FY 15-16 Executive Budget Review
VETERANS AFFAIRS

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

Budget Overview

– Department Functions
– Department Structure
– Facility Location Map
– Means of Finance Comparison
– 10-Year Budget History
– VA Agency Comparisons
– Major Sources of Revenue
– Expenditure Breakdown
– Expenditure History
– Significant Budget Adjustments
– Discretionary/Non-Discretionary Funding
– VA War Home Statistics
– Population Trend of Veterans in LA
– Salaries and Positions
– Department Contacts
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 of Veterans Affairs

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

War Veterans Homes

- Northwest Louisiana Veterans Home – Bossier City (2007)
- Southeast War Veterans Home – Reserve (2007)
War Home and Cemetery Locations

LOUISIANA
Rivers (USA)

Arkansas
Mississippi
Texas

Legend:
- Rivers
- State Capital
- Major Town
- Other Town

War Veterans Homes
Veterans Cemeteries

Karen Auguste (225) 342-2444
Veterans Affairs
House Fiscal Division
# Means of Finance

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>State General Fund</td>
<td>$4,859,677</td>
<td>$5,768,012</td>
<td>$5,268,618</td>
<td>($499,394)</td>
<td>(8.7%)</td>
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<tr>
<td>Interagency Transfers</td>
<td>$1,014,673</td>
<td>$1,310,979</td>
<td>$1,555,603</td>
<td>$244,624</td>
<td>18.7%</td>
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<tr>
<td>Fees and Self-Gen. Rev.</td>
<td>$15,839,869</td>
<td>$16,440,486</td>
<td>$16,000,000</td>
<td>($440,486)</td>
<td>(2.7%)</td>
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<tr>
<td>Statutory Dedications</td>
<td>$75,767</td>
<td>$115,528</td>
<td>$115,528</td>
<td>$0</td>
<td>0.0%</td>
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<tr>
<td>Federal Funds</td>
<td>$34,238,785</td>
<td>$37,057,479</td>
<td>$39,048,575</td>
<td>$1,991,096</td>
<td>5.4%</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$56,028,771</strong></td>
<td><strong>$60,692,484</strong></td>
<td><strong>$61,988,324</strong></td>
<td><strong>$1,295,840</strong></td>
<td><strong>2.1%</strong></td>
</tr>
<tr>
<td>Authorized Positions</td>
<td>839</td>
<td>840</td>
<td>838</td>
<td>(2)</td>
<td>(0.2%)</td>
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</tbody>
</table>

## 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

Karen Auguste (225) 342-2444
Veterans Affairs
House Fiscal Division
### VA Agency Budget Comparisons

#### Total Means of Financing

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

- 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

Karen Auguste (225) 342-2444  Veterans Affairs  House Fiscal Division
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

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

**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

- **08-09:** $33.5
- **09-10:** $34.6
- **10-11:** $36.4
- **11-12:** $39.6
- **12-13:** $39.1
- **13-14:** $40.1
- **14-15:** $44.2
- **15-16:** $44.6

### Operating Expenses

- **08-09:** $6.9
- **09-10:** $7.2
- **10-11:** $7.2
- **11-12:** $7.9
- **12-13:** $8.2
- **13-14:** $8.2
- **14-15:** $8.1
- **15-16:** $8.1

### Professional Services

- **08-09:** $2.4
- **09-10:** $2.7
- **10-11:** $2.8
- **11-12:** $2.8
- **12-13:** $2.5
- **13-14:** $3.1
- **14-15:** $3.1
- **15-16:** $3.1

### Acquisitions & Major Repairs

- **08-09:** $0.8
- **09-10:** $0.4
- **10-11:** $0.4
- **11-12:** $0.4
- **12-13:** $0.6
- **13-14:** $1.0
- **14-15:** $1.3
- **15-16:** $1.3

Source: Executive Budget Supporting Documents

* Existing Operating Budget as of 12/1/14

**Governor’s Executive Budget Recommendation
8-Year Expenditure History (in millions)

- **Existing Operating Budget as of 12/1/14**
- **Governor’s Executive Budget Recommendation**

**Source:** Executive Budget Supporting Documents

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Veterans Affairs

House Fiscal Division
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

Total Veterans Affairs Budget
$62 Million

Subtract
$1.6 Million IAT
(Interagency Transfer Double Count)

$60.4 Million Available

Self-Generated Revenue
$16 Million

Statutory Dedications
$116 Thousand

Federal
$39 Million

State General Fund
$5.3 Million

Non-Discretionary
$500 Thousand

Administrative
$500 Thousand

Discretionary
$4.8 Million

Administrative
$2.2 Million

Claims
$489 Thousand

Contact Assistance
$1.5 Million

State Veterans Cemetery
$596 Thousand

State Veterans Affairs Budget
$62 Million

Subtract $1.6 Million IAT
(Interagency Transfer Double Count)

$60.4 Million Available

Total

Karen Auguste (225) 342-2444
Veterans Affairs
House Fiscal Division
## War Veterans Homes Averages

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

Source: Management at Louisiana Department of Veterans Affairs
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.

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

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

Karen Auguste (225) 342-2444
Veterans Affairs
House Fiscal Division
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

Karen Auguste (225) 342-2444 Veterans Affairs

House Fiscal Division
House Fiscal Division
Veterans Affairs

FY 14 UNCLASSIFIED AVERAGE ANNUAL PAY PER FTE

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

Karen Auguste (225) 342-2444

Veterans Affairs

House Fiscal Division

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## Department Contacts

<table>
<thead>
<tr>
<th>TITLE</th>
<th>CONTACT</th>
<th>PHONE NUMBER</th>
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<tbody>
<tr>
<td>Secretary</td>
<td>David LaCerte</td>
<td>(225) 219-5001</td>
</tr>
<tr>
<td>Deputy Undersecretary</td>
<td>Robert Hayes</td>
<td>(225) 219-5020</td>
</tr>
<tr>
<td>Accountant Administrator</td>
<td>Stephanie Wade</td>
<td>(225) 219-5018</td>
</tr>
</tbody>
</table>