

Representative Cameron Henry
Chairman



Representative Franklin Foil
Vice Chairman

FY18-19 Executive Budget Review
DEPARTMENT OF VETERANS AFFAIRS

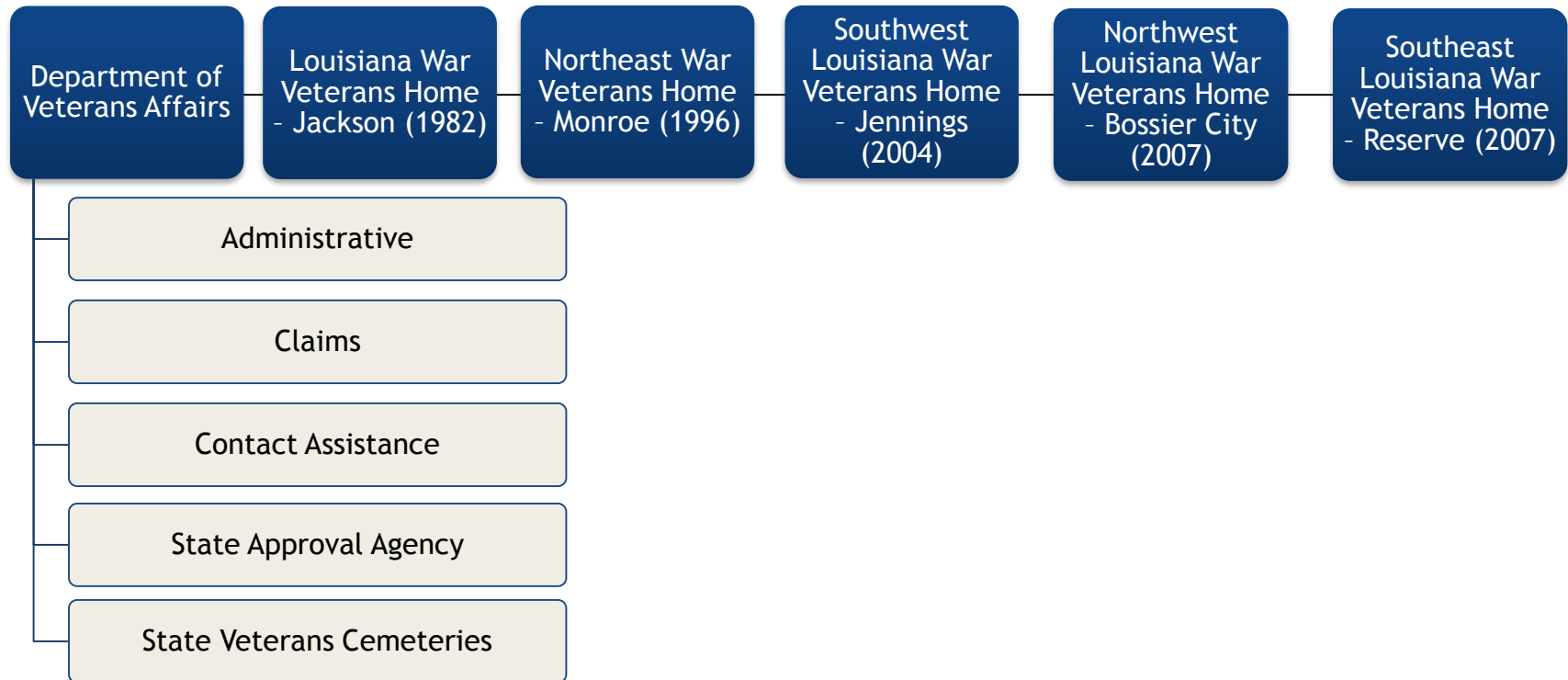
House Committee on Appropriations
by the House Fiscal Division

March 19, 2018

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DEPARTMENT ORGANIZATION



DEPARTMENT FUNCTIONS



Administration

- 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

- 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

- 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.

