

Schedule 13

Funding Request for the FY 2017-18 Budget Cycle

Department of Military and Veterans Affairs

Request Title

NP-03 OIT Deskside

Dept. Approval By: *[Signature]* 25 OCT 16

Supplemental FY 2016-17

Change Request FY 2017-18

OSPB Approval By: *[Signature]* 10/26/16

Budget Amendment FY 2017-18

Summary Information	Fund	FY 2016-17		FY 2017-18	FY 2018-19	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$127,059	\$0	\$434,778	\$6,297	\$6,583
FTE		0.0	0.0	0.0	0.0	0.0
Total of All Line items Impacted by Change Request	GF	\$127,059	\$0	\$434,778	\$6,297	\$6,583
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2016-17		FY 2017-18	FY 2018-19	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$127,059	\$0	\$434,778	\$6,297	\$6,583
01, Executive Director and Army National Guard, (A)	FTE	0.0	0.0	0.0	0.0	0.0
Executive Director and Army National Guard, (1)	GF	\$127,059	\$0	\$434,778	\$6,297	\$6,583
Executive Director and Army National Guard - Payments to	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

CF Letternote Text Revision Required? Yes <input type="checkbox"/> No <input type="checkbox"/>	If Yes, see attached fund source detail.
RF Letternote Text Revision Required? Yes <input type="checkbox"/> No <input type="checkbox"/>	
FF Letternote Text Revision Required? Yes <input type="checkbox"/> No <input type="checkbox"/>	
Requires Legislation? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Type of Request? Department of Military and Veterans Affairs Non-Prioritized Request	
Interagency Approval or Related Schedule 1. Office of Information Technology	

Schedule 13

Funding Request for the FY 2017-18 Budget Cycle

Department of Military and Veterans Affairs

Request Title

NP-01 Annual Fleet Vehicle Request

Dept. Approval By:

[Signature] 25 OCT/16

Supplemental FY 2016-17

Change Request FY 2017-18

OSPB Approval By:

[Signature] 10/24/16

Budget Amendment FY 2017-18

Summary Information	Fund	FY 2016-17		FY 2017-18	FY 2018-19	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$58,830	\$0	\$58,830	\$288	\$0
	FTE	0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$58,830	\$0	\$58,830	\$288	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2016-17		FY 2017-18	FY 2018-19	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$58,830	\$0	\$58,830	\$288	\$0
	FTE	0.0	0.0	0.0	0.0	0.0
01. Executive Director and Army National Guard, (A) Executive Director and Army National Guard, (1) Executive Director and Army National Guard - Vehicle	GF	\$58,830	\$0	\$58,830	\$288	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

CF Letternote Text Revision Required? Yes <input type="checkbox"/> No <input type="checkbox"/>	If Yes, see attached fund source detail.
RF Letternote Text Revision Required? Yes <input type="checkbox"/> No <input type="checkbox"/>	
FF Letternote Text Revision Required? Yes <input type="checkbox"/> No <input type="checkbox"/>	
Requires Legislation? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
Type of Request? Department of Military and Veterans Affairs Non-Prioritized Request	
Interagency Approval or Related Schedule 1: Department of Personnel and Administration	

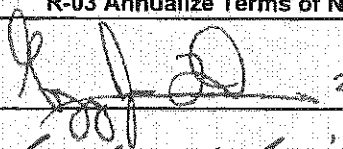
Schedule 13

Funding Request for the FY 2017-18 Budget Cycle

Department of Military and Veterans Affairs

Request Title

R-03 Annualize Terms of New Department Lease Agreement

Dept. Approval By:  25 OCT/16

Supplemental FY 2016-17

Change Request FY 2017-18

OSPB Approval By:  10/20/16

Budget Amendment FY 2017-18

Summary Information	Fund	FY 2016-17		FY 2017-18	FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request Continuation
Total		\$44,978	\$0	\$44,978	\$13,220 \$14,226
FTE		0.0	0.0	0.0	0.0 0.0
Total of All Line Items Impacted by Change Request	GF	\$44,978	\$0	\$44,978	\$13,220 \$14,226
	CF	\$0	\$0	\$0	\$0 \$0
	RF	\$0	\$0	\$0	\$0 \$0
	FF	\$0	\$0	\$0	\$0 \$0

Line Item Information	Fund	FY 2016-17		FY 2017-18	FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request Continuation
Total		\$44,978	\$0	\$44,978	\$13,220 \$14,226
01. Executive Director and Army National Guard, (A)	FTE	0.0	0.0	0.0	0.0 0.0
Executive Director and Army National Guard, (1)	GF	\$44,978	\$0	\$44,978	\$13,220 \$14,226
	CF	\$0	\$0	\$0	\$0 \$0
	RF	\$0	\$0	\$0	\$0 \$0
Executive Director and Army National Guard - Leased	FF	\$0	\$0	\$0	\$0 \$0

CF Letternote Text Revision Required? Yes <input type="checkbox"/> No <input type="checkbox"/>	If Yes, see attached fund source detail.
RF Letternote Text Revision Required? Yes <input type="checkbox"/> No <input type="checkbox"/>	
FF Letternote Text Revision Required? Yes <input type="checkbox"/> No <input type="checkbox"/>	
Requires Legislation? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Type of Request? Department of Military and Veterans Affairs Prioritized Request	
Interagency Approval or Related Schedule 1: None	



COLORADO

Department of Military and
Veterans Affairs

Priority: R-03
Annualize Terms of New Department Lease Agreement
FY 2017-18 Change Request

Cost and FTE

- For FY 2017-18, the Department is requesting an increase of \$13,220 General Fund for its Leased Space line item to reflect the terms of the Division of Veterans Affairs' new lease agreement for its space at 1355 S. Colorado Boulevard. The new lease would commence July 1, 2017 and includes option years through FY 2020-21 with average annual lease escalators of 1.7%.

