

# AR DEPARTMENT OF VETERAN AFFAIRS

## Enabling Laws

Act 1009 of 2003

Act 15 of 2nd Extraordinary Session of 2003

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 Governors 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 Governors Task Force on Veterans Affairs to the Governors 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.

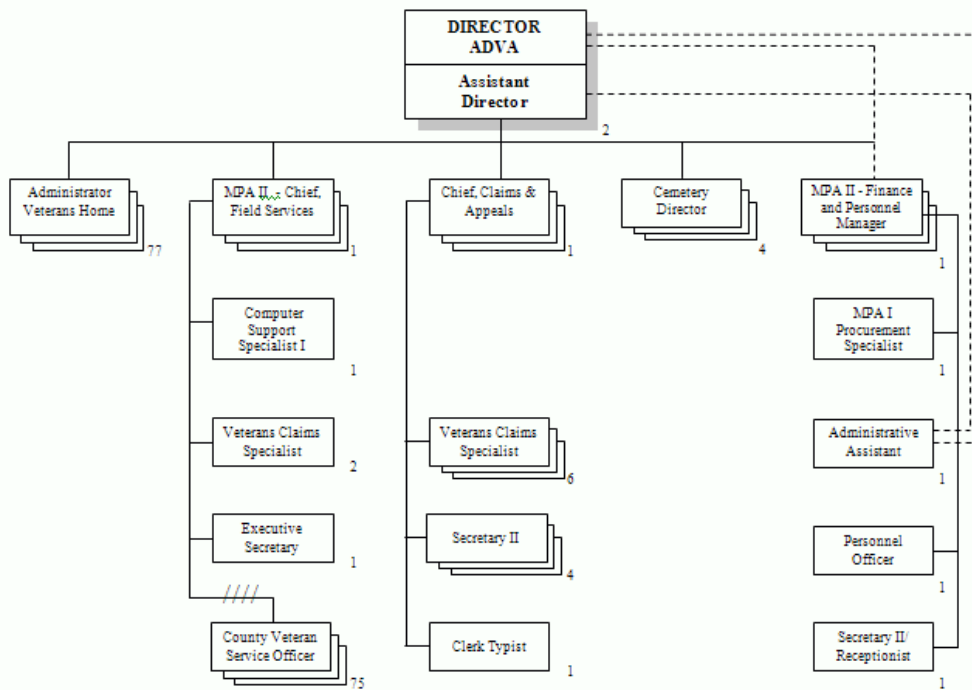
Act 235 of 1997 amended A.C.A. §20-81-112 by authorizing the Arkansas Department of Veterans Affairs to establish and operate an Arkansas State Veterans Cemetery system.

### 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 (CVSO's). There are 75 counties with county veterans service officers who are trained and supervised by this agency to serve the 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 CVSO's.
- 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.
- Establish and maintain the Fayetteville Veterans Home, which is scheduled to open in FY06, and will house a 116 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 competent state authority.
- To promulgate rules and regulations as deemed necessary.



## **Agency Commentary**

### **PROGRAM 1: VETERANS SERVICES**

The goal of this program is to assist all veterans, their dependents and survivors in securing their benefits.

#### ***Administrative Services***

The first objective in this program is to provide administrative support services through management activities to ensure that all of the operational objectives are met. As requested by the governor, the agency has attempted to reallocate resources to cover anticipated needs. However, due to increased costs, the agency is forced to request additional appropriation and general revenue funding in the amount of \$3,640 in FY06 and \$3,740 in FY07 as follows:

- Operating Expenses: Increase in appropriation in the amount of \$650 in FY06 and \$870 in FY07. This request represents a reallocation of appropriation from the Veterans Cemetery.
- Conference Fees and Travel: Increase in appropriation in the amount of \$350 in FY06 and \$130 in FY07. This request represents a reallocation of appropriation from the Veterans Cemetery.
- Data Processing: Increase in appropriation and General Revenue funding in the amount of \$2,640 in FY06 and \$2,740 in FY07.

#### ***Veterans Claims and Advocacy Services***

The second objective in this program is to Provide Veterans Claims and Advocacy Services by providing counseling and representative advocacy at both the state and national level and by training 75 County Veterans Service Officers to provide assistance. No change levels are requested for this objective.

### *Veterans Cemetery*

The third objective in this program is 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 agency is requesting the following:

- Operations: Decrease in appropriation in the amount of \$1,000 in each year to reallocate appropriation to the Administrative Services Division in the amount of \$650 in FY06 and \$870 in FY07 for Operations and \$350 in FY06 and \$130 in FY07 for Conference Fees and Travel.
- Data Processing: Increase in appropriation and general revenue funding in the amount of \$660 in FY06 and \$685 in FY07 in order for the agency to meet their Information Technology plan.
- Capital Outlay: Increase appropriation only in the amount of \$100,000 in each year of the biennium to reflect a FY05 Cash Appropriation Increase Letter that is not provided in the biennial base level.

