

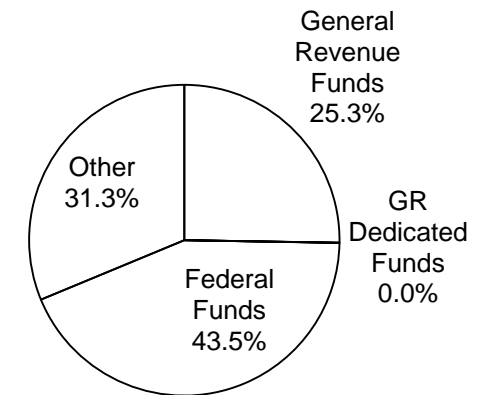
**Veterans Commission
Summary of Recommendations - Senate**

Page I-97
Thomas Palladino, Executive Director

Jack Mason, LBB Analyst

Method of Financing	2010-11 Appropriations	2010-11 Base	2012-13 Recommended	Biennial Change	% Change
General Revenue Funds	\$14,240,470	\$13,873,088	\$11,098,470	(\$2,774,618)	(20.0%)
GR Dedicated Funds	\$11,000	\$11,600	\$5,800	(\$5,800)	(50.0%)
<i>Total GR-Related Funds</i>	<i>\$14,251,470</i>	<i>\$13,884,688</i>	<i>\$11,104,270</i>	<i>(\$2,780,418)</i>	<i>(20.0%)</i>
Federal Funds	\$19,862,876	\$20,182,725	\$19,101,534	(\$1,081,191)	(5.4%)
Other	\$11,255	\$13,231,481	\$13,732,864	\$501,383	3.8%
All Funds	\$34,125,601	\$47,298,894	\$43,938,668	(\$3,360,226)	(7.1%)

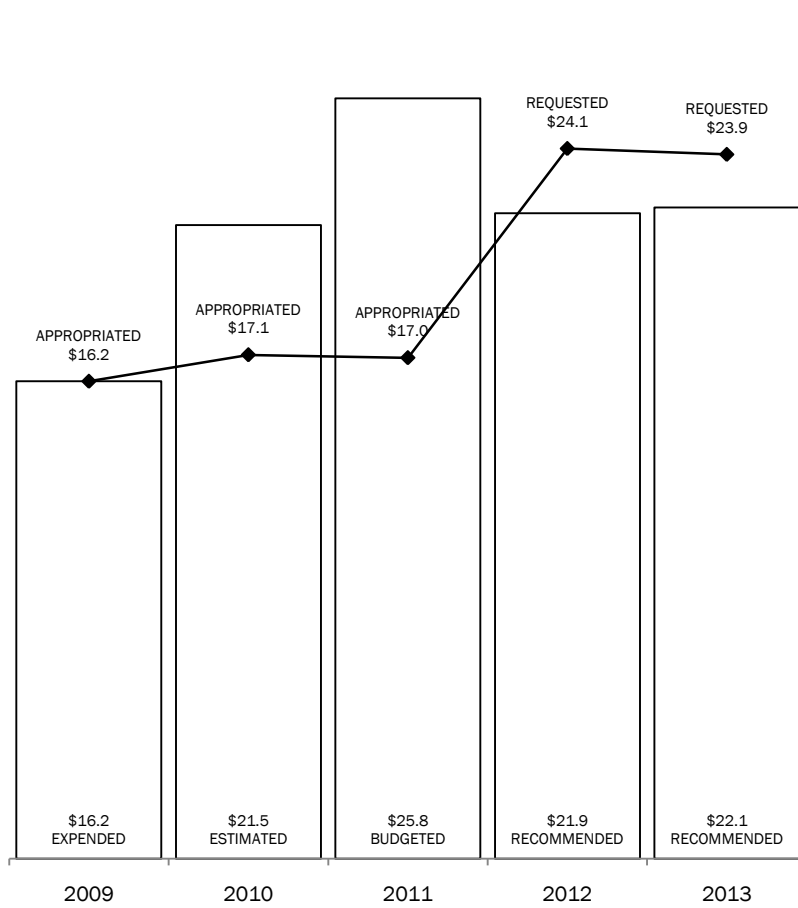
RECOMMENDED FUNDING
BY METHOD OF FINANCING



