

Veterans Commission
Summary of Recommendations - Senate

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Method of Financing	2016-17 Base	2018-19 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$55,406,356	\$26,469,356	(\$28,937,000)	(52.2%)
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$55,406,356</i>	<i>\$26,469,356</i>	<i>(\$28,937,000)</i>	<i>(52.2%)</i>
Federal Funds	\$22,473,830	\$22,097,832	(\$375,998)	(1.7%)
Other	\$36,762,555	\$35,267,069	(\$1,495,486)	(4.1%)
All Funds	\$114,642,741	\$83,834,257	(\$30,808,484)	(26.9%)

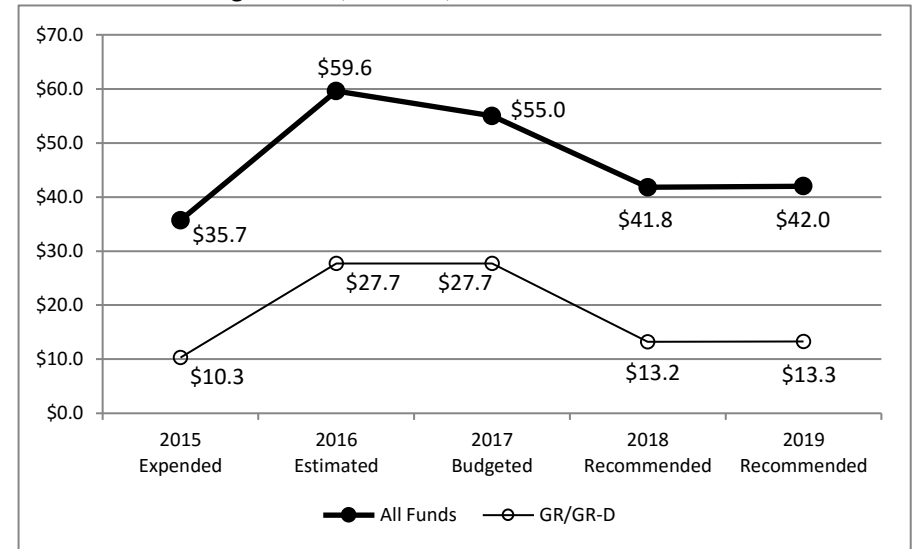
	FY 2017 Budgeted	FY 2019 Recommended	Biennial Change	Percent Change
FTEs	407.5	407.5	0.0	0.0%

Agency Budget and Policy Issues and/or Highlights

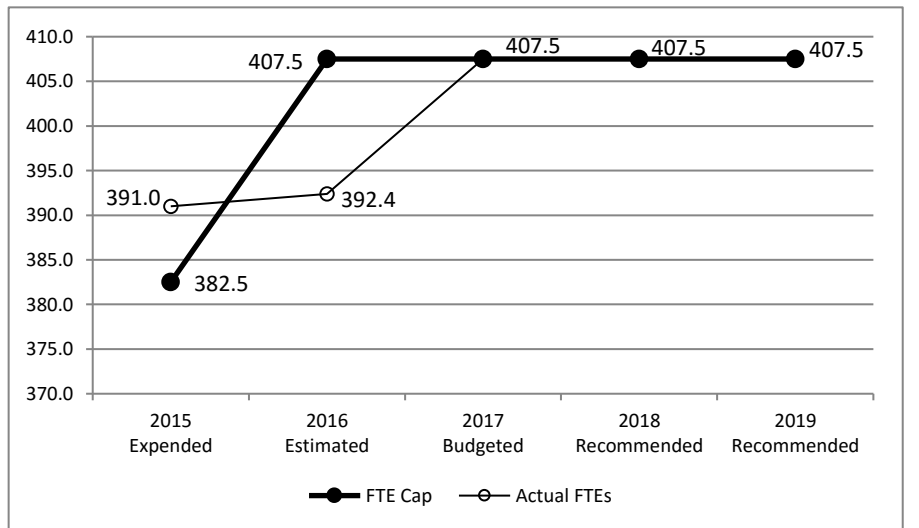
- Funding for the Texas Veterans Commission (TVC) reflects a decrease of \$30.8 million in All Funds, \$28.9 million of which is General Revenue. The decrease is primarily due to the transfer of \$30.0 million in Hazlewood Reimbursements from the Veterans Commission to the Permanent Fund Supporting Military and Veterans Exemptions (MVE).
- Recommendations for the 2018-19 biennium combine the MVE and TVC funding for the Hazlewood Legacy Program (HLP) into one appropriations bill pattern in Article III.
- Recommendations for the 2018-19 biennium maintain the Hazlewood Administration funding of \$781,200 at the TVC, in which the agency administers the Hazlewood Act tuition exemption database.