### PROGRAM 2: VETERANS HOMES

The goal of this program is to operate nursing and domiciliary care to Arkansas Veterans by operating a 116 bed facility in Little Rock and opening and operating a 108 bed facility in Fayetteville.

#### *Little Rock Home*

The first objective in this program is to operate an Intermediate 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 facility.

The agency is requesting additional appropriation and General Revenue funding in the amount of \$100,865 in FY06 and \$102,696 in FY07. The Little Rock Home's requests consist of the following:

- Regular Salaries: Two (2) new Certified Nursing Assistant II positions representing an increase of \$32,638 in FY06 and \$33,838 in FY07.
- Matching: Increase of \$15,292 in FY06 and \$15,548 on FY07 for the requested new positions.
- Overtime: Increase of \$3,000 in each year of the biennium.
- Operating Expenses: Increase of \$50,937 in each year of the biennium.
- Professional Fees and Services: Decrease of \$10,902 in each year of the biennium.
- Data Processing: Increase of \$9,900 in FY06 and \$10,275 in FY07 to meet requirements in IT Plan.
- Refunds/Reimbursements: Reallocation of appropriation in the amount of \$157,000 in each year of the biennium to reflect transfer from different objective, which was necessary due to the Agency's conversion to a Performance Based Budget.

#### *Fayetteville Home*

The second objective in this program is to open and operate an Intermediate 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 facility. In the 2003-05 biennium, the agency received appropriation and

federal and state funding for constructing, renovating and equipping this facility. It is currently under construction and is expected to open in FY06.

Because this is a new budget request, no biennial base level exists. The total budget request for appropriation is \$3,800,387 in FY06 and \$3,868,222 in FY07. The total request for increased general revenue is \$1,732,308 in FY06 and \$1,800,143 in FY07.

- Regular Salaries: One hundred and three (103) new positions representing an increase of \$2,018,242 in FY06 and \$2,085,591 in FY07.
- Matching: Increase of \$839,268 in FY06 and \$853,654 on FY07 for the requested new positions.
- Extra Help: Seven (7) Extra Help positions representing an increase of \$40,000 in each year.
- Overtime: Increase of \$40,000 for each year.
- Operating Expenses: Increase of \$607,027 for each year.
- Conference Fees and Travel: Increase of \$5,250 for each year.
- Professional Fees and Services: Increase of \$56,700 for each year.
- Data Processing: Increase of \$36,900 for FY06 and \$23,000 for FY07 in order to meet the requirements in the Information Technology Plan.
- Refunds/Reimbursements: Increase of \$157,000 for each year for a mandated bed tax.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
DEPARTMENT OF VETERANS AFFAIRS  
FOR THE YEAR ENDED JUNE 30, 2003

Findings	Recommendations
None	None

## Employment Summary

	Male	Female	Total	%
White Employees	20	17	37	35 %
Black Employees	15	53	68	65 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			68	65%
Total Employees			105	100 %

## 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 / Program Summary

Appropriation / Program	Historical Data						Agency Request and Executive Recommendation							
	2003-2004		2004-2005		2004-2005		2005-2006				2006-2007			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
0385P01 Veterans' Services	1,269,521	29	1,540,718	29	1,420,517	29	1,586,493	29	1,589,004	29	1,616,159	29	1,618,745	29
0385P02 Veterans' Home	3,337,583	82	3,416,759	82	6,168,037	82	7,463,137	187	7,460,763	187	7,608,675	187	7,606,229	187
<b>NOT REQUESTED FOR THE BIENNIUM</b>														
2GG Warrant Transfer	314,000	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>4,921,104</b>	<b>111</b>	<b>4,957,477</b>	<b>111</b>	<b>7,588,554</b>	<b>111</b>	<b>9,049,630</b>	<b>216</b>	<b>9,049,767</b>	<b>216</b>	<b>9,224,834</b>	<b>216</b>	<b>9,224,974</b>	<b>216</b>

