

Representative Cameron Henry
Chairman



Representative Franklin Foil
Vice Chairman

FY17-18 Executive Budget Review
DEPARTMENT OF VETERANS AFFAIRS

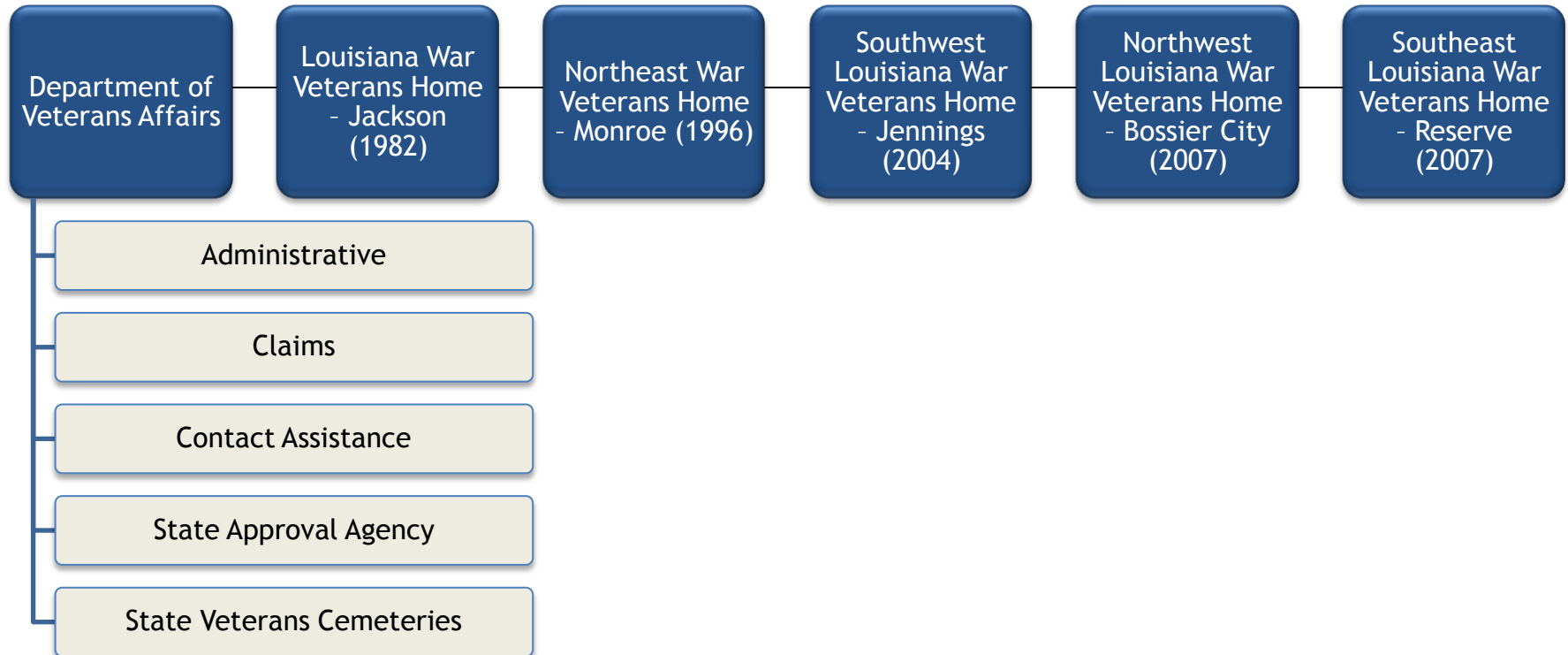
House Committee on Appropriations
Prepared by the House Fiscal Division

March 29, 2017

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DEPARTMENT ORGANIZATION



DEPARTMENT FUNCTIONS



Administrative Program

- Office of the Secretary - Handles the management for the activities, performance, and overall operation for the Department of Veterans Affairs.
- Human Resources - Maintains all personnel records, regulates position classification, pay administration, hiring and firing, and employee relations for the department.
- Accounting and Purchasing - Plans, prepares, and executes annual department operating budgets, and is responsible for requesting funds. It also maintains and controls financial records of receipts and disbursements.
- Training and Information - Provides specialized classroom and field training to all newly appointed Veterans Assistance Counselors.

Claims Program

- Represents veterans and/or their dependents on claims for benefits to which they are entitled before rating boards of the U.S. Department of Veterans Affairs and its Board of Vet Appeals.
- Represents the veterans, just as an attorney would, before all agencies administering programs that affect veterans.
- Integrated with the Contact Assistance Program.

DEPARTMENT OF
VETERANS AFFAIRS

TO CARE FOR HIM WHO SHALL
HAVE BORNE THE BATTLE AND
FOR HIS WIDOW, AND HIS ORPHAN
A. LINCOLN

DEPARTMENT FUNCTIONS

Contact Assistance Program

- Locates and contacts veterans or dependents to process and develop claims to determine a veteran's eligibility for benefits.
- Assists veterans and their families with various problems such as medical services, compensation, pension programs, education, home loans, employment, insurance, and additional benefits when a patient is in a nursing home.

