

### Schedule 13

### Department of Military Affairs

#### Funding Request for The FY 2021-22 Budget Cycle

**Request Title**

**NP-01 Annual Fleet Request**

Dept. Approval By: *Greg Dorman* 10/15/2020 | 09:34:43 MDT Supplemental FY 2020-21  
DocuSigned by: A393C1A4E94E46F...

OSPB Approval By: *Cynthia Kelly* Budget Amendment FY 2021-22  
X Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
<b>Total</b>		<b>\$63,322</b>	<b>\$0</b>	<b>\$63,322</b>	<b>\$72,311</b>	<b>\$0</b>
FTE		0.0	0.0	0.0	0.0	0.0
<b>Total of All Line Items Impacted by Change Request</b>	GF	\$26,977	\$0	\$26,977	\$20,495	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$36,345	\$0	\$36,345	\$51,816	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
<b>Total</b>		<b>\$63,322</b>	<b>\$0</b>	<b>\$63,322</b>	<b>\$72,311</b>	<b>\$0</b>
01. Executive Director and Army National Guard, (A) Executive Director and Army National Guard, (1)	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$26,977	\$0	\$26,977	\$20,495	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
Executive Director and Army National Guard - Vehicle Lease Payments	FF	\$36,345	\$0	\$36,345	\$51,816	\$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Military and Veterans Affairs Non-Prioritized Request	Interagency Approval or Related Schedule 13s:	Impacts DPA

**Schedule 13**

**Department of Military Affairs**

**Funding Request for The FY 2021-22 Budget Cycle**

**Request Title**  
**NP-02 COE Program Financial Restructure**

DocuSigned by:  
 Dept. Approval By: Greg Norman 10/15/2020 | 09:34:43 MDT **Supplemental FY 2020-21**  
Δ303C1ΔAF04EAF6F  
 OSPB Approval By: Cynthia Kelly **Budget Amendment FY 2021-22**  
**X** **Change Request FY 2021-22**

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
<b>Total</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,754</b>	<b>\$0</b>
FTE		0.0	0.0	0.0	0.0	0.0
<b>Total of All Line Items Impacted by Change Request</b>	GF	\$0	\$0	\$0	\$2,754	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
<b>Total</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,754</b>	<b>\$0</b>
01. Executive Director and Army National Guard, (A) Executive Director and Army National Guard, (1)	FTE	0.0	0.0	0.0	0.0	0.0
Executive Director and Army National Guard - Statewide Training	GF	\$0	\$0	\$0	\$2,754	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data			
<b>Requires Legislation?</b>	NO		
<b>Type of Request?</b>	Department of Military and Veterans Affairs Non-Prioritized Request	<b>Interagency Approval or Related Schedule 13s:</b>	Impacts DPA

**Schedule 13**

**Department of Military Affairs**

**Funding Request for The FY 2021-22 Budget Cycle**

**Request Title**

**NP-03 Extend Pause Annual Depreciation Lease Payment**

Dept. Approval By: *Greg Dorman* 10/15/2020 | 09:34:43 MDT **Supplemental FY 2020-21**  
DocuSigned by: A393C1A4E94E46F...

OSPB Approval By: *Cynthia Kelly* **Budget Amendment FY 2021-22**  
**X**  
**Change Request FY 2021-22**

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
<b>Total</b>		\$0	\$0	\$87,994	(\$87,994)	\$0
FTE		0.0	0.0	0.0	0.0	0.0
<b>Total of All Line Items Impacted by Change Request</b>	GF	\$0	\$0	\$87,994	(\$87,994)	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
<b>Total</b>		\$0	\$0	\$87,994	(\$87,994)	\$0
01. Executive Director and Army National Guard, (A) Executive Director and Army National Guard, (1)	FTE	0.0	0.0	0.0	0.0	0.0
Executive Director and Army National Guard - Depreciation-Lease Equivalent Payments	GF	\$0	\$0	\$87,994	(\$87,994)	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data			
<b>Requires Legislation?</b>	NO		
<b>Type of Request?</b>	Department of Military and Veterans Affairs Non-Prioritized Request	<b>Interagency Approval or Related Schedule 13s:</b>	No Other Agency Impact

Schedule 13

Department of Military Affairs

Funding Request for The FY 2021-22 Budget Cycle

Request Title

NP-04 OIT FY22 Budget Request Package

DocuSigned by:  
 Dept. Approval by: Greg Dorman 10/21/2020 | 14:59:39 MDT  
A393C1A4E94E46F...