Funding Sources			%		%		%		%		%		%
Fund Balance	4000005	1,749,609	26.6	1,647,463	28.1		9.4	908,363	9.4	641,317	6.7	641,318	6.7
General Revenue	4000010	2,060,225	31.4	1,746,603	29.8		39.8	3,858,167	39.8	3,968,970	41.6	3,969,111	41.6
Federal Revenue	4000020	492,723	7.5	335,723	5.7		11.3	1,090,839	11.3	1,090,839	11.4	1,090,839	11.4
Cash Fund	4000045	2,247,031	34.2	2,088,576	35.6		39.5	3,833,578	39.5	3,833,578	40.3	3,833,578	40.3
Merit Adjustment Fund	4000055	18,979	0.3	47,475	0.8		0.0	0	0.0	0	0.0	0	0.0
<b>Total Funds</b>		<b>6,568,567</b>	<b>100.0</b>	<b>5,865,840</b>	<b>100.0</b>		<b>100.0</b>	<b>9,690,947</b>	<b>100.0</b>	<b>9,691,085</b>	<b>100.0</b>	<b>9,534,704</b>	<b>100.0</b>
Excess Appropriation/(Funding)		(1,647,463)		(908,363)				(641,317)		(641,318)		(309,870)	
<b>Grand Total</b>		<b>4,921,104</b>		<b>4,957,477</b>				<b>9,049,630</b>		<b>9,049,767</b>		<b>9,224,834</b>	

The FY04 Actual General Revenue funding exceeds the FY04 Forecast due to a supplemental appropriation with provided additional General Revenue funding in the amount of \$314,000.

## **Analysis of Budget Request**

**Appropriation / Program:** 0385P01 - Veterans' Services

**Funding Sources:** HUA-Miscellaneous Agencies Fund; Other Funds

The Veterans Services Program is responsible for assisting veterans and their families secure their rights and benefits under Federal and State laws. The objectives of this program are for the Agency to provide administrative support services, to provide Veterans Claims and Advocacy Services and to maintain the Veterans Cemetery.

Funding for the Veterans Services Program primarily consists of General Revenues. A cash fund is maintained by the Veterans Cemetery to support the cemetery's continuing excavation expenses.

The FY04 Final Progress Report submitted by the Department of Veterans Affairs indicated that the Agency met all three key measures included in the Agency 2003-2007 Strategic Plan for the Veterans Services Program. These measures related to the number of previous year audit findings reported in the subsequent audit, the number of veterans and families assisted through advocacy services and the number of veterans and families served by the Veterans Cemetery.

The Base Level request for this Program is \$1,483,193 in FY06 and \$1,512,734 in FY07 and includes graduated salary increases of 3% to 1.5% each year over FY05 salary levels, along with related Personal Services Matching costs for 29 Base Level positions. This includes a \$600 minimum increase for employees earning \$20,000 or below. Included in Personal Services Matching is a \$40 increase in the monthly contribution for State employee's health insurance for a total State match of \$320 per month.

The Agency Change Level request for this program totals \$103,300 in FY06 and \$103,425 in FY07. Total additional General Revenue requested is \$3,300 in FY06 and \$3,425 in FY07. This Change Level Request consists of the following:

- Decrease in appropriation for operating expenses in the amount of \$350 in FY06 and \$130 in FY07. This request consists of a reallocation of appropriation to the travel and conference fee line item.
- Increase in appropriation for travel and conference fees in the amount of \$350 in FY06 and \$130 in FY07. This request consists of a reallocation of appropriation to the operating expenses line item.
- Increase in appropriation and general revenue funding for data processing in the amount of \$3,300 in FY06 and \$3,425 in FY07. This request is in accordance with the Agency IT Plan submitted to the Office of Information Technology.
- Increase in capital outlay appropriation in the amount of \$100,000 in FY06 and \$100,000 in FY07 for the Veterans Cemetery to provide authorization to expend cash funds for the continued excavations of the cemetery grounds.

The Executive Recommendation provides for the Agency Request, as well as additional appropriation and general revenue funding in the amount of \$2,511 in FY06 and \$2,586 in FY07 for the reclassification of one position from Management Project Analyst II to Agency Fiscal Manager.



## Appropriation / Program Summary

**Appropriation / Program:** 0385P01 Veterans' Services  
**Funding Sources:** HUA-Miscellaneous Agencies Fund; Other Funds

Program Description	Program Goals	
Provide assistance to veterans their dependents and survivors to obtain Federal and State benefits to which they are entitled, operates 75 offices throughout the state. Maintains the Veterans Cemetery.	1	Assist all veterans, their dependents and survivors in securing their benefits.

Objective Code	Name	Description
00EK	Objective 1	Provide administrative support services through management activities to ensure that all of the operational objectives of the Department are achieved.
01EK	Objective 2	Provide Veterans Claims and Advocacy Services.
02EK	Objective 3	Maintain the Veterans Cemetery.
EK02	Objective 3	Maintain the Veterans Cemetery.