Current Program

- The Division of Veterans Affairs presently occupies space at 1355 S. Colorado Boulevard in Denver to house the operations of 12.5 FTE.
- The Division's prior lease expired June 30, 2016; the rate for the final year was \$14.50 per square foot for 3,214 square feet of space. The lease is currently in holdover.
- For FY 2016-17, the Department is appropriated \$44,978 General Fund for leased space.

Problem or Opportunity

- The new lease will be executed upon approval by the legislature with a commencement date of July 1, 2017.
- The new lease includes an additional 808 square feet which will provide the Division with a conference room to conduct business and various meetings. The total square footage leased will now be 4,022 square feet.
- Previously, the landlord (Empire Park Realty Investments, LLC) provided a conference room for the Division's use at no additional charge; however, the landlord will no longer provide this space at no charge beginning in FY 2016-17.
- The new rate is \$14.47 per square foot for FY 2017-18.

Consequences of Problem

- If the proposed solution is not approved, the Department will not have a leased facility to work in and house employees. Veterans and associated organizations will not have an office to do business.

Proposed Solution

- The proposed solution is to increase the Leased Space line item by \$13,220 in FY 2017-18 for a total appropriation of \$58,198 General Fund.
- The request includes annual adjustments through FY 2020-21 pursuant to the terms of the lease agreement. The annual escalators average 1.7% and the final year of the lease has a cost per square foot of \$15.22, or \$62,215 total for the year.



COLORADO
 Department of Military and
 Veterans Affairs

John W. Hickenlooper
 Governor

Major General H. Michael Edwards
 Executive Director

FY 2017-18 Funding Request | November 1, 2016

Department Priority: R-03
Request Detail: Annualize Terms of New Department Lease Agreement

Summary of Incremental Funding Change for FY 2017-18	Total Funds	General Fund
Annualize Terms of New Department Lease Agreement	\$13,220	\$13,220

Problem or Opportunity:

The Division of Veterans Affairs occupies space at 1355 S. Colorado Boulevard in Denver to house the operations of 12.5 FTE. The Department's existing 5-year lease agreement for the space expired June 30, 2016 and is currently in holdover. After discussions with the Division and planning for options for future space it was determined that remaining in the current location worked best for the Department as the current location is known to veterans.

The Department's contracting and purchasing section has successfully negotiated a new annual lease with four option years for the Division of Veterans Affairs. The new lease agreement will commence on 1 July, 2017 and ending on 30 June, 2021. This new lease agreement includes an increase of 808 square feet which will provide conference room space for the Division. The total square footage will now be 4,022 square feet and the total cost for FY 2017-18 will be \$58,198. The cost increase after the initial year will have an annual average increase of 1.7%. The final year has an annual cost per square foot of \$15.22 or an annual cost of \$62,215. See proposed rate schedule below:

Year	Square Feet	Rate	Total Cost / Appropriation
1 Jul 17 - 30 Jun 18	4,022	\$14.47	\$58,198
1 Jul 18 - 30 Jun 19	4,022	\$14.72	\$59,204
1 Jul 19 - 30 Jun 20	4,022	\$14.97	\$60,209
1 Jul 20 - 30 Jun 21	4,022	\$15.22	\$61,215

Proposed Solution:

For FY 2017-18, the Department is requesting an increase of \$13,220 General Fund to the Leased Space line item to annualize the terms of the Department's new lease agreement for the Division of Veterans Affairs. The request includes annual adjustments through FY 2020-21 pursuant to the terms of the lease agreement. The annual escalators average 1.7% and the final year of the lease has a cost per square foot of \$15.22, or \$62,215 total for the year.

Anticipated Outcomes:

The anticipated outcome is for the Division of Veterans Affairs to remain in its current facilities with increased square footage for conference and meeting space. Veterans have become accustomed to this office space and know where the facility is located. The increase in space will provide conference room facilities and allow meetings to be scheduled within the office.

Assumptions and Calculations:

The rate schedule and approximate costs by year have been included in the narrative above.

