

Representative Cameron Henry  
Chairman



Representative Franklin Foil  
Vice Chairman

# **FY19-20 HB 105 Budget Review Department of Veterans Affairs**

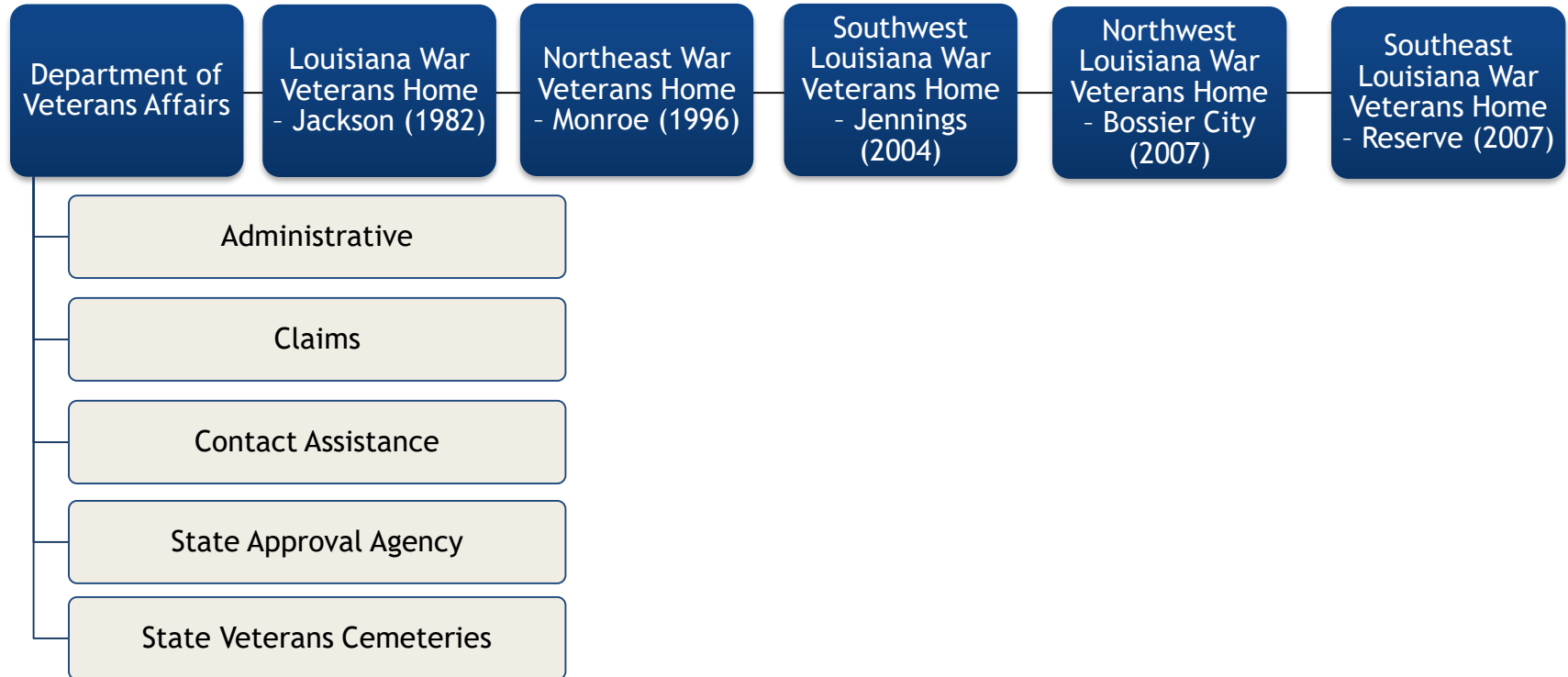
**House Committee on Appropriations**  
by the House Fiscal Division

April 2, 2019

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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).

