

AR DEPARTMENT OF VETERAN AFFAIRS

Enabling Laws

Act 2272 Of 2005
A.C.A. §20-81-102 et seq.

History and Organization

Act 343 of 1925 created our agency as the Arkansas Service Bureau to aid World War Veterans and Veterans of American Wars to obtain government benefits and for other purposes.

Act 234 of 1945 renamed our agency to the Arkansas Veterans Service Office and changed our responsibilities to assisting all veterans and their dependents in securing their rights and benefits under all laws, both State and Federal.

Act 536 of 1975 appropriated funds to the Arkansas Veterans Service Office for assisting the seventy-five (75) counties in paying salaries and/or expenses of County Veterans Service Officers who meet the training qualifications, the scheduled numbers of working hours per month and other qualifications prescribed or as may be prescribed by our office.

Act 377 of 1975 created the Governor's Task Force on Veterans Affairs to study any and all matters relating to and affecting the affairs of veterans in the state of Arkansas as requested by the Governor or as deemed necessary by the Task Force, and to make recommendations to the Governor on request or as deemed appropriate by the majority of the members of the Task Force.

Act 619 of 1977 authorized the Arkansas Veterans Service Office to establish and maintain an Arkansas Veterans Home in the building formerly used by the School for the Blind and Deaf located at 20th and Madison Streets, Little Rock, Arkansas.

Act 324 of 1979, codified in A.C.A. §20-81-102 et seq., renamed our agency as the Arkansas Department of Veterans Affairs, which would assume all the duties and responsibilities of the Arkansas Veterans Service Office as well as to supervise the operation of the Arkansas Veterans Home; supervise the activities, training and testing of all the County Veterans Service Officers in each county and to create a Governors Task Force on Veterans Affairs.

Act 432 of 1985, codified in A.C.A. §20-81-105, amended Section 6 of Act 324 of 1979 to require the Arkansas Department of Veterans Affairs to promulgate guidelines for admission to the Arkansas Veterans Home and to conform to Federal requirements necessary to qualify the Arkansas Veterans Home as a Nursing Home and Domiciliary for veterans.

Act 431 of 1985, codified in A.C.A. §20-81-107, authorized the Arkansas Department of Veterans Affairs to accept the donation of real property for use as Veterans Cemeteries.

Act 157 of 1987, codified in A.C.A. §20-81-105, amended Section 6 of Act 324 of 1979 to provide for the conversion of the Arkansas Veterans Home to a Nursing Home and Domiciliary for veterans

without the necessity of obtaining a certificate of need.

Act 733 of 1987 appropriated funds to supplement private donations for expansion of the Little Rock, Fayetteville and Fort Smith National Cemeteries.

Act 670 of 1991, amended A.C.A. §20-81-104(b)(4) to authorize members of the Governor's Task Force on Veterans Affairs to attend conventions, conferences or meetings of recognized veterans organizations.

Act 136 of 1993 amended A.C.A. §20-81-104 to change the name of the Governor's Task Force on Veterans Affairs to the Governor's Commission on Veterans Affairs.

Act 719 of 1993 amended A.C.A. §20-81-103 regarding the qualifications for appointment of the Director of the Department of Veterans Affairs.

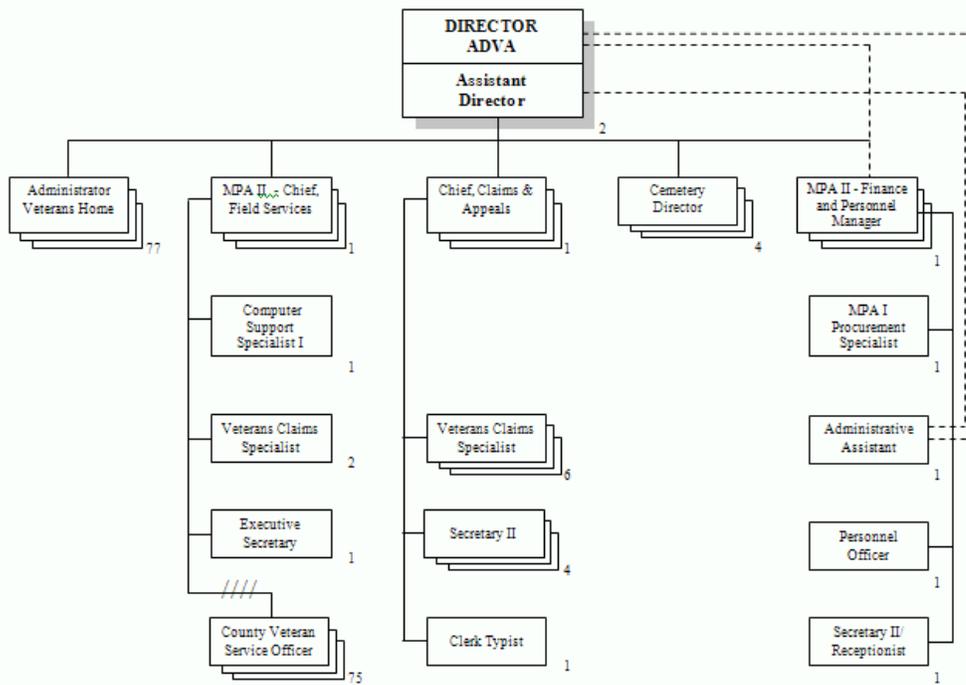
Act 235 of 1997 amended A.C.A. §20-81-112 by authorizing the Arkansas Department of Veterans Affairs to establish and operate an Arkansas State Veterans Cemetery system.

MISSION

The mission of this agency is to ensure that veterans, their dependents and survivors receive the maximum benefits to which they are entitled under federal and state laws.

SERVICES PERFORMED

- Assist veterans, their dependents and survivors in their claims with the U.S. Department of Veterans Affairs (USDVA) for benefits they are entitled to under Title 38, United States Code.
- Supervise the activities, training and testing of a network of County Veterans Service Officers (CVSOs). There are 75 counties with county veterans service officers who are trained and supervised by this agency to serve veterans, their dependents and survivors.
- Establish, implement and maintain a program for providing financial assistance to counties to help defray the salaries and/or expenses of the CVSOs.
- Establish, operate and maintain the Arkansas Veterans' Cemetery system.
- Maintain the Little Rock Veterans Home, which houses a 61-bed intermediate care nursing facility and a 55-bed Veterans Domiciliary facility. This facility, which was opened in 1980, serves honorably discharged veterans who have become disabled and are unemployable.
- Maintain the new Fayetteville Veterans Home that opened in June 2006 and houses a 108 bed skilled care and intermediate care nursing facility.
- Participate on such boards, committees and/or projects which relate to the Agency's mission or as directed by a competent state authority.
- To promulgate rules and regulations as deemed necessary.



Agency Commentary

The goal of this agency is to assist all veterans, their dependents, and survivors in securing available benefits. Additionally, the Agency provides nursing and domiciliary care to Arkansas Veterans by operating a 116 bed facility in Little Rock and a 108 bed facility in Fayetteville. The Agency also operates the State Veterans Cemetery in North Little Rock.

The Agency's Biennial Budget request includes several Information Technology requests related to Disaster Preparedness. Specifically, each of the four departments is requesting one laptop in the amount of \$1,600 to be used for off site training for county veterans service officers, presentations, and emergency use for our **Living Disaster Recovery Planning System (LDRP)**. Each department would have their one laptop replaced every fourth year, to be used in case of a disaster to one of our departments. The other three laptops would be used to set up our Disaster Center computer capability for the affected agency. The laptops would be used as the one power outage "medical emergency backup unit" at the Fayetteville and Little Rock Veterans Homes. The Cemetery "power outage Kiosk" backup computer and the "AASIS backup" computer at our main office would be utilized for training new personnel as a primary function.

Appropriation 224: Administrative and Veterans Claims/Advocacy Services

This appropriation is utilized to provide administrative support services to ensure that all of the Agency's operational objectives are met. Additionally, this appropriation is used to provide Veterans Claims and Advocacy services by counseling and advocating at both the state and national level and by training 75 County Veterans Service Officers and 7 service officers to provide assistance.

