

KANSAS COMMISSION ON VETERANS AFFAIRS OFFICE

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ 5,906,480	\$ 6,407,322	\$ 6,407,322	\$ 9,183,137	\$ 10,315,829
Federal Funds	13,351,814	11,603,547	13,724,906	8,929,271	8,929,271
All Other Funds	4,149,486	4,517,714	4,517,714	4,324,919	4,324,919
<i>Subtotal</i>	<i>\$ 23,407,780</i>	<i>\$ 22,528,583</i>	<i>\$ 24,649,942</i>	<i>\$ 22,437,327</i>	<i>\$ 23,570,019</i>
Capital Improvements:					
State General Fund	\$ 46,500	\$ 111,900	\$ 111,900	\$ 127,000	\$ 127,000
Federal Funds	-	1,410,808	1,410,808	-	-
All Other Funds	1,799,110	2,786,624	2,786,624	1,826,215	1,826,215
<i>Subtotal</i>	<i>\$ 1,845,610</i>	<i>\$ 4,309,332</i>	<i>\$ 4,309,332</i>	<i>\$ 1,953,215</i>	<i>\$ 1,953,215</i>
TOTAL	\$ 25,253,390	\$ 26,837,915	\$ 28,959,274	\$ 24,390,542	\$ 25,523,234
Percentage Change:					
State General Fund	(11.3) %	9.5 %	9.5 %	42.8 %	60.2 %
All Funds	(2.5) %	6.3 %	14.7 %	(9.1) %	(11.9) %
FTE Positions	373.0	373.0	373.0	373.0	375.0

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

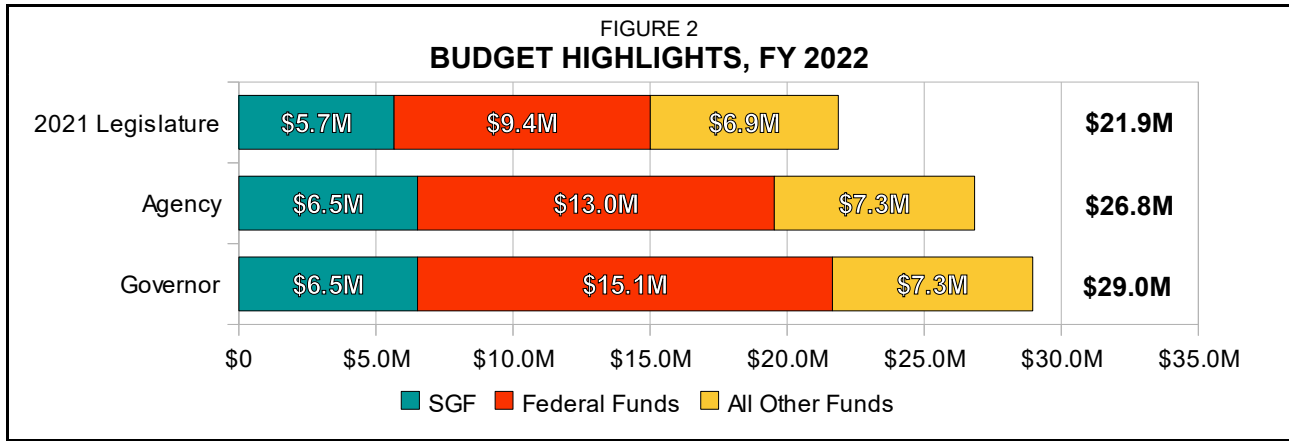
The mission of the Kansas Commission on Veterans Affairs Office (KCVAO) is to serve Kansas veterans and their families, relatives, and dependents with information, advice, direction, and assistance through the coordination of programs and services in the fields of education, health, vocational guidance and placement, and economic security.

Services provided by the agency include long-term nursing and assisted living care to eligible veterans, completion and maintenance of four state veterans' cemeteries, and coordination with federal agencies to provide financial assistance to Kansas veterans for health care and disability income.

The agency serves veterans through 15 field offices, 6 service organization offices, 2 mobile vans, and the central office located in Topeka. Additional services are provided through services grants to veterans' service organizations. Nursing and assisted living care are provided through the Kansas Soldiers' Home (KSH) at Fort Dodge, KS and the Kansas Veterans' Home (KVH) in Winfield, KS.

EXECUTIVE SUMMARY

The 2021 Legislature approved a budget of \$21.9 million, including \$5.7 from the State General Fund (SGF), for the Kansas Commission on Veterans Affairs Office in FY 2022. No adjustments have been made subsequently to that amount.



The **agency** requests a revised estimate of \$26.8 million, including \$6.5 million SGF, in FY 2022. This is an all funds increase of \$5.0 million, or 22.7 percent, including an SGF increase of \$863,348, or 15.3 percent, above the FY 2022 approved amount.

Significant items in the agency estimate include the following:

- **FEDERAL FUNDING.** The agency request includes additional federal funding from the American Rescue Plan Act (\$2.2 million) for the veterans' homes and the Consolidated Appropriations Act of 2021 (\$355,754) for state extended care facilities to address the COVID-19 pandemic.
- **SUPPLEMENTAL REQUESTS.** The agency request includes funding requests for temporary staffing (\$500,000), Veterans Services Program (\$85,130), architect fees for a new veterans' home (\$250,000), and funding for a new Information Resource Manager position (\$36,625) in FY 2022.
- **CAPITAL IMPROVEMENTS.** The agency request includes a revised estimate of \$4.3 million, including \$111,900 SGF, in FY 2022.

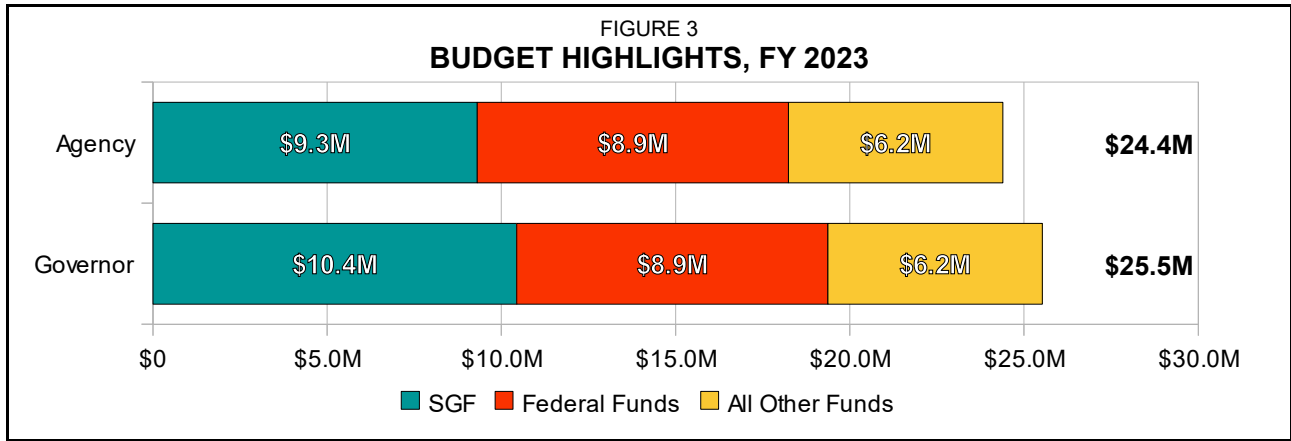
The **agency** estimate also includes 373.0 FTE positions, which is the same as the FY 2022 approved number.

The **Governor** recommends \$29.0 million, including \$6.5 million SGF, for expenditures in FY 2022. This is an increase of \$2.1 million, or 7.9 percent, above the agency's FY 2022 revised estimate.

Significant items in the Governor's recommendation include the following:

- **ARPA 24/7 PAY PLAN.** The Governor recommends adding \$2.1 million, all from the federal American Rescue Plan Act Fund, in FY 2022 to implement the 24/7 pay initiative recommended by the SPARK Taskforce Executive Committee and approved by the State Finance Council. The plan provides a base pay increase for hourly and salaried staff, pay differentials for hourly personnel, and one-time premium pay allocations up to \$3,500 for salaried staff.

The **Governor's** recommendation also includes 373.0 FTE positions, which is the same number as the agency's FY 2022 revised estimate.



