

**Schedule 13**  
**Funding Request for the 2014-15 Budget Cycle**

**Department:** Department of Military and Veterans Affairs  
**Request Title:** Operations and Maintenance  
**Priority Number:** R-2

**Dept. Approval by:** *H. Michael Edwards* **23 OCT 2013**  
 Date  
**OSPB Approval by:** *Ernest M. ...* **10/25/13**  
 Date

- Decision Item FY 2014-15
- Base Reduction Item FY 2014-15
- Supplemental FY 2013-14
- Budget Amendment FY 2014-15

Line Item Information		FY 2013-14		FY 2014-15		FY 2015-16
		1	2	3	4	5
	Fund	Appropriation FY 2013-14	Supplemental Request FY 2013-14	Base Request FY 2014-15	Funding Change Request FY 2014-15	Continuation Amount FY 2015-16
<b>Total of All Line Items</b>	<b>Total</b>	2,062,423	-	2,057,720	277,000	277,000
	FTE	-	-	-	-	-
	GF	1,186,851	-	1,182,148	277,000	277,000
	GPE	-	-	-	-	-
	CF	46,000	-	46,000	-	-
	RF	-	-	-	-	-
	PF	829,572	-	829,572	-	-
<b>(1) Executive Director's Office and Army National Guard, Operating Expenses</b>	<b>Total</b>	2,062,423	-	2,057,720	277,000	277,000
	FTE	-	-	-	-	-
	GF	1,186,851	-	1,182,148	277,000	277,000
	GPE	-	-	-	-	-
	CF	46,000	-	46,000	-	-
	RF	-	-	-	-	-
	PF	829,572	-	829,572	-	-

**Letternote Text Revision Required?** Yes:  No:  **If yes, describe the Letternote Text Revision:**

**Cash or Federal Fund Name and COFRS Fund Number:**  
**Reappropriated Funds Source, by Department and Line Item Name:**  
**Approval by OIT?** Yes:  No:  **Not Required:**   
**Schedule 13s from Affected Departments:**  
**Other Information:**





# COLORADO

Department of Military and  
Veterans Affairs

Priority: R-2  
Operations and Maintenance  
FY 2014-15 Change Request

## *Cost and FTE*

- This request is for a \$277,000 General Fund (GF) increase to provide additional operations and maintenance funds for facility maintenance and repair projects, operating expenses, and utilities for the Executive Director's Office and the Colorado Army National Guard. This represents a 13% increase to the Operating Expenses line item.

## *Current Program*

- For FY 2013-14, the Department was budgeted \$1,232,851 State funds (\$1,186,851 GF) to provide operating, maintenance, and utility share for the Executive Department and Army National Guard.
- Utility expenditures increased by 17.6% from FY 2010-11 to FY 2011-12, and 22.5% from FY 2011-12 to FY 2012-13. Facility space has increased by 130,229 square feet in the last three years.

## *Problem or Opportunity*

- Prior General Fund reductions are impacting the Department's ability to receive matching federal funds to cost share projects and maintain facilities, pay utilities, and have funds available for administrative and travel expenses.
- Repairs to sustain and maintain facilities and complete projects continue to be delayed. This fund increase would make approximately \$308,720 in additional federal matching funds available through cost sharing which would greatly increase the impact of this request.

## *Consequences of Problem*

- With continued increases in utility and maintenance costs, the Department's facility programmed maintenance activities are behind schedule for implementation and consequently many projects are limited to life, safety, and health issues.
- Degraded facilities impair the Department's ability to support units assigned to the facility and emergency users during times of wildfires, natural disasters, etc.

## *Proposed Solution*

- Provide a \$277,000 General Fund increase in the Operating Expenses line item. This represents a partial restoration of the 19.1% reduction in General Fund from the Operating Expenses budget that was enacted through H.B. 10-1308, which reduced the line item from \$1,459,134 to \$1,181,158 General Fund to help balance the State's budget during the Great Recession.
- Funding will enhance the Departments ability to sustain and repair facilities, share in split projects and utilities, and provide funds for general administrative operating expenses.



