

Section 1

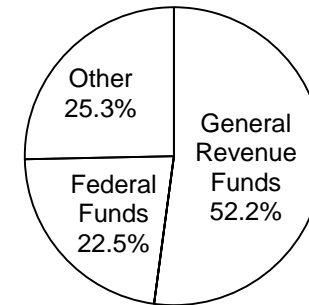
**Veterans Commission
Summary of Recommendations - House**

Page: I-98
Thomas Palladino, Executive Director

Kevin Perez, LBB Analyst

| Method of Financing | 2014-15 Base | 2016-17 Recommended | Biennial Change | % Change |
|-------------------------------|-------------------------|--------------------------------|----------------------------|---------------------|
| General Revenue Funds | \$20,386,159 | \$50,546,458 | \$30,160,299 | 147.9% |
| GR Dedicated Funds | \$0 | \$0 | \$0 | 0.0% |
| <i>Total GR-Related Funds</i> | <i>\$20,386,159</i> | <i>\$50,546,458</i> | <i>\$30,160,299</i> | <i>147.9%</i> |
| Federal Funds | \$20,942,121 | \$21,855,892 | \$913,771 | 4.4% |
| Other | \$22,729,107 | \$24,558,614 | \$1,829,507 | 8.0% |
| All Funds | \$64,057,387 | \$96,960,964 | \$32,903,577 | 51.4% |

RECOMMENDED FUNDING
BY METHOD OF FINANCING



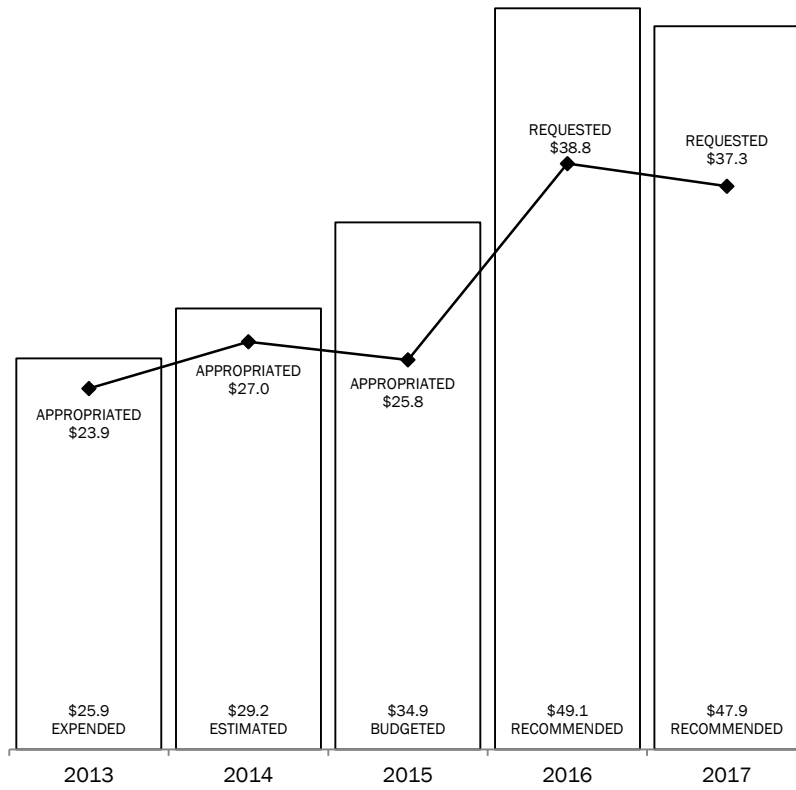
| | FY 2015 Budgeted | FY 2017 Recommended | Biennial Change | % Change |
|-------------|-----------------------------|--------------------------------|----------------------------|---------------------|
| FTEs | 382.5 | 382.5 | 0.0 | 0.0% |

The bill pattern for this agency (2016-17 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2016-17 biennium.

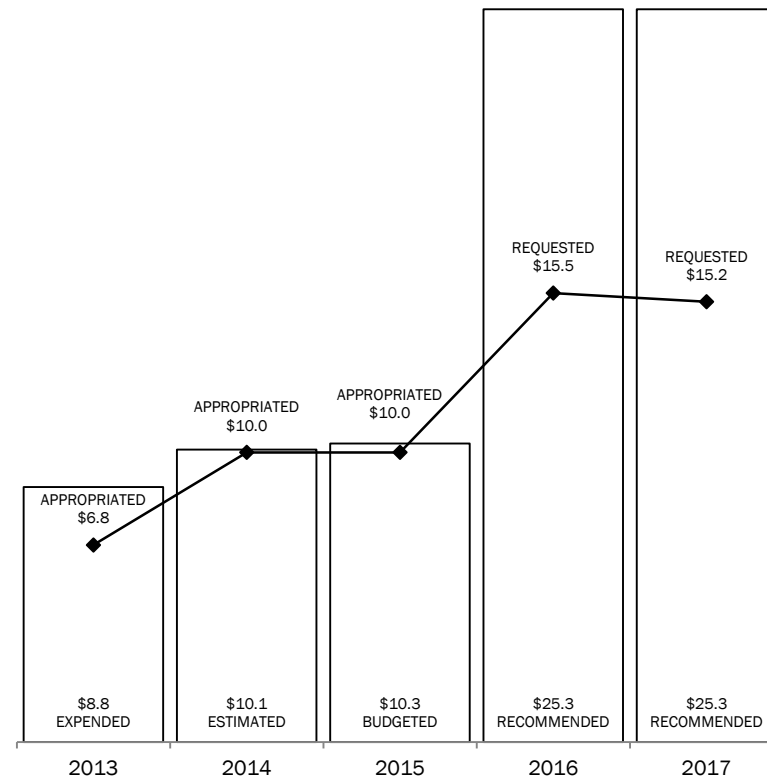
Section 1
Veterans Commission
 2016-2017 BIENNIUM
 IN MILLIONS

