Schedule 13
Funding Request for the 2013-14 Budget Cycle

Department: Department of Military and Veterans Affairs
Request Title: Division of Veterans Affairs Personal Services Growth
Priority Number: R-1
Dept. Approval by: 10/24/12 Date
OSPB Approval by: 10/19/12 Date

- [x] Decision Item FY 2013-14
- [ ] Base Reduction Item FY 2013-14
- [ ] Supplemental FY 2012-13
- [ ] Budget Amendment FY 2012-13

Line Item Information		FY 2012-13		FY 2013-14		FY 2014-15
		1	2	3	4	6
	Fund	Appropriation FY 2012-13	Supplemental Request FY 2012-13	Base Request FY 2013-14	Funding Change Request FY 2013-14	Continuation Amount FY 2014-15
Total of All Line Items	Total	1,828,038	-	2,670,245	103,013	103,516
	FTE	8.0	-	8.0	1.8	2.0
	GF	882,447	-	1,188,755	103,013	103,516
	GFE	-	-	-	-	-
	CF	72,670	-	86,325	-	-
	RF	3,509	-	3,509	-	-
	FF	869,412	-	1,391,656	-	-
(1) Executive Director's Office and Army National Guard, Health, Life and Dental	Total	807,243	-	1,554,851	8,842	8,842
	FTE	-	-	-	-	-
	GF	196,640	-	463,339	8,842	8,842
	GFE	-	-	-	-	-
	CF	18,290	-	30,898	-	-
	RF	-	-	-	-	-
	FF	592,313	-	1,060,614	-	-
(1) Executive Director's Office and Army National Guard, Short Term Disability	Total	11,424	-	13,181	123	138
	FTE	-	-	-	-	-
	GF	3,998	-	4,546	123	138
	GFE	-	-	-	-	-
	CF	126	-	139	-	-
	RF	-	-	-	-	-
	FF	7,300	-	8,496	-	-
(1) Executive Director's Office and Army National Guard, Amortization Equalization Disbursement	Total	218,926	-	262,570	2,514	3,105
	FTE	-	-	-	-	-
	GF	71,536	-	90,278	2,514	3,105
	GFE	-	-	-	-	-
	CF	2,288	-	2,779	-	-
	RF	-	-	-	-	-
	FF	145,102	-	169,513	-	-
(1) Executive Director's Office and Army National Guard, Supplemental Amortization Equalization Disbursement	Total	187,845	-	237,043	2,270	2,911
	FTE	-	-	-	-	-
	GF	61,182	-	81,501	2,270	2,911
	GFE	-	-	-	-	-
	CF	1,966	-	2,509	-	-
	RF	-	-	-	-	-
	FF	124,697	-	153,033	-	-
(2)Division of Veterans Affairs, Veterans Service Operations	Total	602,600	-	602,600	89,264	88,520
	FTE	8.0	-	8.0	1.8	2.0
	GF	549,091	-	549,091	89,264	88,520
	GFE	-	-	-	-	-
	CF	50,000	-	50,000	-	-
	RF	3,509	-	3,509	-	-
	FF	-	-	-	-	-

Letternote Text Revision Required for FY 2012-13? Yes: [ ] No: [x]
Letternote Text Revision Required for FY 2013-14? Yes: [ ] No: [x]
Cash or Federal Fund Name and COFRS Fund Number: N/A
Reappropriated Funds Source, by Department and Line Item Name: N/A
Approval by OIT? Yes: [ ] No: [ ] Not Required: [x]
Schedule 13s from Affected Departments: N/A
Other Information: See Attached Documentation

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

FY 2013-14 Decision Item Request
November 1, 2012

John W. Hickenlooper
Governor

Major General H. Michael Edwards
Executive Director

H. Michael Edwards — Signature
11 OCT 2012 — Date

Department Priority: R-1
Request Title: Division of Veterans Affairs Personal Services Growth

Summary of Incremental Funding Change for FY 2013-14	Total Funds	General Fund	FTE
Division of Veterans Affairs Personal Services Growth	$103,013	$103,013	1.8

Request Summary:
The Department requests $103,013 General Fund and 1.8 FTE for FY 2013-14 within the Division of Veterans Affairs to more effectively and efficiently address veteran's issues, claims processing, and timely coordination with the Federal Veteran's Administration (VA). The request will annualize to $103,516 and 2.0 FTE for FY 2014-15 and beyond.

Problem or Opportunity:
Colorado's veteran population has increased from 363,193 to 424,228 (14%) from 1999 to 2009. While this trend has reversed slightly with the passing of the WWII era veteran population, the trend towards an increase in the population of Colorado coupled with the large military population will likely limit this decrease. Throughout these years the Department has attempted to cover the additional workload utilizing temporary employees and work-study students; however, the workload continues to grow faster than the Department can react. For example, from 2009 to 2010 the increase in federal benefits was approximately $92 million. The State of Colorado Division of Veterans affairs, through their efforts on behalf of veterans, accounted for over $47 million of that increase. In addition, on August 31, 2010, the VA published its final rule establishing service connection for three diseases associated with exposure to Agent Orange. The VA estimated that compensation benefits related to these diseases will cost $39.7 billion over ten years.

