

AR DEPARTMENT OF VETERANS' AFFAIRS

Enabling Laws

Act 262 of 2014
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 Governor's 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.

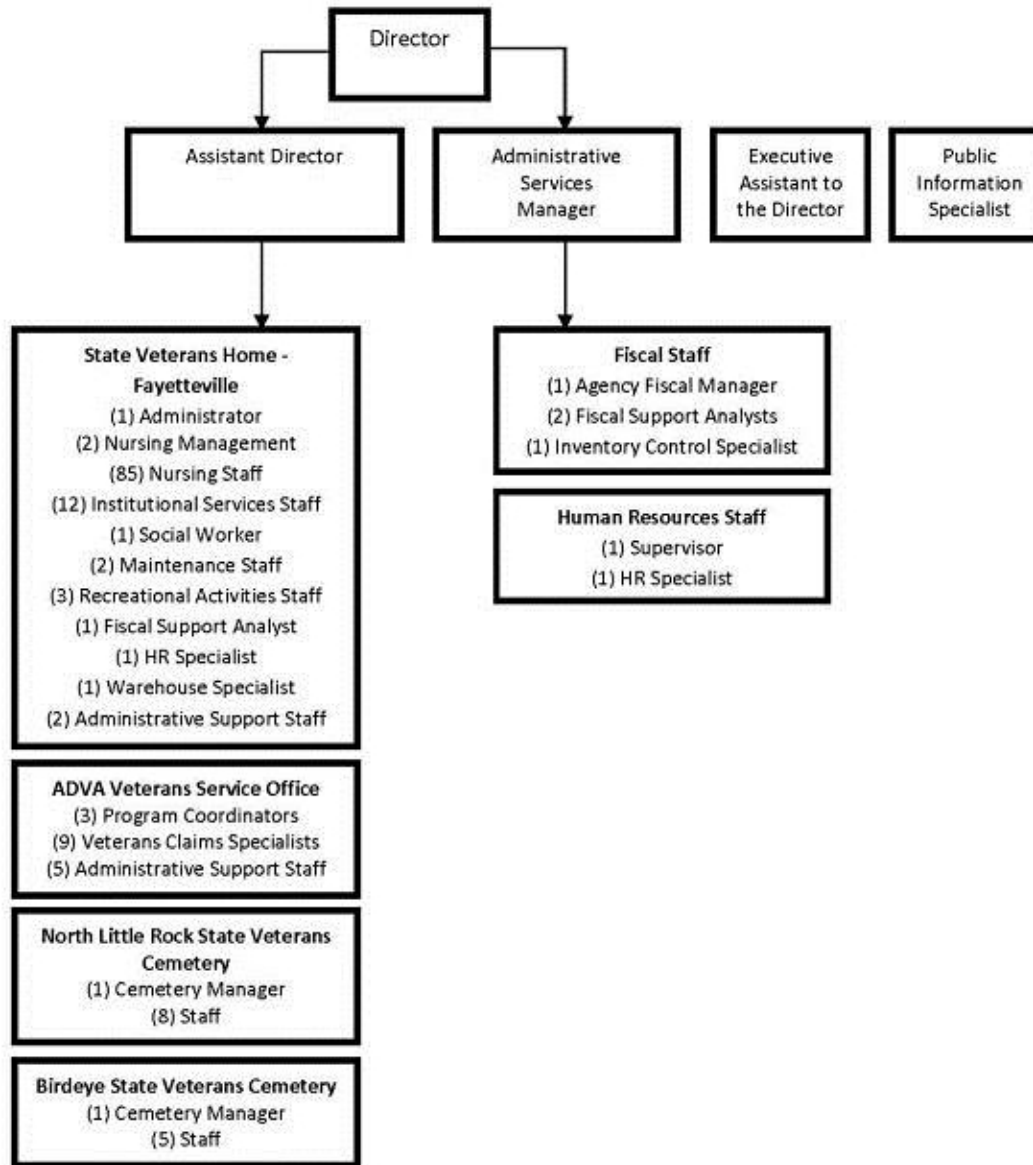
MISSION

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 Fayetteville Veterans' Home that opened in June 2006 that houses a 108 bed skilled 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

Arkansas Department of Veterans Affairs

The goal of this Agency is to serve, assist and advocate for all Veterans, their dependents, and survivors in securing available Veterans benefits. The agency directly cares for Veterans by operating a 108-bed skilled and long-term care residential facility in Fayetteville. A second skilled and long-term care residential nursing facility, to be located in North Little Rock, AR, is estimated to be complete during the late FY17 / early FY18 time-frame. In addition, the agency provides Veterans with a dignified, final resting place through operation of two State Veterans Cemeteries, one in North Little Rock and another in Birdeye, AR.