TOTAL= \$97.0 MILLION

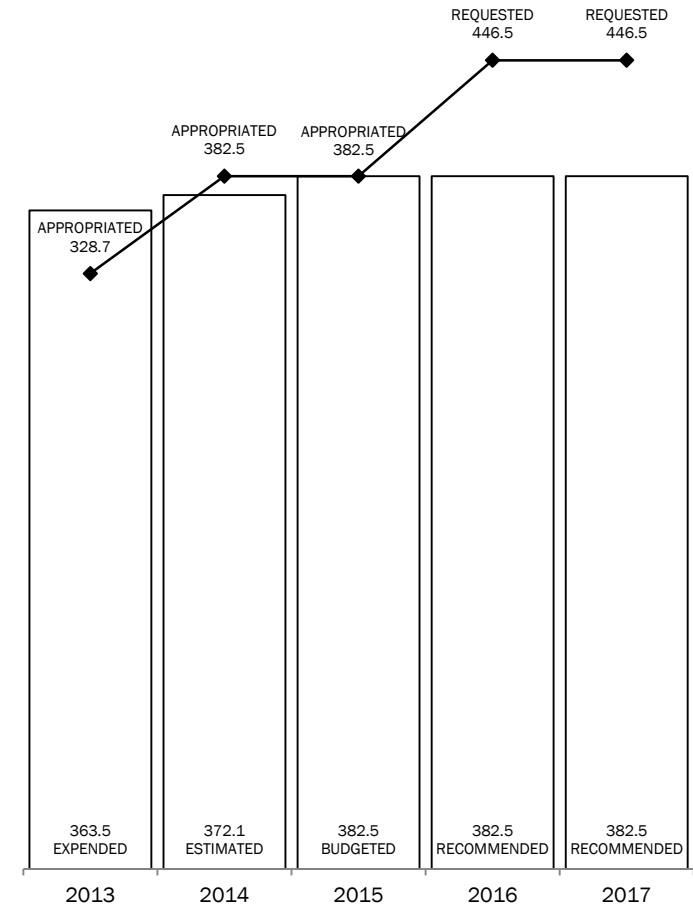
ALL FUNDS



**GENERAL REVENUE AND
 GENERAL REVENUE-DEDICATED FUNDS**



FULL-TIME-EQUIVALENT POSITIONS



Section 2

**Veterans Commission
Summary of Recommendations - House, By Method of Finance -- ALL FUNDS**

| Strategy/Goal | 2014-15 Base | 2016-17 Recommended | Biennial Change | % Change | Comments |
|--|---------------------|------------------------|---------------------|---------------|---|
| CLAIMS REPRESENTATION & COUNSELING A.1.1 | \$12,795,040 | \$12,140,964 | (\$654,076) | (5.1%) | Recommendations include a reallocation of \$0.8 million to new Strategy C.1.2, Hazlewood Administration, to fund costs associated with Strategy C.1.1, Hazlewood Reimbursements (See Selected Fiscal and Policy Issues #3). |
| VETERANS EMPLOYMENT SERVICES A.1.2 | \$19,938,988 | \$20,439,780 | \$500,792 | 2.5% | |
| VETERANS EDUCATION A.1.3 | \$2,957,889 | \$2,973,806 | \$15,917 | 0.5% | |
| VETERANS OUTREACH A.1.4 | \$1,352,392 | \$1,256,252 | (\$96,140) | (7.1%) | |
| VETERAN ENTREPRENEUR PROGRAM A.1.5 | \$361,324 | \$356,448 | (\$4,876) | (1.3%) | |
| Total, Goal A, ASSIST VETS W/RECEIVING BENEFITS | \$37,405,633 | \$37,167,250 | (\$238,383) | (0.6%) | |
| GENERAL ASSISTANCE GRANTS B.1.1 | \$20,588,158 | \$22,928,660 | \$2,340,502 | 11.4% | Recommendations reflect an increase of \$2.6 million in Other Funds due to an increase in the Fund for Veterans' Assistance Account No. 368, to fund grants to organizations providing services to veterans and their families (See Selected Fiscal and Policy Issue #1). This is offset by an expected decrease of \$0.3 million in Interagency Contracts with the Department of Health and State Services for Veteran Mental Health Grants. |
| HOUSING FOR TEXAS HEROES B.1.2 | \$3,033,470 | \$3,041,940 | \$8,470 | 0.3% | |
| Total, Goal B, FUND DIRECT SERVICES TO VETERANS | \$23,621,628 | \$25,970,600 | \$2,348,972 | 9.9% | |
| HAZLEWOOD REIMBURSEMENTS C.1.1 | \$0 | \$30,000,000 | \$30,000,000 | 100.0% | Recommendations include an increase of \$30.0 million in General Revenue to provide funding to Institutions of Higher Education to offset the waived tuition and fee revenue from the Hazlewood Legacy Program. |
| HAZLEWOOD ADMINISTRATION C.1.2 | \$0 | \$781,200 | \$781,200 | 100.0% | |
| Total, Goal C, HAZLEWOOD | \$0 | \$30,781,200 | \$30,781,200 | 100.0% | |
| CENTRAL ADMINISTRATION D.1.1 | \$3,030,126 | \$3,041,914 | \$11,788 | 0.4% | |
| Total, Goal D, INDIRECT ADMINISTRATION | \$3,030,126 | \$3,041,914 | \$11,788 | 0.4% | |
| Grand Total, All Strategies | \$64,057,387 | \$96,960,964 | \$32,903,577 | 51.4% | Recommendations include a \$0.2 million increase in General Revenue for the biennialization of fiscal year 2015 salaries across all strategies. |

