Veterans Commission
Summary of Budget Recommendations - Senate

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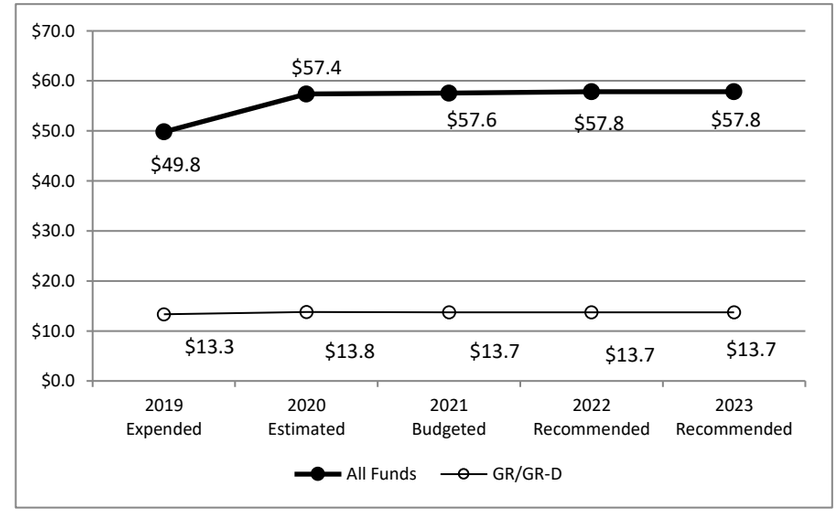
Thomas P. Palladino, Executive Director
Claire Stieg, LBB Analyst

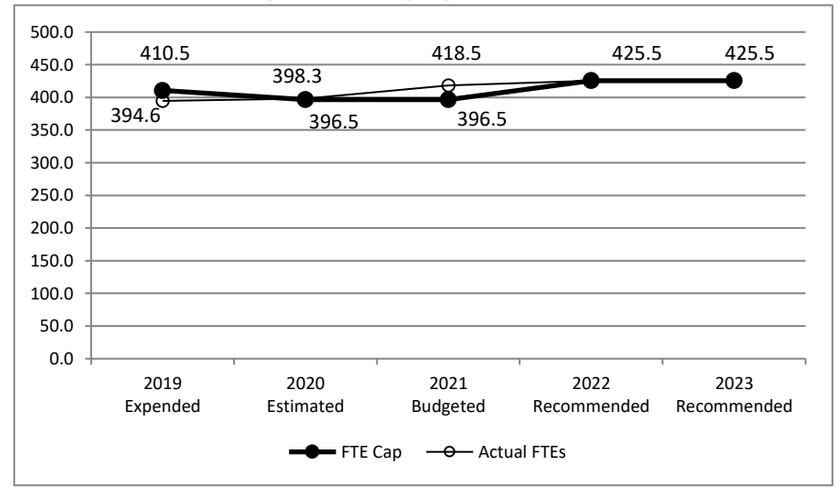
Method of Financing	2020-21 Base	2022-23 Recommended	Biennial Change ($)	Biennial Change (%)
General Revenue Funds	$27,484,551	$27,484,551	$0	0.0%
GR Dedicated Funds	$0	$0	$0	0.0%
Total GR-Related Funds	*$27,484,551*	*$27,484,551*	*$0*	*0.0%*
Federal Funds	$26,981,855	$29,534,866	$2,553,011	9.5%
Other	$60,485,875	$58,667,932	($1,817,943)	(3.0%)
All Funds	**$114,952,281**	**$115,687,349**	**$735,068**	**0.6%**

	FY 2021 Budgeted	FY 2023 Recommended	Biennial Change	Percent Change
FTEs	418.5	425.5	7.0	1.7%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2022-23 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2022-23 biennium.