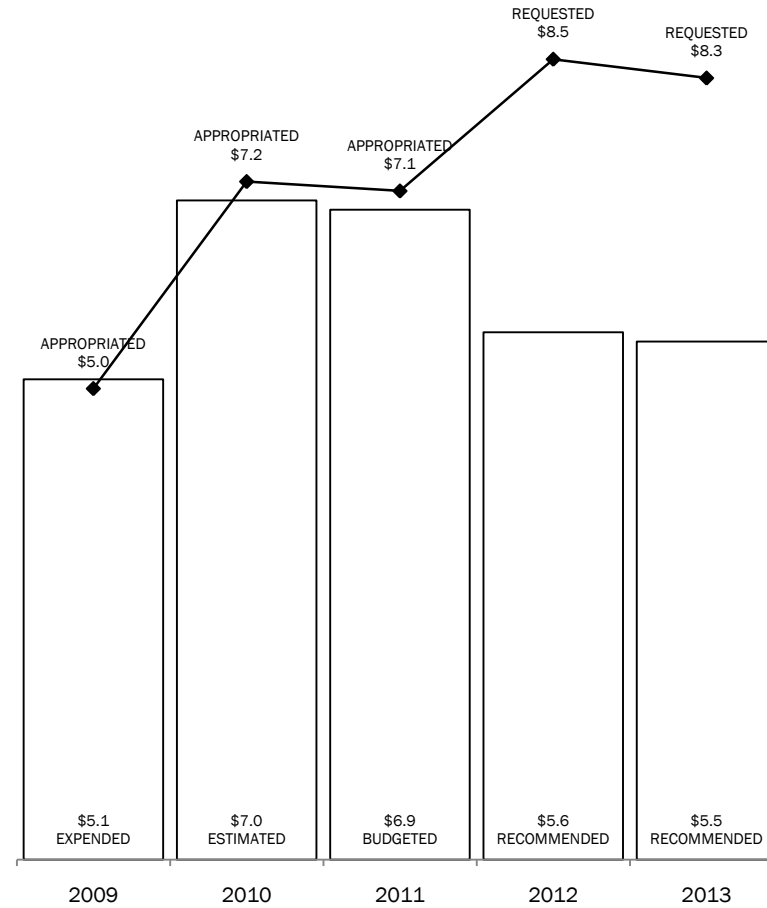
	FY 2011 Appropriations	FY 2011 Budgeted	FY 2013 Recommended	Biennial Change	% Change
FTEs	338.2	335.2	322.7	(12.5)	(3.7%)

The bill pattern for this agency (2012-13 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2012-13 biennium.