Section 3

**Texas Veterans Commission
Selected Fiscal and Policy Issues – House**

1. Fund for Veterans’ Assistance

- Recommendations include an increase of \$2.6 million out of the Fund for Veterans’ Assistance (FVA) Account No. 368 (Other Funds) due to the expected increase in lottery proceeds and unclaimed prizes deposited into the fund.
- The FVA is funded primarily through six resources: lottery proceeds, motor vehicle registration and renewal donations, driver license and ID card applications, state employee charitable campaign donations, and unrestricted and restricted donations. Lottery proceeds represent approximately 91 percent of FVA revenues. Lottery proceeds and unclaimed prizes deposited into the FVA for the 2014-15 biennium are projected to increase by \$11 million or 95 percent compared to 2012-13 biennium, primarily as a result of marketing efforts of new non-military lottery scratch offs. Figure 1 shows the lottery proceeds and unclaimed prize money deposited into the FVA from fiscal years 2010 to 2014. The agency is expecting these deposits in proceeds and unclaimed prizes to stay consistent into the 2016-17 biennium.

| FIGURE 1. | Deposited Lottery Proceeds and Unclaimed Prizes into Fund for Veterans Assistance Account No. 368 (Other Funds) | | | | | | | |
|-----------------------------|--|-------------|-------------|-------------|--------------|-------------------|-------------------|-------------------|
| Funding Source | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | Projected FY 2015 | Projected FY 2016 | Projected FY 2017 |
| Lottery | \$7,353,334 | \$8,648,112 | \$5,306,574 | \$6,178,131 | \$11,538,036 | \$10,905,364 | \$10,134,866 | \$10,107,983 |
| Source: Veterans Commission | | | | | | | | |

2. State Strike Force and Fully Developed Claims Team Initiative

- Recommendations include fully funding the State Strike Force (SSF) and the Fully Developed Claims (FDC) Teams for the 2016-17 biennium, which includes 50.0 Full-time Equivalents (FTEs) and \$4.2 million in General Revenue in Strategy A.1.1, Claims Representation and Counseling, for the SSF (\$2.2 million and 26.0 FTEs) and the FDC (\$2.0 million and 24.0 FTEs) initiatives for the 2016-17 biennium. See new Rider 11, State Strike Force Team Initiative, and Rider 12, Fully Developed Claims Team Initiative.
- There are a multitude of claims for veteran disability compensation. These include original claims, reopened claims, new claims and special claims, each requiring medical evidence and necessary VA forms. TVC’s Strategy A.1.1, Claims Representation and Counseling, funds several teams that address claims for veterans.

Claims counselors in field offices receive claim forms and evidence from veterans throughout the state while those in regional offices provide additional analytical research on claims and evidence filed by veterans.

The SSF teams are responsible for identifying claims backlogged in the Department of Veterans Affairs (VA), their duties may include providing status updates on pending claims, providing information on VA and state veterans benefits, accepting new evidence for claims, and submitting a notice of disagreement to appeal a VA decision and represent veterans in filing VA disability claims and assist dependents with survivor benefits.

Section 3

The FDC teams are responsible for working with veterans to produce claims that have all the necessary documentation and do not require any further evidence to submit, to assist in expediting the claim through the VA.

- According to the agency, the total backlog of claims has been reduced from 68,249 in August 2012 to approximately 25,537 as of January 26, 2015.
- In the 2014-15 biennium, TVC initially transferred \$781,200 in General Revenue from Strategy A.1.1, Claims Representation and Counseling, appropriated for the SSF and FDC teams to Strategy A.1.3, Veterans Education, for administrative costs of the Hazlewood Tuition Exemption Program. However, later in the biennium the agency reallocated funds from within Strategy A.1.1, Claims Representation and Counseling, to keep the FDC teams fully staffed during the 2014-15 biennium. The agency estimates the reductions from the SSF teams represented a loss of capacity to review 1,111 cases, \$2.4 million in retroactive payments and \$0.4 million in new monthly awards per fiscal year in the 2014-15 biennium.

3. Hazlewood Tuition Exemption Program

Recommendations

- Recommendations include \$30 million in General Revenue in new Strategy C.1.1, Hazlewood Reimbursements, to provide funding to Institutions of Higher Education to offset the waived tuition and fee revenue from the Hazlewood Legacy. This funding was previously appropriated to Texas Higher Education Coordinating Board during the 2014-15 biennium. See new Rider 13, Hazlewood Reimbursements.
- Recommendations include the reallocation of \$769,836 in General Revenue from Strategy A.1.1, Claims Representation and Counseling, and \$11,364 from Strategy D.1.1, Indirect Administration, to new Strategy C.1.2, Hazlewood Administration, to fund costs associated with administering reimbursements to Institutions of Higher education for the Hazlewood Legacy Program in the 2016-17 biennium. These reallocations are primarily the result of \$699,653 in General Revenue in Strategy A.1.1, Claims Representation and Counseling, the agency allocated to fund a pilot program in the 2014-15 beinnium (See Selected Fiscal and Policy Issues #5) and \$11,364 in General Revenue in Strategy D.1.1, Indirect Administration, to adjust for the current obligations for data center consolidation estimated by the Department of Information Resources (DIR). See Section 6 for items not included in recommendations.

Background

- Senate Bill 1158, Eighty-third Legislature, Regular Session, 2013, transferred administration of the Hazlewood Tuition Exemption Program from the THECB to TVC. The bill additionally 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.
- The Legislature did not appropriate additional funding for the administration of the Hazlewood Tuition Exemption program. However, TVC reallocated \$336,200 in General Revenue in fiscal year 2014 and \$445,000 in General Revenue for fiscal year 2015 from Strategy A.1.1, Claims Representation and Counseling, to Strategy A.1.3, Veterans Education, to administer the provisions of Senate Bill 1158.

