

Representative Jim Fannin
Chairman



Representative Bryan Adams
Vice Chairman

FY 15-16 Executive Budget Review VETERANS AFFAIRS

House Committee on Appropriations
by the House Fiscal Division
March 18, 2015



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.
- Advises and assists 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.

Educational Institutions and Training Establishments

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

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.

Veterans Homes

- Provides nursing care to eligible veterans in five veteran nursing homes throughout the state.

Veterans Cemeteries

- Available for qualifying veterans, their spouses, and dependent children .
- No charge for veteran burials.
- LDVA received a construction grant to build a fourth Louisiana Veterans Cemetery in Rayville, Louisiana. Opening scheduled for January 2016 .



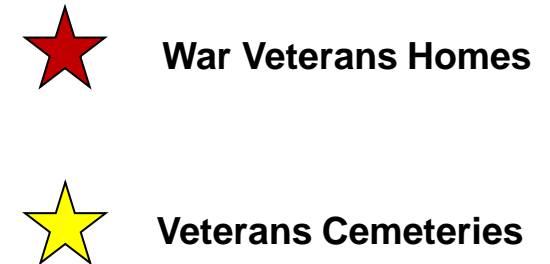
Department Structure

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)





Means of Finance

Means of Finance	Actual Expenditures FY 13-14	Existing Operating Budget FY 14-15 (12/1/14)	Executive Budget Recommended FY 15-16	Change from FY14-15 to FY15-16	Percent Change from FY 14-15 to FY 15-16
State General Fund	\$4,859,677	\$5,768,012	\$5,268,618	(\$499,394)	(8.7%)
Interagency Transfers	\$1,014,673	\$1,310,979	\$1,555,603	\$244,624	18.7%
Fees and Self-Gen. Rev.	\$15,839,869	\$16,440,486	\$16,000,000	(\$440,486)	(2.7%)
Statutory Dedications	\$75,767	\$115,528	\$115,528	\$0	0.0%
Federal Funds	\$34,238,785	\$37,057,479	\$39,048,575	\$1,991,096	5.4%
TOTAL	\$56,028,771	\$60,692,484	\$61,988,324	\$1,295,840	2.1%
Authorized Positions	839	840	838	(2)	(0.2%)

Significant Adjustments:

State General Fund

- Decrease primarily due to annualization of FY 2014-2015 mid-year reductions which reduced funding for salaries and related benefits.

(\$499,394)



Interagency Transfers

- Increase in projected revenue collections from burial activities.

\$244,624



Federal Funds

- Increase in the federal reimbursement rate from \$100.37 to \$102.38 at all 5 War Veterans Homes.

\$2.0 M



Authorized Positions

- Reduced 2 vacant positions at the Dept. of Veteran Affairs

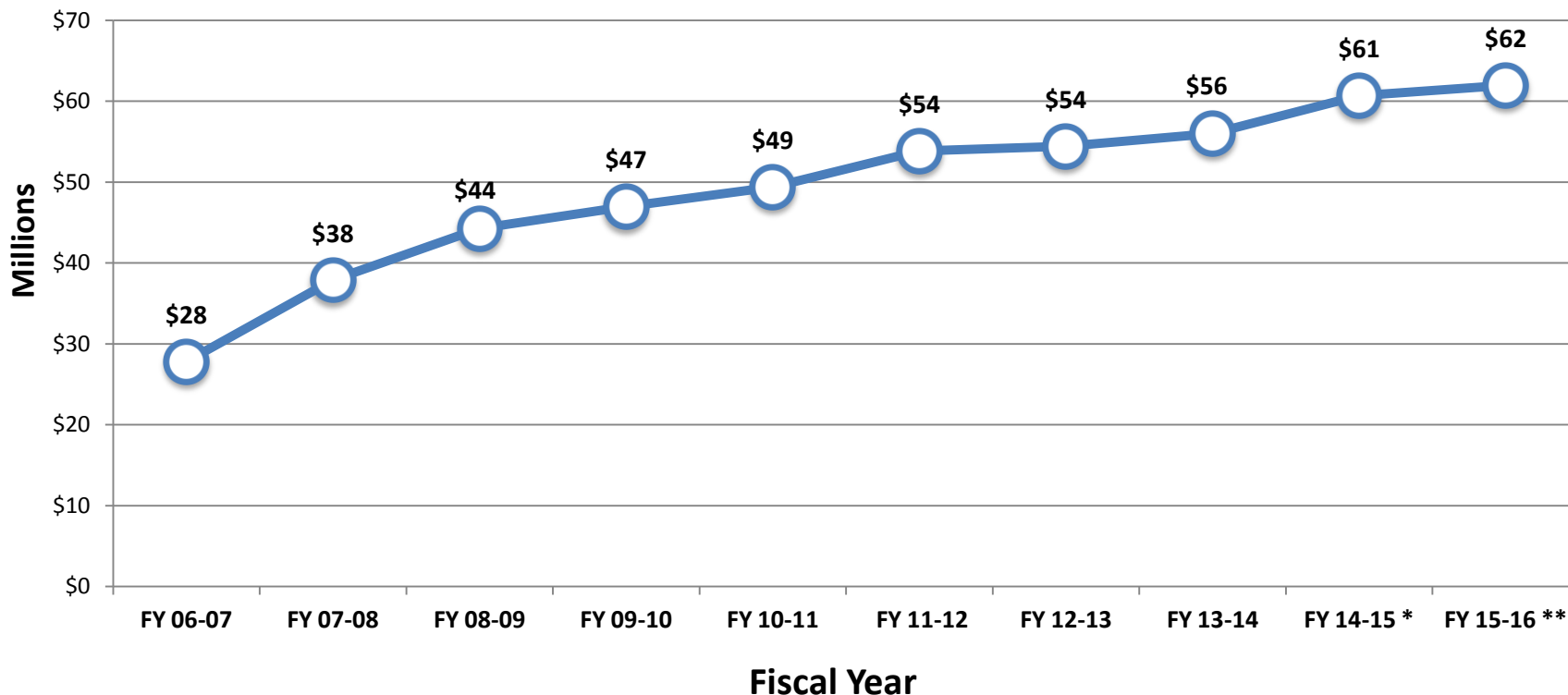
(2) T.O.