Veterans Commission
Summary of Funding Changes and Recommendations - Senate

	Funding Changes and Recommendations for the 2022-23 Biennium compared to the 2020-21 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):							
A)	Increase in Federal Funds related to Veterans Employment Services, resulting in 22.0 additional FTEs to provide a range of employment services and assistance to veterans.	$0.0	$0.0	$2.6	$0.0	$2.6	A.1.2
OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):							
B)	Projected overall decrease in grants awarded to fund direct services to veterans out of the Fund for Veterans' Assistance Account No. 368: - $1.8 million estimated decrease in B.1.1, General Assistance Grants - $0.2 million estimated increase in B.1.2, Housing for Texas Heroes grants - $0.3 million estimated decrease in B.1.3, Veteran Treatment Court grants These are estimates based on anticipated grant applications received and lottery proceeds. The grants are awarded by the agency to non-profit organizations, veteran service organizations, and local governments.	$0.0	$0.0	$0.0	($1.8)	($1.8)	B.1.1
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		**$0.0**	**$0.0**	**$2.6**	**($1.8)**	**$0.7**	As Listed
	SIGNIFICANT & OTHER Funding Increases	$0.0	$0.0	$2.6	$0.0	$2.6	As Listed
	SIGNIFICANT & OTHER Funding Decreases	$0.0	$0.0	$0.0	($1.8)	($1.8)	As Listed

NOTE: Totals may not sum due to rounding.

Veterans Commission
Selected Fiscal and Policy Issues - Senate

1. **FTE Increase.** Recommendations include an increase in the full-time equivalent (FTE) cap authority by 29.0 each fiscal year to a total of 425.5 FTEs to align agency workload with current practices. This increase does not include additional funding and none is requested by the agency for this purpose.

   During the Eighty-sixth Legislature, 2019, the agency's cap was reduced to 396.5 FTEs. Funding remained the same, allowing the agency to adjust salaries and reflected actual FTE levels within Claims Representation and Counseling. In July 2020, TVC increased the FTE amount by 22.0 FTEs to 418.5 FTEs under Article IX, Section 6.10, Limitation on State Employment Levels, of the General Appropriations Act, which allows state agencies to expend funds for salaries and benefits up to 110 percent of the FTE figure or the FTE cap plus 50 FTEs.

   This adjustment was to reflect an increase in federally-funded FTEs that would allow the agency to fully utilize grant dollars awarded by the Department of Labor's Veterans Employment and Training Services (DOL-VETS). This grant supports veteran employment representatives to assist veterans with job applications, interview preparation, and other employment services. Since 2016, the grant has increased each year growing from $13.2 million to $15.1 million. However, the number of FTEs has remained the same. As a result, the agency has not expended the DOL-VETS state plan salary and benefits amounts. Additionally, as the grant amount has increased the approved indirect cost rate for administrative support has also grown. With increased staff, the agency is expected to fully draw-down the federal grant and will also draw additional Earned Federal Funds. The Earned Federal Funds can be used to provide administrative support for the Veterans Employment Services staff.

   The remaining 7.0 FTEs is an adjustment to reflect actual staff levels under B.1.1, General Assistance Grants. No additional funds are requested or included in recommendations. The overall FTE cap has been increased to reflect these adjustments due to ongoing need in the 2022-23 biennium.

Veterans Commission
Rider Highlights - Senate

Modified Riders

2. **Capital Budget.** This rider is modified to reflect an increase in Other Funds, Fund for Veterans' Assistance Account No. 368, for information resource technologies for the eGrant Management System from $115,778 in 2020-21 to $225,000 in 2022-23. Modifications also include an increase in General Revenue for Data Center Services costs from $350,112 in 2020-21 to $469,688 in 2022-23.

5. **Fund for Veterans Assistance.** This rider is modified to reflect an increase in projected lottery earnings, estimated to be $28,362,954 in each fiscal year of the 2022-23 biennium. Budgeted amounts for fiscal year 2020 were $30,142,227 and estimated to be $28,394,577 in fiscal year 2021. Lottery proceeds, as well as unclaimed prize collections have increased.

