds the provision of legal services from the Department of Law. The Department of Military and Veterans Affairs requests a continuation appropriation of \$7,923 General Fund, and 110 hours of legal services for lawsuits, workers' compensation cases, and contract review.

Staff recommends a continuation of 110 hours of legal services. Staff recommendation for the appropriation is pending Committee common policy where the hourly rate for legal services will be set. Staff will reflect Committee policy in the appropriation for this line item.

PURCHASE OF SERVICES FROM COMPUTER CENTER

This line item provides funding for the Department's use of the centralized computer system maintained by the Office of Information Technology (OIT). Based on rates charged by OIT, the Department requests an appropriation of \$172,939 General Fund, which includes a statewide common policy adjustment of \$38,939 General Fund.

Staff's recommendation is pending Committee common policy. Staff will reflect Committee common policy in the appropriation for this line item.

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MULTIUSE NETWORK PAYMENTS

This line item provides funding for the Department's costs for inclusion in the State's network. Based on rates charged by OIT, the Department's requests an appropriation of \$59,706 General Fund includes a statewide common policy adjustment of \$36,546 General Fund.

Staff's recommendation is pending Committee common policy. Staff will reflect Committee common policy in the appropriation for this line item.

MANAGEMENT AND ADMINISTRATION OF OIT

This line item provides funding for the Department's share of the operations of the Office of Information Technology in the Governor's Office. Based on rates charged by OIT, the Department requests an appropriation of \$61,356 General Fund, which includes a statewide common policy adjustment of \$1,259 General Fund.

Staff's recommendation is pending Committee common policy. Staff will reflect Committee common policy in the appropriation for this line item.

PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS

This line item funds the Department's costs of the State's self-insurance program for risk management and property. This line is increased by a Statewide common policy adjustment. The Department requests an appropriation of \$153,916 General Fund, an increase of \$115,192 from the FY 2010-11 Long Bill appropriation.

Staff's recommendation is pending Committee common policy. Staff will reflect Committee common policy in the appropriation for this line item.

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
FY 2011-12 STAFF FIGURE SETTING**

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

VEHICLE LEASE PAYMENTS

This line item provides funding for the leasing costs of the Department's vehicle fleet. The Department requests an appropriation of \$43,548 General Fund. The request includes an adjustment for a statewide common policy adjustment of the vehicle fleet replacements that decreases the request by \$8,898 General Fund.

The Department is not requesting any new or replacement vehicles for FY 2011-12. **Staff's recommendation is pending Committee common policy.** Staff will reflect Committee common policy in the appropriation for this line item.

LEASED SPACE

This line item funds the lease for the offices of the Division of Veterans Affairs located at 7465 E. First Avenue in Denver. The Department requests a continuation appropriation of \$44,978 General Fund.

Staff recommends that the Committee approve the Department's request for a continuation appropriation of \$44,978 General Fund.

CAPITOL COMPLEX LEASED SPACE

This line item provides funding for buildings at Camp George West occupied by the Colorado National Guard. The Department requests an appropriation of \$85,424, comprised of \$54,698 General Fund and \$30,726 federal funds. This request reflects a statewide common policy adjustment that decreases the total requested appropriation by \$3,776, including a decrease of \$9,962 General Fund and an increase of \$6,186 federal funds.

Staff's recommendation is pending Committee common policy. Staff will reflect Committee common policy in the appropriation for this line item.

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
FY 2011-12 STAFF FIGURE SETTING**

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

COMMUNICATIONS SERVICES PAYMENTS

This line item funds the Department's costs for network and telephone communications services and the digital trunked radio network. The Department requests \$12,400 General Fund, which reflects a statewide common policy adjustment of \$237 General Fund.

Staff's recommendation is pending Committee common policy. Staff will reflect Committee common policy in the appropriation for this line item.