The **agency** requests \$24.4 million, including \$9.3 million SGF, in expenditures for FY 2023. This is an all funds decrease of \$2.4 million, or 9.1 percent, including an SGF increase of \$2.8 million, or 42.8 percent, from the FY 2022 approved amount.

Significant items in the agency request include the following:

- **ENHANCEMENT REQUESTS.** The agency request includes funding to address revenue shortfalls (\$3.2 million), the Veterans Services Program (\$340,519), and funding for a new Information Resource Manager position (\$111,239).
- **CAPITAL IMPROVEMENTS.** The agency requests a total capital improvements estimate of \$2.0 million, including \$127,000 SGF, for FY 2023.

The **agency** request also includes 373.0 FTE positions, which is the same as the FY 2022 approved number.

The **Governor** recommends \$25.5 million, including \$10.4 million SGF, in expenditures for FY 2023. This is an increase of \$1.1 million, or 4.4 percent, above the agency's FY 2022 revised estimate.

Significant items in the Governor's recommendation include the following:

- **24/7 PAY PLAN.** The Governor also recommends adding \$4.1 million SGF for FY 2023 to continue the 24/7 pay initiative recommended by the SPARK Taskforce Executive Committee and approved by the State Finance Council. For FY 2023, the plan provides a continuation of the temporary base pay increase as well as the temporary pay differentials for hourly personnel.

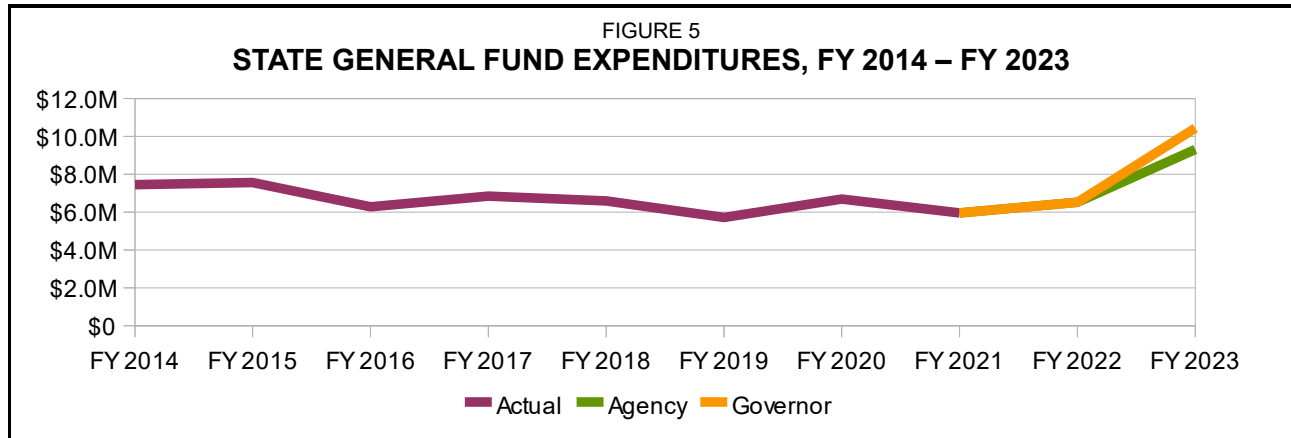
The **Governor's** recommendation also includes 375.0 FTE positions, which is 2.0 FTE positions above the agency's FY 2023 request.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

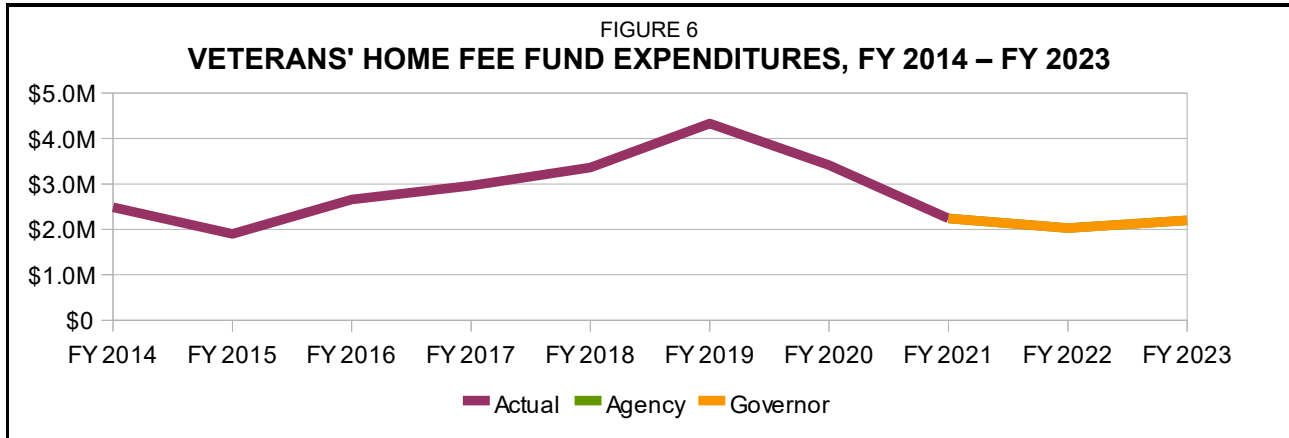
	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 13,481,481	\$ 15,600,634	\$ 17,721,993	\$ 15,902,989	\$ 17,035,681
Contractual Services	7,129,076	4,670,098	4,670,098	4,017,253	4,017,253
Commodities	2,632,100	1,244,727	1,244,727	1,501,291	1,501,291
Capital Outlay	1,099,482	308,268	308,268	310,938	310,938
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<u>\$ 24,342,139</u>	<u>\$ 21,823,727</u>	<u>\$ 23,945,086</u>	<u>\$ 21,732,471</u>	<u>\$ 22,865,163</u>
Aid to Local Units	-	-	-	-	-
Other Assistance	696,458	704,856	704,856	704,856	704,856
<i>Subtotal—Operating</i>	<u>\$ 25,038,597</u>	<u>\$ 22,528,583</u>	<u>\$ 24,649,942</u>	<u>\$ 22,437,327</u>	<u>\$ 23,570,019</u>
Capital Improvements	214,793	4,309,332	4,309,332	1,953,215	1,953,215
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	<u>\$ 25,253,390</u>	<u>\$ 26,837,915</u>	<u>\$ 28,959,274</u>	<u>\$ 24,390,542</u>	<u>\$ 25,523,234</u>
Financing:					
State General Fund	\$ 5,952,980	\$ 6,519,222	\$ 6,519,222	\$ 9,310,137	\$ 10,442,829
KVH Fee Fund	2,237,162	2,028,172	2,028,172	2,197,588	2,197,588
KSH Fee Fund	1,120,324	984,783	984,783	934,746	934,746
Federal Funds	13,351,814	13,014,355	15,135,714	8,929,271	8,929,271
All Other Funds	2,591,110	4,291,383	4,291,383	3,018,800	3,018,800
TOTAL	<u>\$ 25,253,390</u>	<u>\$ 26,837,915</u>	<u>\$ 28,959,274</u>	<u>\$ 24,390,542</u>	<u>\$ 25,523,234</u>
FTE Positions	373.0	373.0	373.0	373.0	375.0

STATE GENERAL FUND



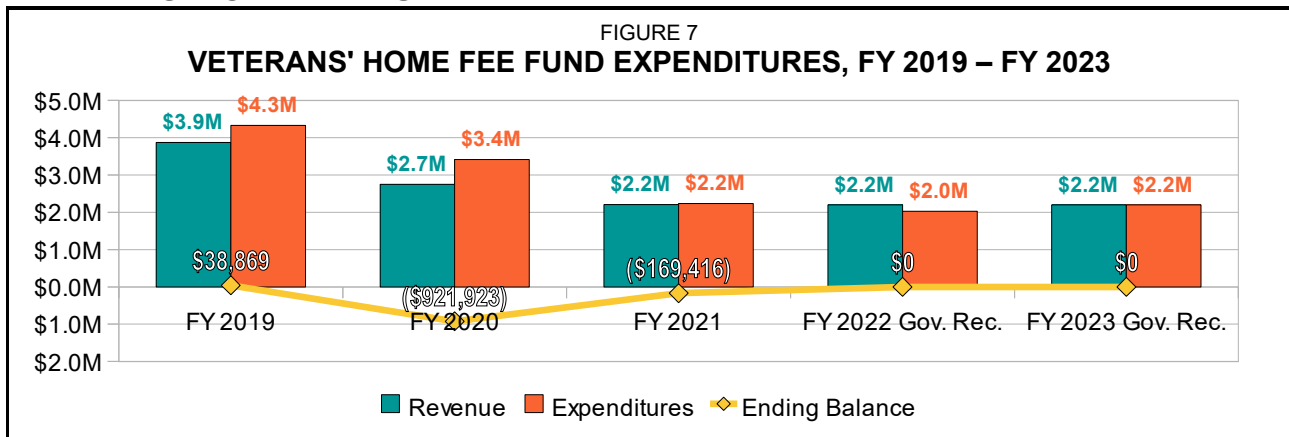
For the Kansas Commission on Veterans Affairs Office, SGF actual expenditures averaged \$6.6 million from FY 2014 to FY 2021. FY 2022 and FY 2023 budgeted expenditures increased due to several SGF enhancement requests primarily to address staffing needs at the veterans’ homes and revenue shortfalls due to lower than expected census numbers at the veterans’ homes.