The total Change Level request is for appropriation and general revenue funding in the amount of \$17,170 in FY08 and \$14,970 in FY09:

- Operating Expenses: Increase in appropriation and general revenue funding in the amount of

\$8,000 each year to purchase 4 desktop computers and 1 laptop in FY08 and 5 desktop computers in FY09. The administrative and Veterans Claim/Advocacy service areas consist of 22 employees. The current computers are in desperate need of being replaced and/or updated. The Agency has not and will not be able keep abreast of Arkansas Department of Information Systems (DIS)/Information Technology (IT)/Living Disaster Recovery Planning System (LDRP) needs if this appropriation and funding is not supplied.

- Operating Expenses: Increase in appropriation and general revenue funding in the amount of \$9,170 in FY08 and \$6,970 in FY09 for Data Processing Supplies, including the installation of a new T1 line and IT related fees payable to the Arkansas Department of Information Systems (DIS). The Agency currently utilizes dial up access only, which will not continue to support the LDRP, e-commerce, AASIS, updated software and DIS requirements. Currently, employees cannot open more than three windows at a time without the dial up connection shutting down, which automatically logs employees off the system. This causes employees to waste valuable work hours to log back onto the system. Furthermore, in most afternoons, the number of employees on the system prohibits the system from allowing other employees from logging on at all. The monthly charges include, but are not limited to, DIS charges for a DSL 384K circuit, router, internet 384K, internet filtering and monthly maintenance fees to DIS (who has informed the Agency to expect continued increases in monthly fees).
- Operating Expenses: Increase in appropriation only in the amount of \$2,740 each year for office supplies. This request represents a reallocation of appropriation from the Data Processing commitment item and will provide for increased operating costs experienced by the Agency.
- Data Processing: Decrease in appropriation only in the amount of \$2,740 each year. This request represents a reallocation of appropriation to the Operating Expenses commitment item.

Appropriation 490: Veterans Cemetery

This appropriation is used to maintain the Veterans Cemetery by providing sufficient staffing to maintain the cemetery facilities and grounds, by developing standardized procedures to ensure consistent care of facilities and grounds, and by creating an interment program responsive to the needs of veterans and their survivors.

The total Change Level request is for appropriation and general revenue funding in the amount of \$13,810 in FY08 and \$16,510 in FY09:

- Operating Expenses: Increase in appropriation and general revenue funding in the amount of \$4,400 in FY08 and \$5,100 in FY09. The FY08 request is to purchase 1 desktop computer, 1 laptop computer and 1 printer and the FY09 request is to purchase 2 additional desktop computers and a laptop computer. The 3 desktop computers will replace current computers that are in desperate need of replacement and/or updating. One of the laptop computers will enable the Agency to keep abreast of DIS/IT/LDRP needs and the other laptop computer and printer will support the National Cemetery software for the Kiosk Grave Locator.
- Operating Expenses: Increase in appropriation and general revenue funding in the amount of

\$9,410 in each year for Data Processing Supplies, including the installation of a new T1 line and IT related fees payable to the AR Department of Information Systems (DIS). The agency currently utilizes dial up access only, which will not continue to support the LDRP, e-commerce, AASIS, updated software and DIS requirements. Currently, employees cannot open more than three windows at a time without the dial up connection shutting down, which automatically logs employees off the system. This causes employees to waste valuable work hours to log back onto the system. Furthermore, in most afternoons, the number of employees on the system prohibits the system from allowing other employees from logging on at all. The monthly charges include, but are not limited to, DIS charges for a DSL 384K circuit, router, internet 384K, internet filtering and monthly maintenance fees to DIS (who has informed the Agency to expect continued increases in monthly fees).

- Operating Expenses: Increase in appropriation only in the amount of \$685 in each year for office supplies. This request represents a reallocation of appropriation from the Data Processing commitment item and will provide for increased operating costs experienced by the Agency.
- Data Processing: Decrease in appropriation only in the amount of \$685 in each year. This request represents a reallocation of appropriation to the Operating Expenses commitment item.
- Capital Outlay: Increase in appropriation and general revenue funding in the amount of \$2,000 in FY09 only. This request is necessary for the one time fee to purchase the software required by the National Department of Veterans Affairs to support the Kiosk Grave Locator Laptop computer.

Appropriation 225: Little Rock Home

This appropriation is utilized to operate a Long-Term Care and Domiciliary facility in Little Rock by providing a professional staff of healthcare and support providers, by continuing training for the entire staff and by providing equipment and supplies necessary to adequately maintain the facility.

The total Change Level request is for appropriation in the amount of \$127,518 in FY08 and \$136,458 in FY09, with general revenue funding in the amount of \$131,295 in FY08 and \$140,235 in FY09:

- Regular Salaries and Matching: Decrease in appropriation only the amount of \$1,077 each year of the biennium. This request represents a reallocation of Board Stipend appropriation from the Little Rock Veterans Home to the Fayetteville Veterans Home.
- Operating Expenses: Decrease in appropriation only in the amount of \$2,700 in each year. This request represents a reallocation of all Board Member expenses to the Fayetteville Home.
- Operating Expenses: Increase in appropriation and general revenue funding in the amount of \$8,000 in each year to purchase 4 desktop computers and 1 laptop in FY08 and 5 desktop computers in FY09. The Little Rock Veterans Home consists of 84 employees. The current computers are in desperate need of replacement and/or updating. The laptop will enable the Agency to keep abreast of its DIS/IT/LDRP (Living Disaster Recovery Planning System) needs.

- **Operating Expenses:** Increase in appropriation and general revenue funding in the amount of \$10,270 in FY08 and \$8,510 in FY09. This request is for necessary Data Processing expenses, including the supplies and labor for the installation of a new T1 line and IT related fees payable to the AR Department of Information Systems (DIS). The agency currently utilizes dial up access only, which will not continue to support LDRP, e-commerce, AASIS, updated software and DIS requirements. Currently, employees cannot open more than three windows at a time without the dial up connection shutting down, which automatically logs employees off the system. This causes employees to waste valuable work hours to log back onto the system. Furthermore, in most afternoons, the total number of employees on the system prohibits the system from allowing other employees from logging on at all. The monthly charges include, but are not limited to, DIS charges for a DSL 384K circuit, router, internet 384K, internet filtering and monthly maintenance fees to DIS (who has informed the Agency to expect continued increases in monthly fees).
- **Professional Fees:** Increase in appropriation in the amount of \$21,000 and general revenue funding of \$10,725 in each year. A portion of this appropriation request (\$10,275) represents a reallocation of appropriation from the Data Processing commitment item. This request is necessary for the Agency to comply with the Federal Department of Veterans Affairs requirement to contract with a Federal VA certified physician and a VA Pharmacy consultant, as required by Title 38 CFR 17.96, which requires a VA Physician and a VA Pharmacy consultant to write prescriptions and review patient medical history for the Veteran in order for the cost of the medications not be charged to either the Veteran or the Veterans Home.
- **Data Processing:** Decrease in appropriation only in the amount of \$10,275. This request represents a reallocation of appropriation to the Professional Fees and Services commitment item to help support the total request for Professional Fees and Services.
- **Refunds/Reimbursements:** Increase in appropriation and general revenue funding in the amount of \$88,000 for FY08 and \$113,000 for FY09. This request is necessary to cover increases in the Bed Tax. Including the most recent cost increase of July 1, 2006, the bed tax has risen over 77% since July 1, 2001. When the bed tax was enacted in 2001, the tax was \$5.25/day per occupied bed. This tax has increased to \$9.31/day per occupied bed. If this trend continues as expected, the tax will continue to increase each year. The Little Rock Veterans Home must have additional appropriation and funding to cover the bed tax increases and is unable to pass this cost on to the Veteran and/or his/her family.
- **Capital Outlay:** Increase in appropriation and general revenue funding in the amount of \$14,300 in FY08 for the one time fee to purchase software to comply with the Federal VA Directive 2001-029. This request is necessary to purchase resident assessment instrument minimum data set software (RAI/MDS) that is required by the Department of Health and Human Services. The Federal VA is mandating the nursing home industry to electronically submit certain data including MDS on each resident.

Appropriation 2QD: Fayetteville Veterans Home

This appropriation is utilized to operate a Long-Term Care and Skilled Care Facility in Fayetteville by providing a professional staff of healthcare and support providers, by continuing training for the

entire staff and by providing equipment and supplies necessary to adequately maintain the facility, which opened in June 2006.