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

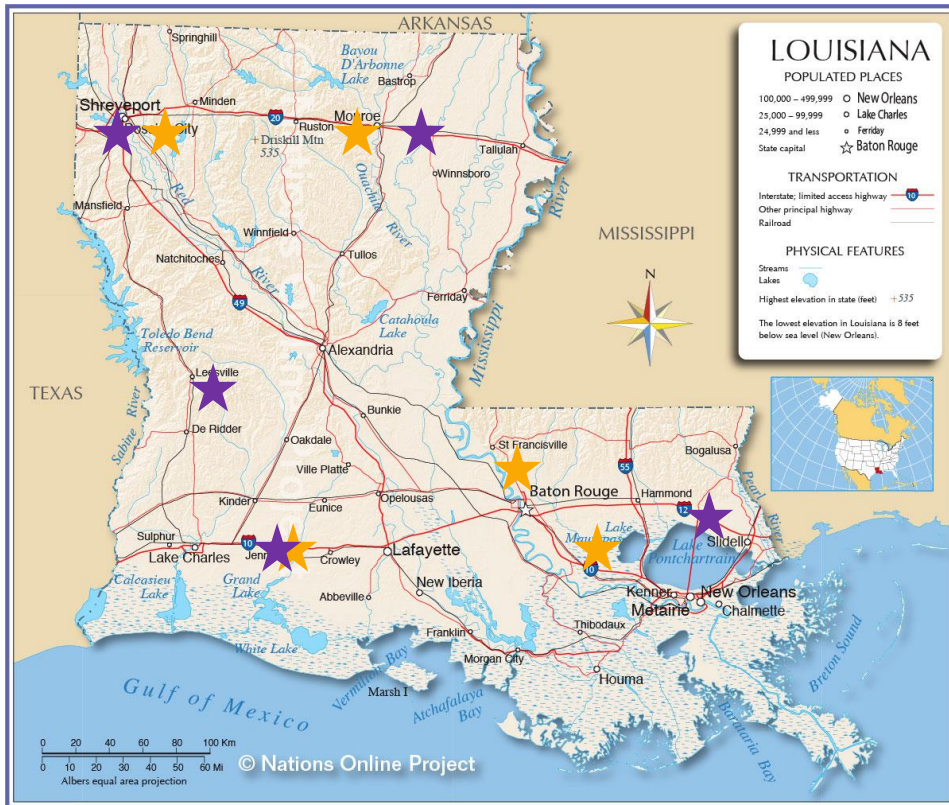
- The department constructs, operates, and maintains veterans cemeteries throughout Louisiana.
- Available for qualifying veterans, their spouses, and dependent children (at no charge for veteran burials).
- LDVA has begun planning and construction on a fifth cemetery in Jennings, Louisiana next to its Southwest Home.

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.