***FY 2014-15 CHANGE REQUEST***  
***Priority: R - 2 Operations and Maintenance***  
***Request Detail***

***Problem or Opportunity:***

The Department's General Fund budget was reduced by 7.8% in 2010 (H.B. 10-1308) due to a budget balancing measures. The General Fund in the Operations and Maintenance (O&M) budget line was reduced from \$1,459,134 to \$1,181,158 resulting in a 19.1% reduction to that line item. This reduction has negatively impacted the Department's ability to maintain facilities while retaining the funds available to pay mandatory expenses (i.e. utilities). The funding reduction has impacted the Department in the following ways: 1) Cost sharing is either 75/25 or 50/50 share between the Federal and State for Operations and Maintenance, 2) Reduction in general operating costs which include a myriad of items from repair and maintenance supplies and materials, communication charges, travel expenses, etc. The consequences of the funding reduction is that projects and repair and maintenance activities have been moved into future years resulting in federal funding that has not been executed. As a result, when the projects or maintenance can be completed the costs have increased because of the delay. Utilities continue to increase impacting the Operating line. The types of projects that have not been completed include roof repairs, structural analysis validations, drainage issues, parking lot repairs, restroom renovations, etc.

The Department of Military and Veterans Affairs plays a diverse role in the community. The primary community interface occurs at the local Colorado Army National Guard (COARNG) Readiness Center. These geographically dispersed facilities perform a variety of functions to include training for the resident unit, acting as a community gathering spot, and serving as a command post and/or shelter in time of state emergency.

These facilities have recently expanded, providing additional square footage to maintain and service with utilities. For example, during the past three years the Department has brought on line three new Readiness Centers (Grand Junction, Windsor, and Fort Lupton) with square footage increase of 102,499. In addition, the newest Readiness Center in Alamosa is due to open by the end of September 2013 with a square footage increase of 27,730, resulting in an overall square footage increase of 130,229 in the last three years. At the same time, thirty-one legacy facilities that are at least partially State-funded remain in the inventory. These legacy facilities are generally smaller, but are also less efficient requiring additional maintenance expenditures. The average age of the Department's facilities in general is thirty-five years; however; this figure is a misleading due to the addition of the newest facilities. The oldest facility, located in Canon City, Colorado was built in 1922 and is over ninety years old.

These issues impact COARNG's performance goal to train and maintain readiness, and its state domestic response goal to provide a domestic response force in a timely manner. The Department measures the outputs of this service through the direct outputs (i.e. cost of utilities and maintenance to operate a professional facility) and outcomes (i.e. the ability to provide a trained and ready force when called).

### ***Proposed Solution:***

The Department requests an additional \$277,000 General Fund to the Operating Expenses budget. This funding represents a return of 4.7% of the 7.8% General Fund reduction that occurred in 2010. This funding will enhance the Department's ability to perform maintenance earlier and preclude it from waiting until emergency conditions exist, forcing unwanted actions. Currently, the facilities continue to fall further behind in general maintenance. These funds will allow the Department to provide maintenance to facilities that have been neglected due to budget reductions. Additionally, a large portion of these funds will be federally matched, more than doubling the actual dollars that will be brought to the Department and the State. This funding will benefit all citizens of Colorado who utilize COARNG readiness centers for their employment, recreation or in case of emergency.

Utility rates for all facilities are paid for through the Department's Operating line. Those utility rates are expected to continue to rise. For example, the Colorado Public Utilities Commission recently approved a multi-year electric rate increase plan for Xcel energy. Conversely, the U.S. Energy Information Administration, Colorado's Natural Gas for commercial customers, which peaked in 2007 at \$9.68 (dollars per thousand cubic feet), has been on a decline, and in 2013 it is \$7.44 (dollars per thousand cubic feet). The Department uses the following companies for natural gas: Source Gas Distribution, LLC, City of Colorado Springs, and Public Service of Colorado. Commercial customers will see increases over the years 2012 and 2014 of 5%. Water and Sewer prices vary depending on the location that facilities are located. See the following website: <http://www.eia.gov/dnav/ng/hist/n3020co3a.htm> for more detail.

If this proposal is not approved, rising utility costs will further limit available maintenance dollars creating a scenario whereby required maintenance may be shifted until a crisis point is reached. The Department's increased utility costs that are borne against this funding line will further diminish the capacity for existing maintenance activities.

By enhancing maintenance to legacy facilities, those facilities will be able to serve their communities more effectively and for a longer duration, allowing the Colorado Army National Guard to remain geographically dispersed and engaged in the community. Outputs are measured by the number of facilities retained and the rate of utilization of those facilities.

### ***Anticipated Outcomes:***

The expected outcome of this proposal is a reduction of the backlog of maintenance projects (see Attachment 2 Colorado Army NG Project List SFY 2014) and an increased capacity to both provide maintenance consistent with upgrading facilities for modern training requirements and to provide capacity for increased maintenance costs. This listing of projects (Attachment 2) depicts current projects that are projected for completion and will be done with the current funding. This increase in funding will support an increase in the Department's ability to cost share resulting in additional project completion.