### Performance Measures

Objective	Key Measures		Type	Description	2004 Target Authorized / Actual	2006 Target	2007 Target
	Exec	Leg					
1	X	X	Outcome	Number of previous year audit findings reported in subsequent audits.	0/0	0	0
1			Outcome	Number of days to enter all year-end closing entries into AASIS required for CAFR Report.		63 days	63 days
1			Outcome	Number of security and privacy policies promulgated by the State Executive Chief Information Officer implemented in required timeframe.		4	4
1	X	X	Effort	Administration Budget as a percentage of total budget		14%	14%
1	X	X	Outcome	Percent of agency key performance measures met.		91%	91%
2	X	X	Output	Number of veterans assisted through advocacy services.	73,596/ 112,655	69,650	70,500
2			Output	Number of claims filled out.	27,336/36,607	27,900	28,800
3	X	X	Output	Number of Veterans and families served by the Veterans Cemetery.	360/432	408	408

## Appropriation / Program Summary

Appropriation / Program: 0385P01 Veterans' Services

Authorized Program Amount **1,420,517**

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2003-2004	2004-2005	2005-2006			2006-2007		
		Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	694,369	797,129	820,762	820,762	822,831	845,104	845,104	847,235
<b>#Positions</b>		<b>29</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>29</b>
Personal Services Matching	5010003	218,830	267,835	286,677	286,677	287,119	291,876	291,876	292,331
Operating Expenses	5020002	89,735	89,754	89,754	89,404	89,404	89,754	89,624	89,624
Travel-Conference Fees	5050009	2,225	2,500	2,500	2,850	2,850	2,500	2,630	2,630
Professional Fees and Services	5060010	0	10,000	0	0	0	0	0	0
Data Processing	5090012	0	0	0	3,300	3,300	0	3,425	3,425
Grants and Aid	5100004	264,362	283,500	283,500	283,500	283,500	283,500	283,500	283,500
Capital Outlay	5120011	0	90,000	0	100,000	100,000	0	100,000	100,000
<b>Total</b>		<b>1,269,521</b>	<b>1,540,718</b>	<b>1,483,193</b>	<b>1,586,493</b>	<b>1,589,004</b>	<b>1,512,734</b>	<b>1,616,159</b>	<b>1,618,745</b>

Funding Sources									
Fund Balance	4000005	188,044	309,870	309,870	309,870	309,870	309,870	309,870	309,870
General Revenue	4000010	1,269,521	1,416,318	1,483,193	1,486,493	1,489,004	1,512,734	1,516,159	1,518,745
Cash Fund	4000045	121,826	100,000	0	100,000	100,000	0	100,000	100,000
Merit Adjustment Fund	4000055	0	24,400	0	0	0	0	0	0
<b>Total Funding</b>		<b>1,579,391</b>	<b>1,850,588</b>	<b>1,793,063</b>	<b>1,896,363</b>	<b>1,898,874</b>	<b>1,822,604</b>	<b>1,926,029</b>	<b>1,928,615</b>
Excess Appro/(Funding)		(309,870)	(309,870)	(309,870)	(309,870)	(309,870)	(309,870)	(309,870)	(309,870)
<b>Grand Total</b>		<b>1,269,521</b>	<b>1,540,718</b>	<b>1,483,193</b>	<b>1,586,493</b>	<b>1,589,004</b>	<b>1,512,734</b>	<b>1,616,159</b>	<b>1,618,745</b>

The FY05 Budget amount exceeds Authorized Appropriation due to matching rate adjustments during the 2003-05 biennium and due to a transfer from the Cash Fund Holding Account.

## **Objective Summary**

**Objective:** 00EK Veterans' Services-Objective 1-Treasury

**Description:** Provide administrative support services through management activities to ensure that all of the operational objectives of the Department are achieved.

### **Historical Data**

### **Agency Request and Executive Recommendation**

<b>Commitment Item</b>		<b>Historical Data</b>		<b>Agency Request and Executive Recommendation</b>			<b>Agency Request and Executive Recommendation</b>		
		<b>2003-2004</b>	<b>2004-2005</b>	<b>2005-2006</b>			<b>2006-2007</b>		
		<b>Actual</b>	<b>Budget</b>	<b>Base Level</b>	<b>Agency</b>	<b>Executive</b>	<b>Base Level</b>	<b>Agency</b>	<b>Executive</b>
Regular Salaries	5010000	554,386	633,138	651,444	651,444	653,513	670,710	670,710	672,841
<b>#Positions</b>		<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>
Personal Services Matching	5010003	173,704	209,255	223,630	223,630	224,072	227,744	227,744	228,199
Operating Expenses	5020002	36,363	36,364	36,364	37,014	37,014	36,364	37,234	37,234
Travel-Conference Fees	5050009	2,225	2,500	2,500	2,850	2,850	2,500	2,630	2,630
Data Processing	5090012	0	0	0	2,640	2,640	0	2,740	2,740
Grants and Aid	5100004	264,362	283,500	0	0	0	0	0	0
<b>Objective Total</b>		<b>1,031,040</b>	<b>1,164,757</b>	<b>913,938</b>	<b>917,578</b>	<b>920,089</b>	<b>937,318</b>	<b>941,058</b>	<b>943,644</b>