State Approval Agency

- Approves, supervises, and provides technical assistance to the institutions and training establishments for veterans.
- Makes supervisory visits to all active schools, institutions of higher learning, non-college degree programs, job training programs and flight schools to ensure that the approved institutions are maintaining the approval criteria as approved and as set out in the Operation Plan and the Veterans Affairs contract.
- Conducts inspection visits on new schools seeking approval, and additional visits at the request of Veterans Affairs.

DEPARTMENT FUNCTIONS



Military Family Assistance Fund

- Addresses financial hardships Louisiana National Guardsmen and Reservists and their dependents may encounter by paying for a variety of items for those who qualify, such as food, housing, medical expenses, auto repair, and more.
- During the 2016 floods, this fund provided aid to the families of several veterans to aid in recovery.
- Funded by private donations from individuals and corporations.

Troops To Teachers

- Recruits quality teachers for schools that serve students from low-income families and helps relieve teacher shortages.
- Provides information, advice, and funding to eligible veterans, reservists, and active duty personnel who will be leaving active service soon, and want to pursue teaching as a second career.



Louisiana Veterans Honor Medal

- Established as a way to honor, recognize and thank Louisiana veterans for their honorable military service.
- Available for all Louisiana veterans who were honorably discharged and to the families of those who were killed in action. The medal comes with ribbons to distinguish honorable service, Purple Heart, Prisoner of War, and Killed in Action.



DEPARTMENT FUNCTIONS



Veterans Cemeteries

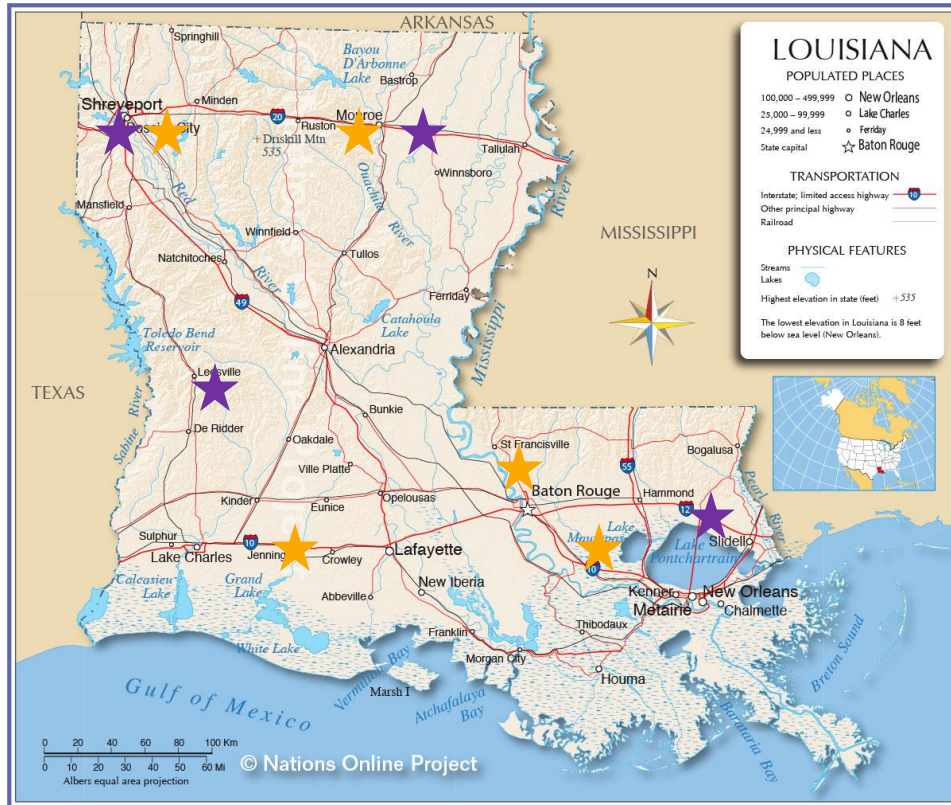
- The department constructs, operates, and maintains veterans cemeteries throughout Louisiana.
- Available for qualifying veterans, their spouses, and dependent children (at no charge for veteran burials).
- LDVA recently opened a fourth Louisiana Veterans Cemetery in Rayville, Louisiana in November 2015.

Veterans Homes

- Provides nursing care to eligible veterans in five veteran nursing homes.
- Provides a variety of services including long-and short-term care, rehabilitative therapies, Alzheimer's care, skilled nursing, mental health services, and centralized pharmacy services.