10-Year Budget History

DEPARTMENT OF VETERANS AFFAIRS (Total Funding)



Source: Executive Budget Supporting Documents

* Existing Operating Budget as of 12/1/14

**Governor's Executive Budget Recommendation



VA Agency Budget Comparisons

Total Means of Financing

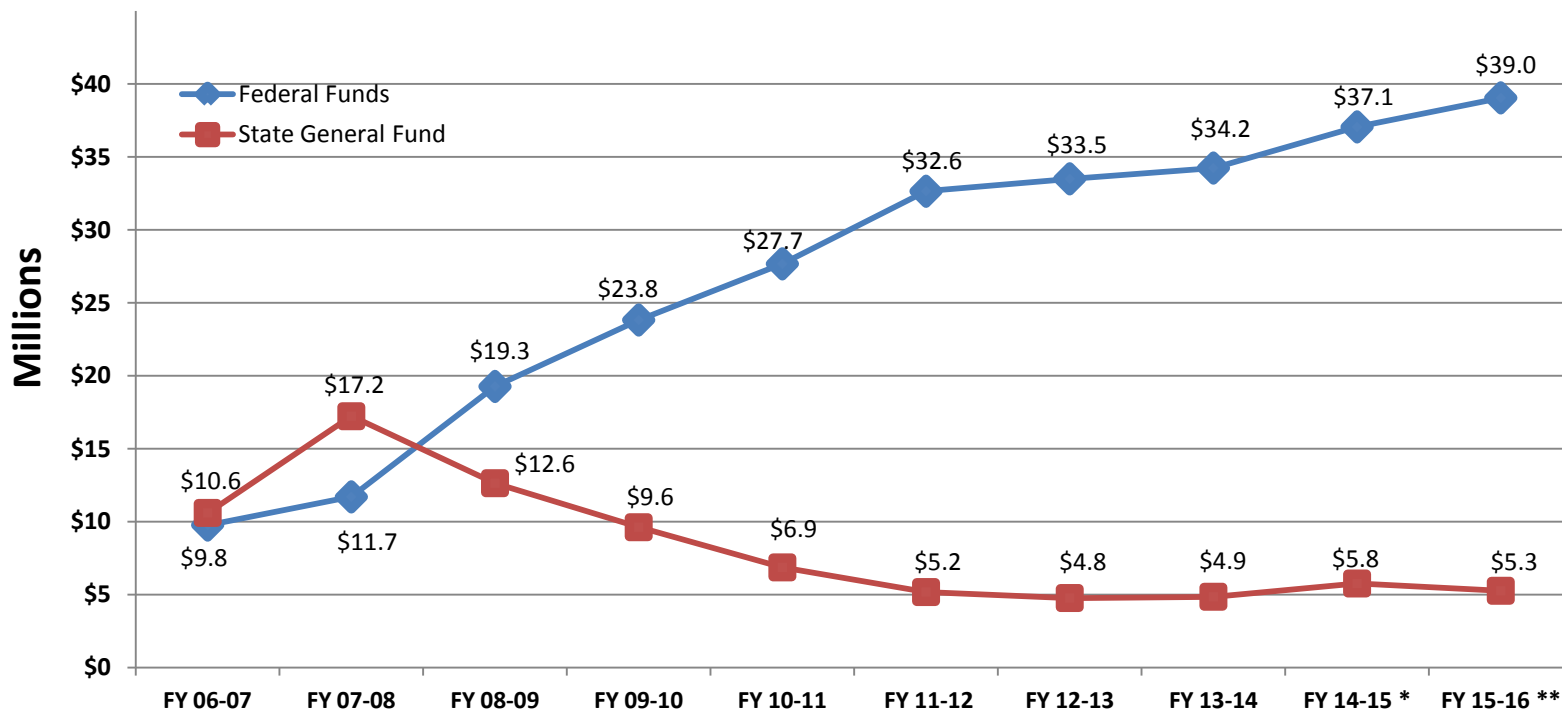
<u>Agencies</u>	<u>FY 14-15 (EOB)</u>	<u>FY 15 - 16</u>	<u>Difference</u>
Department of Veterans Affairs	\$8,129,002	\$8,296,565	\$167,563
Louisiana War Veterans Home	10,385,310	10,672,353	287,043
Northeast Louisiana War Veterans Home	10,250,570	10,505,659	255,089
Southwest Louisiana War Veterans Home	10,430,946	10,554,623	123,677
Northwest Louisiana War Veterans Home	10,169,420	10,415,711	246,291
Southeast Louisiana War Veterans Home	11,327,236	11,543,413	216,177
TOTAL	\$60,692,484	\$61,988,324	\$1,295,840

- The recommended funding in FY 15-16 for the 5 War Veterans Homes makes up over 86.6% of the Department of Veterans Affairs' total recommended funding.
- War Veterans Homes are solely 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 12/1/2014

** Governor's Executive Budget Recommendation



Major Sources of Revenue FY 15-16

Federal Funds - \$39 million

- Federal Funds, in part, are derived from the Veterans Administration for patient care days based on a reimbursement rate of \$102.38 per day, per nursing care veteran housed, and reflected in the daily census.
- Medicare eligible residents cost reimbursements are from the U.S. Department of Health and Human Services.