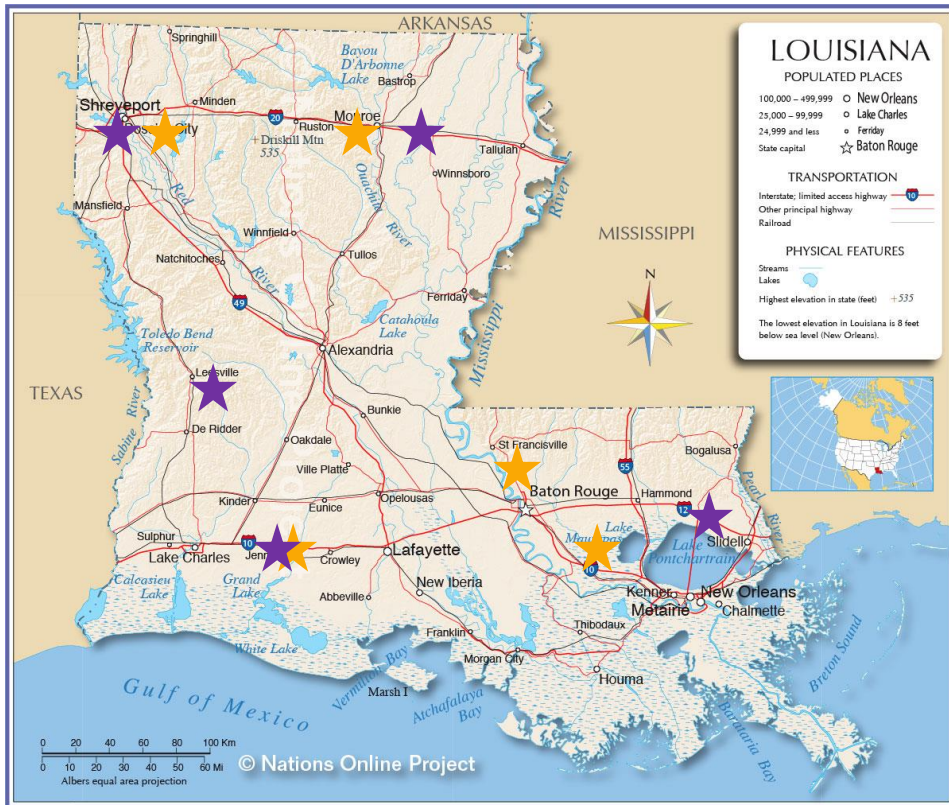
## Veterans Homes

- 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

Keithville, LA

Leesville, LA

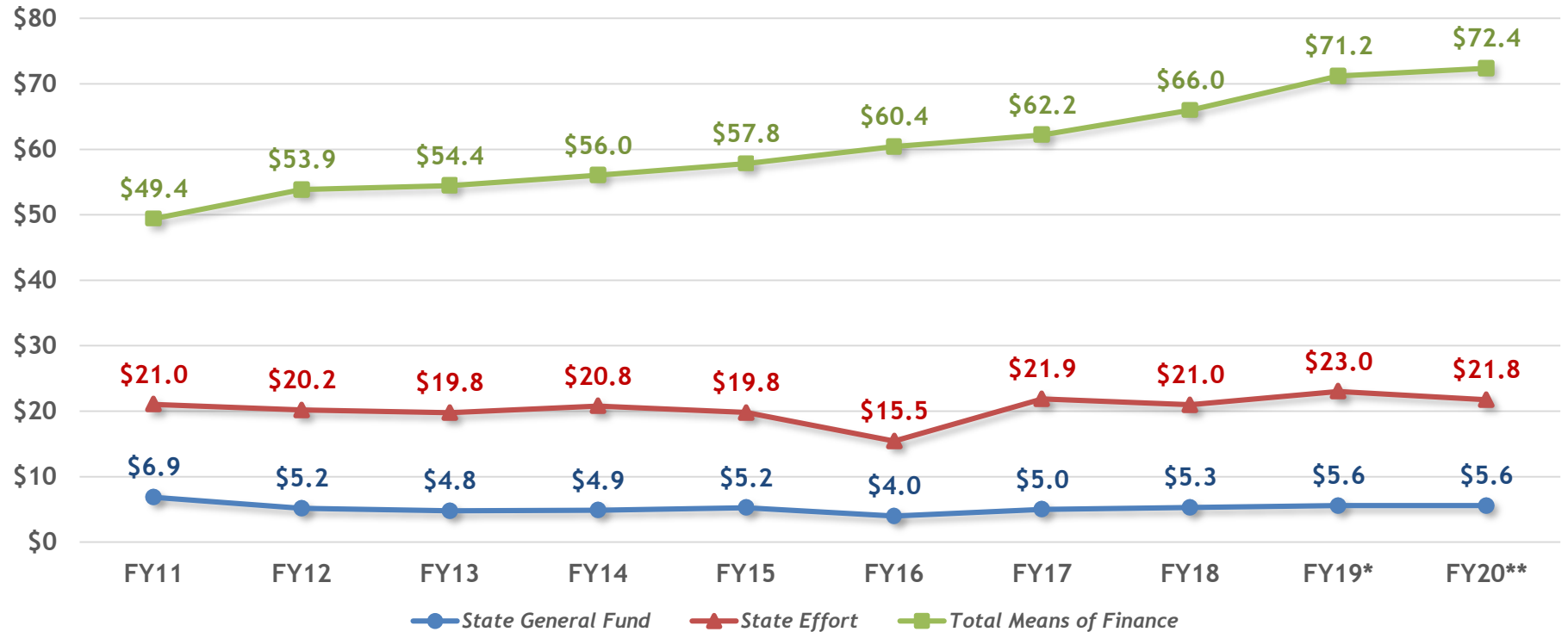
Rayville, LA

Slidell, LA

Jennings, LA



# BUDGET HISTORY (IN MILLIONS)



Sources: Budget Supporting Documents and HB 105 of 2019 RS

\*Existing Operating Budget as of 12/1/18

\*\*HB 105 of the 2019 Regular Session

# MAJOR SOURCES OF FUNDING

## 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.

## 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.

## 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.

## Federal Funding \$48.3 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.

# FUNDING OVERVIEW

Means of Financing	FY 17-18 Prior Year Actual Expenditures	FY 18-19 Existing Operating Budget	FY 19-20 HB 105	\$ Change from Existing	% Change from Existing	\$ Change from Actuals	% Change from Actuals
State General Fund	\$5,302,746	\$5,592,418	\$5,592,418	\$0	0.0%	\$289,672	5.5%
Interagency Transfers	\$2,799,416	\$2,589,825	\$2,262,160	(\$327,665)	(12.7%)	(\$537,256)	(19.2%)
Fees and Self-Gen Rev	\$15,596,447	\$17,296,667	\$16,051,043	(\$1,245,624)	(7.2%)	\$454,596	2.9%
Statutory Dedications	\$107,201	\$115,528	\$115,528	\$0	0.0%	\$8,327	7.8%
Federal Funds	\$42,179,696	\$45,597,601	\$48,337,995	\$2,740,394	6.0%	\$6,158,299	14.6%
<b>Total Means of Finance</b>	<b>\$65,985,506</b>	<b>\$71,192,039</b>	<b>\$72,359,144</b>	<b>\$1,167,105</b>	<b>1.6%</b>	<b>\$6,373,638</b>	<b>9.7%</b>