4. Hazlewood Exemption Lawsuit.

- The Hazlewood Exemption provides an educational benefit to eligible Texas veterans residing in the state, and certain dependents or spouses of Texas veterans, by authorizing an exemption from tuition and required fees at public institutions of higher education. Among other provisions, statute

Section 3

requires that individuals must have entered the military in Texas, declared Texas as their home of record, or were Texas residents when they entered the military in order to qualify for a Hazlewood Exemption. This requirement is also known as a fixed point residency requirement.

- However, on January 26, 2015, the U.S. District Court for the Southern Division of Texas ruled that the fixed point residency requirement is unconstitutional. The judge ruled that this provision violates the Equal Protection Clause of the Fourteenth Amendment of the U.S. Constitution because the requirement discriminates between veterans based solely upon their state of residency when they entered the military. The judge determined the fixed point residency requirement to be severable from the remainder of the Hazlewood Exemption provisions, allowing individuals currently receiving the benefit to continue using the exemption. With the fixed point residency requirement no longer in place, the number of eligible exemption recipients is expected to increase significantly.

5. **2014-15 Pilot Program: Healthcare Strike Force Team**

- The agency reallocated \$699,653 in General Revenue within Strategy A.1.1, Claims Representation and Counseling, to initiate a pilot program, the Healthcare Strike Force Team, recommended by the Governor's Office in the 2014-15 biennium. Funding provided for 10.0 health care liaison, 1.0 team coordinator, 0.5 women veteran healthcare liaison, 0.5 federal liaisons, and 1.0 health care fair and education liaison. These health care liaisons work at VA medical offices and help resolve healthcare access issues raised by Texas veterans. See Section 6 for items not included in recommendations.

6. **Veteran Programs at Other State Agencies**

- In addition to programs at TVC, several other state agencies provide veteran-specific programs to Texas veterans. In the 2014-15 biennium, estimated and budgeted expenditures at other state agencies total approximately \$122.6 million in All Funds. Additional services include programs such as behavioral health needs, tuition assistance, employment outreach, and housing and home improvement loans (See Attached Programs for Veterans at Other State Agencies).

**Programs for Veterans at Other State Agencies
House**

| | Expended 2012-13 All Funds | Expended/Budgeted 2014-15 All Funds | Recommended 2016-17 All Funds |
|---|---------------------------------------|--|--|
| Health Programs | | | |
| Health and Human Services Commission (HHSC) | | | |
| Associate Commissioner & Advocate for Veteran Services: Positions that analyze current programs and make recommendations for programmatic changes and changes in state laws to benefit veterans' services. Focus on improvements in existing services and coordination between HHS and other agencies to identify weaknesses and implement actions to enhance services to veterans, including the development of public/private partnerships and faith-based programs. | \$ 112,023 | \$ 506,757 | \$ 511,488 |
| Texas Veterans Treatment and Workforce Connection Project- Study with Carrik Brain Centers for potential resources, treatments and services that may assist Texas veterans and their families to cope with the effects of two combat related injuries: traumatic brain injury (TBI) and post-traumatic stress disorder | NA | \$ 690,000 | NA |
| Veterans Services PTSD/TBI- HHSC coordinated research and demonstration of the therapeutic and clinical efficiency of potential treatments of PTSD and/or TBI in the 2014-15 biennium. | NA | \$ 2,650,000 | NA |
| Veteran Services (Clearinghouse)- Veterans' health services focuses on PTSD, depression and traumatic brain injury; service coordination, outreach and client services. Funds programs that utilize peer-to-peer assistance groups to provide comradeship, inspiration and support may be funded along with other supports and services. | NA | \$ 1,000,000 | \$ 20,000,000 |
| Department of State Health Services (DSHS) | | | |
| Mental Health Veteran's Services- Provide peer-to-peer support for service members, veterans, and family members from trained peers. The program also included expansion and maintenance of a website helpful in connecting service members, veterans, and family members with a comprehensive database of community based mental health and related resources. | \$ 7,075,854 | \$ 10,810,209 | \$ 10,000,000 |
| Texas Military Department | | | |
| Mental Health Initiative- Provides counseling services to Texas Military Forces members, families, and veterans, builds community network of state and private providers, and provides unit crisis support as | \$ 63,292 | \$ 850,000 | \$ 1,257,000 |
| Employment Programs | | | |
| Texas Workforce Commission | | | |
| Texas Veterans Leadership Program - Resource and referral network that serves to connect returning veterans of Iraq and Afghanistan to different programs ranging from employment, training, medical care, mental health, counseling, and other veteran benefits and programs. | \$ 2,847,866 | \$ 3,140,032 | \$ 3,638,861 |

| | Expended 2012-13 All Funds | Expended/Budgeted 2014-15 All Funds | Recommended 2016-17 All Funds |
|--|-------------------------------|--|----------------------------------|
| Veterans Workforce Outreach -Fund the outreach and engagement of the hardest to serve veterans in employment programs to assist them in transitioning into the workforce. | \$ 838,231 | \$ 850,000 | \$ 850,000 |
| Red, White, and You - Job fairs that seek to connect Texas veterans with Texas employers who value the experience, discipline and other exceptional qualities inherent with a military background. | \$ 135,784 | \$ 472,526 | \$ 500,000 |
| College Credit for Heroes - A multipronged initiative aimed at addressing the needs of veterans and their families with the goals of maximizing the amount of college credit received for their military training and occupational experience and reducing the amount of time a veteran spends in the classroom. | \$ 1,195,503 | \$ 800,000 | \$ 1,600,000 |
| Skills Development Veterans Initiatives - Training to veteran students to prepare them for a career in the identified high-demand occupations in the Petrochemical industry, Advanced Manufacturing industry and the Information Technology industry. Note: This program is a piece of a larger skill development program. While veterans are a target population, appropriations are not made at this level and will be contingent upon industry and participant demand. | NA | \$ 4,320,602 | - |