Appropriation 224: State Operations - Administrative and Veterans Claims Services

This appropriation is utilized to provide administrative support services to Veterans, to ensure that all operational and stewardship objectives of the Agency are met; and to advocate for Veterans at the state, regional and national levels. Additionally, the appropriation is used for Veterans Claims services and programs provided by (8) ADVA Veterans Service Officers, (3) ADVA Veterans Service Program Managers; and (75) County Veterans Service Officers located statewide who are trained and evaluated by ADVA.

The Agency requests Change Levels as follows:

Regular Salaries: \$123,889 increase in appropriation and funding to restore (2) positions and re-class (18) positions. The increase will help support labor market rates for key agency positions and help meet needs in crucial areas of agency fiscal management.

Personal Services Matching: \$46,006 in FY16 and \$46,036 increase in appropriation and funding in FY17 to restore (2) positions and re-class (18) positions. The increase will help support labor market rates for key agency positions and help meet needs in crucial areas of agency fiscal management.

Operating Expenses: \$30,207 increase in appropriation and funding to cover the state wide 3% increase in rent charged to existing facilities, network services expense associated with improving agency connectivity and moving critical agency data to the State data center, upgrade/replacement of old office equipment; and to provide training to agency personnel related to operational requirements.

Conference & Travel Expenses: \$2,800 increase in appropriation and funding to address travel requirements associated with national Veterans services conferences.

Grants and Aid: \$91,500 increase in appropriation and funding to increase the amount of training and assistance provided to counties for Veterans services.

Appropriation 20D: Fayetteville Veterans Home

This appropriation is utilized to care for residents of the State Veterans Home at Fayetteville, a long-term/skilled care residential Veterans

home which is funded by private payments, federal funds and Medicaid revenue. The Home does not receive general revenue funding; however, some agency positions that provide support and fiscal oversight of the facility are funded partially with general revenue.

The agency anticipates an increase in resident census. The average monthly resident census during FY14 was 64 residents. As of August 12, 2014, the current resident census is 82, a 28% increase. The home is authorized by OLTC to care for a maximum of 108 residents.

The Agency requests Change Levels as follows:

Regular Salaries: \$22,860 increase in appropriation due to the restoration of (1) un-budgeted position and (1) position being reclassified.

Personal Services Matching: \$11,400 increase in appropriation due to the restoration of (1) un-budgeted position and (1) position being reclassified.

Operating Expenses: \$932,939 increase in cash appropriation to address the following anticipated increases: rent related to expansion to a third floor of the existing facility, increases in network services, advertising, satellite/cable service, mileage associated with oversight of the facility, board member travel and lodging, bed tax, food, health and lab supplies, medicine and miscellaneous technical service cost increases related to resident census increase.

Conference & Travel Expenses: \$635 increase in appropriation to address conference and travel requirements.

Professional Fees: \$75,000 increase in appropriation to address increase in medical fees and therapy services associated with census increase.

Capital Outlay: \$30,000 increase in appropriation to address capital requirements associated with the census increase at the Fayetteville Veteran home.

Appropriation 38S: Veterans' Cemeteries Cash Fund

This appropriation is utilized to support all capital expenditures, 50% of the total operating costs; and a portion of the regular salaries and personal services matching expenditures of the two State Veterans Cemeteries. This appropriation is 100% funded by federal burial plot allowances and private burial fees charged for eligible dependent burials.

The Agency requests Change Levels as follows:

Regular Salaries: \$8,568 increase in appropriation due to (1) position being reclassified.

Personal Services Matching: \$2,459 increase in appropriation due to (1) position being reclassified.

Capital Outlay: \$215,000 increase in appropriation both years of the biennium. This increase will be used to purchase additional equipment required as a result of the North Little Rock cemetery expansion and the increase in association with ground maintenance and projected

increase in burials at the cemetery, the Kubota M59 TLB (tractor, loader, and backhoe) currently utilized to perform interments will present issues when second interments are performed in the double-depth burial sections. When a second burial is performed at a site, the M59 must be backed up to the site and 3 headstones per row must be removed and later reset in order to reach the target site. The purchase of an excavator will greatly reduce the man hours needed for a service (requiring only 1-2 total headstones to be removed and reset) since the excavator can safely maneuver down rows and turn 90 degrees to perform digging. This will also reduce negative impact to the turf because the excavator is a lighter machine.

Appropriation 490: Veterans' Cemeteries

This appropriation is utilized to support 50% of the operating costs and majority of the staffing costs required to maintain the Veterans cemeteries in North Little Rock and Birdeye.

The Agency requests Change Levels in Operating Expenses increase of \$28,920 in appropriation and funding both years of the biennium to cover an increase in expenditures associated with interment growth at both cemeteries and physical expansion of the North Little Rock Cemetery.

Appropriation 81H: Military Funeral Honors

This appropriation is utilized to provide \$50 stipends to military honor guard teams for each military funeral honors service conducted at Veterans' funerals at the North Little Rock and Birdeye State Veterans cemeteries. Funding is through the sale of special military license plates.