CIVIL AIR PATROL OPERATIONS

In the 2010 session, the General Assembly approved consolidating the Civil Air Patrol Division with the Executive Director and Army National Guard Division. This line item combined two line items from the Civil Air Patrol Division, Operating Expenses and Aircraft Maintenance. The funding is used to assist in paying for some of Civil Air Patrol's operating and maintenance expenses. The bulk of the expenditures for these programs continue to come from the Federal Government and donations that are not included in the Long Bill. The Department has requested continuation funding of \$58,638 General Fund.

Staff recommends that the Committee approve the Department's request for a continuing appropriation of \$58,638 General Fund.

LOCAL ARMORY INCENTIVE PROGRAM

The Department has statutory authority to expend armory rental proceeds for the costs of operating armories outside of normal hours. The spending authority is needed for the costs of the use of the armories for extended hours. The Department requests a continuation appropriation of \$46,610 cash funds from armory rental proceeds.

Staff recommends that the Committee approve the Department's request for a continuing appropriation of \$46,610 cash funds from armory rental proceeds.

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
FY 2011-12 STAFF FIGURE SETTING
JBC Working Document: Decision Subject to Change
Staff Recommendation Does Not Represent Committee Decision

DISTANCE LEARNING

This line item provides spending authority for revenues received from the use of the Department's distance learning facilities. The Department requests \$3,000 cash funds from fees on distance learning facilities and equipment.

Staff recommends approving the Department's request for a continuing appropriation of \$3,000 cash funds from fees on distance learning facilities and equipment.

COLORADO NATIONAL GUARD TUITION FUND

This line item provides funding for tuition assistance for members of the Colorado National Guard who are attending state universities and colleges. The Department is requesting a continuation appropriation of \$1,046,157, comprised of \$246,157 General Fund and \$800,000 reappropriated funds from the Colorado Commission on Higher Education.

Staff recommends approving the Department's request for a continuing appropriation of \$1,046,157, including \$246,157 General Fund and \$800,000 reappropriated funds.

ARMY NATIONAL GUARD COOPERATIVE AGREEMENT

This line item funds programs that are 100 percent federally funded under the Department's cooperative agreements with the U.S. National Guard Bureau, which includes funding for 51.5 federally funded FTE, and the operations and maintenance of the Colorado Army National Guard program. The line contains both personal services and operating expenses. The Department requests an appropriation of \$3,491,693 federal funds and 51.5 FTE, of which \$2,488,355 is for personal services and \$1,058,329 is for operating expenses. The request is adjusted for the PERA Contribution shift, a reduction of \$54,991

The following table details the staff recommendation and incorporates the common policies adopted by the Committee.

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
FY 2011-12 STAFF FIGURE SETTING
 JBC Working Document: Decision Subject to Change
Staff Recommendation Does Not Represent Committee Decision

Army National Guard Cooperative Agreement Detail of Staff Recommendation		
	Federal Funds	FTE
<u>Personal Services</u>		
FY 2010-11 Personal Services Long Bill Appropriation	\$2,446,915	51.5
Restore the FY 2010-11 PERA contribution swap	<u>41,440</u>	<u>0.0</u>
FY 2011-12 Base Appropriation	2,488,355	51.5
Vacancy Savings base reduction	(37,325)	0.0
PERA 2.5 percent contribution swap	<u>(54,991)</u>	<u>0.0</u>
FY 2011-12 Personal Services Recommendation	2,396,039	51.5
<u>Operating Expenses</u>		
FY 2010-11 Long Bill Operating Expenses Appropriation	1,058,329	
FY 2011-12 Operating Expenses Recommendation	<u>1,058,329</u>	
Staff Recommendation	\$3,454,368	51.5

Staff recommends an appropriation of \$3,454,368 federal funds and 51.5 FTE. This is comprised of \$2,396,039 for personal services and \$1,058,329 for operating expenses. The recommendation includes \$2,396,039 for personal services and \$1,058,329 for operating expenses.

