

Military and Veterans Affairs

**FY 2026-27 Joint Budget
Committee Hearing Agenda**

Monday, December 1st, 2025
11:00 AM – 12:00 PM

11:00-11:10 **Introductions and Opening Comments**

Presenter:

Major General Robert B. Davis, The Adjutant General, Executive Director

11:10-11:15 **PACT Act**

Main Presenters:

Major General Robert B. Davis, The Adjutant General, Executive Director

Supporting Presenters:

- Sarah Edwards, Deputy Executive Director
- Bruce Cowan, Director, Division of Veteran Affairs
- Nicholas Severn, Chief Financial Officer
- Antonio Huerta, Legislative Liaison

Topics:

- PACT Act and Healthcare: Page 2, Questions 2 in the packet, Slide 5

11:15-11:25 **Veterans Cemetery Cash Fund**

Main Presenters:

Major General Robert B. Davis, The Adjutant General, Executive Director

Supporting Presenters:

- Sarah Edwards, Deputy Executive Director
- Bruce Cowan, Director, Division of Veteran Affairs
- Nicholas Severn, Chief Financial Officer
- Antonio Huerta, Legislative Liaison

Topics:

- Cash Fund Solvency: Page 4, Questions 5 in the packet, Slide 6
- Long Term Plan: Page 4, Questions 5 in the packet, Slides 7

11:25-11:40

General Fund Reductions

Main Presenters:

Major General Robert B. Davis, The Adjutant General, Executive Director

Supporting Presenters:

- Sarah Edwards, Deputy Executive Director
- Joo Kang, Budget Director
- Nicholas Severn, Chief Financial Officer
- Antonio Huerta, Legislative Liaison

Topics:

- R1 General Fund Reductions: Page 3, Questions 3 in the packet, Slides 8-9
- Staff Initiated Reductions: Page 3, Questions 4 in the packet, Slides 10

11:40-12:00

Colorado National Guard Tuition Waiver

Main Presenters:

Major General Robert B. Davis, The Adjutant General, Executive Director

Supporting Presenters:

- Sarah Edwards, Deputy Executive Director

- Nicholas Severn, Chief Financial Officer
- Antonio Huerta, Legislative Liaison

Topics:

- Early Outcomes of Tuition Waiver, Slides 11
- AG Opinion: Page 5, Questions 6 in the packet, Slides 11
- Cost Projections: Page 5, Questions 7 in the packet, Slides 11

Military & Veterans Affairs

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11:00 AM to 12:00 PM

Common question For Department Hearings (Written-only Response)

(PLEASE RETAIN THE NUMBERING IN ORDER TO MAINTAIN CONSISTENT LABELING ACROSS DEPARTMENTS.) You have one common question, provide a written answer with the presentation questions.

1. Please provide a breakdown of your department's total advertising budget for the current and prior fiscal year. Specifically:

- a. What is the total amount budgeted and expended on advertising and media placement type?

Answer: \$1,840.00

- b. How are those advertising dollars allocated across different media types (e.g., television (national/local/cable), radio (terrestrial vs streaming), SEM, digital (display, YouTube), connected TV, social media, print, outdoor, etc.)?

Answer: Colorado Parents - Magazine

- c. How much of that spending is directed to Colorado-based or local media outlets? How is the media currently purchased?

Answer: 100%. It was a discretionary purchase.

- d. What performance metrics or evaluation tools does the department use to measure the effectiveness of these advertising campaigns? What are the goals of the campaigns, and what key performance indicators are measured for success?

Answer: It was an informational campaign, no specific evaluation metrics were used.

- e. If any portion of advertising is managed through third-party vendors (or 'partners'); or media buying firms, please provide any available data or reporting from those companies on campaign performance and spending. How often do the departments discuss media placements with these vendors?

Answer: N/A

- f. Monthly or quarterly reporting - how is reporting delivered?

Answer: N/A

General Factors

- 2. Please discuss how the PACT Act impacts veterans' access to health care through the VA. Are there any implications for veterans in Colorado on Medicaid who are now eligible for expanded VA benefits? If so, please elaborate.

Answer:

The PACT Act expands VA healthcare eligibility for veterans who have a history of toxic exposure during their military service. The act allows veterans to enroll in VA healthcare and receive care for an expanded list of presumptive service-connected conditions.