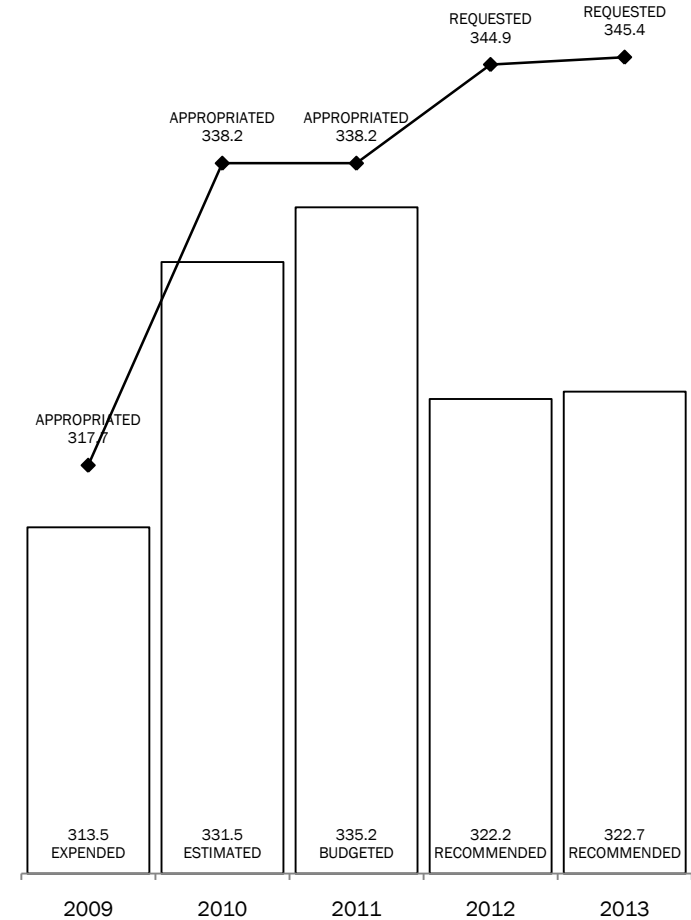
ALL FUNDS



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



FULL-TIME-EQUIVALENT POSITIONS



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

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments (Optional)
					Recommendations provide \$43.9 million for veteran's services, which includes claim representation, employment services, education services, outreach and marketing, and grants for recently separated veterans within the state. This represents an overall 20 percent reduction in General Revenue funding (\$2.8 million) for agency operations.
CLAIMS REPRESENTATION & COUNSELING A.1.1	\$9,559,897	\$7,540,222	(\$2,019,675)	(21.1%)	
VETERANS EMPLOYMENT SERVICES A.1.2	\$18,808,483	\$17,668,070	(\$1,140,413)	(6.1%)	
VETERANS EDUCATION A.1.3	\$2,113,870	\$2,025,166	(\$88,704)	(4.2%)	
VETERANS ASSISTANCE GRANTS A.1.4	\$12,726,213	\$13,358,628	\$632,415	5.0%	
OUTREACH AND MARKETING A.1.5	\$1,132,797	\$906,238	(\$226,559)	(20.0%)	
Total, Goal A, ASSIST VETS W/RECEIVING BENEFITS	\$44,341,260	\$41,498,324	(\$2,842,936)	(6.4%)	
CENTRAL ADMINISTRATION B.1.1	\$2,957,634	\$2,440,344	(\$517,290)	(17.5%)	
Total, Goal B, INDIRECT ADMINISTRATION	\$2,957,634	\$2,440,344	(\$517,290)	(17.5%)	
Grand Total, All Strategies	\$47,298,894	\$43,938,668	(\$3,360,226)	(7.1%)	

Veterans Commission
Summary of Recommendations - Senate, By Method of Finance -- GENERAL REVENUE FUNDS

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments (Optional)
CLAIMS REPRESENTATION & COUNSELING A.1.1	\$9,043,029	\$7,234,422	(\$1,808,607)	(20.0%)	Recommendations provide for a 20 percent reduction in General Revenue funding and a reduction of 8.8 FTEs in the Claims Representation and Counseling program.
VETERANS EMPLOYMENT SERVICES A.1.2	\$237,643	\$190,114	(\$47,529)	(20.0%)	Recommendations provide for a 20 percent reduction in General Revenue funding and a reduction of 1.0 FTEs in the Employment Services program.
VETERANS EDUCATION A.1.3	\$501,985	\$401,588	(\$100,397)	(20.0%)	
VETERANS ASSISTANCE GRANTS A.1.4	\$0	\$0	\$0	0.0%	
OUTREACH AND MARKETING A.1.5	\$1,132,797	\$906,238	(\$226,559)	(20.0%)	
Total, Goal A, ASSIST VETS W/RECEIVING BENEFITS	\$10,915,454	\$8,732,362	(\$2,183,092)	(20.0%)	
CENTRAL ADMINISTRATION B.1.1	\$2,957,634	\$2,366,108	(\$591,526)	(20.0%)	
Total, Goal B, INDIRECT ADMINISTRATION	\$2,957,634	\$2,366,108	(\$591,526)	(20.0%)	
Grand Total, All Strategies	\$13,873,088	\$11,098,470	(\$2,774,618)	(20.0%)	

Veterans Commission
Summary of Recommendations - Senate, By Method of Finance -- GR DEDICATED