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
FY 2011-12 STAFF FIGURE SETTING**

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

(2) DIVISION OF VETERANS AFFAIRS

The Division represents veterans in federal benefits claims, provides information and training to county veterans service officers, and operates and maintains the Western Slope Military Veterans Cemetery in Grand Junction. The State Board of Veterans Affairs advises the Division on matters pertaining to veterans, makes grants from the Colorado Veterans Trust Fund for: capital improvements and amenities at state veterans nursing homes, costs of state veterans cemeteries; costs of the Division, and for veterans programs operated by non-profit veterans organizations. The Trust Fund moneys are the result of a transfer of one percent, up to \$1 million, of the proceeds from the Master Tobacco Settlement.

VETERANS SERVICE OPERATIONS

This line item provides funding for salaries and employer contributions to PERA for employees who are responsible for assisting veterans in obtaining benefits from the U.S. Department of Veterans Affairs. These employees also assist county veterans service officers with their duties and training for those officers. This line also provides funding for the operating and administrative expenses of the program. The program has 8.0 FTE, whose staff functions are broken out in the table below.

Veterans Service Operations Staffing Summary				
	FY 2009-10 Actual	FY 2010-11 Approp.	FY 2011-12 Request	FY 2011-12 Recommend.
Veterans Service Officer	6.0	6.0	6.0	6.0
Administrative Staff	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>
Total	8.0	8.0	8.0	8.0

The Department requests an appropriation of \$591,567, including \$538,058 General Fund, \$50,000 cash funds from the Colorado State Veterans Trust Fund, and \$3,509 reappropriated funds from the Colorado Veterans Trust Fund. The line combines personal services and operating expenses.

The following table details the staff recommendation and incorporates the common policies adopted by the Committee.

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
FY 2011-12 STAFF FIGURE SETTING
 JBC Working Document: Decision Subject to Change
Staff Recommendation Does Not Represent Committee Decision

Veterans Service Operations Line Detail					
	Total	FTE	General Fund	Cash Funds	Reapprop. Funds
<u>Personal Services</u>					
FY 2010-11 Long Bill Personal Services Appropriation	\$497,017	8.0	\$497,017	\$0	\$0
One percent across the board General Fund Personal Services Reduction	<u>(4,970)</u>	<u>0.0</u>	<u>(4,970)</u>	<u>0</u>	<u>0</u>
Final FY 2010-11 Appropriation	492,047	8.0	492,047	0	0
Restore the 1.0 percent General Fund reduction for FY 2010-11	4,970	0.0	4,970	0	0
Restore the FY 2010-11 PERA contribution swap	<u>9,674</u>	<u>0.0</u>	<u>9,674</u>	<u>0</u>	<u>0</u>
FY 2011-12 Base Appropriation	\$506,691	8.0	\$506,691	\$0	\$0
Vacancy Savings base reduction	(7,600)	0.0	(7,600)	0	0
PERA 2.5 percent contribution swap	<u>(8,499)</u>	<u>0.0</u>	<u>(8,499)</u>	<u>0</u>	<u>0</u>
FY 2011-12 Personal Services Recommendation	\$490,592	8.0	\$490,592	\$0	\$0
<u>Operating Expenses</u>					
FY 2010-11 Long Bill Operating Expenses Appropriation	103,509		50,000	50,000	3,509
FY 2011-12 Operating Expenses Recommendation	<u>103,509</u>		<u>50,000</u>	<u>50,000</u>	<u>3,509</u>
Staff Recommendation	\$594,101	8.0	\$540,592	\$50,000	\$3,509

Staff recommends an appropriation of \$594,101, comprised of \$540,592 General Fund, \$50,000 cash funds from the Colorado State Veterans Trust Fund, and \$3,509 reappropriated funds from the Colorado State Veterans Trust Fund. The recommendation includes \$490,592 for personal services and \$103,509 for operating expenses.

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
FY 2011-12 STAFF FIGURE SETTING**

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

COUNTY VETERANS SERVICE OFFICER PAYMENTS

This line item funds payments to counties for administrative support of county veterans service officers. The Department requests a continuation appropriation of \$190,564 General Fund.

