DEPARTMENT OF MILITARY & VETERANS AFFAIRS

FY 2025-26 JOINT BUDGET COMMITTEE HEARING AGENDA

WEDNESDAY, DECEMBER 4, 2024

1:30 PM – 2:00 PM

1:30 Introductions and Opening Comments

Presenter: Major General Laura Clellan, Executive Director

1:30-1:35 Common Questions

Main Presenters:

- Major General Laura Clellan, Executive Director

Supporting Presenters:

- Nicholas Severn, Chief Financial Officer

1:35 -1:45 R1 CONG Tuition Waiver

Main Presenters:

- Major General Laura Clellan, Executive Director

Supporting Presenters:

- Nicholas Severn, Chief Financial Officer
- Sarah Edwards, Chief Operating Officer
- Parker White, Legislative Liaison

Topics:

- Page 2, Questions 3-5 in the packet, Slides 6-10

1:45 – 1:50 R2 Recruitment & Retention Bonus Expansion

Main Presenters:

- Major General Laura Clellan, Executive Director

Supporting Presenters:

- Nicholas Severn, Chief Financial Officer
- Sarah Edwards, Chief Operating Officer
- Parker White, Legislative Liaison

Topics:

- Page 2-3, Questions 6-7 in the packet, Slides 11-12

1:50 – 2:00 Budget Reduction Options

Main Presenters:

- Major General Laura Clellan, Executive Director

Supporting Presenters:

- Nicholas Severn, Chief Financial Officer
- Sarah Edwards, Chief Operating Officer
- Parker White, Legislative Liaison

Topics:

- Veterans Mental Health Programs: Page 3-4, Questions 8-9 in the packet, Slide 13
- Line-Item Reversions: Page 5, Questions 10 in the packet, Slide 13

DEPARTMENT OF MILITARY & VETERANS AFFAIRS

FY 2025-26 JOINT BUDGET COMMITTEE HEARING

Wednesday, December 4, 2024

1:30 PM – 2:00 PM

COMMON QUESTIONS FOR DISCUSSION AT DEPARTMENT HEARINGS

DISCUSSION QUESTIONS

1 Please describe any budget requests that replace one-time General Fund or ARPA funded programs with ongoing appropriations, including the following information:

a. Original fund source (General Fund, ARPA, other), amount, and FTE;
b. Original program time frame;
c. Original authorization (budget decision, legislation, other);
d. Requested ongoing fund source, amount, and FTE; and
e. Requested time frame (one-time extension or ongoing).

DMVA is not requesting any one-time or ARPA funds be replaced with an ongoing appropriation.

2 Describe General Fund appropriation reductions made in the Department for budget balancing purposes in 2020, and whether the appropriation has been restored with General Fund or another fund source through budget actions or legislation.

All budget reduction items totaling $947,842 were restored in the FY 2021-22 budget.

Annualize Prior Year Legislation And Budget Actions	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Restore one time tuition assistance reduction	$425,000	$425,000	$0	$0	$0	0.0
HB 20-1379 PERA direct distribution	238,282	234,742	3,540	0	0	0.0
FY20-21 GF HLD reduction	200,106	200,106	0	0	0	0.0
Restore annual depreciation lease equivalent payment	87,994	87,994	0	0	0	0.0
Annualization of WROS admin	4,583	0	0	4,583	0	0.1
SB18-200 PERA unfunded liability	59	24	1	0	34	0.0
TOTAL	**$956,024**	**$947,866**	**$3,541**	**$4,583**	**$34**	**0.1**

However, the following $4.0 million Cash fund transfer from Colorado State Veterans Trust Fund (VTF) and Veterans Assistance Grant Program Cash Fund (VAG) to the General Fund have not been recovered to the cash fund balances. $4.9M of Real-estate cash funds were fully restored in the FY 2023-24 budget and fully spent on Field Artillery Readiness Center Land Acquisition in Westminster.

FY 2020-21 Statutory Transfers to the General Fund		
Source Fund	Net GF Revenue	Other Funds Revenue Impact
Sales of Real Estate Acquired for Military	$4,908,395	-$4,908,395
Colorado State Veterans Trust Fund	3,000,000	-3,000,000
Veterans Assistance Grant Program Cash Fund	1,000,000	-1,000,000
TOTAL	$8,908,395	-$8,908,395

R1 CONG TUITION WAIVER

3. Rep. Taggart: Have the universities agreed to this? How has the Department of Higher Education reacted to this proposal? Please describe what conversations the Department and/or the Governor's Office have had with the institutions of higher education about this proposal, and what feedback has DMVA received from Higher Education and the Institutions.

DMVA has reached out to the Dept of Higher Education and the Community Colleges. The Community Colleges, while agreeing that the idea made sense, were concerned about the cost they would incur. The Department of Higher Education supports the idea in principle and is eager to discuss specifics and details.

4. Sen. Amabile: How would this proposal dovetail with the tax credits for homeless and foster youth, etc.? Is there an option there?

A tax credit could not replace the benefit members receive with the current tuition assistance program. It would require members to bear the costs of tuition up-front and then work to try and secure the credit the following year when they filed their taxes. Many lower income members of the guards would find this process to be a hardship.

5. Rep. Sirota: Right now, there is a certain amount of money that DMVA receives for tuition assistance, and it is not an entitlement, but subject to annual appropriation. If this shifted to Higher Education, would it become an entitlement or would the costs to the universities be constrained by an appropriation?

We are asking that this become an entitlement, however the current cost of the Foster Student Credit is born, at least in part, by an appropriation, so a hybrid model does exist under current state law and programs.

R2 RECRUITMENT & RETENTION BONUS EXPANSION

6. Sen. Amabile: Asking about the $500k recruiting and retention bonus. Confirming the feds pay the wages of CONG service members and the state pays this bonus? How does that work? What are the results of the recruiting and retention funding implemented last year?

1. The Federal Government (read DoD) is statutorily obligated to pay for 48 Unit Training Assemblies and 15 Days of Annual Training per fiscal year for each service member in the Colorado Army National Guard. Additionally, the Colorado Army National Guard receives federal funding to pay for training and travel to send our service members to their Professional Military Education (PME) and various other schools required for their technical and tactical proficiencies.

