

Representative Jim Fannin
Chairman



Representative Simone Champagne
Vice Chairman

FY 13-14 Executive Budget Review
VETERANS AFFAIRS

House Committee on Appropriations

by House Fiscal Division

March 3, 2013



Agenda

Budget Overview

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Department Structure

Department of Veterans Affairs



- Administrative Program
- Claims Program
- Contact Assistance Program
- State Approval Agency Program
- State Veterans Cemetery Program

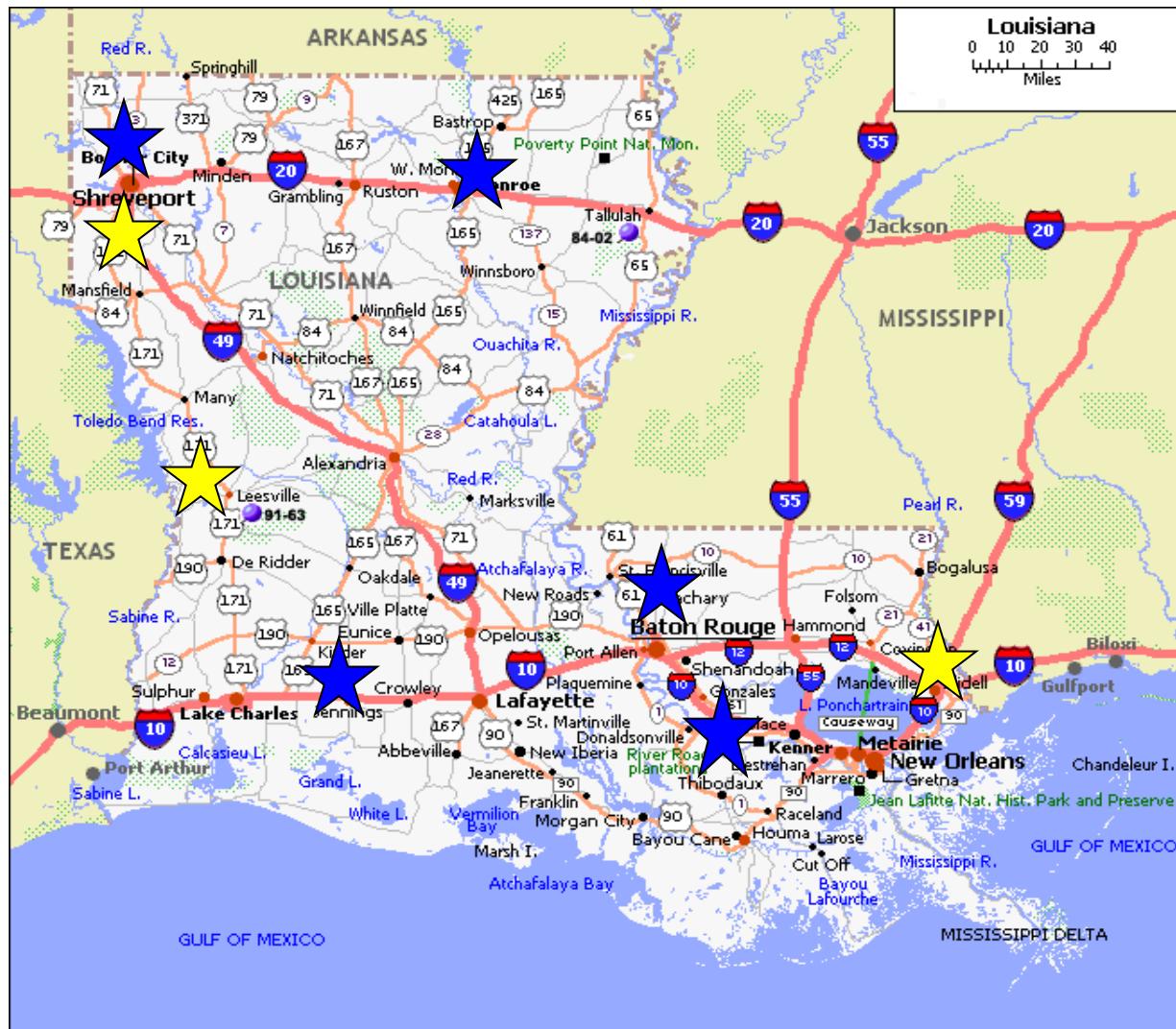
War Veterans Homes

- Louisiana War Veterans Home – **Jackson**
- Northeast War Veterans Home – **Monroe**
- Southwest Louisiana Veterans Home – **Jennings**
- Northwest Louisiana Veterans Home – **Bossier City**
- Southeast War Veterans Home – **Reserve**



Facility Locations

-  Veterans Homes
-  Veterans Cemeteries





Comparison to Total State Budget FY 13-14

| Means of Finance | Veterans Affairs | Total State Budget | % of Total State Budget |
|-------------------------|---------------------|-------------------------|-------------------------|
| State General Fund | \$5,204,047 | \$8,225,500,000 | 0.1% |
| Interagency Transfers | \$1,407,771 | \$1,994,155,707 | 0.1% |
| Fees and Self-gen. Rev. | \$16,423,557 | \$3,492,386,577 | 0.5% |
| Statutory Dedications | \$115,528 | \$4,161,779,605 | 0.0% |
| Federal Funds | \$34,292,400 | \$10,237,571,671 | 0.3% |
| TOTAL MOF | \$57,443,303 | \$28,111,393,560 | 0.2% |
| Authorized Positions | 839 | 56,339 | 1.5% |