The bill pattern for this agency (2018-19 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2018-19 biennium.

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



Veterans Commission
Summary of Funding Changes and Recommendations - Senate

Funding Changes and Recommendations for the 2018-19 Biennium compared to the 2016-17 Base Spending Level	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
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SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):

A)	Transfer of Hazlewood Reimbursements to the Permanent Fund Supporting Military and Veterans Exemptions.	(\$30,000,000)			(\$30,000,000)	C.1.1	
B)	Direct General Revenue appropriation for the Housing 4 Texas Heroes Program to TVC. Interagency Contract with Dept. of Housing & Community Affairs is removed. Cost-neutral.	\$1,170,000			(\$1,170,000)	\$0	B.1.2
C)	Direct General Revenue appropriation for the Public Assistance Reporting Information System (PARIS) to TVC. Interagency Contract with HHSC is removed. Cost-neutral	\$100,000			(\$100,000)	\$0	A.1.1

OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):

D)	Agency projected decrease in general assistance grants for veterans transportation to VA appointments.			(\$375,998)	(\$375,998)	B.1.1	
E)	Agency projected decrease in estimated grant funding related to Lottery Revenue, Housing 4 Texas Heroes, and Fund for Veteran Assistance administrative costs.				(\$225,486)	(\$225,486)	B.1.1, B.1.2, D.1.1
F)	Reduction in the 2016-17 biennium CAPPs funding.	(\$207,000)				(\$207,000)	D.1.1

TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations	(\$28,937,000)	\$0	(\$375,998)	(\$1,495,486)	(\$30,808,484)	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>	\$1,270,000	\$0	\$0	\$0	\$0	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>	(\$30,207,000)	\$0	(\$375,998)	(\$1,495,486)	(\$30,808,484)	As Listed

**Veterans Commission
Selected Fiscal and Policy Issues - Senate**

1. Hazlewood Funding.

- Senate Bill 1158, 83rd Legislature, transferred administration of the Hazlewood Tuition Exemption Program from the Texas Higher Education Coordinating Board (THECB) to TVC. The bill required TVC to establish a network of education counselors to assist veterans maximize education benefits and establish the Veteran Education Excellence Recognition Award to recognize institutions that meet or exceed standards for providing specific services to veterans.
- Recommendations include a transfer of \$30 million in Hazlewood funding to the Permanent Fund Supporting Military and Veterans Exemptions (MVE). Recommendations for the 2018-19 biennium combine the MVE and TVC funding for the Hazlewood Legacy Program (HLP) into one appropriations bill pattern in Article III. Recommendations also delete the Hazlewood rider.
- Recommendations for the 2018-19 biennium maintain the Hazlewood Administration funding of \$781,200 at the TVC, for the agency to administer the Hazlewood tuition exemption database. The Hazlewood Act database records information input from the public institutions of higher education in Texas pertaining to the number and classification of veterans and other eligible Hazlewood students, as well as the funding exempted by each institution for the various Hazlewood eligibility categories.

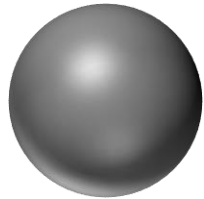
2. Interagency Contracts (IAC) Funding.