Calculation of FY 2017-18 Request	
FY 2017-18 Cost for Leased Space	\$58,198
Current Long Bill Appropriation	(\$44,978)
FY 2017-18 Incremental Request	\$13,220

Schedule 13

Funding Request for the FY 2017-18 Budget Cycle

Department of Military and Veterans Affairs

Request Title

R-02 State Cooperative Agreement Program Manager

Dept. Approval By:  25 OCT 16

Supplemental FY 2016-17

Change Request FY 2017-18

OSPB Approval By:  10/26/16

Budget Amendment FY 2017-18

Summary Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial	Supplementa	Base Request	Change Request	Continuation
		Appropriation	I Request			
Total		\$6,530,741	\$0	\$6,719,810	\$80,628	\$82,024
FTE		35.3	0.0	35.3	0.9	1.0
Total of All Line Items Impacted by Change Request	GF	\$4,206,353	\$0	\$4,304,868	\$80,628	\$82,024
	CF	\$77,550	\$0	\$61,809	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$2,246,838	\$0	\$2,353,133	\$0	\$0

Line Item Information	Fund	FY 2016-17		FY 2017-18		FY 2018-19
		Initial	Supplementa	Base Request	Change Request	Continuation
		Appropriation	I Request			
Total		\$2,363,240	\$0	\$2,377,999	\$61,437	\$67,027
01. Executive Director and Army National Guard, (A)	FTE	35.3	0.0	35.3	0.9	1.0
Executive Director and Army National Guard, (1)	GF	\$2,111,559	\$0	\$2,125,385	\$61,437	\$67,027
Executive Director and Army National Guard - Personal Services	CF	\$4,046	\$0	\$4,046	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$247,635	\$0	\$248,568	\$0	\$0
Total		\$1,018,364	\$0	\$1,108,541	\$7,927	\$7,927
01. Executive Director and Army National Guard, (A)	FTE	0.0	0.0	0.0	0.0	0.0
Executive Director and Army National Guard, (1)	GF	\$349,848	\$0	\$397,507	\$7,927	\$7,927
Executive Director and Army National Guard - Health, Life, And Dental	CF	\$15,011	\$0	\$3,211	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$653,505	\$0	\$707,823	\$0	\$0
Total		\$14,795	\$0	\$15,479	\$105	\$114
01. Executive Director and Army	FTE	0.0	0.0	0.0	0.0	0.0

Executive Director and Army National Guard, (A)	GF	\$5,008	\$0	\$5,404	\$105	\$114
Executive Director and Army National Guard, (1)	CF	\$237	\$0	\$154	\$0	\$0
Executive Director and Army National Guard - Short-Term Disability	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$9,550	\$0	\$9,921	\$0	\$0
Total		\$384,858	\$0	\$424,578	\$2,753	\$3,003
01. Executive Director and Army National Guard, (A)	FTE	0.0	0.0	0.0	0.0	0.0
Executive Director and Army National Guard, (1)	GF	\$130,182	\$0	\$147,821	\$2,753	\$3,003
Executive Director and Army National Guard, (1)	CF	\$6,160	\$0	\$4,199	\$0	\$0
Executive Director and Army National Guard - Amortization Equalization Disbursement	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$248,516	\$0	\$272,558	\$0	\$0
Total		\$380,849	\$0	\$424,578	\$2,753	\$3,003
01. Executive Director and Army National Guard, (A)	FTE	0.0	0.0	0.0	0.0	0.0
Executive Director and Army National Guard, (1)	GF	\$128,826	\$0	\$147,821	\$2,753	\$3,003
Executive Director and Army National Guard, (1)	CF	\$6,096	\$0	\$4,199	\$0	\$0
Executive Director and Army National Guard - S.B. 06-235 Supplemental Amort Equalization	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$245,927	\$0	\$272,558	\$0	\$0
Total		\$2,368,635	\$0	\$2,368,635	\$5,653	\$950
01. Executive Director and Army National Guard, (A)	FTE	0.0	0.0	0.0	0.0	0.0
Executive Director and Army National Guard, (1)	GF	\$1,480,930	\$0	\$1,480,930	\$5,653	\$950
Executive Director and Army National Guard, (1)	CF	\$46,000	\$0	\$46,000	\$0	\$0
Executive Director and Army National Guard - Operating Expenses	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$841,705	\$0	\$841,705	\$0	\$0

CF Lettermote Text Revision Required?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	If Yes, see attached fund source detail.
RF Lettermote Text Revision Required?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
FF Lettermote Text Revision Required?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Requires Legislation?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Type of Request?	Department of Military and Veterans Affairs Prioritized Request		
Interagency Approval or Related Schedule 1:	None		



COLORADO

Department of Military and
Veterans Affairs

Priority: R-02
State Cooperative Agreement Program Manager
FY 2017-18 Change Request

Cost and FTE

- The Department is requesting \$80,628 General Fund and 0.9 FTE in FY 2017-18 to provide needed oversight in the Department's cooperative agreement (CA) program with the federal government. The request annualizes to \$82,024 General Fund and 1.0 FTE ongoing, which represents a 3.5% increase in the total Personal Services budget for the Executive Director's Office.

Current Program

- The Department oversees the Colorado National Guard and conducts many operations through a federal/state cost sharing arrangement known as a cooperative agreement. The Department's cooperative agreements account for more than 50% of the funds executed by the Department (i.e. \$8.3 million in General Fund vs. \$9.3 million in federal funds via CA for FY 2016-17).
- The Department manages 13 cooperative agreement appendices plus construction cooperative agreements for various facilities projects. All oversight is accomplished as an additional duty by personnel who have other full-time commitments (i.e. resource director, budget director).