The Agency is requesting Base Level for each year of the biennium.

Appropriation F50: NLR Cemetery - Federal

This appropriation is utilized to support expansion of the State Veterans Cemetery located in North Little Rock, AR. This project is 100% financed by federal grant AR-12-05 from the Veterans Cemetery Grants Service of the U.S. Department of Veterans Affairs.

The Agency is requesting Base Level for each year of the biennium.

Appropriation M49: Veterans' Home - Cash

This appropriation is utilized to support the design and construction of a Veterans Home long-term care facility in North Little Rock. The Agency requests Change Levels in Operating Expenses of \$102,727 in FY16 and \$152,727 increase in appropriation in FY17. This increase will primarily be used to pay for architectural design and professional fees associated with the design of the new Veterans home.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF VETERANS AFFAIRS
FOR THE YEAR ENDED JUNE 30, 2012

Findings

In accordance with R4-19-4-501 of the Department of Finance and Administration (DFA) Office of Accounting Financial Management Guide, a receipt must be issued for each payment received in person, or a cash log must be prepared in duplicate for payments received through the mail.

DLA staff reconciliation of receipts issued by the Agency to deposits for September 2011 revealed that three deposits containing payments for 13 clients, totaling \$19,721, were not supported by a receipt or cash log as follows:

- Payments totaling \$4,328 for four clients in the Little Rock Patient Trust bank account.
- Payment totaling \$5,061 for one client in the Fayetteville Patient Trust bank account.
- Payments totaling \$10,332 for eight clients in the Treasury account representing Fayetteville maintenance payments.

DLA staff reviewed 40 expenditure items to determine the Agency's compliance with various state policies. The review revealed that 15 items totaling \$227,259 were not recorded to the appropriate general ledger account as follows:

- Seven items totaling \$163,356 for food services were recorded as miscellaneous technical services; these items should have been recorded as contractual food services.
- Three items totaling \$60,577 for physical, occupational, or speech therapy services were recorded as miscellaneous technical services; these items should have been recorded as medical fees.
- One item totaling \$1,446 for meals and lodging related to employee travel was recorded as assistance, grants, and aids; this item should have been recorded as meals and lodging.
- One item totaling \$858 for x-ray services was recorded as other expenses and services; this item should have been recorded as medical fees
- One item totaling \$699 for drug purchases was recorded as health and lab supplies; this item should have been recorded as drugs and medicine.
- One item totaling \$280 for food purchases for resale was recorded as

Recommendations

Strengthen internal controls to ensure all payments received are receipted as required by DFA policy.

Agency Response:

The Agency will reconcile cash logs and receipts with deposits monthly to ensure deposits are supported by appropriate documentation.

Strengthen controls to ensure expenditures are recorded in a general ledger account that reflects an accurate accounting of expenditures. In addition, the Agency should provide training to personnel responsible for assigning the general ledger accounts to expenditures to ensure management is provided accurate financial information.

Agency Response:

The Agency will match expenditures to the most specific general ledger code available. It will also run a quarterly report to ensure expenditures are consistently being recorded to the most appropriate general ledger coding.

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF VETERANS AFFAIRS
FOR THE YEAR ENDED JUNE 30, 2012

Findings

Recommendations

contractual food services; this item should have been recorded as food purchases.

- One item totaling \$43 for servicing a van was recorded as tires; this item should have been recorded as vehicle maintenance.

Recording errors were also addressed in the Agency's Internal Control and Compliance

Performance Audit Findings

AR DEPARTMENT OF VETERANS' AFFAIRS

Findings and Conclusions:

Arkansas Department of Veterans Affairs (ADVA)

Review Period: July 1, 2011 - June 30, 2012

Report Issued: December 12, 2013

Findings and Conclusions:

- ADVA receives reimbursements for the cost of caring for eligible veterans. Division of Legislative Audit (DLA) testing revealed that the Agency understated expenditures and, as a result, did not receive all of the reimbursement to which it was entitled. Other testing revealed the per diem on other veterans was incorrectly calculated, resulting in excess reimbursements.

