

Representative Jim Fannin
Chairman



Representative Simone Champagne
Vice Chairman

FY 14-15 Executive Budget Review VETERANS AFFAIRS

House Committee on Appropriations
by the House Fiscal Division
March 17, 2014



Agenda

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Department Functions

Veterans Parish Services Offices

- Maintains a claims assistance office at the U.S. Department of Veterans Affairs Regional Office in New Orleans, as well as parish service offices in all 64 parishes
- Advise and assist Louisiana veterans and their dependents in filing and pursuing claims with the federal VA

Military Family Assistance Fund

- Addresses financial hardships Louisiana National Guardsmen and Reservists and their dependents may encounter when they are placed on active-duty status
- Funded by private donations from individuals and corporations

Provides Assistance To Approved Education Institutions And Training Establishments

- There are numerous approved establishments that serve over 5,700 veterans and/or dependents

Troops to Teachers

- Recruit quality teachers for schools that serve students from low-income families and to relieve teacher shortages
- Provides information, advice, and funding to eligible veterans, reservists, and active duty personnel who are about to leave active service and want to pursue teaching as a second career.

Veterans Homes

- Provides nursing care to eligible veterans in five veteran nursing homes

Veterans Cemeteries

- Available for qualifying Veterans, their spouses, and dependent children
- No charge for veteran burials
- Recently awarded a construction grant to LDVA to build a fourth Louisiana Veterans Cemetery in Rayville, Louisiana.



Department Structure

Department of Veterans Affairs

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

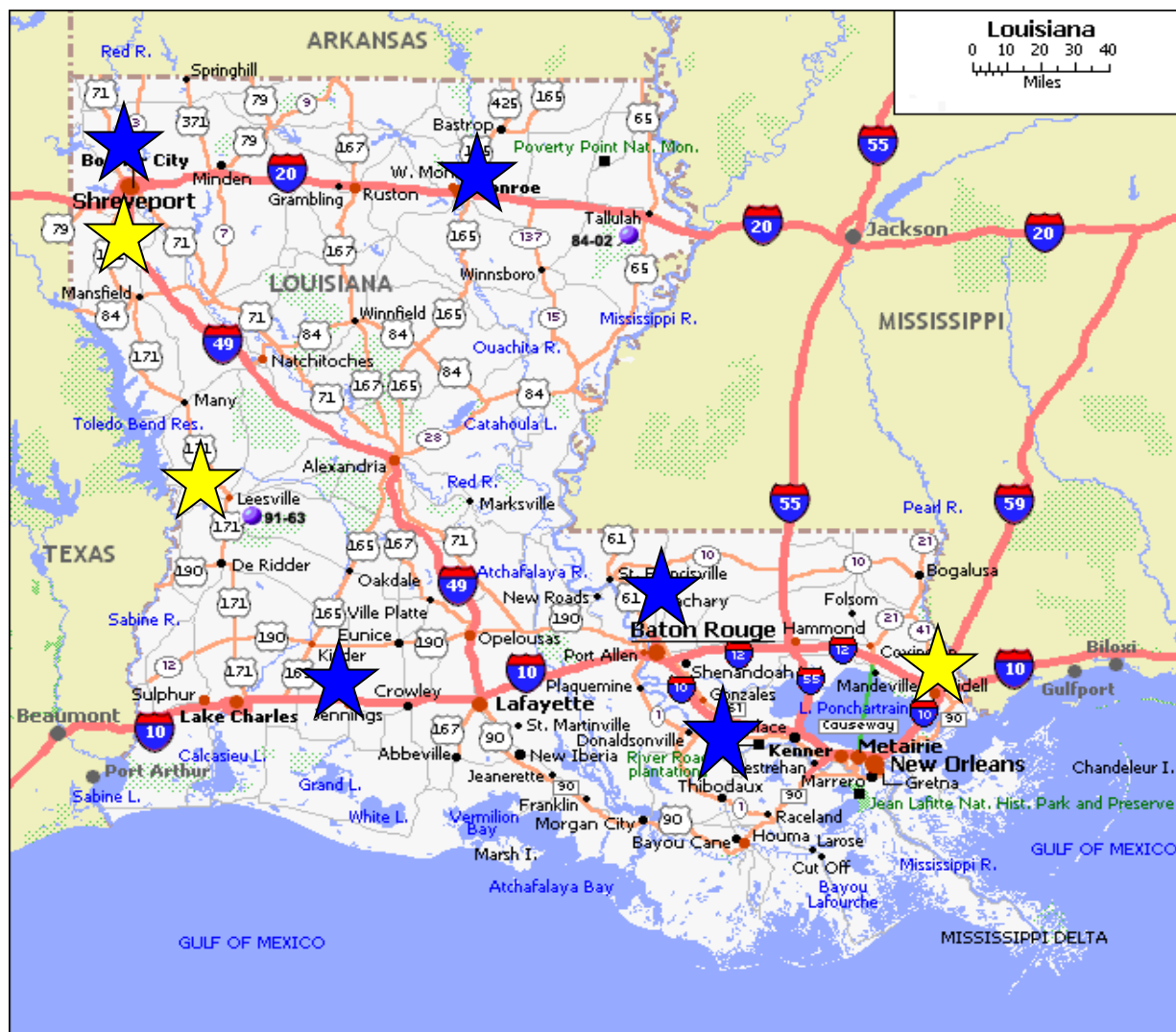
War Veterans Homes

- Louisiana War Veterans Home – Jackson (1982)
- Northeast War Veterans Home – Monroe (1996)
- Southwest Louisiana Veterans Home – Jennings (2004)
- Northwest Louisiana Veterans Home – Bossier City (2007)
- Southeast War Veterans Home – Reserve (2007)



Facility Locations

- ★ Veterans Homes
- ★ Veterans Cemeteries





Means of Finance

Means of Finance	Actual Expenditures FY 12-13	Existing Operating Budget FY 13-14 (12/1/13)	Executive Budget Recommended FY 14-15	Change from FY13-14 to FY14-15	Percent Change from FY 13-14 to FY 14-15
State General Fund	\$4,771,555	\$5,155,930	\$5,772,903	\$616,973	12.0%
Interagency Transfers	\$1,188,382	\$1,407,771	\$1,310,979	(\$96,792)	(6.9%)
Fees and Self-Gen Rev	\$14,864,950	\$16,423,557	\$16,440,486	\$16,929	0.1%
Statutory Dedications	\$114,970	\$115,528	\$115,528	\$0	0.0%
Federal Funds	\$33,499,765	\$35,079,427	\$36,956,295	\$1,876,868	5.4%
TOTAL	\$54,439,622	\$58,182,213	\$60,596,191	\$2,413,978	4.1%
Authorized Positions	835	839	840	1	0.1%