Housing Programs

General Land Office

| | | | |
|--|---------------|---------------|---------------|
| Veterans' Land Programs: provides low-interest, long-term loans to qualified Texas veterans for the purchase of land, housing, and home improvements. | \$ 22,692,832 | \$ 24,618,997 | \$ 24,617,671 |
| State Veterans Homes - Provides long term nursing home care for Texas veterans at eight Texas State Veterans Home with 1,000 skilled nursing home beds. One additional home is planned to open in fiscal year 2015. | \$ 6,558,218 | \$ 7,496,797 | \$ 7,669,289 |

Higher Education Programs

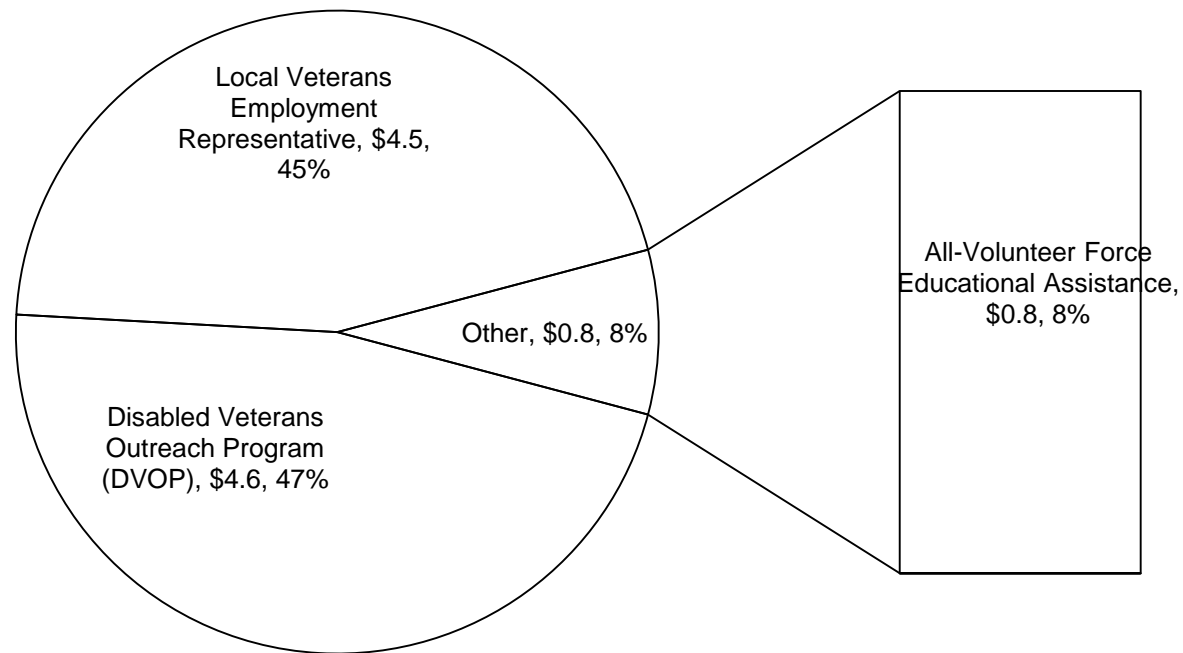
Texas Higher Education Coordinating Board

| | | | |
|--|----|---------------|--|
| The Hazlewood Tuition Exemption Program -provides an educational benefit to eligible Texas veterans residing in the state, and certain dependents or spouses of Texas veterans, by authorizing an exemption from tuition and required fees at public institutions of higher education in Texas. The Hazlewood Legacy Program, which began in fall 2009, allows a veteran to pass on this educational benefit to a child for use at a public institution of higher education. Spouses and dependents of veterans are eligible for this exemption if a veteran spouse or parent was killed in action, died while in service, died as a result of service-related injuries or illness, is classified as missing in action, or became totally and permanently disabled or meets the requirements for individual unemployability due to service-related injury. Total tuition and fee benefits provided by Institutions of Higher Education totaled \$110.2 million in fiscal year 2012, \$146.1 million in fiscal year 2013 and \$169.1 million in fiscal year 2014. Estimated tuition and fee benefits provided by Institutions of Higher Education are estimated to total approximately \$531.8 million for the 2016-17 biennium. | NA | \$ 30,000,000 | * Funding continued in HB 1 at the Veterans Commission in Strategy C.1.1, Hazlewood Reimbursements, Page I-98. |
|--|----|---------------|--|

