

Representative Cameron Henry
Chairman



Representative Franklin Foil
Vice Chairman

FY16-17 Executive Budget Review

DEPARTMENT OF VETERANS AFFAIRS

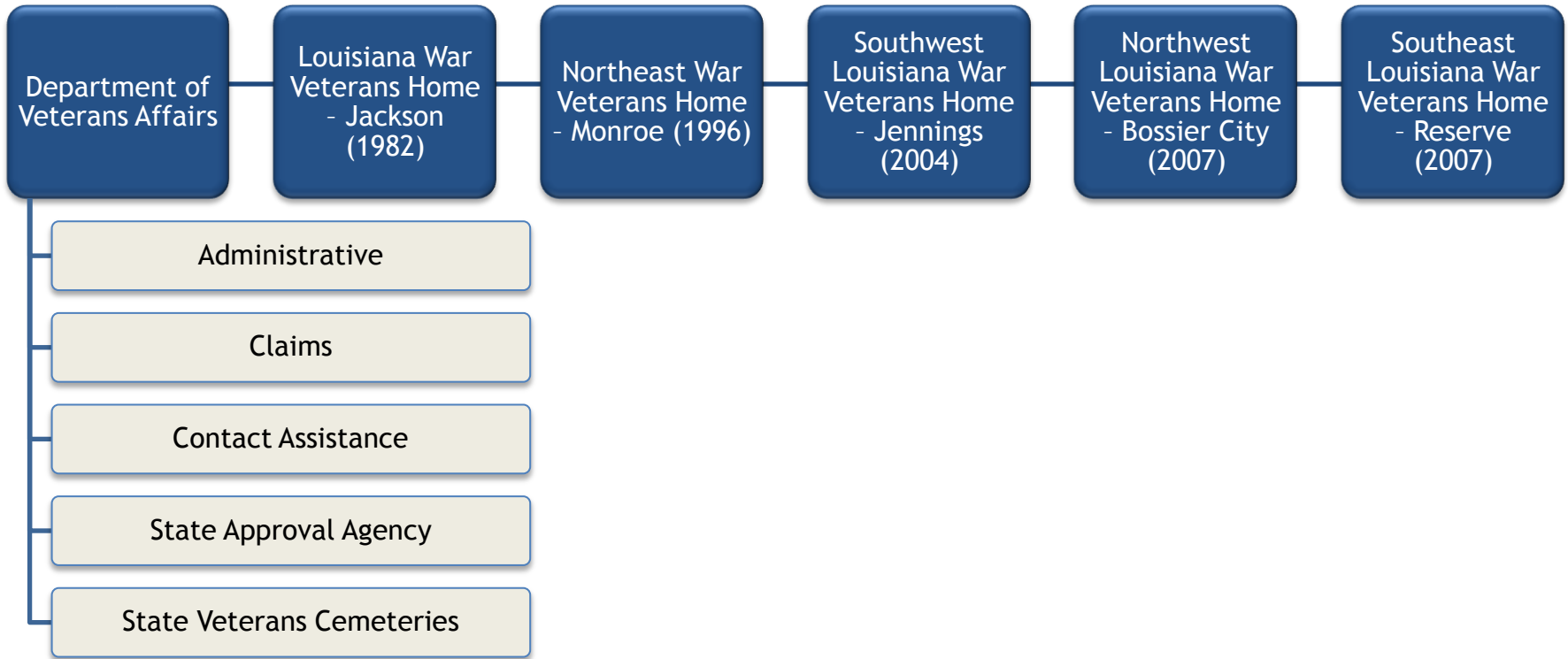
House Committee on Appropriations
by the House Fiscal Division

April 11, 2016

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DEPARTMENT ORGANIZATION



DEPARTMENT FUNCTIONS



Administrative Program

- 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 Program

- 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 Program

- 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.
- Make 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 VA contract.
- Conducts inspection visits on new schools seeking approval, and additional visits at the request of VA.

DEPARTMENT FUNCTIONS



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 by paying for a variety of items for those who qualify, such as food, housing, medical expenses, auto repair, and more.
- Funded by private donations from individuals and corporations.

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.