The outcome will be measured by facility utilization and the ability of the Colorado Army National Guard to respond to both its federal military mission and domestic response to state emergencies. These issues impact COARNG performance goal to train and maintain readiness and its state domestic response goal to

provide a domestic response force in a timely manner. The Department measures the outputs of this service through the direct outputs (i.e. cost of utilities and maintenance to operate a professional facility) and outcomes (i.e. the Department's ability to provide a trained and ready force when called).

#### ***Assumptions and Calculations:***

All assumptions and calculations for this request are based off historical data. The Department's request amount of \$277,000 restores funding to the Operating line item in the Executive Director's Office and Army National Guard Division; the amount represents the General Fund reduction from H.B. 10-1308. A summary of the attached documents and their contents and conclusions is listed below. The Department has included the following attachments with this submittal:

*Attachment 1: O&M General Fund Expenditure* - This file depicts General Fund expenditures from FY 2008-09 to FY 2012-13. Expenditures are divided between Operating and Maintenance/Projects, Utilities, and Executive Department operating. Looking at the expenditures over this five year period one can deduce that the Operating and Maintenance/Project expenditure line has held constant; however, the expenditures for Utilities indicates a reduction from FY 2008-09 to FY 2009-10 due to changes in the Army's Agreement Support Codes and cost sharing splits. The Utilities costs begin to increase from \$288,471 in FY 2010-11 to \$339,361 in FY 2011-12, and increasing to \$415,656 in FY 2012-13. Therefore, utility expenditures have increased and the Department projects that these costs will continue to increase, hampering the Department's ability to utilize its operating funding for maintenance projects and other general administrative activities.

*Attachment 2: Colorado Army National Guard Project List* - This file depicts the projects identified that are programmed and planned utilizing the remaining federal funds received during the State FY 2012-13, and the State share required per project. The total amount of State General Fund required to match the federal funds is \$386,415. This list of projects includes several roof repairs, drainage problem mitigation, several structural analysis designs, emergency generator replacements, and remodel issues. This amount of \$386,415 is only the current programmed expenditures for projects and does not include the normal maintenance requirements that are handled on a daily basis throughout the state.

*Attachment 3:* This file is a building list by locale which depicts cost splits as determined by the guiding federal regulation, NG Pam 420-10. This file also includes the square footage of each facility and the year of construction.

*Attachment 4:* This is a bar graph file of each facility which depicts the age of each facility throughout Colorado. The average age of all Army National Guard facilities in the state is 35 years.

R-2 Attachment 1

O & M Expenditures						
TITLE	APPR #	FY2009	FY2010	FY2011	FY2012	FY2013
CFMO GF Operating/Maintenance	121	\$478,689.00	\$613,205.56	\$326,156.92	\$260,466.46	\$191,540.07
EDO Executive Dept Operating	123	\$89,337.54	\$93,984.66	\$70,309.31	\$71,496.93	\$61,837.38
CFMO Split Projects/Maintenance	141	\$163,135.44	\$166,486.67	\$448,458.87	\$411,316.50	\$492,441.11
State Utility Cost - Buckley	161	\$294,544.78	\$67,744.29	\$49,924.93	\$19,539.08	\$71,301.61
CFMO Split-Utilities	181	\$149,801.62	\$237,715.75	\$238,545.57	\$319,821.69	\$344,354.13
<b>Totals</b>		<b>\$1,175,508.38</b>	<b>\$1,179,136.93</b>	<b>\$1,133,395.60</b>	<b>\$1,082,640.66</b>	<b>\$1,161,474.30</b>
Spending Authority		\$1,181,198.00	\$1,181,198.00	\$1,181,198.00	\$1,181,198.00	\$1,181,198.00

OVERALL TOTALS FY2008-09 THRU 2013

	FY2009	FY2010	FY2011	FY2012	FY2013
Operating Maintenance/Projects	\$641,824.44	\$779,692.23	\$774,615.79	\$671,782.96	\$683,981.18
Utilities	\$444,346.40	\$305,460.04	\$288,470.50	\$339,360.77	\$415,655.74
EDO Operating	\$89,337.54	\$93,984.66	\$70,309.31	\$71,496.93	\$61,837.38
<b>Totals</b>	<b>\$1,175,508.38</b>	<b>\$1,179,136.93</b>	<b>\$1,133,395.60</b>	<b>\$1,082,640.66</b>	<b>\$1,161,474.30</b>