Section 28-5-801 (1), C.R.S. requires each county to appoint a County Veterans Service Officer (CVSO). Some counties have one or more full-time CVSO, others have a part-time or volunteer CVSO, while at least two counties share a CVSO with another county. The state reimburses the counties at the rate of \$200 per month for a part-time officer and \$400 per month for a full-time officer. The appropriation for this program is \$88,800, while counties report that they spent more than \$1.2 million in support of the program.

The Department also has a pilot program in five counties to reimburse counties for increasing their efforts to enroll veterans with the U.S. Department of Veterans Affairs. Enrolling additional veterans has the potential to bring additional federal dollars to the state in the form of veterans pensions, health care, vocational rehabilitation and employment, education and training, home loans, life insurance, and other benefits. The original appropriation for the program was \$124,354 General Fund, however, due to the General Fund revenue shortfall, that appropriation was reduced to \$79,264 in FY 2008-09. The appropriation was set at \$101,854 for FY 2009-10 and FY 2010-11. The FY 2011-12 budget request is a continuation of the FY 2010-11 appropriation.

Staff recommends an appropriation of \$190,654 General Fund.

COLORADO STATE VETERANS TRUST FUND EXPENDITURES

The Colorado State Veterans Trust fund is funded by a transfer of one percent, up to \$1 million, of the moneys the State receives from the Master Tobacco Settlement (MSA). Under current statute (Section 28-5-709 (3) (c), C.R.S.), 90 percent of the moneys transferred, plus any accumulated interest, are subject to appropriation by the General Assembly for the purposes of: capital improvements and amenities at state veterans nursing homes, costs of state veterans cemeteries; costs of the Division, and for veterans programs operated by non-profit veterans organizations. The Department requests an appropriation of \$949,690 cash funds from the Veterans Trust Fund.

The Department's request is comprised of 90 percent of the transfer of moneys from the Master Tobacco Settlement, or \$900,000 and the interest earnings on the fund of \$49,690. The Department calculated its request on the basis of receiving the full \$1 million allowable from these Master Settlement Agreement.

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
FY 2011-12 STAFF FIGURE SETTING**

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

Staff recommends an appropriation of \$811,789 cash funds from the Colorado State Veterans Trust Fund. Staff's recommendation is based upon the Legislative Council Economic Staff estimate of the transfer of moneys from the proceeds of the MSA. That estimate is for a transfer of \$902,332 during FY 2011-12. Ninety percent of the transferred funds are available for appropriation by the General Assembly, which is \$812,099. Interest earnings of \$49,690 are added to the transfer, and \$50,000 recommended to be appropriated from the trust fund to Veterans Service Operations is deducted from this line's appropriation, for a recommended appropriation \$811,789.

WESTERN SLOPE MILITARY VETERANS CEMETERY

This line item provides funding for personal services costs for the employees who operate and maintain the Cemetery, as well as the operating costs (utilities, routine maintenance, minor construction and improvement, as well as administrative costs) for the Cemetery. The Department is requesting an appropriation of \$408,569 and 4.5 FTE, comprised of \$130,079 General Fund, \$227,940 cash funds from the Western Slope Military Veterans Cemetery Fund, and \$51,000 federal funds from interment fees from the U.S. Department of Veterans Affairs. Personal Services functions are detailed in the following table.

Western Slope Military Veterans Cemetery Staffing Summary				
	FY 2009-10 Actual	FY 2010-11 Approp.	FY 2011-12 Request	FY 2011-12 Recommend.
General Professional	1.0	1.0	1.0	1.0
Administrative Assistant	1.5	1.5	1.5	1.5
Maintenance Mechanic/ Structural Trades	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>
Total	4.5	4.5	4.5	4.5

The following table details the staff recommendation and incorporates the common policies adopted by the Committee.