Significant Adjustments:

State General Fund

- Increase is used to fund performance adjustments, retirement system adjustments, and insurance adjustments

\$616,973



Interagency Transfers

- Decrease in salaries, insurance, and attrition at the SE LA War Veterans Home

\$96,792



Federal

- Increase is used to fund performance adjustments, retirement system adjustments, and insurance adjustments
- Replacing state general fund with federal funds at the Northeast War Veterans Home

\$1.9M



Authorized Positions

- Reduced 3 vacant T.O. due to Executive Order BJ 14-1 and added 4 T.O. for SE Veterans Cemetery

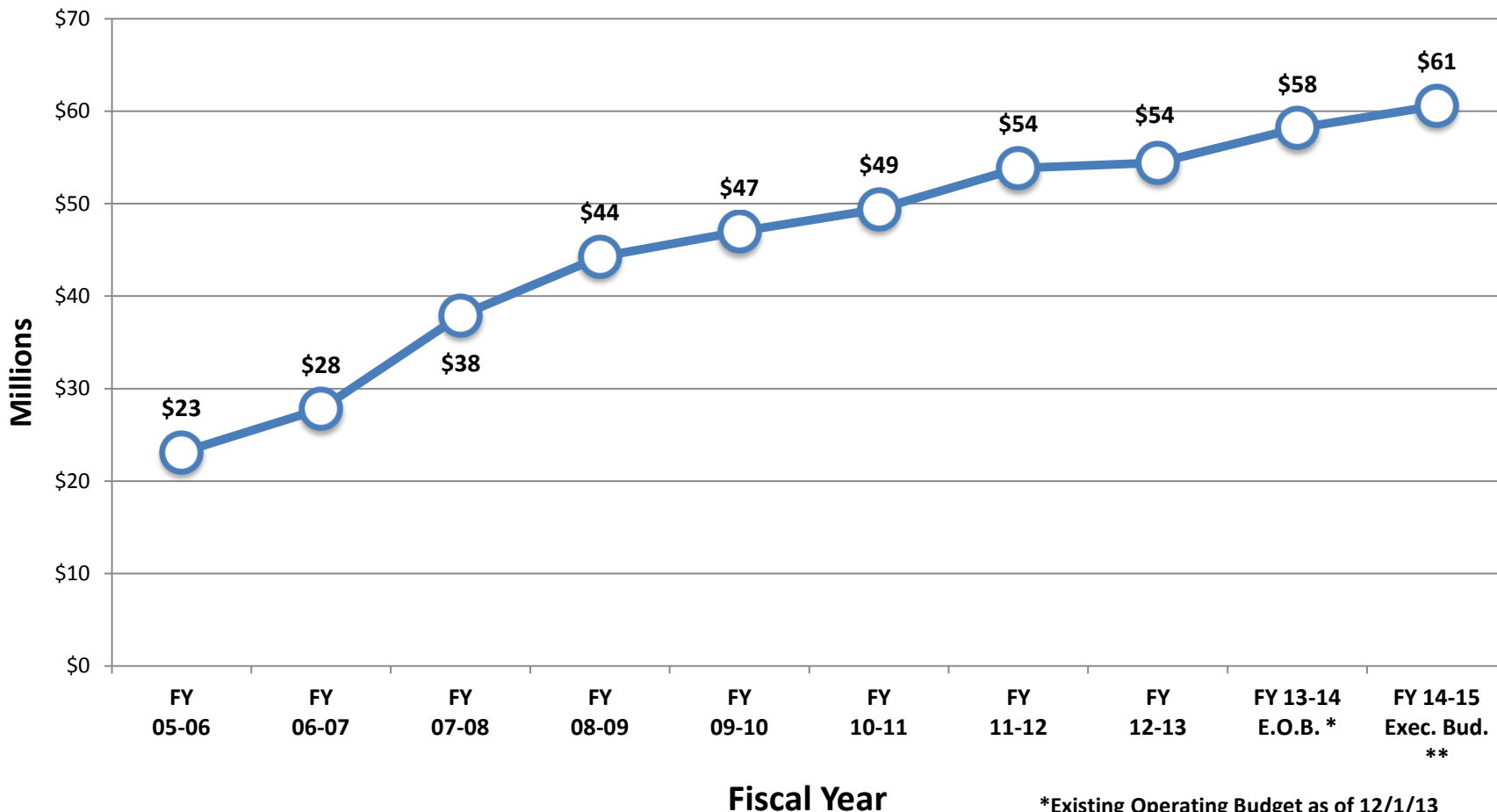
1 T.O.





10-Year Budget History

VETERANS AFFAIRS (Total Funding)



Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/13

**Governor's Executive Budget Recommendation



VA Agency Budget Comparisons

Total Means of Financing

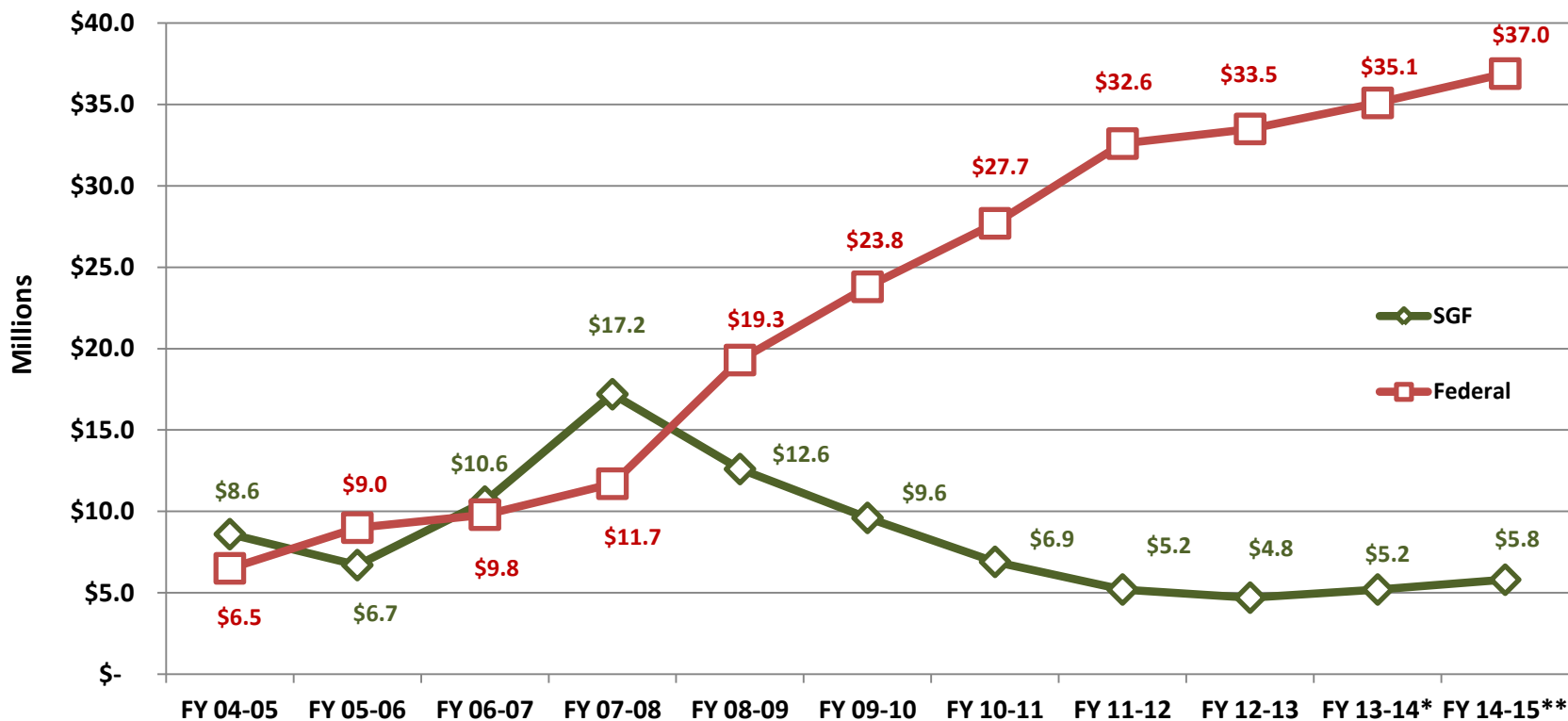
<u>Agencies</u>	<u>FY 13-14 (EOB)</u>	<u>FY 14-15</u>	<u>Difference</u>
Department of Veterans Affairs	\$8,147,904	\$8,032,709	-\$115,195
Louisiana War Veterans Home	9,813,730	10,385,310	571,580
Northeast Louisiana War Veterans Home	9,777,185	10,250,570	473,385
Southwest Louisiana War Veterans Home	9,655,505	10,430,946	775,441
Northwest Louisiana War Veterans Home	9,888,394	10,169,420	281,026
Southeast Louisiana War Veterans Home	10,899,495	11,327,236	427,741
TOTAL	\$58,182,213	\$60,596,191	\$2,413,978

- The War Veteran Homes recommended funding in FY 14-15 makes up nearly 87% of the department's total recommended funding.
- War Veteran Homes are funded with Fees and Self-generated Revenues and Federal Funds (No State General Fund)



Means of Finance Comparison

Veterans Affairs Historical Budget Trends State General Fund vs. Federal Funds



Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/13

**Governor's Executive Budget Recommendation



Major Sources of Revenues FY 14-15

Self-Generated Revenues - \$16.4 million

- Resident fees
- Employee and visitor-purchased meal tickets

Interagency Transfers - \$1.3 million

- Federal funds from veterans homes for Medicare services

Federal Funds - \$37 million

- Federal Funds, in part, are derived from the Veterans Administration for patient care days based on a reimbursement rate of \$100.37 per day, per nursing care veteran housed, reflected in the daily census
- Medicare eligible residents cost reimbursements are from the U.S. Department of Veterans Affairs



Expenditure Breakdown

Expenditures	FY 12-13 Actual Expenditures	FY 13-14 Existing Operating Budget (12/1/13)	FY 14-15 Executive Budget Recommendation	Change from FY 13-14 to FY 14-15	Percent Change from FY 13-14 to FY 14-15
Salaries	\$27,680,689	\$28,663,318	\$29,645,502	\$982,184	3.4%
Other Compensation	\$793,454	\$676,539	\$676,539	\$0	0.0%
Related Benefits	\$10,590,176	\$11,813,316	\$13,876,294	\$2,062,978	17.5%
Travel	\$158,820	\$193,579	\$193,579	\$0	0.0%
Operating Services	\$3,013,307	\$4,135,457	\$2,960,315	(\$1,175,142)	(28.4%)
Supplies	\$4,989,895	\$5,096,870	\$4,796,858	(\$300,012)	(5.9%)
Professional Services	\$2,830,496	\$3,123,156	\$3,182,756	\$59,600	1.9%
Other Charges	\$3,409,270	\$3,479,151	\$4,002,867	\$523,716	15.1%
Acq/Major Repairs	\$973,515	\$1,000,827	\$1,261,481	\$260,654	26.0%
Unallotted	\$0	\$0	\$0	\$0	0.0%
TOTAL EXP	\$54,439,622	\$58,182,213	\$60,596,191	\$2,413,978	4.1%

Salaries and Related Benefits

- Increase is due to performance adjustments and the annualization of additional T.O at the Southeast Louisiana Cemetery

Supplies

- Decrease due to elimination of funding associated with improvements to the cemetery in Keithville in 2013

Operating services

- Decrease due to elimination of funding associated with Hurricane Isaac

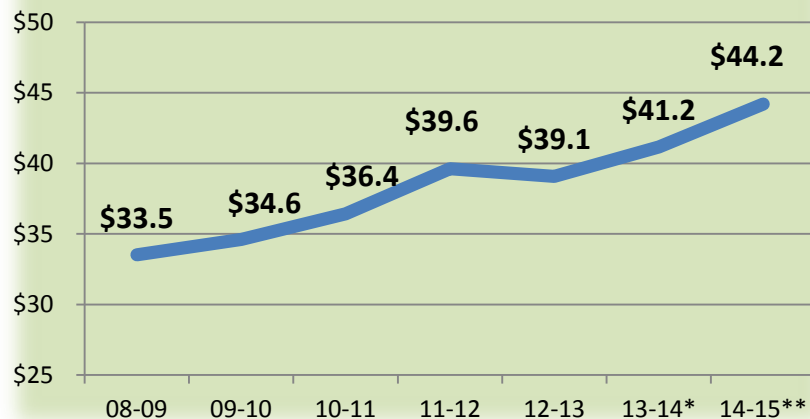
Other Charges

- Increase in other charges is due to funding for the cemetery in Slidell which is expected to open in May

