

Department of Veterans' Services

JLBC: John Malloy
 OSPB: Bob Chapko

Subcommittee: Health & Welfare

DESCRIPTION	FY 2002 ACTUAL	FY 2003 ESTIMATE	FY 2004	
			OSPB	JLBC
PROGRAM BUDGET				
Veterans' Services	12,382,000	13,160,400	13,210,000	13,267,400
Southern Arizona Cemetery SLI	78,200	320,900	308,800	308,000
Veterans' Organizations Contracts SLI	29,200	29,200	29,200	29,200
AGENCY TOTAL	12,489,400	13,510,500	13,548,000	13,604,600

OPERATING BUDGET

<i>Full Time Equivalent Positions</i>	296.0	302.3	302.3	302.3
Personal Services	8,104,000	8,285,100	8,284,900	8,285,100
Employee Related Expenditures	1,999,900	2,144,400	2,230,900	2,230,900
Professional and Outside Services	298,700	478,900	478,900	478,900
Travel - In State	56,000	73,600	73,600	73,600
Travel - Out of State	11,400	14,300	14,300	14,300
Other Operating Expenditures	1,395,700	1,828,000	1,791,300	1,848,500
Food	398,500	336,100	336,100	336,100
Equipment	117,800	0	0	0
OPERATING SUBTOTAL	12,382,000	13,160,400	13,210,000	13,267,400
Special Line Items (SLI)	107,400	350,100	338,000	337,200
AGENCY TOTAL	12,489,400	13,510,500	13,548,000	13,604,600

FUND SOURCES

General Fund	2,240,700	2,332,700	2,165,100	2,180,600
<u>Other Appropriated Funds</u>				
State Home for Veterans' Trust Fund	9,822,800	10,422,600	10,657,200	10,704,500
State Veterans' Cemetery Fund	0	214,200	202,100	179,000
State Veterans' Conservatorship Fund	425,900	541,000	523,600	540,500
SUBTOTAL - Other Appropriated Funds	10,248,700	11,177,800	11,382,900	11,424,000
SUBTOTAL - Appropriated Funds	12,489,400	13,510,500	13,548,000	13,604,600
<u>Other Non-Appropriated Funds</u>				
Other Non-Appropriated Funds	217,900	314,500	NA	314,500
Federal Funds	309,600	307,300	NA	307,300
TOTAL - ALL SOURCES	13,016,900	14,132,300	NA	14,226,400

CHANGE IN FUNDING SUMMARY

	FY 2003 to FY 2004 JLBC	
	\$ Change	% Change
General Fund	(152,100)	(6.5%)
Other Appropriated Funds	246,200	2.2%
Total Appropriated Funds	94,100	0.7%

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.*

PERFORMANCE MEASURES	FY 2002	FY 2002	FY 2003	FY 2004
	Appropriation	Actual	Appropriation	Recommend.
• 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.

RECOMMENDED CHANGES FROM FY 2003

		FY 2004
Standard Changes	GF	\$92,200
	OF	25,000
Agency Reduction Plan	GF	(244,300)
	OF	244,300

The JLBC recommends a General Fund decrease and a State Home for Veterans' Trust Fund increase as part of the agency's FY 2004 permanent reduction plan. During the 45th Legislature, 6th Special Session, the agency did not receive a permanent lump sum reduction. The reduction plan also includes a General Fund decrease of (7) FTE Positions and a corresponding State Home for Veterans' Trust Fund increase of 7 FTE Positions in FY 2004 from FY 2003.

Veterans' Cemetery Operations OF (23,100)

The JLBC recommends a Veterans' Cemetery Fund decrease to reflect proper funding levels for operating the Southern Arizona Cemetery in Sierra Vista. Under this recommendation, there will be \$129,000 available from the General Fund to operate the Veterans' Cemetery in FY 2004. The JLBC recommends allowing the use of \$179,000 from the Veterans' Cemetery Fund for additional

costs of operating the cemetery in FY 2004 (See JLBC Recommended Statutory Changes for more information.)

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JLBC RECOMMENDED FORMAT — Detailed Line Item by Agency. (In the FY 2003 budget, the department had a Lump Sum by Program with Special Line Items format.)

JLBC RECOMMENDED FOOTNOTES

New Footnotes

The appropriation for the Department of Veterans' Services provides full year funding to operate the Southern Arizona cemetery in FY 2004.

Deletion of Prior Year Footnotes

The JLBC recommends deleting the footnote concerning the review of all Department of Veterans' Services contracts above \$20,000.

JLBC RECOMMENDED STATUTORY CHANGES

The JLBC recommends allowing the use of monies in the Veterans' Cemetery Fund for FY 2004 operating expenses of the Southern Arizona Cemetery.

SUMMARY OF FUNDS	FY 2002 Actual	FY 2003 Estimate
Federal (VSA2000/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: U.S. Department of Veterans' Affairs grant.		
Purpose of Fund: For supervision and qualification of educational and training programs.		
Funds Expended	309,600	307,300
Year-End Fund Balance	38,700	78,900
State Home for Veterans' Trust (VSA2355/A.R.S. § 41-608.01)		Appropriated
Source of Revenue: Fees from residents of the Home and from special license plates fees for veterans, former prisoners of war, Purple Heart Medal recipients and Pearl Harbor survivors.		
Purpose of Fund: To operate and maintain state-operated nursing homes for Arizona veterans.		
Funds Expended	9,896,300	10,422,600
Year-End Fund Balance	964,600	1,802,800

SUMMARY OF FUNDS	FY 2002 Actual	FY 2003 Estimate
State Veterans' Conservatorship (VSA2077/A.R.S. § 14-5414.01)		Appropriated
Source of Revenue: Fees collected from veterans, or a veteran's surviving spouse, or minor child, or the incapacitated spouse of a protected veteran, for whom the agency serves as a conservator.		
Purpose of Fund: To operate the Fiduciary Division of the Department of Veterans' Services.		
Funds Expended	425,900	541,000
Year-End Fund Balance	70,000	17,000
Veterans' Cemetery Fund (VSA 2481/A.R.S. § 41-608.02)		Appropriated
Source of Revenue: Includes a \$500,000 appropriation from the General Fund and federal monies used as reimbursement for the construction of veterans' cemeteries.		
Purpose of Fund: To acquire property for and to establish state veterans' cemeteries.		
Funds Expended	0	214,200
Year-End Fund Balance	379,200	1,734,200
Veterans' Donations (VSA2441/A.R.S. § 41-608)		Non-Appropriated
Source of Revenue: Donations from private individuals, corporations and organizations.		
Purpose of Fund: To benefit veterans within the state of Arizona.		
Funds Expended	217,900	314,500
Year-End Fund Balance	126,500	107,200

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