8. **Veterans Housing Grant Program.** This rider is modified to reflect an increase in the amount of grants estimated for the Housing for Texas Heroes grant from $3 million in 2020-21 to $4 million in the 2022-23 biennium. These amounts are estimated based on projected applications and may be modified depending on the number of grants received and approved.

7. **PARIS Data Review.** The rider is modified to decrease the number of FTEs from 2.0 to 1.0. Funding remains at $54,574 each fiscal year out of Fund for Veterans' Assistance Account No. 368. The agency indicated that this position is not currently needed due to available workload. This FTE has been reallocated within the same strategy to address agency needs in A.1.1, Claims Representation & Counseling.

10. **Healthcare Advocacy Program for Veterans.** This rider is modified to reflect a decrease in General Revenue from $798,346 in 2020-21 to $758,429 in the 2022-23 biennium for Strategy A.1.6, Healthcare Advocacy Program to reallocate to programs reduced in the five percent reduction

Deleted Riders

13. **Sunset Contingency.** Senate Bill 601, Eighty-sixth Legislature, Regular Session, passed resulting in the continuation of the Texas Veterans Commission through August 31, 2031.

Veterans Commission
Items Not Included in Recommendations - Senate

		2022-23 Biennial Total					
		GR & GR-D	All Funds	FTEs	Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2024-25
Agency Exceptional Items Not Included (in agency priority order)							
1)	Improved Health Care Service for Texas Veterans - Add 13.0 FTEs, including 12.0 Health Care Advocates (HCA) and 1.0 Staff Service Officer at headquarters to fully staff and support all remaining Department of Veterans Affairs Outpatient Clinics that do not have an HCA.	$1,371,540	$1,371,540	13.0	No	No	$1,341,640
2)	Improve Cybersecurity Posture Project to improve and monitor weaknesses in security oversight, risk management, and technology information systems.	$360,773	$360,773	0.0	Yes	No	$251,134
3)	Enhance or Replace Electronic Grant Management System (EGMS) to Support TVC's Administration and Compliance Responsibilities for the Fund for Veterans' Assistance (FVA) Grant Programs. This system is used for grant administration, audit, record retention, and reporting, but updates are needed to reduce paper records and improve reporting. This is a request for Capital Authority for use of Other Funds, Fund for Veterans' Assistance Account No. 368.	$0	$600,000	0.0	Yes	Yes	$600,000
4)	TVC Agency Relocation Costs to the Capitol Complex - includes costs associated with consolidation into the new Capitol Complex. The agency currently occupies two state buildings and one leased property. TVC estimates cost savings of $135,000 or more per year out ot the Fund for Veterans' Assitance Account No. 368 and Interagency Contract funding in the Veterans Mental Health Department.	$96,856	$96,856	0.0	No	No	$0
TOTAL Items Not Included in Recommendations		**$1,829,169**	**$2,429,169**	**13.0**			**$2,192,774**

Veterans Commission
Appendices - Senate

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* Appendix is not included - no significant information to report