WAR HOME AND CEMETERY LOCATIONS



★ War Veterans Homes

☆ Veterans Cemeteries

Veterans Homes

Bossier City, LA

Jackson, LA

Jennings, LA

Monroe, LA

Reserve, LA

Veterans Cemeteries

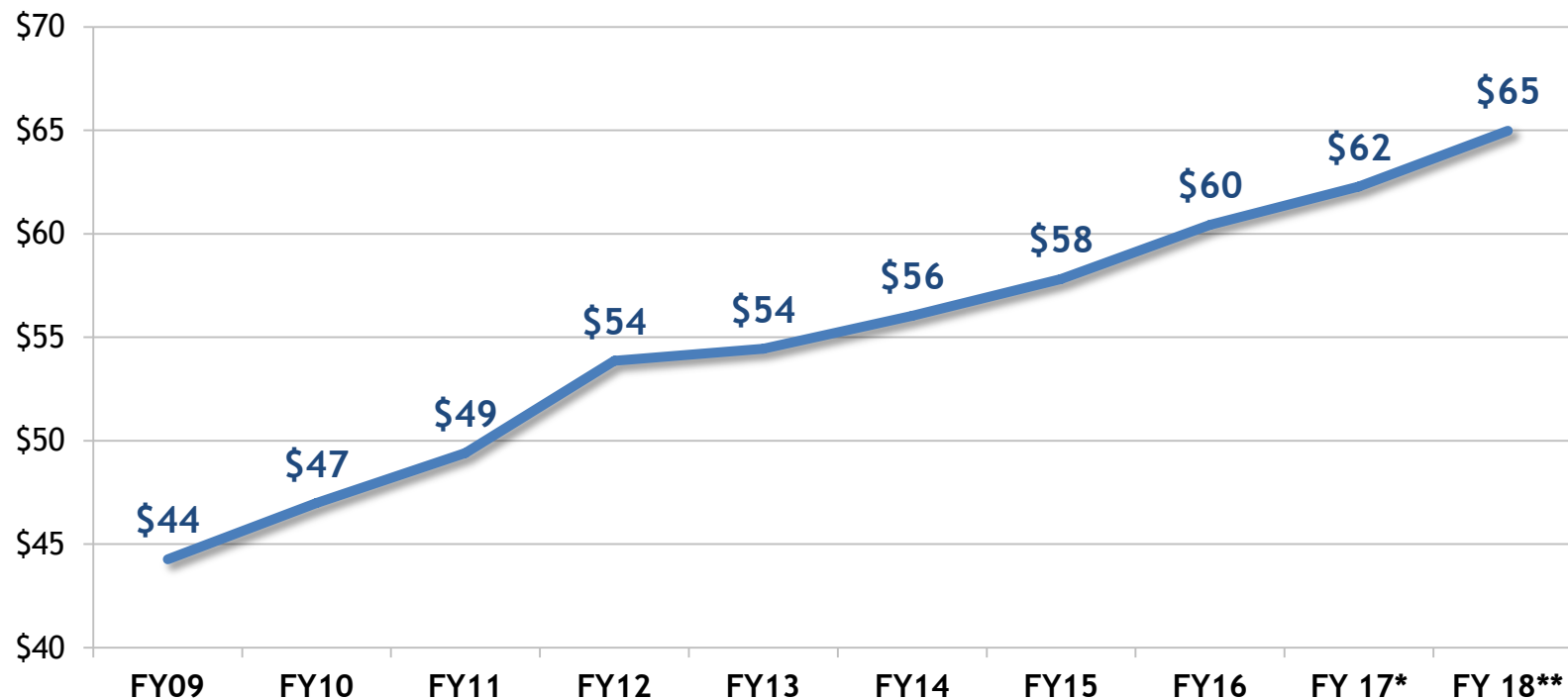
Keithville, LA

Leesville, LA

Rayville, LA

Slidell, LA

BUDGET HISTORY (IN MILLIONS)