Means of Finance

| Means of Finance | Actual Expenditures FY 11-12 | Existing Operating Budget FY 12-13 (12/1/12) | Executive Budget Recommended FY 13-14 | Change from FY12-13 to FY13-14 | Percent Change from FY12-13 to FY13-14 |
|-----------------------|------------------------------|--|---------------------------------------|--------------------------------|--|
| State General Fund | \$5,181,345 | \$5,613,948 | \$5,204,047 | (\$409,901) | -7.3% |
| Interagency Transfers | \$1,008,144 | \$1,464,960 | \$1,407,771 | (\$57,189) | -3.9% |
| Fees and Self-Gen Rev | \$14,866,137 | \$15,566,572 | \$16,423,557 | \$856,985 | 5.5% |
| Statutory Dedications | \$153,074 | \$300,000 | \$115,528 | (\$184,472) | -61.5% |
| Federal Funds | \$32,647,652 | \$34,555,356 | \$34,292,400 | (\$262,956) | -0.8% |
| TOTAL | \$53,856,352 | \$57,500,836 | \$57,443,303 | (\$57,533) | -0.1% |
| Authorized Positions | 830 | 835 | 839 | 4 | 0.5% |

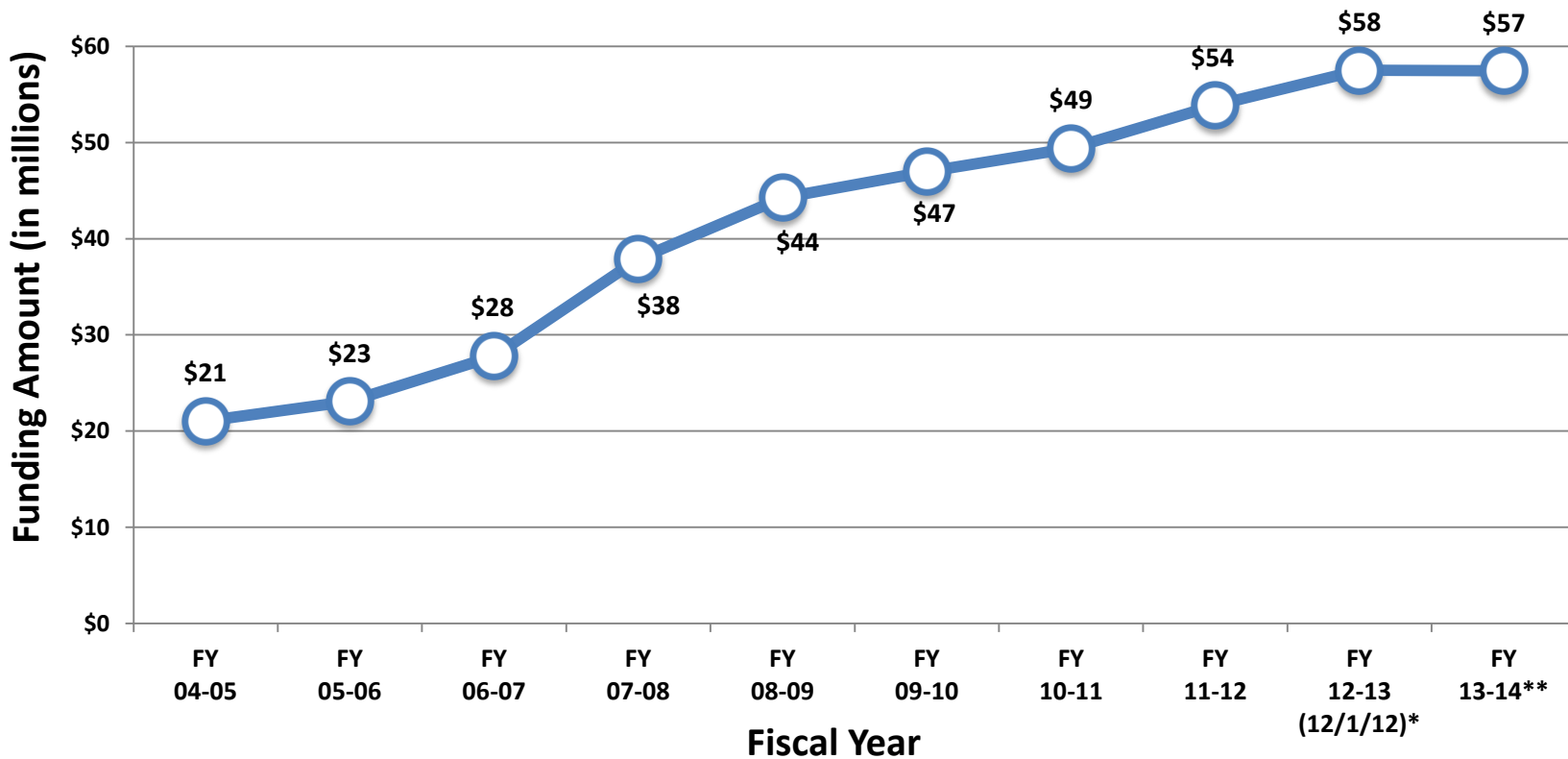
Southeast Louisiana Cemetery – Slidell, La

- Projected opening-- February 2014.
- Increase of 4 authorized positions for facility operations.
- Will be the third state veterans cemetery in Louisiana.
- Total State Veterans Cemetery program funding for FY 13-14 is \$1 million.