Supplemental FY 2020-21

OSPB Approval By: Cynthia Kelly

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	<b>Total</b>	<b>\$297,166</b>	<b>\$0</b>	<b>\$336,020</b>	<b>(\$16,861)</b>	<b>\$0</b>
	FTE	0.0	0.0	0.0	0.0	0.0
<b>Total of All Line Items Impacted by Change Request</b>	GF	\$297,166	\$0	\$336,020	(\$16,861)	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	<b>Total</b>	<b>\$297,166</b>	<b>\$0</b>	<b>\$336,020</b>	<b>(\$16,861)</b>	<b>\$0</b>
01. Executive Director and Army National Guard, (A) Executive Director and Army National Guard, (1)	FTE	0.0	0.0	0.0	0.0	0.0
Executive Director and Army National Guard - Payments to OIT	GF	\$297,166	\$0	\$336,020	(\$16,861)	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? NO

Type of Request? Department of Military and Veterans Affairs Non-Prioritized Request Interagency Approval or Related Schedule 13s: Requires OIT Approval

## Schedule 13

## Department of Military Affairs

## Funding Request for The FY 2021-22 Budget Cycle

## Request Title

## R-01 Reductions for a Reimagined DMVA

DocuSigned by:  
 Dept. Approval *Greg Dorman* 10/23/2020 | 13:13:25 MDT  
 A393C1A4E94E46F...

Supplemental FY 2020-21

OSPB Approval By:

*Cynthia Kelly*

Budget Amendment FY 2021-22

X

Change Request FY 2021-22

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	<b>Total</b>	<b>\$19,526,195</b>	<b>\$0</b>	<b>\$19,534,426</b>	<b>(\$479,910)</b>	<b>(\$464,910)</b>
	FTE	128.7	0.0	128.8	(1.0)	(1.0)
<b>Total of All Line Items Impacted by Change Request</b>	GF	\$4,566,620	\$0	\$4,567,593	(\$565,910)	(\$400,910)
	CF	\$301,713	\$0	\$301,713	\$86,000	(\$64,000)
	RF	\$157,862	\$0	\$162,445	\$0	\$0
	FF	\$14,500,000	\$0	\$14,502,675	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	<b>Total</b>	<b>\$397,899</b>	<b>\$0</b>	<b>\$397,899</b>	<b>(\$145,000)</b>	<b>(\$145,000)</b>
01. Executive Director and Army National Guard, (A) Executive Director and Army National Guard, (1)	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$351,899	\$0	\$351,899	(\$100,000)	(\$100,000)
	CF	\$46,000	\$0	\$46,000	(\$45,000)	(\$45,000)
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	<b>Total</b>	<b>\$22,372</b>	<b>\$0</b>	<b>\$22,372</b>	<b>(\$15,000)</b>	<b>\$0</b>
01. Executive Director and Army National Guard, (A) Executive Director and Army National Guard, (1)	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$22,372	\$0	\$22,372	(\$15,000)	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	<b>Total</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$20,000</b>	<b>(\$19,000)</b>	<b>(\$19,000)</b>
01. Executive Director and Army National Guard, (A) Executive Director and Army National Guard, (1)	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$20,000	\$0	\$20,000	(\$19,000)	(\$19,000)
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	<b>Total</b>	<b>\$14,055,686</b>	<b>\$0</b>	<b>\$14,057,910</b>	<b>(\$119,412)</b>	<b>(\$119,412)</b>
01. Executive Director and Army National Guard, (A) Executive Director and Army National Guard, (1)	FTE	84.1	0.0	84.1	0.0	0.0
	GF	\$1,755,686	\$0	\$1,756,075	(\$119,412)	(\$119,412)
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$12,300,000	\$0	\$12,301,835	\$0	\$0
	<b>Total</b>	<b>\$1,024,656</b>	<b>\$0</b>	<b>\$1,025,123</b>	<b>(\$132,394)</b>	<b>(\$132,394)</b>
02. Division of Veterans Affairs, (A) Division of Veterans Affairs, (1)	FTE	13.0	0.0	13.0	(1.0)	(1.0)
	GF	\$982,156	\$0	\$982,623	(\$132,394)	(\$132,394)
	CF	\$42,500	\$0	\$42,500	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	<b>Total</b>	<b>\$1,007,886</b>	<b>\$0</b>	<b>\$1,007,886</b>	<b>\$0</b>	<b>\$0</b>
02. Division of Veterans Affairs, (A) Division of Veterans Affairs, (1)	FTE	0.5	0.0	0.5	0.0	0.0
	GF	\$850,000	\$0	\$850,000	(\$150,000)	\$0
	CF	\$157,886	\$0	\$157,886	\$150,000	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	<b>Total</b>	<b>\$382,739</b>	<b>\$0</b>	<b>\$387,361</b>	<b>(\$28,516)</b>	<b>(\$28,516)</b>
02. Division of Veterans Affairs, (A) Division of Veterans Affairs, (1)	FTE	3.1	0.0	3.2	0.0	0.0
	GF	\$189,550	\$0	\$189,589	(\$28,516)	(\$28,516)
	CF	\$35,327	\$0	\$35,327	\$0	\$0
	RF	\$157,862	\$0	\$162,445	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	<b>Total</b>	<b>\$2,614,957</b>	<b>\$0</b>	<b>\$2,615,875</b>	<b>(\$20,588)</b>	<b>(\$20,588)</b>
	FTE	28.0	0.0	28.0	0.0	0.0
03. Air National Guard, (A) Air National Guard, (1) Air National Guard - Operations and Mainten. Agreement for Buckley/ Greeley	GF	\$414,957	\$0	\$415,035	(\$20,588)	(\$20,588)
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$2,200,000	\$0	\$2,200,840	\$0	\$0

**Auxiliary Data**

**Requires Legislation?** NO

**Type of Request?** Department of Military and Veterans Affairs Prioritized Request

**Interagency Approval or Related Schedule 13s:**

No Other Agency Impact



**Department Priority: R-01**  
**Request Detail: Reductions for a Reimagined DMVA**

<b>Summary of Funding Change for FY 2021-22</b>				
	<b>Totals</b>		<b>Incremental Change</b>	
	<b>FY 2020-21 Appropriation</b>	<b>FY 2021-22 Base</b>	<b>FY 2021-22 Request</b>	<b>FY 2022-23 Request</b>
Total Funds	\$131,718,845	\$132,612,501	(\$479,910)	(\$464,910)
FTE	2,579.0	2,534.6	(1.0)	(1.0)
General Fund	\$11,856,255	\$10,666,526	(\$565,910)	(\$400,910)
Cash Funds	\$1,470,429	\$1,645,234	\$86,000	(\$64,000)
Reappropriated Funds	\$4,143	\$163,167	\$0	\$0
Federal Funds	\$118,388,018	\$120,137,574	\$0	\$0

***Summary of Request***

The Department of Military and Veterans Affairs (DMVA) requests a reduction in spending authority of \$565,910 General Fund and an increase in Cash Fund spending of \$86,000. These reductions impact many lines of service at the Department and are the result of a top-down review of spending in order to reimagine DMVA operations to meet current and future budget climates. This request represents a 10% reduction in General Fund appropriations to the department.