The total Change Level request is for appropriation only in the amount of \$2,026,046 in FY08 and \$2,041,046 in FY09 as follows:

- Regular Salaries: Increase in appropriation only the amount of \$2,550 in each year. This request consists of the following: (1) A reallocation in the amount of \$1,000 from the Little Rock Veterans Home and (2) New appropriation in the amount of \$1,550 to ensure that the total Board Stipend appropriation authorized equals the actual amount anticipated by the Agency. Each of the Board's 15 members is entitled to receive a \$60 Board Stipend for each of the Quarterly Commission meetings, which creates a total need for \$3,600, which is \$2,550 above the base level amount of \$1,050.
- Personal Services Matching: Increase in appropriation only the amount of \$196 in each year. This request consists of the following: (1) A reallocation in the amount of \$77 from the Little Rock Veterans Home and (2) New appropriation in the amount of \$119 to provide for the matching amounts necessary for the increase in Board Stipend appropriation.
- Operating Expenses: Increase in appropriation only of \$8,565 in each year for Board Member Expenses. Each Board member is entitled to total compensation of \$1,000 for Board Stipends and Expense Reimbursements. Board Stipends total \$240 for each member (\$60 x 4 meetings per year), which means that the total available Operating Expense Reimbursement for each member should be \$760, which creates a total need of \$11,400. The Base Level in this appropriation is \$2,835. The total change level request of \$8,565 consists of the following: (1) A reallocation in the amount of \$2,700 from the Little Rock Veterans Home and (2) New appropriation in the amount of \$5,865.
- Operating Expenses: Increase in appropriation only of \$8,000 in each year to purchase 4 desktop computers and one laptop computer in FY08 and 5 desktop computers in FY09. The Fayetteville Veterans Home consists of 103 employees. The need for computers is due to the opening of the new facility and the gradual increase in the number of filled positions each year as the home grows to capacity. The Veterans home must keep abreast of DIS/IT/LDRP (Living Disaster Recovery Planning System) needs.
- Operating Expenses: Increase in appropriation only of \$8,455 in each year for data processing supplies. This request is for necessary data processing expenses including IT related fees payable to the AR Department of Information Systems (DIS).
- Operating Expenses: Increase in appropriation only in the amount of \$23,000 in each year for office supplies. This request represents a reallocation of appropriation from the Data Processing commitment item and will provide for increased operating costs anticipated by the Agency.
- Operating Expenses: Increase in appropriation only in the amount of \$284,000 in FY08 and \$295,000 in FY09 for Technical Contract Expenses. These estimates are based on the needs of similar type homes.

Total Technical Contract Expenses	FY08	FY09
Registered Dietitian	\$ 12,000	\$ 12,000
Pharmacist	\$ 12,000	\$ 12,000
Rehab (Based on 10% Med A occupied beds)		
* Physical Therapy:	\$ 132,000	\$ 138,000
* Occupational Therapy:	\$ 84,000	\$ 88,000
* Speech Therapy:	\$ 24,000	\$ 25,000
Medicare Cost Report	\$ 5,000	\$ 5,000
Medicaid Cost Report	\$ 5,000	\$ 5,000
RHIA Consultant	\$ 5,000	\$ 5,000
BKD Consultant	\$ 5,000	\$ 5,000
TOTAL	\$ 284,000	\$ 295,000

*Note: FY09 Rehab figures are based on a 5% cost increase

- Operating Expenses: Increase in appropriation only in the amount of \$1,167,980 in FY08 and \$1,156,980 in FY09 for various operating expenses, including Food, Laundry, Housekeeping, the agency pro-rata share of Washington Regional costs, DIS/IT/LDRP, and any items Medicare might require in order to provide a reimbursable service.
- Professional Fees: Increase in appropriation only in the amount of \$143,300 in each year. This request includes a change level of \$52,750 each year for Professional and Administrative Fees to comply with the Federal Department of Veterans Affairs requirement per 38 CFR 17.96, which requires the Veterans Home to contract with Federal VA certified physicians to write prescriptions and pharmacy consultants to review medical histories for the Veterans so that the medications will be provided to the Veterans at no charge to the Veteran and/or the Veterans home. With the Base Level of \$47,250, the total need of \$100,000 is achieved. This request also includes change levels of \$41,600 each year for Medical Fees and \$48,950 for Lab/Diagnostic Fees, so that the total authorized for these cost elements is \$50,000 each. These are for supplemental services that the Fayetteville Home might need to perform that will be billed to Medicaid/Medicare.

Professional Fees - Total Need	FY08	FY09
Medical Doctor and Nurse Practitioner	\$ 100,000	\$ 100,000
Medical Fees	\$ 50,000	\$ 50,000
Lab/Diagnostic Fees	\$ 50,000	\$ 50,000
TOTAL	\$ 200,000	\$ 200,000

- Data Processing: Decrease in appropriation only in the amount of \$23,000 in each year. This request represents a reallocation of appropriation to the Operating Expenses commitment item to provide for increased operating costs anticipated by the Agency.
- Refunds/Reimbursements: Increase in appropriation only in the amount of \$278,000 for FY08 and \$318,000 for FY09. This request is necessary to cover increases in the Bed Tax. Including the most recent cost increase of July 1, 2006, the bed tax has risen over 77% since

July 1, 2001. When the bed tax was enacted in 2001, the tax was \$5.25/day per occupied bed. This tax has since increased to \$9.31/day per occupied bed. If this trend continues as expected, the tax will continue to increase each year. The Veterans Home must have additional appropriation to cover these mandatory bed tax payments.

- Capital Outlay: Increase in appropriation only in the amount of \$125,000 for FY08 and \$100,000 for FY09. This request is necessary to purchase a wheelchair accessible van and a mini van to assist Veterans travel to off VA campus doctors, as well as to provide for any unforeseen needs for supporting the contracting of services, such as food carts, laundry carts, wheelchairs, and rehab equipment (which will assist in the Medicare funds available).

Appropriation D15: Veterans Home Cash Fund

This appropriation is utilized to help support operations of the two Veterans Homes maintained by the Agency. This appropriation is 100% funded by a cash fund that is utilized to maintain the monthly maintenance charges paid by veterans residing in the Veterans Homes.

In the 2003-2005 biennium, this cash fund was appropriated for the Little Rock Veterans Home. However, when the Agency prepared its 2005-2007 biennial budget request, an attempt was made to simplify the budget structure for the Little Rock Home by combining the separate cash appropriation with the treasury appropriation.

The Agency soon determined that this was not an efficient manner in which to handle patient refunds, so we requested and were approved for Cash Holding Account appropriation, as authorized by A.C.A. 19-5-107, in order to reauthorize cash appropriation for the Veterans Homes for FY06 and FY07. The Agency is now requesting to re-establish this appropriation in our appropriation act.

The total Change Level request is for unfunded appropriation only in the amount of \$660,000 in each year as follows:

- Refunds/Reimbursements: Increase in unfunded appropriation only in the amount of \$150,000 in each year. This request is necessary to cover patient refunds for the Little Rock Home (\$75,000) and for the Fayetteville Home (\$75,000). If necessary, this appropriation could also be used in the event that the Bed Tax is increased more than anticipated by the Agency.
- Operating Expenses: Increase in unfunded appropriation only in the amount of \$250,000 in each year. This request is necessary to cover any unanticipated increases in operating expenses for both the Little Rock Home (\$125,000) and the Fayetteville Home (\$125,000). Examples of unanticipated increases include food, laundry and housekeeping expenses, the agency's pro-rata share of Washington Regional costs and DIS/LDRP.
- Conference and Travel Expenses: Increase in unfunded appropriation only in the amount of \$10,000 in each year. This request is necessary to cover any unanticipated increases in travel and conference fees for both the Little Rock Home (\$5,000) and the Fayetteville Home (\$5,000). The increase is requested to enable staff to travel to other Veterans Homes and/or any conferences relating to Veterans, annual training and/or the Veterans Homes.

- Professional Fees: Increase in unfunded appropriation only in the amount of \$100,000 in each year. This request is necessary to cover any unanticipated increases in Professional Fees and Service (Contract) expenses for both the Little Rock Home (\$50,000) and the Fayetteville Home (\$50,000), including expenses for services related to Food, Laundry, Housekeeping and Medical Services.
- Capital Outlay: Increase in unfunded appropriation only in the amount of \$150,000 in each year. This request is necessary to cover any increases in Capital Outlay needs for both the Little Rock Home (\$75,000) and the Fayetteville Home (\$75,000) should the cash funding be available, as is expected by the Agency. Examples of needs include: Whirlpools at both homes, replacement of autos in current fleet, extending fleet for Fayetteville based Veterans to ensure adequate transportation for Doctors appointments, outings and emergency hospital visits (due to cost prohibitive ambulance services). This appropriation would also be utilized for unanticipated expenses, such as mandated repairs to the outdated Little Rock Veterans Home (boiler repair, chillers, window air conditioning, room heating, roofing, flooring, stairwell updates, food and laundry carts, etc.)