Problem or Opportunity

- Over the last few years, federal budget challenges have led to an increasing focus on cost savings by federal partners in the cooperative agreement. Process changes have greatly increased the amount of work and oversight required to ensure correct accounting and billing.
- Each cooperative agreement appendix has a federal program manager and a federally funded activity manager, accompanied by audit staff, to conduct the operations of the appendix and act in the interests of the federal government. This equates to more than 30 federal employees to oversee the CA program with the Department.
- The state does not have any personnel dedicated to partnering with federal program and activity managers to ensure the state's interests are met and fiscal liability is limited.
- Any costs that are deemed inappropriate by the federal property and fiscal officer become a liability to the state, even if they are incurred at the direction of federal personnel.

Consequences of Problem

- The Department has incurred statutory violations and been held liable for significant sums of money by the federal government due to this lack of intergovernmental oversight.

Proposed Solution

- The Department requests \$80,628 General Fund to hire 0.9 FTE beginning in FY 2017-18, annualizing to \$82,024 and 1.0 FTE in FY 2018-19 and ongoing, to act as the State Cooperative Agreement Program Manager to protect the state's interests and to ensure appropriate oversight.
- This position will ensure the state's interests are met and liability to the General Fund is limited.



COLORADO

Department of Military and
Veterans Affairs

John W. Hickenlooper
Governor

Major General H. Michael Edwards
Executive Director

FY 2017-18 Funding Request | November 1, 2016

Department Priority: R-02
Request Detail: State Cooperative Agreement Program Manager

Summary of Incremental Funding Change for FY 2017-18	Total Funds	General Fund
State Cooperative Agreement Program Manager	\$80,628	\$80,628

Problem or Opportunity:

Over the last few years, federal budget challenges have led to an increasing focus on cost savings by our federal partners in the cooperative agreement. Process changes have included moving from “by FTE” cost allocation, to “by hour/by location” cost allocation. This hourly billing process has greatly increased the amount of work and oversight required to ensure correct accounting and billing. Vehicle cost allocation has also moved to a more detailed “by location” cost sharing method.

Each cooperative agreement appendix has a federal program manager and a federally funded activity manager to conduct the operations of the appendix and act in the interests of the federal government. The state does not have any full-time personnel to partner with these federally focused individuals to ensure the state’s interests are met and fiscal liability is limited. Each of the thirteen cooperative agreement appendices employ at least one program manager and one appendix manager with additional federal auditing staff responsible for holding each cooperative agreement fiscally accountable. Consequently, this equates to more than thirty federal employees with the purpose of providing oversight, and the Department does not have personnel dedicated to partnering with federal staff to ensure that costs are allowable, policies are followed, and that state priorities and directives are mutually understood. This is disadvantageous to the state considering any costs that are deemed inappropriate by the United States Property and Fiscal Officer (USP&FO) for Colorado become a liability to the state, even if they are incurred at the direction of federal personnel.

In FY 2016-17, the Department received \$9.3 million in federal funds through cooperative agreements. Due to the magnitude of this appropriation and the high volume of transactions processed by the Department’s purchasing/contracting and accounting sections, there is little ability to assess the nature or purpose of transactions. The Department has incurred statutory violations and been held liable for sums of money by the federal government due to this lack of oversight. In order to protect the best interests of the state, every processed transaction involving federal funds deserves additional review by the Department to maintain an appropriate level of oversight and accountability.

Additionally, frequent employee turn-over for cooperative agreement appendix program managers perpetuates a teaching-learning dynamic regarding priorities, procedures, and processes between state and federal employees. Currently, the absence of a dedicated state program manager to develop and maintain positive working relationships with each appendix manager results in a reactionary/emergency-based process, along with inefficient information sharing practices.

Proposed Solution:

For FY 2017-18, the Department is requesting \$80,628 General Fund for 1.0 FTE at the Budget Analyst II level (prorated to 0.9 FTE for the pay date shift) that will serve as the State Cooperative Agreement Program Manager. The request will annualize to \$82,024 General Fund and 1.0 FTE ongoing. An additional FTE will provide the Department with greater oversight for the cooperative agreement program to protect against statutory violations and the resulting fiscal liability to the state.

The new State Cooperative Agreement Program Manager will be dedicated to establishing positive working relationships between state and federal employees to ensure that state priorities are effectively articulated to federal employees. Moreover, the position will provide adequate review of federal fund allocations and work closely with the federal program managers to provide comprehensive in-depth analysis of expenditures and transactions. The increase in effective oversight and management of public funds, along with enabling more efficient information sharing practices between state and federal employees, will be considered mutually beneficial to both the Department and the federal government.

Anticipated Outcomes:

This solution will allow for full-time oversight and integration within the cooperative agreement program. The Department will have a trained employee to partner with federal program managers and ensure the state's interests are met and its fiscal liability is limited. Overall success will be measured by a reduction in state and federal fiscal infractions, and increased parity in situational awareness with our federal partners.

Assumptions and Calculations:

The Table below provides the cost calculated for this position, and was based on the Budget Analyst II employee classification. The total annual cost for 0.9 FTE which includes personal services and operating expenses is \$80,628 in FY 2017-18, and the request will annualize to 1.0 FTE and \$82,024 in FY 2018-19. The Table below reflects the FTE calculations.

