

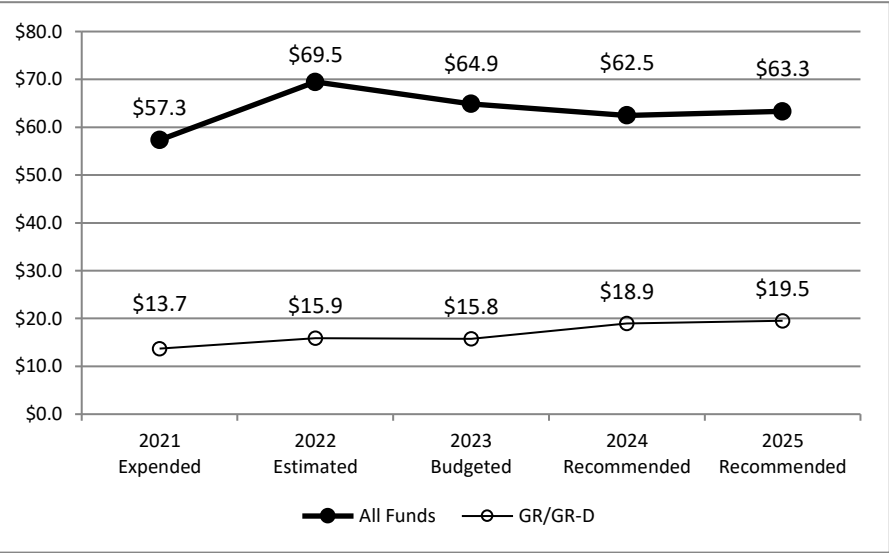
Veterans Commission
Summary of Budget Recommendations - Senate

Page I-102
Thomas Palladino, Executive Director
KJ Curtiss, LBB Analyst

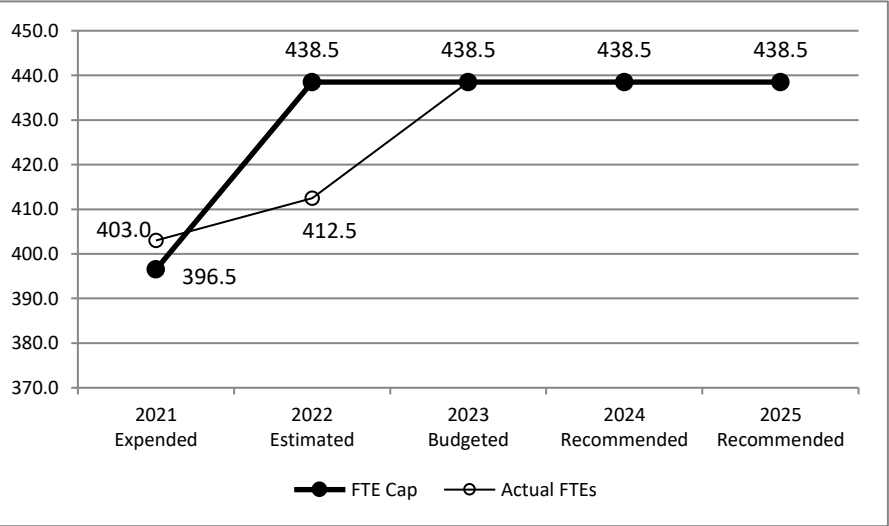
Method of Financing	2022-23 Base	2024-25 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$31,672,107	\$38,454,497	\$6,782,390	21.4%
GR Dedicated Funds	\$0	\$0	\$0	0.0%
Total GR-Related Funds	\$31,672,107	\$38,454,497	\$6,782,390	21.4%
Federal Funds	\$29,534,866	\$25,217,488	(\$4,317,378)	(14.6%)
Other	\$73,136,374	\$62,080,821	(\$11,055,553)	(15.1%)
All Funds	\$134,343,347	\$125,752,806	(\$8,590,541)	(6.4%)

	FY 2023 Budgeted	FY 2025 Recommended	Biennial Change	Percent Change
FTEs	438.5	438.5	0.0	0.0%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2024-25 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2024-25 biennium.