VETERANS HOME AND CEMETERY LOCATIONS



★ War Veterans Homes

☆ Veterans Cemeteries

Veterans Homes

Bossier City, LA

Jackson, LA

Jennings, LA

Monroe, LA

Reserve, LA

Veterans Cemeteries

Kiethville, LA

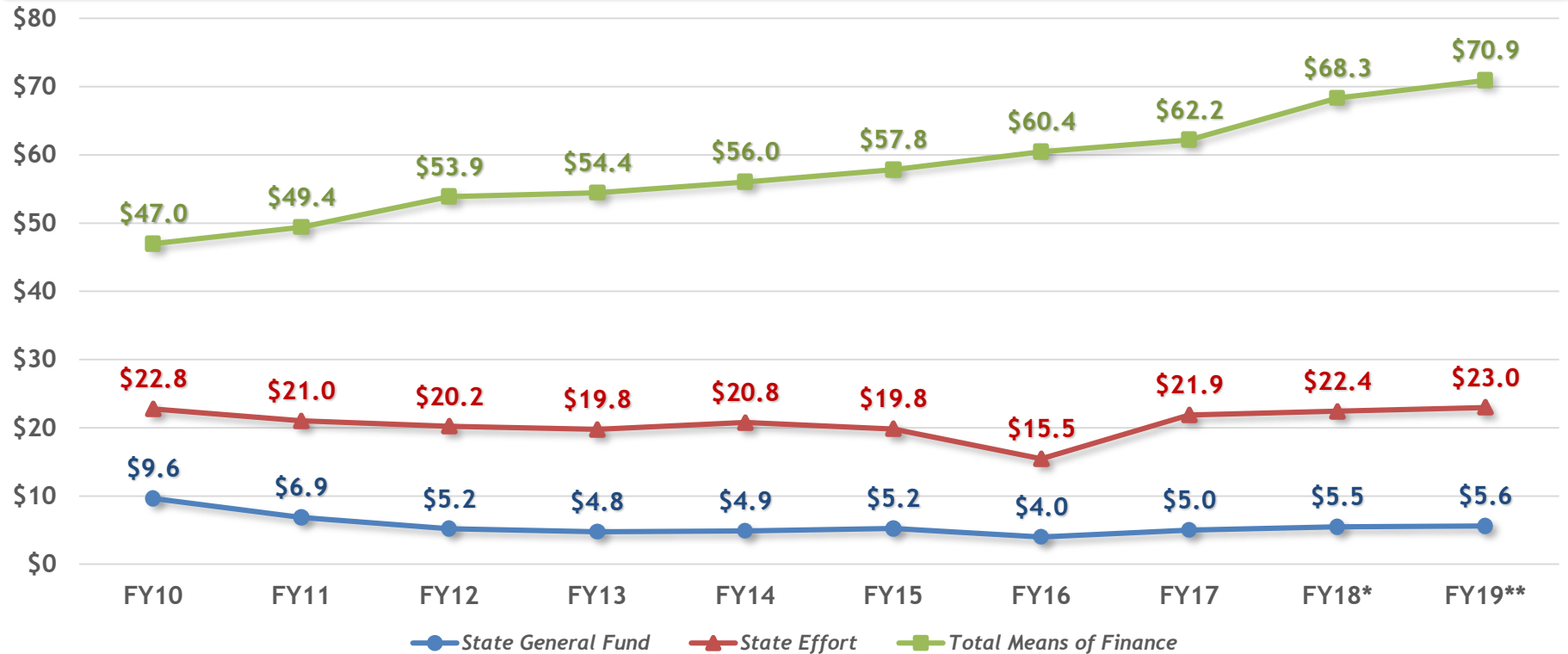
Leesville, LA

Rayville, LA

Slidell, LA

COMING SOON -
Jennings, LA

BUDGET HISTORY (IN MILLIONS)



*Existing Operating Budget as of 12/1/17

**Executive Budget Recommendation

Source: Executive Budget Supporting Documents

MAJOR SOURCES OF FUNDING

Federal Funding \$45.6 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 \$17.3 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.

FUNDING OVERVIEW

Means of Financing	FY 16-17 Prior Year Actual Expenditures	FY 17-18 Existing Operating Budget	FY 18-19 Executive Budget Recommendation	\$ Change from Existing	% Change from Existing
State General Fund	\$4,995,855	\$5,476,292	\$5,592,418	\$116,126	2.1%
Interagency Transfers	\$1,583,991	\$2,835,433	\$2,349,822	(\$485,611)	(17.1%)
Fees and Self-Gen Rev	\$16,432,247	\$16,824,961	\$17,256,667	\$431,706	2.6%
Statutory Dedications	\$442,633	\$115,528	\$115,528	\$0	0.0%
Federal Funds	\$38,726,103	\$43,052,865	\$45,597,601	\$2,544,736	5.9%
Total Means of Finance	\$62,180,829	\$68,305,079	\$70,912,036	\$2,606,957	3.8%



\$2.5M Federal Funds

Due largely to increased utilization of Medicaid funds provided on a filled bed to capacity ratio for each of the veterans homes.



\$485,611 Interagency Transfers

Due largely to the homes no longer sending funds to each other for centralized pharmaceutical duties, and instead handling in house.



\$431,706 Fees & Self-Generated Revenue

Due to projected increase in collections at the homes for pharmaceutical purchases.

PROGRAM LEVEL BUDGET COMPARISON

Program	FY 16-17 Prior Year Actual Expenditures	FY 17-18 Existing Operating Budget	FY 18-19 Executive Budget Recommendation	\$ Change from Existing	% Change from Existing
Administrative	\$3,403,067	\$3,310,559	\$3,009,805	(\$300,754)	(9.1%)
Claims	\$427,939	\$439,636	\$518,860	\$79,224	18.0%
Contact Assistance	\$2,925,888	\$3,565,266	\$3,582,830	\$17,564	0.5%
State Approval Agency	\$297,377	\$315,422	\$343,575	\$28,153	8.9%
State Veterans Cemeteries	\$1,412,709	\$2,352,362	\$2,039,931	(\$312,431)	(13.3%)
Louisiana War Veterans Home	\$10,405,225	\$10,575,533	\$9,668,658	(\$906,875)	(8.6%)
Northeast LA War Veterans Home	\$10,434,717	\$11,396,308	\$12,115,044	\$718,736	6.3%
Southwest LA War Veterans Home	\$11,010,028	\$12,109,710	\$13,065,939	\$956,229	7.9%
Northwest LA War Veterans Home	\$10,422,584	\$11,327,779	\$12,317,670	\$989,891	8.7%
Southeast LA War Veterans Home	\$11,441,295	\$12,912,504	\$14,249,724	\$1,337,220	10.4%
Total Expenditures	\$62,180,829	\$68,305,079	\$70,912,036	\$2,606,957	3.8%

