

## Department of Veterans' Affairs

### DVA21000

#### Permanent Full-Time Positions

Fund	Actual FY 14	Actual FY 15	Governor Estimated FY 16	Original Appropriation FY 17	Governor Revised FY 17	Final FY 17	Difference Fin-Gov FY 17
General Fund	248	248	243	243	243	243	-

#### Budget Summary

Account	Actual FY 14	Actual FY 15	Governor Estimated FY 16	Original Appropriation FY 17	Governor Revised FY 17	Final FY 17	Difference Fin-Gov FY 17
Personal Services	21,652,524	22,032,118	23,152,920	23,338,814	-	21,375,366	21,375,366
Other Expenses	5,538,495	5,114,216	5,059,380	5,059,380	-	3,150,761	3,150,761
<b>Other Current Expenses</b>							
Support Services for Veterans	180,498	180,497	180,500	180,500	-	-	-
SSMF Administration	-	635,000	593,310	593,310	-	527,104	527,104
Agency Operations	-	-	-	-	34,620,643	-	(34,620,643)
<b>Other Than Payments to Local Governments</b>							
Burial Expenses	7,200	7,200	7,200	7,200	-	6,666	6,666
Headstones	272,780	258,345	332,500	332,500	-	307,834	307,834
<b>Nonfunctional - Change to Accruals</b>	<b>390,227</b>	<b>18,407</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Agency Total - General Fund</b>	<b>28,041,725</b>	<b>28,245,783</b>	<b>29,325,810</b>	<b>29,511,704</b>	<b>34,620,643</b>	<b>25,367,731</b>	<b>(9,252,912)</b>

Account	Governor Revised FY 17	Final FY 17	Difference from Governor
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## Policy Revisions

### Consolidate Appropriations for Agency Operations

Personal Services	(22,424,600)	-	22,424,600
Other Expenses	(4,765,965)	-	4,765,965
SSMF Administration	(563,645)	-	563,645
Agency Operations	28,090,513	-	(28,090,513)
Burial Expenses	(7,128)	-	7,128
Headstones	(329,175)	-	329,175
<b>Total - General Fund</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Background

Currently, state agency appropriations are distributed between multiple line items. The Governor's Revised FY 17 Budget consolidates funding by collapsing most or all appropriations into a new "Agency Operations" line item.. Certain major line items, such as Education Cost Sharing (ECS) grants, entitlements, pension and debt service payments, remain as separate line items within their respective agencies and are not consolidated.

#### Governor

Consolidate all agency appropriations into one account.

#### Final

Maintain existing appropriated accounts.

Account	Governor Revised FY 17	Final FY 17	Difference from Governor
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**Reduce Funding for Various Accounts**

Personal Services	-	(1,049,234)	(1,049,234)
Other Expenses	-	(1,615,204)	(1,615,204)
SSMF Administration	-	(36,541)	(36,541)
Agency Operations	(1,615,204)	-	1,615,204
Burial Expenses	-	(462)	(462)
Headstones	-	(21,341)	(21,341)
<b>Total - General Fund</b>	<b>(1,615,204)</b>	<b>(2,722,782)</b>	<b>(1,107,578)</b>

**Background**

The Governor reduces funding in the new Agency Operations accounts across state agencies by \$267.9 million.

**Governor**

Reduce funding by \$1,615,204 to reflect a 5.75% reduction.

**Final**

Reduce funding by a total of \$2,722,782 across agency accounts.

**Distribute FY 16 Lapses**

Personal Services	(539,189)	(539,189)	-
Other Expenses	(91,040)	(91,040)	-
<b>Total - General Fund</b>	<b>(630,229)</b>	<b>(630,229)</b>	<b>-</b>

**Background**

The FY 16 and FY 17 Biennial Budget included bottom line savings targets (lapses) totaling \$95,110,616 in FY 16 and \$100,816,745 in FY 17. These savings targets were allocated to agencies via holdbacks in FY 16.

**Governor**

Reduce funding by \$630,229 to reflect the allocation of the FY 16 lapses in FY 17.

**Final**

Same as Governor

**Rollout of FY 16 DMP**

Personal Services	(375,025)	(375,025)	-
Other Expenses	(202,375)	(202,375)	-
Support Services for Veterans	(1,805)	(1,805)	-
SSMF Administration	(29,665)	(29,665)	-
Burial Expenses	(72)	(72)	-
Headstones	(3,325)	(3,325)	-
<b>Total - General Fund</b>	<b>(612,267)</b>	<b>(612,267)</b>	<b>-</b>

**Background**

PA 15-1 December Special Session (AA Making Certain Structural Changes to the State Budget and Adjustments to the State Budget for the Biennium Ending June 30, 2017) made FY 16 General Fund expenditure modifications of \$195.8 million in various agencies and accounts. The Governor's Revised FY 17 Budget includes the rollout of \$90.5 million of the FY 16 DMP across various agencies.