Appropriation D11: Veterans Cemetery Cash Fund

This appropriation is utilized to help provide land improvements to Veterans Cemetery maintained by the Agency. This request is 100% funded by the \$150.00 charge per family for the opening and closing of graves at the Cemetery. Because the agency maintains moneys for this purpose, the agency will never be in the need of state funding for this appropriation.

The total Change Level request is for appropriation only in the amount of \$115,000 in each year as follows:

- Capital Outlay: Increase in appropriation only in the amount of \$100,000 in each year. This request is necessary to restore capital outlay appropriation authorized for FY06 and FY07. This is necessary for continued excavation projects anticipated by the Agency.
- Operating Expenses: Increase in appropriation only in the amount of \$10,000 in each year. This request is necessary to supplement state funded operating expenses for the cemetery. Also, this appropriation will be necessary in the event that the agency is assessed a bank service charge for depositing a check that is returned insufficient, which was requested and approved by cash letter in FY06 and FY07. Also, this appropriation will provide for any other unforeseen costs related to the operation of the Veterans Cemetery.
- Conference and Travel Expenses: Increase in appropriation only in the amount of \$5,000 in each year to enable the Director and/or Assistant Director to attend Annual Training Conferences. Attendance at these conferences is necessary because the training is instrumental in providing continuing education for the State Veterans Cemetery Director and the Assistant Director in changes to laws and regulations.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
DEPARTMENT OF VETERANS AFFAIRS
FOR THE YEAR ENDED JUNE 30, 2005

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	28	41	69	49 %
Black Employees	14	56	70	50 %
Other Racial Minorities	0	2	2	1 %
Total Minorities			72	51 %
Total Employees			141	100 %

Cash Fund Balance Description as of June 30, 2006

Fund Account	Balance	Type	Location
1560100	\$408,192	Checking/Investment	US Bank - Little Rock, AR

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Cash receipts for monthly maintenance charges for Veterans residing in the Veterans Homes.

Fund Balance Utilization:

To support the state funded operations of the Veterans Cemetery located in North Little Rock, AR

Fund Account	Balance	Type	Location
1560200	\$347,887	Checking	Bank of America - Little Rock, AR

Statutory/Other Restrictions on use:

None

Statutory Provisions for Fees, Fines, Penalties:

None

Revenue Receipts Cycle:

Cash receipts for fees charged for the opening/closing of graves at the State Veterans Cemetery located in North Little Rock, AR.

Fund Balance Utilization:

To support the state funded operations of the Veterans Cemetery located in North Little Rock, AR.

Publications

A.C.A 25-1-204

Name	Statutory Authorization	Required for		# Of Copies	Reason (s) for Continued Publication and Distribution
		Governor	General Assembly		
None	NA	N	N	0	NA

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2005-2006		2006-2007		2006-2007		2007-2008				2008-2009			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
224 State Operations	1,194,128	24	1,208,620	23	1,262,009	23	1,234,093	23	1,234,093	23	1,231,893	23	1,231,893	23
225 Veterans' Home Division - State	3,235,091	81	3,652,909	84	3,740,453	84	3,810,941	84	3,771,423	84	3,819,881	84	3,796,423	84
2QD Fville Veterans' Home--State	1,091,621	29	3,810,807	103	3,865,776	103	5,985,963	103	5,985,963	103	6,000,963	103	6,000,963	103
490 Veterans' Cemetery - State	234,593	6	263,029	6	256,736	6	278,983	6	265,173	6	281,683	6	265,173	6
D11 Veterans' Cemetery--Cash	79,381	0	100,000	0	100,000	0	115,000	0	115,000	0	115,000	0	115,000	0
D15 Veterans Home-Cash	21,866	0	0	0	0	0	660,000	0	660,000	0	660,000	0	660,000	0
Total	5,856,680	139	9,035,365	216	9,224,974	216	12,084,980	216	12,031,652	216	12,109,420	216	12,069,452	216

Funding Sources		%		%		%		%		%		%	
Fund Balance	4000005	1,043,641	15.7	800,748	8.2	682,174	5.3	682,174	5.4	696,841	5.4	696,841	5.5
General Revenue	4000010	2,926,524	44.0	2,591,414	26.7	2,171,252	17.0	2,114,147	16.6	2,180,692	17.0	2,136,947	16.7
Federal Revenue	4000020	1,391,550	20.9	2,840,489	29.2	3,738,932	29.3	3,738,932	29.4	3,738,932	29.2	3,738,932	29.3
Cash Fund	4000045	1,267,519	19.0	2,744,800	28.2	3,132,360	24.5	3,132,360	24.6	3,132,360	24.5	3,132,360	24.5
Merit Adjustment Fund	4000055	6,420	0.1	7,068	0.1	0	0.0	0	0.0	0	0.0	0	0.0
Interest	4000300	2,396	0.0	2,400	0.0	2,400	0.0	2,400	0.0	2,400	0.0	2,400	0.0
Other	4000370	19,378	0.3	730,620	7.6	2,279,703	17.8	2,283,480	17.9	2,279,703	17.8	2,283,480	17.9
Unfunded Appropriation	4000715	0	0.0	0	0.0	775,000	6.1	775,000	6.1	775,000	6.1	775,000	6.1
Total Funds		6,657,428	100.0	9,717,539	100.0	12,781,821	100.0	12,728,493	100.0	12,805,928	100.0	12,765,960	100.0
Excess Appropriation/(Funding)		(800,748)		(682,174)		(696,841)		(696,841)		(696,508)		(696,508)	
Grand Total		5,856,680		9,035,365		12,084,980		12,031,652		12,109,420		12,069,452	

Agency Position Usage Report

FY2004-2005						FY2005-2006						FY2006-2007					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
111	104	7	111	0	6.31%	216	131	85	216	0	39.35%	216	141	75	216	0	34.72%

The percentage of positions authorized unused in FY06 and FY07 is high because the Fayetteville Veterans Home did not open until May 2006. These positions will be filled on a staggered basis throughout FY07 as the number of residents increases to capacity.

Analysis of Budget Request

Appropriation: 224 - State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The Department of Veterans Affairs assists Arkansas veterans, and their dependents and survivors in securing their rights and benefits under Federal and State laws. The Department supervises the activities, training, and testing of County Veterans Service Officers, and provides financial assistance to Counties to defray their salaries and expenses. This appropriation provides for the administrative costs of the Department and is solely funded by general revenue.

The Agency's Base Level request is appropriation and general revenue funding in the amount of \$1,216,923 in each year of the biennium with twenty-three (23) regular positions. A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY2007 salary levels have been held flat each year for all incumbents. Personal Services Matching reflects increases in the Base Level due to certain increases in Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350/month.

The Agency's Change Level requests include appropriation and general revenue funding in the amount of \$17,170 in FY2008 and \$14,970 in FY2009, and is comprised of the following:

Operating Expenses

Increase in the amount of \$19,910 in FY2008 and \$17,710 in FY2009 for the following:

- Increase of \$8,000 each year of the biennium to replacement outdated computers: 4 desktop and 1 laptop in FY2008 and 5 desktop in FY2009.
- Increase of \$9,170 in FY2008 and \$6,970 in FY2009 for Data Processing Supplies to support the transition from dial up to high speed internet access and to provide for increasing fees charged by the Arkansas Department of Information Systems.
- Increase of \$2,740 each year of the biennium for appropriation only that is being reallocated from the Data Processing commitment item.

Data Processing

Decrease of \$2,740 each year of the biennium of appropriation only that is being reallocated to the Operating Expense commitment item.

The Executive Recommendation provides for the Agency Request.

In summary, the Executive Recommendation for new general revenue above the Base Level is:

- Increase of \$8,000 each year of the biennium for operating expenses to replacement outdated computers.
- Increase of \$9,170 in FY2008 and \$6,970 in FY2009 for operating expenses for Data Processing Supplies to support the transition from dial up to high speed internet access and to provide for increasing fees charged by the Arkansas Department of Information Systems.