VETERANS' HOME FEE FUND



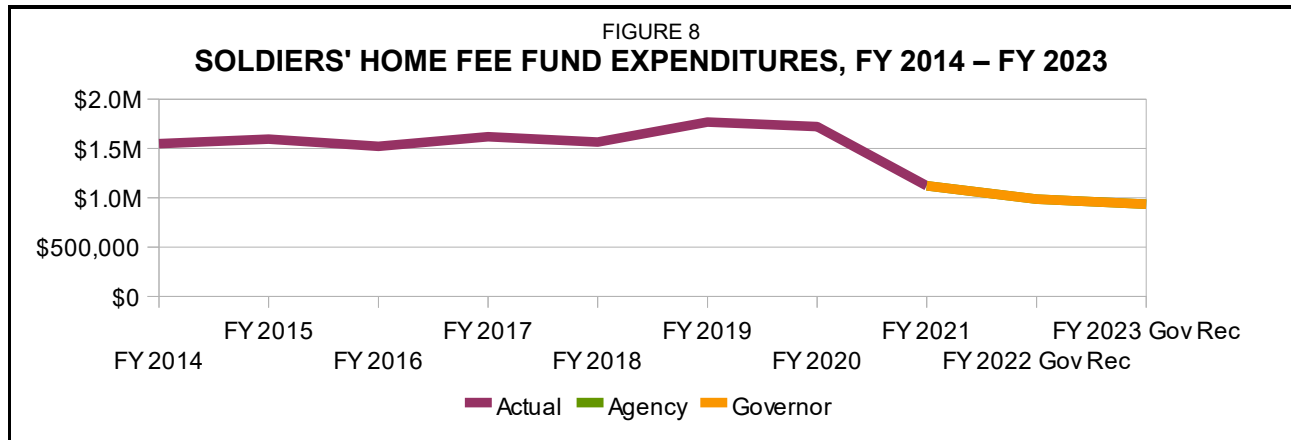
The Veterans' Home Fee Fund, authorized by KSA 76-1952, includes revenues from resident fees, interest, rent of unimproved lands, oil royalties, and other miscellaneous sources. Determination of charges to veterans and eligible dependents is based on the ability to pay. No veteran or eligible dependent is denied admission because of his or her financial status. Veterans and eligible dependents with limited resources are required to apply to programs for which they are eligible, including Medicaid, Medicare, Social Security, or any Veterans' Affairs pension or compensation program.

VETERANS' HOME FEE FUND



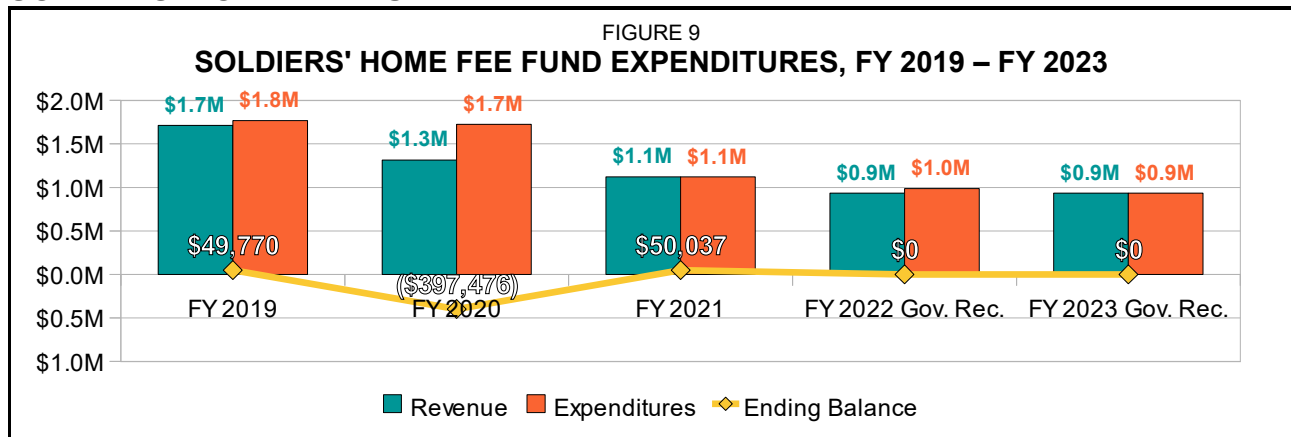
In FY 2021, a decrease in resident census due to COVID-19 pandemic negatively affected the projected revenues for FY 2022 and FY 2023. The decrease in long-term-care and domiciliary census lowers estimated revenues in FY 2022 and FY 2023. The monthly charge for a semi-private room in the domiciliary unit is \$1,658. The monthly charge for a private room in the Nursing Care Unit is \$3,394. The monthly charge for a room in the Alzheimer's Special Care Unit is \$3,820. In FY 2020, the agency indicated that it had double counted and encumbered some of its expenditures during the accounting process, which resulted in the funds showing a negative balance.

SOLDIERS' HOME FEE FUND



The Soldiers' Home Fee Fund, authorized by KSA 76-1952, includes revenues from resident fees and other miscellaneous revenues, such as farm and garage rentals, interest, and obsolete equipment and material sales. Determination of charges to veterans and eligible dependents is based on the ability to pay. No veteran or eligible dependent is denied admission because of his or her financial status. Veterans and eligible dependents with limited resources are required to apply for all programs for which they are eligible, including Medicaid, Medicare, Social Security, or any Veterans' Affairs pension or compensation program.

SOLDIERS' HOME FEE FUND



The monthly charge for a room in the Domiciliary is \$1,225.05 for Veterans and \$2,249.45 for eligible dependents. The monthly charge for a semi-private room in the Nursing Care Unit is \$2,992.71 for Veterans and \$5,640.22 for eligible dependents. In FY 2020, the agency indicated that it had double counted and encumbered some of its expenditures during the accounting process which resulted in the funds showing a negative balance.

FY 2022 ANALYSIS

FIGURE 10
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ 5,655,874	\$ 16,213,373	\$ 21,869,247	373.0
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 5,655,874</i>	<i>\$ 16,213,373</i>	<i>\$ 21,869,247</i>	<i>373.0</i>
Agency Revised Estimate:				
2. American Rescue Plan Act (KVH/KSH)	-	\$ 2,172,115	\$ 2,172,115	--
3. Consolidated Appropriations Act of 2021 (KSH)	-	355,754	355,754	--
4. Winfield Columbarium Wall	-	1,410,808	1,410,808	--
5. Supplemental—Temporary Staffing	500,000	-	500,000	--
6. Supplemental—Veteran Services Program Restoration	85,130	-	85,130	--
7. Supplemental—Architect Fees for New Veterans Home	250,000	-	250,000	--
8. Supplemental—Information Resource Manager	36,625	-	36,625	--
9. All Other Adjustments	(8,407)	166,643	158,236	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 6,519,222</i>	<i>\$ 20,318,693</i>	<i>\$ 26,837,915</i>	<i>373.0</i>
Governor's Recommendation:				
10. ARPA 24/7 Pay Plan Base Increase	-	\$ 284,386	\$ 284,386	--
11. ARPA 24/7 Pay Plan Shift Differential	-	\$ 1,836,973	\$ 1,836,973	--
TOTAL	\$ 6,519,222	\$ 22,440,052	\$ 28,959,274	373.0

LEGISLATIVE APPROVED

Subsequent to the 2021 Session, no adjustments were made to the \$21.9 million appropriated to the Kansas Commission on Veterans Affairs Office in FY 2022.