Fees & Self-Generated Revenue - \$16 million

- Resident fees
- Employee and visitor-purchased meal tickets

Interagency Transfers - \$1.6 million

- Federal funds from War Veterans Homes for Medicare services



Expenditure Breakdown

Expenditures	FY 13-14 Actual Expenditures	FY 14-15 Existing Operating Budget (12/1/14)	FY 15-16 Executive Budget Recommendation	Change from FY 14-15 to FY 15-16	Percent Change from FY 14-15 to FY 15-16
Salaries	\$27,887,674	\$29,670,606	\$29,644,110	(\$26,496)	(0.1%)
Other Compensation	\$704,428	\$676,539	\$676,539	\$0	0.0%
Related Benefits	\$11,489,603	\$13,887,374	\$14,259,090	\$371,716	2.7%
Travel	\$156,991	\$193,579	\$180,079	(\$13,500)	(7.0%)
Operating Services	\$3,885,276	\$3,025,316	\$2,960,540	(\$64,776)	(2.1%)
Supplies	\$5,184,892	\$4,989,737	\$4,971,991	(\$17,746)	(0.4%)
Professional Services	\$2,521,928	\$3,063,948	\$3,063,948	\$0	0.0%
Other Charges	\$3,582,568	\$3,923,904	\$4,974,993	\$1,051,089	26.8%
Acq/Major Repairs	\$615,411	\$1,261,481	\$1,257,034	(\$4,447)	(0.4%)
Unallotted	\$0	\$0	\$0	\$0	0.0%
TOTAL EXP	\$56,028,771	\$60,692,484	\$61,988,324	\$1,295,840	2.1%

Salaries & Related Benefits

Reduction of 2 TO positions caused a decrease in salaries. Related Benefits increased primarily due to the department-wide retirement base adjustments, health insurance rate increases, and salary base adjustments for 838 employees.

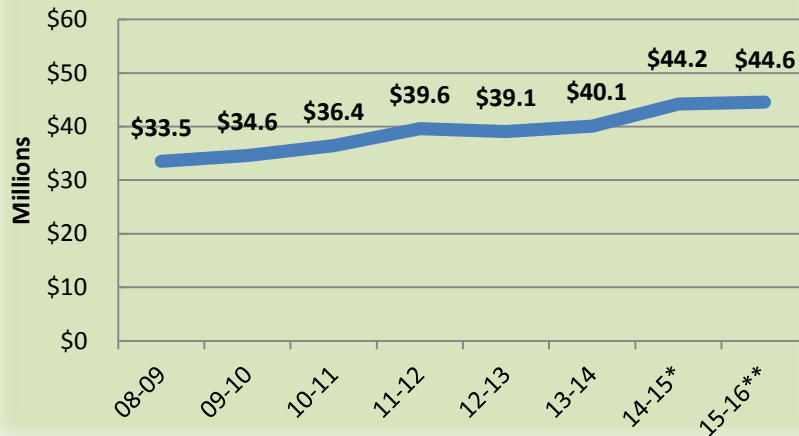
Other Charges

Increase primarily due to the Department's share of the expenses related to the IT and procurement consolidation; increase in risk management fees; and \$400K in disability claims.

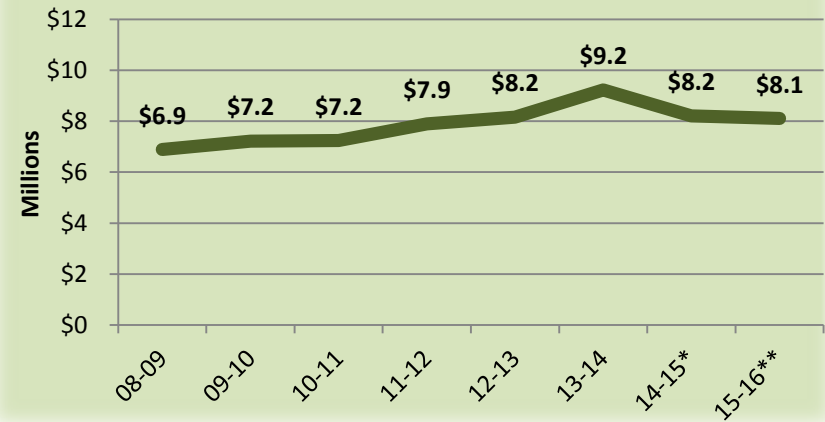


8-Year Expenditure History (in millions)