## Objective Summary

**Objective:** 01EK Veterans' Services-Objective 2-Treasury

**Description:** Provide Veterans Claims and Advocacy Services.

Commitment Item	Historical Data		Agency Request and Executive Recommendation					
	2003-2004	2004-2005	2005-2006			2006-2007		
	Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	23,751	24,098	24,820	24,820	24,820	25,564	25,564	25,564
<b>#Positions</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Personal Services Matching 5010003	4,162	8,530	9,142	9,142	9,142	9,301	9,301	9,301
Grants and Aid 5100004	0	0	283,500	283,500	283,500	283,500	283,500	283,500
Objective Total	27,913	32,628	317,462	317,462	317,462	318,365	318,365	318,365

## Objective Summary

**Objective:** 02EK Veterans' Services-Objective 3-Treasury

**Description:** Maintain the Veterans Cemetery.

Commitment Item	Historical Data		Agency Request and Executive Recommendation					
	2003-2004	2004-2005	2005-2006			2006-2007		
	Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	116,232	139,893	144,498	144,498	144,498	148,830	148,830	148,830
<b>#Positions</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
Personal Services Matching 5010003	40,964	50,050	53,905	53,905	53,905	54,831	54,831	54,831
Operating Expenses 5020002	53,372	53,390	53,390	52,390	52,390	53,390	52,390	52,390
Data Processing 5090012	0	0	0	660	660	0	685	685
Objective Total	210,568	243,333	251,793	251,453	251,453	257,051	256,736	256,736

**Objective Summary**

**Objective:** EK02 Veterans' Services-Objective 3-Cash

**Description:** Maintain the Veterans Cemetery.

Commitment Item	Historical Data		Agency Request and Executive Recommendation					
	2003-2004	2004-2005	2005-2006			2006-2007		
	Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Professional Fees and Services 5060010	0	10,000	0	0	0	0	0	0
Capital Outlay 5120011	0	90,000	0	100,000	100,000	0	100,000	100,000
Objective Total	0	100,000	0	100,000	100,000	0	100,000	100,000

## **Analysis of Budget Request**

**Appropriation / Program:** 0385P02 - Veterans' Home

**Funding Sources:** HUA-Miscellaneous Agencies Fund; Other Funds

The Veterans Home Program is responsible for providing nursing and domiciliary care to honorably discharged wartime and or service connected disabled veterans. The objectives of this program are to operate an Intermediate Care and Domiciliary facility in Little Rock and to open and operate an Intermediate Care and Skilled Care facility in Fayetteville. The Little Rock Home was founded in 1980; the Fayetteville Home is currently under construction and is scheduled to open in FY06.

Funding for the Veterans Home Program consists of General Revenue, maintenance fees provided by the residents, a federal per diem reimbursement from the US Department of Veterans Affairs, and investment income.

The FY04 Final Progress Report submitted by the Department of Veterans Affairs indicated that the Agency met all key measures included in the Agency 2003-2007 Strategic Plan for the Veterans Services Program. These measures related to the number of Health and Safety Infractions with the Office of Long Term Care and Federal V.A. and the average daily cost per Veterans Home resident.

The Base Level request for this Program is \$3,561,885 in FY06 and \$3,637,757 in FY07 and includes graduated salary increases of 3% to 1.5% each year over FY05 salary levels, along with related Personal Services Matching costs for 82 Base Level positions. This includes a \$600 minimum increase for employees earning \$20,000 or below. Included in Personal Services Matching is a \$40 increase in the monthly contribution for State employee's health insurance for a total State match of \$320 per month.

The Agency Change Level request for this program totals \$3,901,252 in FY06 and \$3,970,918 in FY07. Total additional General Revenue requested is \$1,833,173 in FY06 and \$1,902,839 in FY07. This Change Level request consists of the following:

Regular Salaries and related Personal Services Matching: Increase in appropriation in the amount of \$2,905,440 in FY06 and \$2,988,631 in FY07 and general revenue funding in the amount of \$1,780,238 in FY06 and \$1,849,529 in FY07. This request consists of the following:

- Increase in appropriation and General Revenue funding in the amount of \$47,930 in FY06 and \$49,386 in FY07 for two new Certified Nursing Assistant II positions for the Little Rock Home.
- Increase in appropriation in the amount of \$2,857,510 in FY06 and \$2,939,245 in FY07 to create a Salary and Personal Services Matching budget for 103 new positions requested to fill the staffing needs of the Fayetteville Home. General revenue funding requested is \$1,732,308 in FY06 and \$1,800,143 in FY07.