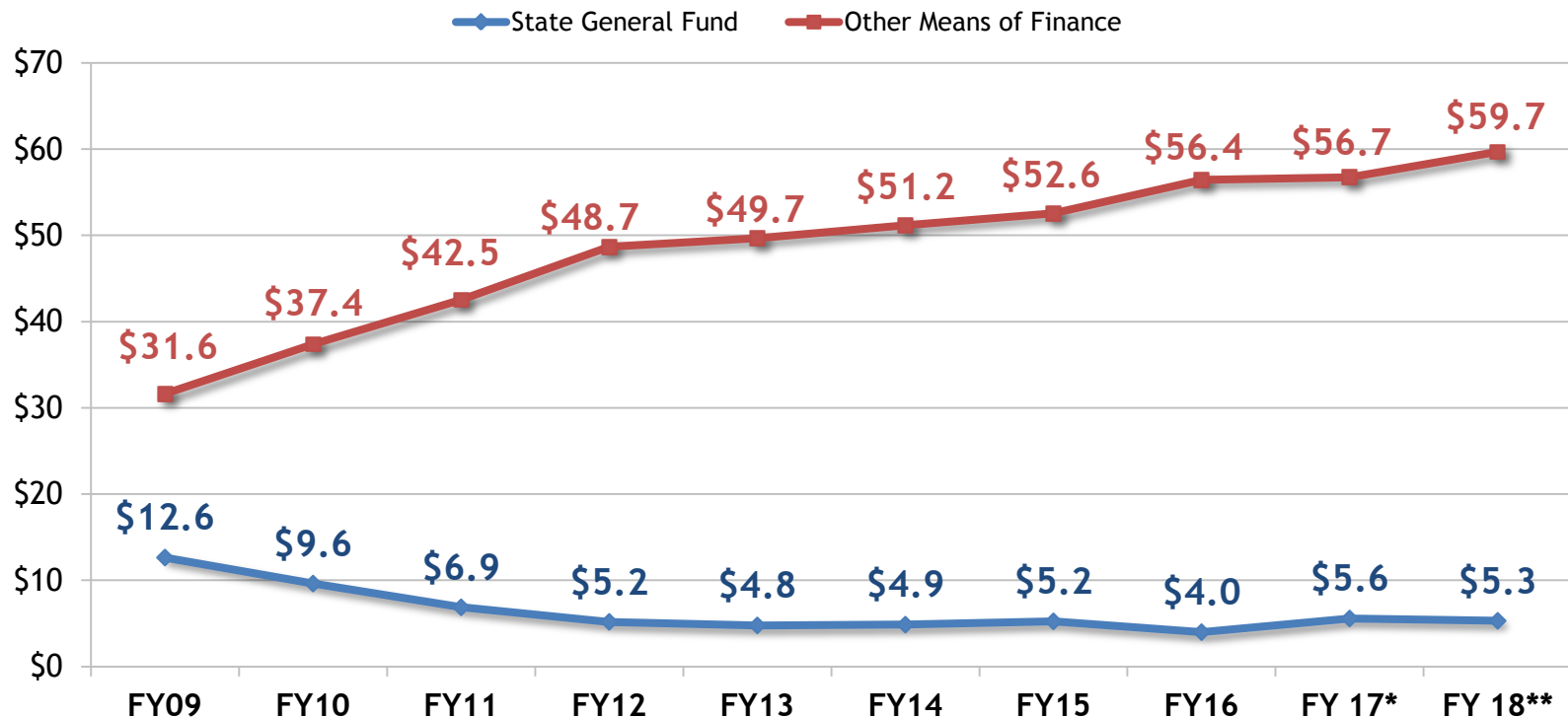


Source: Executive Budget Supporting Documents

* Existing Operating Budget as of 12/1/16

**Governor's Executive Budget Recommendation

BUDGET HISTORY (IN MILLIONS)



Source: Executive Budget Supporting Documents

* Existing Operating Budget as of 12/1/16

**Governor's Executive Budget Recommendation

MAJOR SOURCES OF REVENUE

Federal Funding \$41.1 Million

- In the Veterans Homes, these funds are derived from the Veterans Administration for patient care and Medicare eligible residents cost reimbursements.
- In Veterans Affairs, these funds come from the US Department of Veterans Affairs as funding intended to flow through the agency to the veterans of Louisiana.

Self Generated Revenue \$16.1 Million

- In the Veterans Homes, these funds are derived from the residents' ability to pay for part of their care and from employees and visitors purchasing meal tickets.
- In Contact Assistance, these funds are derived from each parish's contribution towards providing a veterans service office.

Interagency Transfers \$2.3 Million

- These funds come from the various War Veterans Homes into the main agency for Medicare Services.
- A small portion of these funds are each War Home's contribution for an internal auditor position that services all the homes.

Statutory Dedications \$115,528

These funds come from the Military Family Assistance Fund, collected by the donations of businesses and citizens throughout Louisiana via an individual or a corporate state income tax check-off.

MEANS OF FINANCE BREAKDOWN

Means of Financing	FY 15-16 Prior Year Actual Expenditures	FY 16-17 Existing Operating Budget 12/1/16	FY 17-18 Executive Budget Recommendation	\$ Change from Existing	% Change from Existing
State General Fund	\$3,989,151	\$5,571,247	\$5,304,379	(\$266,868)	(4.8%)
Interagency Transfers	\$2,536,787	\$1,505,055	\$2,310,433	\$805,378	53.5%
Fees and Self-Gen Rev.	\$11,460,313	\$15,615,052	\$16,114,119	\$499,067	3.2%
Statutory Dedications	\$4,340	\$465,528	\$115,528	(\$350,000)	(75.2%)
Federal Funds	\$42,445,554	\$39,126,133	\$41,137,166	\$2,011,033	5.1%
Total Means of Finance	\$60,436,145	\$62,283,015	\$64,981,625	\$2,698,610	4.3%
State Effort	\$15,453,804	\$21,651,827	\$21,534,026	(\$117,801)	(0.5%)

Source: Executive Budget Supporting Documents

MEANS OF FINANCE BREAKDOWN - AFTER DEFICITS

Means of Financing	FY 15-16 Prior Year Actual Expenditures	FY 16-17 Existing Operating Budget 3/1/17	FY 17-18 Executive Budget Recommendation	\$ Change from Existing 3/1/17	% Change from Existing 3/1/17
State General Fund	\$3,989,151	\$5,194,247	\$5,304,379	\$110,132	2.1%
Interagency Transfers	\$2,536,787	\$1,585,855	\$2,310,433	\$724,578	45.7%
Fees and Self-Gen Rev.	\$11,460,313	\$16,292,049	\$16,114,119	(\$177,930)	(1.1%)
Statutory Dedications	\$4,340	\$465,528	\$115,528	(\$350,000)	(75.2%)
Federal Funds	\$42,445,554	\$40,521,762	\$41,137,166	\$615,404	1.5%
Total Means of Finance	\$60,436,145	\$64,059,441	\$64,981,625	\$922,184	1.4%
State Effort	\$15,453,804	\$21,951,824	\$21,534,026	(\$417,798)	(1.9%)

1st Deficit Plan (\$377,000 SGF)

Absorbed through the expenditure freeze by attrition, (\$157K), an over appropriation of IAT expenditures (\$120K), and a reduction in anticipated need for one disability payment (\$100K).