| | Expended 2012-13 All Funds | Expended/Budgeted 2014-15 All Funds | Recommended 2016-17 All Funds |
|--|---------------------------------------|--|--|
| House Bill 1025, Eighty-third Legislative Session, appropriated \$30.0 million to the Higher Education Coordinating Board to reimburse higher education institutions for the loss of revenue due to the tuition exemption related to the Legacy Program. Senate Bill 1158, Eighty-third Legislative Session, transferred administrative responsibilities for the exemption to the Texas Veterans Commission. | | | |
| The Permanent Fund Supporting Military and Veteran Exemptions- Senate Bill 1158, Eighty-third Legislative Session, created the Permanent Fund Supporting Military and Veterans Exemptions (MVE) to help institutions of higher education offset the waived tuition and fee revenue from the Hazlewood Legacy Program. Funding for the MVE is composed of money transferred or appropriated to the fund by the legislature, gifts and grants contributed to the fund, and investment returns from the fund. The Texas Guaranteed Student Loan Corporation donated approximately \$248.0 million; no appropriations have been made to the fund. The value of the MVE was \$260.0 million as of August 2014. The annual distribution of the MVE is 4.5 percent. The fund distributed \$11.4 million in the 2014-15 biennium and is projected to distribute \$23.5 million in the 2016-17 biennium. | | \$ 11,400,000 | \$ 23,500,000 |
| Texas Military Department | | | |
| State Military Tuition Assistance - State military tuition assistance program for the Texas Military Forces (National Guard who may or may not be veterans and limited participation of State Guard). | \$ 2,000,000 | \$ 3,000,000 | \$ 3,000,000 |
| Transportation Programs | | | |
| Texas Department of Transportation (TxDOT) | | | |
| Veteran Toll Discount Program: Program waives charges on several Texas toll roads for disabled veterans and recipients of the Purple Heart or Legion of Valor who display a specialty license plate. In central Texas, qualified veterans are able to drive free of charge on Loop 1, SH 45 North, SH 45 Southeast and SH 130 (Segments 1-4) in the Austin area. Additionally, qualified veterans are able to travel free of charge on the Camino Colombia roadway (SH 255 near Laredo) and Loop 49 in Tyler. TxDOT began waiving tolls on December 24, 2012. Note: the 2014-15 biennium are estimated Appropriated Receipts. | \$ 1,004,984 | \$ 3,962,000 | \$ - |
| Other Programs | | | |
| General Land Office | | | |
| State Veterans Cemeteries - Develops and operates four state veterans cemeteries which serve veterans, spouses, and dependents who are not already served by one of the four national cemeteries in Texas. | \$ 14,691,413 | \$ 16,053,705 | \$ 14,720,097 |
| Subtotal of All Funds, Programs for Veterans Funded at Other Agencies | \$ 59,216,000 | \$ 122,621,625 | \$ 111,864,406 |
| Grand Total of All Funds, Programs for Veterans Funded at State Agencies (Including TVC) | \$ 112,434,442 | \$ 186,679,012 | \$ 208,825,370 |

Section 3

Veterans Commission
Summary of Federal Funds (Estimated 2014) - House
TOTAL = \$9.9M



Section 3

Veterans Commission
Summary of Federal Funds - House

| CFDA | Exp 2013 | Est 2014 | Bud 2015 | Req 2016 | Req 2017 | Rec 2016 | Rec 2017 | Rec 2016 - 17 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------------|
| Disabled Veterans Outreach Program (DVOP) | \$4.0 | \$4.6 | \$6.0 | \$5.8 | \$5.7 | \$5.8 | \$5.7 | 52.4% |
| Local Veterans Employment Representative | \$4.7 | \$4.5 | \$4.2 | \$4.3 | \$4.4 | \$4.3 | \$4.4 | 40.0% |
| All-Volunteer Force Educational Assistance | \$0.9 | \$0.8 | \$0.8 | \$0.8 | \$0.8 | \$0.8 | \$0.8 | 7.6% |
| Transition Assistance Program | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | 0.0% |
| TOTAL: | \$9.7 | \$9.9 | \$11.0 | \$10.9 | \$10.9 | \$10.9 | \$10.9 | |

Section 3

**Texas Veterans Commission
FTE Highlights - House**

| Full-Time-Equivalent Positions | Expended 2013 | Estimated 2014 | Budgeted 2015 | Recommended 2016 | Recommended 2017 |
|---|------------------|-------------------|------------------|---------------------|---------------------|
| Cap | 363.5 | 372.8 | 382.5 | 382.5 | 382.5 |
| Actual/Budgeted | 363.5 | 372.1 | 382.5 | NA | NA |
| Schedule of Exempt Positions (Cap) | | | | | |
| Executive Director, Group 4 | \$115,000 | \$116,150 | \$118,473 | \$118,473 | \$118,473 |

The agency is requesting an increase in authority for the Executive Director Exempt Position from \$118,473 to \$141,832 per fiscal year. No change to the current salary's Group 4 Classification is being requested.

The State Auditor's Office Report, *Executive Compensation at State Agencies* (Report No. 14-705, August 2014), indicates a market average salary of \$141,832 for the Executive Director Position at the Texas Veterans Commission and recommends no change from the current Group 4 classification.

Section 3

**Texas Veterans Comission
Performance Measure Highlights - House**

| | Expended 2013 | Estimated 2014 | Budgeted 2015 | Recommended 2016 | Recommended 2017 |
|--|------------------|-------------------|------------------|---------------------|---------------------|
| <ul style="list-style-type: none"> <i>Numbers of Files Reviewed by State Strike Force Team</i> <p><i>Measure Explanation: New key output measure added during strategic planning in Strategy A.1.1, Claims Representation and Counseling, to measure the numbers of cases the Strike Force Teams has reviewed to reduce the number of backlogged Veteran's claims for disability benefits at the VA.</i></p> | 22,402 | 21,200 | 22,600 | 24,100 | 26,300 |
| <ul style="list-style-type: none"> <i>Percent of Veterans that Receive Intensive Services</i> <p><i>Measure Explanation: New key output measure added during strategic planning in Strategy A.1.2, Veteran Employment Services, to measure the percentage of veterans who receive intensive services.</i></p> | 58% | 62.52% | 48% | 58% | 68% |
| <ul style="list-style-type: none"> <i>Number of Entrepreneur Services Provided to veterans and Their Families through the Entreprenneur Program</i> <p><i>Measure Explanation: New key output measure added during strategic planning in new Strategy A.1.5., Veteran Entrepreneur Program, to measure the number of services provided by the Veteran Entrepreneur Program to veterans and their families.</i></p> | 440 | 534 | 603 | 635 | 645 |
| <ul style="list-style-type: none"> <i>Number of Completed Home Modifications Provided to Veterans , Their Dependents, or Survivors through the Housing for Texas Heroes Program</i> <p><i>Measure Explanation: New key output meaure added during strategic planning in new Strategy B.1.2, Housing for Texas Heroes, to measure the number of completed home modifications provided to Veterans, their dependents, or survivors through the program. Note: During the 2012-13 biennium, Housing for Texas Heroes grants were for permanent construction and temporary housing.</i></p> | 0 | 2 | 106 | 160 | 106 |