**Governor**

Reduce funding by \$612,267 in FY 17 to reflect the rollout of expenditure reductions in PA 15-1 DSS.

**Final**

Same as Governor

**Transfer Some Veterans' Services to General Welfare Fund**

Support Services for Veterans	(178,695)	(178,695)	-
<b>Total - General Fund</b>	<b>(178,695)</b>	<b>(178,695)</b>	<b>-</b>

Account	Governor Revised FY 17	Final FY 17	Difference from Governor
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**Background**

The Support Services for Veterans Account offers transportation to veterans accessing medical care along with other support services such as community activities, physical education classes, and recreational activities.

The Institutional General Welfare Fund (IGWF) is a non-appropriated account maintained by the Department of Veterans Affairs. DVA collects fees from residents at the Veterans' Home. These fees, along with private monetary donations made to the state for veterans, are deposited into the IGWF. The purpose of the IGWF is to assist veterans in various ways, including: (1) funding for the therapeutic vocational program, (2) Veterans' Home activities and operation, (3) transportation costs for medical appointments off-site, (4) financial assistance to those transitioning out of residential care and moving back into their communities (e.g., security deposit and kitchen supplies), and (5) other related veterans activities or initiatives.

In FY 15, the revenue for the IGWF was \$2.6 million and expenditures totaled \$2 million, both of which are primarily driven by the number of veterans residing at the veterans' home. The IGWF started FY 16 with a balance of \$567,322. It is projected to generate \$2.5 million in revenue during the fiscal year and have expenditures of \$2.6 million, to end FY 16 with a balance of approximately \$450,000.

**Governor**

Reduce funding by \$178,695 to reflect funding certain services for veterans out of the Institutional General Welfare Fund.

**Final**

Same as Governor

**Transfer Funding to Agencies for Fringe Benefits**

Agency Operations	8,145,334	-	(8,145,334)
<b>Total - General Fund</b>	<b>8,145,334</b>	<b>-</b>	<b>(8,145,334)</b>

**Background**

Funding for fringe benefits for General Fund and Special Transportation Fund supported employees is budgeted centrally in the State Comptroller-Fringe Benefit accounts.

**Governor**

Transfer funding of \$8,145,334 from the Office of the State Comptroller to the Agency Operations account to support fringe benefit costs for employers' social security and Medicare taxes, active employee health, and the normal retirement costs for employees whose earnings are supported by the General Fund and the Special Transportation Fund.

**Final**

Maintain funding for fringe benefits within the Office of the State Comptroller.

**Totals**

Budget Components	Governor Revised FY 17	Final FY 17	Difference from Governor
Original Appropriation - GF	29,511,704	29,511,704	-
Policy Revisions	5,108,939	(4,143,973)	(9,252,912)
<b>Total Recommended - GF</b>	<b>34,620,643</b>	<b>25,367,731</b>	<b>(9,252,912)</b>

Positions	Governor Revised FY 17	Final FY 17	Difference from Governor
Original Appropriation - GF	243	243	-
<b>Total Recommended - GF</b>	<b>243</b>	<b>243</b>	<b>-</b>

***Other Significant Legislation***

**PA 16-2, An Act Adjusting the State Budget for the Biennium Ending June 30, 2017**

Sections 26, 34, 35, and 36 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 17 appropriation levels will be reduced by the amounts shown in the table below to achieve the lapses included in PA 16-2. This includes an Unallocated Lapse of \$253,675 and a Targeted Lapse of \$496,812. See the FY 17 Holdbacks schedule in Section V of this document for a further description of these statewide savings targets.

<b>Account</b>	<b>Appropriation \$</b>	<b>Reduction Amount \$</b>	<b>Net Remaining \$</b>	<b>% Reduction</b>
Personal Services	21,375,366	(592,661)	20,782,705	2.77%
Other Expenses	3,150,761	(94,522)	3,056,239	3.00%
SSMF Administration	527,104	(5,271)	521,833	1.00%
Burial Expenses	6,666	(199)	6,467	2.99%
Headstones	307,834	(57,834)	250,000	18.79%