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

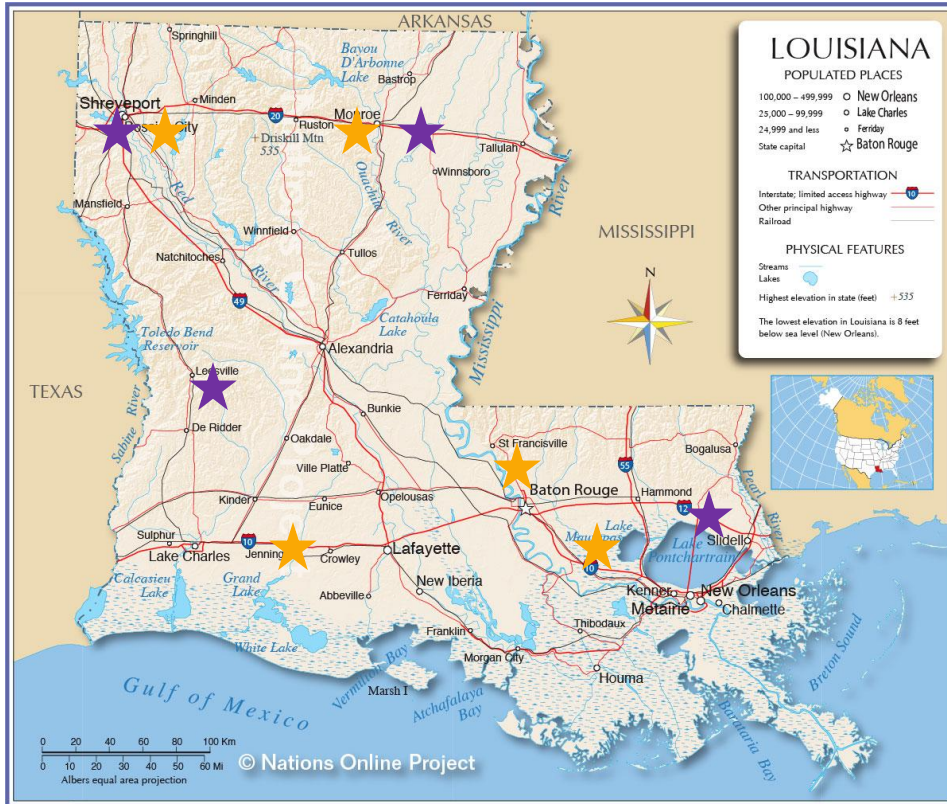
- The department constructs, operates, and maintains veterans cemeteries throughout Louisiana.
- Available for qualifying veterans, their spouses, and dependent children (no charge for veteran burials).
- LDVA recently opened a fourth Louisiana Veterans Cemetery in Rayville, Louisiana in November 2015.

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.