FTE Calculation

Assumptions:

Operating Expenses -- Base operating expenses are included per FTE for \$500 per year. In addition, for regular FTE, annual telephone costs assume base charges of \$450 per year.

Standard Capital Purchases -- Each additional employee necessitates the purchase of a Personal Computer (\$900), Office Suite Software (\$330), and office furniture (\$3,473).

General Fund FTE -- New full-time General Fund positions are reflected in Year 1 as 0.9166 FTE to account for the pay-date shift. This applies to personal services costs only; operating costs are not subject to the pay-date shift.

Expenditure Detail		FY 2017-18		FY 2018-19	
Personal Services:					
Classification Title	Monthly Salary	FTE		FTE	
Budget Analyst II	\$5,005	0.9	\$55,051	1.0	\$60,060
PERA			\$5,588		\$6,096
AED			\$2,753		\$3,003
SAED			\$2,753		\$3,003
Medicare			\$798		\$871
STD			\$105		\$114
Health-Life-Dental			\$7,927		\$7,927
Subtotal Personal Services		0.9	\$74,975	1.0	\$81,074
Operating Expenses:					
		FTE		FTE	
Regular FTE					
Operating Expenses	\$500	1.0	\$500	1.0	\$500
Telephone Expenses	\$450	1.0	\$450	1.0	\$450
PC, One-Time	\$1,230	1.0	\$1,230	-	
Office Furniture, One-Time	\$3,473	1.0	\$3,473	-	
Subtotal Operating Expenses			\$5,653		\$950
TOTAL REQUEST		0.9	\$80,628	1.0	\$82,024
	<i>General Fund:</i>		\$80,628		\$82,024

Schedule 13

Funding Request for the FY 2017-18 Budget Cycle

Department of Military and Veterans Affairs

Request Title

NP-02 OIT Secure Colorado

Dept. Approval By: *[Signature]* 10/26/16

Supplemental FY 2016-17

Change Request FY 2017-18

OSPB Approval By: *[Signature]* 10/26/16

Budget Amendment FY 2017-18

Summary Information	Fund	FY 2016-17		FY 2017-18	FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request Continuation
Total		\$127,059	\$0	\$434,778	\$15,746 \$26,918
FTE		0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request		\$127,059	\$0	\$434,778	\$15,746 \$26,918
GF		\$127,059	\$0	\$434,778	\$15,746 \$26,918
CF		\$0	\$0	\$0	\$0
RF		\$0	\$0	\$0	\$0
FF		\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2016-17		FY 2017-18	FY 2018-19
		Initial Appropriation	Supplemental Request	Base Request	Change Request Continuation
Total		\$127,059	\$0	\$434,778	\$15,746 \$26,918
01. Executive Director and Army National Guard, (A)	FTE	0.0	0.0	0.0	0.0
Executive Director and Army National Guard, (1)	GF	\$127,059	\$0	\$434,778	\$15,746 \$26,918
Executive Director and Army National Guard - Payments to	CF	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0

CF Letternote Text Revision Required? Yes <input type="checkbox"/> No <input type="checkbox"/>	If Yes, see attached fund source detail.
RF Letternote Text Revision Required? Yes <input type="checkbox"/> No <input type="checkbox"/>	
FF Letternote Text Revision Required? Yes <input type="checkbox"/> No <input type="checkbox"/>	
Requires Legislation? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Type of Request? Department of Military and Veterans Affairs Non-Prioritized Request	
Interagency Approval or Related Schedule 1: Office of Information Technology	

Schedule 13

Funding Request for the FY 2017-18 Budget Cycle

Department of Military and Veterans Affairs

Request Title

R-01 Increase Colorado National Guard Tuition Fund

Dept. Approval By:  25 OCT 16

Supplemental FY 2016-17

Change Request FY 2017-18

OSP Approval By:  10/26/16

Budget Amendment FY 2017-18

Summary Information	Fund	FY 2016-17		FY 2017-18	FY 2018-19	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$1,296,157	\$0	\$1,296,157	\$300,000	\$379,808
FTE		0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$496,157	\$0	\$496,157	\$300,000	\$379,808
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$800,000	\$0	\$800,000	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2016-17		FY 2017-18	FY 2018-19	
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$1,296,157	\$0	\$1,296,157	\$300,000	\$379,808
01, Executive Director and Army National Guard, (A)	FTE	0.0	0.0	0.0	0.0	0.0
Executive Director and Army National Guard, (1)	GF	\$496,157	\$0	\$496,157	\$300,000	\$379,808
Executive Director and Army National Guard - Colorado	CF	\$0	\$0	\$0	\$0	\$0
National Guard	RF	\$800,000	\$0	\$800,000	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

CF Letternote Text Revision Required?	Yes <input type="checkbox"/> No <input type="checkbox"/>	If Yes, see attached fund source detail.
RF Letternote Text Revision Required?	Yes <input type="checkbox"/> No <input type="checkbox"/>	
FF Letternote Text Revision Required?	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Requires Legislation?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Type of Request?	Department of Military and Veterans Affairs Prioritized Request	
Interagency Approval or Related Schedule 1:	None	



COLORADO

Department of Military and
Veterans Affairs

Priority: R-01
Increase Colorado National Guard Tuition Fund
FY 2017-18 Change Request

Cost and FTE

- For FY 2017-18, the Department is requesting an increase of \$300,000 General Fund to the Colorado National Guard Tuition Fund line item to keep pace with rising tuition rates at institutions of higher education in Colorado. The request includes 5% increases to the total budget for tuition assistance for FY 2018-19 and FY 2019-20, at which time the Department will reevaluate its funding needs for the program.