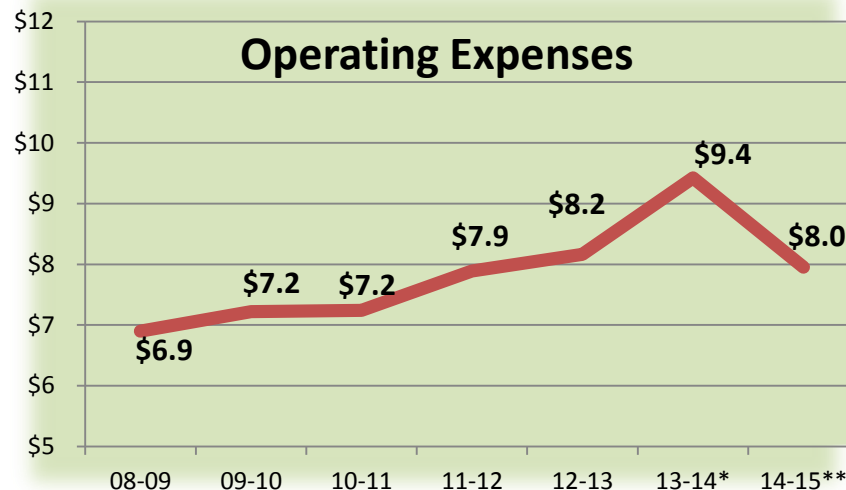


7-Year Expenditure History (in millions)