Reduction items include: reduced funding for travel and administrative supplies, halting nearly all IT refresh at the department, aligning operating costs at the Western Region OneSource center with expenses, a 6% reduction in State matching funds for Army and Air National Guard operations and maintenance, refinancing grant funding to cash fund sources, and the continuation of the permanent reduction in personnel costs taken in FY 2020-21 as part of the 5% HLD reduction budget balancing action.

***Current Program:***

The Department of Military and Veterans Affairs is responsible for supporting Colorado's State militia forces to protect the safety and health of Colorado's residents and serving as a reserve force for the U.S. Armed Forces. It also manages state programs to support veterans of the United States armed forces.



## **EXECUTIVE DIRECTOR'S OFFICE**

- Provides general administrative support to Department divisions including: human resources, budgeting, purchasing, contracting, accounting, and administrative support;
- Provides safekeeping of public arms, military records, and relics and banners of the State;
- Administers the National Guard Tuition Assistance Program; and
- The Adjutant General, as the chief of staff of the State's military forces, provides day-to-day command and control, guidance, policies and procedures, administrative support, and logistics support to the Army National Guard, the Air National Guard, and the Civil Air Patrol.

## **ARMY & AIR NATIONAL GUARD**

- Maintains a reserve of trained forces for the U.S. Armed Forces which are called to active duty by the President;
- Protects life and property during natural disasters and civil emergencies when activated by the Governor; and
- Maintains all military equipment for the State's military forces.

## **CIVIL AIR PATROL**

- Operates as a civilian auxiliary of the United States Air Force;
- Provides volunteers for search and rescue missions, and assists federal and state organizations in disaster or emergency efforts; and
- Operates a Civil Air Patrol cadet program, and provides aerospace education.

## **DIVISION OF VETERANS AFFAIRS**

- Provides assistance to veterans seeking benefits by acting as a power of attorney for veterans and acting as a liaison between counties and the federal government;
- Provides training and payments to County Veterans Service Officers;
- Administers the Veterans Memorial Cemetery in Grand Junction and its associated fund
- Through the Colorado Board of Veterans Affairs, disperses the Colorado State Veterans Trust Fund to provide grants for veterans' programs throughout Colorado.
- Operates the Western Region One Source in Grand Junction.

***Problem or Opportunity:***

The COVID-19 pandemic has significantly affected not only the State of Colorado but the world economy. People are being laid off, businesses are closing, and people are staying home. This has resulted in declining tax revenue, and the Department understands that it must reimagine operations to continue service levels with fewer resources. Therefore, every appropriation line was reviewed, and the following reductions were selected as the way to protect force readiness, customer service, and talent retention.

The Department found strategic reductions within its long bill lines to reduce spending while continuing to provide customer service. The Department looked at every single long bill line item and program. This analysis resulted in the broad approach outlined below. Therefore, several line items were reduced at varying levels to ensure that customer service capacity was retained along with the talent that provides that service to the Colorado taxpayer.

***Proposed Solution:***

The Department main goal in its target reduction was: 1) Retain customer service / customer focus and 2) Preserve DMVA talent/workforce while maintaining the goal of becoming an Employer of Choice. As mentioned earlier, the Department has chosen to spread the reduction to several items. Reductions are defined below in the section entitled “Assumptions and Calculations.”

***Anticipated Outcomes:***

These reductions were crafted to protect existing customer service levels, maintain existing talent, and ensure force readiness. However, these reductions will limit the Department’s future operational flexibility in reacting to changing and emerging goals.

***Assumptions and Calculations:***

The Department reviewed every line in the Long Bill and undertook thoughtful analysis to get to the final recommendations. This included both a simple 10% across the board cut and the elimination of large amounts on specific lines. Pros and cons were developed on the impact to the program, customer service, employee retention, and especially the impact to the customer. The Department in its analysis reviewed prior year spending patterns to determine any underutilized expenditures and reviewed its spending history. After considerable consideration and analysis, the Department developed the following recommendations. The following line item reductions are proposed:

### Request of General Fund Reductions

Line	Description	FY 2020-21 Appropriation (Long Bill)	FY 2019-20 Appropriation (Long Bill & Supplemental)	FY2021-22 Request	Ongoing
EDO Operating Expense	Travel, dues, copiers, supplies, etc.	\$351,899	\$311,899	(\$100,000)	X
IT Asset Management	Computer Refresh, misc. software	\$22,372	\$22,372	(\$15,000)	
Army National Guard	State FTE and OM cost to support Army	\$1,755,686	\$1,901,775	(\$119,412)	X
Veterans Affairs Operations	Oversees division including VSO	\$982,156	\$956,436	(\$35,000)	X
Vet Assistance Grant	Grant program to non-profits	\$850,000	\$1,000,000	(\$150,000)*	
Grand Junction One Source	FTE O&M of WROS	\$189,550	\$285,757	(\$28,516)	X
Air National Guard	State FTE and OM cost to support Air	\$414,957	\$404,557	(\$20,588)	X
Division of Veterans Affairs reorganization (1.0 FTE)	Veterans operations and oversight of CVSO's	\$982,156	\$956,436	(\$97,394)**	X
<b>Total General Fund</b>		<b>\$5,548,776</b>	<b>\$5,839,232</b>	<b>(\$565,910)</b>	

### Request of Cash Fund Reductions

Line	Description	FY 2020-21 Appropriation (Long Bill)	FY 2019-20 Appropriation (Long Bill & Supplemental)	FY2021-22 Request	Ongoing
EDO Operating Expense	For real estate items from real estate proceeds cash fund	\$46,000	\$46,000	(\$45,000)	X
Local Armory Incentive Plan	Rental income from armories	\$20,000	\$20,000	(\$19,000)	X
Veterans Assistance Grant	Funds from Sr Property tax	\$157,886	\$157,886	\$150,000*	
<b>Total</b>		<b>\$1,754,663</b>	<b>\$1,422,447</b>	<b>\$86,000</b>	

\*The Veterans Assistance Grant, 25-5-712 C.R.S. is funded with General Fund only until a couple of years ago when HB 16-1161 passed and a portion of unspent funds of the senior property tax appropriation would be transferred into the Veterans Assistance Cash Fund, thus creating not only a General Fund source but a Cash Fund source as well. The Veterans Grant Program provides monies to nonprofit organizations and governmental agencies that provide services to ensure the health and well-being of veterans of the United States armed forces who live in Colorado. To date, two transfers were made to the Fund pursuant to HB 16-1161. The Veterans Assistance Grant received the following: \$789,430.67 in FY17-18 and \$843,203.20 in FY 18-19 for a total of \$1,632,633.87. Last session during budget balancing this transfer halted, so no new monies accrued in FY 19-20. The department has awarded grants from this account for the past two years. In addition during budget balancing last year \$1,000,000 was swept to the General Fund via HB 20-1381. The fund balance after the sweep and before any expenses/appropriations for FY20-21 is at \$567,566. The Long Bill for FY21 has allocated \$157,686 leaving a projection of \$409,870 as fund balance at the end of the current FY. The request above is asking that the Total appropriation remain at \$1,000,000, but that the funding mix would be \$700,000 general fund and \$307,886 from the Veterans Assistance Cash Fund. Approval of this request would leave \$99,880 in the cash fund at the end of FY22.

\*\*As part of the DMVA strategic plan development and implementation of an operational design plan for greater efficiency (known internally as “DMVA NEXGEN”), a renewed emphasis on customer service was identified within the Division of Veterans Affairs based on feedback from our customer base. Prior to the pandemic management began making plans to reorganize the Colorado Division of Veterans Affairs around this goal. The intent of the reorganization was to streamline customer support, flatten department governance, and culturally refocus on customer service. The time was right to “Reimagine State Government,” and this reorganization served two purposes: 1) to improve the customer service provided to our Veterans and County Veteran Service Officers, and 2) meeting the immediate reality of reduced funding for State agency personnel. The proposed reorganization streamlines our Veterans Service Operations line item within the Division of Veterans Affairs. The work-from-home reality of COVID has only confirmed the value in this consolidation, as remote meeting options has given the Veterans Division the ability to provide a more efficient and effective model for connecting veterans to the federal benefits that they have earned.