Current Program

- Current program funding is \$1,296,157, which includes \$496,157 General Fund and \$800,000 reappropriated funds from the Department of Higher Education.
- For FY 2016-17, the program is expected to serve 556 Colorado National Guard members taking approximately 5,800 credit hours at Colorado institutions of higher education.
- Tuition assistance is a powerful recruiting tool for the Colorado National Guard, and helps to create a highly educated and effective force.

Problem or Opportunity

- Current funding for tuition assistance is inadequate to maintain existing levels of service in the face of tuition increases of approximately 5% to 6% each year.
- The Department has tightened GPA and other eligibility requirements for participation, but student demand has remained strong.
- Without additional funds, the Department will have to either scale back benefit levels, or restrict access to the program even further.

Consequences of Problem

- The Department was unable to offer the program in summer 2016 due to funding shortages, and as a result, hundreds of National Guard members lost funds they were counting on to continue their education.

Proposed Solution

- The proposed solution is to increase funding for the tuition assistance program by \$300,000 General Fund for FY 2017-18, with 5% increases to the total budget for FY 2018-19 and FY 2019-20.
- Sufficiently funding the program will allow the Department to continue to provide students with flexibility to take courses during the summer months, since many Guard students are completing their education while balancing work, Guard service, and overseas deployment commitments. This ties directly to the Department's strategic policy initiative of maintaining the force strength.



COLORADO

Department of Military and Veterans Affairs

John W. Hickenlooper
Governor

Major General H. Michael Edwards
Executive Director

FY 2017-18 Funding Request | November 1, 2016

Department Priority: R-01

Request Detail: Increase Colorado National Guard Tuition Fund

Summary of Incremental Funding Change for FY 2017-18	Total Funds	General Fund
Increase Colorado National Guard Tuition Fund	\$300,000	\$300,000

Problem or Opportunity:

The State of Colorado provides tuition funding for members of the Colorado National Guard (CONG) through a combination of reappropriated cash funds from the Department of Higher Education (\$800,000) and General Fund (\$496,157). This program is a key component of recruiting and retention for the Colorado National Guard which allows citizen soldiers and airmen to improve their education while serving their country and their state. Significant increases in the cost of tuition at state institutions of higher education have limited the Department's ability to fund tuition assistance for CONG students. The Department has tightened the requirements for participation (e.g. raising the minimum required GPA), but student demand has remained strong and is projected to rise. The Department did not offer tuition assistance for the summer 2016 semester, and without additional funds, will not offer Summer 2017 tuition and may have to decrease the per credit hour/per semester reimbursement level.

For FY 2016-17, the Department expects to provide tuition assistance to 556 eligible Colorado National Guard members at an estimated cost of \$1,506,906, which exceeds the Department's current budget of \$1,296,157 total funds. As General Fund investment in higher education remains low and inflation acts upon existing and new costs, the share of the cost burden that falls to resident tuition is expected to increase. Data from the Department of Higher Education shows average year over year increases in tuition rates ranging from approximately 4% to 6% between FY 2013-14 and FY 2016-17; however, increases were lower during this time as a result of tuition caps and a significant infusion of General Fund under S.B. 14-001. Going forward, year over year increases of at least 6% are likely for most institutions. Using current enrollment data with projected growth in tuition rates of 6% annually, the cost of providing the program to CONG members is conservatively projected to grow at least 5% each year for the foreseeable future.

Pursuant to §23-5-111.4, the Department is committed to offering free or reduced tuition at public institutions of higher education to members of the National Guard, as an incentive to join, but also as part of a broader commitment to keep higher education accessible for service members in Colorado. This program has been in place since 1979, and has helped tens of thousands of Coloradans achieve a degree. At current levels of funding, however, the Department will soon be unable to make good on that promise. As costs and participation increase, the likely solution is for the Department to pay a smaller overall share of the total cost to students. For many, this would make college unaffordable. The program already covers only tuition and not any of the mandatory fees that are imposed at each institution. Often, fees are as high

as one quarter of the total cost to the student. At CSU Fort Collins, fees total well over a thousand dollars each semester. The maximum that the CONG tuition assistance program will pay out is \$8,500 per year, which does not cover the full cost of tuition alone at many Colorado schools. Further reducing the state share of the burden for Colorado National Guard members would have dire consequences in terms of the accessibility.