2nd Deficit Plan-\$0

These comparisons are to the Existing Operating Budget at March 1, 2017 which includes all adjustments since December 1, 2016 including the two mid-year deficit reductions.

PROGRAM-LEVEL BUDGET COMPARISONS

Program	FY 15-16 Prior Year Actual Expenditures	FY 16-17 Existing Operating Budget	FY 17-18 Executive Budget Recommendation	\$ Change from Existing	% Change from Existing
Administrative	\$3,131,075	\$3,919,290	\$3,196,498	(\$722,792)	(18.4%)
Claims	\$461,268	\$512,116	\$437,220	(\$74,896)	(14.6%)
Contact Assistance	\$2,658,776	\$2,983,138	\$3,441,574	\$458,436	15.4%
State Approval Agency	\$290,541	\$313,648	\$311,933	(\$1,715)	(0.5%)
State Veterans Cemetery	\$1,233,478	\$1,441,418	\$1,520,130	\$78,712	5.5%
Louisiana War Veterans Home	\$10,277,238	\$10,079,402	\$10,387,576	\$308,174	3.1%
Northeast LA War Veterans Home	\$10,546,875	\$10,767,094	\$10,981,518	\$214,424	2.0%
Southwest LA War Veterans Home	\$10,194,113	\$10,334,153	\$11,168,535	\$834,382	8.1%
Northwest LA War Veterans Home	\$10,627,778	\$10,578,711	\$11,065,845	\$487,134	4.6%
Southeast LA War Veterans Home	\$11,015,003	\$11,354,045	\$12,470,796	\$1,116,751	9.8%
Total Expenditures	\$60,436,145	\$62,283,015	\$64,981,625	\$2,698,610	4.3%

SIGNIFICANT ADJUSTMENTS



\$1.3

Million

Federal Funds

- \$872,507 of these funds are used for base adjustments being made to fully fund salaries and related benefits for the department. An additional \$424,325 increase is for the homes to pay headquarters due to the centralization of administrative functions.



\$687,633

Interagency
Transfers

- Provides funding for wage increases and associated related benefits costs for employees in the Contact Assistance Program. These funds are coming from the various veterans homes.



\$350,000

Statutory
Dedications

- After increased spending in the Military Family Assistance Fund to aid families in need related to the 2016 flood events, reduces the appropriation back to historical norms.



\$235,000

- Replaces uncollected Federal Funds with State General Funds. Cemeteries have experienced lower than expected number of burials and need these funds to provide mandated upkeep of these cemeteries.

EXPENDITURE BREAKDOWN

Expenditure	FY 15-16 Prior Year Actual Expenditures	FY 16-17 Existing Operating Budget	FY 17-18 Executive Budget Recommendation	\$ Change from Existing	% Change from Existing
Salaries	\$28,758,552	\$29,366,705	\$30,013,933	\$647,228	2.2%
Other Compensation	\$632,911	\$610,539	\$775,555	\$165,016	27.0%
Related Benefits	\$13,368,489	\$14,389,771	\$15,241,141	\$851,370	5.9%
Travel	\$129,708	\$170,079	\$170,250	\$171	0.1%
Operating Services	\$3,070,831	\$3,201,536	\$3,192,419	(\$9,117)	(0.3%)
Supplies	\$5,310,551	\$5,099,529	\$5,109,544	\$10,015	0.2%
Professional Services	\$2,874,129	\$3,071,122	\$3,101,458	\$30,336	1.0%
Other Charges	\$5,595,383	\$5,565,785	\$5,660,309	\$94,524	1.7%
Acq/Major Repairs	\$695,591	\$807,949	\$1,717,016	\$909,067	112.5%
Total Expenditures	\$60,436,145	\$62,283,015	\$64,981,625	\$2,698,610	4.3%
Authorized Positions	838	840	840	0	0.0%

SIGNIFICANT EXPENDITURE CHANGES

Salaries \$624,228

- Funds increases in salaries and premium pay for employees in the Parish Offices in an effort to reduce turnover rates in the Contact Assistance Program.