WAR HOME AND CEMETERY LOCATIONS



★ War Veterans Homes

☆ Veterans Cemeteries

Veterans Homes

Bossier City, LA

Jackson, LA

Jennings, LA

Monroe, LA

Reserve, LA

Veterans Cemeteries

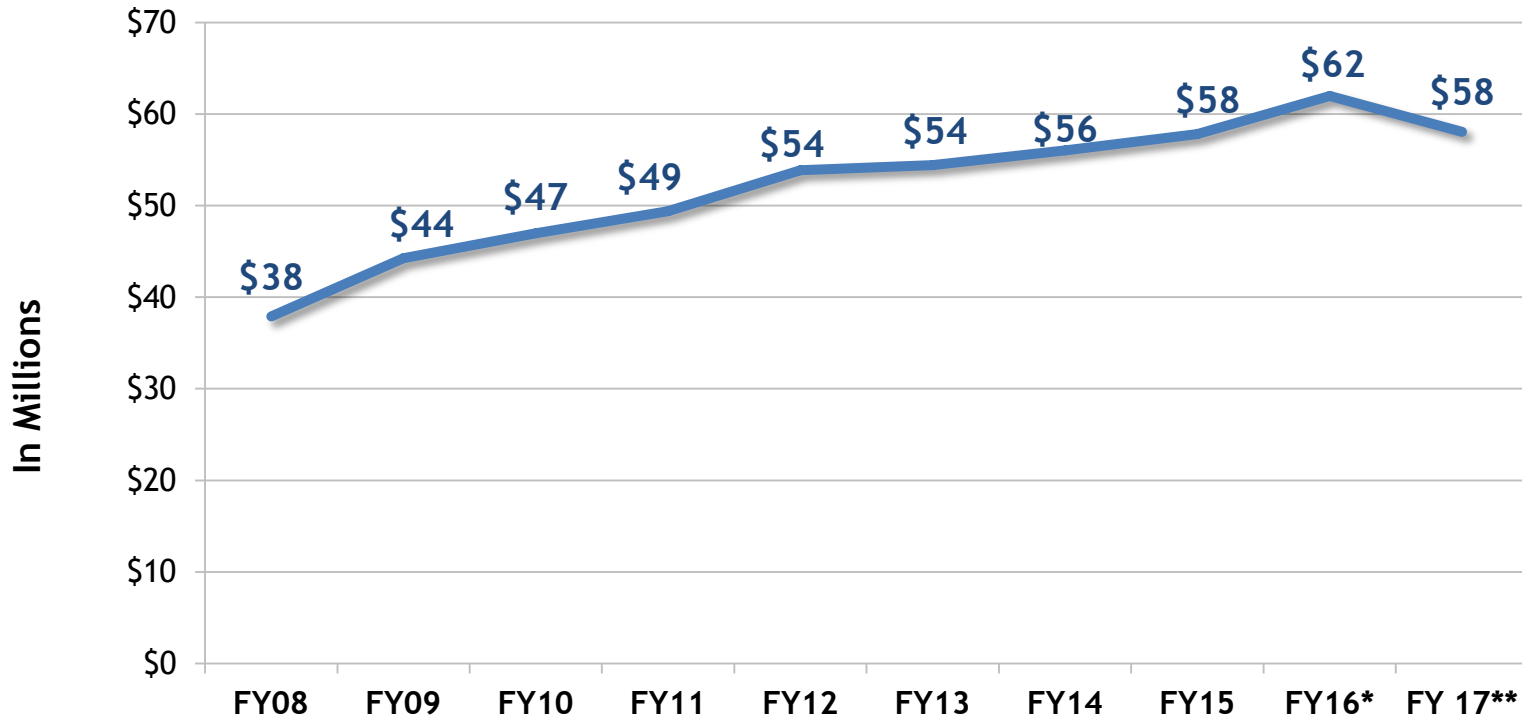
Keithville, LA

Leesville, LA

Rayville, LA

Slidell, LA

BUDGET HISTORY

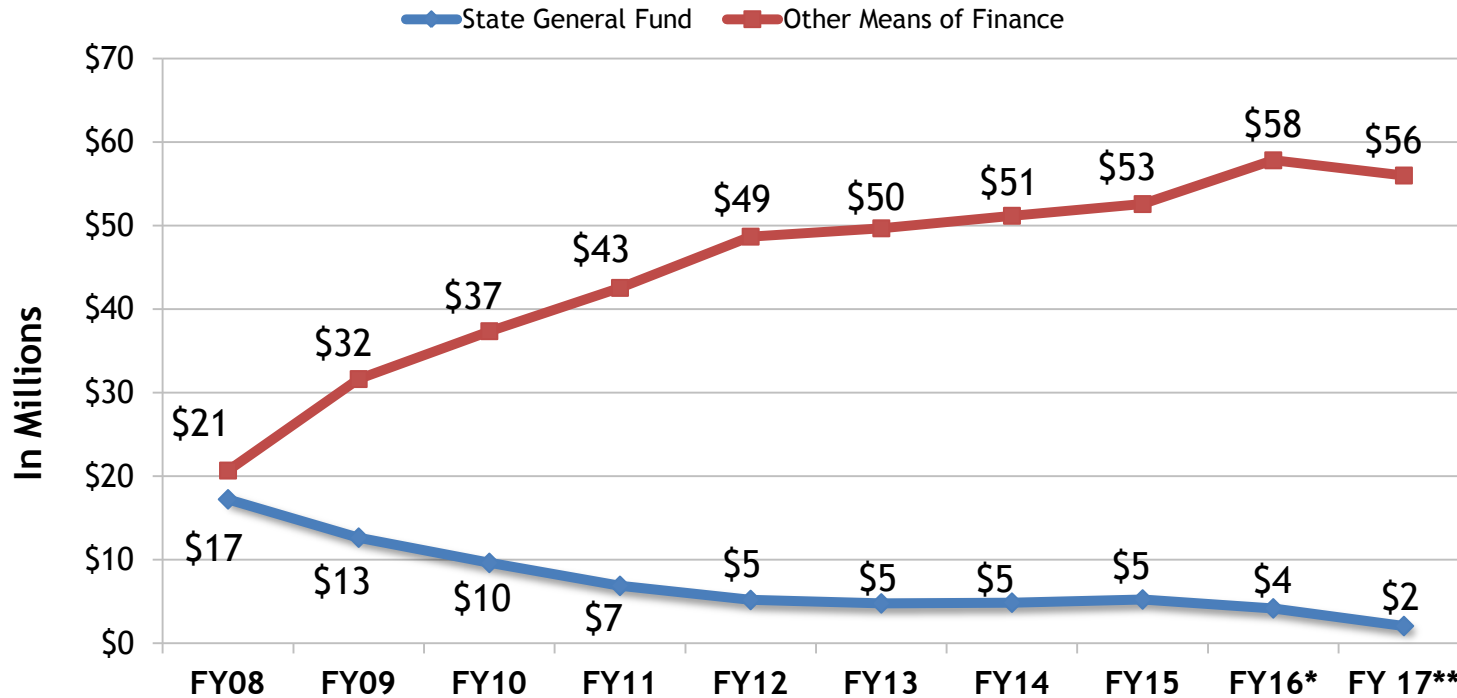


Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/15

**FY17 Recommended

BUDGET HISTORY



Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/15

MEANS OF FINANCE BREAKDOWN

Means of Financing	FY 14-15 Prior Year Actual Expenditures	FY 15-16 Existing Operating Budget	FY 16-17 Executive Budget Recommendation	\$ Change from Existing	% Change from Existing
State General Fund	\$5,241,090	\$4,177,469	\$2,063,092	(\$2,114,377)	(50.6%)
Interagency Transfers	\$1,263,135	\$2,596,752	\$1,606,948	(\$989,804)	(38.1%)
Fees and Self-Gen Rev.	\$14,563,275	\$16,050,000	\$15,765,052	(\$284,948)	(1.8%)
Statutory Dedications	\$20,037	\$115,528	\$115,528	\$0	0.0%
Federal Funds	\$36,726,098	\$39,048,575	\$38,503,005	(\$545,570)	(1.4%)
Total Means of Finance	\$57,813,635	\$61,988,324	\$58,053,625	(\$3,934,699)	(6.3%)

The Division of Administration estimates that \$5.6 million in State General Fund is needed in FY 17 to fully fund projected normal operating costs and other priorities. Therefore, \$3.5 million additional SGF is needed to fully fund operations.

MAJOR SOURCES OF REVENUE

Federal Funds \$38.5 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.

Self Generated \$15.8 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.

Interagency Transfers \$1.6 Million

- These funds come from the various War Veterans Homes into the main agency for Medicare Services.