2. The State Retention Bonus and Joint Enlistment Enhancement Program (JEEP) is paid for through state funds only. The SRB is independent of the Federal Bonus program that is in effect during any given Federal Fiscal Year. The Federal Bonus amounts and commitments can shift throughout a fiscal year, but the SRB provides an additional incentive to those service members that reenlist during the State Fiscal year on a more consistent basis, based on available funding.

3. During the last quarter of Federal Fiscal Year 2024 (1JUL24 – 30SEP24) and the first quarter of the State Fiscal year 24/25, the Colorado Army National Guard was able to issue 17 State Retention Bonuses. COARNG exceeded its FY 24 Federal Retention mission by 14 SMs. Without these extra 17, we would have missed our goal by 3 personnel. Regarding JEEP, we received 164 leads and 13 enlistments from the program in Federal FY 24.

4. The conversation ratio of referrals to enlistments is well above the conversation rate of other programs. This indicates that current service members that make referrals provide quality leads, and that the propensity to serve still exists, it just requires input from those currently serving to help motivate others to join.

7. Sen. Kirkmeyer: Please look back over the last couple of years of your recruitment efforts and describe how this proposal fits in? What are all of their recruitment efforts? What are we not seeing in this budget in terms of needs that the Department did not include in the budget?

The Colorado Army and Air National Guard maintains a Recruiting and Retention battalion which has 19 recruiting offices spread across the state at National Guard facilities or storefront locations leased through the state and funded by the cooperative agreement.

The National Guard Bureau offers various bonuses and benefits for enlisting or reenlisting in the National Guard. The specifics of these benefits depends on the Guard Bureau's need, the prior service history of the recruit, and their position within the military.

Recruiting and retention for both services have actively pursued several strategies to improve recruitment. They have done a significant amount of community engagement, reorganized and increased the number of recruiters, enlisted assistance from the units to complete community outreach goals, paid for advertising campaigns, and increased survey and data collection to better align their recruiting and retention efforts.

BUDGET REDUCTION OPTIONS

8. Sen. Amabile: Why do we have this siloed approach to mental health? Why should this separate program here? Please explain the impact that the Department would expect if the State were to reduce and/or eliminate the program.

HB 23-1088 Mental Health Services for Veterans was initially introduced by the Department of Human Services and targeted veterans living in the Veterans Community Living Center (VCLC) only. If the State reduces and/or eliminates the program, the targeted population will be impacted and services denied. The appropriation resides with the Department of Military and Veterans Affairs, and DMVA administers the financial side of the program, however, the care itself is provided under the supervision of Human Services. Upcoming Prop KK funding is designated to this line item.

9. Rep. Bird: Please provide a list of all of the programs (including funding amounts) that the Department is providing to support mental health. Please address whether the BHA also has programs that serve this population. Please provide any information that is available on the efficacy of this program. Please address whether the Department has any Prop KK funds that it could use for this purpose.

We provide funding to nonprofits and local governments that provide mental health services.

Veterans Trust Fund

1. American Legion Post 11, $26,000 (total grant)
2. American Legion Post 75, $45,000 (total grant)
3. Disabled American Veterans Chapter 48, $35,000 (total grant)
4. VFW Post 2788, $15,000 (total grant)
5. VFW Post 4051, $25,000 (total grant)

These grants also provide Emergency Financial Assistance and Transportation. Both are complementary services to veterans suffering from mental health issues. Direct mental health expenditures total $7,500.

Veterans Assistance Grant

1. Arapahoe County, $50,000 (total grant)
2. Gunnison County, $21,000 (total grant)
3. Park County, $30,000 (total grant)
4. Vets for Vets, Archuleta County $90,000 (total grant)

These grants also provide Emergency Financial Assistance and some Transportation. Both are complementary services to veterans suffering from mental health issues. Direct mental health expenditures total $67,000.

Proposition KK also limits funding to, “Mental health services provided to eligible veterans in state-administered veterans living centers who have exhausted their federal benefits.” We will not be able to expend the funds raised if we are limited to veterans residing in community living centers.

The BHA does not currently have any programs that directly serve the VCLC or Veterans communities but is working with DVA and DHS to implement new services in light of Proposition KK funding.

10. Sen. Bridges: Please dig into why the reversions that are identified are happening. For example, does the Department constrain grants/expenditures to keep a buffer (and that is the reversion)? If the General Assembly reduced the appropriation based on the identified reversions would the amount actually spent just fall (and there would still be similar reversions) or would they still grant out the same amount?

Veterans Assistance Grant program

It's important to understand that reversions are an inherent part of any grant program, regardless of the size of the appropriation. Cutting the appropriation alone will not resolve the issue of unspent funds. Reversions often occur due to factors such as changes in project scope, delays, or other uncontrollable variables. These factors can prevent the full utilization of allocated funds. Additionally, it is important to note that having a buffer—or awarding more funds than the appropriation—is not allowed under fiscal rules. We are required to operate strictly within the appropriated amounts.

The DVA has been actively taking steps to improve the execution rate of grant funds, including:

- Providing additional technical assistance and training to grantees.
- Implementing better grant management practices to ensure proper fund allocation and spending.
- Facilitating focus groups to identify areas for program improvement.
- Offering pre-application training to ensure applicants understand how to effectively manage and execute the funds.
- Requiring new applicants to meet with the grant manager prior to submitting their VTF and VAG applications, ensuring they are fully prepared and equipped to manage the funds properly.

As a result of these proactive efforts, VAG achieved an execution rate of 95% for the last fiscal year, which is 6% higher than the previous year. This significant improvement highlights the effectiveness of the changes we've made to better support grantees and reduce the occurrence of unspent funds.

- Vacancy savings due to recruiting and selection difficulties caused some EDO funds to revert in the past, however due to our ability to currently recruit and retain talent we are no longer in a position to revert funds without a major operational impact.

