

**Schedule 13**  
**Funding Request for the 2013-14 Budget Cycle**

Department: Department of Military and Veterans Affairs  
 Request Title: Colorado National Guard Tuition Fund Increase  
 Priority Number: R-2

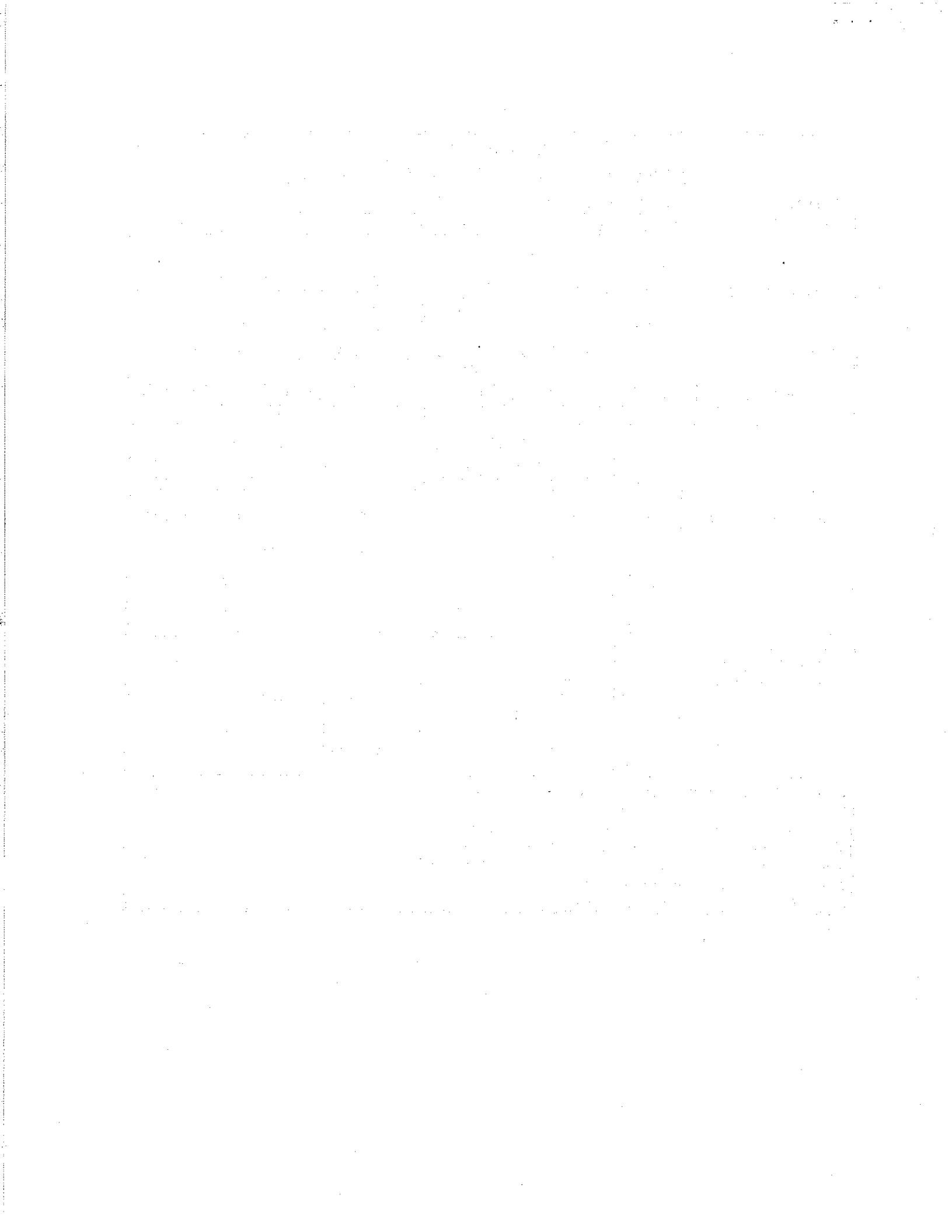
Dept. Approval by:  16 OCT 12  
 Date

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

OSPB Approval by:  10/19/12  
 Date

| Line Item Information   |              | FY 2012-13                  |                                       | FY 2013-14                 |  | FY 2014-15                           |
|---|--------------|-----------------------------|---------------------------------------|----------------------------|--|--------------------------------------|
|   |              | 1                           | 2                                     | 3                          | 4  | 6                                    |
|   | Fund         | Appropriation<br>FY 2012-13 | Supplemental<br>Request<br>FY 2012-13 | Base Request<br>FY 2013-14 | Funding<br>Change<br>Request<br>FY 2013-14 | Continuation<br>Amount<br>FY 2014-15 |
| <b>Total of All Line Items</b>  | <b>Total</b> | 1,046,157                   | -                                     | 1,046,157                  | 250,000                                    | 250,000                              |
|   | FTE          | -                           | -                                     | -                          | -  | -                                    |
|   | GF           | 246,157                     | -                                     | 246,157                    | 250,000                                    | 250,000                              |
|   | GFE          | -                           | -                                     | -                          | -  | -                                    |
|   | CF           | -                           | -                                     | -                          | -  | -                                    |
|   | RF           | 800,000                     | -                                     | 800,000                    | -  | -                                    |
|   | FF           | -                           | -                                     | -                          | -  | -                                    |
| <b>(1) Executive Director<br/>and Army National Guard,<br/>Colorado National Guard<br/>Tuition Fund</b> | <b>Total</b> | 1,046,157                   | -                                     | 1,046,157                  | 250,000                                    | 250,000                              |
|   | FTE          | -                           | -                                     | -                          | -  | -                                    |
|   | GF           | 246,157                     | -                                     | 246,157                    | 250,000                                    | 250,000                              |
|   | GFE          | -                           | -                                     | -                          | -  | -                                    |