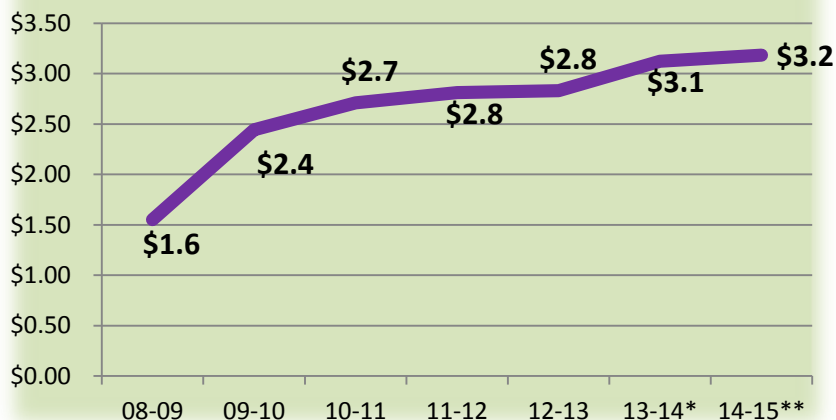
Personal Services



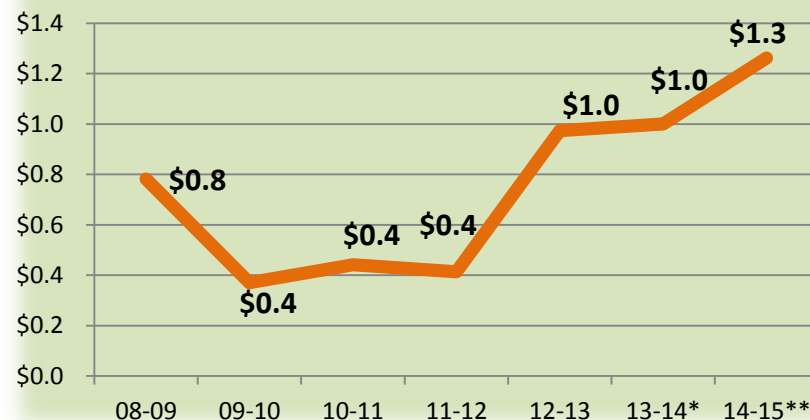
Operating Expenses



Professional Services

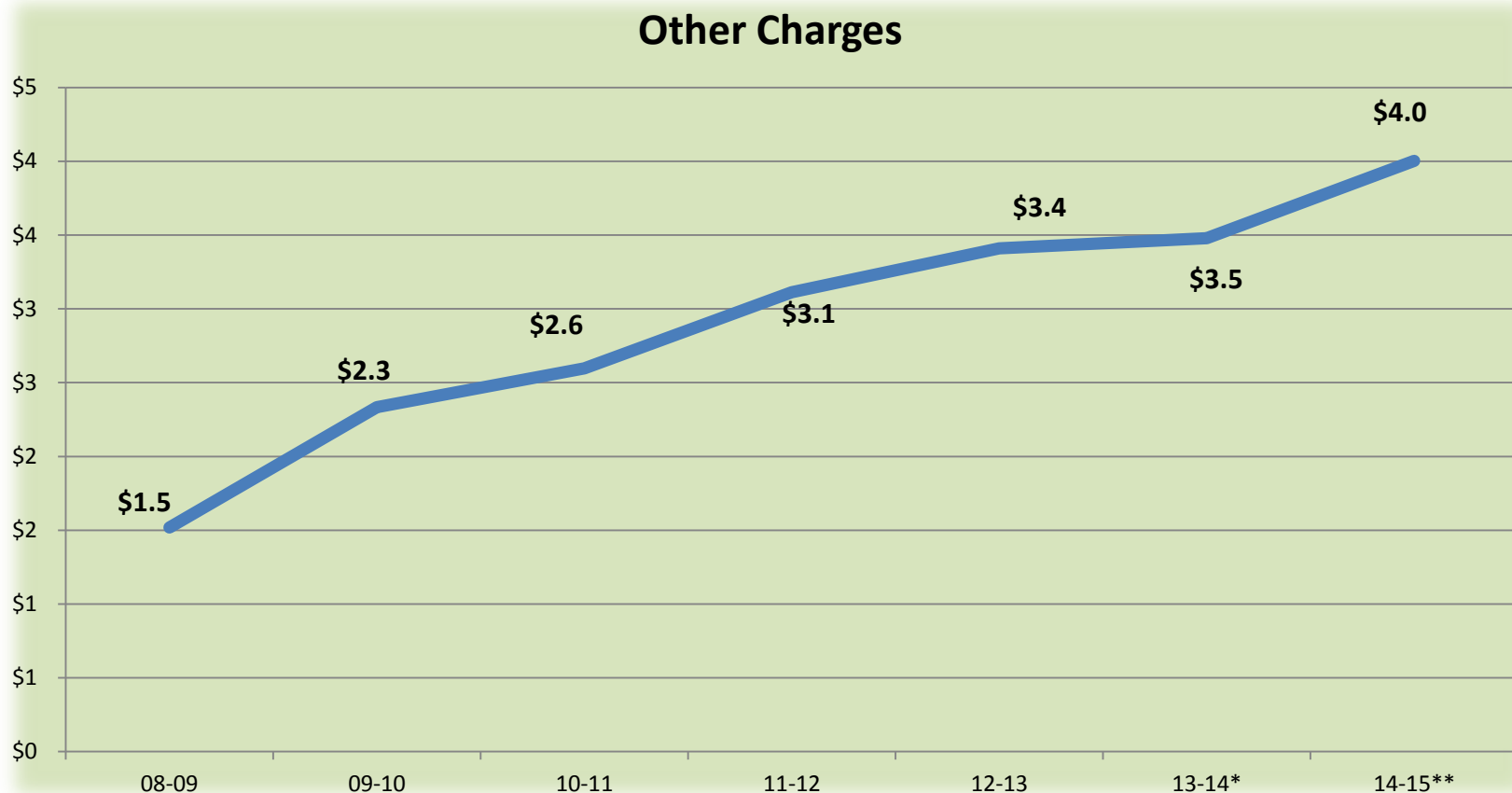


Acquisitions & Major Repairs





7-Year Expenditure History (in millions)



Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/13

**Governor's Executive Budget Recommendation



Significant Adjustments

\$1.98 M
Various
MOF



Provides funding for classified state employees performance adjustments and a salary base adjustment. (\$439,853 SGF, -\$200,062 IAT, \$295,662 SGR and \$1.4 million FED)

\$1.9 M
Various
MOF



Provides funding for the retirement rate adjustment. (\$194,560 SGF, \$703,295 SGR, \$1.05 million FED)

\$193,00
Various
MOF



Increases budget authority due to higher projected collections of resident fees associated with care and maintenance, pharmaceutical, X-ray, and lab costs. (\$103,000 SGR, \$90,000 FED)

\$987,821
Various
MOF



Eliminates funding for acquisitions and major repairs budgeted in the current year. This is primarily related to the cemetery in Slidell. (-\$20,000 SGF, -\$25,553 IAT, -\$578,136 SGR, -\$364,132 FED)

\$787,027
FED



Eliminates carryforward funding for a federal grant used for operations at the cemetery in Keithville in the current year.



Discretionary/Nondiscretionary Funding in FY 14-15

Executive Budget

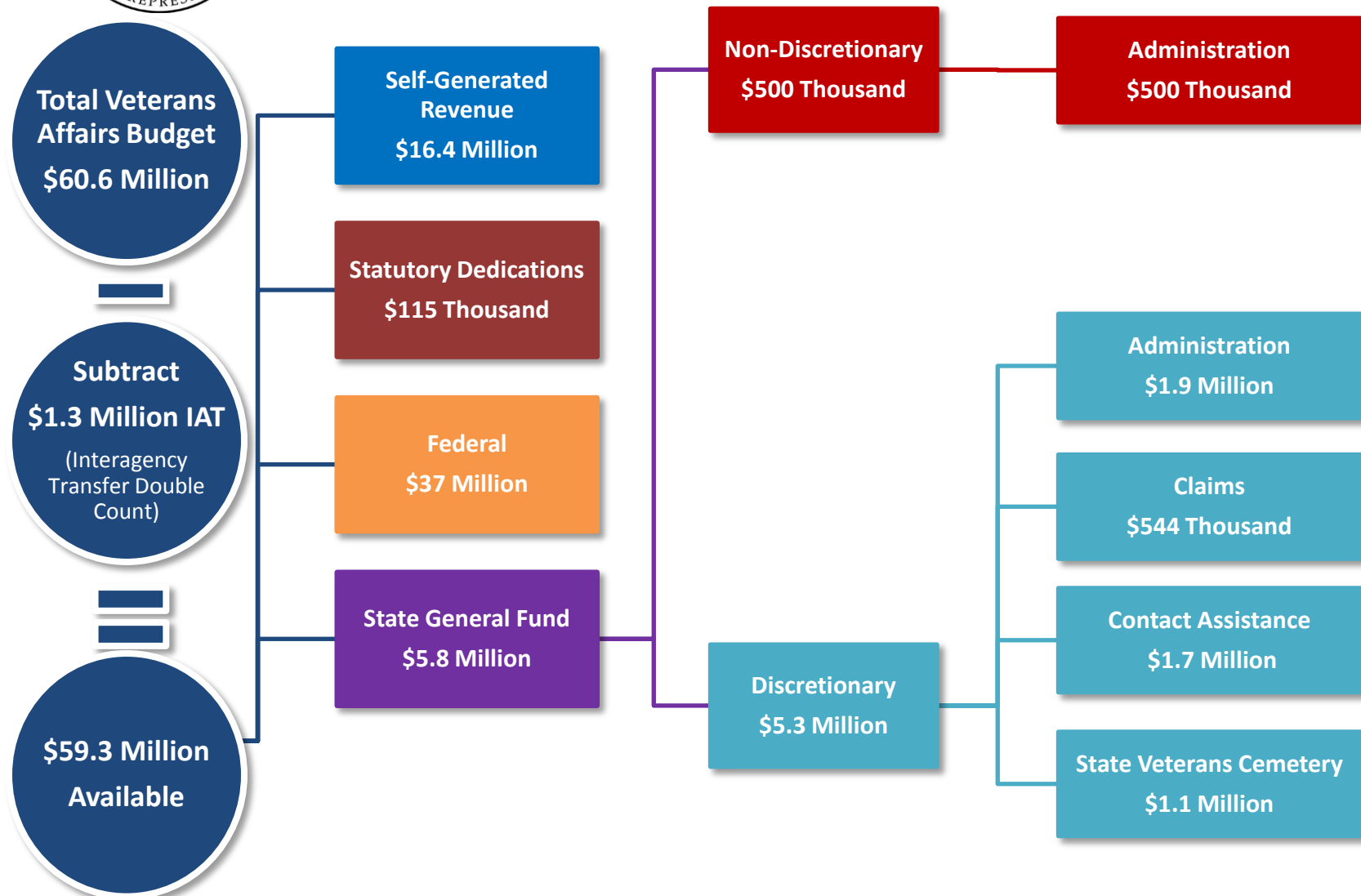
<u>Activity/Program</u>	<u>TOTAL FUNDING -\$60,596,191</u>		<u>STATE GENERAL FUND -\$5,772,903</u>	
	Discretionary	Non-Discretionary	Discretionary	Non-Discretionary
<u>Administration</u>	\$ 2,392,255	\$ 500,118	\$ 1,897,689	\$ 500,118
Troops for Teachers	\$ 226,961	\$ 0	\$ 0	\$ 0
Military Family Assistance Program	\$ 0	\$ 115,528	\$ 0	\$ 0
<u>Claims</u>	\$ 544,429	\$ 0	\$ 544,429	\$ 0
<u>Contact Assistance</u>	\$ 2,873,823	\$ 0	\$ 1,706,248	\$ 0
<u>State Approval Agency</u>	\$ 305,108	\$0	\$ 0	\$ 0
<u>State Veterans Cemetery</u>	\$ 1,416,976	\$ 0	\$1,124,419	\$ 0
<u>Louisiana War Veterans Home</u>	\$ 10,250,312	\$134,998	\$ 0	\$ 0
<u>Northeast War Veterans Home</u>	\$ 10,215,985	\$ 34,585	\$ 0	\$ 0
<u>Southwest War Veterans Home</u>	\$ 10,418,988	\$ 11,958	\$ 0	\$ 0
<u>Northwest War Veterans Home</u>	\$ 10,102,811	\$ 66,609	\$ 0	\$ 0
<u>Southeast War Veterans Home</u>	\$ 11,315,278	\$ 11,958	\$ 0	\$ 0
TOTAL	\$59,835,965	\$ 760,226	* \$5,272,785	\$ 500,118