Section 4

**Texas Veterans Commission
Performance Review and Policy Report Highlights - House**

| Reports & Recommendations | Savings/ (Cost) | Gain/ (Loss) | Fund Type | Included in Introduced Bill | Action Required During Session |
|--------------------------------------|----------------------------|-------------------------|----------------------|--|---------------------------------------|
|--------------------------------------|----------------------------|-------------------------|----------------------|--|---------------------------------------|

NO RELATED RECOMMENDATIONS

Section 5

Texas Veterans Commission Rider Highlights - House

2. (Revise) **Capital Budget**. Revise rider to reflect the capital projects recommended for the 2016-17 biennium.
6. (Revise) **Fund for Veterans Assistance**. Revise rider name and update for strategies funded with the Fund for Veterans' Assistance Account No. 0368.
11. (Old) **Contingency for SB 1476**. Delete rider due to passage of legislation and funding incorporated into recommendations.
11. (New) **State Strike Force Team Initiative**. New rider identifying and limiting full-time equivalents (FTEs) and amounts appropriated in General Revenue to the State Strike Force Teams Initiative.
12. (New) **Fully Developed Claims Team Initiative**. New rider identifying and limiting the full-time equivalents (FTEs) and amounts appropriated in General Revenue to the Fully Developed Claims Teams Initiative.
13. (New) **Hazlewood Reimbursements**. New rider limiting the use of the amounts appropriated to fund Institutions of Higher Education costs of the Hazlewood Legacy Program.

Section 6

**Veterans Commission
Items not Included in Recommendations - House**

| | 2016-17 Biennial Total | |
|---|------------------------|--------------|
| | GR & GR- Dedicated | All Funds |
| Agency Exceptional Items - In Agency Priority Order | | |
| 1. Claims Restoration Request for \$1.6 million in General Revenue and 16.0 additional FTEs in Strategy A.1.1, Claims Representation and Counseling, to restore funding and FTEs reallocated to Strategy C.1.2, Hazlewood Administration. | \$ 1,564,000 | \$ 1,564,000 |
| 2. Claims Transformation and Equity Adjustment Request of \$1.8 million in General Revenue and 8.0 additional FTEs in Strategy A.1.1, Claims Representation and Counseling, to add additional veteran claim counselors and increase the average annual salary for counselors from \$31,623 to \$36,000. | \$ 1,849,398 | \$ 1,849,398 |
| 3. Texas Veterans Health Care Strike Force Team Request of \$1.6 million in General Revenue and 14.0 additional FTEs for the 2016-17 biennium to continue and expand a pilot project started in the 2014-15 biennium. The Healthcare Strikeforce Team would work at VA medical offices and help resolve healthcare access issues raised by TX veterans. | \$ 1,571,404 | \$ 1,571,404 |
| 4. State Education Program Request for \$1.1 million in General Revenue and 9.0 additional FTEs for the 2016-17 biennium to fully implement the provisions of Senate Bill 1158, Eighty-third Legislature, Regular Session, 2013. These provisions include establishing a statewide veteran education coordinator program and a veterans education excellence award program. | \$ 1,164,678 | \$ 1,164,678 |
| 5. The agency is requesting an increase in authority for the Executive Director Exempt Position from \$118,473 to \$141,832 per fiscal year. No change to the current salary's Group 4 Classification is being requested. The State Auditor's Office Report, <i>Executive Compensation at State Agencies</i> (Report No. 14-705, August 2014), indicates a market average salary of \$141,832 for the Executive Director Position at the Texas Veterans Commission and recommends no change from the current Group 4 classification. | \$ - | \$ - |
| 6 (New) Rider, Reimbursement of Advisory Committee Members Request for new rider that would allow the agency to reimburse the travel expenses of the advisory committee members for no more than four meetings per year. | \$ - | \$ - |

Section 6

**Veterans Commission
Items not Included in Recommendations - House**

| | 2016-17 Biennial Total | |
|--|-----------------------------------|---------------------|
| | GR & GR- Dedicated | All Funds |
| 7 (New) Rider, Unexpended Balances Within the Biennium Request for new rider that would appropriate the agency's unexpended balances from fiscal year 2016 to fiscal year 2017. | \$ - | \$ - |
| 8 (New) Rider, Unexpended Balances Between Biennia Request for new rider that would appropriate the agency's unexpended balance from fiscal year 2015 to fiscal year 2016. | \$ - | \$ - |
| Total, Items Not Included in the Recommendations | \$ 6,149,480 | \$ 6,149,480 |

Section 7

Veterans Commission
Summary of 10 Percent Biennial Base Reduction Options - House