The State of Colorado has strong incentives to want its National Guard members to be well educated. College-educated members are a stronger asset to the Guard at home and abroad in the course of their duties. More broadly, the State needs more people with postsecondary credentials to fill its workforce needs as demand for highly skilled workers increases over the next quarter century¹. Besides the positive externalities associated with paying for the tuition of CONG members, there's a more direct benefit as well, which is that tuition assistance is an incredibly important recruiting tool for the Guard. The program has been in place so long that it would be difficult to quantify what would happen if it was de-funded, but current enrollment and anecdotal evidence suggest that there would be a substantial effect on the Guard's recruitment efforts in years to come.

Proposed Solution:

For FY 2017-18, the Department is requesting an increase of \$300,000 General Fund to the Colorado National Guard Tuition Fund line item to keep pace with rising tuition rates at Colorado institutions of higher education. Further, the Department is requesting approval to increase the tuition assistance budget by an additional 5% for FY 2018-19 and FY 2019-20, at which time the Department will reevaluate its funding needs for the program.

	FY17	FY18	FY19	FY20
Projected Cost	\$1,506,906	\$1,581,397	\$1,660,358	\$1,744,057
<i>% Increase</i>		4.9%	5.0%	5.0%

	FY17	FY18	FY19	FY20
Current Appropriation	\$1,296,157	\$1,296,157	\$1,296,157	\$1,296,157
Incremental Request		\$300,000	\$379,808	\$463,606
Total Requested Appropriation	\$1,296,157	\$1,596,157	\$1,675,965	\$1,759,763
<i>% Increase</i>		23.1%	5.0%	5.0%

Funding this request would allow the Department to continue the current reimbursement rate of \$4,250 per semester (maximum) so that approximately 550 CONG members can be reimbursed for approximately 5,800 credit hours at Colorado institutions of higher education each year. Please see the appendix for a detailed calculation of projected costs.

At current levels of funding, these costs will quickly outstrip appropriations. If this request is approved, the Department can continue to provide tuition assistance without interruption or reduction in the value of benefits to each student.

¹ Victor, Lauren and Veck, Stephanie, *The Colorado Talent Pipeline Report*. Colorado Workforce Development Council. 2016 <https://www.colorado.gov/pacific/sites/default/files/9-30-16%20Talent%20Pipeline%20Report.pdf>

Anticipated Outcomes:

Outcomes will be measured by monitoring the continuing usage and completion rates of Guard members, to ensure that the State is getting a good return on its investment. The Department will continue to maintain a user-friendly application process and good customer support, to make sure eligible CONG members can easily access program funds for their education.

Assumptions and Calculations:

The assumptions for the request are based on the total credit hours the Department expects to reimburse for FY 2016-17 which is approximately 5,830. The Department of Higher Education expects resident tuition rates to increase at least 6% each year for the near future at most institutions. If the benefits to CONG members do not also increase by a corresponding amount, recipients will be stuck paying a higher share of tuition than they were before. Even with unchanging enrollment and static benefit levels, the cost to maintain the existing state share of the cost of higher education will continue to increase.

Please see the appendix below for detailed calculations.

Appendix (calculations for request)

Actual and Projected Tuition by Institution of Higher Education									
Institution	Actual Tuition for 30 credit hours				Projected (6% increase per year)*				
	FY14	FY15	FY16	FY17	FY18	FY19	FY20		
Adams State University	\$4,440	\$5,160	\$5,448	\$5,736	\$6,080	\$6,445	\$6,832		
Colorado Community College System	\$3,586	\$3,747	\$3,916	\$4,107	\$4,353	\$4,615	\$4,892		
Colorado Mesa University	\$6,438	\$6,812	\$7,187	\$7,572	\$8,026	\$8,508	\$9,018		
Colorado School of Mines	\$14,400	\$14,790	\$15,225	\$15,690	\$16,631	\$17,629	\$18,687		
Colorado State University- Fort Collins	\$7,494	\$7,868	\$8,301	\$8,716	\$9,239	\$9,793	\$10,381		
Colorado State University - Pueblo	\$5,494	\$5,824	\$6,159	\$7,269	\$7,705	\$8,167	\$8,657		
CSU Global	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500		
CSU Online Plus	\$13,320	\$13,320	\$13,320	\$13,320	\$13,320	\$13,320	\$13,320		
Fort Lewis College	\$5,232	\$5,544	\$5,856	\$6,360	\$6,742	\$7,146	\$7,575		
Metro State University of Denver	\$4,691	\$4,973	\$5,222	\$5,693	\$6,035	\$6,397	\$6,780		
University of Colorado - Colorado Springs	\$7,473	\$7,710	\$7,980	\$8,280	\$8,777	\$9,303	\$9,862		
University of Colorado - Denver	\$8,459	\$8,760	\$9,090	\$9,420	\$9,985	\$10,584	\$11,219		
University of Colorado- Boulder	\$8,760	\$9,048	\$9,312	\$9,768	\$10,354	\$10,975	\$11,634		
University of Northern Colorado	\$5,737	\$6,024	\$6,372	\$6,906	\$7,320	\$7,760	\$8,225		
Western State Colorado University	\$5,275	\$5,539	\$5,844	\$6,312	\$6,691	\$7,092	\$7,518		

*CSU Global and CSU Online Plus have not increased tuition; therefore projected tuition increase is 0%