Appropriation Summary

Appropriation: 224 State Operations
Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	660,359	659,323	698,405	659,323	659,323	659,323	659,323	659,323	659,323
#Positions	24	23							
Personal Services Matching 5010003	223,312	223,193	237,500	231,496	231,496	231,496	231,496	231,496	231,496
Operating Expenses 5020002	37,014	37,234	37,234	37,234	57,144	57,144	37,234	54,944	54,944
Conference & Travel Expenses 5050009	2,850	2,630	2,630	2,630	2,630	2,630	2,630	2,630	2,630
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	2,740	2,740	2,740	0	0	2,740	0	0
Grants and Aid 5100004	270,593	283,500	283,500	283,500	283,500	283,500	283,500	283,500	283,500
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	1,194,128	1,208,620	1,262,009	1,216,923	1,234,093	1,234,093	1,216,923	1,231,893	1,231,893
Funding Sources									
General Revenue 4000010	1,194,128	1,208,620		1,216,923	1,234,093	1,234,093	1,216,923	1,231,893	1,231,893
Total Funding	1,194,128	1,208,620		1,216,923	1,234,093	1,234,093	1,216,923	1,231,893	1,231,893
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,194,128	1,208,620		1,216,923	1,234,093	1,234,093	1,216,923	1,231,893	1,231,893

Actual Number of Positions exceeds the Authorized Number due to the flexibility inherent in the authorization of all positions through one salary section in appropriation acts.

FY2006 Authorized for Conference and Travel Expenses was \$2,850.

Change Level by Appropriation

Appropriation: 224-State Operations
Funding Sources: HUA - Miscellaneous Agencies Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	1,216,923	23	1,216,923	100.0	1,216,923	23	1,216,923	100.0
C01	Existing Program	17,170	0	1,234,093	101.4	14,970	0	1,231,893	101.2
C04	Reallocation	0	0	1,234,093	101.4	0	0	1,231,893	101.2

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	1,216,923	23	1,216,923	100.0	1,216,923	23	1,216,923	100.0
C01	Existing Program	17,170	0	1,234,093	101.4	14,970	0	1,231,893	101.2
C04	Reallocation	0	0	1,234,093	101.4	0	0	1,231,893	101.2

Justification

C01	Operating Expenses: (1) Increase in appropriation and General Revenue of \$8,000 each year for 4 desktop computers and 1 laptop computer in FY08 and 5 desktop computers in FY09. The desktop computers are needed to replace current outdated computers. The laptop is to enable the Agency to move toward e-government by providing for the Disaster Recovery Planning System. (2) Increase in appropriation and General Revenue of \$9,170 in FY08 and \$6,970 in FY09 for Data Processing Supplies, including the installation of a new T1 line (DSL) and for the ever increasing IT related fees charged by the Arkansas Department of Information Systems (DIS).
C04	Request to reallocate appropriation of \$2,740 each year from Data Processing to Operating Expenses. The Data Processing Commitment Item is no longer used by the Agency so this appropriation can be better utilized in the Operating Expense commitment item for the increased costs of office supplies.

Analysis of Budget Request

Appropriation: 225 - Veterans' Home Division - State

Funding Sources: HUA – Miscellaneous Agencies Fund

The Little Rock Veterans Home is responsible for providing Intermediate Nursing and Domiciliary care to honorably discharged wartime and/or service connected disabled veterans. The Little Rock Home was founded in 1980 and has a present capacity of 116 residents.

Funding for the Little Rock Veterans Home consists of general revenue, maintenance fees provided by the residents, a federal per diem reimbursement from the U.S. Department of Veterans Affairs, and investment income.

The Agency's Base Level request includes appropriation in the amount of \$3,683,423 each year of the biennium with general revenue funding in the amount of \$526,881 and eighty-four (84) regular positions and seven (7) extra help positions. A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. The Base Level request of \$2,051,485 each year for Regular Salaries does include board member Stipend payments. FY2007 salary levels have been held flat each year for all incumbents. Personal Services Matching reflects increases in the Base Level due to certain increases in Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350/month.

The Agency's Change Level requests include appropriation in the amount of \$127,518 in FY2008 and \$136,458 in FY2009, with new general revenue funding of \$131,295 in FY2008 and \$140,235 in FY2009, and is comprised of the following:

Regular Salaries and Personal Services Matching

Decrease of appropriation only in the amount of \$1,077 each year which represents a reallocation of Board Stipend appropriation from the Little Rock Veterans Home appropriation to the Fayetteville Veterans Home appropriation.

Operating Expenses

Increase in the amount of \$15,570 in FY2008 and \$13,810 in FY2009 for the following:

- Decrease of appropriation only in the amount of \$2,700 each year of the biennium, which represents a reallocation of all Board Member Expenses from the Little Rock Veterans Home appropriation to the Fayetteville Veterans Home appropriation.
- Increase of \$8,000 each year of the biennium to replacement outdated computers: 4 desktop and 1 laptop in FY2008 and 5 desktop in FY2009.
- Increase of \$10,270 in FY2008 and \$8,510 in FY2009 for Data Processing Supplies to support the transition from dial up to high speed internet access and to provide for increasing fees charged by the Arkansas Department of Information Systems.

Professional Fees

Increase in appropriation of \$21,000 and general revenue funding of \$10,725 each year of the biennium. This request will enable the Agency to comply with federal requirements to contract with

a Federal VA certified Physician and pharmacy consultant. A portion of this appropriation request (\$10,275) represents a reallocation of appropriation from the Data Processing commitment item.

Data Processing

Decrease of \$10,275 in appropriation only each year of the biennium, which represents a reallocation to the Professional Fees commitment item.

Refunds/Reimbursements

Increase in appropriation and general revenue funding in the amount of \$88,000 in FY2008 and \$113,000 in FY2009 to provide for increases in the Quality Assurance Fee (Bed Tax), which has increased over 77% since the tax was introduced in 2001.

Capital Outlay

Increase in appropriation and general revenue funding in the amount of \$14,300 in FY2008 to enable the Agency to purchase federally mandated software for "Resident Assessment Instrument/Minimum Data Set" equipment, which will enable the Agency to electronically submit applicable data for each resident.

The Executive Recommendation provides for the following:

- Professional Fees: Increase in appropriation only of \$10,275 each year of the biennium, which represents a reallocation of appropriation from the Data Processing commitment item.
- Data Processing: Decrease in appropriation only of \$10,275 each year of the biennium, which represents a reallocation of appropriation to the Professional Fees commitment item.
- Refunds/Reimbursements: Increase in appropriation and general revenue funding in the amount of \$88,000 in FY2008 and \$113,000 in FY2009 for increases in the Quality Assurance Fee (Bed Tax).

In summary, the Executive Recommendation for new general revenue above the Base Level is:

- \$88,000 in FY2008 and \$113,000 in FY2009 in the Refunds/Reimbursements line item for increases in the Quality Assurance Fee (Bed Tax).

Appropriation Summary

Appropriation: 225 Veterans' Home Division - State
Funding Sources: HUA – Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	1,812,789	2,051,485	2,107,342	2,051,485	2,050,485	2,051,485	2,051,485	2,050,485	2,051,485
#Positions	81	84							
Extra Help 5010001	17,006	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000
#Extra Help	7								
Personal Services Matching 5010003	714,173	748,029	779,716	778,543	778,466	778,543	778,543	778,466	778,543
Overtime 5010006	6,569	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
Operating Expenses 5020002	470,300	578,120	578,120	578,120	593,690	578,120	578,120	591,930	578,120
Conference & Travel Expenses 5050009	3,521	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Professional Fees 5060010	53,733	54,000	54,000	54,000	75,000	64,275	54,000	75,000	64,275
Data Processing 5090012	0	10,275	10,275	10,275	0	0	10,275	0	0
Refunds/Reimbursements 5110014	157,000	157,000	157,000	157,000	245,000	245,000	157,000	270,000	270,000
Capital Outlay 5120011	0	0	0	0	14,300	0	0	0	0
Total	3,235,091	3,652,909	3,740,453	3,683,423	3,810,941	3,771,423	3,683,423	3,819,881	3,796,423
Funding Sources									
Fund Balance 4000005	733,069	452,861		321,887	321,887	321,887	183,345	183,345	183,345
General Revenue 4000010	406,182	496,367		526,881	658,176	614,881	526,881	667,116	639,881
Federal Revenue 4000020	1,391,550	1,700,000		1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
Cash Fund 4000045	1,131,353	1,300,000		1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
Merit Adjustment Fund 4000055	6,420	7,068		0	0	0	0	0	0
Other 4000370	19,378	18,500		18,000	14,223	18,000	18,000	14,223	18,000
Total Funding	3,687,952	3,974,796		3,866,768	3,994,286	3,954,768	3,728,226	3,864,684	3,841,226
Excess Appropriation/(Funding)	(452,861)	(321,887)		(183,345)	(183,345)	(183,345)	(44,803)	(44,803)	(44,803)
Grand Total	3,235,091	3,652,909		3,683,423	3,810,941	3,771,423	3,683,423	3,819,881	3,796,423

