

Department of Veterans' Services

A.R.S. § 41-603

Director: Patrick Chorpenning

JLBC Analyst: Gina Guarascio

	FY 2001 Actual	FY 2002 Estimate	FY 2003 Approved
PROGRAM BUDGET			
Administration	420,000	920,500	882,000
Southern Arizona Cemetery SLI	0	123,400	320,900
Veterans' Organizations Contracts SLI	29,200	29,200	29,200
World War II Memorial SLI	69,000	0	0
<i>Program Subtotal - Administration</i>	518,200	1,073,100	1,232,100
Veterans' Conservatorship/Guardianship	754,400	890,200	974,300
Veterans' Services	804,400	842,200	910,700
Veterans' Home	9,915,900	9,896,700	10,393,400
Veterans' Home Contingency SLI	268,700	0	0
<i>Program Subtotal - Veterans' Home</i>	10,184,600	9,896,700	10,393,400
TOTAL APPROPRIATIONS	12,261,600	12,702,200	13,510,500
OPERATING BUDGET			
Full Time Equivalent Positions	293.0	302.0	302.3 ^{1/}
Personal Services	7,646,400	7,452,000	7,948,600
Employee Related Expenditures	1,739,900	1,993,400	2,124,500
Professional and Outside Services	733,800	1,040,800	1,044,200
Travel - In State	59,100	57,100	57,100
Travel - Out of State	12,200	9,200	9,200
Food	393,300	355,800	368,200
Other Operating Expenditures	1,258,100	1,546,700	1,535,200
Equipment	51,900	94,600	146,600
Lump Sum Reduction	0	0	(73,200)
<i>Operating Subtotal</i>	11,894,700	12,549,600	13,160,400
Special Line Items (SLI)	366,900	152,600	350,100
TOTAL APPROPRIATIONS	12,261,600	12,702,200	13,510,500 ^{3/}
FUND SOURCES			
General Fund	1,711,000	2,342,700	2,332,700
<u>Other Appropriated Funds</u>			
State Veterans' Conservatorship Fund	366,000	462,800	541,000
State Home for Veterans' Trust Fund	10,184,600	9,896,700	10,422,600
State Veterans' Cemetery Fund	0	0	214,200
<i>Subtotal - Other Appropriated Funds</i>	10,550,600	10,359,500	11,177,800
TOTAL APPROPRIATIONS	12,261,600	12,702,200	13,510,500

AGENCY DESCRIPTION — *The agency assists veterans in developing and filing claims for federal entitlements, acts as a guardian or conservator for incapacitated veterans or their families and supervises state educational and training programs for veterans. In addition, the agency began operating and maintaining a skilled nursing home for Arizona veterans in FY 1996. The 200-bed State Veterans' Nursing Home is located in Phoenix on the former Indian School Land.*

^{1/} Includes 5.9 FTE Positions funded from Special Line Items in FY 2003.

^{2/} The Joint Legislative Budget Committee shall review all proposed Department of Veterans' Services contracts above \$20,000, except contracts for nursing and dietary services. (General Appropriation Act footnote)

^{3/} General Appropriation Act (Laws 2002, Chapter 327) funds are appropriated as a Lump Sum by Program with Special Line Items.

PERFORMANCE MEASURES	FY 1999	FY 2000	FY 2001	FY 2002-03
	Est./Actual	Est./Actual	Est./Actual	Estimate
• Department of Health Services quality rating of the Veterans' Home ("excellent", "standard" or "substandard")	Excellent/Standard	Excellent/Standard	Excellent	Excellent
• % of customers rating department's services as "good" or "excellent"	NA	Baseline/90	92/91	95
• % of annual fiduciary accountings approved on first submission	NA	80/97	95/95	95
• Social worker to client ratio	NA/1:65	NA/1:53	1:45/1:45	1:45
• % of agency staff turnover *	63/56	50/64	50/52	45
• Administration as a % of total cost	NA	NA/6.1	6.3/NA	13

* Most of the staff turnover is attributable to nursing staff.

Unfunded FTE Positions — The approved amount includes a General Fund decrease of (1.7) FTE Positions below FY 2002 due to the statewide elimination of unfunded FTE Positions. For details on the methodology used to calculate the reduction, please see the *General Provisions* section at the front of the *Appropriations Report*.