Year Over Year % Tuition Increase by Institution of Higher Education						
Institution	FY14 - FY15	FY15 - FY16	FY16 - FY17	Average % Increase - Year over Year	% Increase FY14-FY17	
Adams State University	16.2%	5.6%	5.3%	9.0%	29.2%	
Colorado Community College System	4.5%	4.5%	4.9%	4.6%	14.5%	
Colorado Mesa University	5.8%	5.5%	5.4%	5.6%	17.6%	
Colorado School of Mines	2.7%	2.9%	3.1%	2.9%	9.0%	
Colorado State University- Fort Collins	5.0%	5.5%	5.0%	5.2%	16.3%	
Colorado State University - Pueblo	6.0%	5.7%	18.0%	9.9%	32.3%	
CSU Global	0.0%	0.0%	0.0%	0.0%	0.0%	
CSU Online Plus	0.0%	0.0%	0.0%	0.0%	0.0%	
Fort Lewis College	6.0%	5.6%	8.6%	6.7%	21.6%	
Metro State University of Denver	6.0%	5.0%	9.0%	6.7%	21.4%	
University of Colorado - Colorado Springs	3.2%	3.5%	3.8%	3.5%	10.8%	
University of Colorado - Denver	3.6%	3.8%	3.6%	3.7%	11.4%	
University of Colorado- Boulder	3.3%	2.9%	4.9%	3.7%	11.5%	
University of Northern Colorado	5.0%	5.8%	8.4%	6.4%	20.4%	
Western State Colorado University	5.0%	5.5%	8.0%	6.2%	19.7%	
Average Tuition Increase*	4.8%	4.1%	5.9%	4.9%	15.7%	

*Without CSU Global and CSU Online Plus, the year over year increase averages 5.7%

Institution	# of Credit Hours Reimbursed		
	FY15 Act	FY16 Act	FY17 Est.
Adams State University	27	18	61
Colorado Community College System	838	759	1,066
Colorado Mesa University	101	71	88
Colorado School of Mines	61	100	48
Colorado State University- Fort Collins	980	946	1,286
Colorado State University - Pueblo	-	-	-
CSU Global	585	607	606
CSU Online Plus	183	142	120
Fort Lewis College	-	-	-
Metropolitan State University of Denver	943	684	753
University of Colorado - Colorado Springs	598	636	730
University of Colorado - Denver	239	330	397
University of Colorado- Boulder	479	407	405
University of Northern Colorado	224	207	270
Western State Colorado University	-	-	-
Total	5,258	4,906	5,830
CONG Members Served	514	489	556

Institution	Credit Hours (using FY17 Estimated Hours)	Projected Cost/Credit Hour					Projected Cost to Dept.				
		FY17	FY18	FY19	FY20	FY17	FY18	FY19	FY20		
Adams State University	61	\$191	\$203	\$215	\$228	\$11,663	\$12,363	\$13,105	\$13,891		
Colorado Community College System	1,066	\$137	\$145	\$154	\$163	\$145,867	\$154,619	\$163,896	\$173,730		
Colorado Mesa University	88	\$252	\$268	\$284	\$301	\$22,211	\$23,544	\$24,957	\$26,454		
Colorado School of Mines	48	\$523	\$554	\$588	\$623	\$25,104	\$26,610	\$28,207	\$29,899		
Colorado State University- Fort Collins	1,286	\$291	\$308	\$326	\$346	\$373,626	\$396,043	\$419,806	\$444,994		
CSU Global	606	\$350	\$350	\$350	\$350	\$212,100	\$212,100	\$212,100	\$212,100		
CSU Online Plus	120	\$444	\$444	\$444	\$444	\$53,280	\$53,280	\$53,280	\$53,280		
Metropolitan State University of Denver	753	\$190	\$201	\$213	\$226	\$142,894	\$151,468	\$160,556	\$170,189		
University of Colorado - CO Springs	730	\$276	\$293	\$310	\$329	\$201,480	\$213,569	\$226,383	\$239,966		
University of Colorado - Denver	397	\$314	\$333	\$353	\$374	\$124,658	\$132,137	\$140,066	\$148,470		
University of Colorado- Boulder	405	\$326	\$345	\$366	\$388	\$131,868	\$139,780	\$148,167	\$157,057		
University of Northern Colorado	270	\$230	\$244	\$259	\$274	\$62,154	\$65,883	\$69,836	\$74,026		
Total	5,830					\$1,506,906	\$1,581,397	\$1,660,358	\$1,744,057		

Total 5,830

% Increase

4.9%

5.0%

5.0%

	FY17	FY18	FY19	FY20
Total Cost to Department	\$1,506,906	\$1,581,397	\$1,660,358	\$1,744,057
Current Appropriation	\$1,296,157	\$1,296,157	\$1,296,157	\$1,296,157
Surplus / (Shortfall)	(\$210,749)	(\$285,240)	(\$364,201)	(\$447,900)

	FY17	FY18	FY19	FY20
Current Appropriation	\$1,296,157	\$1,296,157	\$1,296,157	\$1,296,157
Incremental Request	\$300,000	\$379,808	\$379,808	\$463,606
Total Requested Appropriation	\$1,296,157	\$1,596,157	\$1,675,965	\$1,759,763
% Increase		23.1%	5.0%	5.0%