- NO CHANGES.** No adjustments were made to the \$21.9 million appropriated to the Kansas Commission on Veterans Affairs Office in FY 2022.

AGENCY ESTIMATE

The **agency** requests a revised estimate of \$26.8 million, including \$6.5 million SGF, in FY 2022. This is an all funds increase of \$5.0 million, or 22.7 percent, including an SGF increase of \$863,348, or 15.3 percent, above the FY 2022 approved amount.

The **agency** estimate includes the following adjustments:

- AMERICAN RESCUE PLAN ACT (KVH/KSH).** The agency's revised estimate includes \$2.2 million, all from federal funds, for the Veterans' and Soldiers' homes. Of this amount, \$1.2 million has been allocated to the Veterans' Home and \$960,459 for the Soldiers' Home. These moneys are one-time and can be used for operational needs, with an expiration date of September 30, 2022.
- CONSOLIDATED APPROPRIATIONS ACT OF 2021 (KSH).** The agency's revised estimate includes \$355,754, all from federal funds, as a one-time emergency payment to existing State extended care facilities for veterans to prevent, prepare for, and

respond to the COVID-19 pandemic. This amount is carryover of unspent funds from FY 2021 into FY 2022.

4. **WINFIELD COLUMBARIUM WALL.** The agency's revised estimate includes \$1.4 million, all from a National Cemetery Administration grant, to expand the columbarium wall at Winfield. The current wall is expected to reach capacity in the 2022 calendar year.
5. **SUPPLEMENTAL—TEMPORARY STAFFING.** The agency's revised estimate includes \$500,000 SGF for anticipated expenditures associated with the effects of the COVID-19 pandemic on skilled nursing staffing.
6. **SUPPLEMENTAL—VETERAN SERVICES PROGRAM RESTORATION.** The agency's revised estimate includes \$85,130 SGF to fund the 5.0 FTE positions in the Veterans Service program that were temporarily held vacant due to the agency's reduced resources budget.
7. **SUPPLEMENTAL—ARCHITECT FEES FOR NEW VETERANS' HOME.** The agency's revised estimate includes \$250,000 SGF to pay for an architect firm to assist in the initial application process to build a new veterans' home in northeast Kansas.
8. **SUPPLEMENTAL—INFORMATION RESOURCE MANAGER.** The agency's revised estimate includes \$36,625 SGF to hire an Information Resource Manager.
9. **ALL OTHER ADJUSTMENTS.** The agency's revised estimate includes other minor adjustments across multiple expenditures categories.

The agency estimate also includes 373.0 FTE positions, which is the same as the FY 2022 approved amount.

GOVERNOR'S RECOMMENDATION

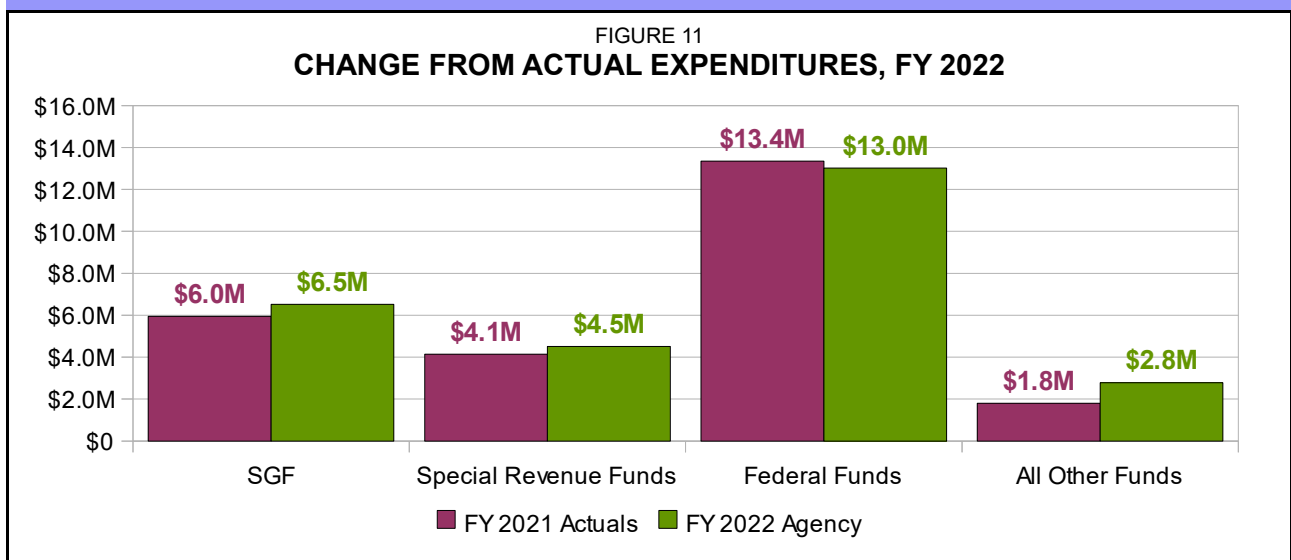
The **Governor** recommends \$29.0 million, including \$6.5 million SGF, for expenditures in FY 2022. This is an increase of \$2.1 million, or 7.9 percent, above the agency's FY 2022 revised estimate.

The **Governor's** recommendation includes the following adjustments:

10. **ARPA 24/7 PAY PLAN BASE INCREASE.** The recommendation includes an increase of \$284,386, all from the federal American Rescue Plan State Relief Fund, for the permanent increase to the base pay of nursing staff at the veterans homes.
11. **ARPA 24/7 PAY PLAN SHIFT DIFFERENTIAL.** The recommendation includes an increase of \$1.8 million, all from the federal American Rescue Plan State Relief Fund, to provide an increased hourly rate in certain circumstances and a bonus to salaried positions.

The **Governor's** recommendation also includes 373.0 FTE positions, which is the same as the agency's FY 2022 revised estimate.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The agency estimates revised FY 2022 expenditures totaling \$26.9 million, including \$6.5 million SGF. This is an all funds increase of \$1.6 million, or 6.2 percent, and an SGF increase of \$566,242, or 9.5 percent, above the FY 2021 actual expenditures. These changes are attributable to decreased COVID-19 pandemic relief expenditures during FY 2021, such as federal CARES Act and Provider Relief Fund moneys not carrying over into FY 2022.

FY 2023 ANALYSIS

FIGURE 12
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	\$ 6,519,222	\$ 20,318,693	\$ 26,837,915	373.0
Agency Request:				
1. Capital Improvements Adjustment	15,100	(2,371,217)	(2,356,117)	--
2. Enhancement—Revenue Shortfall	\$ 3,204,752	\$ -	\$ 3,204,752	--
3. Enhancement—Veteran Services Program Restoration	340,519	-	340,519	--
4. Enhancement—Information Resource Manager	111,239	-	111,239	--
5. All Other Adjustments	(880,695)	(2,867,071)	(3,747,766)	--
<i>Subtotal—Agency Request</i>	<i>\$ 9,310,137</i>	<i>\$ 15,080,405</i>	<i>\$ 24,390,542</i>	<i>373.0</i>
Governor’s Recommendation:				
6. 24/7 Pay Plan Base Increase	\$ 528,145	\$ -	\$ 528,145	--
7. 24/7 Pay Plan Shift Differential	3,595,549	-	3,595,549	--
8. Enhancement—Revenue Shortfall	(3,204,752)	-	(3,204,752)	--
9. Director of Public Information	97,500	-	97,500	1.0
10. Director of Operations	116,250	-	116,250	1.0
TOTAL	\$ 10,442,829	\$ 15,080,405	\$ 25,523,234	375.0

AGENCY REQUEST

The **agency** requests \$24.4 million, including \$9.3 million SGF, in expenditures for FY 2023. This is an all funds decrease of \$2.5 million, or 8.9 percent, and an SGF increase of \$2.8 million, or 42.8 percent, from the FY 2022 revised estimate.