COLORADO

Department of Military and Veterans Affairs

Presentation to **Joint Budget Committee**

December 2024

MISSION: Colorado's Department of Military and Veterans Affairs supports the Division of the Colorado National Guard in delivering land, air, space, and cyber power in support of state and federal operations; enables the Division of Veterans Affairs to deliver high quality service to the state's veterans and their families; and oversees the operations of the Colorado Wing of the Civil Air Patrol in delivering aerospace education and emergency services.

VISION: We are an inclusive organization that earns and maintains the trust and confidence in those we serve at the local, state and federal levels; we are recognized for excellence in service to our veterans, service members, and families; and, we are the state of choice for future force structure gains, equipment modernization, and infrastructure investment.

STRATEGIC LINES OF EFFORT:

- People
- Warfighting Readiness
- Modernization & Innovation

DMVA Funding

State FY 24-25 General Fund: $17,704,398

State FY 24-25 Cooperative Agreement Funds: $19,737,856.

Federal FY24 Funds: over $154 million in support for the Colorado Army Guard and over $140 million in support of the Colorado Air Guard. **For a total of $294 million going into local communities.**

FY26 Requests Summary

Request Name	FTE	General Fund
R-01 Colorado National Guard Tuition Waiver	0.0	$ (1,421,157)
R-02 Recruitment and Retention Bonus Expansion	0.0	$ 500,000
R-03 DMVA Communication Manager FTE	1.0	$ 110,244
R-04 DMVA IT Product Director	1.0	$ 155,836
R-05 Human Resources Information System	0.0	$ 325,000
Total Prioritized Request	**2.0**	**$ (330,077)**

Common Questions

1. Please describe any budget requests that replace one-time General Fund or ARPA funded programs with ongoing appropriations, including the following information.
    - DMVA is not requesting any one-time or ARPA funds be replaced with an ongoing appropriation.

2. Describe General Fund appropriation reductions made in the Department for budget balancing purposes in 2020, and whether the appropriation has been restored with General Fund or another fund source through budget actions or legislation.
    - DMVA General Fund was cut by 9% but restored in FY 21-22.
    - The Real Estate Proceed Fund was swept but restored in FY 22-23.
    - The VAG and VTF were swept and never restored.

R-01: Colorado National Guard Tuition Waiver Discussion

- This request is for a National Guard Tuition Waiver, currently administered DMVA as a tuition assistance program. State universities would waive the cost of tuition for Guard members. The request will reduce $1.4 million of the General Fund in the Executive Director's Office (EDO).

- **Fiscal Impact: FY26 (-$1,421,157) The State Universities would be asked to absorb the cost of tuition, creating a $1,400,000 offset for the DMVA budget.**

R-01: Colorado National Guard Tuition Waiver Discussion

- **This request converts the National Guard Tuition Assistance Program from a General Fund expenditure to a tuition waiver program.** Universities would waive tuition costs for Guard members, eliminating the need for a separate state-funded program.
- **This change eliminates $1.4 million from the EDO's General Fund budget.**
- **Rising tuition costs have reduced the effectiveness of the current program.** The existing funding no longer supports the same number of service members at the current tuition rates, forcing difficult choices between reducing the number of participants or the amount of tuition covered.
- **A tuition waiver ensures a consistent benefit for Guard members, protects the program from future tuition increases, and allows Colorado to remain competitive with surrounding states.**

COLORADO

Department of Military and Veterans Affairs

R-01: SNAPSHOT IMPACT TO INDIVIDUAL INSTITUTIONS

Institution	CONG students	Total enrollment	Percentage of total enrollment	Total TA Payment
Arapahoe Community College	4	13,977	% 0.03	$5,195.05
Adams State	2	3,141	% 0.06	$7,279.66
Aims Community College	1	7,529	% 0.01	$686.00
Community College of Denver	2	7,713	% 0.03	$4,315.50
Colorado Mountain College	2	5,674	% 0.04	$3,600.00
Colorado Northwestern Community College	1	1,257	% 0.08	$4,099.74
Colorado Mesa	7	8,995	% 0.08	$18,192.10
Colorado Mines	4	7,608	% 0.05	$20,000.00
Colorado State University	27	33,648	% 0.08	$115,065.85
Colorado State University-Global	**26**	**9,500**	**% 0.27**	**$67,495.20**
Colorado State University -Pueblo	1	3,657	% 0.03	$3,061.17
University of Colorado-Boulder	18	37,153	% 0.05	$71,115.79
University of Colorado -CO Springs	**21**	**10,678**	**% 0.20**	**$64,511.81**
University of Colorado-Denver	**22**	**13,968**	**% 0.16**	**$76,839.78**

R-01: SNAPSHOT IMPACT TO INDIVIDUAL INSTITUTIONS

Institution	CONG students	Total enrollment	Percentage of total enrollment	Total TA Payment
Front Range Community College	1	21,103	% 0.005	$2,697.50
Metropolitan State University	**26**	**16,345**	**% 0.16**	**$79,243.55**
Otero Jr College	**1**	**972**	**% 0.10**	**$1,464.00**
Pickens Tech	**1**	**960**	**% 0.10**	**$1,690.00**
Pikes Peak State College	7	12,386	% 0.06	$13,534.90
Pueblo Community College	1	6,770	% 0.01	$2,904.40
Red Rocks Community College	2	7,378	% 0.03	$5,254.30
University of Northern Colorado	6	9,067	% 0.07	$24,128.00
Western Colorado	1	4,053	% 0.02	$5,000.00

Total Program Spend

2020	2021	2022	2023	2024
$1,007,512.39	**$1,327,326.24**	**$1,252,455.87**	**$1,245,933.41**	**$1,290,762.74**

R1 JBC Questions

- **Rep. Taggart:** Have the universities agreed to this? How has the Department of Higher Education reacted to this proposal? Please describe what conversations the Department and/or the Governor's Office have had with the institutions of higher education about this proposal, and what feedback has DMVA received from Higher Education and the Institutions.
- **Sen. Amabile:** How would this proposal dovetail with the tax credits for homeless and foster youth, etc.? Is there an option there?
- **Rep. Sirota:** Right now, there is a certain amount of money that DMVA receives for tuition assistance, and it is not an entitlement, but subject to annual appropriation. If this shifted to Higher Education, would it become an entitlement or would the costs to the universities be constrained by an appropriation?