Veterans Commission
Summary of Funding Changes and Recommendations - Senate

Section 2

Funding Changes and Recommendations for the 2024-25 Biennium compared to the 2022-23 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 of \$2,088,000 in General Revenue due to a method of finance swap to provide a direct appropriation to the Veterans Commission for the Veteran Mental Health Department. This increase is offset by a decrease of \$2,088,000 in Interagency Contracts (IAC) from the Health and Human Services Commission (HHSC) for the Department. A corresponding decrease in General Revenue is included at HHSC. Additionally, the initial funding for the Veteran Mental Health Department reflects an increase of \$298,976 in funds for that program.	\$2.1	\$0.0	\$0.0	(\$1.8)	\$0.3	A.1.4
B)	Increase of \$1,088,458 in General Revenue for improvements to the Hazlewood Database.	\$1.1	\$0.0	\$0.0	\$0.0	\$1.1	C.1.2

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

C)	An increase of \$72,080 in Fund for Veterans' Assistance Account 368 in D.1.1. is offset by a projected overall decrease of \$9,527,312 in grants awarded to fund direct services to veterans out of the Fund for Veterans' Assistance Account 368: - \$6,202,312 estimated decrease in B.1.1, General Assistance Grants; - \$3,160,000 estimated decrease in B.1.2, Housing for Texas Heroes Grants; - \$165,000 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	(\$9.4)	(\$9.4)	D.1.1 B.1.1 B.1.2 B.1.3
D)	Overall decrease in Federal Funds due to change in reporting CFDA 17.801 Jobs for Veterans State Grants pass-through funding to Texas Workforce Commission.	\$0.0	\$0.0	(\$4.3)	\$0.0	(\$4.3)	A.1.2
E)	Decrease in Federal Funds of \$639,540 for CFDA 17.801 Jobs for Veterans State Grants	\$0.0	\$0.0	(\$0.6)	\$0.0	(\$0.6)	D.1.1
F)	Estimated increase of \$74,000 in Federal Funds for CFDA 64.035 Veterans Transportation Program for Veterans' Assistance Grants.	\$0.0	\$0.0	\$0.1	\$0.0	\$0.1	B.1.1

Veterans Commission
Summary of Funding Changes and Recommendations - Senate

Section 2

Funding Changes and Recommendations for the 2024-25 Biennium compared to the 2022-23 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
G)	Estimated increase of \$4,000 in License Plate Trust Fund 0802 revenues.	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	A.1.1
H)	Total increase of \$4,318,283 in General Revenue, Fund for Veterans Assistance, and Federal Funds due to exempt and non-exempt salary adjustments.	\$3.6	\$0.0	\$0.5	\$0.2	\$4.3	D.1.1 E.1.1
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		\$6.8	\$0.0	(\$4.3)	(\$11.0)	(\$8.5)	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$6.8	\$0.0	\$0.6	\$0.2	\$5.8	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		\$0.0	\$0.0	(\$4.9)	(\$11.2)	(\$14.3)	As Listed

NOTE: Totals may not sum due to rounding.

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

1. **Veteran Mental Health Department.** The Texas Veterans Commission (TVC) receives funding through Interagency Contract from the Health and Human Services Commission (HHSC) for the Veteran Mental Health Department. Recommendations include a method of finance swap to reduce \$2,088,000 in Interagency Contracts from HHSC and an increase of the same amount in General Revenue to provide the direct appropriation to TVC. The swap additionally results in an increase of \$298,976 in funds for that program to align with 2020-21 funding levels. General Revenue funding to HHSC has been reduced by the same amount to reflect the appropriation being shifted to TVC.

This funding recommendation incorporates the agency's request for the direct appropriation for the Mental Health Department. However, recommendations do not increase the agency's FTE cap as requested by the agency. The agency's estimated fiscal year 2022 and budgeted fiscal year 2023 FTEs (see Appendix C) already reflects the inclusion of these FTEs.

2. **Hazlewood Database Improvements.** Included in recommendations is the agency's request for \$1,088,458 in General Revenue to replace or refurbish the existing Hazlewood Act Database. The database houses individual records of the Hazlewood Act tuition exemption benefits for veterans, their dependents, and spouses. The database is accessed by students and institutions of higher education. The existing database was created internally by the agency approximately 10 years ago. The system currently has limited accessibility, minimal ability to export proper data, and inability to provide upgrades to meet certain data requirements.