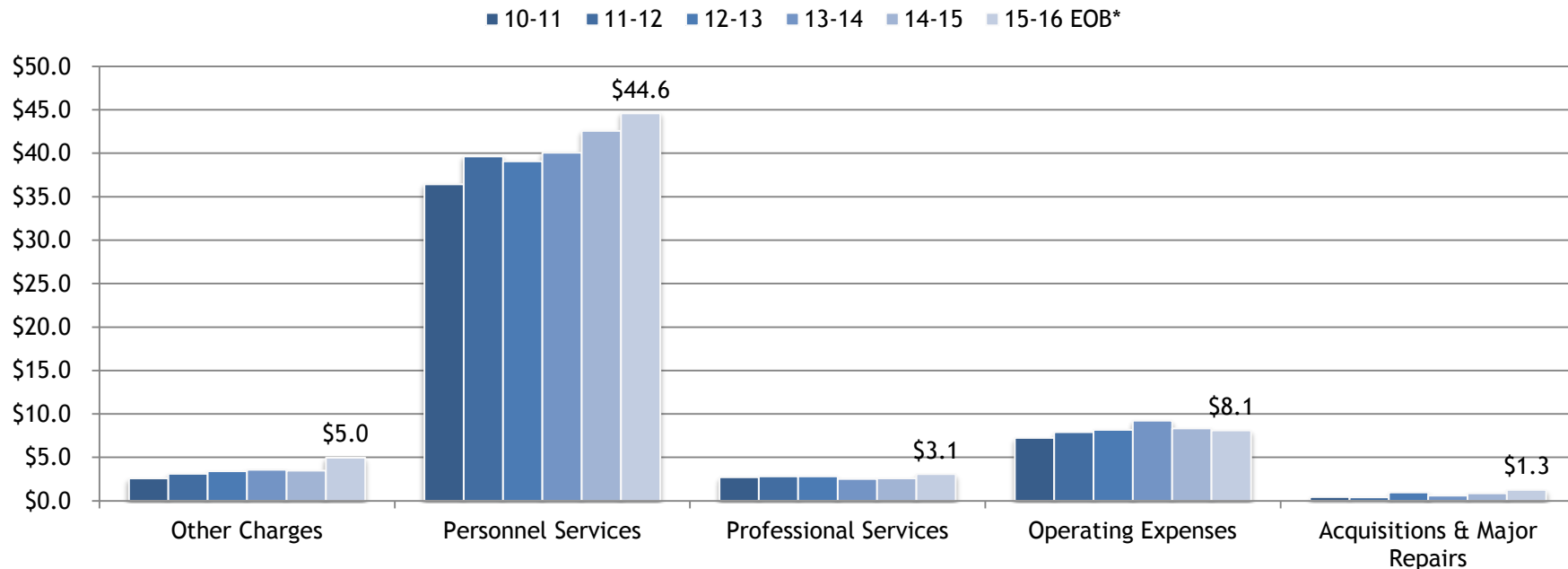
Statutory Dedications \$115,528

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.

EXPENDITURE BREAKDOWN

Expenditure	FY 14-15 Prior Year Actual Expenditures	FY 15-16 Existing Operating Budget	FY 16-17 Executive Budget Recommendation	\$ Change from Existing	% Change from Existing
Salaries	\$28,677,892	\$29,644,110	\$27,494,334	(\$2,149,776)	(7.3%)
Other Compensation	\$647,546	\$676,539	\$668,039	(\$8,500)	(1.3%)
Related Benefits	\$13,243,396	\$14,259,090	\$12,957,360	(\$1,301,730)	(9.1%)
Travel	\$147,695	\$180,079	\$160,828	(\$19,251)	(10.7%)
Operating Services	\$3,002,160	\$2,960,540	\$2,960,540	\$0	0.0%
Supplies	\$5,170,299	\$4,971,991	\$4,971,991	\$0	0.0%
Professional Services	\$2,586,915	\$3,063,948	\$3,063,948	\$0	0.0%
Other Charges	\$3,471,828	\$4,974,993	\$5,088,636	\$113,643	2.3%
Acq/Major Repairs	\$865,904	\$1,257,034	\$687,949	(\$569,085)	(45.3%)
Unallotted	\$0	\$0	\$0	\$0	0.0%
Total Expenditures	\$57,813,635	\$61,988,324	\$58,053,625	(\$3,934,699)	(6.3%)
Authorized Positions	840	838	840	2	0.2%

EXPENDITURE HISTORY (IN MILLIONS)



Other Charges includes the Veterans Disability Benefits, the Troops to Teachers Program, the Medal Initiative, and the Military Family Assistance Program.

Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/15

PROGRAM BUDGET COMPARISONS

Program	FY 14-15 Prior Year Actual Expenditures	FY 15-16 Existing Operating Budget	FY 16-17 Executive Budget Recommendation	\$ Change from Existing	% Change from Existing
Administrative	\$2,536,692	\$3,423,493	\$1,786,214	(\$1,637,279)	(47.8%)
Claims	\$503,245	\$489,050	\$189,642	(\$299,408)	(61.2%)
Contact Assistance	\$2,648,966	\$2,756,440	\$2,031,912	(\$724,528)	(26.3%)
State Approval Agency	\$294,386	\$321,118	\$313,648	(\$7,470)	(2.3%)
State Veterans Cemetery	\$1,070,506	\$1,306,464	\$990,039	(\$316,425)	(24.2%)
Louisiana War Veterans Home	\$10,074,379	\$10,672,353	\$10,079,402	(\$592,951)	(5.6%)
Northeast LA War Veterans Home	\$10,072,235	\$10,505,659	\$10,395,859	(\$109,800)	(1.0%)
Southwest LA War Veterans Home	\$9,915,137	\$10,554,623	\$10,334,153	(\$220,470)	(2.1%)
Northwest LA War Veterans Home	\$10,113,184	\$10,415,711	\$10,578,711	\$163,000	1.6%
Southeast LA War Veterans Home	\$10,584,905	\$11,543,413	\$11,354,045	(\$189,368)	(1.6%)
Total Expenditures	\$57,813,635	\$61,988,324	\$58,053,625	(\$3,934,699)	(6.3%)