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
FY 2011-12 STAFF FIGURE SETTING
 JBC Working Document: Decision Subject to Change
Staff Recommendation Does Not Represent Committee Decision

Western Slope Military Veterans Cemetery					
Line Item Detail					
	Total Funds	FTE	General Fund	Cash Funds	Federal Funds
<u>Personal Services</u>					
FY 2010-11 Long Bill Personal Services Appropriation	\$231,305	4.5	\$132,363	\$98,942	0.0
One percent across the board General Fund Personal Services Reduction	<u>(1,324)</u>	<u>0.0</u>	<u>(1,324)</u>	<u>0</u>	<u>0</u>
Final FY 2010-11 Appropriation	229,981	4.5	131,039	98,942	0
Restore the 1.0 percent General Fund reduction for FY 2010-11	1,324	0.0	1,324	0	0
Restore the FY 2010-11 PERA contribution swap	<u>5,253</u>	<u>0.0</u>	<u>3,006</u>	<u>2,247</u>	<u>0</u>
FY 2011-12 Base Appropriation	236,558	4.5	135,369	101,189	0
Vacancy Savings base reduction	<u>(3,548)</u>	<u>0.0</u>	<u>(2,031)</u>	<u>(1,518)</u>	<u>0</u>
PERA 2.5 percent contribution swap	<u>(4,407)</u>	<u>0.0</u>	<u>(2,583)</u>	<u>(1,824)</u>	<u>0</u>
FY 2011-12 Personal Services Recommendation	228,602	4.5	130,755	97,847	0
<u>Operating Expenses</u>					
FY 2010-11 Long Bill Operating Expenses Appropriation	179,125		0	128,125	51,000
FY 2011-12 Operating Expenses Recommendation	<u>179,125</u>		<u>0</u>	<u>128,125</u>	<u>51,000</u>
Staff Recommendation	\$407,727	4.5	\$130,755	\$225,972	\$51,000

Staff recommends an appropriation of \$407,727 and 4.5 FTE, comprised of \$130,755 General Fund, \$225,972 cash funds from the Western Slope Military Veterans Cemetery Fund, and \$51,000 federal funds from interment fees. The request includes \$228,603 for personal services and \$179,125 for operating expenses.

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
FY 2011-12 STAFF FIGURE SETTING
 JBC Working Document: Decision Subject to Change
Staff Recommendation Does Not Represent Committee Decision

(3) AIR NATIONAL GUARD

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

Air National Guard Staffing Summary				
	FY 2009-10 Actual	FY 2010-11 Approp.	FY 2011-12 Request	FY 2011-12 Recommend.
Administrative Support	3.0	3.0	3.0	3.0
Air Traffic Controllers	7.0	7.0	7.0	7.0
Physical Plant	33.6	33.6	33.6	33.6
Security	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>
TOTAL	48.6	48.6	48.6	48.6

OPERATIONS AND MAINTENANCE AGREEMENT FOR BUCKLEY/GREELEY

This line item funds personal services, operating expenses, and utilities for the Buckley Air Force Base. The proportion of General Fund to federal funds is based on the annual cooperative agreement between the Department and the U.S. Department of Defense. The Department requests \$2,009,443 and 26.1 FTE, comprised of \$376,436 General Fund and \$1,633,007 federal funds.

The following table details the staff recommendation and incorporates the common policies adopted by the Committee.

Operations and Maintenance Agreement for Buckley/Greeley FY 2011-12 Line Item Detail				
	Total	General Fund	Federal Funds	FTE
<u>Personal Services</u>				
FY 2010-11 Long Bill Personal Services Appropriation	\$1,238,901	\$246,556	\$992,345	26.1
One percent across the board General Fund Personal Services Reduction	<u>(2,466)</u>	<u>(2,466)</u>	<u>0</u>	<u>0.0</u>
Final FY 2010-11 Appropriation	\$1,236,435	\$244,090	\$992,345	26.1

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
FY 2011-12 STAFF FIGURE SETTING
 JBC Working Document: Decision Subject to Change
Staff Recommendation Does Not Represent Committee Decision