10 Year Budget History

VETERANS AFFAIRS (Total Means of Finance)



*Existing Operating Budget
** Governor's Executive Budget Recommendations

Source: Executive Budget Supporting Documents



VA Agency Budget Comparisons

Total Means of Financing

| <u>Agencies</u> | <u>FY 12-13 (EOB)</u> | <u>FY 13-14</u> | <u>Difference</u> |
|---------------------------------------|-----------------------|---------------------|-------------------|
| Department of Veterans Affairs | \$8,139,519 | \$7,408,994 | -\$730,525 |
| Louisiana War Veterans Home | 9,628,125 | 9,813,730 | 185,605 |
| Northeast Louisiana War Veterans Home | 9,817,061 | 9,777,185 | -39,876 |
| Southwest Louisiana War Veterans Home | 9,597,121 | 9,655,505 | 58,384 |
| Northwest Louisiana War Veterans Home | 9,674,844 | 9,888,394 | 213,550 |
| Southeast Louisiana War Veterans Home | 10,644,166 | 10,899,495 | 255,329 |
| TOTAL | \$57,500,836 | \$57,443,303 | -\$57,533 |

- The War Veteran Homes recommended funding in FY13-14 makes up 87% of the agencies total recommended funding.
- War Veteran Homes are funded with Fees and Self-generated Revenues and Federal Funds (No State General Funds)



Major Sources of Revenues FY 13-14

Louisiana Department of Veterans Affairs

State General Fund - \$5.2 million

- No State General Fund support funds operations in the Louisiana VA Homes.

Self-generated Revenues - \$16.4 million

- Self-generated Revenue support is primarily self-pay by veterans.

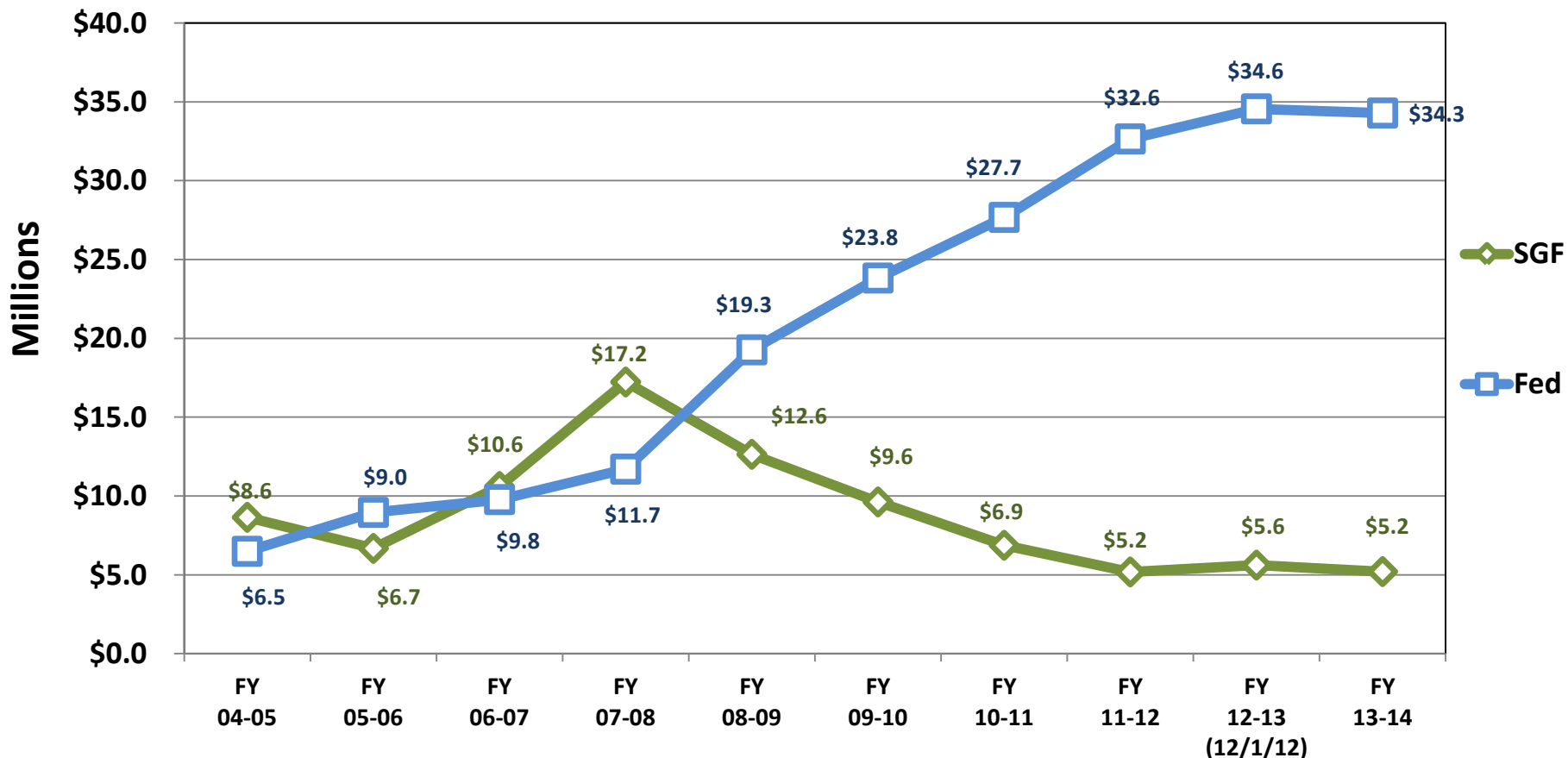
Federal Funds - \$34.3 million

- Federal Funds in part are derived from the Veterans Administration for patient care days based on a reimbursement rate **\$97.07 per day**, per nursing care veteran housed reflected in the daily census.
- Medicare eligible residents cost reimbursement from the U.S. Department of Veterans Affairs are between \$300-\$500 per resident, per day (Part A).