- **Veterans Housing Grant Program.** The Commission currently has an Interagency Contract (IAC) with the Texas Department of Housing & Community Affairs (TDHCA) for \$1.17 million to provide grants to non-profit or local government organizations providing temporary or permanent housing for Texas Veterans and their families through the Housing 4 Texas Heroes program. Recommendations remove the agency's IAC with the TDHCA and fund the Veterans Housing Assistance Program directly with General Revenue at the Texas Veterans Commission, with a corresponding GR decrease at TDHCA. Recommendations total \$2.1 million in General Revenue for the 2018-19 biennium.
- **Public Assistance Reporting Information System (PARIS).** The Commission currently has an Interagency Contract (IAC) with the Texas Health and Human Services Commission (HHSC) for \$100,000 to facilitate claims for Veterans receiving Medicaid and other state public benefits which Veterans are entitled to receive from the U.S. Department of Veterans Affairs (VA). The system seeks to improve the effectiveness of shifting Veterans from Medicaid and other public benefits to VA benefits. Recommendations remove the agency's IAC with the HHSC and fund the Public Assistance Reporting Information System directly with General Revenue at the Texas Veterans Commission, with a corresponding GR decrease at HHSC. Recommendations total \$100,000 in General Revenue for the 2018-19 biennium.

Veterans Commission
Summary of Federal Funds (2018 - 19) - Senate

Total \$22.1M

Disabled Veterans'
 Outreach Program
 \$12.9
 58.3%



Funds for expenses
 that support the
 employment needs of
 disabled and other
 eligible veterans

Local Veterans'
 Employment
 Representative
 \$7.5
 33.9%



Funds for outreach
 services to
 employers to assist
 veterans gain and
 retain employment

All-Volunteer Force
 Educational Assistance
 \$1.7
 7.9%



Funds to assist the
 recruitment and retention
 of personnel by
 providing education
 benefits

Selected Federal Fiscal and Policy Issues
Federal Funds estimates for the 2018-19 biennium reflect no significant fiscal and policy issues.

There Are No Programs with Significant Federal Funding Changes from 2016 - 17

**Veterans Commission
Rider Highlights - Senate**

Modification of Existing Riders

8. PARIS Data Review. Recommendations amend the current rider language to delete the Interagency Contract (IAC) with the Texas Health and Human Services Commission (HHSC). Recommendations remove the agency's IAC with the HHSC and fund the Public Assistance Reporting Information System (PARIS) directly with General Revenue at the Texas Veterans Commission. Cost-neutral.

9. Veterans Housing Grant Program. Recommendations amend the current rider language to delete the Interagency Contract (IAC) with the Texas Department of Housing & Community Affairs (TDHCA). Recommendations remove the agency's IAC with the TDHCA and fund the Housing 4 Texas Heroes program directly with General Revenue at the Texas Veterans Commission. Cost-neutral.

Deleted Riders

13. Hazlewood Reimbursements. Recommendations delete this rider as Hazlewood Reimbursements are being transferred to the Permanent Fund Supporting Military and Veterans Exemptions.

15. Interagency Contract with Supreme Court of Texas. Recommendations delete this rider because it is no longer necessary. Fiscal year 2016-17 appropriations of \$3.0 million were transferred through an IAC with the Supreme Court of Texas. Article IX, Sec. 18.05 (2016-17 GAA) appropriated funds for Veteran Court Programs directly to the Veterans Commission and are included in the 2018-19 recommendations.

Veterans Commission
Items Not Included in Recommendations - Senate

	2018-19 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2020-21
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items - In Agency Priority Order