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

Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
CLAIMS ASSISTANCE & COUNSELING A.1.1	$14,914,444	$15,051,292	$136,848	0.9%	Recommendations primarily reflect a $0.1 million increase in General Revenue reallocated from other strategies to assist veterans and their families with claims and appeals for services.
VETERANS EMPLOYMENT SERVICES A.1.2	$24,846,688	$26,887,384	$2,040,696	8.2%	Recommendations reflect a $2.0 million increase in Federal Funds from the Department of Labor for 2022-23.
VETERANS EDUCATION A.1.3	$3,432,777	$3,433,378	$601	0.0%	
VETERANS OUTREACH A.1.4	$3,408,252	$2,871,518	($536,734)	(15.7%)	Recommendations include a decrease of $0.5 million and 4.0 FTEs in General Revenue shifted to the new Woman Veteran Program strategy.
VETERAN ENTREPRENEUR PROGRAM A.1.5	$684,421	$610,824	($73,597)	(10.8%)	Recommendations include a $0.05 million decrease in General Revenue, reallocated from A.1.3 Veterans Education in 2021.
HEALTH CARE ADVOCACY PROGRAM A.1.6	$1,543,133	$1,516,858	($26,275)	(1.7%)	Recommendations reflect a decrease in General Revenue for the strategy to reallocate to programs reduced in the five percent reduction plan.
WOMEN VETERANS PROGRAM A.1.7	$0	$514,024	$514,024	100.0%	Recommendations primarily reflect a decrease in General Revenue reallocated to A.1.3, Veterans Education.
Total, Goal A, ASSIST VETS W/RECEIVING BENEFITS	**$48,829,715**	**$50,885,278**	**$2,055,563**	**4.2%**	
GENERAL ASSISTANCE GRANTS B.1.1	$41,361,964	$39,576,464	($1,785,500)	(4.3%)	Recommendations include a $1.8 million decrease in Other Funds, Fund for Veterans' Assistance Account No. 368, related to a projected reduction of approved grant applications for 2022-23 compared to 2020-21. This amount is estimated and can fluctuate based on the number of applications received by the agency.
HOUSING FOR TEXAS HEROES B.1.2	$12,430,000	$12,660,000	$230,000	1.9%	Recommendations include a $0.05 million decrease in General Revenue reallocated to other grant programs, offset by a $0.3 million increase in Fund for Veterans' Assistance Account 368 (Other Funds) reallocated from other strategies based on an estimated increase in grants approved for housing.
VETERANS TREATMENT COURTS B.1.3	$8,305,000	$8,000,000	($305,000)	(3.7%)	Recommendations include an estimated decrease of $0.3 million in Other Funds, Fund for Veterans' Assistance, 368 disbursed for grants related to Veterans Treatment Courts. This is an estimate based on the anticipated number of grant applications and can fluctuate in the 2022-23 biennium.
Total, Goal B, FUND DIRECT SERVICES TO VETERANS	**$62,096,964**	**$60,236,464**	**($1,860,500)**	**(3.0%)**	

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

Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
HAZLEWOOD ADMINISTRATION C.1.2	$759,707	$751,200	($8,507)	(1.1%)	Recommendations include a decrease in General Revenue reduced for program operations expenditures carried over from the percent reduction plan.
Total, Goal C, HAZLEWOOD ADMINISTRATION	**$759,707**	**$751,200**	**($8,507)**	**(1.1%)**	
CENTRAL ADMINISTRATION D.1.1	$3,265,895	$3,814,407	$548,512	16.8%	Recommendations primarily include a $0.5 million increase in Federal Funds from the Department of Labor.
Total, Goal D, INDIRECT ADMINISTRATION	**$3,265,895**	**$3,814,407**	**$548,512**	**16.8%**	
Grand Total, All Strategies	**$114,952,281**	**$115,687,349**	**$735,068**	**0.6%**	

Veterans Commission
FTE Highlights - Senate

Full-Time-Equivalent Positions	Expended 2019	Actual 2020	Budgeted 2021	Recommended 2022	Recommended 2023
Cap	410.5	396.5	396.5	425.5	425.5
Actual/Budgeted	394.6	398.3	418.5	NA	NA

Schedule of Exempt Positions (Cap)					
Executive Director, Group 5	$145,580	$151,123	$151,123	$151,123	$151,123

Notes:
a) The State Auditor's Office is the source for the FY 2019 and FY 2020 annual average (actual) FTE levels.

b) The State Auditor's Office Report, Executive Compensation at State Agencies (Report 20-706, August 2020), indicates a market average salary of $165,023 for the Executive Director position at the Texas Veterans Commission. The agency is not requesting any changes to its exempt position.

c) In July 2020, TVC notified the Office of the Governor and the Legislative Budget Board that the Commission approved a request to increase the FTE amount by 22.0 to a total of 418.5. Section 6.10 of Article IX of the General Appropriations Act allows state agencies to expend funds for salaries and benefits up to 110 percent of the FTE figure or the FTE cap plus 50 FTEs.