## \$327,665 Interagency Transfers

Net reduction primarily due to non-recurring expenses due to the construction on the new Veterans Cemetery in Jennings, LA and a reduction of 8 positions at the LA War Veterans Home due to fewer residents.



## \$1.2M Fees and Self-Generated Revenues

Net reduction primarily due to non-recurring acquisitions and major repairs, and a means of finance substitution due to projected increases in available federal funding.



## \$2.7M Federal Funds

Increases in federal funds due anticipated need for additional budget authority for cost of living and per diem. \$1.3M increase in federal funds at Southeast LA Veterans Home due to stable resident population.

# AGENCY FUNDING

Agency Name	FY 17-18 Prior Year Actual Expenditures	FY 18-19 Existing Operating Budget	FY 19-20 HB105	\$ Change from Existing	% Change from Existing	\$ Change from Actuals	% Change from Actuals
Dept. of Veterans Affairs	\$9,373,062	\$9,775,004	\$9,828,493	\$53,489	0.5%	\$455,431	4.9%
LA War Veterans Home	\$10,150,291	\$9,668,658	\$9,722,811	\$54,153	0.6%	(\$427,480)	(4.2%)
NE LA War Veterans Home	\$11,304,924	\$12,115,044	\$12,299,797	\$184,753	1.5%	\$994,873	8.8%
SW LA War Veterans Home	\$11,702,839	\$13,065,939	\$13,442,865	\$376,926	2.9%	\$1,740,026	14.9%
NW LA War Veterans Home	\$11,443,132	\$12,317,670	\$13,030,784	\$713,114	5.8%	\$1,587,652	13.9%
SE LA War Veterans Home	\$12,011,258	\$14,249,724	\$14,034,394	(\$215,330)	(1.5%)	\$2,023,136	16.8%
Department Total	\$65,985,506	\$71,192,039	\$72,359,144	\$1,167,105	1.6%	\$6,373,638	9.7%