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments (Optional)
CLAIMS REPRESENTATION & COUNSELING A.1.1	\$11,600	\$5,800	(\$5,800)	(50.0%)	Recommendations provide for a 50 percent appropriation reduction from estimated license plate revenue for grants to the Air Force Association and the American Legion.
VETERANS EMPLOYMENT SERVICES A.1.2	\$0	\$0	\$0	0.0%	
VETERANS EDUCATION A.1.3	\$0	\$0	\$0	0.0%	
VETERANS ASSISTANCE GRANTS A.1.4	\$0	\$0	\$0	0.0%	
OUTREACH AND MARKETING A.1.5	\$0	\$0	\$0	0.0%	
Total, Goal A, ASSIST VETS W/RECEIVING BENEFITS	\$11,600	\$5,800	(\$5,800)	(50.0%)	
CENTRAL ADMINISTRATION B.1.1	\$0	\$0	\$0	0.0%	
Total, Goal B, INDIRECT ADMINISTRATION	\$0	\$0	\$0	0.0%	
Grand Total, All Strategies	\$11,600	\$5,800	(\$5,800)	(50.0%)	

Veterans Commission
Summary of Recommendations - Senate, By Method of Finance -- FEDERAL FUNDS

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments (Optional)
CLAIMS REPRESENTATION & COUNSELING A.1.1	\$0	\$0	\$0	0.0%	
VETERANS EMPLOYMENT SERVICES A.1.2	\$18,570,840	\$17,477,956	(\$1,092,884)	(5.9%)	Recommendations reflect a reduction in Federal Funds related to a decrease in federal grant awards for employment services and 5.2 FTEs.
VETERANS EDUCATION A.1.3	\$1,611,885	\$1,623,578	\$11,693	0.7%	Recommendations reflect a slight increase in Federal Funds related to additional federal grant awards for education services.
VETERANS ASSISTANCE GRANTS A.1.4	\$0	\$0	\$0	0.0%	
OUTREACH AND MARKETING A.1.5	\$0	\$0	\$0	0.0%	
Total, Goal A, ASSIST VETS W/RECEIVING BENEFITS	\$20,182,725	\$19,101,534	(\$1,081,191)	(5.4%)	
CENTRAL ADMINISTRATION B.1.1	\$0	\$0	\$0	0.0%	
Total, Goal B, INDIRECT ADMINISTRATION	\$0	\$0	\$0	0.0%	
Grand Total, All Strategies	\$20,182,725	\$19,101,534	(\$1,081,191)	(5.4%)	

Veterans Commission
Summary of Recommendations - Senate, By Method of Finance -- OTHER FUNDS

Strategy/Goal	2010-11 Base	2012-13 Recommended	Biennial Change	% Change	Comments (Optional)
CLAIMS REPRESENTATION & COUNSELING A.1.1	\$505,268	\$300,000	(\$205,268)	(40.6%)	Recommendations provide for discontinuing one-time funding for a Governor's Emergency and Deficiency Grant to reduce backlog at the Veterans Administration.
VETERANS EMPLOYMENT SERVICES A.1.2	\$0	\$0	\$0	0.0%	
VETERANS EDUCATION A.1.3	\$0	\$0	\$0	0.0%	
VETERANS ASSISTANCE GRANTS A.1.4	\$12,726,213	\$13,358,628	\$632,415	5.0%	Recommendations provide for additional grants to veterans due to an estimated increase in revenue for the Veterans Assistance Fund No. 368.
OUTREACH AND MARKETING A.1.5	\$0	\$0	\$0	0.0%	
Total, Goal A, ASSIST VETS W/RECEIVING BENEFITS	\$13,231,481	\$13,658,628	\$427,147	3.2%	
CENTRAL ADMINISTRATION B.1.1	\$0	\$74,236	\$74,236	100.0%	
Total, Goal B, INDIRECT ADMINISTRATION	\$0	\$74,236	\$74,236	100.0%	
Grand Total, All Strategies	\$13,231,481	\$13,732,864	\$501,383	3.8%	

Section 3

Texas Veterans Commission Selected Fiscal and Policy Issues

Fiscal Implications of LBB Recommendations

- Recommendations to reduce General Revenue funding by 20 percent would impact a majority of the agency's programs, which include claims representation and counseling; employment services; veteran's education; outreach and marketing activities; and central administration functions. This would impact the following:
 - agency's ability to file VA disability claims on behalf of veterans, support veterans with the VA appeals process, assist dependents with survivor benefits and reduce claim payments to veterans by an estimated \$341.6 million;
 - certify that institutions of higher education and employers are in compliance with federal guidelines and are qualified to provide education services to qualified veterans and reduce the number of participants in veterans education and training programs by approximately 2,500;
 - outreach and marketing activities that directly inform veterans of services offered via distribution of brochures, attending various veterans' organization meetings, and purchase of public service announcements;
 - agency human resources, accounting, information resources, and other support services and would increase processing times for invoices, payroll changes, leave accounting, and benefit changes.