Recommendations:

- ADVA should continue to work with the federal awarding agency to correct the per diem calculation. In addition, the Agency should establish policies and procedures to ensure per diems are calculated correctly and reported completely. Training staff responsible for completing these duties is also recommended.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	42	60	102	77 %
Black Employees	8	8	16	12 %
Other Racial Minorities	4	10	14	11 %
Total Minorities			30	23 %
Total Employees			132	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	NA	N	N	0	NA	0	0.00

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2013-2014		2014-2015		2014-2015		2015-2016					2016-2017						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
224 State Operations	1,955,018	32	1,882,424	26	1,903,697	28	1,862,961	26	2,157,363	28	2,123,424	28	1,863,991	26	2,158,423	28	2,124,483	28
2QD Fayetteville Veterans' Home	7,570,993	99	7,358,618	114	7,198,552	116	7,407,006	114	8,479,840	115	8,479,840	115	7,410,095	114	8,482,929	115	8,482,929	115
38S Veterans' Cemeteries - Cash In Treasury	414,228	5	488,834	5	474,000	5	362,148	5	588,175	5	580,600	5	362,148	5	588,175	5	580,600	5
490 Veterans' Cemeteries - State	486,409	10	558,369	10	716,226	11	526,091	10	555,011	10	555,011	10	526,864	10	555,784	10	555,784	10
81H Military Funeral Honor	1,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
F50 NLR Cemetery - Federal	2,388,181	0	1,139,062	0	1,139,062	0	1,139,062	0	1,139,062	0	1,139,062	0	1,139,062	0	1,139,062	0	1,139,062	0
M49 Veterans' Home Cash	29,923	0	483,000	0	483,000	0	483,000	0	585,727	0	585,727	0	483,000	0	635,727	0	635,727	0
Total	12,845,752	146	12,010,307	155	12,014,537	160	11,880,268	155	13,605,178	158	13,563,664	158	11,885,160	155	13,660,100	158	13,618,585	158

Funding Sources		%		%		%		%		%		%		%		%		
Fund Balance	4000005	1,343,244	9.7	1,051,771	8.2		874,693	6.5	874,693	6.3	874,693	6.5	1,772,812	12.1	498,066	3.6	505,641	3.8
General Revenue	4000010	2,408,174	17.3	2,440,793	18.9		2,389,052	17.7	2,712,374	19.7	2,404,052	17.8	2,390,855	16.3	2,714,207	19.8	2,405,855	17.9
Federal Revenue	4000020	6,401,588	46.1	4,985,387	38.7		5,414,062	40.2	5,414,062	39.2	5,414,062	40.1	5,514,062	37.6	5,514,062	40.2	5,514,062	41.1
Special Revenue	4000030	33,403	0.2	100,000	0.8		50,000	0.4	50,000	0.4	50,000	0.4	50,000	0.3	50,000	0.4	50,000	0.4
Cash Fund	4000045	2,109,424	15.2	2,800,789	21.7		3,020,000	22.4	3,020,000	21.9	3,020,000	22.4	3,165,000	21.6	3,165,000	23.1	3,165,000	23.6
Merit Adjustment Fund	4000055	33,253	0.2	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Intra-agency Fund Transfer	4000317	0	0.0	0	0.0		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transfer from Medicaid	4000545	1,568,437	11.3	1,506,260	11.7		1,725,000	12.8	1,725,000	12.5	1,725,000	12.8	1,775,000	12.1	1,775,000	12.9	1,775,000	13.2
Total Funds		13,897,523	100.0	12,885,000	100.0		13,472,807	100.0	13,796,129	100.0	13,487,807	100.0	14,667,729	100.0	13,716,335	100.0	13,415,558	100.0
Excess Appropriation/(Funding)		(1,051,771)		(874,693)			(1,592,539)		(190,951)		75,857		(2,782,569)		(56,235)		203,027	
Grand Total		12,845,752		12,010,307			11,880,268		13,605,178		13,563,664		11,885,160		13,660,100		13,618,585	

Variances in fund balances due to unfunded appropriation.

FY15 Budget exceeds authorized amount in (2QD) Fayetteville Veterans' Home and (38S) Veterans' Cemeteries - Cash in Treasury due to matching rate adjustments during the 2013-2015 Biennium.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
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	
225	192	33	225	0	14.67 %	160	133	27	160	0	16.88 %	160	132	24	156	4	17.50 %

Analysis of Budget Request

Appropriation: 224 - State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

The Department of Veterans Affairs assists Arkansas veterans, 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 funded by general revenue.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY15 line item maximum plus the previously authorized 2015 1% Cost of Living Adjustment.

The Base Level request is \$1,862,961 in FY16 and \$1,863,991 in FY17.

The Agency's Change Level request is \$294,402 in FY16 and \$294,432 in FY17 and reflects the following:

- Regular Salaries increase of \$123,889 each year of the biennium and Personal Services Matching increase of \$46,006 in FY16 and \$46,036 increase in FY17 due to (2) un-budgeted positions being restored and (19) agency requested position reclassifications.
- Operating Expenses increase of \$30,207 each year of the biennium. This increase will provide for a 3% increase in rent, building and grounds maintenance, upgrade office equipment, network service expense, software/licenses expenses, office supplies and other miscellaneous items.
- Conference & Travel Expenses increase of \$2,800 to address travel requirements associated with National Veterans Services Conferences.
- Grants & Aid increase of \$91,500 to allow the agency to increase the amount of training and assistance provided to Arkansas counties for Veterans services.