# ADJUSTMENTS IN HB 105

## Personal Services \$2.4M

- \$2.4M net increase to fund 88% of projected market rate increases, salary base adjustments, retirement rate and base adjustments, group insurance adjustments, and attrition.
- \$62,793 to create a new position in the State Approval Agency to ensure compliance with the GI bill
- \$18,044 to partially fund the creation of a new Veterans Assistance Counselor position to provide services to veterans in Beauregard, Vernon, and Calcasieu Parishes by reducing wait times.

## Statewide Adjustments \$144,438

- \$144,438 net increases to partially fund statewide adjustments, including Rent in State-Owned Buildings, Risk Management Fees, Civil Service Fees, Office of Technology Services Fees, Legislative Auditor Fees, etc.

## Other Adjustments (\$2.3M)

- \$394,006 to partially fund 80% of projected cost of LaVetCorps, a new activity which will link AmeriCorps volunteers at college campuses to veterans pursuing higher education, costs associated with a veterans cemetery in Jennings, and two new positions.
- (\$425,000) decrease to non-recur one-time funding repairs and seed money of cemeteries
- (\$185,425) decrease to non-recur carryforwards.
- (\$2.1M) reduction associated with non-recurring acquisitions and major repairs.

# POTENTIAL ADJUSTMENTS (STATE GENERAL FUND)

## Personal Services \$455,922

- \$323,062 net increase to fully fund market rate increases, salary base adjustments, retirement rate and base adjustments, group insurance adjustments, and attrition.
- \$103,419 for salaries and related benefits of 5 positions to operate the new Veterans Cemetery in Jennings, LA.
- \$29,441 to partially fund the creation of a new Veterans Assistance Counselor position to provide services to veterans in Beauregard, Vernon, and Calcasieu Parishes by reducing wait times.