- Recommendations to increase estimated revenue for the Veterans' Assistance Fund No. 368 (Other Funds) would increase funding for grants provided to veterans and their families for a broad range of services, including housing assistance, transportation services, family and children's services, by approximately \$0.6 million as compared to 2010-11.

Statutory Changes Required to Implement LBB Recommendations

- No statutory changes are necessary.

Section 3

**Texas Veterans Commission
FTE Highlights**

Full-Time-Equivalent Positions	Expended 2009	Estimated 2010	Budgeted 2011	Recommended 2012	Recommended 2013
Cap	329.7	338.2	338.2	322.2	322.7
Actual/Budgeted	313.5	331.5	335.2	NA	NA
Schedule of Exempt Positions (Cap)					
Executive Director, Group 4	\$115,000	\$115,000	\$115,000	\$115,000	\$115,000

Reduction of 3 FTEs from the agency's 2011 cap to the 2011 budgeted amount are associated with a reduction in federal funding within the employment program.

Reduction of 13 FTEs from the agency's 2011 budgeted amount reflects recommendation to reduce funding for salaries, wages, and other operating expenses within the claims program (8.8 FTEs) and the employment program (6.2 FTEs); offset by an increase in FTEs within the claims program for review of PARIS data to identify veterans receiving Medicaid payments (2.0 FTEs).

State Auditor's Office Report No. 10-706, *A Classification Study of Exempt Positions*, states that the Executive Director's current salary is within the recommended salary range and group. The agency is requesting an increase in the Executive Director's salary cap from \$115,000 to \$126,500 and maintain current Group 4 for 2012-13.

Veterans Services at Other State Agencies 2012-13

	Estimated / Budgeted 2010-11	Baseline Request 2012-13	Recommended 2012-13
Department of State Health Services			
Veterans' Mental Health Training and Coordination - Veterans returning from service in Operation Iraqi Freedom and Operation Enduring Freedom are finding difficulty connecting with appropriate mental health services to meet their needs. To address identified gaps in mental health services for veterans, this funding is requested to provide training for behavioral health practitioners in evidence-based practices for post-traumatic stress disorder. It will also fund a web-based application for simplifying determination of eligibility for services and support for coordination activities among agencies to ensure that the mental health needs of veterans are being addressed.	\$1,200,000	\$1,200,000	\$1,200,000
Higher Education Coordinating Board			
Hazelwood Exemption Program - Texas veterans who have completed at least 180 days of active military duty and have honorable discharges or separations from service are eligible for a tuition exemption under the Hazlewood Act. If a Texas veteran is killed in the line of duty or disabled and determined 100 percent unemployable, the benefit can be received by a veteran's dependent or spouse. To use the benefit, a veteran or his/her dependent/spouse must complete the appropriate application and submit it to the institution he or she will be attending.	NA	NA	NA
Adjutant General			
State Military Tuition Assistance - Tuition assistance program offered to members of the National and State Guard. This program is available for both active military and veterans.	\$3,891,925	\$3,891,926	\$0
Texas Workforce Commission			
Texas Veterans Leadership Program - The Texas Veterans Leadership Program is a resource and referral network that serves to connect returning veterans of Iraq and Afghanistan with the resources and tools to research available benefits and other veterans' related services.	\$2,820,758	\$3,106,792	\$3,106,792
Jobs for Military Spouses - This program provides services to military spouses at several One-Stop Centers in Central Texas. The program assists military spouses to find employment. The project goal is to match local business employment needs with individuals who have assessed or demonstrated skills, and have a good understanding of the workplace.	\$425,000	\$850,000	\$850,000
Texas Department of Housing and Community Affairs			
Texas Veterans Housing Support Program - Provides rental subsidies to low-income veterans through the Veterans Rental Assistance Notice of Funding Availability. The program was first launched in 2007 and continued in 2009 and 2010. Prior years programs included down payment assistance but the program was revised in 2010 based on public input to focus on veterans' rental needs.	\$2,000,000	\$2,000,000	\$2,000,000