**Schedule 13**

**Department of Military Affairs**

**Funding Request for The FY 2021-22 Budget Cycle**

**Request Title**

**R-02 Continuing Tuition Assistance Funding for a Lower Deman**

DocuSigned by:  
 Dept. Approval By: Greg Dorman 10/23/2020 | 13:13:25 MDT **Supplemental FY 2020-21**  
A393C1A4F94F46F  
 OSPB Approval By: Cynthia Kelly **Budget Amendment FY 2021-22**  
**X** **Change Request FY 2021-22**

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
<b>Total</b>		<b>\$996,157</b>	<b>\$0</b>	<b>\$1,421,157</b>	<b>(\$425,000)</b>	<b>\$0</b>
FTE		0.0	0.0	0.0	0.0	0.0
<b>Total of All Line Items Impacted by Change Request</b>	GF	\$996,157	\$0	\$1,421,157	(\$425,000)	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
<b>Total</b>		<b>\$996,157</b>	<b>\$0</b>	<b>\$1,421,157</b>	<b>(\$425,000)</b>	<b>\$0</b>
01. Executive Director and Army National Guard, (A) Executive Director and Army National Guard, (1) Executive Director and Army National Guard - Colorado National Guard Tuition Fund	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$996,157	\$0	\$1,421,157	(\$425,000)	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

**Auxiliary Data**

**Requires Legislation?** NO

**Type of Request?** Department of Military and Veterans Affairs Prioritized Request **Interagency Approval or Related Schedule 13s:** No Other Agency Impact



**Department Priority: R-02**  
**Request Detail: Continuing Tuition Assistance Funding for a Lower Demand**

<b>Summary of Funding Change for FY 2021-22</b>				
	<b>Totals</b>		<b>Incremental Change</b>	
	<b>FY 2020-21 Appropriation</b>	<b>FY 2021-22 Base</b>	<b>FY 2021-22 Request</b>	<b>FY 2022-23 Request</b>
Total Funds	\$996,157	\$1,421,157	(\$425,000)	\$0
FTE	0.0	0.0	0.0	0
General Fund	\$996,157	\$1,421,157	(\$425,000)	\$0

***Summary of Request***

The Department of Military and Veterans Affairs (DMVA) requests continuing the appropriation to the Tuition Assistance Program at the level set for the FY 2020-21 Fiscal Year, and to not reinstate the one-time cuts from FY 2020-21 of \$425,000. This extension of the lower funding level is intended to be one-time for FY 2021-22, and that funding for this program would be restored in FY 2022-23, as demand for the program is expected to rebound.

Since the COVID pandemic started, the State’s economy has shrunk, and the demand for higher education of all types has slowed. National data has shown a preliminary drop in the current enrollment numbers by 4% at all higher education institutions and community college enrollment has dropped by nearly 10%. While it is still too early to know the impacts to this program of these nation-wide figures, OSPB expects a depressed demand for this benefit in the current year. OSPB expects that the reduced current year General Fund appropriation will fully fund the need in FY 2020-21 and leave the existing balance of the program’s cash fund, just over \$600K, untouched. This will allow the cash funds to fill in any growth of the program above the FY 2020-21 levels to the program in FY 2021-22. By utilizing the reserve cash fund in FY 2021-22, the Tuition Assistance Program will fully support all members of the Colorado National Guard wishing to exercise this benefit.

***Current Program:***

The Department of Military and Veterans Affairs is responsible for supporting Colorado’s State militia forces to protect the safety and health of Colorado’s residents and serving as a reserve force for the U.S. Armed Forces. It is also manages state programs to support veterans of the United States armed forces.