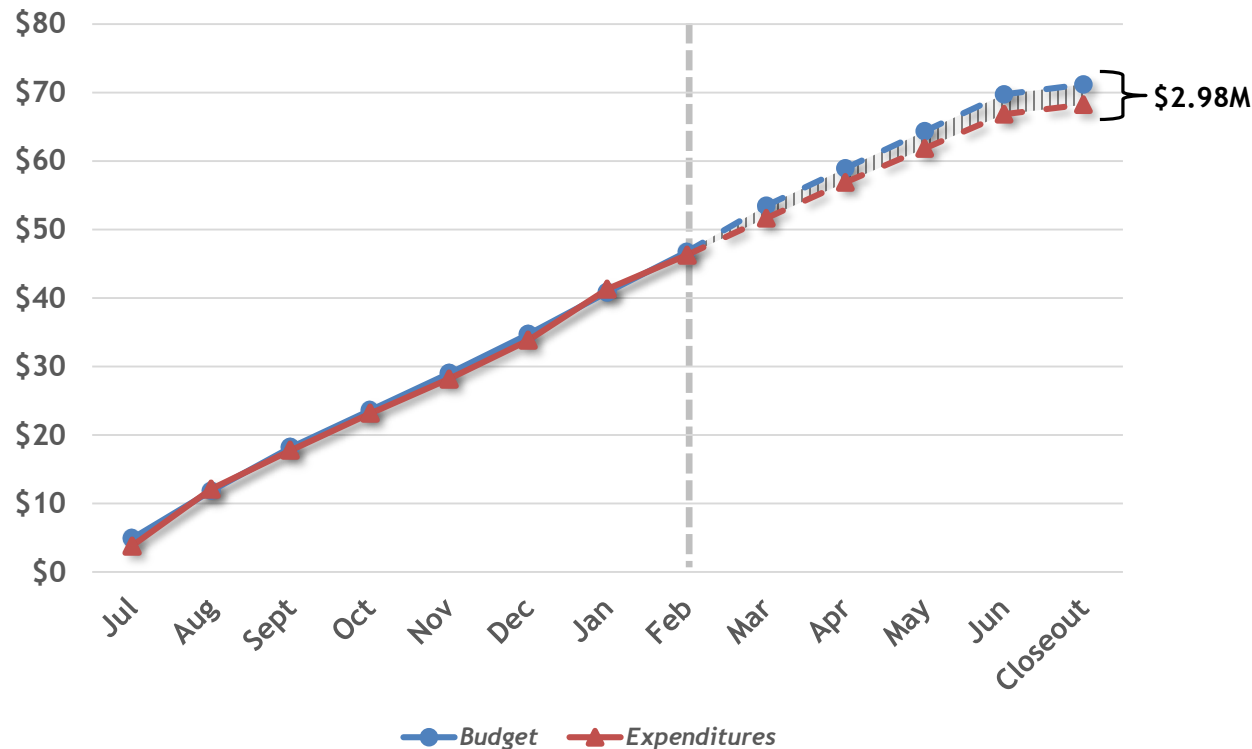
## Statewide Adjustments \$97,254

- \$97,254 net increases to fund statewide adjustments, including Rent in State-Owned Buildings, Risk Management Fees, Civil Service Fees, Office of Technology Services Fees, Legislative Auditor Fees, etc.

## Other Adjustments \$69,975

- \$104,128 to fully fund LaVetCorps, a new activity which will link AmeriCorps volunteers at college campuses to veterans pursuing higher education, costs associated with a veterans cemetery in Jennings, and two new positions.
- \$4,280 for pressure-sensitive signature pads so claims can be submitted electronically.
- **(\$38,433)** reduction associated with non-recurring acquisitions and major repairs.

# FY19 EXPENDITURE TRENDS



Analysis shows approximately \$2.98 million or 4.2% in total means of finance budget authority could be unspent at year-end based on actuals through February and projections through the end of the year.

The remaining budget authority is federal, with some self-generated revenue authority. No state general funds are expected to remain at the end of FY19.

In FY18, \$2.6 million, or 3.7%, of its budget authority was left unspent, primarily comprised of \$1.4 million in self-generated revenues, \$873,000 federal funds, and \$248,000 state general funds.