COLORADO

Department of Military and Veterans Affairs

R-02: Recruitment and Retention Bonus Expansion Discussion

- The Department of Military and Veterans Affairs (DMVA) is requesting an additional $500,000 for the Recruiting and Retention Program for a grand total of an ongoing $1,000,000 General Fund increase to support recruiting and retention efforts of the Colorado National Guard (CONG). Program forecasting estimates that the current funds in support of this program will be exhausted by the 3rd quarter of the current State Fiscal Year.
- The Army Guard met and exceeded their retention mission for Federal Fiscal Year 2024.
- **Fiscal Impact: FY26 $500,000**

R2 JBC Questions

- **Sen. Amabile:** Asking about the $500k recruiting and retention bonus. Confirming the feds pay the wages of CONG service members and the state pays this bonus? How does that work? What are the results of the recruiting and retention funding implemented last year?
- **Sen. Kirkmeyer:** Please look back over the last couple of years of your recruitment efforts and describe how does this proposal fit in? What are all of their recruitment efforts? What are we not seeing in this budget in terms of needs that the Department did not include in the budget?

Potential Cuts

- Veterans Mental Health Services ($300,000)
- Veterans Trust Fund ($2.0 million)
- EDO Personal Services ($125,000)
- Western Region One Source ($75,000)
- Veterans Service Operation ($100,000)
- Veterans Assistance Grant ($400,000)
- Operations and Maintenance Air Guard ($95,000)

Questions?

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

FY 2025-26 JOINT BUDGET COMMITTEE HEARING

WRITTEN RESPONSES ONLY

Common Questions: Please retain the numbering in order to maintain consistent labeling across departments.

1 Provide a list of any legislation with a fiscal impact that the Department has: (a) not implemented, (b) partially implemented, or (c) missed statutory deadlines. Please specifically describe the implementation of ongoing funding established through legislation in the last two legislative sessions. Explain why the Department has not implemented, has only partially implemented, or has missed deadlines for the legislation on this list. Please explain any problems the Department is having implementing any legislation and any suggestions you have to modify legislation.

N/A

2 Describe General Fund appropriation reductions made in the Department for budget balancing purposes in 2020, and whether the appropriation has been restored with General Fund or another fund source through budget actions or legislation.

All budget reduction items totalling $947,842 were restored in the FY 2021-22 budget.

Annualize Prior Year Legislation And Budget Actions	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Restore one time tuition assistance reduction	$425,000	$425,000	$0	$0	$0	0.0
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TOTAL	**$956,024**	**$947,866**	**$3,541**	**$4,583**	**$34**	**0.1**

However, the following $4.0 million Cash fund transfer from Colorado State Veterans Trust Fund (VTF) and Veterans Assistance Grant Program Cash Fund (VAG) to the General Fund have not recovered to the cash fund balances. $4.9M of RealEstate cash funds were fully restored in the FY 2023-24 budget and fully spent on Field Artillery Readiness Center Land Acquisition.

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Source Fund	Net GF Revenue	Other Funds Revenue Impact
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Colorado State Veterans Trust Fund	3,000,000	-3,000,000
Veterans Assistance Grant Program Cash Fund	1,000,000	-1,000,000
TOTAL	$8,908,395	-$8,908,395

3 Please provide the most current information possible. For all line items with FTE, please show:

a the number of allocated FTE each job classification in that line item
b the number of active FTE for each of those job classifications
c the number of vacant FTE for each of those job classifications
d the vacancy rate for each of those job classifications

Use the attached Template C to populate these data. Please return the data in editable Excel format.

State agencies cannot track the history of an appropriated position, therefore cannot provide detail on a position's job class relative to its original allocation. State agencies will report: 1) current filled positions by job class, and 2) any vacant positions, their projected FTE allocation, and the intended job classes. Vacancy rates if able to provide please use DPA guidance.

See attached.

4 Please provide the same information as Question #3 for FYs 2022-23 and FY 2023-24. Use the attached Template C to populate these data. Please return the data in editable Excel.

This can only be done at a moment in time, therefore state agencies will report this data as of June 30 of each of the fiscal years requested.

5 For FYs 2022-23 and 2023-24, please provide, in editable Excel format, department-wide spending totals for each of the following object codes, by fund source.

a Object Code 1130: Statutory Personnel & Payroll System Overtime Wages
b Object Code 1131: Statutory Personnel & Payroll System Shift Diff. Wages
c Object Code 1140: Statutory Personnel & Payroll System Annual Leave Payments
d Object Code 1141: Statutory Personnel & Payroll System Sick Leave Payments
e Object Code 1340: Employee Cash Incentive Awards
f Object Code 1350: Employee Non-Cash Incentive Award
g Object Code 1370: Employee Commission Incentive Pay
h Object Codes 1510, 1511, 1512: Health, Life, and Dental Insurance
i Object Code 1524: PERA – AED
j Object Code 1525: PERA - SAED

k Object Code 1531: Higher Education Tuition reimbursement

All of this information is already included in the Schedule 14B, by line item. See attached.

6 For the latest month for which the data are available, please provide, in editable Excel format, department-wide FY 2024-25 year-to-date spending totals for each of the following object codes, by fund source.

a Object Code 1130: Statutory Personnel & Payroll System Overtime Wages
b Object Code 1131: Statutory Personnel & Payroll System Shift Diff. Wages
c Object Code 1140: Statutory Personnel & Payroll System Annual Leave Payments
d Object Code 1141: Statutory Personnel & Payroll System Sick Leave Payments
e Object Code 1340: Employee Cash Incentive Awards
f Object Code 1350: Employee Non-Cash Incentive Award
g Object Code 1370: Employee Commission Incentive Pay
h Object Codes 1510, 1511, 1512: Health, Life, and Dental Insurance
i Object Code 1524: PERA – AED
j Object Code 1525: PERA-SAED
k Object Code 1531: Higher Education Tuition reimbursement

The most recent month's expense by object code is not useful data as departments adjust the information through the end of the fiscal year via JVs for revised allocations, POTS adjustments, correcting entries, etc. Therefore, no data will be provided.