1)	Funding for 3 FTEs for the Women Veterans Program to assist women veterans by ensuring they are aware of benefits and services available in Texas.	\$373,578	\$373,578	3.0	Yes	No	\$363,378
2)	Funding for 14 FTEs for the Claims Program to meet the increasing demand by placing personnel at understaffed VA Healthcare facilities and Veteran Centers.	\$1,173,400	\$1,173,400	14.0	No	No	\$1,173,400
3)	Funding for 4 FTEs to provide training to prospective veteran entrepreneurs.	\$453,588	\$453,588	4.0	Yes	No	\$433,988
4)	Funding for 3 FTEs to implement the transition to CAPPs.	\$280,168	\$280,168	3.0	Yes	No	\$0
5)	New rider to provide authority to reimburse advisory committee members for travel expenses.	\$0	\$0	0.0	No	No	\$0
6)	Capital Budget Authority only to automate the agency's Fund for Veterans' Assistance (FVA) Grant Program to a fully integrated web-based eGrant Management System.	\$0	\$0	0.0	Yes	Yes	\$113,252
7)	Capital Budget Authority only to automate the agency's case management system to a fully integrated web-based eCase Management System linked to the Dept. of Veteran Affairs (VA) database.	\$0	\$0	0.0	Yes	Yes	\$111,720

TOTAL Items Not Included in Recommendations		\$2,280,734	\$2,280,734	24.0			\$1,970,766
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**Veterans Commission
Appendices - Senate**

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* Appendix is not included - no significant information to report

Veterans Commission
Funding Changes and Recommendations - Senate, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
CLAIMS REPRESENTATION & COUNSELING A.1.1	\$15,183,514	\$13,586,822	(\$1,596,692)	(10.5%)	Recommendations include: 1) \$1.6 million and 14 FTEs transfer of General Revenue to Strategy A.1.6, Health Care Advocacy Program, for the creation of a new strategy for the 2018-19 biennium; 2) \$.1 million transfer from Other Funds to General Revenue related to the deletion of an Interagency Contract with the Texas Health and Human Services Commission, cost-neutral.
VETERANS EMPLOYMENT SERVICES A.1.2	\$21,061,408	\$21,061,408	\$0	0.0%	
VETERANS EDUCATION A.1.3	\$3,077,410	\$3,077,410	\$0	0.0%	
VETERANS OUTREACH A.1.4	\$4,255,659	\$4,255,659	\$0	0.0%	
VETERAN ENTREPRENEUR PROGRAM A.1.5	\$369,018	\$369,018	\$0	0.0%	
HEALTH CARE ADVOCACY PROGRAM A.1.6	\$0	\$1,596,692	\$1,596,692	100.0%	Recommendations include a \$1.6 million and 14 FTEs transfer of General Revenue from Strategy A.1.1, Claims Representation & Counseling for the creation of this new strategy for the 2018-19 biennium.
Total, Goal A, ASSIST VETS W/RECEIVING BENEFITS	\$43,947,009	\$43,947,009	\$0	0.0%	
GENERAL ASSISTANCE GRANTS B.1.1	\$28,174,902	\$25,904,630	(\$2,270,272)	(8.1%)	Recommendations include: 1) \$3.0 million and 0 FTEs transfer of General Revenue and Other Funds to Strategy B.1.3, Veterans Treatment Courts for the creation of a new strategy for the 2018-19 biennium; 2) \$0.38 million reduction in Federal Funds related to funds appropriated in the 2016-17 biennium, to purchase 7 vans to provide veteran transportation to VA appointments; and 3) \$1.1 million increase in Other Funds related to estimated Lottery ticket revenue.