SIGNIFICANT FUNDING CHANGES

AMOUNT	MOF	DESCRIPTION
\$2,700,326	FED	Increases funding for the annualization and implementation of market adjustments and salaries base increases for the department.
\$567,117	FSGR	
\$325,472	SGF	
(\$1,925,669)	FED	Reduction in funding due to statewide adjustments, including an attrition reduction of \$1.2 million, a personnel reduction of 10 positions from the veterans home in Jackson and associated funding, and various payments to other state agencies for services. This is part of a net increase of 1 in positions for the department.
(\$391,482)	FSGR	
(\$209,346)	SGF	
\$882,737	FED	Increase in funding associated with 11 new positions to the various veterans homes for additional staff to address the growing needs of the aging resident populations at the homes. This also provides funding for temporary nursing staff to provide coverage in the situation of a permanent employee suddenly being out on leave. This creates a net increase of 1 after the reduction of 10 positions from the Jackson home.
\$339,712	FSGR	
\$594,360	FED	Increases funding for each Veterans Home to cover the cost of moving pharmacy services in-house to each of the homes.
\$612,070	FED	Increases funding for the veterans homes to realign with FY 17 collections of federal funds.
(\$435,484)	FSGR	Reduction in projected collections due to the reduction of certified beds in the Jackson home from 161 to 129.
(\$204,004)	FED	Reduces funding for the Troops to Teachers Program that provided veterans with training opportunities to become a teacher after being discharged. This program is being eliminated at the federal level.

EXPENDITURE CHANGE OVERVIEW

Expenditure	FY 16-17 Prior Year Actual Expenditures	FY 17-18 Existing Operating Budget	FY 18-19 Executive Budget Recommendation	\$ Change from Existing	% Change from Existing
Salaries	\$30,411,671	\$30,361,430	\$32,855,852	\$2,494,422	8.2%
Other Compensation	\$1,033,599	\$775,555	\$1,283,708	\$508,153	65.5%
Related Benefits	\$13,289,623	\$15,383,540	\$15,565,903	\$182,363	1.2%
Travel	\$157,504	\$172,500	\$172,500	\$0	0.0%
Operating Services	\$3,191,076	\$3,332,494	\$3,209,679	(\$122,815)	(3.7%)
Supplies	\$4,955,954	\$5,473,892	\$6,340,336	\$866,444	15.8%
Professional Services	\$2,868,448	\$3,923,575	\$3,656,488	(\$267,087)	(6.8%)
Other Charges	\$5,404,286	\$6,343,901	\$5,734,562	(\$609,339)	(9.6%)
Acq/Major Repairs	\$868,668	\$2,538,192	\$2,093,008	(\$445,184)	(17.5%)
Total Expenditures	\$62,180,829	\$68,305,079	\$70,912,036	\$2,606,957	3.8%
Authorized Positions	840	842	843	1	0.1%

SIGNIFICANT EXPENDITURE CHANGES

Personnel Services \$3.2M

- Increase in funding due to the annualization and implementation of the new Market Rate based compensation plan with associated related benefits costs, as well as an additional net increase of one authorized position (decrease of 10 from the Jackson Veterans Home, and an increase of 11 throughout the remaining veterans homes) throughout the veterans homes due to increased care needs for aging veterans in the veterans homes. There is also additional funding for temporary nurses that fill in on a substitute basis when full time nurses take leave throughout the veterans homes.

Supplies \$866,444

- Increase in funds is primarily due to an increased need in pharmacy supplies, drugs, and new equipment to run pharmacies in each individual home as a part of its decentralization of pharmacy duties.

Other Charges (\$609,339)