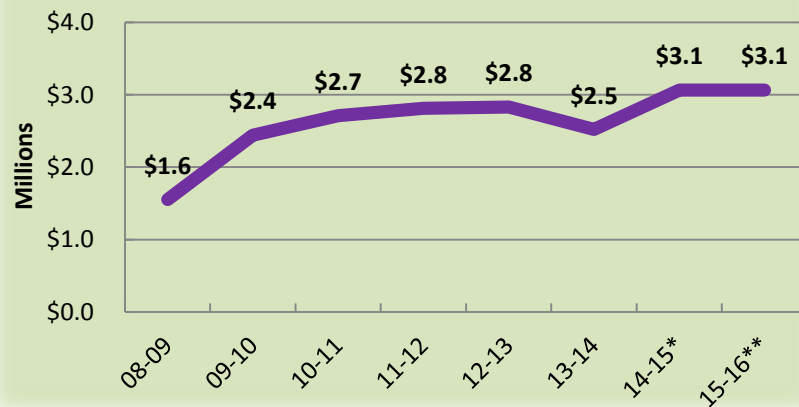
Personal Services



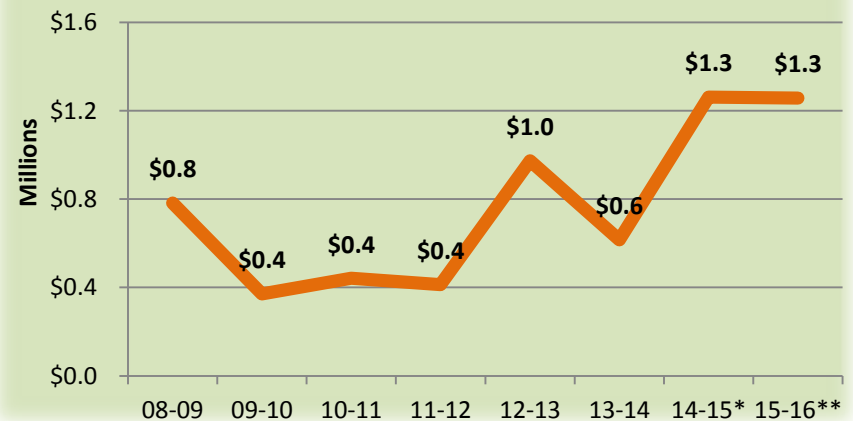
Operating Expenses



Professional Services



Acquisitions & Major Repairs



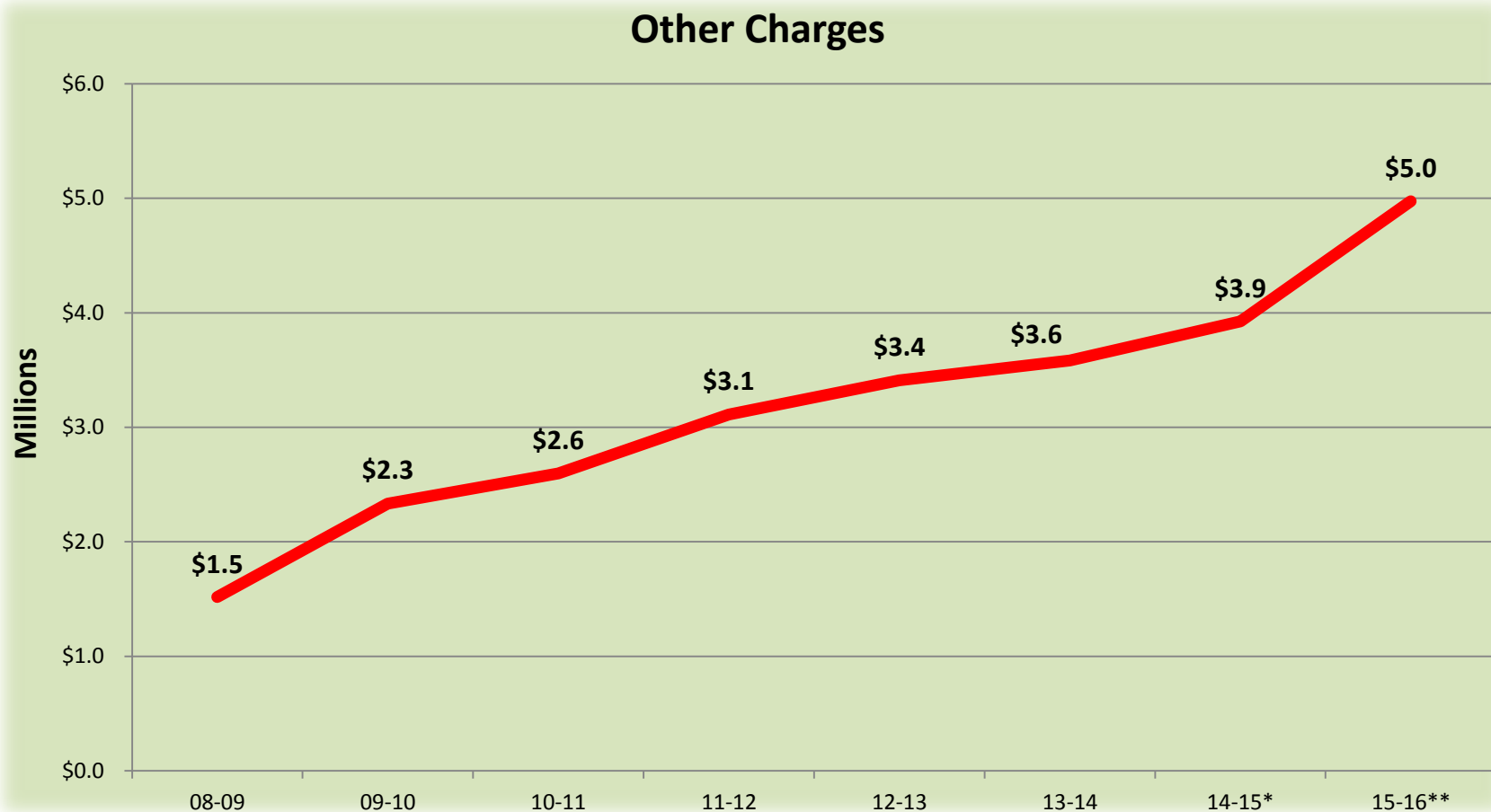
Source: Executive Budget Supporting Documents

* Existing Operating Budget as of 12/1/14

** Governor's Executive Budget Recommendation



8-Year Expenditure History (in millions)



Source: Executive Budget Supporting Documents

* Existing Operating Budget as of 12/1/14

**Governor's Executive Budget Recommendation



Significant Adjustments

\$131,350
Federal
Funds



Provides increased federal funding of \$26,270 to each of the five War Veterans Homes, based on an increase in the Cost of Living adjustment given by the US Department of Veterans Affairs to each veteran.