7 For FYs 2022-23 and 2023-24, please provide department-wide spending totals for each of the following object codes, by fund source.

a Object Code 1100: Total Contract Services (Purchased Personal Services)
b Object Code 1210: Contractual Employee Regular Part-Time Wages
c Object Code 1211: Contractual Employee Regular Full-Time Wages
d Object Code 1131: Statutory Personnel & Payroll System Shift Diff. Wages
e Object Code 1240: Contractual Employee Annual Leave Payments
f Object Code 1622: Contractual Employee PERA
g Object Code 1624: Contractual Employee Pera AED
h Object Code 1625: Contractual Employee Pera - Supplemental AED
i Object Code 1910: Personal Services – Temporary
j Object Code 1920: Personal Services – Professional
k Object Code 1940: Personal Services – Medical Services
l Object Code 1950: Personal Services - Other State Departments
m Object Code 1960: Personal Services – Information Technology

All of this information is already included in the Schedule 14B, by line item. See attached.

8 Please provide a table showing both allocated and actual FTE for each Division within the Department from FY 2018-19 through FY 2023-24.

All of this information is already included in the Schedules 3A and 3B. See attached.

9 Please discuss how the Department would absorb base personal services reductions of the following amounts: 1.0 percent, 3.0 percent, and 5.0 percent. How would those reductions impact the departments operations and core mission?

The base personal services reductions whether it is 1%, 3% or 5% may unduly impact DMVA's staff and programs due to prior vacancies being filled.

DMVA's personal services allocation is different and complicated than other state agencies due to the fund splits between federal and state and unknown federal funds allocation in the future. Except the EDO long bill line item, all other long bill items that have personal services are combined with operating. Therefore, the personal services reductions will negatively impact operating as well. Typically DMVA doesn't run with huge vacancy rates. The recent vacancy rates are mostly from the new FTEs received in FY24 (12 FTE) and FY25 (2 FTE). Considering the size of the department, it is rather a delay of hiring new positions than continuing vacancy.

10 Describe steps the Department is taking to reduce operating expenditures for FY 2025-26.

DMVA submitted a Decision Item to reduce operating expenditures. R-01 Tuition Waiver Program would eliminate the Tuition Assistance program line item, totaling $1,400,000. It would replace it with a statutory requirement for all public Colorado in-state higher education institutions to waive tuition for members of the Colorado National Guard in good standing. Another feasible option would be a $300k reduction from Veterans Mental Health Services Program. The program could absorb this cut and maintain the current level of services.

11 For each operating expenses line item in FY 2023-24, provide a table showing the total appropriation for FY 2023-24 and the total actual expenditures at the end of the third quarter of FY 2023-24.

See attached.

12 Please provide an overview of the department's service efforts. In your response, describe the following:

a Populations served by the Department

The Department serves a number of populations depending on its office and role to include:

I. The 5,063 members of the Colorado Army and Air National Guard via DMVA administrative services, our Construction and Facilities Management Office, our Family Support Office, and other offices that work through the DMVA via our cooperative agreements with the National Guard Bureau.
II. The 340,000 veterans that live in Colorado served through the Division of Veteran Affairs.
III. The entire population of Colorado via our State Active Duty missions, listed below:

State Deployments in last 12 months:

1. January 11, 2024 - Extreme Cold Weather Response
2. February 27, 2024 - Cyber Security Election Support
3. April 23, 2024 - US 50 Blue Mesa Middle Bridge Collapse and Closure
4. June 10, 2024 - Cyber Security Election Support
5. July 30, 2024 - Alexander Mountain Fire
6. July 31, 2024 - Stone Mountain Fire
7. August 4, 2024 - Quarry Fire
8. August 28, 2024 - Currant Creek Fire
9. September 14, 2024 - Pearl Mountain Fire
10. October 8, 2024 - Hurricane Milton Support
11. October 10, 2024 - Election Support, Cyber Security
12. November 7, 2024 - Winter Weather Emergency

b The target populations of the Department's services

I. Active members of the Colorado National Guard
II. Colorado's Veterans
III. the People of Colorado

c Number of people served by the Department

I. DVA
   1. Western Region One Source (WROS)
   - 10 Unique (non-recurring) events, such as Stand Down, PACT Act Education, Veterans Day in Fruita, and more serving over 1,000 veterans and family members.
   - CY23 the WROS served over 8,600 veterans via walk-in and phone support.
   - Processed over 4,369 Property Tax Exemption Applications
   - In October, more than 940 veterans tracked, with events such as the Coffee Club and Caregiver support groups.
   - Provide ID service to western slope veterans. Working toward a mobile DEERS unit to provide service to veterans that have challenges getting to Grand Junction
   2. Cemetery
   - Veterans Memorial Cemetery of Western Colorado provided 348 interments in FY24. They conducted quarterly military funeral honors for veterans laid to rest without the provision of service at the time of their interment.
   3. Grants
   - $957,000 in Veterans Assistance Grants (VAG) were awarded with a 95% execution rate
   - More than $856,000 in Veteran Trust Fund (VTF) Grants were awarded with an 87% execution rate

- Increased training and support for grantees requesting Veteran Assistance Grants (VAG) or Veteran Trust Fund (VTF). We are currently on track to increase the execution rate for both grants by at least 2%.
- 65 Non-profit organizations and local governments awarded grants under the VTF and VAG.

II. Tuition Assistance Program - 184 Guard Members attended college or universities.

III. Rescues

- 31 lives saved via aerial wilderness rescue services from the Army National Guard High Altitude Aviation Training facility.
- 8 lives saved during the Nov 7 Winter Weather Emergency deployment.
    -

d Outcomes measured by the Department

I. PERFORMANCE MEASURES

WIG 1 – Improve Veterans' satisfaction levels with DVA services through a 5% increase in Net Promoter Scores given on a post-service survey by June 30, 2024.