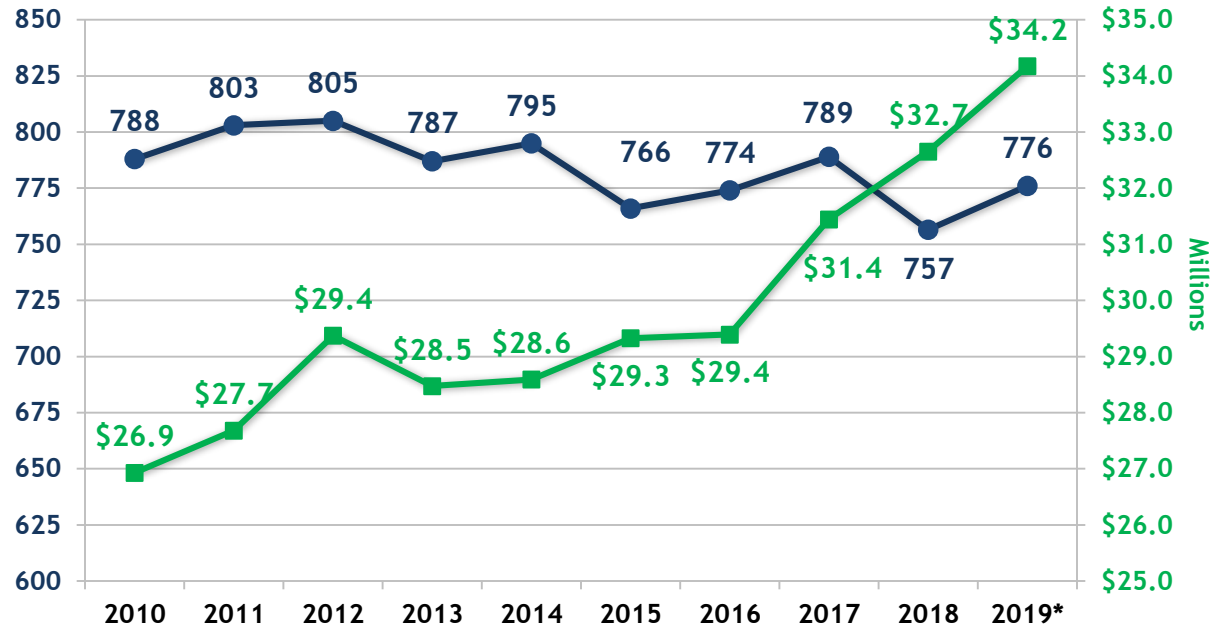


# PERSONNEL INFORMATION

## Authorized Positions

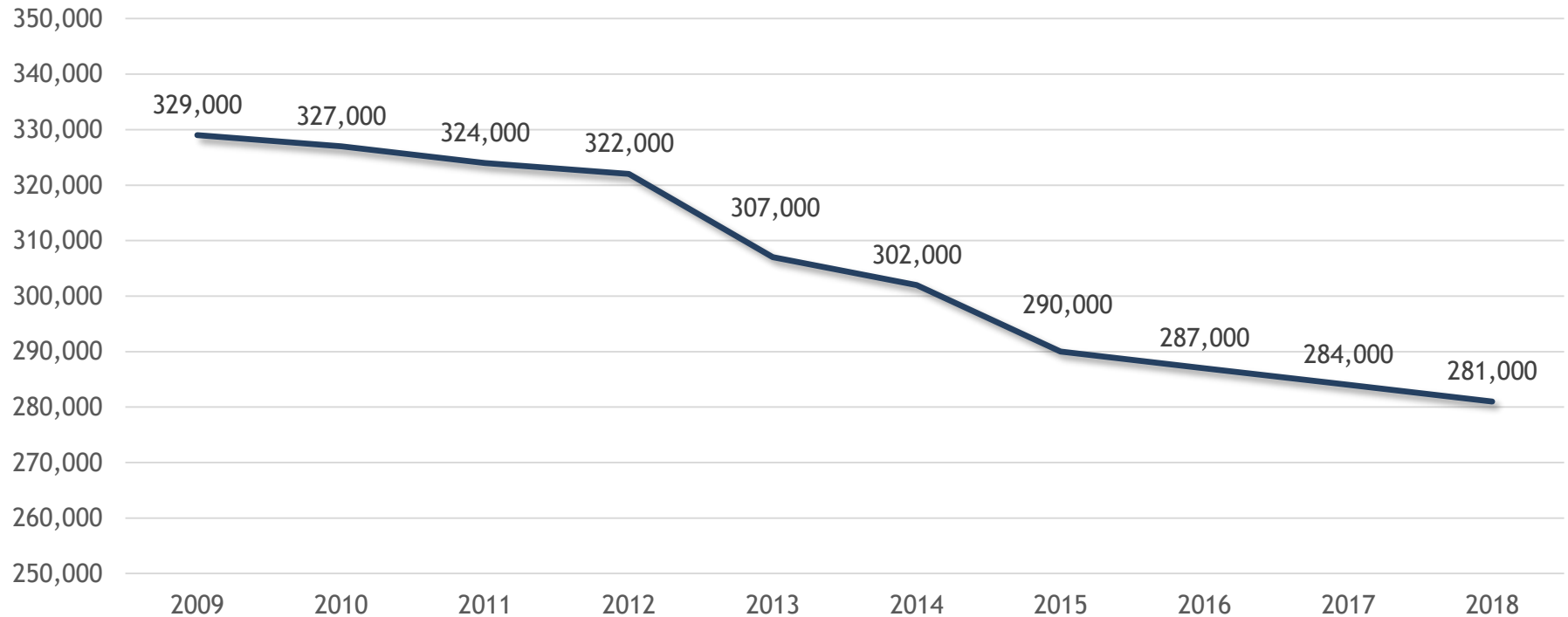
- 842 (834 classified and 8 unclassified)
- Veterans Affairs had 94 vacancies as of 1/31/2019
- 0 Other Charges positions and 0 Non-T.O. FTE positions
- 8 vacancies were eliminated

## 10 Year FTE Positions/Salaries Expended



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

# ESTIMATED NUMBER OF VETERANS IN LOUISIANA



**Source:** Data from the National Center for Veterans Analysis and Statistics, Office of Enterprise Integration, U.S. 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	Actual FY 17-18
Daily Census	142	141	141	136	138
Occupancy Rate	92%	91%	91%	88%	89%
Cost per Patient per Day	\$184	\$194	\$202	\$212	\$222
Cost per Patient per Year	\$67,528	\$70,923	\$73,402	\$77,704	\$80,667

Source: House Fiscal Division calculations based on Executive Budget supporting Documents and Performance Indicators

# DEPARTMENT CONTACTS



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