Since 2022, 7,253 Colorado veterans have enrolled in VA healthcare services under the PACT Act expansion according to the US Department of Veterans Affairs. The VA estimates 26,140 Colorado veterans as within the PACT Act planning population. This figure is not the number of people who have enrolled, but rather a high-confidence projection of how many veterans the VA believes are newly eligible for health care under the PACT Act.

DMVA currently does not have the data to define which of these veterans eligible for health care under the PACT Act are also eligible or enrolled in Medicaid services. There is the possibility of alleviating state Medicaid costs by moving eligible veterans from Medicaid to the VA, however more research is needed to determine the number of veterans currently enrolled in Medicaid, the feasibility of moving them to VA health benefits, and the related costs.

General Fund Reductions (R1)

Please discuss the General Fund Reductions proposed by the Department in the R1 request

3. What are the downstream implications of a 43 percent reduction to IT Asset Maintenance?

Answer:

Historically DMVA has under-executed our OIT budgetary lines. DMVA does not plan any major OIT related system creations or upgrades in the coming fiscal year and anticipates little downstream impact.

4. Please discuss the General Fund reductions proposed by staff. How would these impact the Department?

Answer:

-\$2,000,000 Veterans Trust Fund Sweep

The proposed \$2,000,000 cash sweep of the Veterans Trust Fund, as presented in JBC's Staff Briefing, would, by the Brief's own forecasting, exhaust the Fund by the end of the decade, potentially threatening DMVAs' support for veteran community programs in coming years.

The proposed sweep represents a massive and disproportionate cut to the Division of Veterans Affairs, larger than DVA's entire Veterans Services Operating budget. The sweep also represents a 10% cut to DMVA's overall department budget, well beyond the 2.5% across-the-board cut proposed by the Governor's office.

-\$500,000 Veteran Assistance Grant Fund

DMVA is in a position to bear this cut without a major disruption to Veterans services if our first legislative request for this year, aligning VAG and VTF spending, is passed and if our proposed additional spending authority for the VTF is granted.

-\$700,000 Executive Directors Office Operating (Recruiting and Retention)

Since 2024 DMVA has been able to make major gains in the face of a National Guard recruiting and retention crisis, largely through support from this program. In less than 2 years we increased the size of the Air Guard by 3.7% for a total end strength of 101.8% and Army Guard by 4.8% for a total end strength of 96.4%, which represent impressive gains given natural attrition and the state's recruiting trends this decade.

Cuts to this program would put these gains at risk at a time when we are advocating for force structure transformation and equipment modernization, such as fighter recapitalization from our older F-16s to F-35s. We cannot effectively advocate for Colorado with the National Guard Bureau without maintaining gains in our recruiting, retention, and overall end strength.

Any reduction in force structure due to our inability to recruit and retain will reduce the amount of federal funding coming into the state and our ability to compete for federal project funds for decades to come.

-\$70,000 Executive Directors Office Operating (Professional Development)

DMVA currently utilizes professional development and safety training funds to provide needed internal support to our state employees. This provides pathways to safely do their jobs, enhance their performance, and potentially prepare for positions of higher responsibility. We would prefer to retain these funds to sustain the department's effectiveness and support our efforts to be an employer of choice.

Cemetery Cash Fund Transfer (R2)

5. *[Rep. Taggart]* What plans does the Department have for the ongoing needs in the Western Slope Cemetery beyond FY26-27?

Answer:

We are exploring options to develop a local nonprofit organization to integrate community support, however this solution does not provide the long-term stability that funding the FTE and operational requirements out of the General Fund would.

Due to generational trends, we anticipate an increased rate of internment as the Korean War and Vietnam veterans communities age, however this trend is forecasted and not reflected by current cemetery income.

To establish a long-term solution, DMVA would need to request future ongoing support from the general fund. Recognizing the constraints on the general fund, we are not asking for the needed amount at this time. For the years following FY2026-27, we will request a minimum ongoing infusion of \$100,000 from the General Fund. This amount is necessary to mitigate the typical net income shortfalls and to ensure that donations to the cemetery cash fund can be spent as the donors intended.

Colorado National Guard Tuition Waiver

6. *[Sen. Amabile / Sen. Bridges / Rep. Sirota]* We believed there was an agreement between departments regarding cost sharing. Why was a review submitted to the Attorney General, and who specifically initiated it?