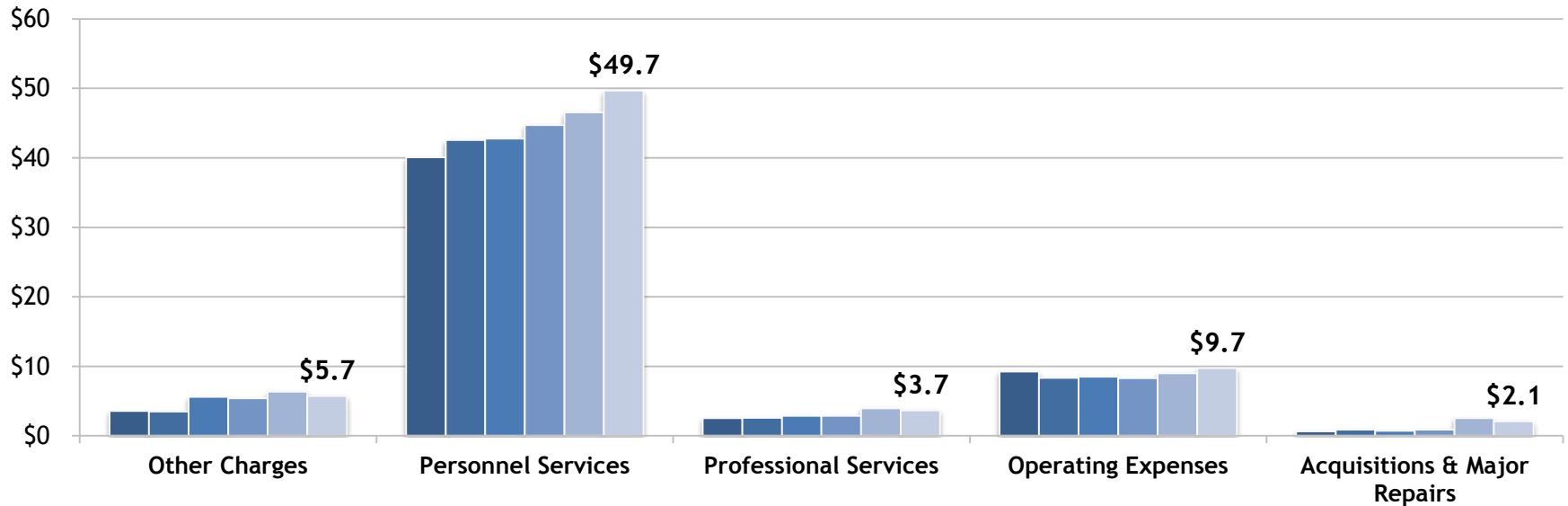
- Decrease in funds is largely due to the reduction in revenues and expenditures relative to reducing the number of beds in the Jackson Veterans Home, as well as an adjustment in cost from the veterans home in Bossier City to allow for the decentralization of pharmacy duties from the home.

Acquisitions & Major Repairs (\$445,184)

- Decrease in funds is due to the completion of maintenance and repairs in the veterans homes in FY 18, therefore not requiring appropriation in FY19.

EXPENDITURE HISTORY

Fiscal Year: ■ 2013-14 ■ 2014-15 ■ 2015-16 ■ 2016-17 ■ 2017-18 EOB* ■ 2018-19 REC**



*Existing Operating Budget as of 12/1/17

**Executive Budget Recommendation

Source: Executive Budget Supporting Documents

OTHER CHARGES

AMOUNT	DESCRIPTION
\$1,871,011	Transfers between agencies throughout the department for services rendered and shared positions
\$1,597,069	Office of Risk Management (ORM) Premium Fees
\$582,181	Office of Technology Services (OTS) Fees
\$325,000	Funds sent to the LDVA Cemeteries Program as seed money for the new cemetery in Jennings, LA
\$300,000	Veterans Disability Benefits
\$191,990	Rent in state-owned buildings
\$184,445	Civil Service Fees
\$154,002	Medal Initiative to award medals to veterans statewide for their military services
\$146,627	Legislative Auditor Fees
\$114,129	Military Family Assistance Program
\$154,205	Miscellaneous Other Charges Expenditures
\$5,734,562	TOTAL OTHER CHARGES