The Executive Recommendation provides for the Agency Request for appropriation only with \$15,000 in additional general revenue funding and several positions being reclassified at a lower class grade than the agency requested.

Appropriation Summary

Appropriation: 224 - State Operations

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,195,916	1,064,051	1,110,783	1,046,504	1,170,393	1,144,154	1,047,304	1,171,193	1,144,954
#Positions		32	26	28	26	28	28	26	28	28
Personal Services Matching	5010003	412,377	430,355	404,896	428,439	474,445	466,745	428,669	474,705	467,004
Operating Expenses	5020002	61,234	101,568	101,568	101,568	131,775	131,775	101,568	131,775	131,775
Conference & Travel Expenses	5050009	2,485	2,950	2,950	2,950	5,750	5,750	2,950	5,750	5,750
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	283,006	283,500	283,500	283,500	375,000	375,000	283,500	375,000	375,000
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		1,955,018	1,882,424	1,903,697	1,862,961	2,157,363	2,123,424	1,863,991	2,158,423	2,124,483
Funding Sources										
General Revenue	4000010	1,921,765	1,882,424		1,862,961	2,157,363	1,877,961	1,863,991	2,158,423	1,878,991
Merit Adjustment Fund	4000055	33,253	0		0	0	0	0	0	0
Intra-agency Fund Transfer	4000317	0	0		0	0	0	0	0	0
Total Funding		1,955,018	1,882,424		1,862,961	2,157,363	1,877,961	1,863,991	2,158,423	1,878,991
Excess Appropriation/(Funding)		0	0		0	0	245,463	0	0	245,492
Grand Total		1,955,018	1,882,424		1,862,961	2,157,363	2,123,424	1,863,991	2,158,423	2,124,483

FY15 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2013-2015 Biennium.

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,862,961	26	1,862,961	100.0	1,863,991	26	1,863,991	100.0
C01	Existing Program	206,634	2	2,069,595	111.1	206,634	2	2,070,625	111.1
C10	Reclass	87,768	0	2,157,363	115.8	87,798	0	2,158,423	115.8
C11	Upgrade/Downgrade	0	0	2,157,363	115.8	0	0	2,158,423	115.8

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	1,862,961	26	1,862,961	100.0	1,863,991	26	1,863,991	100.0
C01	Existing Program	206,634	2	2,069,595	111.1	206,634	2	2,070,625	111.1
C10	Reclass	53,829	0	2,123,424	114.0	53,858	0	2,124,483	114.0
C11	Upgrade/Downgrade	0	0	2,123,424	114.0	0	0	2,124,483	114.0

Justification

C01	Reflects \$55,981 increase in Regular Salaries and \$26,146 in Personal Services Matching to restore 2 positions; \$30,207 increase in Operating Expenses; \$2,800 increase in Conference & Travel; \$91,500 increase in Grants and Aid for training and assistance provided to counties for Veterans services.
C10	Reflects \$67,908 increase in Regular Salaries and \$19,860 in Personal Services Matching to reclass 19 positions.
C11	Reflects agency request to upgrade the position of ADVA Assistant Director from C126 to N905.

Analysis of Budget Request

Appropriation: 2QD - Fayetteville Veterans' Home

Funding Sources: NVA - ADVA Cash in Treasury

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. Continuing operations of the Home are supported by Medicare, Medicaid, maintenance fees provided by the residents, and a federal per diem reimbursement from the U.S. Department of Veterans Affairs.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Base Level request is \$7,407,006 in FY16 and \$7,410,095 in FY17.

The Agency's Change Level request is \$1,072,834 each year of the biennium and reflects the following:

- Regular Salaries increase of \$22,860 and Personal Services Matching increase of \$11,400 for each year of the biennium due to (1) agency position being restored and (1) agency requested position reclassified.
- Operating Expenses increase of \$1,262,000 each year of the biennium due to the increase in census numbers at the Fayetteville Veterans' Home. This increase will provide for the third floor expansion at the existing facility, telecommunications wired, network services expense, rent of facilities, contractual food services and food purchases, temporary employment services, health and laboratory supplies and other miscellaneous items.
- Conference & Travel Expenses increase of \$635 to address travel requirements associated with Veteran Affairs Conferences.
- Professional Fees increase of \$208,550 to address the increase in medical fees and therapy services associated with the census increase at the Fayetteville Home.
- Capital Outlay increase of \$30,000 to address capital requirements associated with the census increase at the Fayetteville Home.
- (\$462,611) reflects the excess appropriation that was discontinued and reallocated to various Operating Expenses and Professional Fees general ledger line item codes due to items being underbudgeted.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 2QD - Fayetteville Veterans' Home