Measure	FY 23-24 Baseline	Q1 FY 23-24	Q2 FY 23-24	Q3 FY 23- 24	Q4 FY 23-24	FY 23-24 Total	FY 23-24 Goal
Veterans Outreach (Bi-Annual Reporting)	39%	39%	-	-	41%	41%	44%
Increase Accredited Veteran Service Officers (VSO's)	78%	82%	80%	91%	92%	92%	88%
Increase Veterans Benefits Management System (VBMS) Access	41%	50%	54%	66%	67%	67%	61%
Conduct Community Outreach Events	0	14	14	11	8	47	20
Identify and Resolve Gaps in Service	0	0	1	2	0	3	5
Increase Grant Execution (Bi-Annual Reporting)	88%	-	40%	-	91.5%	91.5%	94%

WIG 2 – DMVA will improve retention and foster an inclusive and people-first environment and culture by establishing and executing 4 programs and initiatives by June 30, 2024.

Measure	FY 22-23 Baseline	Q1 FY 23-24	Q2 FY 23-24	Q3 FY 23- 24	Q4 FY 23-24	FY 22-23 Total	FY 23-24 Goal
Increase Employee Engagement	0	1	1	1	1	4	4
Complete EDI Activities	0	2	3	0	0	5	4
Conduct Employee Recognition Events	0	3	3	1	0	7	4
Initiate a Supervisor Program	0	10%	20%	10%	10%	50%	50%
Conduct Senior Executive Town Hall Meetings	0	1	1	1	1	4	4

WIG 3 – DMVA will increase readiness and/or reduce vacancies in the COARNG, COANG, DMVA, and VSO workforce by 100% of Key Measure goals by June 30, 2024.

Measure	FY 22-23 Baseline	Q1 FY 23-24	Q2 FY 23-24	Q3 FY 23- 24	Q4 FY 23-24	FY 23-24 Total Average	FY 23-24 Goal
Increase Readiness	90%	90%	90%	92%	93%	91%	95%
Increase Colorado Army National Guard End Strength	92%	90%	90%	90%	90%	90%	94%
Increase Colorado Air National Guard End Strength	99%	99%	99%	98%	99%	99%	100%
Increase DMVA State Employee Readiness and Reduce Vacancies	80%	83%	81%	89%	89%	84%	90%

WIG 4 – Complete modernization initiatives to enhance the Department's business practices that impact employee effectiveness and customer service, as measured by completing 50% of each identified initiative by June 30, 2024.

Measure	FY 22-23 Baseline	Q1 FY 23-24	Q2 FY 23-24	Q3 FY 23- 24	Q4 FY 23-24	FY 23-24 Total	FY 23-24 Goal
Modernization	0	31%	20%	23%	15%	89%	62.5%
Accessibility Compliance under House Bill 21-1110	0	25%	25%	25%	10%	85%	100%
Implement DMVA Intranet	0	25%	25%	25%	25%	100%	50%
Implement Process Flows	0	50%	20%	30%	0	100%	50%
Improve Communication between Department Divisions	0	25%	10%	10%	10%	55%	50%

e Present and future strategies for collecting customer experience data

13 For each TABOR non-exempt cash fund, provide the following information

a The amount in the cash fund
b Total amount of revenue in the fund that would not be transferred
c Detailed explanation of why the fund should not be sunset
d Statutory reference of the fund creation, specific uses, and legislative history of changes to the fund
e Every program funded by the fund
f Explanation of how fees to the fund are set and a history of fee changes
g The number of people provided service by the programs funded through the cash fund
h Any additional information necessary to ensure the Joint Budget Committee can make an informed decision.

Non-Tax Revenues Collected by Department That Are Subject to TABOR (excluding sources that amount to less than $100,000/year)				
		Revenues Collected Annually		
Revenue Source	Associated Cash Fund	FY 2023-24 Actual	FY 2024-25 Projection	FY 2025-26 Projection
Description of source	Name of cash fund where revenue is credited (or General Fund if that is were revenue is credited)			
Rents from billeting	Chargeable Quarters and Billeting Cash Fund: Federal Nongrant Funds - 26N0	774,830	504,728	504,296
General Fund Appropriation directed to Cash Fund	Colorado National Guard Tuition Fund - 2530	1,421,157	1,421,157	1,421,157
Tobacco Master Settlement	Colorado State Veterans Trust Fund - 14G0	1,109,847	1,039,677	1,002,252
Sale of real property and land	Real Estate Proceeds Cash Fund - 1590	688,548	57,371	35,623
Donations, Tax Checkoff, Federal reimbursement for internments	Western Slope Veterans Cemetery Cash Fund - 11J0	442,008	275,155	301,072
Donations, Rental Income	Veterans One-Stop Center Cash Fund - V1SC	142,784	151,994	157,808
Tax Checkoff, Donations	Military Family Relief Fund - 18Z0	156,206	172,000	172,000
TOTALS		**$4,735,381**	**$3,622,082**	**$3,594,208**

14 Please describe the fluctuation in authorized strength numbers in the table below. In FY 2022-23 the U.S. National Guard Bureau reduced the authorized strength of the Colorado National Guard, only to increase it in FY 2023-24. Please explain the reduction and subsequent increase.

Colorado National Guard Authorized Strength and Membership						
Authorized Strength	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Army National Guard	3,851	3,892	3,882	3,909	3,585	3,872
Air National Guard	1,637	1,629	1,658	1,655	1,620	1,621
Total Authorized Strength	5,488	5,521	5,540	5,564	5,205	5,493
National Guard Members	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Army National Guard	3,789	3,778	3,810	3,647	3,474	3,467
Air National Guard	1,592	1,730	1,708	1,608	1,605	1,596
Total Members	5,381	5,508	5,518	5,255	5,079	5,063
Percentage of Slots Filled	***98.1%***	***99.8%***	***99.6%***	***94.4%***	***97.6%***	***92.2%***

Q1:

Please describe the fluctuation in authorized strength numbers in the table below. In FY 2022-23 the U.S. National Guard Bureau reduced the authorized strength of the Colorado National Guard, only to increase it in FY 2023-24. Please explain the reduction and subsequent increase.