Maintenance and Project funds are remaining constant

Utility costs are increasing

EDO funds restricted by above increases



R-2 Attachment 2 COARNG Project Listing SFY 2014

State Proj #	Project Name	Fed/State Split	S/M	Budget	Federal Amount	State Amount
M12022	Ft. Carson Upgrade Restrooms 8110	50/50%	S	\$159,900.00	\$79,950.00	\$79,950.00
F13J39	Buckley 1500 Fire Suppression	100%	M	\$610,000.00	\$610,000.00	\$0.00
F13S07	CFMO Office Suite Renovation	75/25%	M	\$199,970.00	\$149,977.50	\$49,992.50
F13S08	G1 Office Suite Renovation	75/25%	M	\$209,100.00	\$156,825.00	\$52,275.00
M13056	Ft. Collins Renovation	Mix	S/M	\$108,000.00	\$69,120.00	\$38,880.00
F11J25	MATES Wash Rack Phase II	100%	S	\$179,500.00	\$179,500.00	\$0.00
New	MATES Lighting	100%	S	\$100,000.00	\$100,000.00	\$0.00
New	Buckley 1510 Lighting	100%	S	\$144,000.00	\$144,000.00	\$0.00
New	MATES Fans	100%	S		\$100,305.00	\$0.00
New	CSMS Fans	100%	S	\$200,610.00	\$100,305.00	\$0.00
F12J33	CGW Security Lighting	100%	M	\$67,680.00	\$67,680.00	\$0.00
F13S06	Colo Springs Site Drainage Mitigation	50/50%	S	\$99,300.00	\$49,650.00	\$49,650.00
F13S10	La Junta Roof Repair	50/50%	S	\$35,053.53	\$17,526.77	\$17,526.77
F13S09	Pueblo Roof Repair	50/50%	S	\$86,606.00	\$43,303.00	\$43,303.00
F13S11	JFHQ Roof Repair	50/50%	S	\$100,000.00	\$50,000.00	\$50,000.00
NA	Pueblo POV Parking Repair	50/50%	S	\$52,523.73	\$26,261.87	\$26,261.87
NA	JFHQ Parking Seal Coat - South	50/50%	S	\$37,750.00	\$18,875.00	\$18,875.00
NA	CGW Bldg 123 Access Road Repair	100%	S	\$23,285.00	\$23,285.00	\$0.00
F13S10	La Junta Roof Repair	50/50%	S	\$20,000.00	\$10,000.00	\$10,000.00
F13S09	Pueblo Roof Repair	50/50%	S	\$14,000.00	\$7,000.00	\$7,000.00
F13S11	JFHQ Roof Repair	50/50%	S	\$14,000.00	\$7,000.00	\$7,000.00
New	G-3/J-3 Remodel Design	75/25%	M	\$59,280.34	\$50,000.00	\$9,280.34
F13J38	DPI Emergency Generator	100%	S	\$53,125.00	\$53,125.00	\$0.00
NA	Ft Collins Armory Asbestos Testing	Mix	S	\$16,596.50	\$8,298.25	\$8,298.25
F13J39	Buckley 1500 Fire Suppression	100%	M	\$21,580.00	\$21,580.00	\$0.00
NA	JFHQ Asbestos Survey	50/50%	S	\$24,630.00	\$12,315.00	\$12,315.00
F12J37	CSMS Structural Analysis for Crane	100%	M	\$3,000.00	\$3,000.00	\$0.00
NA	Ft Collins Structural Analysis	50/50%	S	\$16,000.00	\$8,000.00	\$8,000.00
NA	Aurora Structural Analysis	50/50%	S	\$9,800.00	\$4,900.00	\$4,900.00
new	DPI Fire Suppression	100%	M	\$27,450.00	\$27,450.00	\$0.00
new	CSMS Emergency Power	100%	M	\$33,000.00	\$33,000.00	N/A
New	COMSEC Room Construction	100%	M	\$10,800.00	\$10,800.00	\$0.00
F13S06	Colorado Springs Drainage	50/50%	S	\$6,600.00	\$3,300.00	\$3,300.00
F12J31	MEDCOM/CCMRF	100%	M	\$9,645.45	\$9,645.45	\$0.00
F11J23	MATES Access Road	100%	S	\$30,000.00	\$30,000.00	\$0.00
F13S04	JFHQ Em Gen Amendment	75/25%	M	\$33,750.00	\$25,312.50	\$8,437.50

Grand Total (incl Controlled Mtce)

