

Department of Veterans' Services

	FY 2015 ACTUAL	FY 2016 ESTIMATE	FY 2017 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	500.3	512.3	512.3
Personal Services	1,631,000	2,002,200	2,002,200
Employee Related Expenditures	617,100	754,300	754,300
Professional and Outside Services	39,700	26,500	26,500
Travel - In State	32,100	24,700	24,700
Travel - Out of State	4,600	4,000	4,000
Other Operating Expenditures	543,600	388,500	388,500
Equipment	26,700	18,800	18,800
OPERATING SUBTOTAL	2,894,800	3,219,000	3,219,000
SPECIAL LINE ITEMS			
Arizona State Veterans' Homes	30,132,400	30,986,600	30,986,600
Arizona State Veterans' Cemeteries	274,600	928,000	928,000
Veterans' Benefit Counseling	2,707,600	2,833,700	2,833,700
AGENCY TOTAL	36,009,400	37,967,300	37,967,300
FUND SOURCES			
General Fund	5,217,700	6,077,800	6,077,800
<u>Other Appropriated Funds</u>			
State Home for Veterans' Trust Fund	30,132,400	30,986,600	30,986,600
Veterans' Conservatorship Fund	659,300	902,900	902,900
SUBTOTAL - Other Appropriated Funds	30,791,700	31,889,500	31,889,500
SUBTOTAL - Appropriated Funds	36,009,400	37,967,300	37,967,300
<u>Other Non-Appropriated Funds</u>			
Other Non-Appropriated Funds	9,668,400	8,749,100	1,683,300
Federal Funds	732,400	1,382,500	1,262,100
TOTAL - ALL SOURCES	46,410,200	48,098,900	40,912,700

AGENCY DESCRIPTION — The agency supervises and operates 2 skilled nursing homes for Arizona veterans in Phoenix and Tucson, assists veterans in developing and filing claims for federal entitlements, acts as a guardian or conservator for incapacitated veterans or their families, and operates 3 veterans' memorial cemeteries in Sierra Vista, Marana, and Flagstaff.

Operating Budget

The Baseline includes \$3,219,000 and 62.8 FTE Positions in FY 2017 for the operating budget. These amounts consist of:

	FY 2017
General Fund	\$2,316,100
Veterans' Conservatorship Fund	902,900

These amounts are unchanged from FY 2016.

Arizona State Veterans' Homes

The Baseline includes \$30,986,600 and 380 FTE Positions from the State Home for Veterans' Trust Fund in FY 2017

for the Arizona State Veterans' Homes. These amounts are unchanged from FY 2016.

The monies in this line item are used for expenses related to the Arizona State Veterans' Homes in Phoenix and Tucson. Monies in this line item are from fees and reimbursements received from residents, the Department of Veterans' Affairs, Medicaid, Medicare, and private insurance carriers.

Arizona State Veterans' Cemeteries

The Baseline includes \$928,000 and 12.5 FTE Positions from the General Fund in FY 2017 for the Arizona State Veterans' Cemeteries. These amounts are unchanged from FY 2016.

Monies in this line item are also used to partially offset the operating and maintenance costs for the 3 veteran cemeteries in the state. The department also receives internment fees from the federal government, which are deposited into the non-appropriated Arizona State Veterans' Cemetery Trust Fund.

The federal government typically pays most of the construction cost, but the state is responsible for the ongoing operational cost. Construction for the Flagstaff cemetery began in March 2014 and construction for the Marana cemetery began in August 2014. The department projects both cemeteries will open in January 2016.

The FY 2016 budget included an appropriation from the General Fund for 9 months of operating costs. The FY 2017 Baseline assumes non-appropriated internment fees will offset the annualized operating costs of the new cemeteries.

Veterans' Benefit Counseling

The Baseline includes \$2,833,700 and 57 FTE Positions from the General Fund in FY 2017 for Veterans' Benefit Counseling. These amounts are unchanged from FY 2016.

The monies in this line item are used to assist Arizona veterans with questions about benefit eligibility, completion and filing of U.S. Department of Veterans' Affairs claims, and in obtaining earned benefits.