Funding Sources: NVA - ADVA Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	2,893,136	3,299,234	3,299,234	3,326,202	3,349,062	3,349,062	3,328,602	3,351,462	3,351,462
#Positions	99	114	116	114	115	115	114	115	115
Extra Help 5010001	22,721	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
#Extra Help	2	7	7	7	7	7	7	7	7
Personal Services Matching 5010003	1,347,969	1,524,596	1,364,530	1,546,016	1,557,416	1,557,416	1,546,705	1,558,105	1,558,105
Overtime 5010006	98,052	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Operating Expenses 5020002	2,570,934	1,694,538	1,774,538	1,694,538	2,627,477	2,627,477	1,694,538	2,627,477	2,627,477
Conference & Travel Expenses 5050009	3,410	5,250	5,250	5,250	5,885	5,885	5,250	5,885	5,885
Professional Fees 5060010	324,119	280,000	200,000	280,000	355,000	355,000	280,000	355,000	355,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements 5110014	283,860	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000
Capital Outlay 5120011	26,792	0	0	0	30,000	30,000	0	30,000	30,000
Total	7,570,993	7,358,618	7,198,552	7,407,006	8,479,840	8,479,840	7,410,095	8,482,929	8,482,929
Funding Sources									
Fund Balance 4000005	668,726	35,969		155,725	155,725	155,725	1,048,719	0	0
Federal Revenue 4000020	3,631,394	3,596,325		4,050,000	4,050,000	4,050,000	4,175,000	4,175,000	4,175,000
Cash Fund 4000045	1,738,405	2,375,789		2,525,000	2,525,000	2,525,000	2,600,000	2,600,000	2,600,000
Transfer from Medicaid 4000545	1,568,437	1,506,260		1,725,000	1,725,000	1,725,000	1,775,000	1,775,000	1,775,000
Total Funding	7,606,962	7,514,343		8,455,725	8,455,725	8,455,725	9,598,719	8,550,000	8,550,000
Excess Appropriation/(Funding)	(35,969)	(155,725)		(1,048,719)	24,115	24,115	(2,188,624)	(67,071)	(67,071)
Grand Total	7,570,993	7,358,618		7,407,006	8,479,840	8,479,840	7,410,095	8,482,929	8,482,929

FY15 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2013-2015 Biennium.

Expenditure of appropriation is contingent upon available funding.

Change Level by Appropriation

Appropriation: 2QD - Fayetteville Veterans' Home
Funding Sources: NVA - ADVA Cash in Treasury

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	7,407,006	114	7,407,006	100.0	7,410,095	114	7,410,095	100.0
C01	Existing Program	1,535,339	1	8,942,345	120.7	1,535,339	1	8,945,434	120.7
C03	Discontinue Program	(462,611)	0	8,479,734	114.5	(462,611)	0	8,482,823	114.5
C10	Reclass	106	0	8,479,840	114.5	106	0	8,482,929	114.5

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	7,407,006	114	7,407,006	100.0	7,410,095	114	7,410,095	100.0
C01	Existing Program	1,535,339	1	8,942,345	120.7	1,535,339	1	8,945,434	120.7
C03	Discontinue Program	(462,611)	0	8,479,734	114.5	(462,611)	0	8,482,823	114.5
C10	Reclass	106	0	8,479,840	114.5	106	0	8,482,929	114.5

Justification

C01	Reflects \$22,777 increase in Regular Salaries and \$11,377 increase in Personal Services Matching to restore 1 position. \$932,939 increase in Operating Expenses; \$635 increase in Conference & Travel Expenses; \$75,000 increase in Professional Fees; \$30,000 increase in Capital Outlay; \$462,611 reflects the amount of excess appropriation that was discontinued and reallocated to Operating Expense GL line items that were underbudgeted.
C03	\$462,611 reflects the amount of excess appropriation that was discontinued and reallocated to Operating Expense GL line items where items were underbudgeted.
C10	Reflects \$83 increase in Regular Salaries and \$23 in Personal Services Matching to reclass 1 position, C110 Warehouse Specialist to C114 Warehouse Manager.

Analysis of Budget Request

Appropriation: 38S - Veterans' Cemeteries - Cash In Treasury

Funding Sources: NVA - ADVA Cash in Treasury

This appropriation is cash funded by burial fees that 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.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Base Level request is \$362,148 each year of the biennium.

The Agency's Change Level request is \$226,027 each year of the biennium and reflects the following:

- Regular Salaries increase of \$8,568 and Personal Services Matching increase of \$2,459 for each year of the biennium due to agency request to re-class (1) C117 Veterans Cemetery Manager to C121 Veterans Cemetery Manager II and (4) extra help positions with no extra help appropriation.
- Capital Outlay increase of \$215,000 each year of the biennium to allow the agency to purchase additional excavator equipment as a result of cemetery expansion and the increase in associated grounds maintenance and cemetery burials.