*The discretionary State General Fund in the agency's budget is less than **1%** of the total discretionary State General Fund recommended for FY 14-15.



Discretionary/Nondiscretionary Funding in FY 14-15

Executive Budget





War Veterans Homes Averages

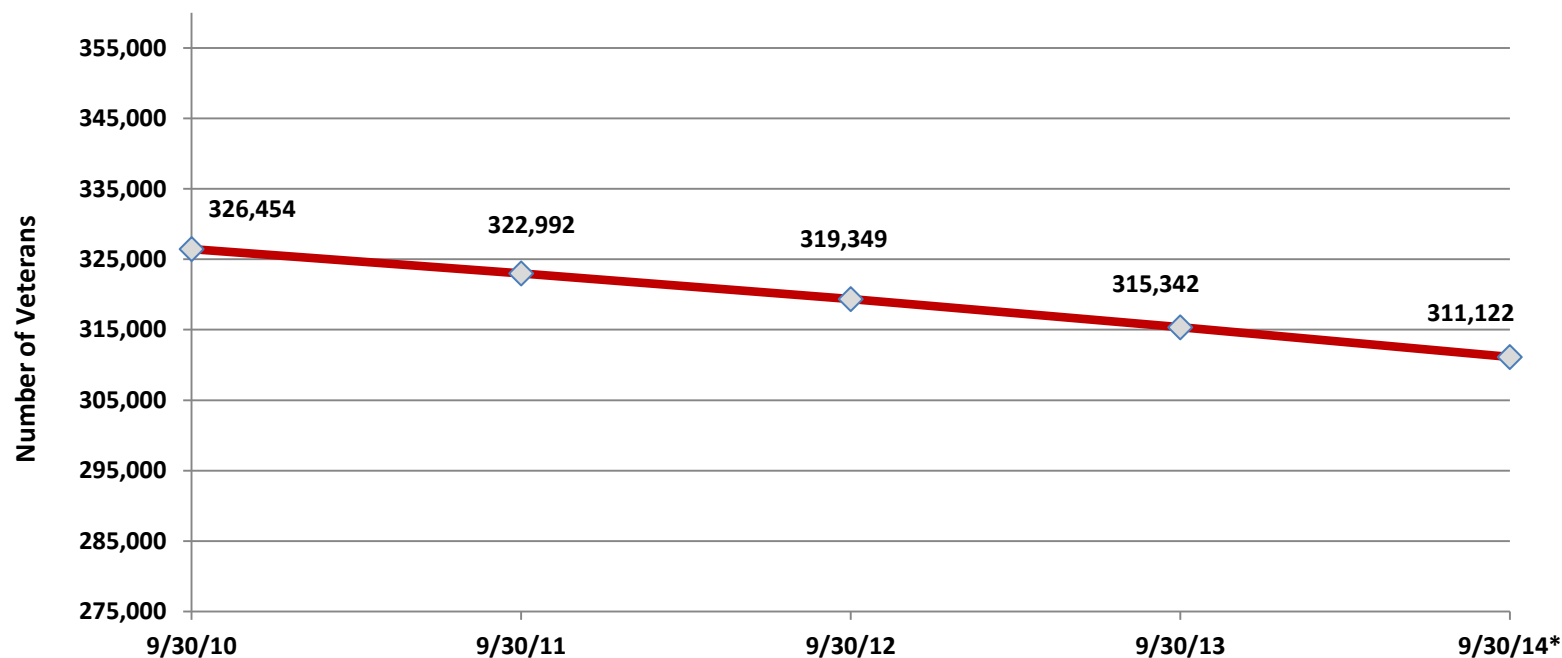
War Veterans Homes				
Average Totals	Actual FY 12-13	EOB FY 13-14	Executive Budget FY 14-15	Difference
Daily census	143.4	146.0	146.6	-0.6
Occupancy rate	93.5%	94.2%	94.2%	0%
Avg. total patient system cost – day	\$26,933	\$27,470	\$28,435	\$965
Avg. total cost per patient – day	\$187.7	\$188.1	\$193.9	\$5.8
Avg. total cost per patient – yearly	\$68,539	\$68,657	\$70,806	\$2,149



Declining population of Veterans

- In 2013 census estimates, Louisiana ranks as the 25th most populated state
- Louisiana ranks 39th in veteran population as a percent of the state's total population and 28th in the total number of veterans as of 2013