•The recommended funding in FY 16-17 for the five War Veterans Homes makes up over 90.9% of the Department of Veterans Affairs' total recommended funding.

SIGNIFICANT ADJUSTMENTS

Reduction in the department's State General Fund by \$2.1M.

Decrease in IAT by \$1M in Administration.

Various MOF swaps in the Veterans Homes

Decrease in State General Fund is part of the attempt to balance the state's budget.

Decrease in transfers from the veterans homes. This leads to an increased need in SGF.

Allows the homes to fully utilize their available funds.

DISCRETIONARY/NON-DISCRETIONARY FUNDING

TOTAL BUDGET
\$58.1 Million

**\$1.6 Million IAT
Double Count**

**\$56.5
Million
Remaining**

Self Generated
Revenue
\$15.8 Million

Statutory
Dedications
\$115,528

Federal Funds
\$38.5 Million

State General Fund
\$2.1 Million

**Non Discretionary
\$525,563**

**Discretionary
\$1.5 Million**

Veterans Affairs
Rent of State Owned Buildings
\$198,968

Veterans Affairs
Legislative Auditor Fees
\$68,314

Veterans Affairs
Group Benefits for Retirees
\$258,281

Department of Veterans
Affairs
\$1.5 Million

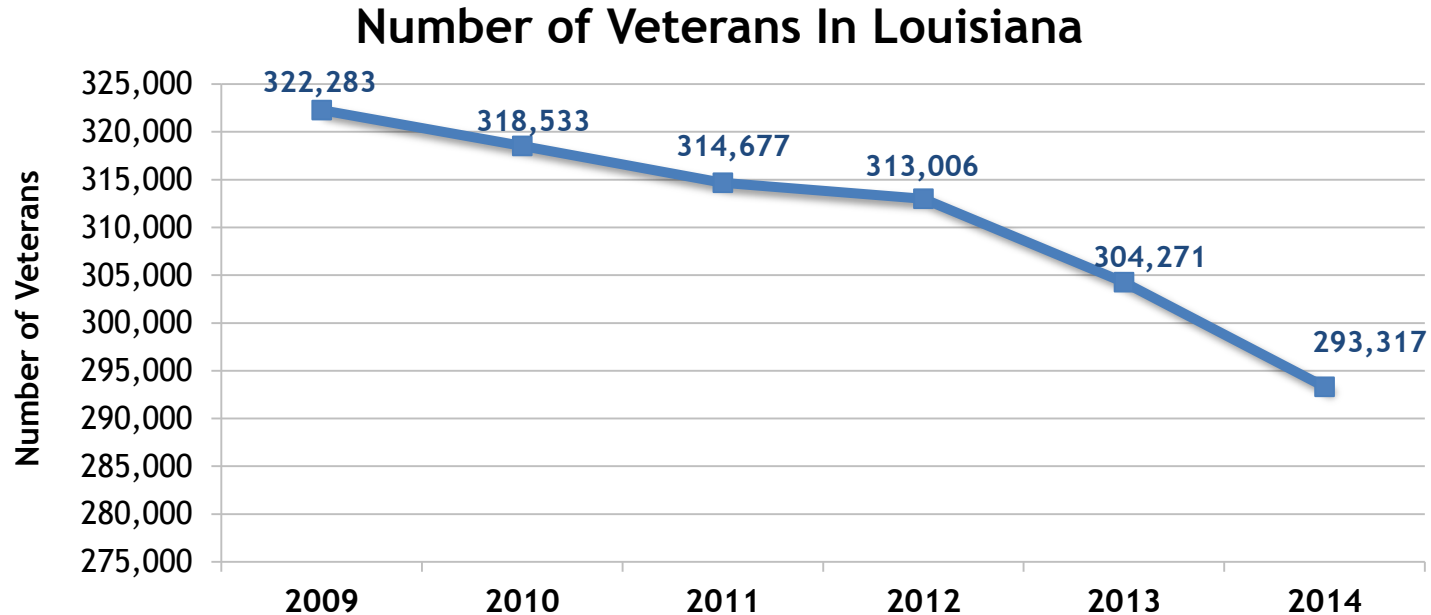
WAR VETERANS HOME AVERAGES

Average Totals	Actual FY 12-13	Actual FY 13-14	Actual FY 14-15	EOB Fy 15-16	Executive Budget FY 15-16