The agency request includes the following adjustments:

- CAPITAL IMPROVEMENTS ADJUSTMENT.** The agency’s request includes capital improvement expenditure adjustments, which reflect grant funding that expired in FY 2022 and the completion of other projects that do not carry over into FY 2023.
- ENHANCEMENT—REVENUE SHORTFALL.** The agency’s enhancement request includes a total of \$3.2 million SGF for FY 2023 to protect the agency against estimated revenue shortfall for the Kansas Veterans’ Home (\$1.4 million) and the Kansas Soldiers’ Home (\$1.8 million). The shortfall is the result of lower than expected census numbers that results in reduced federal funding.
- ENHANCEMENT—VETERAN SERVICES PROGRAM RESTORATION.** The agency’s enhancement request includes \$340,519 SGF to fund the 5.0 FTE positions in the Veterans Service program that were temporarily held vacant due to the agency’s reduced resources budget. This is a continuation of the agency’s FY 2022 supplemental request.
- ENHANCEMENT—INFORMATION RESOURCE MANAGER.** The agency’s enhancement request includes \$111,239 SGF to hire an Information Resource Manager to supervise existing IT staff, develop standards and guidelines to ensure compliance with state and federal regulations, and collaborate with other agencies and organizations. This is a continuation of the agency’s FY 2022 supplemental request.

5. **ALL OTHER ADJUSTMENTS.** The agency's requests includes adjustments in all categories of expenditure and includes a reduction in federal funds received due to federal ARPA and Consolidated Appropriations Act funding not carrying over in the agency's FY 2023 budget request.

The agency request also includes 373.0 FTE positions, which is the same as the FY 2022 approved number.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends \$25.5 million, including \$10.4 million SGF, in expenditures for FY 2023. This is an increase of \$1.1 million, or 4.4 percent, above the agency's FY 2022 revised estimate.

The **Governor's** recommendation includes the following adjustments:

6. **24/7 PAY PLAN BASE INCREASE.** The recommendation includes \$528,145 SGF for the permanent increase to the base pay of nursing staff at the veterans homes.
7. **24/7 PAY PLAN SHIFT DIFFERENTIAL.** The recommendation includes \$3.6 million SGF to provide an increased hourly rate in certain circumstances and a bonus to salaried positions.
8. **ENHANCEMENT—REVENUE SHORTFALL.** The recommendation does not include \$3.2 million SGF for FY 2023 to protect the agency against estimated revenue shortfall for the Kansas Veterans' Home (\$1.4 million) and the Kansas Soldiers' Home (\$1.8 million).
9. **DIRECTOR OF PUBLIC INFORMATION.** The recommendation includes \$97,500 SGF and 1.0 FTE position to hire a Director of Public Information for the agency.
10. **DIRECTOR OF OPERATIONS.** The recommendation includes \$116,250 SGF and 1.0 FTE position to hire a Director of Operations for the agency.

The **Governor's** recommendation also includes 375.0 FTE positions, which is 2.0 FTE positions above the agency's FY 2023 request.

SUPPLEMENTAL REQUESTS

FY 2022 SUPPLEMENTAL REQUESTS				
Item	Agency		Gov. Rec.	
	SGF	All Funds	SGF	All Funds
Temporary Staffing	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Veteran Services Program Restoration	85,130	85,130	85,130	85,130
Architect Fees for New Veterans Home	250,000	250,000	250,000	250,000
Information Resource Manager	36,625	36,625	36,625	36,625
TOTAL	\$ 871,755	\$ 871,755	\$ 871,755	\$ 871,755

TEMPORARY STAFFING. The agency reports that that it is difficult to recruit and retain staff, and when the agency cannot use existing staff to meet scheduling demands, temporary agency staffing must be utilized to provide care to residents. The amount requested is to address the increased costs associated with hiring temporary staff.

The Governor recommends adoption of this request.

VETERAN SERVICES PROGRAM RESTORATION. As part of the agency's reduced resources budget in FY 2021, the agency ceased all itinerant travel and temporarily held open 5.0 FTE positions in the Veterans Services program. The positions were for Veteran Services Representatives who provide claims and outreach services. In the 2021 Governor's Budget Amendment No. 3, the Governor recommended and the Legislature approved adding funds in FY 2022 to partially restore the reduction to the agency travel expenditures. The current amount reflects what the agency will need for the final quarter of FY 2022.

The Governor recommends adoption of this request.

ARCHITECT FEES FOR NEW VETERANS' HOME. In March 2021, Executive Order 21-07 instructed the agency to submit an initial application to the federal U.S. Department of Veterans Affairs for construction of a state veterans' home in northeast Kansas on or before April 15, 2022. The agency, in conjunction with the Department of Administration, determined that it will be necessary to hire an architect firm to assist in completing the application.

The Governor recommends adoption of this request.

INFORMATION RESOURCE MANAGER. The agency requests funding to hire an Information Resource Manager (IRM) to supervise existing information technology (IT) staff, develop standards and guidelines to ensure compliance with state and federal regulations, and collaborate with other agencies and organizations. The IRM will be responsible for managing the information resources to ensure the successful delivery of services for the agency, including cybersecurity, internet, intranet networks, data networks, wireless network, voice networks, cellular services, data governance, and all related software services at the Central Office, veterans homes, field offices, cemeteries, and remote telework locations.

The Governor recommends adoption of this request.

ENHANCEMENT REQUESTS

FY 2023 ENHANCEMENT REQUESTS					
Item	Agency		Gov. Rec.		
	SGF	All Funds	SGF	All Funds	
Revenue Shortfall	\$ 3,204,752	\$ 3,204,752	\$ -	\$ -	
Veteran Services Program Restoration	340,519	340,519	340,519	340,519	
Information Resource Manager	111,239	111,239	111,239	111,239	
TOTAL	\$ 3,656,510	\$ 3,656,510	\$ 451,758	\$ 451,758	

REVENUE SHORTFALL. The agency estimates shortfalls totaling \$1.8 million in FY 2023 for the Kansas Soldiers' Home and a shortfall totaling \$1.4 million in FY 2023 for the Kansas Veterans' Home. The agency indicates it will seek to increase census numbers by 10.0 percent, in the aggregate, over the next year and half to reduce stress on limited state resources.

The Governor does not recommend adoption of this request.

VETERAN SERVICES PROGRAM RESTORATION. As part of the agency's reduced resources budget in FY 2021, the agency ceased all itinerant travel and temporarily held open 5.0 FTE positions in the Veterans Services program. The positions were for Veteran Services Representatives, who provide claims and outreach services. In the 2021 Governor's Budget Amendment No. 3, the Governor recommended and the Legislature approved adding funds in FY 2022 to partially restore the reduction to the agency travel expenditures. The current amount reflects what the agency would need for the final quarter of FY 2022.

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The Governor recommends adoption of this request.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

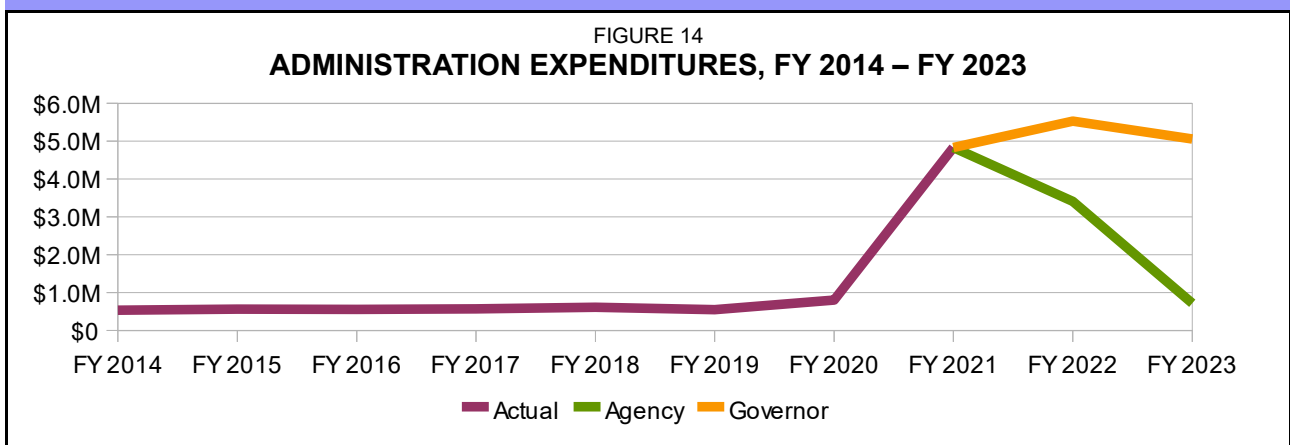
FIGURE 13
EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023

Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Administration	\$ 4,829,836	\$ 3,406,730	\$ 5,528,089	\$ 721,881	\$ 5,059,325
Cemeteries	1,024,763	1,084,936	1,084,936	1,089,754	1,089,754
Kansas Soldiers' Home	6,215,856	6,730,012	6,730,012	8,083,572	6,236,119
Kansas Veterans' Home	8,775,186	8,576,711	8,576,711	9,544,778	8,187,479
Veterans Services	2,562,139	2,730,194	2,730,194	2,997,342	2,997,342
Capital Improvements	1,845,610	4,309,332	4,309,332	1,953,215	1,953,215
TOTAL	\$ 25,253,390	\$ 26,837,915	\$ 28,959,274	\$ 24,390,542	\$ 25,523,234
FTE Positions:					
Administration	7.0	7.0	7.0	7.0	9.0
Cemeteries	17.0	17.0	17.0	17.0	17.0
Kansas Soldiers' Home	119.0	119.0	119.0	119.0	119.0
Kansas Veterans' Home	196.0	196.0	196.0	196.0	196.0
Veterans Services	34.0	34.0	34.0	34.0	34.0
Capital Improvements	--	--	--	--	--
TOTAL	373.0	373.0	373.0	373.0	375.0

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION



STATUTORY BASIS: • KSA 73-1208e; KSA 73-1209

PROGRAM GOALS: • Provide guidance and oversight for Veteran programs.
• Provide fiscal, human resources, and IT services to other program areas.

The Administration program provides guidance and oversight for all veteran programs while also providing leadership, direction, technical guidance, and support for all agency staff. The program contains the agency’s fiscal services, human resources, and information technology functions. The program oversees

the Central Office in Topeka, which includes the Agency Director and administrative staff, the State Veteran Services Program Director, the State Cemetery Program Director, the Human Resource Director, and the Chief Property and Fiscal Officer and staff.

FIGURE 15
ADMINISTRATION, PERFORMANCE MEASURES

There were no performance measures submitted for this program.

	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
Financing					
SGF	\$ 575,614	\$ 732,752		\$ 878,861	\$ 5,059,325
Federal Funds	223,209	4,098,357		4,649,228	-
All Other Funds	1,594	(1,273)		-	-
TOTAL	\$ 800,417	\$ 4,829,836		\$ 5,528,089	\$ 5,059,325
Percentage Change:					
SGF	4.7 %	27.3 %		19.9 %	475.7 %
All Funds	45.7 %	503.4 %		14.5 %	(8.5) %
FTE Positions	7.0	7.0		9.0	9.0

BUDGET ANALYSIS

FY 2022 REVISED ESTIMATE

The **agency** requests \$3.4 million, including \$878,861 SGF, in FY 2022. This is an all funds increase of \$2.8 million, or 475.2 percent, and an SGF increase of \$286,625, or 48.4 percent, above the approved amount. The increase is primarily due to the agency’s receipt of federal ARPA funds (\$2.2 million), federal Consolidated

Appropriations Act funds (\$355,754), and a supplemental request for architect fees for the new veterans’ home in northeast Kansas.

The **Governor** recommends \$5.5 million, including \$878,861 SGF, for FY 2022. The recommendation is an increase of \$2.1 million

above the agency's FY 2022 revised estimate. The increase is attributable to the Governor's recommendation to add federal funding to for the 24/7 pay initiative recommended by the SPARK Taskforce Executive Committee and approved by the State Finance Council.

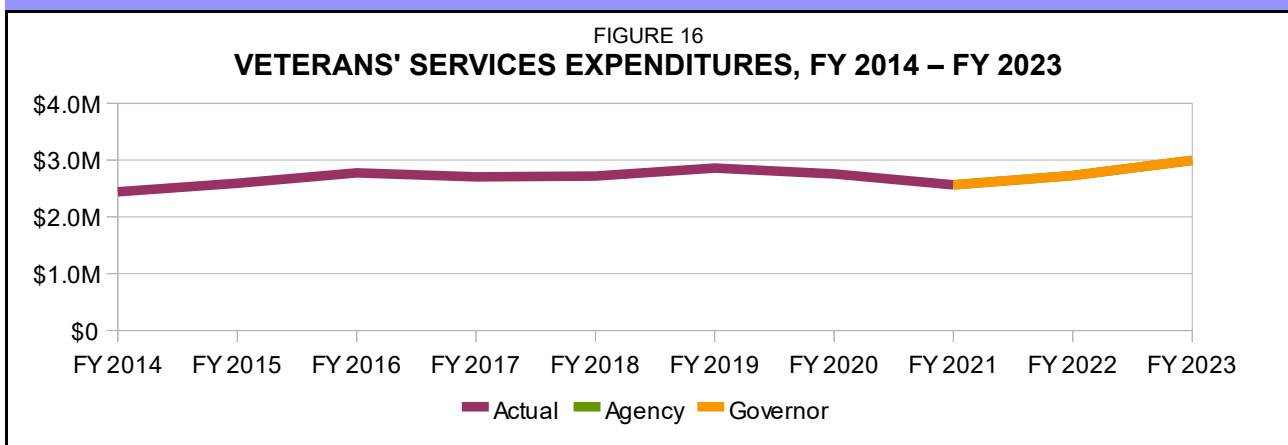
FY 2023 REQUEST

The **agency** requests \$721,881 SGF for FY 2023. This is an all funds decrease of \$2.4 million, or 9.1 percent, and an SGF decrease of \$156,908, or 17.0 percent, below the FY 2022 revised estimate. The decrease is due to ARPA and Consolidated Appropriations Act moneys not carrying over into FY 2023, and the FY 2022 supplemental request for architect fees for

the new veterans' home in northeast Kansas not reoccurring for FY 2023.

The **Governor** recommends expenditures of \$5.1 million SGF for FY 2023. This is an increase of \$4.3 million, or 85.7 percent, above the agency's FY 2023 request. The increase is due to the Governor funding 2.0 FTE positions for the Director of Public Information and the Director of Operations. Additionally, the Governor also recommends adding \$4.1 million SGF to continue the 24/7 pay initiative recommended by the SPARK Taskforce Executive Committee and approved by the State Finance Council.

VETERANS' SERVICES



STATUTORY BASIS: • KSA 73-1208f; KSA 73-1209; KSA 73-1234; KSA 74-8724; KSA 73-1238

PROGRAM GOALS: • Provide information and advocacy to Kansas Veterans and eligible family members by assisting them in obtaining all federal and state benefits they have earned.

The Veterans' Services program provides and administers a system by which the eligible residents of Kansas can obtain assistance and advice in procuring benefits from the state and federal governments in the area of veterans' or survivors' benefits. Services are provided through 13 field offices located throughout the state, 2 mobile vans, and 6 offices located in the federal Department of Veterans' Affairs (VA) Medical Centers in Topeka, Leavenworth, and Wichita.

Additional services are provided through service grants to Veterans' Service Organizations (VSOs). Where services through VSOs are not available, the agency's Veteran Services Representatives provide support. Quality control measures are performed at the Wichita VA Medical Center. Services provided by the program include assistance with obtaining services in the areas of education, health, vocational guidance, and economic security. KCVAO is the state approving agency for the federal GI Bill Education program.