\$400,000
SGF



Provides for payment of Louisiana Veterans Disability Claims in the amount of \$100,000 per claimant for four veterans who have met the requirements.

\$152,483
SGF



Provides funding for personnel and operational costs associated with the new Northeast Cemetery (NELA) in Rayville, LA set to open January 2016.

\$138,000
SGF



Reduces discretionary expenditures of travel, supplies, operating services and TO in the Contacts Assistance Program (-\$80K), the Claims Program (-\$48K), and the Administrative Program (-\$10K).

\$553,480
Various
MOF

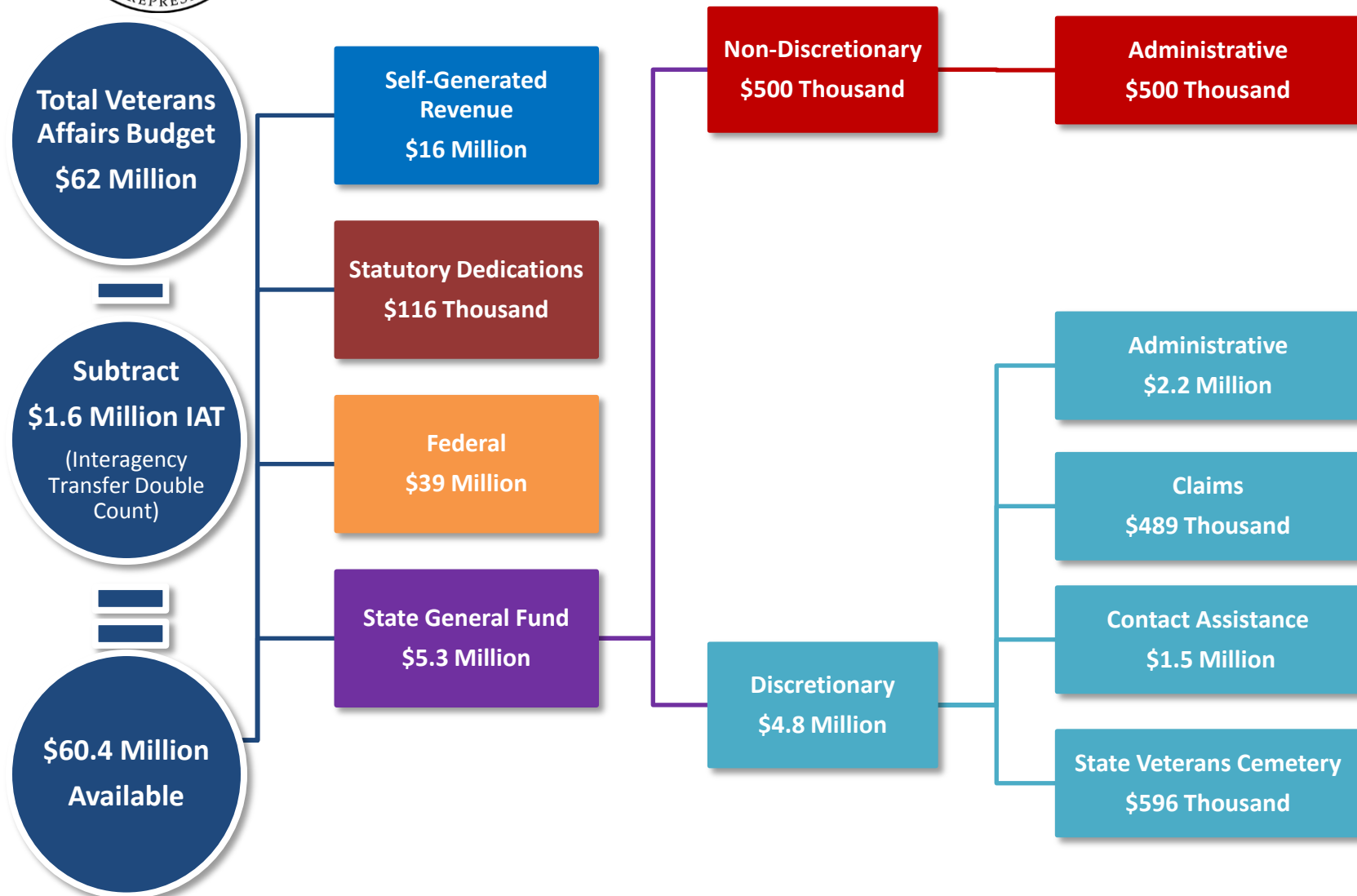


Increase in Federal Funds and Interagency Transfers offset reduction in State General Fund and Fees & Self-Generated Revenue (-\$553,480 SGF, \$206,515 IAT, -\$56,934 FSGR, and \$403,899 FF). Increase in Federal and IAT funds are due to a change in the burial rate, increased burial activity, and increased federal funding for veteran care.