Daily Census	143.40	143.20	140.78	145.18	145.60
Occupancy Rate	93.50%	92.81%	90.67%	93.32%	93.60%
Cost per Patient per Day	\$187.70	\$191.81	\$198.15	\$199.53	\$198.06
Cost per Patient per Year	\$68,539	\$70,020	\$72,320	\$72,907	\$72,332

Source: Management at Louisiana Department of Veterans Affairs

POPULATION TREND OF VETERANS IN LA

Louisiana's veteran population makes up 6.31% of the total population of the state.



Source: United States Veterans Administration and the United States Census Bureau

PERSONNEL INFORMATION

Personnel Budget Percentage

\$28.2 M Salaries and Other Comp

\$13.0 M Related Benefits

\$41.1 M Total Personnel Services

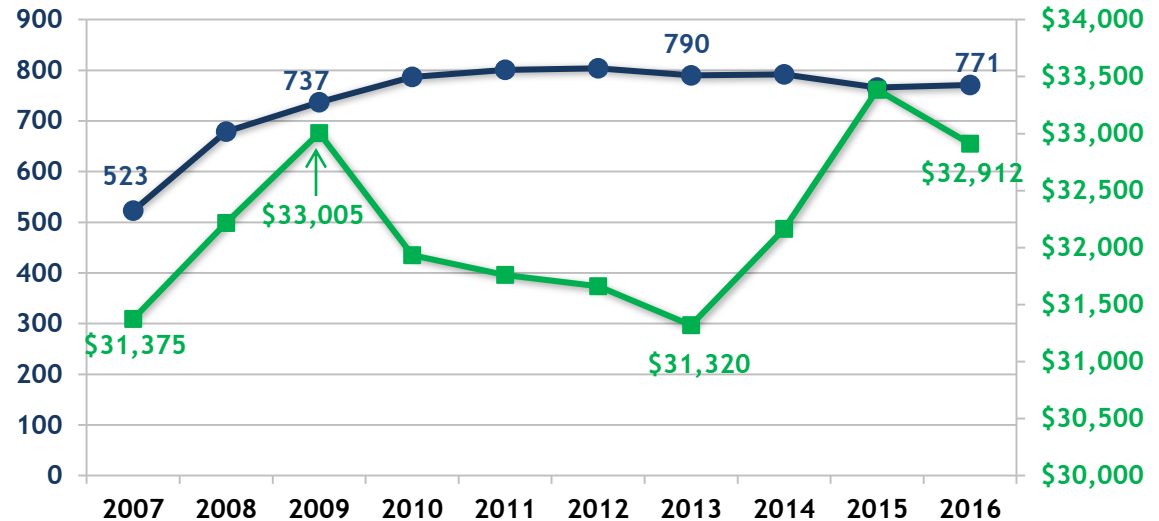
- 71% of the Veterans Affairs total Executive Budget Recommendation

Authorized Positions

- 840 (831 classified and 9 unclassified)
- 0 full-time non-T.O. positions
- 0 Other Charges positions

*As of 1/29/2016, Veterans Affairs had 64 vacancies

10 Year FTE Positions/Avg Salary



Source: Prepared by House Fiscal Division staff using information from Civil Service

DEPARTMENT CONTACTS

Position	Name	Contact
Secretary of Veterans Affairs	Col. Joey Strickland	225.219.5031
Undersecretary	Homer Rodgers	225.219.5006
Deputy Undersecretary	Robert Hayes	225.219.5020