|   | CF           | -                           | -                                     | -                          | -  | -                                    |
|   | RF           | 800,000                     | -                                     | 800,000                    | -  | -                                    |
|   | FF           | -                           | -                                     | -                          | -  | -                                    |

Letternote Text Revision Required for FY 2012-13? Yes:  No:   
 Letternote Text Revision Required for FY 2013-14? Yes:  No:   
 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:   
 Schedule 13s from Affected Departments: N/A  
 Other Information: See Attached Documentation





# DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

John W. Hickenlooper  
Governor

*FY 2013-14 Decision Item Request*  
*November 1, 2012*

Major General H. Michael Edwards  
Executive Director

*H. Michael Edwards*  
Signature

12 OCT 2012  
Date

*Department Priority: R-2*

*Request Title: Colorado National Guard Tuition Fund Increase*

| Summary of Incremental Funding Change for<br>FY 2013-14 | Total Funds | General Fund | FTE |
|---|-------------|--------------|-----|
| Colorado National Guard Tuition Fund Increase           | \$250,000   | \$250,000    | 0.0 |

### Request Summary:

The Department requests \$250,000 General Fund in FY 2013-14 and ongoing to provide additional tuition assistance for Colorado National Guard members.

### Problem or Opportunity:

During Federal fiscal year (FFY) 2012, the Federal Government underfunded the Federal Tuition Assistance program by \$34 million. In addition, the Army imposed additional requirements on educational institutions and required them to sign Memorandums of Understanding which created an onerous bureaucratic burden on them. The end result has been several of Colorado's state supported colleges and universities may no longer accept Federal Tuition Assistance which will create an additional need in our National Guard Tuition fund. Currently, there are two universities, Colorado State University-Pueblo and Colorado State University-Global Campus, and eight Community Colleges that have signed this Memorandum.

### *Historical Federal Funding for Colorado National Guard Tuition Assistance*

|      |             |
|------|-------------|
| 2011 | \$830,200   |
| 2010 | \$949,500   |
| 2009 | \$1,229,052 |
| 2008 | \$606,145   |
| 2007 | \$507,500   |

### Brief Background:

Historically, this program has been split funded with both General Fund, and Reappropriated Funds from the National Guard Tuition Assistance Fund, found in the Department of Higher Education (created by Section 23-5-111.4, C.R.S.). The last increase of \$70,354 was received in the FY 2009-10 Long Bill (SB 09-259). Please see appendix A for a history of tuition assistance appropriations. During the past several years the Department has been able to fund tuition assistance for Colorado's soldiers and airmen at 90-100%. This year due to the reduced funding from the Federal Tuition program, new institution requirements, increased tuition costs, and increased participation the Department has reduced funding down to 50% during spring and summer 2012, and is currently funding fall 2012 at 75%.