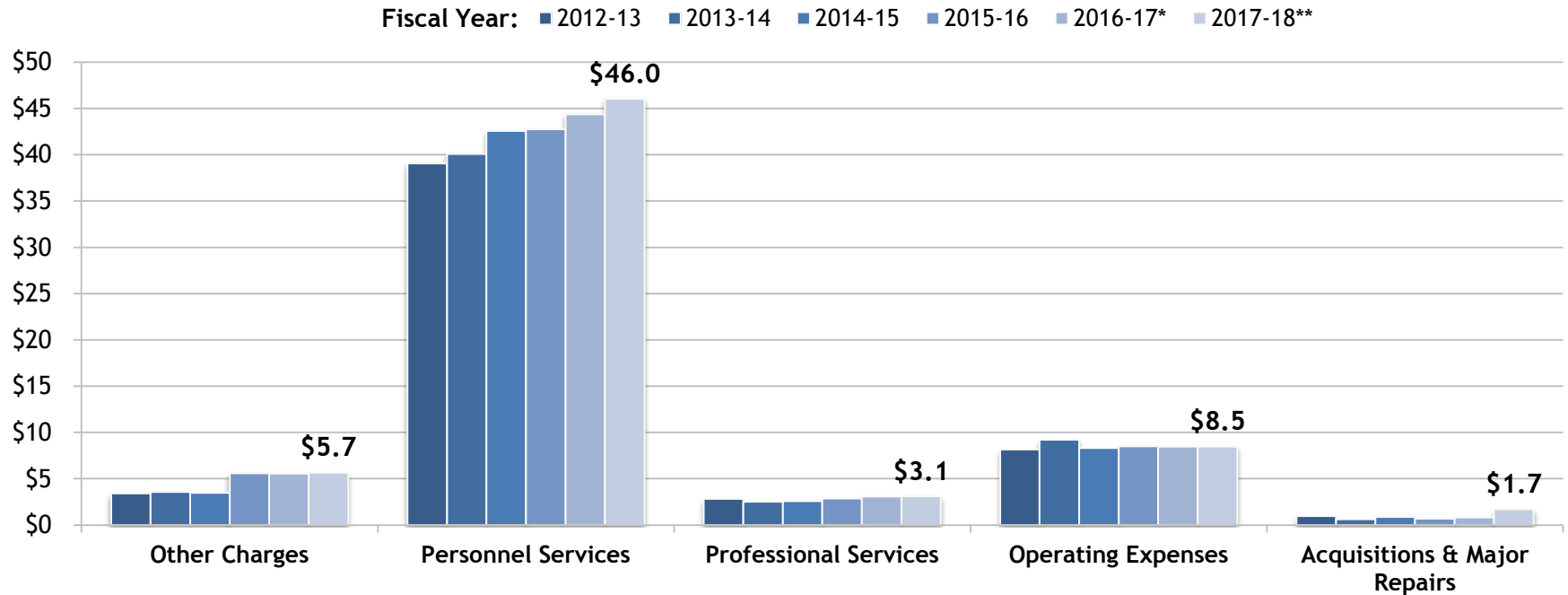
Other Compensation \$165,016

- Funds wages in the Southeast Louisiana Veterans Home for temporary registered nurses who fill in for full-time nurses who are out for extended periods of time.

Acquisitions/Major Repairs \$909,067

- Additional funds for major repairs to the Southwest Louisiana Veterans Home, major repairs to the air conditioning unit and nurse-call system in the Northwest Louisiana Veterans Home, and for upgrading and replacing old equipment and furniture throughout the Veterans Homes.

EXPENDITURE HISTORY



Source: Executive Budget Supporting Documents

* Existing Operating Budget as of 12/1/16

** Governor's Executive Budget Recommendation

OTHER CHARGES

AMOUNT	DESCRIPTION
\$1,750,752	Office of Risk Management Insurance Premiums.
\$950,774	Funds sent from the Veterans Homes to Veterans Affairs to help fund pay increases in Contact Assistance, as well as paying for services rendered.
\$798,807	Statewide agency payments due (Legislative Auditor Fees, Civil Service Fees, Uniform Payroll System Fees, etc.)
\$771,474	Funds transferred to the Southeast Home in Reserve for pharmaceutical costs and additional Medicare compliance costs.
\$659,656	Payments due to the Office of Technology Services.
\$200,000	Payments for Veterans Disability Benefits.
\$114,129	Funds associated with the Military Family Assistance Trust Fund.
\$51,347	Funds transferred to the Northeast Home in Monroe to pay for an additional auditor.
\$363,370	Miscellaneous Interagency Transfer costs paid to other state agencies.
\$5,660,309	OTHER CHARGES TOTAL