Discretionary/Non-Discretionary Funding in FY 15-16

Executive Budget





War Veterans Homes Averages

War Veterans Homes					
Average Totals	Actual FY 12-13	Actual FY 13-14	EOB FY 14-15	Executive Budget FY 15-16	Difference
Daily Census	143.4	143.20	143.17	145.80	2.63
Occupancy Rate	93.5%	92.81%	92.05%	93.80%	1.75%
Cost per Patient per Day	\$187.70	\$191.81	\$197.89	\$196.62	(\$1.27)
Cost per Patient per Year	\$68,539	\$70,020	\$71,897	\$70,806	\$2,149

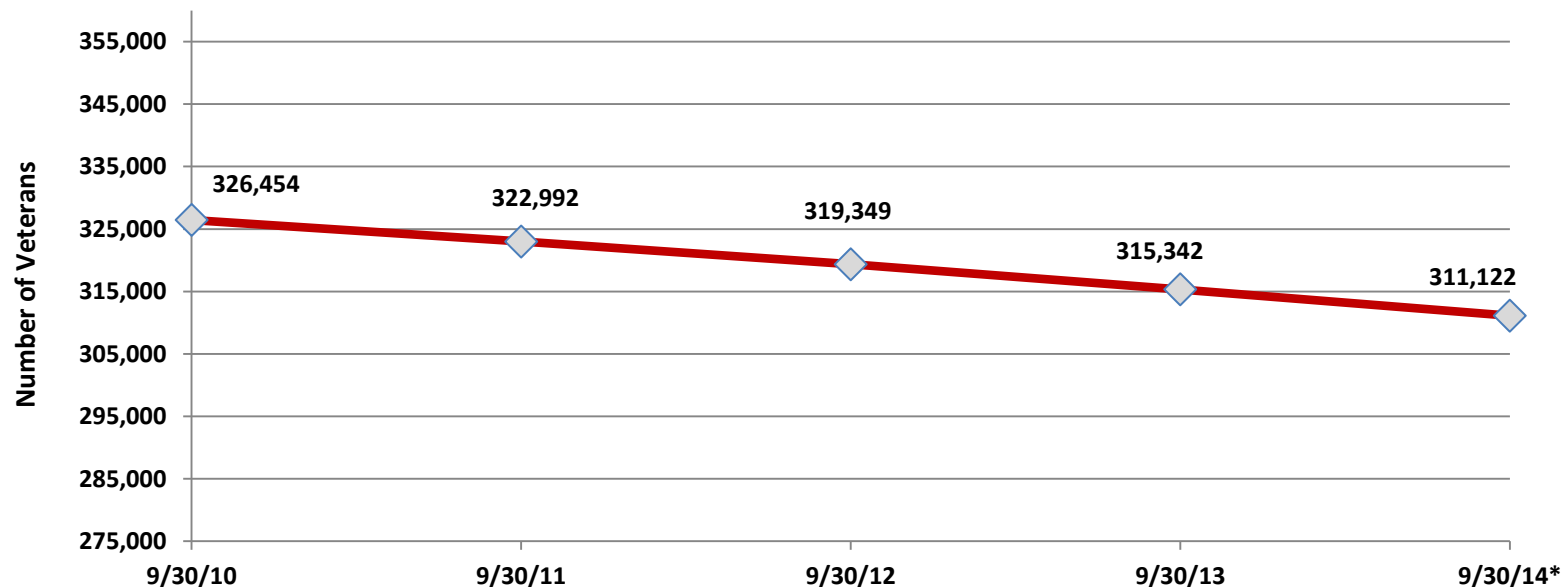
Source: Management at Louisiana Department of Veterans Affairs



Population Trend of Veterans in LA

- 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.

Number of Veterans in Louisiana



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



Salaries and Positions

FY 15-16 SALARIES/POSITIONS

- \$30.3 million for salaries and other compensation
- \$14.3 million for related benefits
- Total Personnel Services = \$44.6 million