Means of Finance Comparison

LDVA Historical Budget Trends State General Fund vs. Federal Funds



Source: Executive Budget Supporting Documents



Expenditure Breakdown

| | | | | | |
|-----------------------|---------------------|---------------------|---------------------|-------------------|--------------|
| Salaries | \$28,665,814 | \$27,456,251 | \$28,079,453 | \$623,202 | 2.3% |
| Other Compensation | \$706,725 | \$699,639 | \$699,639 | \$0 | 0% |
| Related Benefits | \$10,254,261 | \$11,351,577 | \$11,889,992 | \$538,415 | 4.7% |
| Travel | \$167,892 | \$220,340 | \$228,615 | \$8,275 | 3.8% |
| Operating Services | \$2,880,884 | \$3,411,533 | \$3,429,925 | \$18,392 | 0.5% |
| Supplies | \$4,842,683 | \$5,631,232 | \$5,307,808 | (\$323,424) | -5.7% |
| Professional Services | \$2,812,022 | \$3,267,452 | \$3,204,666 | (\$62,786) | -1.9% |
| Other Charges | \$3,112,613 | \$4,085,450 | \$3,610,527 | (\$474,923) | -11.6% |
| Acq/Major Repairs | \$413,458 | \$1,377,362 | \$992,678 | (\$384,684) | -27.9% |
| Unallotted | \$0 | \$0 | \$0 | \$0 | 0% |
| TOTAL EXP | \$53,856,352 | \$57,500,836 | \$57,443,303 | (\$57,533) | -0.1% |

Salaries:

Salaries category increased to include 4 new positions within the Cemetery program at the Southeast Louisiana facility, and increased due to a correction made in the OPB calculation for the current fiscal year.

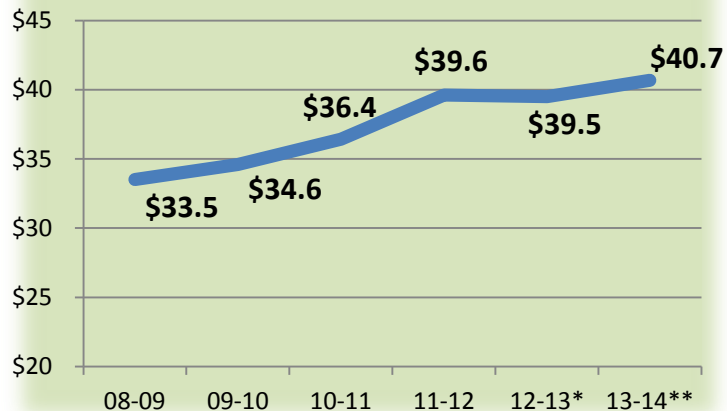
Acquisitions and Major Repairs:

In FY12-13 the War Veterans Homes needed funding for vital maintenance items, such as new Air Conditioning systems and hot water systems, fleet vehicles and updated charting systems, which was non-recurred in FY 13- 14.

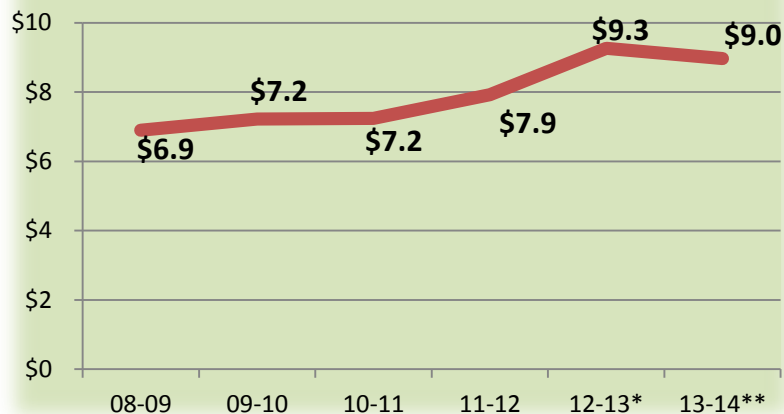


6-Year Expenditure History (in millions)