Source: Executive Budget Supporting Documents

DISCRETIONARY/NON-DISCRETIONARY FUNDING

TOTAL BUDGET
\$70.9 Million

**\$2.3 Million IAT
Double Count**

**\$68.6
Million
Remaining**

**Self Generated
Revenue
\$17.3 Million**

**Statutory
Dedications
\$115,528**

**Federal Funds
\$45.6 Million**

**State General Fund
\$5.6 Million**

**Non Discretionary
\$625,468**

**Administrative Program
Group Benefits for Retirees
\$286,851**

**Administrative Program
Rent In State Owned Buildings
\$191,990**

**Administrative Program
Legislative Auditor Fees
\$146,627**

**Discretionary
\$5.0 Million**

**Administrative Program
\$1.9 Million**

**Contact Assistance Program
\$1.4 Million**

**Veterans Cemetery Program
\$1.1 Million**

**Claims Program
\$ 518,860**

PERSONNEL INFORMATION

Personnel/Budget Ratio

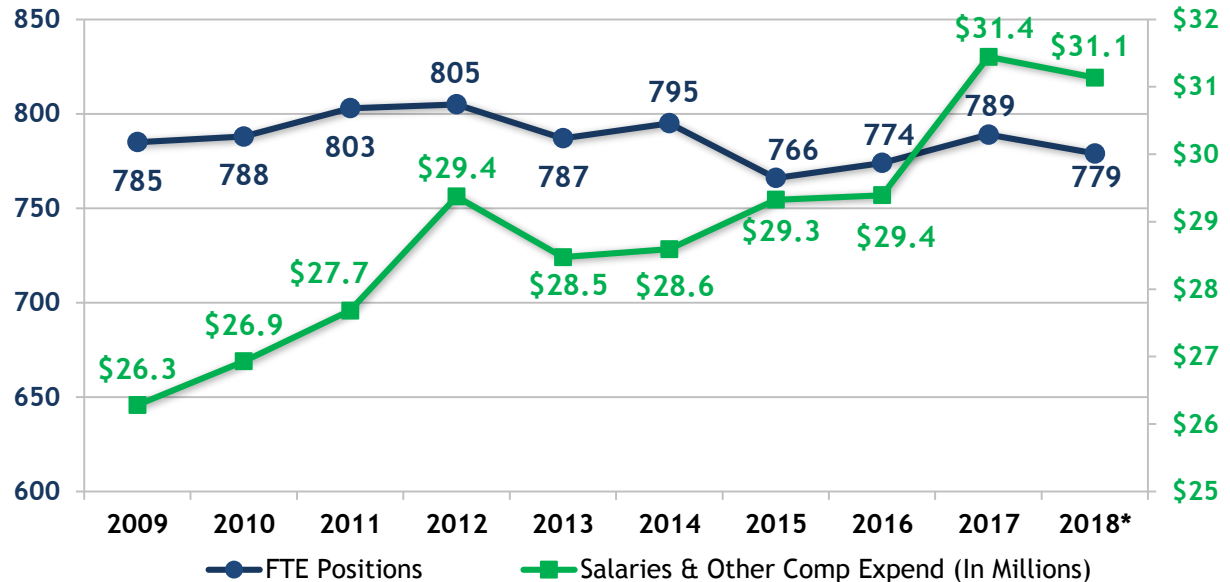
\$ 34.1 M	Salaries and Other Comp.
+ \$ 15.6 M	Related Benefits
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= \$ 49.7 M	Total Personnel Services

76.3% of budget expenditures
(excluding Other Charges)

Authorized Positions

- 843 (838 classified and 5 unclassified)
- Veterans Affairs had 65 vacancies as of 12/25/2017
- 10 of these positions were eliminated in FY19
- No Other Charges Positions