Extra Help: Increase in appropriation in the amount of \$40,000 in each year of the biennium to create an Extra Help budget for 7 Extra Help positions requested to fill the staffing needs of the Fayetteville Home.

Overtime: Increase in appropriation in the amount of \$43,000 each year, and general revenue funding in the amount of \$3,000 in FY06 and \$3,000 in FY07. This request consists of the following:

- Increase in appropriation and general revenue funding in the amount of \$3,000 in each year to meet the overtime needs of the Little Rock Home.
- Increase in appropriation in the amount of \$40,000 in each year to create an Overtime budget for the Fayetteville Home.

Operating Expenses: Increase in appropriation in the amount of \$657,964 in each year of the biennium and general revenue funding in the amount of \$40,035 in each year of the biennium. This request consists of the following:

- Increase in appropriation in the amount of \$50,937 and General Revenue funding in the amount of \$40,035 in each year to meet the increased operating expense needs of the Little Rock.
- Increase in appropriation in the amount of \$607,027 in each year to create an operating expense budget for the Fayetteville Home.

Travel and Conference Fees: Increase in appropriation in the amount of \$5,250 in each year of the biennium to create a Travel and Conference Fee budget for the Fayetteville Home.

Professional Fees and Services: Increase in appropriation in the amount of \$45,798 in each year of the biennium. This request consists of the following:

- Decrease in appropriation in the amount of \$10,902 in each year for the Little Rock Home. This request represents a reallocation of appropriation to the operations line item.
- Increase in appropriation in the amount of \$56,700 in each year to create a Professional Fees and Services budget for the Fayetteville Home.

Data Processing: Increase in appropriation in the amount of \$46,800 in FY06 and \$33,275 in FY07 and general revenue funding in the amount of \$9,900 in FY06 and \$10,275 in FY07. This request is in accordance with the Agency IT Plan submitted to the Office of Information Technology and consists of the following:

- Increase in appropriation and general revenue funding in the amount of \$9,900 in FY06 and \$10,275 in FY07 for the Little Rock Home.
- Increase in appropriation in the amount of \$36,900 in FY06 and \$23,000 in FY07 for the Fayetteville Home.

Refunds and Reimbursements : Appropriation in the amount of \$157,000 in each year of the biennium to provide for the Quality Assurance Fee (Bed Tax) pursuant to Act 635 of 2001 for the Fayetteville Home .

The Executive Recommendation provides for the Agency Request with the exception of one new



position request. Instead of providing for a grade 22 Agency Fiscal Manager position for the Fayetteville Home, the Executive Recommendation provides for a grade 21 Accounting II Supervisor position. Additional General Revenue is recommended in the amount of \$100,865 in FY06 and \$102,696 in FY07 for the Little Rock Veterans Home. New General Revenue in the amount of \$1,729,934 in FY06 and \$1,797,697 in FY07 has been added in support of the new Fayetteville Veterans Home.

## Appropriation / Program Summary

**Appropriation / Program:** 0385P02 Veteran's Home  
**Funding Sources:** HUA-Miscellaneous Agencies Fund; Other Funds

Program Description	Program Goals
Provides nursing and domiciliary care to disabled Arkansas Veterans: 1) Operate a 116 bed facility in Little Rock; 2) In FY06, open and beign operations of a 108 bed facility in Fayetteville.	1 Operates nursing and domiciliary care facilities for Arkansas Veterans in need of medical and/or housing assistance.

Objective Code	Name	Description
10EK	Objective 1	Operate an Intermediate Care and Domiciliary care facility in Little Rock.
11EK	Objective 2	Open and Operate an Intermediate Care and Skilled Care facility in Fayetteville.
EK11	Objective 2	Open and Operate an Intermediate Care and Skilled Care facility in Fayetteville.

### Performance Measures

Objective	Key Measures		Type	Description	2004 Target Authorized / Actual	2006 Target	2007 Target
	Exec	Leg					
1			Output	Occupancy rate for Little Rock Veterans' Home: Nursing Unit	90%/97%	93%	95%
1			Output	Occupancy rate for Little Rock Veterans' Home: Domiciliary Unit	36%/45%	47%	49%
1	X	X	Outcome	Number of Health and Safety Infractions with the Office of Long Term Care and with Federal V.A.	0/0	0	0
1	X	X	Efficiency	Veterans Home average daily cost per resident—Little Rock Veterans' Home -Domiciliary		\$27.19	\$27.43
1	X	X	Efficiency	Veterans Home average daily cost per resident—Little Rock Veterans' Home - Intermediate		\$57.78	\$59.32
1	X	X	Output	% of client's satisfied with level of care and support received - Little Rock Veterans' Home		98.5%	98.5%
1			Efficiency	Veterans Home average daily cost for each resident care	\$119.00/ \$111.07	NA	NA
1			Efficiency	Veterans Home average annual cost of operations	\$2,898,414/ \$3,192,542	NA	NA
2			Output	Occupancy rate for Fayetteville Veterans' Home: Nursing Unit		10%	50%
2	X	X	Outcome	Number of Health and Safety Infractions with the Office of Long Term Care and with Federal V.A		0	0
2	X	X	Efficiency	Veterans Home average daily cost per resident—Fayetteville Veterans' Home - Intermediate		\$57.78	\$59.32