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FORMAT — Operating Lump Sum with Special Line Items by Agency

Other Issues

Yuma Veterans' Home

The FY 2015 budget appropriated \$9.2 million in non-lapsing General Fund monies for the state's share of construction costs for the Yuma home, which reflects 35% of the estimated cost. The department has applied for funding from the federal government to pay the other 65% but has not yet received these monies.

SUMMARY OF FUNDS	FY 2015 Actual	FY 2016 Estimate
Federal Funds (VSA2000/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: U.S. Department of Veterans' Affairs and Department of Defense Grants.		
Purpose of Fund: To supervise and qualify educational and training programs which receive Federal Government Issued (GI) Bill monies and to provide assistance for military personnel transitioning to a career as a public school teacher.		
Funds Expended	732,400	1,382,500
Year-End Fund Balance	393,400	393,400
Military Family Relief Fund (VSA2339/A.R.S. § 41-608.04)		Non-Appropriated
Source of Revenue: Donations, bequests, or other contributions from public or private sources. This fund received a one-time General Fund appropriation of \$100,000 in FY 2008. This fund was only established through December 31, 2018; any funds remaining unencumbered as of that date are transferred to the Veterans' Donation Fund.		
Purpose of Fund: To provide financial assistance to family members of deceased or wounded veterans who became deceased, wounded, injured, or became seriously ill after September 11, 2001. Service members must have been deployed from an Arizona military base, claimed this state as the service member's home of record, or were a member of the Arizona National Guard at the time of deployment.		
Funds Expended	484,900	593,600
Year-End Fund Balance	5,090,600	5,517,000
State Home for Veterans' Trust Fund (VSA2355/A.R.S. § 41-608.01)		Appropriated
Source of Revenue: Charges for services, fees and reimbursements received from residents, the Department of Veterans' Affairs, Medicaid, Medicare, and private insurance carriers.		
Purpose of Fund: To operate and maintain state-operated nursing homes for Arizona veterans.		
Funds Expended	30,132,400	30,986,600
Year-End Fund Balance	6,618,900	8,961,800

SUMMARY OF FUNDS	FY 2015 Actual	FY 2016 Estimate
Statewide Employee Recognition Gifts (VSA2449/A.R.S. § 41-709)		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	900	200
Year-End Fund Balance	0	100
Veterans' Cemetery Fund (VSA2481/A.R.S. § 41-608.02)		Non-Appropriated
Source of Revenue: Includes a one-time \$500,000 appropriation from the General Fund and federal monies used as reimbursement for the construction of veterans' cemeteries. The construction of the Flagstaff cemetery is estimated to cost \$6,834,000, and the construction of the Marana cemetery is expected to cost \$7,600,000. Monies for the Flagstaff and Marana cemeteries will be spent from FY 2014 through FY 2016.		
Purpose of Fund: To acquire property for and to establish state veterans' cemeteries.		
Funds Expended	8,088,300	7,065,800
Year-End Fund Balance	691,600	0
Arizona State Veterans' Cemetery Trust Fund (VSA2499/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 3 Arizona veterans' cemeteries located in Sierra Vista, Marana, and Flagstaff.		
Funds Expended	184,300	192,800
Year-End Fund Balance	327,200	512,400
Veterans' Conservatorship Fund (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	659,300	902,900
Year-End Fund Balance	80,900	80,900
Veterans' Donations Fund (VSA2441/A.R.S. § 41-608)		Non-Appropriated
Source of Revenue: Donations from private individuals, corporations and organizations. Donations are made by designating a portion of one's tax refund, purchasing a license plate, or other means. Sales from the Veterans, Freedom, Gold Star, Women Veteran, and Military Scholarship license plates go into this fund. Of the \$25 license plate fee, \$8 is for administrative costs deposited to the State Highway Fund and \$17 is deposited into the Veterans' Donation Fund.		
Purpose of Fund: To benefit veterans within the state of Arizona. Separate subaccounts of this fund are used for 1) the construction and maintenance of the Enduring Freedom Memorial, 2) grants to benefit women veterans in Arizona including providing shelter to homeless women veterans and 3) higher education scholarships for veterans and their dependents.		
Funds Expended	910,000	896,700
Year-End Fund Balance	2,469,700	3,353,000