Administration Program — This program oversees operational and financial support services for the department. This program is entirely funded from the General Fund. The approved amount reflects a decrease of \$(24,000) below FY 2002. The director's office, currently in private rental space, will move to the Arizona State Veterans' Home.

Southern Arizona Cemetery Special Line Item — This General Fund appropriation is for the operation of the Southern Arizona Veterans' Cemetery. Although the federal government is paying 100% of the cemetery's development and construction costs, operating costs are the state's responsibility. The approved amount reflects an increase of \$214,200 above FY 2002 from the State Veterans' Cemetery Fund, as well as a decrease of \$(17,500) from the General Fund. The Southern Arizona Cemetery is scheduled for completion in November 2002.

Veterans' Organizations Contracts Special Line Item — This General Fund line item is for contracts with veterans' organizations to compensate them for claims development services for veterans the department does not serve.

World War II Memorial Special Line Item — This Special Line Item reflects monies appropriated by Laws 2000, Chapter 195. The legislation appropriated \$69,000 from the General Fund in FY 2001 for a World War II memorial in Washington, D.C.

Veterans' Conservatorship/Guardianship Program — This program functions as guardian, conservator, or representative payee for incompetent veterans, surviving spouses, and their dependent children. It is funded from

the General Fund and the State Veterans' Conservatorship Fund. *Table 1* shows the amount of each funding source for FY 2003.

Table 1	
	FY 2003
General Fund	\$433,300
Conservatorship Fund	<u>541,000</u>
Total	\$974,300

The FY 2003 appropriation includes an increase of \$39,900 and 1 FTE Position above FY 2002 from the State Veterans' Conservatorship Fund. The addition of another Human Services Worker will ensure that this program maintains a staff to client ratio that is acceptable to the courts as its number of clients increase. In addition, funding from the State Veterans' Conservatorship Fund increased in FY 2003 by \$8,300 for one-time equipment costs. Finally, the appropriation includes an increase of \$17,900 above FY 2002 from the State Veterans' Conservatorship Fund to cover the Fiduciary Division's rent costs.

Veterans' Services Program — This program provides a network of Veterans' Benefits Counselors who assist veterans, their dependents, and survivors in matters pertaining to federal and state benefits earned from service in the U.S. armed forces. The program also coordinates state patriotic events and participates in community outreach efforts. It is funded from the General Fund.

Veterans' Home Program — The program provides a 200-bed nursing facility for veterans and their spouses, with different levels of nursing care and integrated health services designed to meet long-term and short-term health care needs. The program is funded from the State Home for Veterans' Trust Fund. The appropriation includes an increase of \$70,000 and 1 FTE above FY 2002 from the State Home for Veterans' Fund to expand the adult day care center. Finally, the appropriation includes an additional \$57,300 above FY 2002 for one-time equipment purchases. These monies are to be used to retrofit

mattresses in the residents' rooms with specialized head and body entrapment safeguards.

Veterans' Home Contingency Special Line Item —

This Special Line Item consists of \$592,800 from the State Home for Veterans' Trust Fund appropriated by Laws 1999, 1st Special Session, Chapter 1 for FY 2000. Expenditure of these FY2000 monies is linked to a footnote requiring review by the Joint Legislature Budget Committee (JLBC), except for \$252,300. Pursuant to Laws 2000, Chapter 180, this \$252,300 can be expended for preconstruction costs for a veterans' cemetery in southern Arizona. In April of 2001, JLBC provided a favorable review of the expenditure of \$300,000 from this line item in order to meet the Home's FY 2001 payroll expenses. The source of the FY 2000 monies for this Special Line Item was from reimbursement by the federal government for construction costs associated with the Veterans' Home. No new monies were authorized during the 2001 Session for this Special Line Item. Therefore, this Special Line Item was eliminated in the General Appropriation Act in FY 2002. As a non-lapsing appropriation, however, the department is still required to seek JLBC review before expending \$40,500 of the \$292,800 remaining from the original appropriation. As mentioned earlier, \$252,300 of this remaining amount is exempt from JLBC review when used for preconstruction costs for a veterans' cemetery in southern Arizona.

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