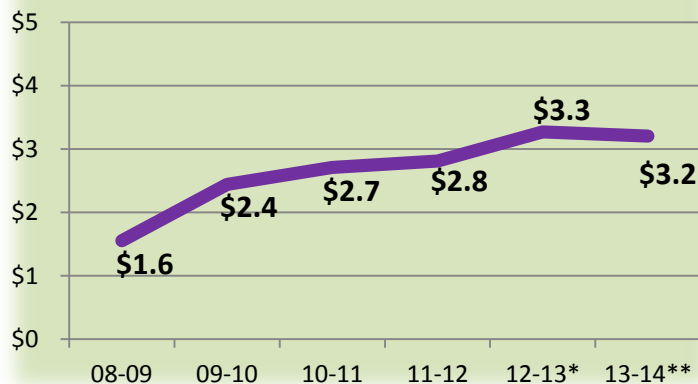
Personal Services



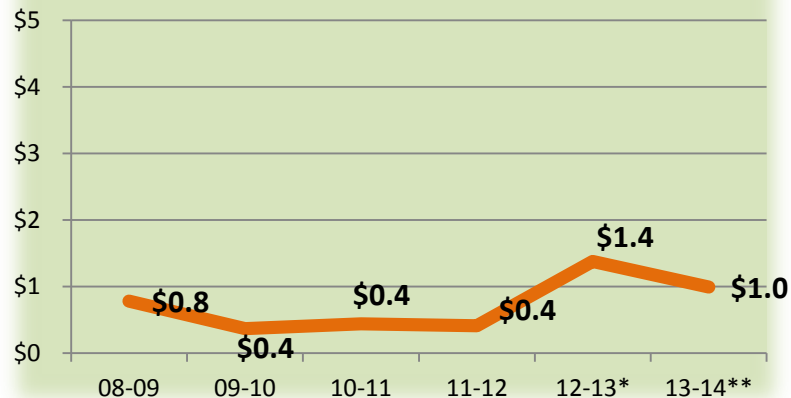
Operating Expenses



Professional Services

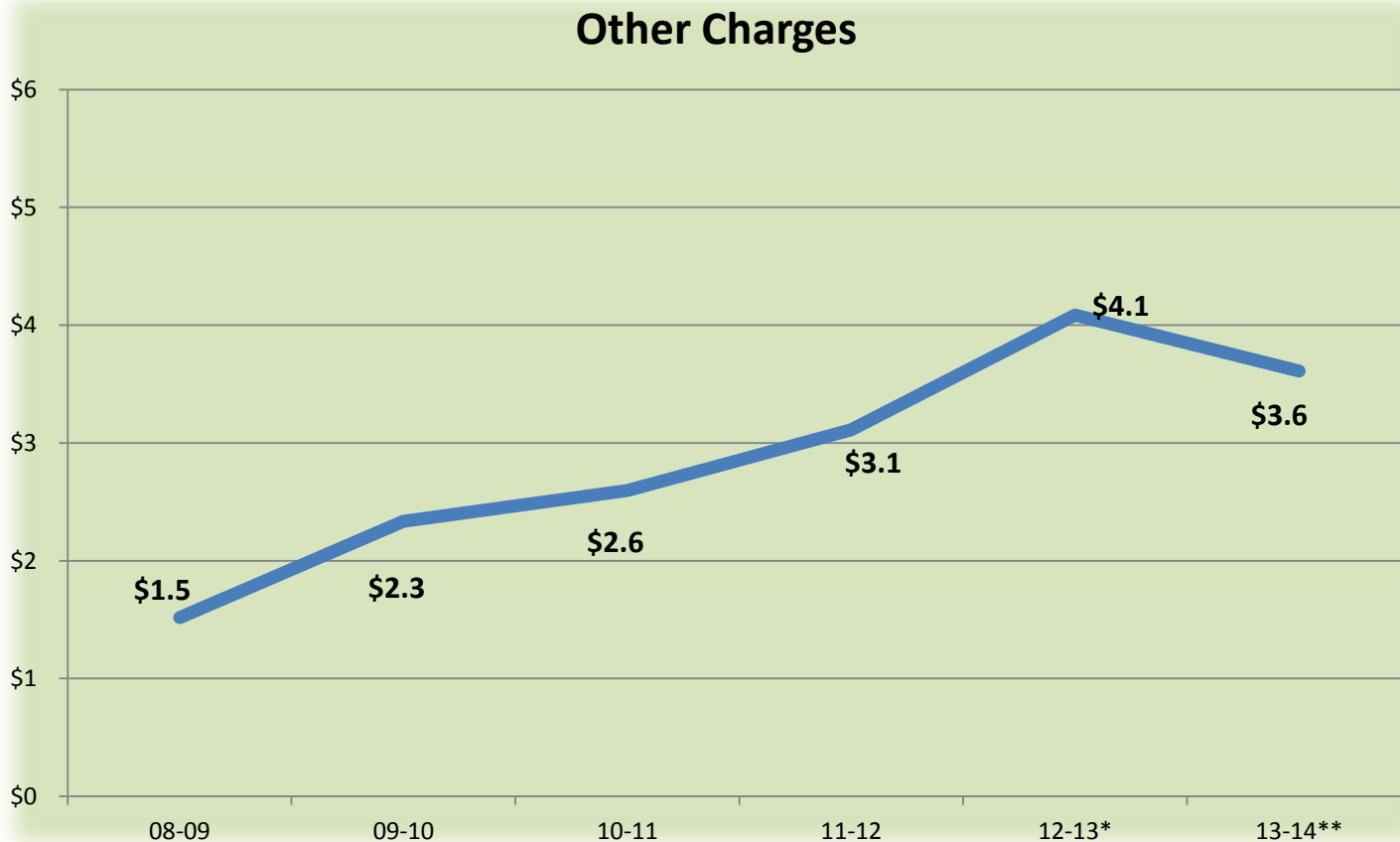


Acquisitions & Major Repairs





6-Year Expenditure History (in millions)



Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/12

**Governor's Executive Budget Recommendation



Significant Agency Adjustments

Reduces funding associated with standard statewide adjustments (items such as Civil Service training, employee retirement, group insurance and attrition).

(\$53,599) SGF | \$18,733 IAT | \$338,952 SGR | \$528 SD | \$211,085 FED | TOTAL \$515,699

Reduces funding for "service related disability or other war related impediments" inserted in HB 1 in the 2012 Regular Session.

(\$500,000) SGF | \$0 IAT | \$0 SGR | \$0 SD | \$0 FED | TOTAL (\$500,000)

Reduces funding for Acquisitions and Major Repairs.

(\$55,000) SGF | (\$76,040) IAT | \$389,143 SGR | \$0 SD | (\$628,715) FED | TOTAL (\$370,612)

Reduces funding to Statutory Dedications due to lowered collection projections in the Louisiana Military Family Assistance Fund.

\$0 SGF | \$0 IAT | \$0 SGR | (\$185,000) SD | \$0 FED | TOTAL (\$185,000)

Increases funding associated with statewide standard adjustments.