Veterans Commission
Funding Changes and Recommendations - Senate, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
HOUSING FOR TEXAS HEROES B.1.2	\$8,384,964	\$7,000,000	(\$1,384,964)	(16.5%)	Recommendations include: 1) \$1.17 million transfer from Other Funds to General Revenue related to the deletion of an Interagency Contract with the Texas Dept. of Housing & Community Affairs, cost-neutral; and 2) \$1.38 million reduction in Other Funds related to estimated Housing 4 Texas Heroes grant funding.
VETERANS TREATMENT COURTS B.1.3	\$0	\$3,000,000	\$3,000,000	100.0%	Recommendations include a \$3.0 million and 0 FTEs transfer of General Revenue and Other Funds from Strategy B.1.1, General Assistance Grants for the creation of this new strategy for the 2018-19 biennium.
Total, Goal B, FUND DIRECT SERVICES TO VETERANS	\$36,559,866	\$35,904,630	(\$655,236)	(1.8%)	
HAZLEWOOD REIMBURSEMENTS C.1.1	\$30,000,000	\$0	(\$30,000,000)	(100.0%)	Recommendations include a \$30 million reduction as Hazlewood Reimbursements are being transferred to the Permanent Fund Supporting Military and Veterans Exemptions. No Hazlewood Reimbursement appropriations will remain at the TVC.
HAZLEWOOD ADMINISTRATION C.1.2	\$781,200	\$781,200	\$0	0.0%	
Total, Goal C, HAZLEWOOD ADMINISTRATION	\$30,781,200	\$781,200	(\$30,000,000)	(97.5%)	
CENTRAL ADMINISTRATION D.1.1	\$3,354,666	\$3,201,418	(\$153,248)	(4.6%)	Recommendations include: 1) \$53,752 increase in Other Funds related to indirect support for grant funding related to Goal B, Fund Direct Services to Veterans, these amounts are determined based on the Federal Indirect Rate approved by the Department of Labor times the salary and benefits costs in B.1.1; and 2) \$207,000 reduction in General Revenue related to the removal of 2016-17 biennial CAPPs funding.
Total, Goal D, INDIRECT ADMINISTRATION	\$3,354,666	\$3,201,418	(\$153,248)	(4.6%)	
Grand Total, All Strategies	\$114,642,741	\$83,834,257	(\$30,808,484)	(26.9%)	

Veterans Commission
Summary of Federal Funds - Senate
(Dollar amounts in Millions)

Program	Est 2016	Bud 2017	Rec 2018	Rec 2019	2016-17 Base	2018-19 Rec	2018-19 Rec % Total	Recommended Over/(Under) Base	% Change from Base
Disabled Veterans Outreach Program (DVOP)	\$6.5	\$6.4	\$6.4	\$6.4	\$12.9	\$12.9	58.3%	(\$0.1)	(0.6%)
Local Veterans Employment Representative	\$3.7	\$3.7	\$3.7	\$3.7	\$7.4	\$7.5	33.9%	\$0.1	1.0%
All-Volunteer Force Educational Assistance	\$0.9	\$0.9	\$0.9	\$0.9	\$1.7	\$1.7	7.9%	\$0.0	0.0%
Grants for Transportation of Veterans in Highly Rural Areas	\$0.4	\$0.0	\$0.0	\$0.0	\$0.4	\$0.0	0.0%	(\$0.4)	(100.0%)
TOTAL:	\$11.4	\$11.0	\$11.0	\$11.0	\$22.5	\$22.1	100.0%	(\$0.4)	(1.7%)

**Veterans Commission
FTE Highlights - Senate**

Full-Time-Equivalent Positions	Expended 2015	Estimated 2016	Budgeted 2017	Recommended 2018	Recommended 2019
Cap	382.5	407.5	407.5	407.5	407.5
Actual/Budgeted	391.0	392.4	407.5	NA	NA

Schedule of Exempt Positions (Cap)

Executive Director, Group 4	\$118,473	\$130,840	\$130,840	\$130,840	\$130,840
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Notes:

- a) Fiscal year 2015 actual FTE figure is greater than the FTE Cap limit, as 14 FTEs were to be added to address the Governor's Emergency and Deficiency Grant for funding for the Veterans Healthcare Program. Due to the timing of the funding, only 8.5 FTEs were able to be filled.
- b) The increase FTEs from 2015 to 2016 was related to 18 FTEs appropriated for the Healthcare Advocacy Program and Claims Counseling, which fell under Strategy A.1.1, Claims Representation & Counseling and 7 FTEs appropriated for Strategy C.1.2, Hazlewood Administration.
- c) The State Auditor's Office Reports, *Executive Compensation at State Agencies* (Report 16-706, August 2016), indicates a market average salary of \$161,755 for the Executive Director position at the Texas Veterans Commission and recommends changing the Group classification from Group 4 to Group 5. The agency is not requesting any changes to its Exempt Position.