## Appropriation / Program Summary

**Appropriation / Program:** 0385P02 Veteran's Home  
**Funding Sources:** HUA-Miscellaneous Agencies Fund; Other Funds

### Performance Measures

Objective	Key Measures		Type	Description	2004 Target Authorized / Actual	2006 Target	2007 Target
	Exec	Leg					
2	X	X	Efficiency	Veterans Home average daily cost per resident—Fayetteville Veterans' Home - Skilled Care		\$135.91	\$137.41
2	X	X	Output	% of client's satisfied with level of care and support received - Fayetteville Veterans' Home		98%	98%

## Appropriation / Program Summary

Appropriation / Program: 0385P02 Veterans' Home  
**Authorized Program Amount 6,168,037**

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2003-2004	2004-2005	2005-2006			2006-2007		
		Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,818,362	1,920,966	2,010,985	4,061,865	4,059,909	2,073,504	4,192,933	4,190,918
<b>#Positions</b>		<b>82</b>	<b>82</b>	<b>82</b>	<b>187</b>	<b>187</b>	<b>82</b>	<b>187</b>	<b>187</b>
Extra Help	5010001	26,665	31,000	31,000	71,000	71,000	31,000	71,000	71,000
<b>#Extra Help</b>		<b>7</b>	<b>4</b>	<b>7</b>	<b>14</b>	<b>14</b>	<b>7</b>	<b>14</b>	<b>14</b>
Personal Services Matching	5010003	604,127	695,708	750,815	1,605,375	1,604,957	764,168	1,633,370	1,632,939
Overtime	5010006	14,861	15,000	15,000	58,000	58,000	15,000	58,000	58,000
Operating Expenses	5020002	654,432	527,183	527,183	1,185,147	1,185,147	527,183	1,185,147	1,185,147
Travel-Conference Fees	5050009	2,149	5,000	5,000	10,250	10,250	5,000	10,250	10,250
Professional Fees and Services	5060010	62,978	64,902	64,902	110,700	110,700	64,902	110,700	110,700
Data Processing	5090012	0	0	0	46,800	46,800	0	33,275	33,275
Refund/Reimbursements	5110014	129,020	157,000	157,000	314,000	314,000	157,000	314,000	314,000
Capital Outlay	5120011	24,989	0	0	0	0	0	0	0
<b>Total</b>		<b>3,337,583</b>	<b>3,416,759</b>	<b>3,561,885</b>	<b>7,463,137</b>	<b>7,460,763</b>	<b>3,637,757</b>	<b>7,608,675</b>	<b>7,606,229</b>

Funding Sources									
Fund Balance	4000005	1,561,565	1,337,593	598,493	598,493	598,493	331,447	331,447	331,448
General Revenue	4000010	476,704	330,285	538,501	2,371,674	2,369,301	549,972	2,452,811	2,450,366
Federal Revenue	4000020	492,723	335,723	778,270	1,090,839	1,090,839	778,270	1,090,839	1,090,839
Cash Fund	4000045	2,125,205	1,988,576	1,978,068	3,733,578	3,733,578	1,978,068	3,733,578	3,733,578
Merit Adjustment Fund	4000055	18,979	23,075	0	0	0	0	0	0
<b>Total Funding</b>		<b>4,675,176</b>	<b>4,015,252</b>	<b>3,893,332</b>	<b>7,794,584</b>	<b>7,792,211</b>	<b>3,637,757</b>	<b>7,608,675</b>	<b>7,606,231</b>
Excess Appro/(Funding)		(1,337,593)	(598,493)	(331,447)	(331,447)	(331,448)	0	0	(2)
<b>Grand Total</b>		<b>3,337,583</b>	<b>3,416,759</b>	<b>3,561,885</b>	<b>7,463,137</b>	<b>7,460,763</b>	<b>3,637,757</b>	<b>7,608,675</b>	<b>7,606,229</b>