The National Guard Tuition Assistance Program, created in Section 23-7.4-302, C.R.S., provides funding for tuition assistance for members of the Colorado National Guard who

attend Colorado state universities and colleges.  
 Program Background

A member of the National Guard is eligible for Tuition Assistance of at least 50 percent of tuition, but no more than 100 percent, so long as:

- the person is a current member of the Colorado National Guard
- the National Guard member has not received tuition payments for more than 132 semester hours
- the National Guard member’s assistance from all sources, including the federal government, does not exceed 100 percent of the cost of tuition; and
- the member is determined eligible based on the Department rules. These rules determine eligibility based on the member’s service record and academic standing.

***Problem or Opportunity:***

The COVID-19 pandemic has significantly affected not only the State of Colorado but the world economy. People are being laid off, businesses are closing, and people are staying home. This has resulted in declining tax revenues and decreasing enrollment in higher education. In order to preserve General Fund resources, the Department has found strategic reductions within its long bill lines to reduce spending while continuing to provide customer service. The Department looked at every single long bill line item and program.

The National Guard Tuition Assistance program provides funding to members of the Colorado National Guard to further their education. Last year the Department, as part of its cost savings measures submitted a \$175,000 reduction. JBC, due to the economic/budget crisis, added an additional one-time reduction of \$225,000 on top of this. Later an additional \$200,000 one-time reduction was also recommended. Both were approved for a total General Fund reduction of \$425,000 to the line on top of the Departments \$175,000 reduction. This request is to extend those two additional reductions another year and maintaining funding at \$996,157. The Department believes the Tuition Assistance program is a vital component of recruitment and retention within the Colorado National Guard. That stated, historical expenditures have not met the authorized budget provided.

<b><u>FY 19-20</u></b>	
Appropriation	1,596,157
Budget Balancing Reversion	<u>(250,000)</u>
Revised Spending Authority	1,346,157
<b><u>FY 20-21</u></b>	
Initial Figure Setting (Feb 2020)	1,596,157
DMVA Reduction Decision Item	(175,000)
JBC Budget Balancing Action 1	(225,000)
JBC Budget Balancing Action 1	<u>(200,000)</u>
	996,157
<b><u>FY 21-22 Request Year</u></b>	
Current Year Appropriation	996,157
Restore One time Reduction, JBC A	225,000
Restore One time Reduction, JBC A	<u>200,000</u>
Subtotal	1,421,157
Department Reduction Decision Iter	<u>(425,000)</u>
Department Funding Request	<u>996,157</u>

***Proposed Solution:***

The Department main goal in its target reduction was: 1) Retain customer service / customer focus and 2) Preserve DMVA talent/workforce while maintaining the goal of becoming an Employer of Choice. As such, the Department believes we can absorb a larger reduction by utilizing cash fund resources in this line item while still providing the same historical levels of service. The program will continuously be reviewed to determine if current unemployment rates and impacts of the COVID pandemic will require a future increase in this line item.

***Anticipated Outcomes:***

This reduction will allow the program to spend down the cash fund balance of the program's alternative funding source, the Colorado National Guard Tuition Fund. This fund's revenue source comes from unspent prior-year Tuition Assistance funding. The FY 2019-20 year-end balance of this fund was \$619,223. The Department does not anticipate any reductions in tuition assistance to qualified applicants.

***Assumptions and Calculations:***

The Department reviewed every line in the Long Bill and undertook thoughtful analysis to get to the final recommendations. This included a simple 10% across the board cut to elimination of large amounts on specific lines. Pros and cons were developed on the impact of the program, customer service, employee retention, and especially the impact to the customer. The Department in its analysis reviewed prior year spending to determine any under expenditures and reviewed its spending history. After considerable consideration and analysis, the Department developed the following request. The following line item reductions are proposed:

**Request of General Fund Reductions**

<b>Line</b>	<b>Description</b>	<b>FY 2020-21 Appropriation (Long Bill)</b>	<b>FY 2019-20 Appropriation (Long Bill &amp; Supplemental)</b>	<b>FY2021-22 Request</b>
Tuition Assistance	Tuition program for CONG members	\$996,157	\$1,596,157	(\$425,000)