A1:

The number represented in the table was not the FSA for the end of FY 23, it appears the ESO number was input instead. The Army FSA for end of FY 23 was assigned at 3872. This creates the following changes to the table:

FY 22-23 Authorized Strength Army : 3,872
FY 22-23 End Strength (Membership) Army: 3,474

FY 22-23 Authorized Strength CONG : 3,872+ 1620 = 5,492
FY 22-23 End Strength (Membership) CONG: 3,474 + 1605 = 5,079

5079 / 5492 = 92.47%

Basis for assignment of Force Structure Allowance (FSA) / COARNG Authorized strength:

FSA is calculated based on the total number of authorizations for all TDA and MTOE units assigned to the Colorado Army Nation Guard. This number can change every Federal Fiscal Year based on mission requirements from Department of the Army (DA) and the several input factors including Structure and Manpower Data (SAMAS) and the Special Requirements Code (SRC) narrative which outlines mission requirements and manning associated in order to accomplish those requirements.

"The force structure allowance of Army SRC (Special Requirements Codes) is informed by a combination of factors including the specific mission requirements of a unit, its designated operational environment, the necessary skillsets for that environment, the available resources, and the overall Army force structure strategy, which is determined through analysis of potential threats and desired capabilities during the force development process."

MTOE: Modified Table of Organization and Equipment – These are the deployable units like Infantry, Field Artillery, SF, MPs, Aviation etc.

TDA: Table of Distribution and Allowances – These are non-deployable units like Recruiting, Civil Support Team, JFHQ etc.

Bottom Line: The COARNG has little to no input into how Authorized Strength (FSA) is calculated at the DA level. The only influence the COARNG has on the FSA is what types of units we have in the state. This can be managed through force structure changes, such as growing force structure, divesting force structure, or swapping force structure.

Basis for End Strength Objective (ESO) calculation:

From ARNG HRM-S

SPECIAL MISSION CONSIDERATIONS

For the 54, the Team accommodated state requests, when possible, within directed guidance. The State's EOFY24 End Strength submission became the start point used to determine the growth needed to achieve the EOFY25 End Strength Mission. The categorization of Strength Performance and corresponding End Strength Growth are the DARNG's decision space. The DARNG's decision drives our Team's modelling and analysis of missions. Enlistments are the greatest contributor to ensure success in achieving the FY25 NDAA ESO. The ARNG's Enlistment Mission must be no less than the FY25 DA Recruiting Mission (38.8K). Enlistment Mission requests from the 54 were roughly 2K short of the FY25 DA Mission. This required missioning States in excess of State submissions and our Team's initial Enlistment Mission, which for many States was revised. State Retention Mission reenlistments, however, exceeded the Team's recommended total. The initial missions were replaced with updated modelling to accommodate State submissions. AC2RC and OFFICER Missions were largely accepted as submitted.

COLORADO'S FY24 STRENGTH SUMMARY

In FY24 between EOM OCT and EOM JUN, Colorado showed positive End Strength performance, +14 (+0.4%), and a healthy Negative End Strength (NES) change from 2.2% to 1.6% (-21). Our Team calculates healthy strength change as End Strength growth plus the reduction in NES. As a percentage of EOM JUN End Strength, Colorado's change in healthy strength since EOM OCT FY24 was 1.0% (35).

EOFY24 END STRENGTH SUBMISSION - RECOMMEND ACCEPT AS SUBMITTED.

Colorado submitted a EOFY24 End Strength of 3,470, a change from EOM JUN of -25. This will place the State's FY25 End Strength to Force Structure Allowance (FSA) Strength Performance at 90%, requiring 2.0% Strength Growth in FY25. The Team accepts Colorado's EOFY24 End Strength submission.

Bottom Line: The ESO is calculated by looking at certain windows throughout the Federal Fiscal Year to determine projected glide paths for where the state will finish off the Fiscal Year in overall strength (actual personnel assigned to units minus negative end strength). Other factors include the ESO to FSA percentage to mitigate falling below 90%.

Other questions:

Q2: What is the takeaway from the year over year change from 97.6% to 92.2%? The denominator has shifted in the table from FY 2022-23 to FY 2023-24, is that a good thing? Why / why not? How should someone outside the Dept view this decrease in % of slots filled?

A2: There was only a slight decrease from 22-23 to 23-24: 92.47% - 92.17% = .3% decrease since the wrong number was used (see above) for Army FSA. The shifting denominator (FSA) can change yearly based on information provided under “Basis for Force Structure Allowance”. This change can be minimal year over year, but can also be significant based of force structure changes from DA.

Q3: What is the reason for the change in the denominator - for total authorized strength for FY 2023-24. I recall some discussion last year around the reduction in auth strength between FY21-22 and FY 22-23 - which, from my understanding, was not a good change. This number, auth strength, has increased in FY 2023-24 to be more in line with recent years auth strength #. Help me explain why this number changes - and what are the implications.

A3: See A1 and A2. Note: While FSA changes can have an impact on the organization, not all changes should be view as negative. Changes to force structure do not always mean that there will be an adverse impact, it is the job of the organization to manage these changes with the least amount of hardship to the units and the state.

Q4: Why the changes? why did it go down in FY 2022-23 and then back up again in FY 23-24? Is there a story behind why NGB dropped the number only to increase it the next year?

A4: Considering the wrong number was used for the FSA, when using the correct number 3872, there was no change to the FSA between the two years mentioned. Again, the FSA can change yearly and based on the force structure changes to the various types of impacted units that are currently in the COARNG.