## Objective Summary

**Objective:** 10EK Veterans' Home-Objective 1-Treasury

**Description:** Operate an Intermediate Care and Domiciliary care facility in Little Rock.

Commitment Item	Historical Data		Agency Request and Executive Recommendation					
	2003-2004	2004-2005	2005-2006			2006-2007		
	Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	1,770,173	1,873,352	2,010,985	2,043,623	2,043,623	2,073,504	2,107,342	2,107,342
<b>#Positions</b>	<b>81</b>	<b>81</b>	<b>82</b>	<b>84</b>	<b>84</b>	<b>82</b>	<b>84</b>	<b>84</b>
Extra Help 5010001	26,665	31,000	31,000	31,000	31,000	31,000	31,000	31,000
<b>#Extra Help</b>	<b>7</b>	<b>4</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
Personal Services Matching 5010003	595,807	682,193	750,815	766,107	766,107	764,168	779,716	779,716
Overtime 5010006	14,861	15,000	15,000	18,000	18,000	15,000	18,000	18,000
Operating Expenses 5020002	654,399	527,183	527,183	578,120	578,120	527,183	578,120	578,120
Travel-Conference Fees 5050009	2,149	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Professional Fees and Services 5060010	62,978	64,902	64,902	54,000	54,000	64,902	54,000	54,000
Data Processing 5090012	0	0	0	9,900	9,900	0	10,275	10,275
Refund/Reimbursements 5110014	0	0	0	157,000	157,000	0	157,000	157,000
Capital Outlay 5120011	9,000	0	0	0	0	0	0	0
<b>Objective Total</b>	<b>3,136,032</b>	<b>3,198,630</b>	<b>3,404,885</b>	<b>3,662,750</b>	<b>3,662,750</b>	<b>3,480,757</b>	<b>3,740,453</b>	<b>3,740,453</b>

## Objective Summary

**Objective:** 11EK Veterans' Home-Objective 2-Treasury

**Description:** Open and Operate an Intermediate Care and Skilled Care facility in Fayetteville.

Commitment Item	Historical Data		Agency Request and Executive Recommendation					
	2003-2004	2004-2005	2005-2006			2006-2007		
	Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	48,189	47,614	0	2,018,242	2,016,286	0	2,085,591	2,083,576
<b>#Positions</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>103</b>	<b>103</b>	<b>0</b>	<b>103</b>	<b>103</b>
Extra Help 5010001	0	0	0	40,000	40,000	0	40,000	40,000
<b>#Extra Help</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>7</b>	<b>7</b>
Personal Services Matching 5010003	8,320	13,515	0	839,268	838,850	0	853,654	853,223
Overtime 5010006	0	0	0	40,000	40,000	0	40,000	40,000
Operating Expenses 5020002	0	0	0	607,027	607,027	0	607,027	607,027
Travel-Conference Fees 5050009	0	0	0	5,250	5,250	0	5,250	5,250
Professional Fees and Services 5060010	0	0	0	56,700	56,700	0	56,700	56,700
Data Processing 5090012	0	0	0	36,900	36,900	0	23,000	23,000
Refund/Reimbursements 5110014	0	0	0	157,000	157,000	0	157,000	157,000
Objective Total	56,509	61,129	0	3,800,387	3,798,013	0	3,868,222	3,865,776

**Objective Summary**

**Objective:** EK11 Veterans' Home-Objective 1-Cash

**Description:** Open and Operate an Intermediate Care and Skilled Care facility in Fayetteville.

Commitment Item	Historical Data		Agency Request and Executive Recommendation					
	2003-2004	2004-2005	2005-2006			2006-2007		
	Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	33	0	0	0	0	0	0	0
Refund/Reimbursements 5110014	129,020	157,000	157,000	0	0	157,000	0	0
Capital Outlay 5120011	15,989	0	0	0	0	0	0	0
Objective Total	145,042	157,000	157,000	0	0	157,000	0	0

## **Appropriation / Program Summary**

**Appropriation / Program:** 2GG Warrant Transfer  
**Funding Sources:** HUA-Miscellaneous Agencies Fund

### **Historical Data**

### **Agency Request and Executive Recommendation**

<b>Commitment Item</b>	<b>2003-2004</b>	<b>2004-2005</b>	<b>2004-2005</b>	<b>2005-2006</b>			<b>2006-2007</b>		
	<b>Actual</b>	<b>Budget</b>	<b>Authorized</b>	<b>Base Level</b>	<b>Agency</b>	<b>Executive</b>	<b>Base Level</b>	<b>Agency</b>	<b>Executive</b>
Refunds-Investments-Transfers 5110020	314,000	0	0	0	0	0	0	0	0
<b>Total</b>	<b>314,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Funding Sources</b>									
General Revenue 4000010	314,000	0		0	0	0	0	0	0
<b>Total Funding</b>	<b>314,000</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
<b>Grand Total</b>	<b>314,000</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

This appropriation is not requested for the new biennium.