\$2,816,535.55 \$2,311,290.33 \$505,245.22

Controlled Mtce

\$267,900.00 \$149,070.00 \$118,830.00

**Total Projected Projects w/o Controlled Mtce**

**\$2,548,635.55 \$2,162,220.33 \$386,415.22**

**M = Modernization S = Sustainment**

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Locations Assigned / Shared	*Agrmt Support Code	*Funding Split	Square Feet	Total S.F. Assigned / Shared
La Junta RC	S15	50% / 50%	9,967	82,039
Pueblo RC	S15	50% / 50%	20,572	
Canon City RC	S15	50% / 50%	16,248	
Rocky Ford FMS-6	SCS	100% Fed	7,522	
Alamosa RC (2013 new)	S15	50% / 50%	27,730	
Denver RC	S15	50% / 50%	64,243	71,090
FMS-2	SCS	100% Fed	6,847	
HAATS-Gypsum	TS2	100% Fed	24,191	125,691
HAATS-(2013 New)	TS2	100% Fed	101,500	
GJ Armory (old)	S15	50% / 50%	14,545	112,154
GJRC (new)	S15	50% / 50%	36,741	
Montrose RC	S15	50% / 50%	25,010	
Durango RC	S15	50% / 50%	17,970	
FMS-3	SCS	100% Fed	17,888	
CSMS Main Shop (330)	SCS	100% Fed	55,315	
CSMS Paint Shop (331)	SCS	100% Fed	5,376	
CSMS Engine Shop (334)	SCS	100% Fed	7,800	
3650th RC Area (330)	SC1	75% / 25%	6,899	
Longmont RC	S15	50% / 50%	13,352	
Windsor RC	S15	50%/50%	30,706	
Boulder RC (201/202/301)	S15	50% / 50%	22,598	73,792
Golden-CGW (122/123/111)	SCS	100% Fed	51,194	
Watkins RC (227)	S15	50% / 50%	52,065	121,505
Ft. Lupton RC	S15	50% / 50%	35,052	
Sterling RC	S15	50% / 50%	12,248	
Ft. Collins RC	S15	50% / 50%	13,306	
FMS-10	SCS	100% Fed	1,634	
Parachute Rig Shop (327)	TSC	100% Fed	7,200	
Aurora RC	S15	50% / 50%	39,765	
FMS-9	SCS	100% Fed	7,350	

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Locations Assigned / Shared	*Agrmt Support Code	*Funding Split	Square Feet	Total S.F. Assigned / Shared
Buckley, B1000	SC1	75% / 25%	50,550	278,630
Buckley B1005 (MTOE units)	SC1	75% / 25%	25,334	
Buckley B1500 (MTOE Units)	SC1	75% / 25%	12,334	
Buckley B1520 (TSOD-K)	SC1	75% / 25%	4,420	
Buckley, B1000A (CST)	TS9	100% Fed	10,352	
Buckley B1005 (USPFO area)	SCS	100% Fed	27,660	
Buckley B1500 (Acft Maint)	SC8	100% Fed	22,191	
Buckley B1510 (AASF)	SC8	100% Fed	111,389	
Buckley B1511 (Acft Hangar)	SC8	100% Fed	14,400	
Buckley B1500 (CDC/DDR)	S10	4191 SF NGCD funded	0	
JFHQ 248 (TDA/MTOE Units)	S15	50% / 50%	37,039	91,451
JFHQ 268 (TDA/MTOE Units)	S15	50% / 50%	9,693	
JFHQ 258 (Armory)	S15	50% / 50%	19,451	
JFHQ 248 (Joint Ops Space)	SC3	100% Fed	4,911	
JFHQ 268 (Joint Ops Space)	SC3	100% Fed	12,777	
JFHQ 248 (State Ops Space)	NO	100% State	1,127	
JFHQ 268 (State Ops Space)	NO	100% State	6,453	
MATES 9100	SC8	100% Fed	69,345	99,345
MATES CHP's (9110/9111)	SC8	100% Fed	30,000	
MATES 9100	SC8	100% Fed	69,345	251,999
Ft. Carson 811/812	TSC	100% Fed	69,980	
Ft. Carson 8010 (RTI)	TS5	100% Fed	47,929	
Ft. Carson 8110	SC1	75% / 25%	26,342	
Ft. Carson 303 (State Land)	S15	50% / 50%	3,996	
Chestnut RC	S15	50% / 50%	13,835	
Pueblo RC	S15	50% / 50%	20,572	
		<b>Total Square Feet</b>	<b>1,474,259</b>	
		<b>Total 100% Fed</b>	<b>784,096</b>	
		<b>Total 75/25</b>	<b>125,879</b>	
		<b>Total 50/50</b>	<b>556,704</b>	
		<b>Total 100% State</b>	<b>7,580</b>	
		<b>New SF since 2009</b>	<b>231,729</b>	
		<b>% of total</b>	<b>16</b>	
<b>* Agrmt Support Code defines Funding Split from NGR 420-10</b>				

**R-2 Attachment 4**  
**Army NG Facility Average Age: 35 years**