Change Level by Appropriation

Appropriation: 225-Veterans' Home Division - State
Funding Sources: HUA – Miscellaneous Agencies Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	3,683,423	84	3,683,423	100.0	3,683,423	84	3,683,423	100.0
C01	Existing Program	131,295	0	3,814,718	103.5	140,235	0	3,823,658	103.8
C03	Discontinue Program	(3,777)	0	3,810,941	103.4	(3,777)	0	3,819,881	103.7
C04	Reallocation	0	0	3,810,941	103.4	0	0	3,819,881	103.7

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	3,683,423	84	3,683,423	100.0	3,683,423	84	3,683,423	100.0
C01	Existing Program	88,000	0	3,771,423	102.3	113,000	0	3,796,423	103.0
C03	Discontinue Program	0	0	3,771,423	102.3	0	0	3,796,423	103.0
C04	Reallocation	0	0	3,771,423	102.3	0	0	3,796,423	103.0

Justification

C01	<p>Operating Expenses: (1) Increase in appropriation and General Revenue of \$8,000 each year for 4 desktop computers and 1 laptop computer in FY08 and 5 desktop computers in FY09. The desktop computers are needed to replace current outdated computers. The laptop is to enable the Agency to move toward e-government by providing for the Disaster Recovery Planning System. (2) Increase in appropriation and General Revenue of \$10,270 in FY08 and \$8,510 in FY09 for Data Processing Supplies, including the installation of a new T1 line (DSL) and for the ever increasing IT related fees charged by the Arkansas Department of Information Systems (DIS). Professional Fees and Services: Increase in appropriation and General Revenue of \$10,725 in each year. (Total new appropriation request is \$21,000, but \$10,275 is a reallocation from the Data Processing Commitment Item and is included in the justification for C04.) This request will enable the Agency to comply with Federal VA requirements to contract with a Federal VA certified physician and pharmacy consultant.</p> <p>Refunds/Reimbursements: Increase in appropriation and General Revenue of \$88,000 in FY08 and \$113,000 in FY09 to cover increased costs associated with the Bed Tax, which has increased over 77% since it was enacted in 2001. No increase was provided for last biennium.</p> <p>Capital Outlay: Increase in appropriation and General Revenue of \$14,300 in FY08 only for the one time fee to purchase software to comply with a recent Federal VA Directive.</p>
C03	<p>Regular Salaries and Matching: Decrease in appropriation only of \$1,077 in each year for Board Stipend Payments that are being reallocated from the Little Rock Veterans Home to the Fayetteville Veterans Home. Operating Expenses: Decrease in appropriation only of \$2,700 for the Board Member Travel Expenses that are also being reallocated from the Little Rock Veterans Home to the Fayetteville Veterans Home.</p>
C04	<p>Request to reallocate appropriation of \$10,275 each year from Data Processing to Professional Fees and Services. The Data Processing Commitment Item is no longer used by the Agency so this appropriation can be better utilized in the Professional Fees and Services commitment item to supplement the requested total increase of \$21,000 for the Federal VA Requirements to contract with a Federal VA certified physician and pharmacy consultant.</p>

Analysis of Budget Request

Appropriation: 2QD - Fville Veterans' Home—State

Funding Sources: HUA – Miscellaneous Agencies Fund

The Fayetteville Veterans Home is responsible for providing Intermediate and Skilled Nursing care to honorably discharged wartime and/or service connected disabled Veterans. During the 2003-2005 biennium, the Arkansas Department of Veterans Affairs received state and federal appropriation and funding to construct this new Veterans Home to serve the needs of Veterans in northwest Arkansas. The Fayetteville Home opened to residents in June 2006 and has a present capacity of 108 residents.

In the initial start up years of FY2006 and FY2007, funding for the Fayetteville Veterans Home consisted primarily of general revenue funding. However, in the 2007-2009 biennium, funding will not include general revenues, but will instead consist of a federal per diem reimbursement from the U.S. Department of Veterans affairs, cash maintenance fees provided by the residents and Medicaid and Medicare funding.

The Agency's Base Level request is appropriation in the amount of \$3,959,917 in each year of the biennium with 103 regular positions and 7 extra help positions. A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. The Base Level request of \$2,147,701 each year for Regular Salaries does include board member Stipend payments. FY2007 salary levels have been held flat each year for all incumbents. Personal Services Matching reflects increases in the Base Level due to certain increases in Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350/month.

The Agency's Change Level requests include appropriation only in the amount of \$2,026,046 in FY2008 and \$2,041,046 in FY2009, and is comprised of the following:

Regular Salaries and Personal Services Matching

Increase in appropriation only in the amount of \$2,746 each year of the biennium for Board Stipends and related matching.

Operating Expenses

Increase in appropriation only in the amount of \$1,500,000 each year of the biennium for the following:

- Increase of \$8,565 each year of the biennium for Board Member Expenses.
- Increase of \$8,000 each year of the biennium to replacement outdated computers: 4 desktop and 1 laptop in FY2008 and 5 desktop in FY2009.
- Increase of \$8,455 each year of the biennium for Data Processing Supplies to provide for increased fees charged by the Arkansas Department of Information Systems.
- Increase of \$23,000 each year of the biennium for office supplies. This request represents a reallocation of appropriation from the Data Processing commitment item.
- Increase of \$284,000 in FY2008 and \$295,000 in FY2009 for technical contract services including: Registered Dietitian, Pharmacist, Rehabilitation (Physical, Occupational and

Speech), Medicare and Medicaid Cost Report and consultative expenses for a Certified Public Accounting Firm (BKD, LLP in Little Rock, Arkansas) and the federally mandated Individual Health Information Advisor.

- Increase of \$1,167,980 in FY2008 and \$1,156,980 in FY2009 for various operating expenses including food and laundry service, utility expenses, Information Technology related expenses and expenses related to federally mandated service requirements for Medicare/Medicaid reimbursement.

Professional Fees

Increase in appropriation only in the amount of \$143,300 each year of the biennium. This request will provide for professional and administrative fees associated with the federal requirements that the Agency contract with Federal VA certified physicians and pharmacy consultants, as well as for medical and diagnostic fees.

Data Processing

Decrease in appropriation only in the amount of \$23,000 each year of the biennium. This request represents a reallocation of appropriation to the Operating Expense commitment item.

Refunds/Reimbursements

Increase in appropriation only in the amount of \$278,000 in FY2008 and \$318,000 in FY2009 to provide for increases in the Quality Assurance Fee (Bed Tax), which has increased over 77% since the tax was introduced in 2001.

Capital Outlay

Increase in appropriation only in the amount of \$125,000 in FY2008 and \$100,000 in FY2009 to enable the agency to purchase necessary vehicles including a wheelchair accessible van and a minivan, and for necessary equipment including food carts, wheelchairs and rehabilitation equipment.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2QD Fville Veterans' Home-State
Funding Sources: HUA – Miscellaneous Agencies Fund