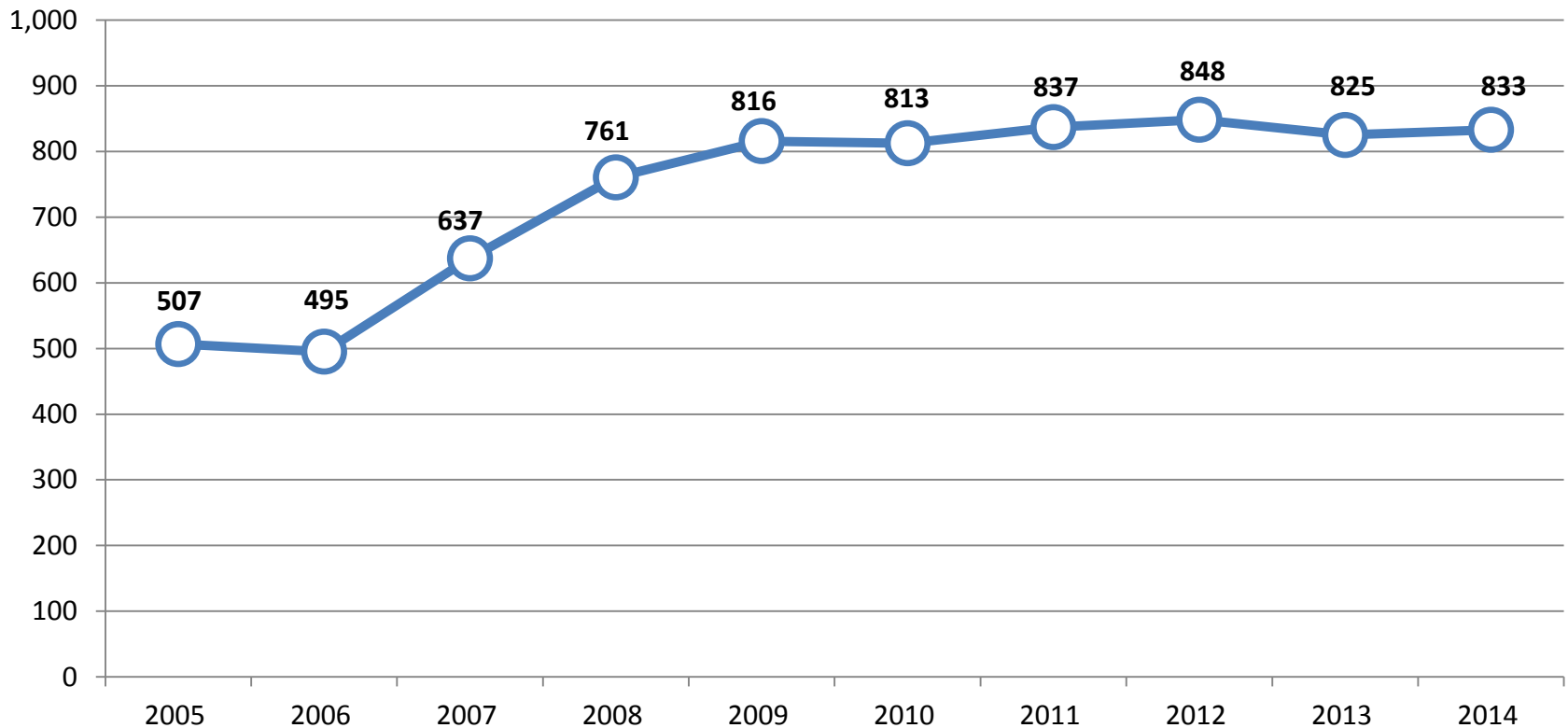
This is 78.2% of the Veterans Affairs total Executive Budget Recommendation (excluding Other Charges)

- 838 Authorized Positions (829 classified and 9 unclassified)
- 0 full-time non-T.O. positions
- 0 other charges positions
- As of 1/30/2015, there were 50 vacancies and 4 have been eliminated.
Executive Budget has a net reduction of 2 vacant positions after adding 2 new positions.