Decline of the number of veterans in Louisiana



Source: United State Veterans Administration and The United States Census Bureau



Salaries and Positions

FY 14-15 SALARIES/POSITIONS

- \$30.3 million for salaries and other compensation
- \$13.9 million for related benefits
- Total Personnel Services = \$44.2 million; 78% of the Veterans Affairs total Executive Budget Recommendation (excluding other charges)

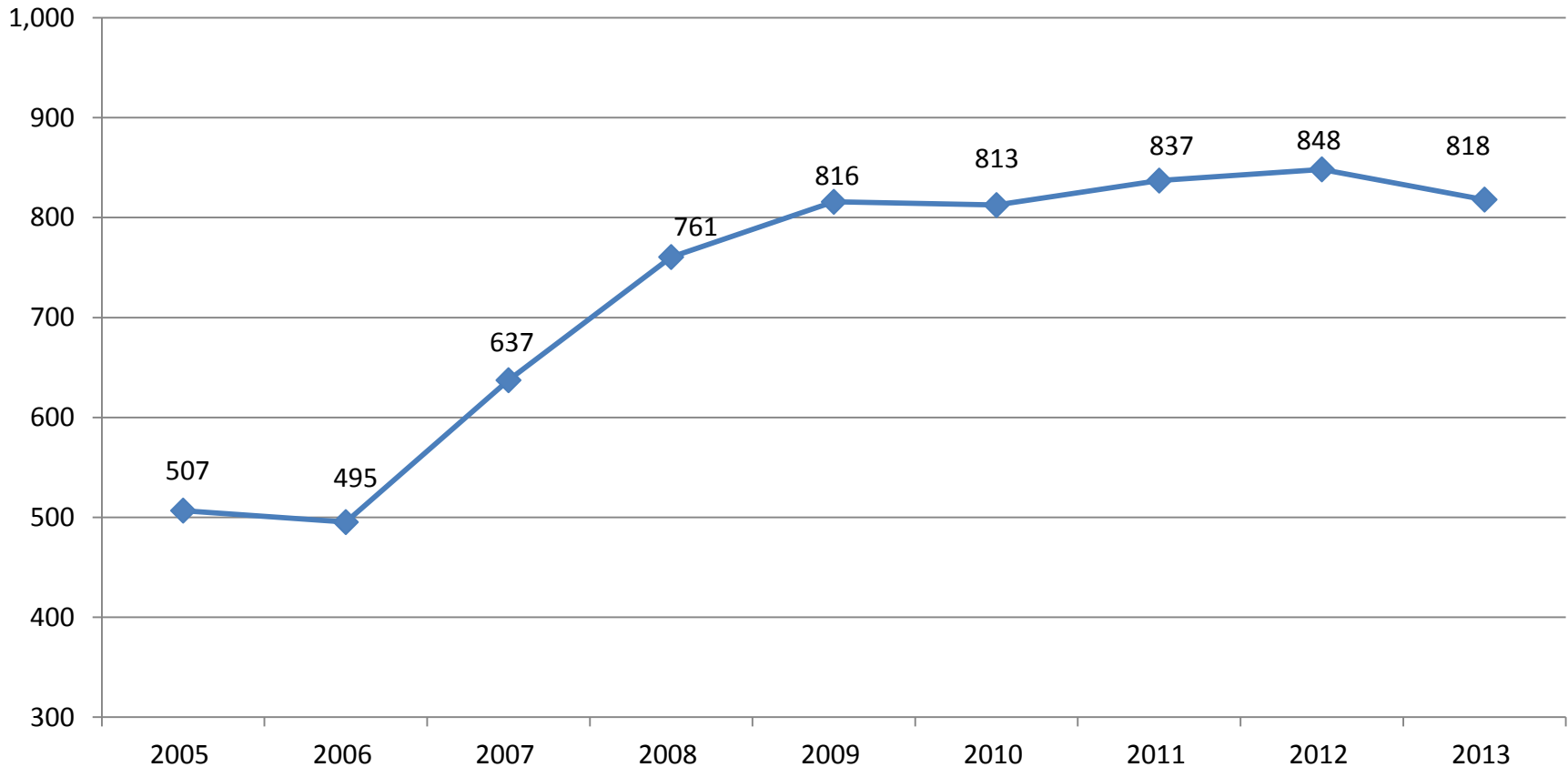
- 840 Authorized Positions (831 classified and 9 unclassified)
- 0 full-time Non-T.O. positions
- 0 other Charges Positions

- As of 12/27/2013, there were 40 vacancies; Executive Budget eliminates 3 of these vacant positions.