\$44,527 SGF | \$118 IAT | \$49,108 SGR | \$0 SD | \$171,172 FED | TOTAL \$264,925

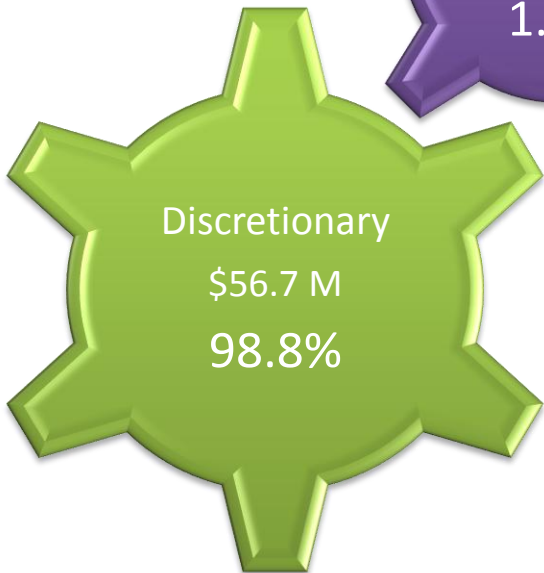
Increases funding to the Cemetery program for an increased T.O. of 4 at the new Southeast Louisiana Cemetery.

\$203,168 SGF | \$0 IAT | \$0 SGR | \$0 SD | \$0 FED | TOTAL \$203,168



Discretionary/Nondiscretionary Funding in FY 13-14 Executive Budget

**Veterans Affairs Total Budget
\$57.4 M**



| Program | Nondiscretionary SGF Amount |
|--------------------------------|--------------------------------|
| Administrative | \$531,075 |
| Louisiana War Veterans Home | \$0 |
| Northeast LA War Veterans Home | \$0 |
| Northwest LA War Veterans Home | \$0 |
| Southwest LA War Veterans Home | \$0 |
| Southeast LA War Veterans Home | \$0 |
| TOTAL | \$531,075 |



Discretionary/Nondiscretionary Funding in FY 13-14 Executive Budget

| Budget Unit | Discretionary SGF | Nondiscretionary SGF |
|---------------------------------------|--------------------|----------------------|
| Department of Veterans Affairs | \$4,672,972 | \$531,075 |
| Louisiana War Veterans Home | \$0 | \$0 |
| Northeast Louisiana War Veterans Home | \$0 | \$0 |
| Southwest Louisiana War Veterans Home | \$0 | \$0 |
| Northwest Louisiana War Veterans Home | \$0 | \$0 |
| Southeast Louisiana War Veterans Home | \$0 | \$0 |
| TOTAL SGF | \$4,672,972 | \$531,075 |

Notes:

- Approximately 60% of the agencies total discretionary funding (\$34.2 million), is from Federal funding provided by the federal veterans affairs system for patient care.
- Non-Discretionary items include the following: rent in state owned buildings, Legislative Auditor fees, and group insurance for Retirees.



FY 13-14 Salaries and Positions

- \$28.8 million for Salaries and Other Compensation
- \$11.9 million for Related Benefits
- Total Personnel Services = \$40.7 million, 75.6% of the VA total Executive Budget Recommendation (excluding Other Charges)

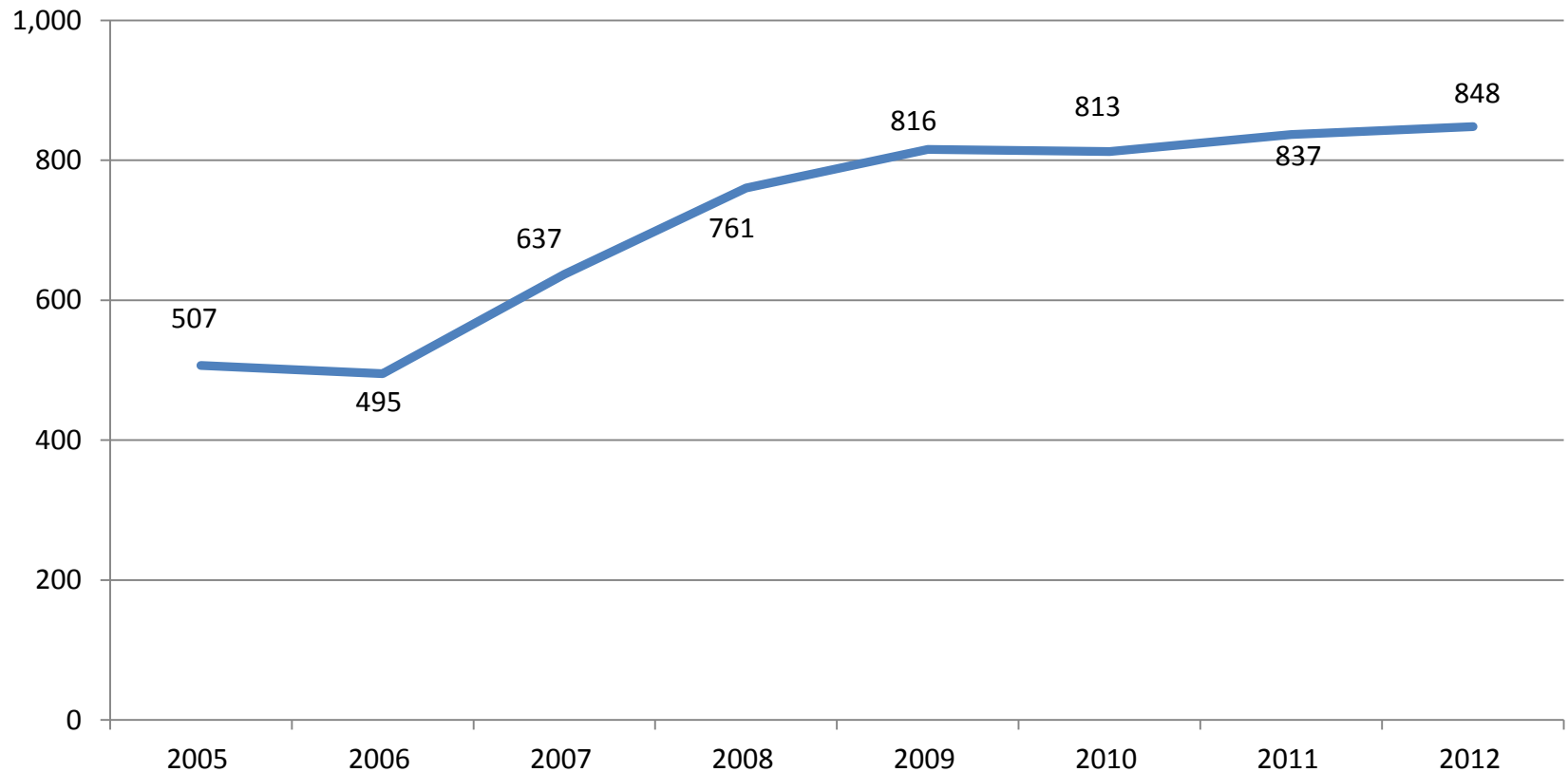
- 839 Authorized Positions (830 classified and 9 unclassified)
- 0 Full-time non-T.O. positions