Operations and Maintenance Agreement for Buckley/Greeley FY 2011-12 Line Item Detail				
Restore the 1.0 percent General Fund reduction for FY 2010-11	2,466	2,466	0	0.0
Restore the FY 2010-11 PERA contribution swap	<u>19,092</u>	<u>3,306</u>	<u>15,786</u>	<u>0.0</u>
FY 2011-12 Base Appropriation	\$1,257,993	\$249,862	\$1,008,131	26.1
Vacancy Savings base reduction	(18,870)	(3,748)	(15,122)	0.0
PERA 2.5 percent contribution swap	<u>(18,966)</u>	<u>(3,281)</u>	<u>(15,685)</u>	<u>0.0</u>
FY 2011-12 Personal Services Recommendation	\$1,220,157	\$242,833	\$977,324	26.1
<u>Operating Expenses</u>				
FY 2010-11 Long Bill Operating Expenses Appropriation	775,413	134,852	640,561	
FY 2011-12 Operating Expenses Recommendation	<u>775,413</u>	<u>134,852</u>	<u>640,561</u>	
JBC Staff Recommendation	\$1,995,570	\$377,685	\$1,617,885	26.1

Staff recommends an appropriation of \$1,995,570, and 26.1 FTE comprised of \$377,685 General Fund and \$1,617,885 federal funds.

BUCKLEY COOPERATIVE AGREEMENT

This line item funds personal services, operating expenses, and utilities for the Air National Guard. These expenses are 100 percent federal funded. The Department requests \$1,002,687 federal funds and 17.5 FTE.

These employees are subject to PERA and therefore subject to the PERA contribution adjustment, which shifts 2.5 percent of the PERA contribution from the State to the employee for FY 2011-12.

The following table details the staff recommendation and incorporates the common policies adopted by the Committee.

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
FY 2011-12 STAFF FIGURE SETTING**

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

Buckley Cooperative Agreement FY 2011-12 Line Item Detail		
	Federal Funds	FTE
<u>Personal Services</u>		
FY 2010-11 Long Bill Personal Services Appropriation	\$893,457	17.5
Restore the FY 2010-11 PERA contribution swap	<u>25,253</u>	<u>0.0</u>
FY 2011-12 Base Appropriation	918,710	17.5
Vacancy Savings base reduction	(13,781)	0.0
PERA 2.5 percent contribution swap	<u>(24,644)</u>	<u>0.0</u>
FY 2011-12 Personal Services Recommendation	\$880,285	17.5
<u>Operating Expenses</u>		
FY 2010-11 Long Bill Operating Expenses Appropriation	\$108,621	
FY 2011-12 Operating Expenses Recommendation	<u>\$108,621</u>	
JBC Staff Recommendation	\$988,906	17.5

Staff recommends an appropriation of \$988,906 federal funds and 17.5 FTE.

SECURITY FOR SPACE COMMAND FACILITY AT GREELEY

The federal government pays the State to employ five full-time security guards at the Greeley facility. The Department requests \$219,888 federal funds and 5.0 FTE.

These employees are subject to PERA and therefore subject to the PERA contribution adjustment, which shifts 2.5 percent of the PERA contribution from the State to the employee for FY 2010-11.

The following table details the staff recommendation and incorporates the common policies adopted by the Committee.

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
FY 2011-12 STAFF FIGURE SETTING
 JBC Working Document: Decision Subject to Change
Staff Recommendation Does Not Represent Committee Decision

Security for Space Command Facility at Greeley FY 2011-12 Line Item Detail		
	Federal Funds	FTE
<u>Personal Services</u>		
FY 2010-11 Long Bill Personal Services Appropriation	\$215,479	5.0
Restore the FY 2010-11 PERA contribution swap	<u>4,494</u>	<u>0.0</u>
FY 2011-12 Base Appropriation	219,973	5.0
Vacancy Savings base reduction	(3,300)	0.0
PERA 2.5 percent contribution swap	<u>(4,494)</u>	<u>0.0</u>
FY 2011-12 Personal Services Recommendation	\$212,179	5.0
<u>Operating Expenses</u>		
FY 2010-11 Long Bill Operating Expenses Appropriation	\$4,409	
FY 2011-12 Operating Expenses Recommendation	<u>\$4,409</u>	
JBC Staff Recommendation	\$216,588	5.0

Staff recommends an appropriation of \$216,588 federal funds and 5.0 FTE.

