

Department of Veterans' Services

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| DESCRIPTION | FY 2003 | FY 2004 | FY 2005 | |
|---------------------------------------|-------------------|-------------------|---------|-------------------|
| | ACTUAL | ESTIMATE | OSPB | JLBC |
| OPERATING BUDGET | | | | |
| <i>Full Time Equivalent Positions</i> | 302.3 | 302.3 | | 298.3 |
| Personal Services | 8,465,300 | 8,408,000 | | 8,408,000 |
| Employee Related Expenditures | 2,083,300 | 2,708,600 | | 2,708,600 |
| Professional and Outside Services | 746,700 | 226,000 | | 226,000 |
| Travel - In State | 51,000 | 52,600 | | 52,600 |
| Travel - Out of State | 8,000 | 2,400 | | 2,400 |
| Other Operating Expenditures | 1,095,600 | 1,753,700 | | 1,754,500 |
| Food | 372,300 | 389,000 | | 389,000 |
| Equipment | 111,100 | 23,000 | | 23,000 |
| OPERATING SUBTOTAL | 12,933,300 | 13,563,300 | | 13,564,100 |
| SPECIAL LINE ITEMS | | | | |
| Southern Arizona Cemetery | 319,100 | 311,700 | | 129,000 |
| Veterans' Organizations Contracts | 29,200 | 29,200 | | 29,200 |
| AGENCY TOTAL | 13,281,600 | 13,904,200 | | 13,722,300 |
| FUND SOURCES | | | | |
| General Fund | 2,332,600 | 2,165,100 | | 2,165,100 |
| <u>Other Appropriated Funds</u> | | | | |
| State Home for Veterans' Trust Fund | 10,279,200 | 10,991,200 | | 10,991,200 |
| State Veterans' Cemetery Fund | 214,200 | 182,700 | | 0 |
| State Veterans' Conservatorship Fund | 455,600 | 565,200 | | 566,000 |
| SUBTOTAL - Other Appropriated Funds | 10,949,000 | 11,739,100 | | 11,557,200 |
| SUBTOTAL - Appropriated Funds | 13,281,600 | 13,904,200 | | 13,722,300 |
| Other Non-Appropriated Funds | 2,946,800 | 322,100 | | 480,700 |
| Federal Funds | 317,800 | 336,500 | | 355,200 |
| TOTAL - ALL SOURCES | 16,546,200 | 14,562,800 | | 14,558,200 |

CHANGE IN FUNDING SUMMARY

FY 2004 to FY 2005 JLBC

| | \$ Change | % Change |
|--------------------------|-----------|----------|
| General Fund | 0 | 0.0% |
| Other Appropriated Funds | (181,900) | (1.5%) |
| Total Appropriated Funds | (181,900) | (1.3%) |
| Non Appropriated Funds | 177,300 | 26.9% |
| Total - All Sources | (4,600) | 0.0% |

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 2003 | FY 2003 | FY 2004 | FY 2005 |
|---|---------------|-----------|---------------|------------|
| | Appropriation | Actual | Appropriation | Recommend. |
| • Department of Health Services quality rating of the Veterans' Home ("excellent", "standard" or "substandard") | Excellent | Excellent | Excellent | Excellent |
| • % of customers rating department's services as "good" or "excellent" | 95 | 98 | 95 | 95 |
| • Social worker to client ratio | 1:45 | 1:42 | 1:50 | 1:50 |
| • % of agency staff turnover | 45 | 26 | NA | 25 |
| • Administration as a % of total cost | 13 | 6.9 | 17 | 8 |

RECOMMENDED CHANGES FROM FY 2004

Operating Budget

The JLBC recommends \$13,564,100 for the Operating Budget in FY 2005. This amount includes \$2,006,900 from the General Fund, \$10,991,200 from the State Home for Veterans' Trust Fund, and \$566,000 from the State Veterans' Conservatorship Fund. These amounts would fund the following adjustments:

| | | |
|--------------------|-----------|------------|
| Lease Costs | GF | \$0 |
| | OF | 800 |

The JLBC recommends no change from the General Fund for increased lease costs. The agency would absorb a FY 2005 lease increase of \$1,700 within their Other Operating Expenditures. Within its budget, the agency has the discretion to shift these monies from other line items. The JLBC recommends an increase of \$800 from the State Veterans' Conservatorship Fund for lease costs.