Salaries and Positions

TOTAL FULL-TIME EQUIVALENT (FTE) POSITIONS

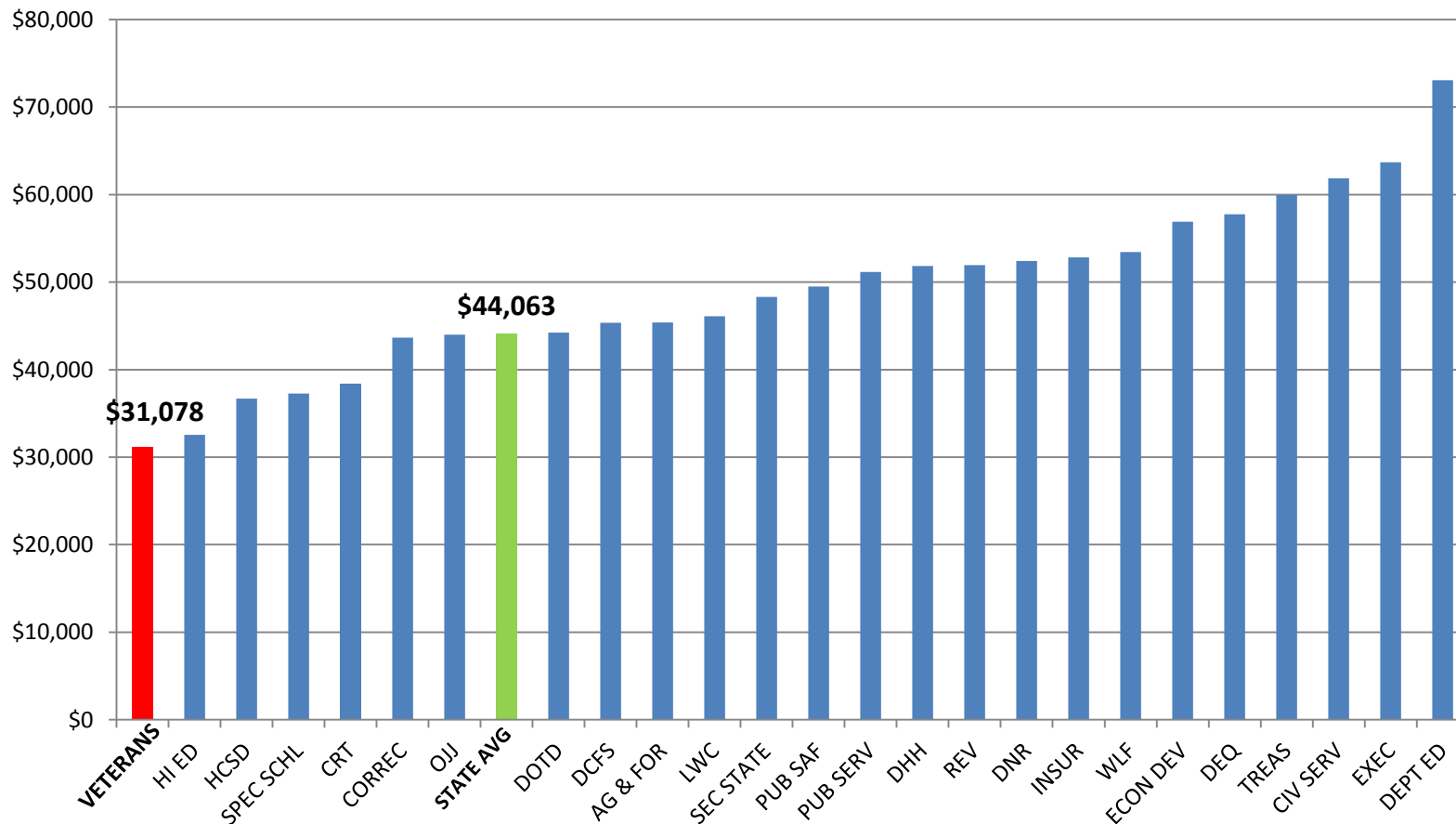


Source: Prepared by House Fiscal Division staff using information from ISIS-HR



Salaries and Positions

FY 13 CLASSIFIED AVERAGE ANNUAL PAY PER FTE

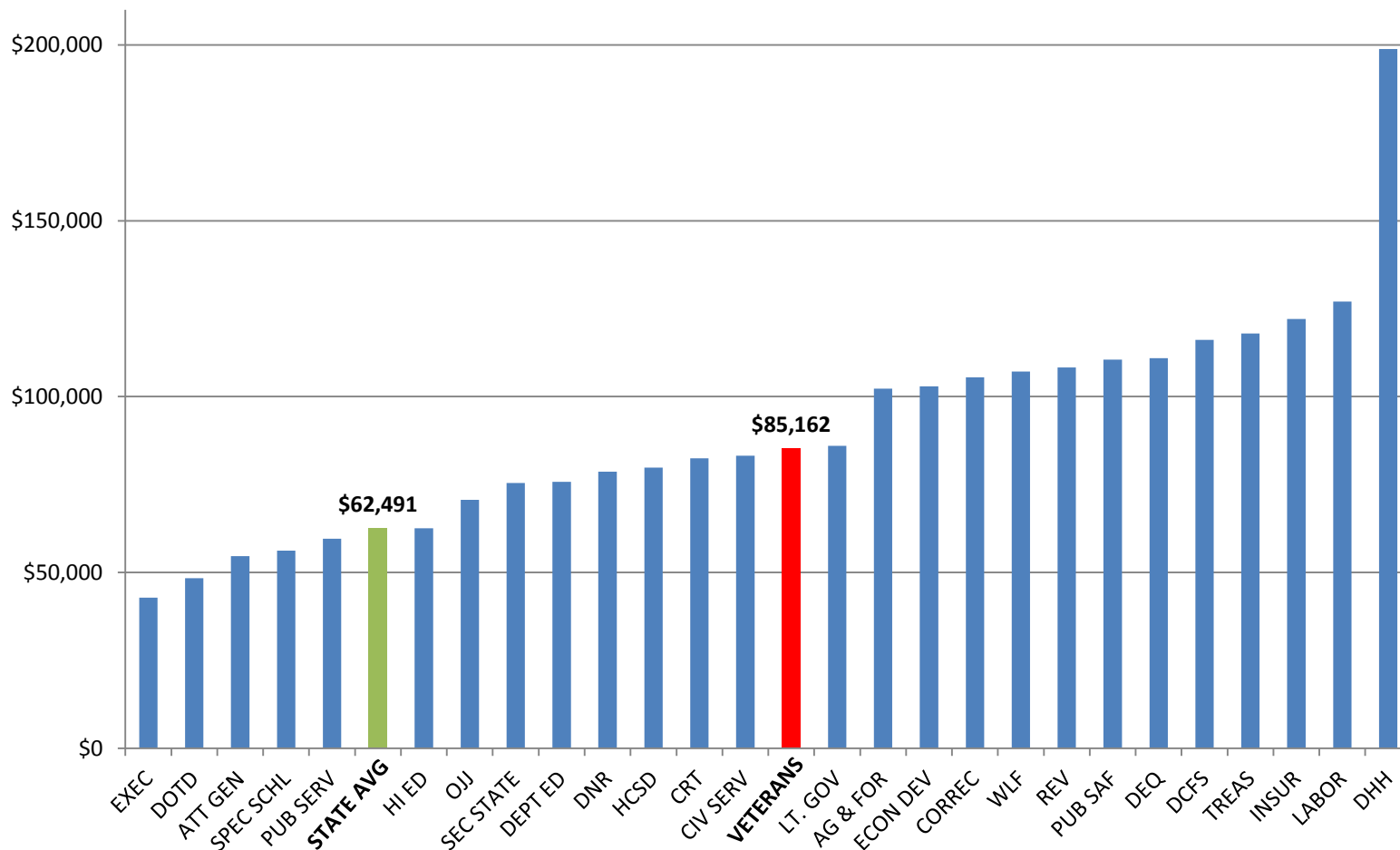


Source: Prepared by House Fiscal Division staff using information from ISIS-HR and Civil Service



Salaries and Positions

FY 13 UNCLASSIFIED AVERAGE ANNUAL PAY PER FTE



Source: Prepared by House Fiscal Division staff using information from ISIS-HR and Civil Service



Department Contacts

AGENCY	Agency Head	Phone
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