

Director: Patrick Chorpensing

JLBC Analyst: John Malloy

	FY 2002 Actual	FY 2003 Estimate	FY 2004 Approved
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	296.0	302.3	302.3 <sup>1/</sup>
Personal Services	8,104,000	8,285,100	8,285,100
Employee Related Expenditures	1,999,900	2,144,400	2,530,400
Professional and Outside Services	298,700	478,900	478,900
Travel - In State	56,000	73,600	73,600
Travel - Out of State	11,400	14,300	14,300
Other Operating Expenditures	1,395,700	1,828,000	1,844,900
Food	398,500	336,100	336,100
Equipment	117,800	0	0
<b>OPERATING SUBTOTAL</b>	<b>12,382,000</b>	<b>13,160,400</b>	<b>13,563,300</b>
<b>SPECIAL LINE ITEMS</b>			
Southern Arizona Cemetery	78,200	320,900	311,700 <sup>2/</sup>
Veterans' Organizations Contracts	29,200	29,200	29,200
<b>AGENCY TOTAL</b>	<b>12,489,400</b>	<b>13,510,500</b>	<b>13,904,200<sup>3/</sup></b>

<b>FUND SOURCES</b>			
General Fund	2,240,700	2,332,700	2,165,100
<u>Other Appropriated Funds</u>			
State Home for Veterans' Trust Fund	9,822,800	10,422,600	10,991,200
State Veterans' Cemetery Fund	0	214,200	182,700
State Veterans' Conservatorship Fund	425,900	541,000	565,200
SUBTOTAL - Other Appropriated Funds	10,248,700	11,177,800	11,739,100
<b>AGENCY TOTAL</b>	<b>12,489,400</b>	<b>13,510,500</b>	<b>13,904,200</b>

**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 and operates a 200-bed skilled nursing home for Arizona veterans in Phoenix.*

<b>PERFORMANCE MEASURES</b>	FY 2002	FY 2002	FY 2003	FY 2004
	Appropriation	Actual	Appropriation	Appropriation
• Department of Health Services quality rating of the Veterans' Home ("excellent", "standard" or "substandard")	Excellent	Standard	Excellent	Excellent
• % of customers rating department's services as "good" or "excellent"	95	95	95	95
• % of annual fiduciary accountings approved on first submission	95	100	95	--
• Social worker to client ratio	1:45	1:45	1:45	1:50
• % of agency staff turnover	45	NA	45	NA
• Administration as a % of total cost	13	18	13	17

**Comments:** The agency did not submit information for any measure labeled as "NA." Most of the staff turnover is attributable to nursing staff.

<sup>1/</sup> Includes 7 FTE Positions funded from Special Line Items in FY 2004.

<sup>2/</sup> The appropriation for the Department of Veterans' Services provides full year funding to operate the Southern Arizona Cemetery in FY 2004. (General Appropriation Act footnote)

<sup>3/</sup> General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

**Technical Adjustments** — The FY 2004 approved amount include technical adjustments for Employee Related Expenditures, Risk Management charges, lease-purchase rent charges, Other Fund health and dental insurance changes, Other Fund retirement changes, and Other Fund AFIS charges. *(Please see the General Provisions section at the end of this Appropriations Report for further details on these changes.)*

**Permanent Reduction Plan** — The approved amount includes a General Fund decrease of \$(244,300) and (7) FTE Positions below FY 2003 and a State Home for Veterans’ Trust Fund increase of \$244,300 and 7 FTE Positions above FY 2003 as part of the agency’s FY 2004 permanent reduction plan. During the 45<sup>th</sup> Legislature, 6<sup>th</sup> Special Session, the agency utilized a one-time source of monies to fulfill its 6<sup>th</sup> Special Session reduction of \$244,300. The approved plan permanently shifts \$244,300 from the General Fund to the State Home for Veterans’ Trust Fund.

**Special Line Items**

**Southern Arizona Cemetery** — Provides for the operation of the Southern Arizona Veterans’ Cemetery in Sierra Vista. This line item is funded in FY 2004 from both the General Fund and the State Veterans’ Cemetery Fund. The line item includes 7 FTE Positions funded from the General Fund.

The Health and Welfare Omnibus Reconciliation Bill (ORB) (Laws 2003 Chapter 265) allowed the use of Veterans’ Cemetery monies for the operation of the Southern Arizona Cemetery in FY 2004. *Table 1* shows the amount of each funding source for FY 2004.

<b>Table 1</b>	
	<b>FY 2004</b>
General Fund	\$182,700
Cemetery Fund	<u>129,000</u>
<b>TOTAL</b>	<b>\$311,700</b>

The approved amount reflects a decrease of \$(23,100) below FY 2003 from the State Veterans’ Cemetery Fund in order to reflect proper funding levels for the operations of the cemetery in FY 2004.

**Veterans’ Organizations Contracts** — This General Fund item includes no change in funding from FY 2003. Monies in this line item are for contracts with veterans’ organizations to compensate them for processing 3<sup>rd</sup> party claims on behalf of veterans that the department does not currently serve.

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