Answer:

DMVA initiated the request in mid-July. Upon implementing the program, consistent with DMVA's understanding of the legislative intent, we began to experience push-back from some university staff over who would be absorbing tuition costs over the amount of the appropriation.

DMVA had concerns that, in the event of a dispute, individual service members might be left with the tuition bill. We asked the Attorney General's office out of an abundance of caution and in the hope that they may provide additional authority in case of a dispute.

Once we received the AG's opinion, DMVA took on the full cost of the program to protect our service members.

7. *[Sen. Bridges / Rep. Taggart]* What is the estimated cost to fully fund the tuition waiver as in statute, according to the Attorney General's opinion for FY 26-27? Additionally, what would it cost to fund the program using the cost-sharing model as intended by the Committee?

Answer:

DMVA estimates we can cover the total cost of the tuition waiver in FY 2026-2027 with an appropriation of \$2.46 million.

If the cost-sharing model is used, DMVA estimates an appropriation of \$1.94 million would be necessary for FY 2026-2027 to cover increases in tuition price and average enrollments.



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**Department of Military
and Veterans Affairs**



Joint Budget Committee

December 1, 2025



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Department of Military and Veterans Affairs



MISSION: Colorado's Department of Military and Veterans Affairs supports the Division of the Colorado National Guard in delivering land, air, space, and cyber power in support of state and federal operations; enables the Division of Veterans Affairs to deliver high quality service to the state's veterans and their families; and oversees the operations of the Colorado Wing of the Civil Air Patrol in delivering aerospace education and emergency services.

VISION: We are an inclusive organization that earns and maintains the trust and confidence in those we serve at the local, state and federal levels; we are recognized for excellence in service to our veterans, service members, and families; and, we are the state of choice for future force structure gains, equipment modernization, and infrastructure investment.

STRATEGIC LINES OF EFFORT:

- People
- Warfighting Readiness
- Modernization & Innovation



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DMVA Funding

- State FY 25-26 General Fund: \$17,452,411
- State FY 25-26 Cash Fund: \$2,599,165
- Federal FY25 Funds: \$223,000,000



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FY27 Decision Item Summary

Request Name	FTE	General Fund
R-01 2.5% General Fund Reduction	0.0	\$ (321,254)
R-02 Offsetting Cemetery Cash Fund	0.0	\$ 0
Total Prioritized Request	0.0	\$ (321,254)



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PACT Act

- Please discuss how the PACT Act impacts veterans' access to health care through the VA. Are there any implications for veterans in Colorado on Medicaid who are now eligible for expanded VA benefits?
 - Potential for increased utilization of federal resources
 - 100% federal coverage
 - Reduced state liability
 - Potential fiscal impact



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R-02: Offset Cemetery Cash Fund

- Request to transfer \$100,000 of the Veterans Trust Fund (VTF, 14G0) to the Western Slope Cemetery Cash Fund (11J0) to protect deficits anticipated in the fund beginning in FY 2026.
- Result is net-zero fiscal impact to overall department budget and no anticipated impact to operations.
- Without a transfer from the VTF, the Cemetery cash fund can expect a significant shortfall in the division's already constrained operating budget.



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R-02: JBC Questions

- What plans does the Department have for the ongoing needs in the Western Slope Cemetery beyond FY26-27?
- Will require General Fund coverage



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R-01: 2.5% General Fund Reduction

- The calculated FY 2026-27 2.5% Non-Caseload General Fund Reduction Options Amount for the Department of Military and Veterans Affairs (DMVA) is \$321,254, with minimal programmatic impacts.
- The Department has limited options for General Fund reductions beyond personal services, as the Department operates only a few major General Fund programs: Colorado National Guard Recruiting and Retention, CONG Tuition Waiver, County Veterans Service Officer Payments, and Veterans Assistance Grant Program.
- As these programs impact CONG members and veterans; the request excludes these items from budget cut considerations.