DISCRETIONARY/NON-DISCRETIONARY FUNDING

TOTAL BUDGET
\$65.0 Million

**\$2.3 Million IAT
Double Count**

**\$62.7
Million
Remaining**

Self Generated
Revenue
\$16.1 Million

Statutory
Dedications
\$115,528

Federal Funds
\$41.1 Million

State General Fund
\$5.3 Million

**Non Discretionary
\$689,653**

Administrative Program
Group Benefits for Retirees
\$317,192

Administrative Program
Rent of State Owned Buildings
\$199,185

Administrative Program
Legislative Auditor Fees
\$172,486

**Discretionary
\$4.6 Million**

Administrative Program
\$1.8 Million

Contact Assistance Program
\$ 1.3 Million

Cemetery Program
\$1.0 Million

Claims Program
\$ 437,220

Source: Office of Planning and Budget

PERSONNEL INFORMATION

Personnel/Budget Ratio

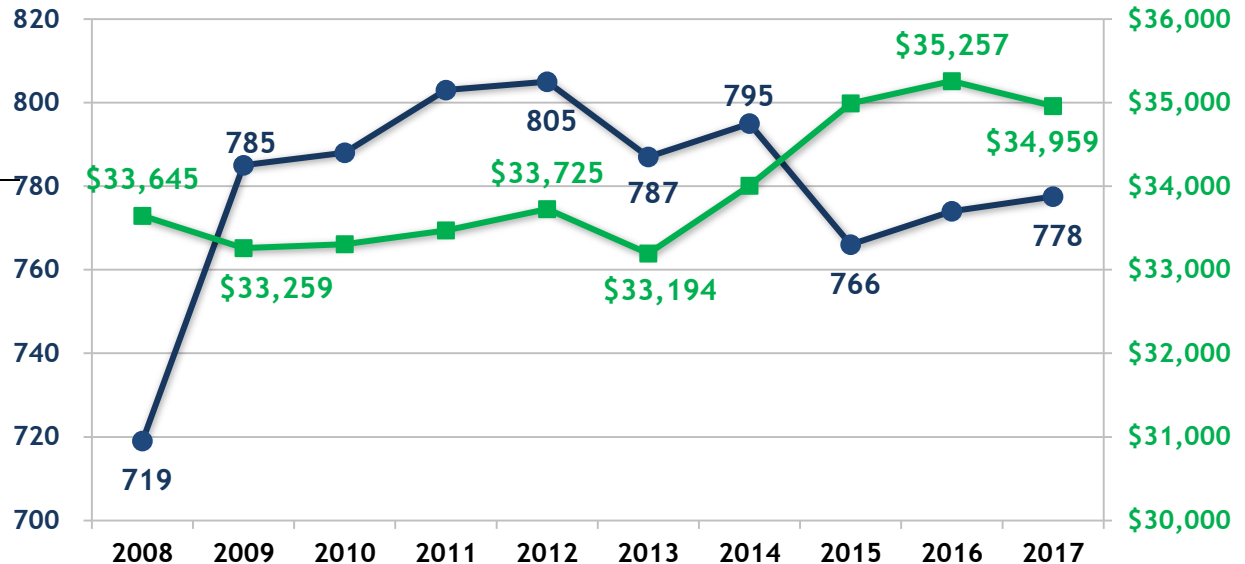
\$30.8 M	Salaries and Other Comp.
+ \$15.2 M	Related Benefits
= \$46.0 M	Total Personnel Services

77.6% of budget expenditures
(excluding Other Charges)

Authorized Positions

- 840 (831 classified and 9 unclassified)
- No full-time non-T.O. positions
- No Other Charges Positions
- Veterans Affairs had 64 vacancies as of 1/27/2017
- In the FY 18 Executive Budget Recommendations, no vacancies were eliminated.

10 Year FTE Positions/Avg Salary



Source: FTE and Average Salary data provided by the Dept. of Civil Service

VETERANS HOME AVERAGE COST

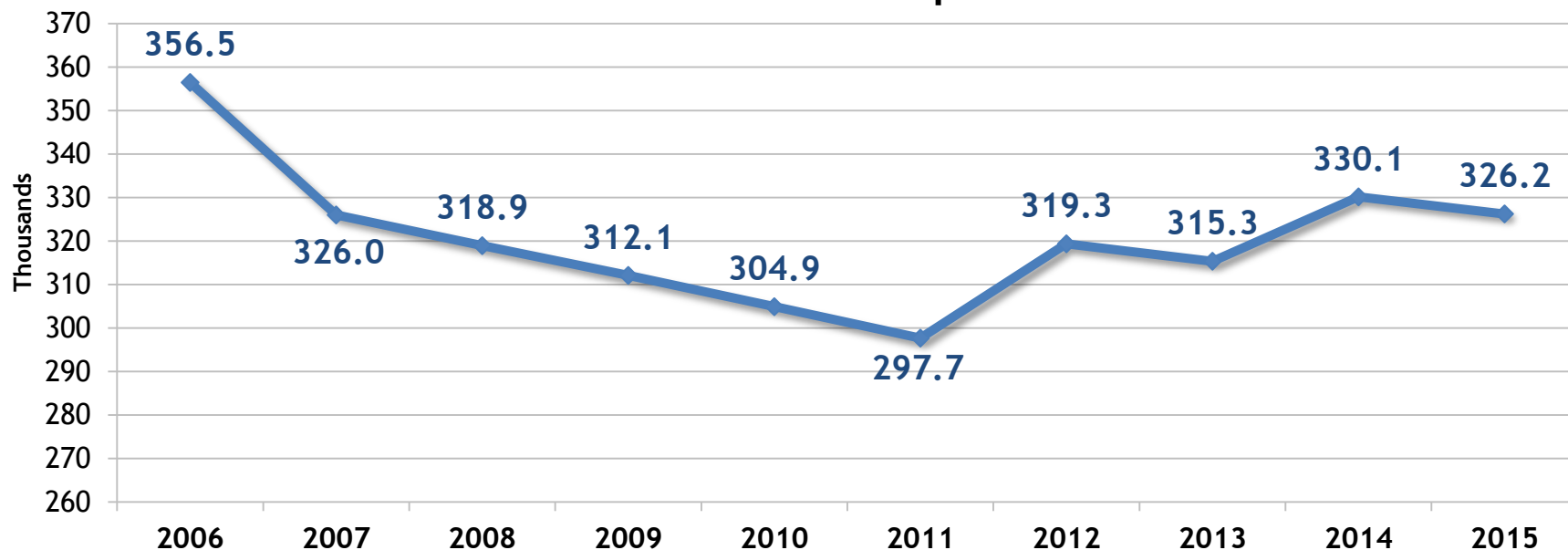
Average Totals	Actual FY 13-14	Actual FY 14-15	Actual FY 15-16	EOB FY 16-17	Executive Budget FY 17-18
Daily Census	143	141	141	142	142
Occupancy Rate	93%	91%	91%	89%	92%
Cost per Patient per Day	\$192	\$198	\$207	\$205	\$211
Cost per Patient per Year	\$70,011	\$72,325	\$75,483	\$74,775	\$77,060