	Estimated / Budgeted 2010-11	Baseline Request 2012-13	Recommended 2012-13
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.	\$23,297,391	\$23,851,904	\$23,851,904
State Veterans Homes - Provides long term nursing home care for Texas veterans at seven Texas State Veterans Home with 1,080 skilled nursing home beds. One additional home is planned to open in fiscal year 2011.	\$5,725,867	\$5,604,460	\$5,344,460
State Veterans Cemeteries - Develops and operates three state veterans cemeteries, with a fourth under construction which is scheduled to open in 2012, which serve veterans, spouses, and dependents who are not already served by one of the four national cemeteries in Texas.	\$23,362,126	\$13,229,551	\$12,997,683
Total, Programs Funded at Other Agencies	\$62,723,067	\$53,734,633	\$49,350,839

Section 4

**Texas Veterans Commission (TVC)
Performance Review and Policy Report Highlights**

Reports & Recommendations	GEER Report Page	Savings/ (Cost)	Gain/ (Loss)	Fund Type	Is included in the Introduced Bill	Action Required During Session
Use Federal Data to Help Veterans Access Federal Benefits and Save State Funds	57					
1. Include a rider in Article IX that would direct the HHSC,DADS, TVC, and the Texas Veterans Land Board to enter into an interagency contract to establish a permanent workgroup to coordinate the use and analysis of the data received from the Public Assistance Reporting Information System (PARIS) and develop new strategies to use system data that could generate savings for the state. The workgroup would also be required to submit a report. This rider would be in Article IX since it affects multiple agencies including the Texas Veterans Commission.					Article IX Sec. 18.02	
2. Include a rider in TVC's bill pattern that would appropriate \$50,000 of Interagency Contract Receipts from HHSC and \$50,000 from the Veterans Assistance Fund and 2 FTEs in each fiscal year to assist Medicaid veterans apply for federal veteran benefits. This rider has no cost.					Rider 9	
3. Include a rider to direct ten percent of the General Revenue savings during fiscal year 2012 that were the result of analyzing information from PARIS as calculated by the Health and Human Services Commission to be credited by the Comptroller to the Texas Veterans Commission Veterans' Assistance Fund account (Fund 368) and are appropriated to the Texas Veterans Commission in fiscal year 2013.					Rider 9	

Section 5

Texas Veterans Commission Rider Highlights

3. (revised) **Appropriation of License Plate Revenue.** Revised rider to appropriate 50 percent of projected license plates revenue receipts collected during the 2012-13 biennium, but no unexpended balances from fiscal year 2011.

9. (new) **PARIS Data Review.** Add new rider to reflect recommendations to appropriate funding and 2 FTEs to investigate and analyze information received from the federal Public Assistance and Referral Information System (PARIS). The PARIS information will be used to assist and facilitate claims for veterans receiving Medicaid, or other state public benefits, to apply for federal veteran's benefits /compensation from the U.S. Department of Veterans Affairs

Section 6

**Veterans Commission
Items not Included in Recommendations**

	2012-13 Biennial Total	
	GR & GR- Dedicated	All Funds
1. Restore 20 percent reduction for salaries, wages, and other operating expenses out of General Revenue (\$2,774,618) as follows:		
a. Claims Representation and Counseling program (3.0 FTEs).	\$ 1,808,607	\$ 1,808,607
b. Veterans Education program.	\$ 100,397	\$ 100,397
c. Central Administration, including finance, accounting, and human resources.	\$ 591,526	\$ 591,526
d. Outreach and Marketing program.	\$ 226,559	\$ 226,559
e. Veterans Employment Services program (1.0 FTEs).	\$ 47,529	\$ 47,529
2. Expand Claims Representation and Counseling program to address backlog of claims processing at the Veterans Administration (VA) through the use of special claims processing teams (6.5 FTEs).	\$ 393,843	\$ 393,843
3. Creation of Women's Veterans program to promote access to services and benefits, provide outreach and awareness, and assess the needs of women veterans (1.0 FTE).	\$ 159,424	\$ 159,424
Total, Items Not Included in the Recommendations	\$ 3,327,885	\$ 3,327,885