- As of 1/30/2013, VA had 34 vacancies



Veterans Affairs

TOTAL FULL-TIME EQUIVALENT (FTE) POSITIONS

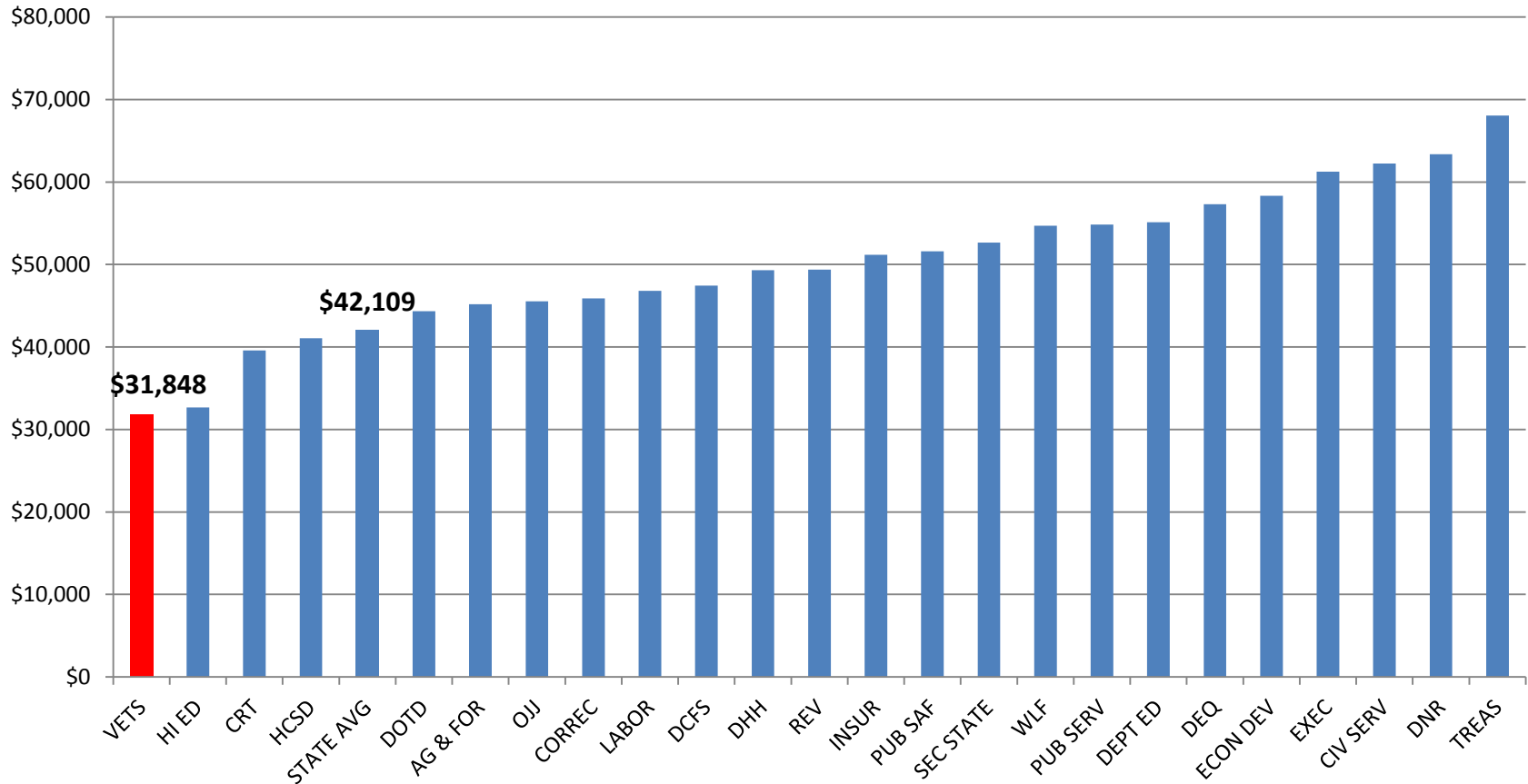


Source: State Civil Service Report on State Employment



Veterans Affairs

CLASSIFIED AVERAGE ANNUAL PAY PER FTE

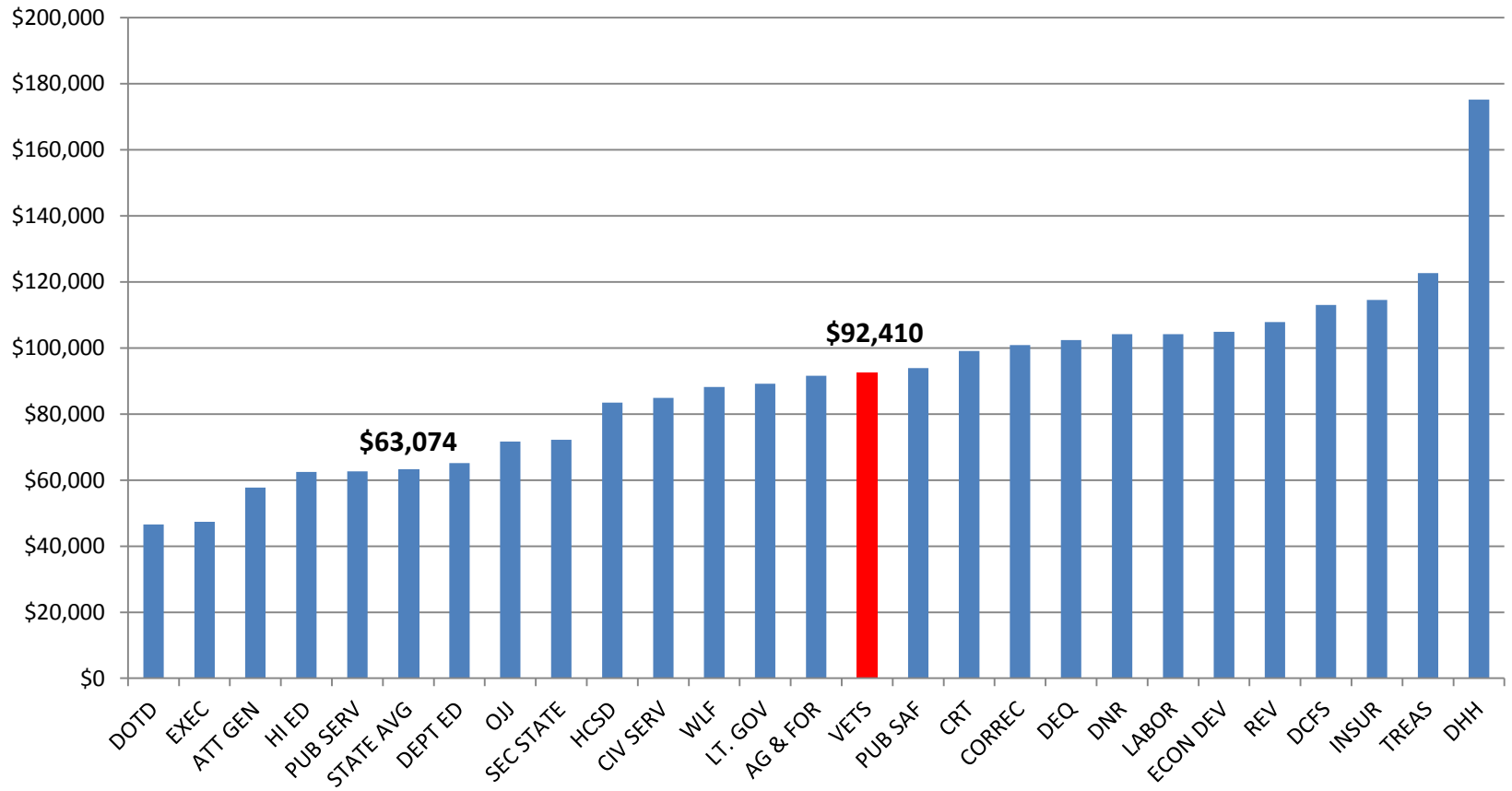


Source: Integrated Statewide Information System



Veterans Affairs

UNCLASSIFIED AVERAGE ANNUAL PAY PER FTE



Source: Integrated Statewide Information System



Budget Metrics by Actual Fiscal Years

LDVA War Veterans Homes -Statewide

| Average Totals | Actual FY 08-09 | Actual FY 11-12 | Difference |
|---------------------------------------|--------------------|--------------------|------------|
| Daily census of residents | 130.4 | 145.5 | 11.5% |
| Occupancy rate | 88% | 94% | 6% |
| Avg. total cost per patient – day | \$172.75 | 179.39 | \$6.64 |
| Avg. SGF funding per patient – day | \$34.24 | \$0 | -100% |
| Avg. total cost per patient – yearly | \$63,054 | \$65,477 | 3.84% |
| Avg. SGF funding per patient – yearly | \$12,498 | \$0 | -100% |



Budget Metrics: EOB vs. Recommended

LDVA War Veterans Homes- Statewide

| Average Totals | EOB FY 12-13 | Executive Budget FY 13-14 | Difference |
|--------------------------------------|-----------------|---------------------------------|------------|
| Daily census | 147.6 | 146.0 | -1.6 |
| Occupancy rate | 95.1% | 94.2% | -0.9% |
| Avg. total cost per patient – day | \$183 | \$188 | \$5 |
| Avg. total patient system cost – day | \$27,011 | \$27,448 | \$437 |
| Avg. total cost per patient – yearly | \$66,919 | \$68,620 | \$1,701 |
| Avg. state cost per patient – yearly | \$0 | \$0 | \$ - |



Department Contacts

| AGENCY | Agency Head | Phone |
|----------------------------------|--------------------|----------------|
| Secretary | David LeCerte | (225) 922-0501 |
| Dueputy Undersecretary - Finance | Robert Hayes | (225) 219-5020 |
| Chief Financial Officer | Stephanie Wade | (225) 219-5018 |
| Communications Director | Robin Keller | (225) 219-5590 |