Source: Management at Louisiana Department of Veterans Affairs

POPULATION TREND OF VETERANS IN LA

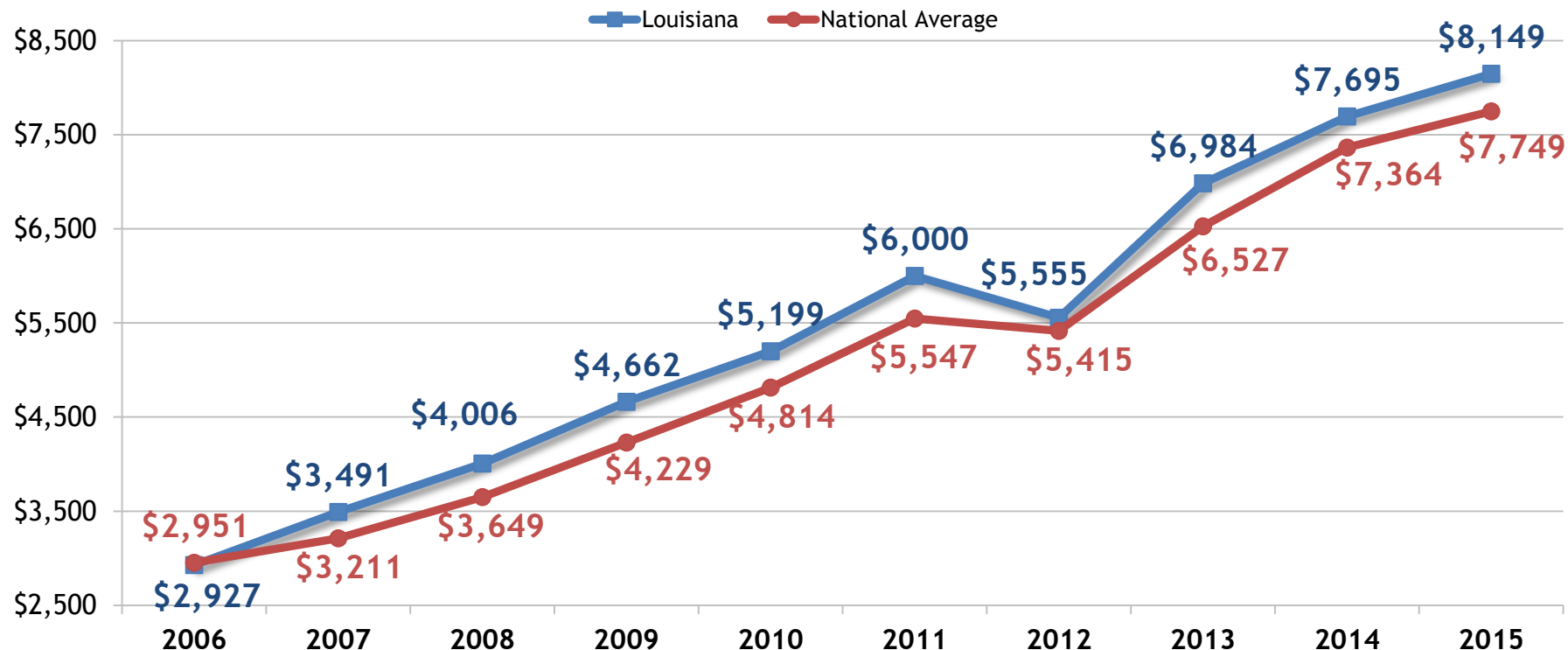
Louisiana's veteran population makes up 6.98% of the total population of the state.

Louisiana Veterans Population





Source: United States Veterans Administration and the United States Census Bureau

FEDERAL COST PER VETERAN IN LA



Source: United States Veterans Administration and the United States Census Bureau

DEPARTMENT CONTACTS

	Name	Position	Contact
	Col. Joey Strickland	Secretary of Veterans Affairs	225.219.5031
	Homer Rodgers	Undersecretary	225.219.5006