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	2007-2008			2008-2009		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	213,595	2,147,701	2,083,576	2,147,701	2,150,251	2,150,251	2,147,701	2,150,251	2,150,251
#Positions	29	103	103	103	103	103	103	103	103
Extra Help 5010001	0	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
#Extra Help	0	7	7	7	7	7	7	7	7
Personal Services Matching 5010003	246,663	734,129	853,223	883,239	883,435	883,435	883,239	883,435	883,435
Overtime 5010006	0	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Operating Expenses 5020002	607,020	607,027	607,027	607,027	2,107,027	2,107,027	607,027	2,107,027	2,107,027
Conference & Travel Expenses 5050009	0	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250
Professional Fees 5060010	8,880	56,700	56,700	56,700	200,000	200,000	56,700	200,000	200,000
Data Processing 5090012	15,463	23,000	23,000	23,000	0	0	23,000	0	0
Refunds/Reimbursements 5110014	0	157,000	157,000	157,000	435,000	435,000	157,000	475,000	475,000
Capital Outlay 5120011	0	0	0	0	125,000	125,000	0	100,000	100,000
Total	1,091,621	3,810,807	3,865,776	3,959,917	5,985,963	5,985,963	3,959,917	6,000,963	6,000,963
Funding Sources									
Fund Balance 4000005	0	0		0	0	0	40,809	40,809	40,809
General Revenue 4000010	1,091,621	623,398		0	0	0	0	0	0
Federal Revenue 4000020	0	1,140,489		1,140,489	2,038,932	2,038,932	1,140,489	2,038,932	2,038,932
Cash Fund 4000045	0	1,334,800		1,334,800	1,722,360	1,722,360	1,334,800	1,722,360	1,722,360
Other 4000370	0	712,120		1,525,437	2,265,480	2,265,480	1,510,437	2,265,480	2,265,480
Total Funding	1,091,621	3,810,807		4,000,726	6,026,772	6,026,772	4,026,535	6,067,581	6,067,581
Excess Appropriation/(Funding)	0	0		(40,809)	(40,809)	(40,809)	(66,618)	(66,618)	(66,618)
Grand Total	1,091,621	3,810,807		3,959,917	5,985,963	5,985,963	3,959,917	6,000,963	6,000,963

The FY06 Actual Expenses and Non General Revenue Funding Sources are low because the new Fayetteville Home didn't open until June 2006. However, the Actual Expense for Personal Services Matching is relatively high because agencies are required to pay Health Insurance matching for all positions budgeted, whether filled or unfilled.

The FY07 Budgeted amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2005-2007 biennium

Change Level by Appropriation

Appropriation: 2QD-Fville Veterans' Home–State
Funding Sources: HUA – Miscellaneous Agencies Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	3,959,917	103	3,959,917	100.0	3,959,917	103	3,959,917	100.0
C01	Existing Program	2,026,046	0	5,985,963	151.1	2,041,046	0	6,000,963	151.5
C04	Reallocation	0	0	5,985,963	151.1	0	0	6,000,963	151.5

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	3,959,917	103	3,959,917	100.0	3,959,917	103	3,959,917	100.0
C01	Existing Program	2,026,046	0	5,985,963	151.1	2,041,046	0	6,000,963	151.5
C04	Reallocation	0	0	5,985,963	151.1	0	0	6,000,963	151.5

Justification

C01	Salaries and Matching: Increase in appropriation only of \$2,746 each year for Board Member Stipends. Operating Expenses: (1) Increase in appropriation only of \$8,565 in each year for Board Member Expenses. (2) Increase in appropriation only of \$8,000 each year for 4 desktop computers and 1 laptop computer in FY08 and 5 desktop computers in FY09. The desktop computers are needed to replace current outdated computers. The laptop is to enable the Agency to move toward e-government by providing for the Disaster Recovery Planning System. (3) Increase in appropriation only of \$284,000 in FY08 and \$295,000 in FY09 for technical contractual expenses: Registered Dietitian; Pharmacist; Physical, Occupational and Speech Therapy; Medicaid/Medicare Cost Reports; and professional consultation. (4) Increase in appropriation only of \$8,455 each year for Data Processing Supplies; (5) Increase in appropriation only of \$1,167,980 in FY08 and \$1,156,980 in FY09 for various operating expenses including anticipated Medicare expenses, food, laundry, housekeeping, the agency's pro rata share of the Washington Regional utility expenses, etc. Professional Fees and Services: Increase in appropriation only of \$143,300 each year to enable the Home to comply with Federal VA requirements to contract with Federal VA certified physicians and pharmacy consultants and to increase associated Medical Fees and Lab/Diagnostic Fees. Refunds/Reimbursements: Increase in appropriation only of \$278,000 in FY08 and \$318,000 in FY09 to cover increased costs associated with the Bed Tax, which has increased over 77% since it was enacted in 2001. No increase from the original authorized amount from 2001 was provided for last biennium. Capital Outlay: Increase in appropriation only of \$125,000 in FY08 and \$100,000 in FY09 to purchase a wheelchair accessible van and a minivan for transporting residents, as well as any unforeseen expenses related to facility repairs and equipment upkeep/replacement.
C04	Request to reallocate appropriation of \$23,000 each year from Data Processing to Operating Expenses. The Data Processing Commitment Item is no longer used by the Agency so this appropriation can be better utilized in the Operating Expense commitment item for the increased costs of office supplies.

Analysis of Budget Request

Appropriation: 490 - Veterans' Cemetery - State

Funding Sources: HUA – Miscellaneous Agencies Fund

Act 270 of 1999 authorized appropriation for the construction of a State Veterans Cemetery. This appropriation is used to provide for the daily operations and grounds maintenance for the Cemetery and is funded solely from general revenue.

The Agency's Base Level request is appropriation and general revenue funding of \$265,173 each year of the biennium with six (6) regular positions. A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year for all incumbents. Personal Services Matching reflects increases in the Base Level due to certain increases in Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350/month.

The Agency Change Level request includes appropriation and general revenue funding of \$13,810 in FY2008 and \$16,510 in FY2009, and is comprised of the following:

Operating Expenses

Increase in the amount of \$14,495 in FY2008 and \$15,195 in FY2009 for the following:

- Increase of appropriation and general revenue funding in the amount of \$4,400 in FY2008 and \$5,100 in FY2009 to replace outdated computers and printers. The FY2008 request includes 1 desktop computer, 1 laptop computer and 1 printer, and the FY2009 request includes 2 additional desktop computers and 1 additional laptop computer.
- Increase of appropriation and general revenue funding in the amount of \$9,410 each year of the biennium for Data Processing Supplies to support the transition from dial up to high speed internet access and to provide for increasing fees charged by the Arkansas Department of Information Systems.
- Increase of appropriation only in the amount of \$685 each year of the biennium for office supplies. This request represents a reallocation of appropriation from the Data Processing commitment item.

Data Processing

Decrease in appropriation only in the amount of \$685 each year of the biennium. This request represents a reallocation of appropriation to the Operating Expenses commitment item.

Capital Outlay

Increase in appropriation and general revenue funding in the amount of \$2,000 in FY2009 for the purchase of software required by the National Department of Veterans Affairs to support the Kiosk Grave Locator.

The Executive Recommendation provides for the Base Level request as well as for the reallocation of appropriation in the amount of \$685 each year of the biennium from Data Processing to Operating Expenses.

Appropriation Summary

Appropriation: 490 Veterans' Cemetery - State
Funding Sources: HUA – Miscellaneous Agencies Fund

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	2007-2008			2008-2009		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	136,678	155,154	148,830	155,154	155,154	155,154	155,154	155,154	155,154
#Positions	6	6	6	6	6	6	6	6	6
Personal Services Matching 5010003	52,427	54,800	54,831	56,944	56,944	56,944	56,944	56,944	56,944
Operating Expenses 5020002	45,488	52,390	52,390	52,390	66,885	53,075	52,390	67,585	53,075
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	685	685	685	0	0	685	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	2,000	0
Total	234,593	263,029	256,736	265,173	278,983	265,173	265,173	281,683	265,173
Funding Sources									
General Revenue 4000010	234,593	263,029		265,173	278,983	265,173	265,173	281,683	265,173
Total Funding	234,593	263,029		265,173	278,983	265,173	265,173	281,683	265,173
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	234,593	263,029		265,173	278,983	265,173	265,173	281,683	265,173

The FY07 Budgeted Amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2005-2007 biennium.

Change Level by Appropriation

Appropriation: 490-Veterans' Cemetery - State
Funding Sources: HUA – Miscellaneous Agencies Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	265,173	6	265,173	100.0	265,173	6	265,173	100.0
C01	Existing Program	13,810	0	278,983	105.2	16,510	0	281,683	106.2
C04	Reallocation	0	0	278,983	105.2	0	0	281,683	106.2

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	265,173	6	265,173	100.0	265,173	6	265,173	100.0
C01	Existing Program	0	0	265,173	100.0	0	0	265,173	100.0
C04	Reallocation	0	0	265,173	100.0	0	0	265,173	100.0

Justification

C01	Operating Expenses: (1) Increase in appropriation and General Revenue of \$4,400 in FY08 and \$5,100 in FY09 to purchase 1 desktop computer, 1 laptop computer and 1 printer in FY08 and 2 additional desktop computers and 1 laptop computer in FY09. The 3 desktop computers are needed to replace current outdated computers. One of the laptops is to enable the Agency to move toward e-government by providing for the Disaster Recovery Planning System. The other laptop and the printer are for the National Cemetery Kiosk Grave Locator. (2) Increase in appropriation and General Revenue of \$9,410 each year for Data Processing Supplies, including the installation of a new T1 line (DSL) and for the ever increasing IT related fees charged by the Arkansas Department of Information Systems (DIS). (3) Increase in appropriation and General Revenue of \$2,000 in FY09 to purchase the software required the National Department of Veterans Affairs to support the Cemetery Kiosk Grave Locator.
C04	Request to reallocate appropriation of \$685 each year from Data Processing to Operating Expenses. The Data Processing Commitment Item is no longer used by the Agency so this appropriation can be better utilized in the Operating Expense commitment item for the increased costs of office supplies.