| Priority | Item | Description/Impact | Biennial Reduction Amounts | | | | Included in Intro Bill? | |
|----------|--|---|----------------------------|-----------|------|------------------------|-------------------------|---|
| | | | GR and GR-Dedicated | All Funds | FTEs | Potential Revenue Loss | | Reduction as % of Program GR/GR-D Total |
| 1 | Staff Reduction - Claims | <p>First 5% - Claims Reduction of four (4) FTE positions.</p> <p>According to the agency: the reduction of four (4) Claims Counselors currently providing claims representation and counseling services to Veterans and their families result in 9,014 fewer claims filed with the VA for Veterans benefits over the biennium. These reductions will negatively impact monetary payments to Texas Veterans and their families by \$83.2 million over the biennium. The total loss in sales tax revenue to the state because of these reductions will be approximately \$4.78 million</p> | \$334,792 | \$334,792 | 4.0 | \$0 | 1% | No |
| 2 | Staff Reduction - Veterans Employment Services | <p>First 5% - Employment Reduction of one (1) FTE position.</p> <p>According to the agency: the reduction of one (1) Family Employment Assistance Counselor (FEAC) cuts the state's investment in the provision Veterans employment services in half. The elimination of this FEAC position eliminates services provided to at either Brooke Army Medical Center (BAMC) in San Antonio or at Fort Hood in Killeen, both installations which treat and rehabilitate severely injured servicemembers prior to their medical separation from the military. This reduction would eliminate services to approximately 300 Veterans and their spouses and caretakers of these recover wounded warriors per</p> | \$84,000 | \$84,000 | 1.0 | \$0 | 0% | No |
| 3 | Staff Reduction - Veterans Education | <p>First 5% - Education Reduction of three (3) FTE positions.</p> <p>According to the agency: the State Program within the Veterans Education Program is already borrowing appropriations from another agency strategy in order to implement the transfer of the Hazlewood Exemption Program, the Veteran Education Coordinator Program, and the Veterans Education Excellence Award Program, per the direction of the Legislature. The reduction would eliminate the one (1) Program Manager for the Veterans Education Excellence Award Program, effectively eliminating the program's implementation in the next biennium. The reduction of the two (2) additional Veteran Education Coordinators would reduce the efforts dedicated to the implementation of the Veteran Education Coordinator Program by two-thirds, severely impacting its implementation, leaving a single Coordinator to provide services statewide.</p> | \$300,000 | \$300,000 | 3.0 | \$0 | 0% | No |

Section 7

**Veterans Commission
Summary of 10 Percent Biennial Base Reduction Options - House**

| Priority | Item | Description/Impact | Biennial Reduction Amounts | | | | Included in Intro Bill? | |
|----------|---|--|----------------------------|-----------|------|------------------------|-------------------------|---|
| | | | GR and GR-Dedicated | All Funds | FTEs | Potential Revenue Loss | | Reduction as % of Program GR/GR-D Total |
| 4 | Staff Reduction - Outreach | <p>First 5% - Outreach Reduction of two (2) FTE positions.</p> <p>According to the agency: the reduction of one (1) Council Coordinator negatively impacts outreach and interaction efforts with governmental entities at all levels of federal, state, and local government, particularly the legislatively mandated Texas Coordinating Council for Veteran Services. This position also provides general support to elected officials for constituent Veteran issues. The reductions of one (1) the Publications Manager severely impacts the agency's communications and outreach strategy. This position operates as the "hub" for the entire Communications and Veterans Outreach Team and the content and construction of publications assembled by the agency, including the E-Vets newsletter and initiates its distribution to more than 140,000 Veterans.</p> | \$202,370 | \$202,370 | 2.0 | \$0 | 0% | No |
| 5 | Grant Reductions - HOUSING4TEXASHEROES Program | <p>First 5% - FVA - H4TXH Reduction of \$79,417.00 in Housing4TexasHeroes grant funding. The Housing4TexasHeroes Grant Program awards grants to eligible organizations that assist Texas Veterans and their families in maintaining or improving housing. Currently, these grants address the home modification assistance needs of Disabled Veterans, Low Income, and Very Low Income Veterans. This reduction eliminates \$79,417.00 in grant funding available to award to these organizations over the two-year grant cycle of the biennium.</p> | \$79,417 | \$79,417 | | \$0 | 0% | No |
| 6 | Staff Reduction - Central Administration | <p>Second 5% - Central Reduction of one (1) FTE position.</p> <p>According to the agency: this reduction of one (1) Accountant would directly affect daily accounting operations of processing FVA grant payments, purchase and travel vouchers, and assisting with the Annual Financial Report. Timeliness of employee travel reimbursements and vendor payments would be greatly affected requiring 50% additional time in reimbursement to employees, grantees and vendors. This reduction will have a disproportionate impact on the agency because it will reduce the amount of support that the agency provides to federally-funded programs and will result in a loss of approximately \$20,106 in Federal funds to the agency.</p> | \$79,901 | \$79,901 | 1.0 | \$0 | 0% | No |

Section 7

**Veterans Commission
Summary of 10 Percent Biennial Base Reduction Options - House**

| Priority | Item | Description/Impact | Biennial Reduction Amounts | | | | Included in Intro Bill? | |
|-------------------------------------|--|--|----------------------------|--------------------|-------------|------------------------|-------------------------|---|
| | | | GR and GR-Dedicated | All Funds | FTEs | Potential Revenue Loss | | Reduction as % of Program GR/GR-D Total |
| 7 | Staff Reduction - State Strike Force and Fully Developed Claims Teams | Second 5% - Claims - SF & FDCT Reduction of eleven (11) FTE positions. According to the agency: the fifty (50) member State Strike Force and Fully Developed Claims Team, whose inception was directed by the Governor, Lieutenant Governor, and Speaker in July 2012, was ultimately directed to be carried forward through the 2014-2015 biennium by the Legislature in order to help VA address the backlog of federal disability claims in Texas. That effort has already been reduced by ten (10) FTEs, at the direction of the Legislature, in order for the agency to implement the Veterans Education State Programs. The further reduction of eleven (11) State Strike Force and Fully Developed Claims Team members drastically impacts the ability of this team to continue to make progress addressing the backlog which remains above 26,000 claims. | \$920,678 | \$920,678 | 11.0 | \$0 | 1% | No |
| TOTAL, 10% Reduction Options | | | \$2,001,158 | \$2,001,158 | 22.0 | \$0 | | |

Section 7

Veterans Commission
Summary of 10 Percent Biennial Base Reduction Options - House
Agency 10% Reduction Options by Category of Reduction