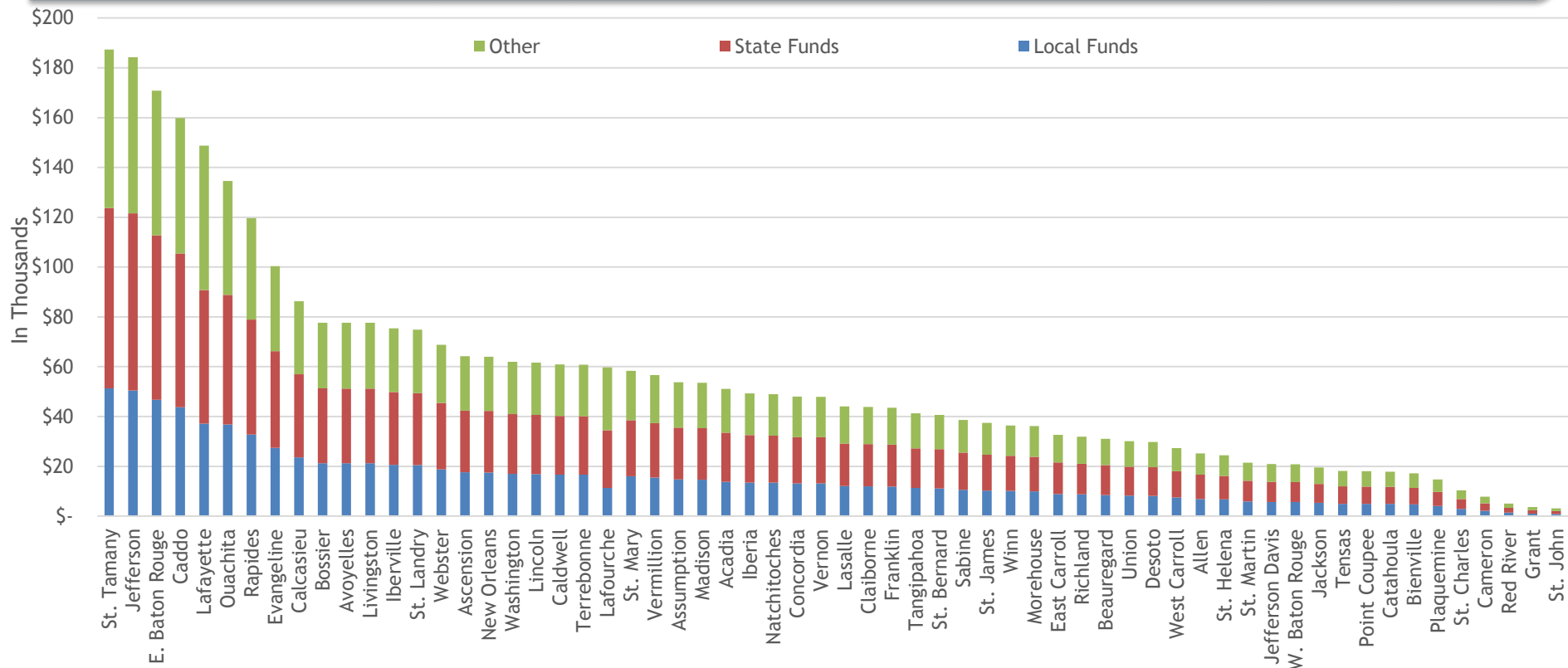
10 Year FTE Positions/Salaries Expended



*Existing Operating Budget as of 12/1/17

Source: Data from the Dept. of Civil Service and the Executive Budget Supporting Documents

PARISH OFFICE COST DISTRIBUTION (IN THOUSANDS)



Source: Louisiana Department of Veterans Affairs

VETERANS HOME AVERAGE COST

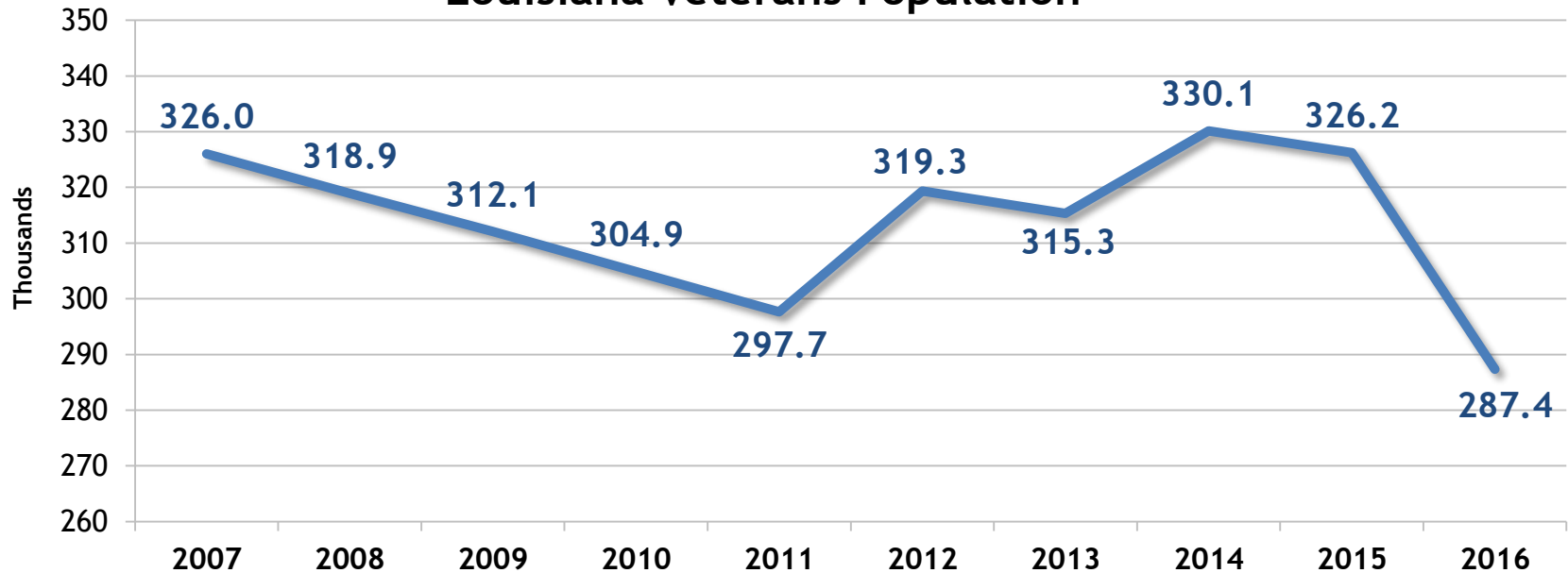
Average Totals	Actual FY 13-14	Actual FY 14-15	Actual FY 15-16	Actual FY 16-17	EOB FY 17-18
Daily Census	143	141	141	137	141
Occupancy Rate	93%	91%	91%	88%	94%
Cost per Patient per Day	\$192	\$198	\$207	\$215	\$208
Cost per Patient per Year	\$70,011	\$72,325	\$75,483	\$78,414	\$76,091