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
FY 2011-12 STAFF FIGURE SETTING**

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

(4) FEDERAL FUNDED PROGRAMS

This section is included for information only. It describes funding that is managed by the Department but which is not subject to state appropriation and does not flow through the state accounting system. These programs provide training one weekend per month and two weeks per year for members of the Colorado National Guard. The requested level of federal funding reflects estimates of the federal appropriation for federal fiscal year 2011, which runs from October 1, 2010 through September 30, 2011. These expenses are not subject to either the 1.5 percent base reduction nor the 2.5 percent PERA contribution swap.

Staff recommends reflecting an appropriation \$205,646,369 federal funds and 1,239.0 FTE.

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
FY 2011-12 STAFF FIGURE SETTING**

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

LONG BILL FOOTNOTES

Staff recommendations are provided below for Department footnotes in the FY 2011-12 Long Bill:

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

Comment: Staff recommends continuing this footnote.

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
FY 2011-12 STAFF FIGURE SETTING**

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

BUDGET BALANCING OPTIONS

One area in this Department where options exist to reduce General Fund to balance the budget is in the Department of Veterans Affairs, where some options that could be taken include refinancing General Fund with cash funding from the Colorado State Veterans Trust Fund, or the elimination of some payments to counties. **Staff do not recommend any of these options**, but does provide the Committee with the following information about its options.

The following table details the Committee's options for reducing General Fund.

FY 2011-12 Summary of Budget Balancing Options			
Option	Total Funds	General Fund	Cash Funds
Refinance Veterans Service Operations with funds from the Colorado State Veterans Trust Fund	\$0	(\$547,017)	\$547,017
Eliminate County Veterans Service Officer Payments	(190,654)	(190,654)	0
Eliminate County Veterans Service Officer Payments pilot program	(101,584)	(101,584)	0
Refinance County Veterans Service Officer Payments with funds from the Colorado State Veterans Trust Fund	0	(190,654)	190,654
Refinance General Fund in Western Slope Military Veterans Cemetery with funds from the Colorado State Veterans Trust Fund.	0	(132,363)	132,363

Veterans Trust Fund Background

The Colorado State Veterans Trust fund is funded by a transfer of one percent, up to \$1 million, of the moneys the State receives from the Master Tobacco Settlement (MSA). Under current statute (Section 28-5-709 (3) (c), C.R.S.), 90 percent of the moneys transferred, plus any accumulated interest, are subject to appropriation by the General Assembly for the purposes of: capital improvements and amenities at state veterans nursing homes, costs of state veterans cemeteries; costs of the Division, and for veterans programs operated by non-profit veterans organizations.

There is an opportunity for the Committee to consider refinancing additional General Fund in the Division of Veterans Affairs with moneys from the Veterans Trust Fund (VTF). During the last downturn in the economy, the General Assembly refinanced between \$100,000 and \$120,000 for three fiscal years (FY 2002-03, FY 2003-04, and FY 2004-05) from the VTF. In addition, the General Assembly transferred \$2.3 million from the VTF to the General Fund in FY 2002-03. This amount was repaid with interest in FY 2008-09.

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
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Programs supported by the VTF were not affected as the statute was changed to allow up to 75 percent of the proceeds of the annual Tobacco Settlement moneys, plus any accumulated interest, to be appropriated each fiscal year. The following table shows the actual expenditures from the trust fund.