### Proposed Solution:

The Department's solution to this issue is to increase the tuition fund by \$250,000. This increase will allow funding at the previous levels of 90-100% and accommodate those members who no longer have federal tuition assistance available at Colorado's major colleges and universities.

**Alternatives:**

The alternative to funding this request is to do nothing and maintain the 50-75% funding level. Doing nothing may negatively impact Colorado National Guard retention and recruiting. This would be the least acceptable alternative.

**Anticipated Outcomes:**

The Department will be able to fund soldiers and airmen tuition at 90-100% which will have positive impacts on recruiting and retention of personnel and maintain historic funding levels.

**Assumptions for Calculations:**

The amount of this request (\$250,000 General Fund) is based on the shortfall determined at the onset of the Spring 2012 semester. This shortfall precipitated the decrease from 100% State Tuition Assistance to 50% State Tuition Assistance during that semester. The additional \$250,000 is calculated based on the previous shortfall. The assumptions are based on past spending trends and a belief that federal tuition assistance will continue to be limited and could potentially disappear completely. As federal resources become limited and attendance at state-funded higher education institutions rises along with national trends in a weak economy, the pressure on tuition assistance resources is increased. This funding is considered vital to recruiting and retaining the National Guard force structure.

**Consequences if not Funded:**

A failure to increase funding to the Colorado National Guard Tuition Fund will significantly decrease the ability of the Department to keep pace with tuition increases and provide assistance to members of the Guard. A decrease in the

tuition assistance reimbursement rate will negatively impact recruiting and retention, which could ultimately impact the ability to support and maintain federal mission capacity and associated funding.

**Impact to Other State Government Agency:**

N/A

**Cash Fund Projections:**

N/A

**Relation to Performance Measures:**

N/A

**Current Statutory Authority or Needed Statutory Change:**

23-5-111.4 C.R.S. (2012)

*"(1) The general assembly recognizes its responsibility for the establishment and maintenance of a strong well-trained and high-spirited National Guard. The encouragement of membership in the guard through the granting of reduced or free tuition at certain institutions of postsecondary education simultaneously expresses a commitment to a part of this responsibility and supports existing institutions, carrying out a policy of maintaining reasonable access to quality education as broadly in this state as possible. The general assembly hereby finds and declares that the establishment of a tuition assistance program will encourage enlistments, enhance the knowledge and skills of the National Guard, and retain membership in the National Guard".*

**Appendix A**

**Tuition Assistance by Semester**

| <b>Year</b> | <b>Semester</b> | <b>% Funded</b> | <b># of Applicants</b> |
|-------------|-----------------|-----------------|------------------------|
| 2009        | Spring          | 80%             | 399                    |
| 2009        | Summer*         | 100%            | 89                     |
| 2009        | Fall            | 100%            | 346                    |
| 2010        | Spring          | 100%            | 386                    |
| 2010        | Summer*         | 100%            | 85                     |
| 2010        | Fall            | 100%            | 393                    |
| 2011        | Spring          | 100%            | 402                    |
| 2011        | Summer*         | 100%            | 35                     |
| 2011        | Fall            | 100%            | 367                    |
| 2012        | Spring          | 50%             | 308                    |
| 2012        | Summer          | 50%             | 92                     |

\*summer semester funded @ 100% based on an "academic need to attend" basis

| <b>Colorado National Guard Tuition Fund Appropriations History</b> |                  |                  |                    |                    |                    |                            |
|--|------------------|------------------|--------------------|--------------------|--------------------|----------------------------|
|  | <b>FY08-09</b>   | <b>FY09-10</b>   | <b>FY10-11</b>     | <b>FY11-12</b>     | <b>FY12-13</b>     | <b>FY13-14<br/>request</b> |
| <b>GF</b>  | \$175,803        | \$246,157        | \$246,157          | \$246,157          | \$246,157          | \$496,157                  |
| <b>RF</b>  | \$650,000        | \$650,000        | \$800,000          | \$800,000          | \$800,000          | \$800,000                  |
| <b>Total</b>   | <b>\$825,803</b> | <b>\$896,157</b> | <b>\$1,046,157</b> | <b>\$1,046,157</b> | <b>\$1,046,157</b> | <b>\$1,296,157</b>         |