JBC	Q5

Sum of Jrnl Posting Amt			Fiscal Year	
Fund Type	Object	Obj Des	2023	2024
C	1130	Statutory Personnel & Payroll System Overtime Wages		569
	1131	Statutory Personnel & Payroll System Shift Diff. Wages		45
	1140	Statutory Personnel & Payroll System Annual Leave Payments	1,412	
	1340	Employee Cash Incentive Awards	50	450
	1510	Statutory Personnel & Payroll System Dental Insurance	1,447	1,620
	1511	Statutory Personnel & Payroll System Health Insurance	32,336	37,532
	1512	Statutory Personnel & Payroll System Life Insurance	363	489
	1524	Statutory Personnel & Payroll System PERA - AED	8,007	14,370
	1525	Statutory Personnel & Payroll System Pera - Supplemental AED	8,007	14,370
C Total			**51,621**	**69,446**
F	1130	Statutory Personnel & Payroll System Overtime Wages	27,193	60,125
	1131	Statutory Personnel & Payroll System Shift Diff. Wages	56,215	96,446
	1140	Statutory Personnel & Payroll System Annual Leave Payments	65,191	41,543
	1141	Statutory Personnel & Payroll System Sick Leave Payments	6,027	1,773
	1340	Employee Cash Incentive Awards	1,511	3,710
	1510	Statutory Personnel & Payroll System Dental Insurance	58,562	63,532
	1511	Statutory Personnel & Payroll System Health Insurance	1,005,807	1,210,210
	1512	Statutory Personnel & Payroll System Life Insurance	11,607	12,934
	1524	Statutory Personnel & Payroll System PERA - AED	359,830	420,181
	1525	Statutory Personnel & Payroll System Pera - Supplemental AED	359,830	420,181
F Total			**1,951,771**	**2,330,635**
G	1130	Statutory Personnel & Payroll System Overtime Wages	1,959	2,824
	1131	Statutory Personnel & Payroll System Shift Diff. Wages	73	657
	1140	Statutory Personnel & Payroll System Annual Leave Payments	28,142	52,391
	1141	Statutory Personnel & Payroll System Sick Leave Payments	6,459	8,233
	1340	Employee Cash Incentive Awards	282,964	431,950
	1510	Statutory Personnel & Payroll System Dental Insurance	23,014	29,377
	1511	Statutory Personnel & Payroll System Health Insurance	423,463	571,081
	1512	Statutory Personnel & Payroll System Life Insurance	5,366	6,185
	1524	Statutory Personnel & Payroll System PERA - AED	164,203	206,210
	1525	Statutory Personnel & Payroll System Pera - Supplemental AED	164,021	206,210
G Total			**1,099,665**	**1,515,118**
R	1140	Statutory Personnel & Payroll System Annual Leave Payments	602	
	1510	Statutory Personnel & Payroll System Dental Insurance	714	
	1511	Statutory Personnel & Payroll System Health Insurance	16,533	
	1512	Statutory Personnel & Payroll System Life Insurance	79	
	1524	Statutory Personnel & Payroll System PERA - AED	1,537	
	1525	Statutory Personnel & Payroll System Pera - Supplemental AED	1,537	
R Total			**21,001**	
Grand Total			**3,124,059**	**3,915,199**

JBC	Q7

Sum of Jrnl Posting Amt			Fiscal Year	
Fund Type	**Object**	**Obj Des**	**2023**	**2024**
C	**1910**	Personal Services - Temporary		11,886
	1920	Personal Services - Professional	95,811	318,235
	1950	Personal Services - Other State Departments		1,500
C Total			**95,811**	**331,621**
F	**1210**	Contractual Employee Regular Full-Time Wages	473,717	573,378
	1211	Contractual Employee Regular Part-Time Wages	11,055	61,102
	1920	Personal Services - Professional	2,747,742	7,985,305
	1940	Personal Services - Medical Services	1,598	1,686
	1950	Personal Services - Other State Departments	52,328	79,160
F Total			**3,286,441**	**8,700,632**
G	**1210**	Contractual Employee Regular Full-Time Wages	346,929	596,088
	1910	Personal Services - Temporary	3,364	
	1920	Personal Services - Professional	72,914	91,475
	1940	Personal Services - Medical Services	36	
	1950	Personal Services - Other State Departments	8,316	46,433
G Total			**431,559**	**733,996**
R	**1920**	Personal Services - Professional		25,000
R Total				**25,000**
X	**1920**	Personal Services - Professional	275,885	228,730
X Total			**275,885**	**228,730**
Grand Total			**4,089,697**	**10,019,978**

	Long Bill Line Item	Total	G	C	R	F	Ops only allocation
Operating Only	EDO Operating Expenses80	348,342	302,342	46,000			348,342
Both PS and Ops	Army National Guard Cooperative Agreement	14,646,647	1,945,394			12,701,253	
Both PS and Ops	ANG Operations and Maintenance Agreement for Buckley/Greeley	2,798,840	429,923			2,368,917	
Both PS and Ops	ANG Security for Space Command Facility at Greeley	390,000				390,000	
Both PS and Ops	DVA Veterans Service Operations	1,624,057	1,580,231	43,826			268,000
	DVA Colorado State Veterans Trust Fund Expenditures	1,182,658		1,182,658			
	DVA Veterans Assistance Grant Program	1,507,886	1,350,000	157,886			
Both PS and Ops	DVA Western Slope Veterans Cemetery	675,884	417,057	258,827			131,131
Both PS and Ops	DVA Grand Junction Veterans One-stop Center/Western Region One Source	366,812	144,040	172,772	50,000		122,772
Note	These are department's internal allocation.						

Fiscal Year	2024
Obj Group	(Multiple Items)
Accounting Period	(Multiple Items)

Sum of Jrnl Posting Amt		Fund Type				
FSC	**Appropriation**	**G**	**C**	**R**	**F**	**Grand Total**
ACY		159,038				159,038
AMS		530,751			2,192,268	2,723,019
ASA		61,181			973,961	1,035,143
ASO					7,103	7,103
DAA		161,545	221			161,765
DAG			45,046			45,046
DAJ		3,721				3,721
DAK			67,048			67,048
DAL			38,319	15,219		53,538
Grand Total		**916,235**	**150,634**	**15,219**	**3,173,333**	**4,255,421**