The Executive Recommendation provides for the Agency Request with the exception of (4) extra help positions and that the C117 Veterans Cemetery Manager position be upgraded to C120 Veterans Service Program Manager. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 38S - Veterans' Cemeteries - Cash In Treasury

Funding Sources: NVA - ADVA Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	138,385	150,920	151,000	153,028	161,596	155,711	153,028	161,596	155,711
#Positions		5	5	5	5	5	5	5	5	5
Extra Help	5010001	0	0	0	0	0	0	0	0	0
#Extra Help		0	0	0	0	4	0	0	4	0
Personal Services Matching	5010003	52,279	67,914	53,000	69,120	71,579	69,889	69,120	71,579	69,889
Operating Expenses	5020002	94,423	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000
Conference & Travel Expenses	5050009	375	5,000	5,000	5,000	5,000	5,000	5,000	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	128,766	130,000	130,000	0	215,000	215,000	0	215,000	215,000
Total		414,228	488,834	474,000	362,148	588,175	580,600	362,148	588,175	580,600

Funding Sources										
Fund Balance	4000005	90,130	364,948		451,114	451,114	451,114	658,966	432,939	440,514
Federal Revenue	4000020	382,013	250,000		225,000	225,000	225,000	200,000	200,000	200,000
Cash Fund	4000045	307,033	325,000		345,000	345,000	345,000	365,000	365,000	365,000
Total Funding		779,176	939,948		1,021,114	1,021,114	1,021,114	1,223,966	997,939	1,005,514
Excess Appropriation/(Funding)		(364,948)	(451,114)		(658,966)	(432,939)	(440,514)	(861,818)	(409,764)	(424,914)
Grand Total		414,228	488,834		362,148	588,175	580,600	362,148	588,175	580,600

FY15 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2013-2015 Biennium.

Change Level by Appropriation

Appropriation: 38S - Veterans' Cemeteries - Cash In Treasury
Funding Sources: NVA - ADVA Cash in Treasury

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	362,148	5	362,148	100.0	362,148	5	362,148	100.0
C01	Existing Program	215,000	0	577,148	159.4	215,000	0	577,148	159.4
C10	Reclass	11,027	0	588,175	162.4	11,027	0	588,175	162.4

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	362,148	5	362,148	100.0	362,148	5	362,148	100.0
C01	Existing Program	215,000	0	577,148	159.4	215,000	0	577,148	159.4
C10	Reclass	3,452	0	580,600	160.3	3,452	0	580,600	160.3

Justification

C01	Reflects \$215,000 increase in Capital Outlay to purchase additional excavator equipment as a result from cemetery expansion.
C10	Reflects \$8,568 increase in Regular Salaries and \$2,459 in Personal Services Matching due to the reclass of C117 Veterans Cemetery Manager to C121 Veterans Cemetery Manager II.

Analysis of Budget Request

Appropriation: 490 - Veterans' Cemeteries - 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 from general revenue.

Act 913 of 2007 established the appropriation for purchase and construction of a National Veterans' Affairs Cemetery in Cross, St. Francis, or Poinsett County. One hundred (100) acres of land was purchased in Birdeye, Arkansas (Cross County) for the future site of the cemetery. Archeological, boundary/topographical, and geotech/geological surveys were completed to ensure the site is appropriate for the construction and development of a the cemetery.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases.

The Base Level request is \$526,091 in FY16 and \$526,864 in FY17.

The Agency's Change Level request is \$28,920 each year of the biennium and provides for a \$28,920 increase in Operating Expenses for each biennium year to cover the increase in expenditures associated with interment growth at both cemeteries and the physical expansion of the North Little Rock Cemetery.

The Executive Recommendation provides for the Agency Request appropriation only.

Appropriation Summary

Appropriation: 490 - Veterans' Cemeteries - State

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	277,497	306,992	430,721	284,802	284,802	284,802	285,402	285,402	285,402
#Positions	10	10	11	10	10	10	10	10	10
Personal Services Matching 5010003	120,169	142,227	176,355	132,139	132,139	132,139	132,312	132,312	132,312
Operating Expenses 5020002	87,363	106,150	106,150	106,150	135,070	135,070	106,150	135,070	135,070
Conference & Travel Expenses 5050009	1,380	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
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	0	0	0	0	0	0	0	0	0
Total	486,409	558,369	716,226	526,091	555,011	555,011	526,864	555,784	555,784
Funding Sources									
General Revenue 4000010	486,409	558,369		526,091	555,011	526,091	526,864	555,784	526,864
Intra-agency Fund Transfer 4000317	0	0		0	0	0	0	0	0
Total Funding	486,409	558,369		526,091	555,011	526,091	526,864	555,784	526,864
Excess Appropriation/(Funding)	0	0		0	0	28,920	0	0	28,920
Grand Total	486,409	558,369		526,091	555,011	555,011	526,864	555,784	555,784

Change Level by Appropriation

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

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	526,091	10	526,091	100.0	526,864	10	526,864	100.0
C01	Existing Program	28,920	0	555,011	105.5	28,920	0	555,784	105.5

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	526,091	10	526,091	100.0	526,864	10	526,864	100.0
C01	Existing Program	28,920	0	555,011	105.5	28,920	0	555,784	105.5

Justification

C01	Reflects \$28,920 increase in Operating Expenses associated with the interment growth at both cemeteries and expansion of the cemetery.
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Analysis of Budget Request

Appropriation: 81H - Military Funeral Honor

Funding Sources: SMF - Funeral Honor

This appropriation is utilized to pay for the costs of providing military funeral honors at veterans' funerals. Funding is through the sale of special military license plates.