FIGURE 17
VETERANS' SERVICES, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Monetary Value of Claims Awarded (in Millions)	\$ 199.4	\$ 202.4	\$ 190.0	\$ 200.0	\$ 205.0
2. New Claims Submitted*	6,310	6,062	7,715	6,250	6,500
3. Veterans in Database*	100,505	106,098	95,644	107,500	109,000
Output Measure:					
4. Number of outreach briefings/events	376	27	312	215	375
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 2,055,980	\$ 2,112,998		\$ 2,029,387	\$ 2,259,184
Federal Funds	174,915	175,068		175,583	175,573
All Other Funds	525,213	274,073		525,224	562,585
TOTAL	\$ 2,756,108	\$ 2,562,139		\$ 2,730,194	\$ 2,997,342

Percentage Change:					
SGF	(5.5) %	2.8 %		(4.0) %	11.3 %
All Funds	(3.6) %	(7.0) %		6.6 %	9.8 %
FTE Positions	34.0	34.0		34.0	34.0

*The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

FY 2022 REVISED ESTIMATE

The **agency** requests \$2.7 million, including \$2.0 million SGF, in FY 2022. This is a decrease of \$31,945, or 1.2 percent, below the approved amount. The decrease is primarily due to changes in rent and transportation expenditures.

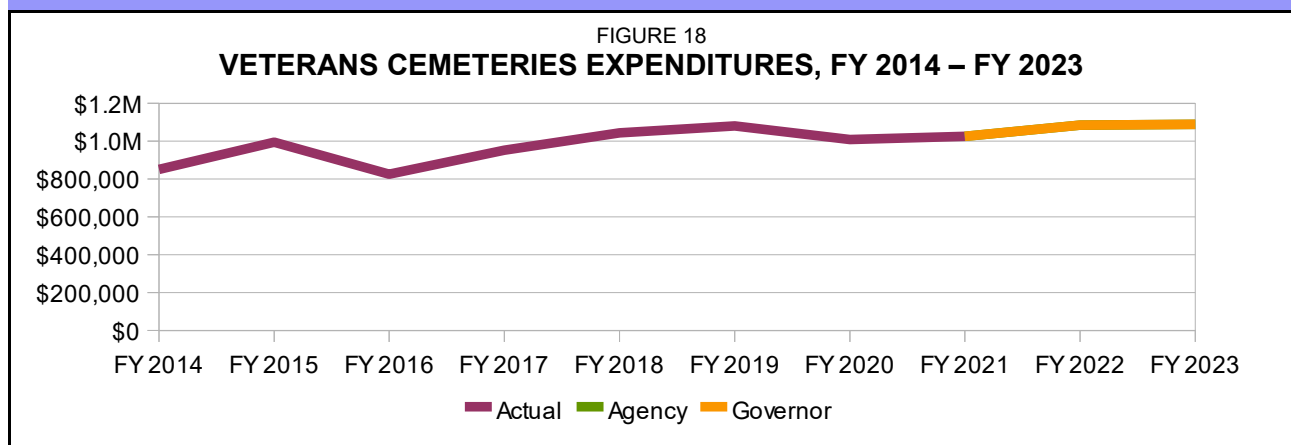
The **Governor** concurs with the agency's FY 2022 revised estimate.

FY 2023 REQUEST

The **agency** requests \$3.0 million, including \$2.3 million SGF, for FY 2023. This is an increase of \$267,148, or 9.8 percent, above the FY 2022 revised estimate. The increase is primarily attributable to salaries and wages, including fringe benefits.

The **Governor** concurs with the agency's FY 2023 request.

VETERANS CEMETERIES



STATUTORY BASIS: • KSA 73-1232

PROGRAM GOALS: • Provide Veterans and their eligible family members with interment opportunities for burial with dignity and honor in a Kansas Veterans' Cemetery.

The Veterans Cemeteries program provides veterans and their eligible dependents with interment opportunities for burial in a Kansas veterans' cemetery. The program manages and operates the four veterans' cemeteries and provides staff support and assistance to veterans statewide regarding their interment options and procedures for pre-certification. Cemetery construction was 100.0 percent

funded by federal grants from the federal Department of Veterans' Affairs National Cemetery Administration State Cemetery Grants Programs. Ongoing cemetery operations are largely funded by the State, with minimal federal funding. The cemeteries are located at Fort Dodge, Fort Riley, WaKeeney, and Winfield.

FIGURE 19
VETERANS CEMETERIES, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1.Number of burials per year	361	391	384	377	380
2.Number of pre-certifications received per year	411	426	404	400	405
Output Measure:					
3.Number of funeral homes visited/contacted per year to update/promote the cemeteries	18	-	-	25	25
4.Number of events (speaking/handout information) attended locally and statewide	8	3	10	10	10
Financing					
	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 610,456	\$ 667,595		\$ 603,040	\$ 598,689
Federal Funds	379,442	215,949		257,690	266,860
All Other Funds	19,055	141,219		224,206	224,205
TOTAL	\$ 1,008,953	\$ 1,024,763		\$ 1,084,936	\$ 1,089,754
Percentage Change:					
SGF	2.0 %	9.4 %		(9.7) %	(0.7) %
All Funds	(6.6) %	1.6 %		5.9 %	0.4 %
FTE Positions	17.0	17.0		17.0	17.0

BUDGET ANALYSIS

FY 2022 REVISED ESTIMATE

The **agency's** revised estimates totals \$1.1 million, including \$603,040 SGF, in FY 2022. This is an increase of \$18,836, or 1.8 percent, above the approved amount. The increase is primarily due to equipment and machinery expenditures.

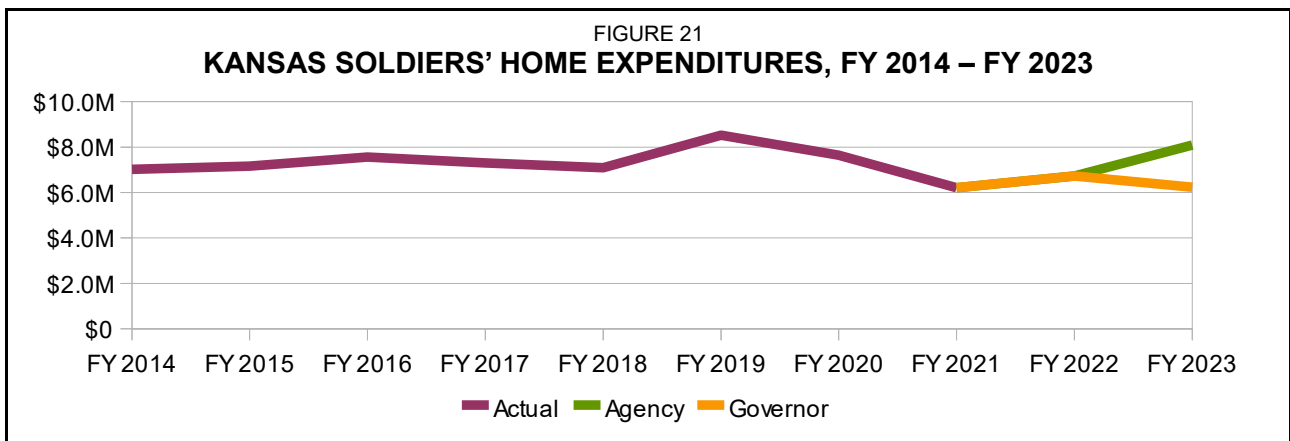
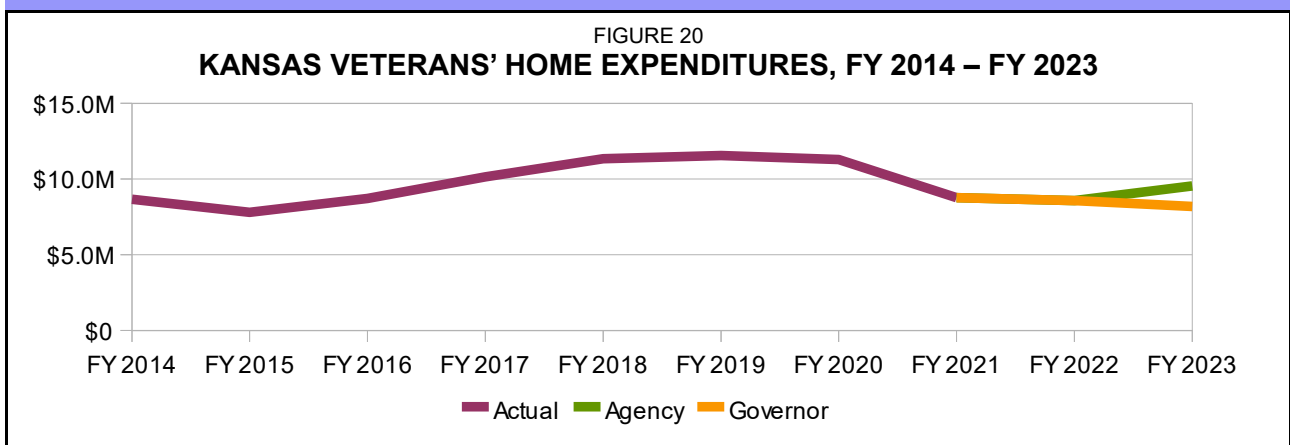
The **Governor** concurs with the agency's FY 2022 revised estimate.