Brief Background:
The Department has seen its caseload double for the past several years and will continue to see workload increases from Colorado's aging World War II, Korean, and Vietnam veterans who are now reaching retirement age. Combining Desert Storm veterans and now Operation Iraqi and Enduring Freedom veterans (including Active Duty, National Guard, and Reservists) with a soft economy and unstable employment market, benefits from the GI Bill and home loan applications become extremely important. More specifically, the following service increases have been realized since FY 2008-09 (see Appendix A):

1) Client visits up by 346%;
2) Power of Attorney processing up by 259%;
3) VA letter generation and processing up by 80%;
4) New claims processing up by 40%;
5) Call center calls received up by 30%;
6) Health Care enrollments up by 14%; and

7) Property Tax Exemption processing up by 21%.

The Department needs to act now to ensure these veterans have capable service officers and assistants to help them secure benefits. In addition to the FTE included in this request, the Department has initiated a LEAN project to analyze the workload/workflow and find efficiencies to help address the increases in workload. The outcome of the LEAN project will inform the proposed solution and will be integrated upon completion of the project.

Proposed Solution:
The services needed in support of Colorado's veteran population will only continue to increase. The addition of personnel to assist those individuals will provide for more effective and efficient processing of their claims and issues. These two FTE will be responsible for assisting veterans by performing each of the activities enumerated above.

Alternatives:
The alternative to funding this request is to do nothing, which will result in the degradation of support and services to the growing population of veterans in Colorado.

Anticipated Outcomes:
The veteran population continues to grow in Colorado. The addition of the 2.0 FTE will enhance the Department's capability to handle veterans issues and process/coordinate claims in a more efficient and effective manner. The VA recognized that the States serve under a Congressional mandate in the capacity of an advocate for the veteran to provide proper and efficient representation. The Department cannot and will never refuse service to anyone and therefore its caseload is inherently positioned to continually increase.

Assumptions for Calculations:
The Department's request includes funding for one Veterans Service Officer at the General Professional III classification, and one Administrative Assistant II. The $103,013 General Fund includes personal services and associated operating costs for 1.8 FTE for FY 2013-14, after consideration of the pay date shift. The request annualizes to $103,516 General Fund and 2.0 FTE in FY 2014-15.

Consequences if not Funded:
The veteran population and subsequent need for services will continue to increase. The timeliness, effectiveness, and efficiency in processing claims and coordinating issues will be degraded if this request is not funded.

Impact to Other State Government Agency:
N/A

Cash Fund Projections:
N/A

Relation to Performance Measures:
This request relates to the Department's second performance-based goal for Veterans Services which is to increase the number of veterans served.

Supplemental, 1331 Supplemental or Budget Amendment Criteria:
N/A

Current Statutory Authority or Needed Statutory Change:
C.R.S. 28-5-705
"*(1) The division, in accordance with its rules, shall perform the following duties and functions:*

(a) (I) Formulate, establish, and supervise a plan and standard procedures to further prompt and efficient service to all veterans in the state of Colorado on a uniform basis, whether by the division or by any county veterans service office;"

APPENDIX A

Division of Veterans Affairs						
	FY 2009	**FY 2010**	**FY 2011**	**FY 2012**	**Percent Increase since FY 2009 (Column E/Column D)**	**Average Population since FY 2009**
Client Visits	1,327	1,746	3,469	4,592	***346.04%***	
Veteran Population	424,228	421,342	417,834	Unavailable		**421,135**
Power of Attorney	2,334	5,354	5,937	6,046	***259.04%***	
Letters to V.A.	5,765	10,966	9,487	10,377	***80.00%***	
New Claims	5,201	5,420	5,406	7,278	***39.93%***	
Telephone Calls	13,616	18,726	22,508	17,695	***29.96%***	
Health Care Enrollments	Unavailable	633	676	721	***13.90%***	
Referendum E Property Tax Exemption	3,213	3,723	3,796	4,493	***20.68%***	

Expenditure Detail		FY 2013-14		FY 2014-15	
Personal Services:		FTE	$	FTE	
	Monthly Salary				
General Professional III	$ 3,895	0.9	42,066	1.0	46,740
PERA			4,270		4,744
AED			1,514		1,870
SAED			1,367		1,753
Medicare			610		678
STD			74		83
Health-Life-Dental			4,421		4,421
Subtotal Position 1, 1.0 FTE		0.9	**$ 54,322**	1.0	**$ 60,289**
	Monthly Salary				
Administrative Assistant II	$ 2,573	0.9	27,788	1.0	30,876
PERA			2,821		3,134
AED			1,000		1,235
SAED			903		1,158
Medicare			403		448
STD			49		55
Health-Life-Dental			4,421		4,421
Subtotal Position 2, 1.0 FTE		0.9	**$ 37,385**	1.0	**$ 41,327**
Subtotal Personal Services		1.8	**$ 91,707**	2.0	**$ 101,616**
Operating Expenses					
Regular FTE Operating	500	2.0	1,000	2.0	1,000
Telephone Expenses	450	2.0	900	2.0	900
PC, One-Time	1,230	2.0	2,460	-	
Office Furniture, One-Time	3,473	2.0	6,946	-	
Other			-		
Other			-		
Other			-		
Other			-		
Subtotal Operating Expenses			**$ 11,306**		**$ 1,900**
TOTAL REQUEST		1.8	**$ 103,013**	2.0	**$ 103,516**
General Fund:		*1.8*	*103,013.5*	*2.0*	*103,516*
Cash funds:		-			
Reappropriated Funds:		-			
Federal Funds:		-			