The Agency Request is Base Level for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 81H - Military Funeral Honor

Funding Sources: SMF - Funeral Honor

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2015-2016			2016-2017		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Military Honors	5900046	1,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total		1,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Funding Sources										
Fund Balance	4000005	82,724	115,127		115,127	115,127	115,127	65,127	65,127	65,127
Special Revenue	4000030	33,403	100,000		50,000	50,000	50,000	50,000	50,000	50,000
Total Funding		116,127	215,127		165,127	165,127	165,127	115,127	115,127	115,127
Excess Appropriation/(Funding)		(115,127)	(115,127)		(65,127)	(65,127)	(65,127)	(15,127)	(15,127)	(15,127)
Grand Total		1,000	100,000		100,000	100,000	100,000	100,000	100,000	100,000

Analysis of Budget Request

Appropriation: F50 - NLR Cemetery - Federal

Funding Sources: FVV - NLR Cemetery - Federal

This appropriation is utilized to support expansion of the State Veterans Cemetery located in North Little Rock, Arkansas. This project is 100% financed by federal grant AR-12-05 from the Veterans Cemetery Grants Service of the U.S. Department of Veterans Affairs.

The Agency Request is Base Level for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: F50 - NLR Cemetery - Federal

Funding Sources: FVV - NLR Cemetery - Federal

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2015-2016			2016-2017		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	699,764	408,494	408,494	408,494	408,494	408,494	408,494	408,494	408,494
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	109,655	41,039	41,039	41,039	41,039	41,039	41,039	41,039	41,039
Construction	5090005	1,578,762	689,529	689,529	689,529	689,529	689,529	689,529	689,529	689,529
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		2,388,181	1,139,062	1,139,062	1,139,062	1,139,062	1,139,062	1,139,062	1,139,062	1,139,062
Funding Sources										
Federal Revenue	4000020	2,388,181	1,139,062		1,139,062	1,139,062	1,139,062	1,139,062	1,139,062	1,139,062
Total Funding		2,388,181	1,139,062		1,139,062	1,139,062	1,139,062	1,139,062	1,139,062	1,139,062
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		2,388,181	1,139,062		1,139,062	1,139,062	1,139,062	1,139,062	1,139,062	1,139,062

Analysis of Budget Request

Appropriation: M49 - Veterans' Home Cash

Funding Sources: NVA - ADVA Treasury Cash

This appropriation is cash funded and is utilized to support the design and construction of a Veterans Home long-term care facility in North Little Rock.

The Base Level request is \$483,000 each year of the biennium.

The Agency is requesting \$102,727 increase in FY16 and \$152,727 increase in FY17 in Operating Expenses to support the design and construction of the New Veterans Home.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: M49 - Veterans' Home Cash

Funding Sources: NVA - ADVA Treasury Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	29,923	483,000	483,000	483,000	585,727	585,727	483,000	635,727	635,727
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	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		29,923	483,000	483,000	483,000	585,727	585,727	483,000	635,727	635,727
Funding Sources										
Fund Balance	4000005	501,664	535,727		152,727	152,727	152,727	0	0	0
Cash Fund	4000045	63,986	100,000		150,000	150,000	150,000	200,000	200,000	200,000
Total Funding		565,650	635,727		302,727	302,727	302,727	200,000	200,000	200,000
Excess Appropriation/(Funding)		(535,727)	(152,727)		180,273	283,000	283,000	283,000	435,727	435,727
Grand Total		29,923	483,000		483,000	585,727	585,727	483,000	635,727	635,727

Expenditure of appropriation is contingent upon available funding.

Change Level by Appropriation

Appropriation: M49 - Veterans' Home Cash
Funding Sources: NVA - ADVA Treasury Cash

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	483,000	0	483,000	100.0	483,000	0	483,000	100.0
C01	Existing Program	102,727	0	585,727	121.3	152,727	0	635,727	131.6

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	483,000	0	483,000	100.0	483,000	0	483,000	100.0
C01	Existing Program	102,727	0	585,727	121.3	152,727	0	635,727	131.6

Justification

C01	Agency request \$102,727 increase in Operating Expenses in FY16 and \$152,727 increase from Base Level in FY17 to support the design and construction of the New Veterans Home.								
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