FY 2023 REQUEST

The **agency** requests \$1.1 million, including \$598,869 SGF, for FY 2023. This is an increase of \$4,818, or 0.4 percent, above the FY 2022 revised estimate. The increase is primarily attributable to utilities, equipment, and machinery expenditures.

The **Governor** concurs with the agency's FY 2023 request.

VETERANS' NURSING HOMES



STATUTORY BASIS: • KSA 76-1901 through 76-1941; KSA 76-1951 through 76-1958

PROGRAM GOALS:

- Provide quality long term health care services to eligible Kansas Veterans through services provided by the Kansas Veterans' Home and Kansas Soldiers' Home.
- Kansas Veterans' Home and Kansas Soldiers' Home will maintain fiscal integrity and good relations with other state agencies, vendors, and contractors.
- Maintain and encourage facilities' connections with the local community area media outlets, and local and national service organizations.

The Veterans' Nursing Homes program's primary purpose is to take care of any person who served in the active military service of the United States during any period of war, or who served in the active military service of the United States during peacetime and is entitled to VA hospitalization or domiciliary care under Title 38 of the United States Code and the federal VA rules and regulations. The homes serve these eligible veterans who have been discharged under conditions other than dishonorable who may be disabled by disease, wounds, old age, or otherwise disabled, and who, by reason of such disability, are incapacitated from earning a living.

The program's secondary purpose is to provide domiciliary care, such as shelter, food, and necessary medical care, on an ambulatory self-care basis to assist eligible veterans who are suffering from a disability, disease, or defect of such a degree that incapacitates the veteran from earning a living, but who are not in need of hospitalization or nursing care services.

Both the Kansas Veterans' Home (KVH) and Kansas Soldiers' Home (KSH) may provide nursing home care and domiciliary care, on a space-available basis, to veteran family members; *i.e.* spouses, surviving spouses, and Gold Star parents.

FIGURE 22
VETERANS' NURSING HOMES, PERFORMANCE MEASURES

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Average Daily Census (KVH)	104	94	109	94	101
2. Average Daily Census (KSH)	96	81	96	76	85
3. Hours Per Resident Day (KVH)	4.58	4.99	4.61	4.70	4.75
4. Hours Per Resident Day (KSH)	4.27	4.52	4.35	4.52	4.25
5. VA/CMS deficiencies in business practices (KVH)	-	-	0.67	-	-
6. VA/CMS deficiencies in business practices (KSH)	-	-	-	-	-
7. Volunteer hours logged (KVH)*	1,663	568	1,901	1,000	1,500
8. Volunteer hours logged (KSH)*	3,250	-	-	2,500	4,500
Output Measure:					
9. LTC Residents on Medicaid (KVH)*	29.0 %	30.0 %	28.0 %	30.0 %	30.0 %
10. LTC Residents on Medicaid (KSH)*	50.0 %	50.0 %	50.0 %	50.0 %	50.0 %
11. Outreach/Speaking engagements promoting the home (KVH)*	3	2	5	5	5
12. Outreach/Speaking engagements promoting the home (KSH)*	12	3	8	10	10
Financing	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 3,453,609	\$ 2,393,135		\$ 2,896,034	\$ 2,398,631
Federal Funds	3,370,046	8,862,440		8,642,405	8,486,838
All Other Funds	12,103,462	3,735,467		3,768,284	3,538,129
TOTAL	\$ 18,927,117	\$ 14,991,042		\$ 15,306,723	\$ 14,423,598
Percentage Change:					
SGF	44.4 %	(30.7) %		21.0 %	(17.2) %
All Funds	(5.7) %	(20.8) %		2.1 %	(5.8) %
FTE Positions	315.0	315.0		315.0	315.0

*The Governor's Office does not utilize this measure for evaluation purposes.

BUDGET ANALYSIS

FY 2022 REVISED ESTIMATE

The **agency's** revised estimate for **Kansas Veterans' Home** expenditures totals \$8.6 million, including \$1.0 SGF, in FY 2022. This is an increase of \$393,768, or 4.8 percent, above the approved amount. The increase is primarily due to a reduction in salaries and wages shrinkage (\$1.3 million).

The **Governor** concurs with the agency's FY 2022 revised estimate.

The **agency's** revised estimate for **Kansas Soldiers' Home** expenditures total \$6.7 million, including \$1.9 million SGF, in FY 2022. This is a decrease of \$645,625, or 8.8 percent, below the

approved amount. The decrease is primarily staffing and recruiting services.

The **Governor** concurs with the agency's FY 2022 revised estimate.

FY 2023 REQUEST

The **agency** requests **Kansas Veterans' Home** expenditures of \$9.5 million, including \$1.9 million SGF, for FY 2023. This is an increase of \$968,067, or 11.3 percent, above the FY 2022 revised estimate. The increase is primarily attributable to utilities, accountants, and temporary staffing and the agency's enhancement requests.

The **Governor** recommends expenditures of \$8.2 million, including \$531,890 SGF, for FY 2023. This is a decrease of \$1.4 million SGF, or 16.6 percent, below the agency's FY 2023 request. This reduction is due to the Governor not recommending the agency's enhancement request to address revenue shortfall at the Kansas Veterans' Home.

The **agency** requests **Kansas Soldiers' Home expenditures** of \$8.1 million, including \$3.7 million SGF, for FY 2023. This is an increase of \$1.4 million, or 20.1 percent, above

the FY 2022 revised estimate. The increase is primarily attributable to staffing and recruiting services.

The **Governor** recommends expenditures of \$6.2 million, including \$1.9 million SGF, for FY 2023. This is a decrease of \$1.8 million SGF, or 29.6 percent, below the agency's FY 2023 request. This reduction is due to the Governor not recommending the agency's enhancement request to address revenue shortfall at the Kansas Soliders' Home.

CAPITAL IMPROVEMENTS

FIGURE 23
CAPITAL IMPROVEMENTS, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Capital Projects:					
KVH Rehab. and Repair and Other Projects	\$ 758,281	\$ 1,270,413	\$ 1,270,413	\$ 1,040,856	\$ 1,040,856
KSH Rehab. and Repair and Other Projects	990,993	1,516,211	1,516,211	785,359	785,359
Cemeteries Rehab. and Repair and Other Projects	96,336	1,522,708	1,522,708	127,000	127,000
TOTAL	\$ 1,845,610	\$ 4,309,332	\$ 4,309,332	\$ 1,953,215	\$ 1,953,215
Financing:					
SGF	\$ 46,500	\$ 111,900	\$ 111,900	\$ 127,000	\$ 127,000
Federal Funds	-	1,410,808	1,410,808	-	-
All Other Funds	1,799,110	2,786,624	2,786,624	1,826,215	1,826,215
TOTAL	\$ 1,845,610	\$ 4,309,332	\$ 4,309,332	\$ 1,953,215	\$ 1,953,215

FY 2022 CAPITAL IMPROVEMENTS

The **agency's** revised estimate totals \$4.3 million, including \$111,900 SGF, in FY 2022. This is an all funds increase of \$2.4 million, or 128.0 percent, and an SGF increase of \$65,400, or 58.4 percent, above the approved amount. The increase is primarily attributable to

a federal grant for the Winfield Columbarium Wall and the start of new projects.

The **Governor** concurs with the agency's FY 2022 revised estimate.

FY 2023 CAPITAL IMPROVEMENTS

The **agency** requests \$2.0 million, including \$127,000 SGF, for FY 2023. This is an all funds decrease of \$2.4 million, or 54.7 percent, and an SGF increase of \$15,100 or 13.5.4 percent, from the FY 2022 revised estimate. The all funds decrease is primarily attributable to the

anticipated completion of the Winfield Columbarium project and other project in FY 2022.

The **Governor** concurs with the agency's FY 2023 request.