Special Line Items

Southern Arizona Cemetery

The JLBC recommends \$129,000 from the General Fund for the Southern Arizona Cemetery in FY 2005. This amount would fund the following adjustments:

Veterans' Cemetery Operations OF (182,700)

The JLBC recommends a decrease of \$(182,700) from the Veterans' Cemetery Fund to reflect a change in funding sources for operation of the Southern Arizona Cemetery in Sierra Vista. In FY 2004 the Southern Arizona Cemetery received \$129,000 from the General Fund and \$182,700 from the appropriated Veterans' Cemetery Fund. These latter monies are intended as start-up dollars for a new cemetery. In FY 2005, the General Fund will remain the

same. But a non-appropriated fund, the Southern Arizona Veterans' Cemetery Fund, is intended to defray the costs of operating the Sierra Vista cemetery. As a result, the JLBC recommends shifting \$182,700 from the appropriated Veterans' Cemetery Fund to the non-appropriated Southern Arizona Veterans' Memorial Cemetery Fund.

To align with the agency's FY 2005 expenditure plan, this shift in funding would be accompanied by a decrease of (4) FTE Positions from the General Fund and an increase of 4 FTE Positions in the Southern Arizona Veterans' Memorial Cemetery Fund. This would result in 2 FTE Positions from the General Fund in addition to the 4 non-appropriated FTE Positions.

Veterans' Organizations Contracts

The JLBC recommends \$29,200 from the General Fund for Veterans' Organizations Contracts in FY 2005. This amount is unchanged from FY 2004.

Monies in this line item are for contracts with veterans' organizations to compensate them for processing 3rd party claims on behalf of veterans that the department does not currently serve.

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JLBC RECOMMENDED FORMAT — Operating Lump Sum with Special Line Items by Agency

Deletion of Prior Year Footnotes

The JLBC recommends deleting the footnote stating that the appropriation for the Department of Veterans' Services provides full year funding to operate the Southern Arizona Cemetery in FY 2004.

| SUMMARY OF FUNDS | FY 2003 Actual | FY 2004 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 | 317,800 | 336,500 |
| Year-End Fund Balance | 0 | 0 |

| SUMMARY OF FUNDS | FY 2003 Actual | FY 2004 Estimate |
|---|-------------------|-------------------------------|
| 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 | 10,279,200 | 10,991,200 |
| Year-End Fund Balance | 1,556,400 | 2,074,400 |
| 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 | 455,600 | 565,200 |
| Year-End Fund Balance | 98,400 | 53,700 |
| Southern Arizona Veterans' Memorial Cemetery (PIA9600/A.R.S. § 41-608.03) | | Non-Appropriated |
| Source of Revenue: Monies, grants, gifts, and contributions from any public or private source. | | |
| Purpose of Fund: To manage and maintain the southern Arizona veterans' cemetery. | | |
| Funds Expended | 0 | 0 |
| Year-End Fund Balance | 0 | 90,600 |
| Statewide Employee Recognition Gifts (PIA2449/A.R.S. § 41-776) | | Non-Appropriated |
| Source of Revenue: Donations, gifts, or contributions from public or private sources. | | |
| Purpose of Fund: For the conduct of employee recognition programs. | | |
| Funds Expended | 7,600 | 7,600 |
| Year-End Fund Balance | 2,000 | 3,900 |
| Veterans' Cemetery (VSA2481/A.R.S. § 41-608.02) | | Partially 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. | | |
| Appropriated Funds Expended | 214,200 | 182,700 |
| Non-Appropriated Funds Expended | 2,661,100 | 0 |
| Year-End Fund Balance | 434,200 | 251,500 |
| 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 | 278,100 | 314,500 |
| Year-End Fund Balance | 301,600 | 415,300 |

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