Colorado State Veterans Trust Fund Expenditures			
Fiscal Year (Actual unless noted)	Veterans Service Operations	VTF Expenditures *	Total
2002-03	\$0	\$229,803	\$229,803
2003-04	124,690	552,176	676,866
2004-05	113,032	604,984	718,016
2005-06	104,653	611,917	716,570
2006-07	858	547,827	548,685
2007-08	1,914	643,904	645,818
2008-09	3,509	643,336	646,845
2009-10	623	940,524	941,147
2010-11(Appropriation)	53,509	1,029,275	1,082,784
2011-12 (JBC Staff Recommendation)	53,509	811,789	865,298

* VTF Expenditures are program expenditures approved by the Board of Veteran Affairs primarily for organizations providing assistance to veterans.

As illustrated in the table, the expenditures in support of veterans organizations increased significantly twice during this period. The first was when the percentage of the tobacco moneys transferred to the VTF that was allowed to be appropriated was increased from 25 percent to 75 percent in FY 2003-04. The second occurred when the percentage of the tobacco moneys transferred was increased to 90 percent in FY 2009-10.

For FY 2009-10 forward, the General Assembly has approved a partial refinance of \$50,000 General Fund with moneys from the VTF. Even with that refinance, expenditures from the VTF increased in FY 2010-11. The decrease in funding for FY 2011-12 is the result of revenues from the tobacco settlement be lower than the maximum by about 10 percent. In addition, interest earning on the VTF are decreased because of the use of VTF moneys for the purchase of land, design, and construction of armories authorized by H.B. 10-1140.

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
FY 2011-12 STAFF FIGURE SETTING

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Staff Recommendation Does Not Represent Committee Decision

Refinance Veterans Service Operations

The Veterans Service Operations were partially refinanced in the 2010 Long Bill. The Department had proposed a \$50,000 cut in the appropriation. Staff recommended refinancing the \$50,000 with funding from the VTF. Staff's rationale was that the Colorado State Board of Veterans Affairs had approved a grant to the Department to replace the moneys proposed for reduction, and staff felt that it was unwise to give the Department spending authority that was not in the appropriation. The reasoning behind staff's recommendation was that the reduction would cut programs with benefit to the Veterans in the State and the refinancing option would keep those programs running at their previously appropriated funding levels.

The Committee has the option to increase the amount of General Fund that it refinanced in 2010.

Eliminate, Reduce or Refinance County Veterans Service Officer (CVSO) payments.

Section 28-5-801 (1), C.R.S. requires each county to establish a County Veterans Service Office and appoint one or more County Veterans Service Officer (CVSO). Section 28-5-707 (1), C.R.S. authorizes, subject to available appropriations, the Division of Veterans Affairs to reimburse counties for their expenses in support of the County Veterans Service Offices. For FY 2010-11, the appropriation was \$190,654 General Fund.

There are two elements to these payments. The first is a reimbursement to each county for part of their costs in administering the program. The appropriation for this element is \$88,800.

The second element is a pilot program established in FY 2008-09 for several counties that receive additional reimbursements based upon their success in signing up veterans eligible for the receipt of federal Veterans Administration benefits. The appropriation for this program is currently set at \$101,584. The Committee could reduce these payments or it could zero them out. Alternatively, the Committee could chose to refinance these payments with moneys from the Colorado State Veterans Trust Fund.

In 2008, the Department surveyed the counties and found that counties were expending in excess of \$1.2 million annually on the county veterans service officers, while state reimbursement was (at that time) \$88,800. Even including the pilot program, state reimbursement to counties was less than 20 percent of the amount counties spend on the program.

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
FY 2011-12 STAFF FIGURE SETTING**

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

Refinance General Fund for Western Slope Military Veterans Cemetery.

The Western Slope Military Veterans' Cemetery was established to provide a veterans cemetery in Western Colorado. The federal government paid for the construction, but the State must operate the cemetery for 20 years or repay those construction costs. The recommended appropriation for FY 2011-12 is \$408,569 total funds, including \$130,755 General Fund.

The Committee has the option to replace the General Fund with moneys from the VTF.