Source: Management at Louisiana Department of Veterans Affairs

POPULATION TREND OF VETERANS IN LA

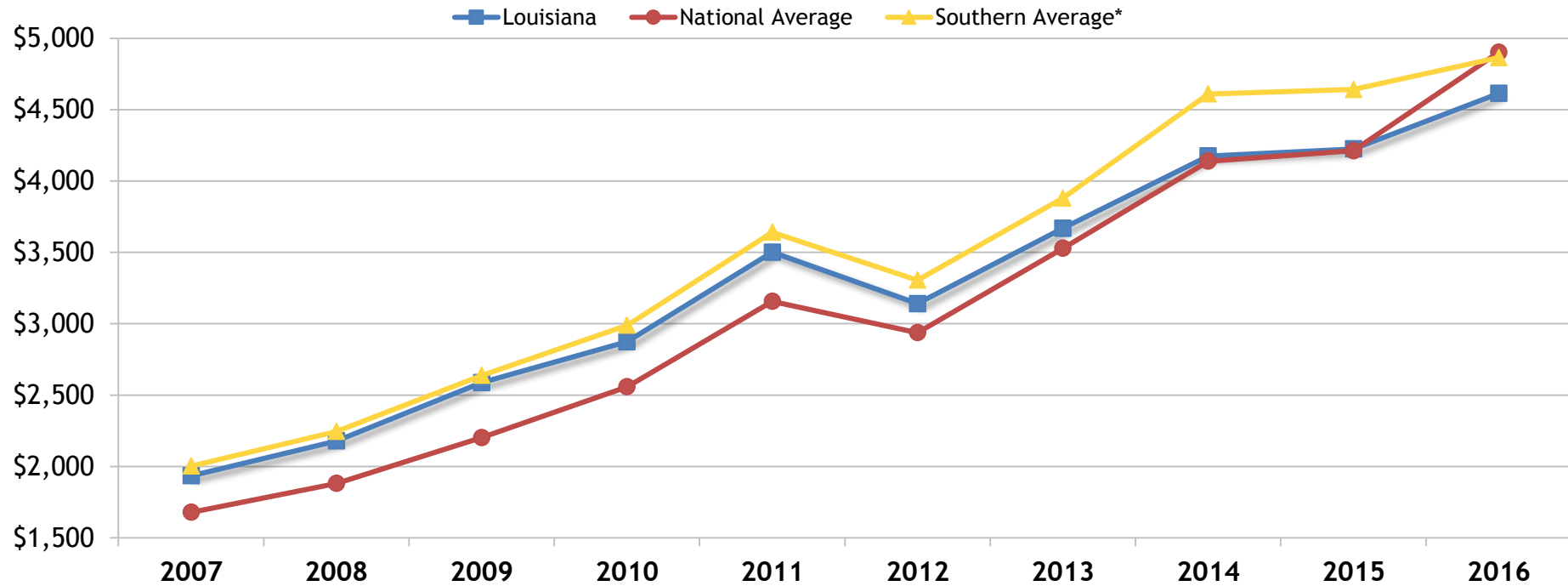
Louisiana's veteran population makes up 6.14% of the total population of the state.

Louisiana Veterans Population



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

AVERAGE BENEFIT RECEIVED PER VETERAN



*Southern average includes Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, South Carolina, Oklahoma, Tennessee, Texas, Virginia, and West Virginia

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

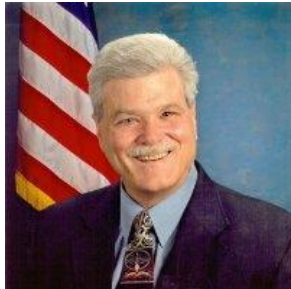
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