Analysis of Budget Request

Appropriation: D11 - Veterans' Cemetery–Cash

Funding Sources: 156 – DVA Cemetery Cash

This appropriation is funded by cash funding the Agency has accumulated specifically for use at the State Veterans Cemetery located in North Little Rock, AR. This appropriation is utilized to support the operations of and to provide land improvements for the Arkansas State Veterans Cemetery.

The Agency Change Level request includes appropriation only in the amount of \$115,000 each year of the biennium and is comprised of the following:

Operating Expenses

Increase in the amount of \$10,000 each year of the biennium to supplement the state funded operating expenses for the Veterans' Cemetery, including bank service charges and other unforeseen costs related to the operation of the Veterans' Cemetery.

Conference and Travel Expenses

Increase in the amount of \$5,000 each year of the biennium to enable the Director and/or Assistant Director to attend an annual training conference to receive continuing education in current laws and regulations.

Capital Outlay

Increase in the amount of \$100,000 each year of the biennium to restore appropriation to the level currently authorized for the 2005-2007 biennium. This appropriation will be utilized for continued excavation and land improvement projects for the Veterans' Cemetery.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: D11 Veterans' Cemetery-Cash
Funding Sources: 156 - DVA Cemetery Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	0	0	0	0	10,000	10,000	0	10,000	10,000
Conference & Travel Expenses 5050009	0	0	0	0	5,000	5,000	0	5,000	5,000
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	79,381	100,000	100,000	0	100,000	100,000	0	100,000	100,000
Total	79,381	100,000	100,000	0	115,000	115,000	0	115,000	115,000
Funding Sources									
Fund Balance 4000005	310,572	347,887		360,287	360,287	360,287	472,687	472,687	472,687
Cash Fund 4000045	114,300	110,000		110,000	110,000	110,000	110,000	110,000	110,000
Interest 4000300	2,396	2,400		2,400	2,400	2,400	2,400	2,400	2,400
Unfunded Appropriation 4000715	0	0		0	115,000	115,000	0	115,000	115,000
Total Funding	427,268	460,287		472,687	587,687	587,687	585,087	700,087	700,087
Excess Appropriation/(Funding)	(347,887)	(360,287)		(472,687)	(472,687)	(472,687)	(585,087)	(585,087)	(585,087)
Grand Total	79,381	100,000		0	115,000	115,000	0	115,000	115,000

Change Level by Appropriation

Appropriation: D11-Veterans' Cemetery–Cash

Funding Sources: 156 – DVA Cemetery Cash

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	x	0	0	0	x
C01	Existing Program	115,000	0	115,000	x	115,000	0	115,000	x

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	0	0	0	100.0	0	0	0	100.0
C01	Existing Program	115,000	0	115,000	100.0	115,000	0	115,000	100.0

Justification

C01	<p>Operating Expenses: Increase in appropriation only of \$10,000 to provide for any unforeseen expenses related to the operation of the Veterans Cemetery. This appropriation will also be used if the Agency is assessed a bank service charge for depositing a check that is returned insufficient. Conference Fees and Travel: Increase in appropriation only of \$5,000 to enable the Director and/or Assistant Director to attend Annual Training Conferences for continuing education related to changes in laws and regulations. Capital Outlay: Increase in appropriation only of \$100,000 to restore previously authorized appropriation for continued excavation projects anticipated by the Agency.</p>
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Analysis of Budget Request

Appropriation: D15 - Veterans Home-Cash

Funding Sources: 156 – Veterans Home Cash

This appropriation is used to help support the operations of the two Veterans Homes maintained by the Agency and is funded by cash funding that is accumulated from the monthly maintenance fees charged to Veterans residing in the homes. This fund also includes Federal Per Diem Reimbursements from the U.S. Department of Veterans Affairs and interest income.

The Agency is requesting to re-establish this appropriation, which was previously authorized in the 2003-2005 biennium. The Agency Change Level Request includes unfunded appropriation in the amount of \$660,000 each year of the biennium and is comprised of the following:

Operating Expenses

Increase in the amount of \$250,000 each year of the biennium to provide for any unanticipated increases in operating expenses for both the Little Rock Home (\$125,000) and the Fayetteville Home (\$125,000), including food, laundry and housekeeping services, utility expenses and information technology related expenses.

Conference and Travel Expenses

Increase in the amount of \$10,000 each year of the biennium to provide for any unanticipated increases in travel and conference fees for both the Little Rock Home (\$5,000) and the Fayetteville Home (\$5,000), including training related travel as well as travel to other states to visit other Veterans Homes.

Professional Fees and Services

Increase in the amount of \$100,000 each year of the biennium to provide for any unanticipated increases in contract expenses for both the Little Rock Home (\$50,000) and the Fayetteville Home (\$50,000). Because the Agency depends heavily on contract services including food, laundry, housekeeping and medical services, any unanticipated increases could have a significant impact on the Agency's ability to provide adequate services to residents.

Refunds/Reimbursements

Increase in the amount of \$150,000 each year of the biennium to provide for patient refunds for both the Little Rock Home (\$75,000) and the Fayetteville Home (\$75,000). If necessary, this appropriation could also be used to provide for the Quality Assurance Fees (Bed Tax), if the rate increases more than is currently anticipated by the Agency.

Capital Outlay

Increase in the amount of \$150,000 each year of the biennium to provide for any increases in capital equipment needs for both the Little Rock Home (\$75,000) and the Fayetteville Home (\$75,000) for items such as vehicle replacement and equipment repairs.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: D15 Veterans Home-Cash
Funding Sources: 156 – Veterans Home Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	0	0	0	0	250,000	250,000	0	250,000	250,000
Conference & Travel Expenses 5050009	0	0	0	0	10,000	10,000	0	10,000	10,000
Professional Fees 5060010	0	0	0	0	100,000	100,000	0	100,000	100,000
Refunds/Reimbursements 5110014	21,866	0	0	0	150,000	150,000	0	150,000	150,000
Capital Outlay 5120011	0	0	0	0	150,000	150,000	0	150,000	150,000
Total	21,866	0	0	0	660,000	660,000	0	660,000	660,000
Funding Sources									
Cash Fund 4000045	21,866	0		0	0	0	0	0	0
Unfunded Appropriation 4000715	0	0		0	660,000	660,000	0	660,000	660,000
Total Funding	21,866	0		0	660,000	660,000	0	660,000	660,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	21,866	0		0	660,000	660,000	0	660,000	660,000

The FY06 Actual exceeds Authorized Appropriation in Refunds/Reimbursements due to a transfer from the Cash Fund Holding Account.

Change Level by Appropriation

Appropriation: D15-Veterans Home-Cash
Funding Sources: 156 – Veterans Home Cash

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	660,000	0	660,000	100.0	660,000	0	660,000	100.0

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
C05	Unfunded Appropriation	660,000	0	660,000	100.0	660,000	0	660,000	100.0

Justification

C05 Request for unfunded appropriation that the Agency will utilized for both the Little Rock Home and the Fayetteville Home if funding is available for the following: Operating Expenses request for \$250,000 in each year for any unanticipated increases in the operating expenses, such as food, laundry, housekeeping, etc. Conference Fees and Travel request for \$10,000 each year for any unanticipated increases in travel related expenses for training conferences. Professional Fees and Services request for \$100,000 each year for any unanticipated increases in contract expenses. Because the homes depend heavily on contractual services, including medical services, and unexpected increase in expense could have a detrimental impact on the Agency's ability to serve Veterans. Refunds/Reimbursements request for \$150,000 each year for patient refunds and any unanticipated increases in the Bed Tax. Capital Outlay request for \$150,000 each year for any increases in the capital needs of both homes, including fleet replacement, facility repairs and equipment upkeep and replacement.