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R-01: JBC Questions

- What are the downstream implications of a 43 percent reduction to IT Asset Maintenance?
 - Historically under executed
 - We anticipate minimal impact



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Staff Budget Reduction Proposals

- VTF Cash Sweep
- VTF Transfer to VAG
- Cut Recruiting and Retention Bonus
- Cut Training and Professional Development



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Colorado National Guard Tuition Waiver

- **Early Outcomes**

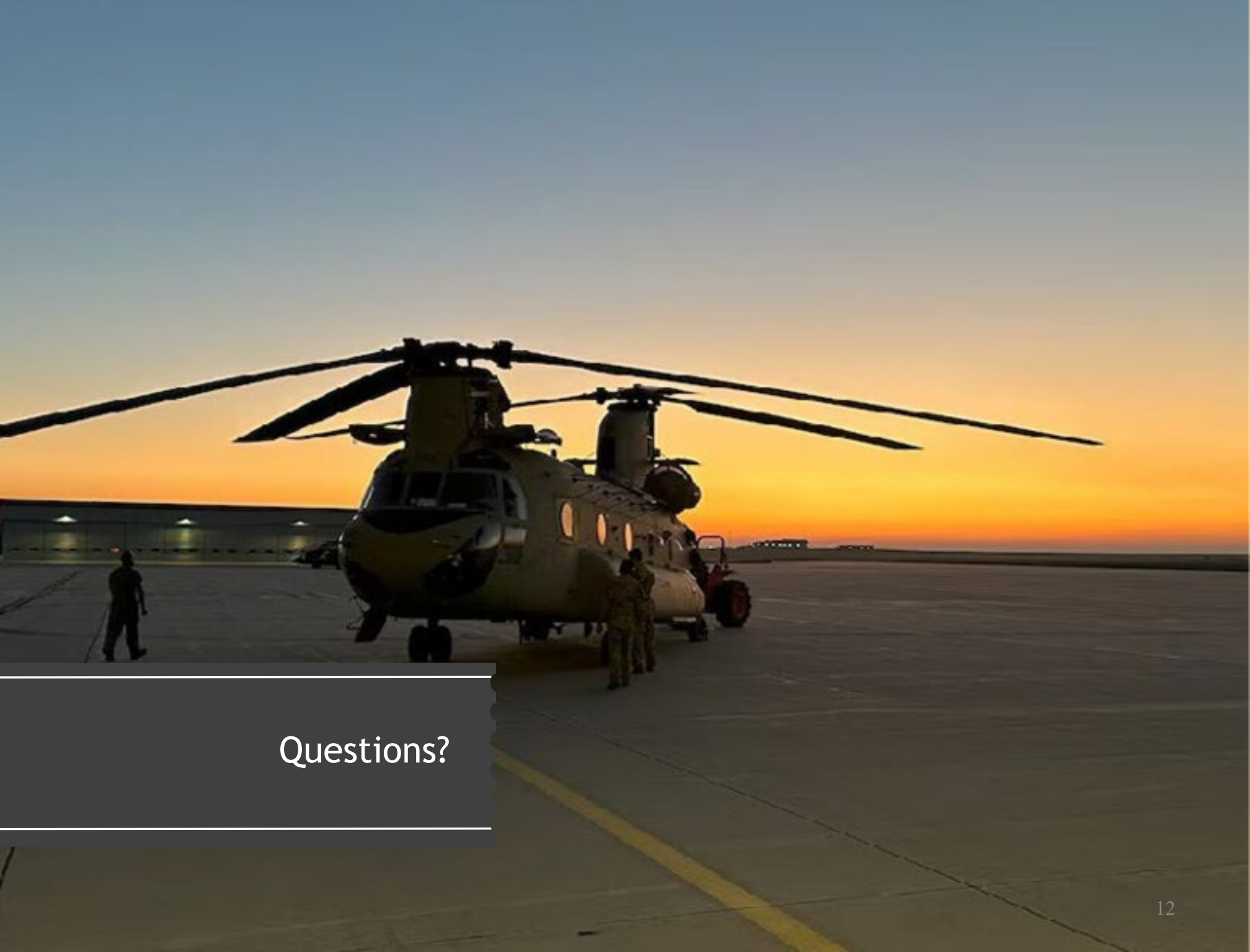
- High interest
- Fall - 217 applications approved
- 42 denied, 32 because of caps
- Spring - 215 applicants approved
- 11 denied so far because of caps

- **AG Opinion**

- DMVA requested

- **Cost Projections**

- 2.46 million for DMVA bearing total cost
- 1.94 million for cost sharing model



Questions?