Veterans Commission
Summary of Ten Percent Biennial Base Reduction Options Recommendations - Senate

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Intro Bill?
			GR & GR-D	All Funds	FTEs			
1)	Claims - Staff Reduction	According to the agency, a reduction of twenty Claims Counselors who currently provide claims representation and counseling services to Veterans and their families would result in 45,070 fewer claims filed with the VA for Veterans benefits over the biennium.	\$1,483,584	\$1,483,584	20.0	\$0	5.60%	No
2)	Veteran Employment Services - Service Reduction	According to the agency, the reduction would effect travel funding for community outreach and training sessions.	\$25,732	\$25,732	0.0	\$0	0.10%	No
3)	Veteran Education - Staff Reduction	According to the agency, the reduction of \$133,366 over the FY 2018-2019 biennium, would be accommodated by contributions to Communications salaries and the elimination of one FTE, home-office in El Paso. The elimination of the contribution to Communications would have no impact on Veterans Education's ability to execute either its federal or state functions. The elimination of one FTE in the El Paso area would reduce the oversight and training capability of the Texas State Approving Agency (SAA) for schools and OJT/Apprenticeships providing GI Bill benefits to veterans and their families in the El Paso and west Texas area.	\$133,366	\$133,366	1.0	\$0	0.50%	No
4)	Outreach - Staff Reduction	According to the agency, the reduction of one FTE would eliminate the Veterans Outreach Liaison position. An FTE reduction would decrease the number of community engagements, and ability to educate veterans on the benefits and services they have earned.	\$127,264	\$127,264	1.0	\$0	0.48%	No
5)	Veteran Entrepreneur Program - Staff Reductions	According to the agency, the reduction of one-half business consultants would reduce the efforts dedicated to the implementation of the Veteran Entrepreneur Program, leaving two and one-half consultants to provide entrepreneurial consultation, including the delivery of entrepreneur seminars throughout the state and facilitation of veteran entrepreneurship training, to veterans and their families throughout the state of Texas.	\$36,902	\$36,902	0.5	\$0	0.14%	No

Veterans Commission
Summary of Ten Percent Biennial Base Reduction Options Recommendations - Senate

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Intro Bill?
			GR & GR-D	All Funds	FTEs			
6)	Veteran Treatment Courts - Grant Reduction	According to the agency, the reduction in funding for Veteran Treatment Courts could result in fewer veteran offenders being diverted from the regular court system and a possible increase in the incarcerated veteran population.	\$150,000	\$150,000	0.0	\$0	0.57%	No
7)	Housing 4 Texas Heroes - Grant Reduction	According to the agency, the funding reduction would reduce the funding used for homeless prevention in the form of financial assistance for utilities, rent or mortgage payments would not be available.	\$183,000	\$183,000	0.0	\$0	0.69%	No
8)	Hazlewood Reimbursements - Education Reimbursements Reductions	According to the agency, the proposed reduction of \$2,778,374 would reduce the amount of funding available for reimbursement of the Hazlewood Legacy Program for schools throughout the state.	\$2,778,374	\$2,778,374	0.0	\$0	10.50%	Yes
9)	Hazlewood Administration - Staff Reduction	According to the agency, the proposed reduction of \$78,120 would reduce one of the Hazlewood administrative FTE positions in Veterans Education would be reduced to half time. Reduction of the Hazlewood FTE in finance would have little impact on Hazlewood administration, however it may reduce the customer service available to both schools and veterans and their families involved with the Hazlewood program.	\$78,120	\$78,120	1.5	\$0	0.30%	No
10)	Central Administration - Staff Reductions	According to the agency, the reduction of four FTE Administrative positions would reduce the amount of support for the agency to federally-funded programs and may result in a loss of Federal funds to the agency.	\$322,668	\$322,668	4.0	\$231,504	1.22%	No
TOTAL, 10% Reduction Options			\$5,319,010	\$5,319,010	28.0	\$231,504		