Salaries and Positions

TOTAL FULL-TIME EQUIVALENT (FTE) POSITIONS

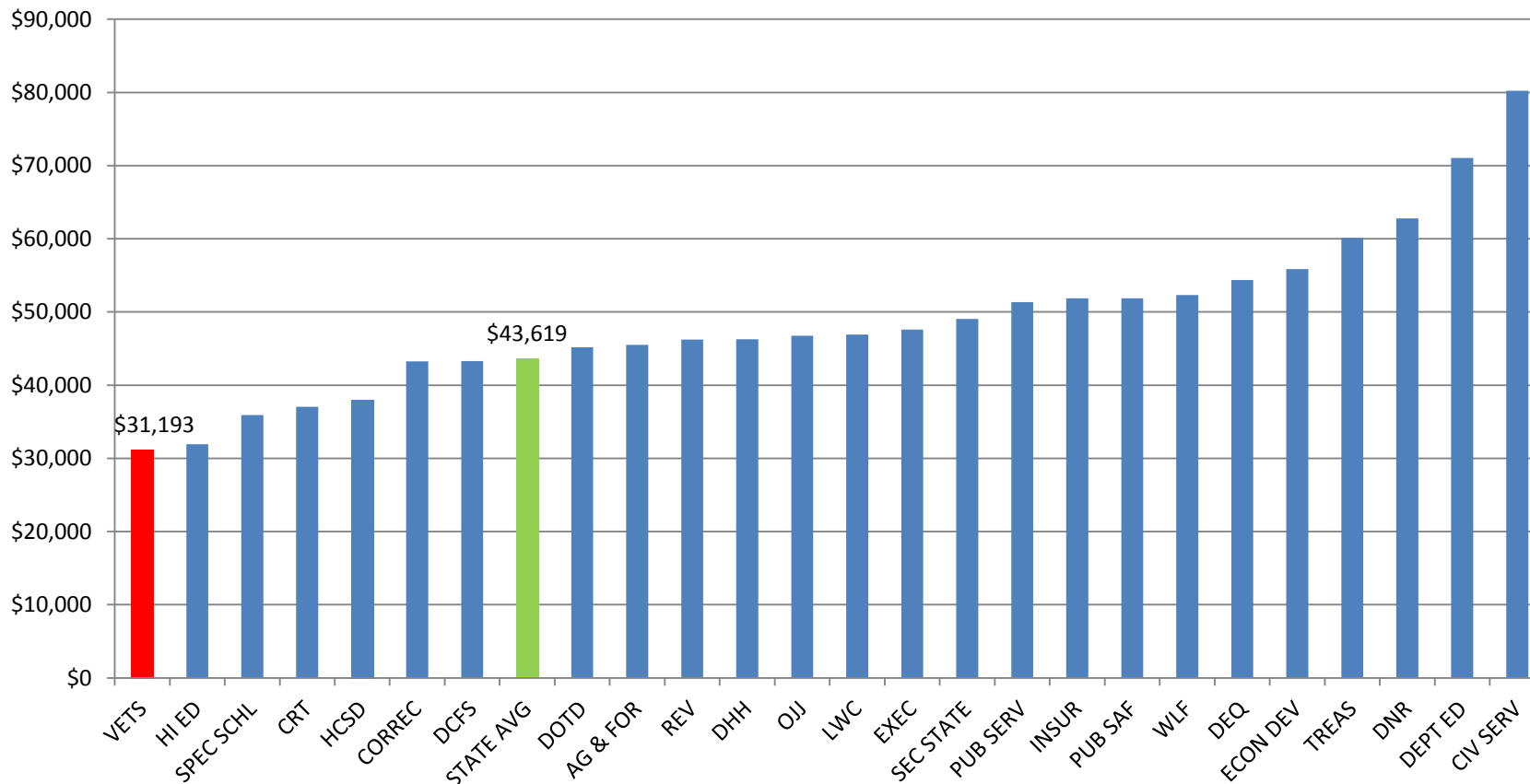


Source: Prepared by House Fiscal Division staff using information from ISIS-HR and Civil Service



Salaries and Positions

FY 14 CLASSIFIED AVERAGE ANNUAL PAY PER FTE

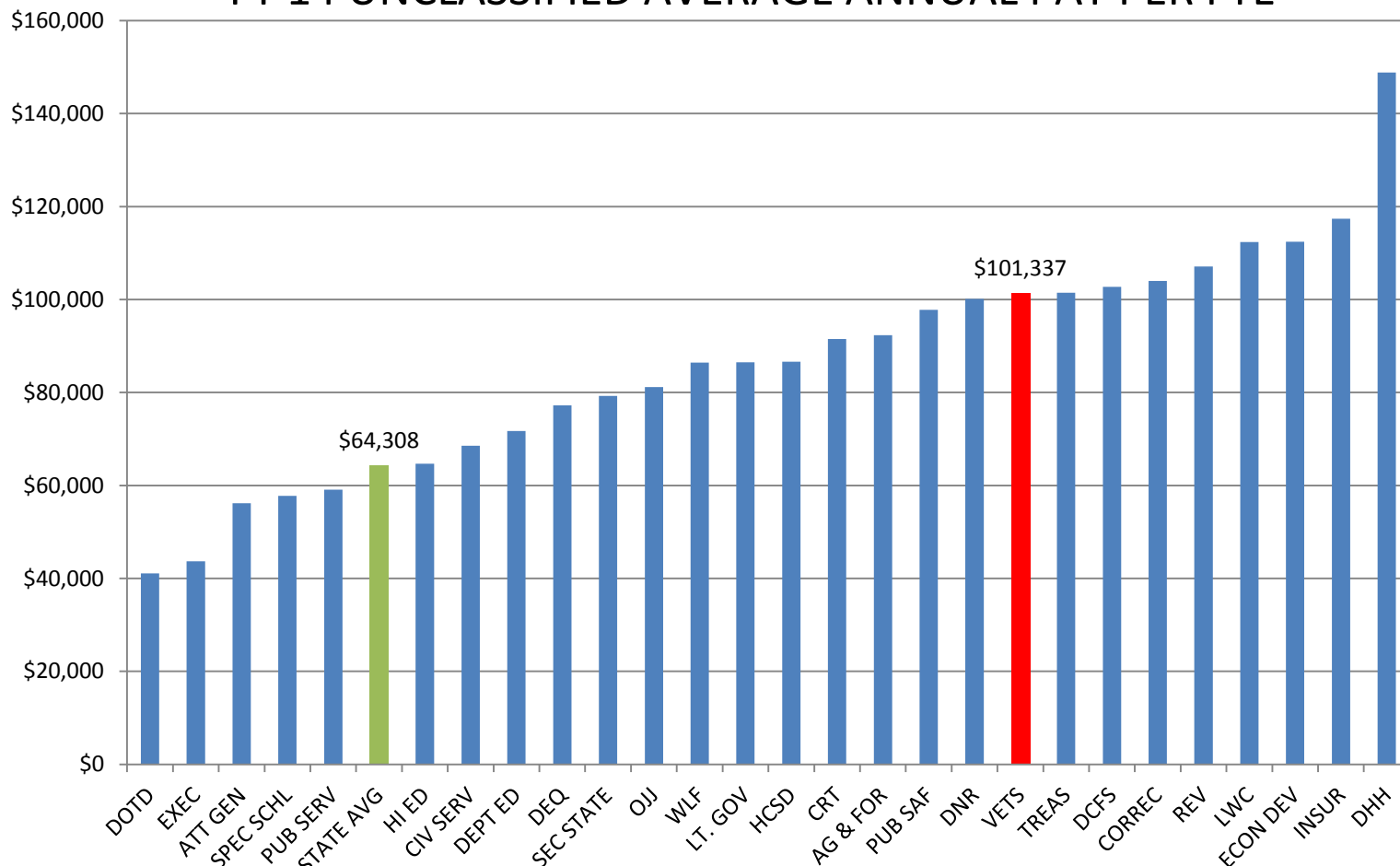


Source: Prepared by House Fiscal Division staff using information from ISIS-HR and Civil Service



Salaries and Positions

FY 14 UNCLASSIFIED AVERAGE ANNUAL PAY PER FTE



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



Department Contacts

TITLE	CONTACT	PHONE NUMBER
Secretary	David LaCerte	(225) 219-5001
Deputy Undersecretary	Robert Hayes	(225) 219-5020
Accountant Administrator	Stephanie Wade	(225) 219-5018