**Veterans Commission
Rider Highlights - Senate**

Modification of Existing Riders

2. **Capital Budget.** Recommendations replace the eGrant Management System with the Legacy Modernization project and provide \$350,000 in General Revenue funding as requested by TVC. Funding will be used for upgrades to the system and will support the cost of licenses.

Recommendations also modify the capital budget to include the Legacy Modernization project to improve the Hazlewood Database.
3. **Program for the Visitation of Wounded and Disabled Veterans.** Recommendations modify this rider to reflect the update made to the title of Strategy A.1.1, Claims Benefits and Assistance.
4. **Cash Flow Contingency.** Recommendations modify this rider to reflect the update made to the title of Strategy A.1.1, Claims Benefits and Assistance.
5. **Fund for Veterans' Assistance.** Recommendations modify this rider to reflect the update made to the title of Strategy A.1.1, Claims Benefits and Assistance. Recommendations also modify this rider to include Strategy B.1.3, Veterans Treatment Courts, where grants are also provided through the Fund for Veterans' Assistance.
6. **Interagency Contract with the General Land Office and Veterans Land Board.** Recommendations modify this rider to correctly reflect the method of finance as General Revenue.
7. **PARIS Data Review.** Recommendations modify this rider to reflect the update made to the title of Strategy A.1.1, Claims Benefits and Assistance.
13. **Veteran Hospital Billing.** Recommendations modify this rider to reflect the update made to the title of Strategy A.1.1, Claims Benefits and Assistance.

Veterans Commission
Items Not Included in Recommendations - Senate

		2024-25 Biennial Total					
		GR & GR-D	All Funds	FTEs	Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2026-27
Agency Exceptional Items Not Included (in agency priority order)							
1)	Veteran Mental Health Strategy A.1.8. Agency requests 10.0 FTEs to align with the transfer of Mental Health funding from the Health and Human Services Commission for the Veterans Mental Health Department (see page 4).	\$0	\$0	10.0	No	No	\$0
2)	Increase Claims Support to Veterans. Agency requests funding for 10 additional FTEs for the Claims Department.	\$1,157,620	\$1,157,620	10.0	No	No	\$1,102,720
3)	Increase Women Veteran Support. Agency requests funding for one additional FTE for the Women Veterans Program.	\$132,052	\$132,052	1.0	No	No	\$129,152
4)	Increase Veteran Entrepreneur Support. Agency requests funding for one additional FTE for the Veteran Entrepreneur Program.	\$130,060	\$130,060	1.0	No	No	\$127,160
TOTAL Items Not Included in Recommendations		\$1,419,732	\$1,419,732	22.0	\$1,359,032		

Veterans Commission
Appendices - Senate

Table of Contents		
Appendix	Appendix Title	Page
A	Funding Changes and Recommendations by Strategy	8
B	Summary of Federal Funds	*
C	FTE Highlights	10

* Appendix is not included - no significant information to report

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

Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
CLAIMS BENEFITS & ASSISTANCE 1.1.1	\$15,051,292	\$15,055,292	\$4,000	0.0%	Recommendations include an increase of \$4,000 in License Place Trust Fund 802 revenues.
VETERANS EMPLOYMENT SERVICES 1.1.2	\$26,887,384	\$22,607,898	(\$4,279,486)	(15.9%)	Recommendations reflect a decrease of \$4,279,486 in Federal Funds to include a transfer of Jobs for Veterans State Grants funding to the Workforce Commission to provide veteran job services. These transfers occurred in the 2022-23 biennium but are not reflected in the base amounts, resulting in a biennial decrease.
VETERANS EDUCATION 1.1.3	\$3,433,378	\$3,433,378	\$0	0.0%	
VETERANS OUTREACH 1.1.4	\$2,871,518	\$3,170,494	\$298,976	10.4%	Recommendations include a method of finance swap to reduce \$2,088,000 in Interagency Contracts from the Health and Human Services Commission (HHSC) for the Veteran Mental Health Department and an increase of the same amount in General Revenue to provide the direct appropriation to TVC. The swap additionally results in an increase of \$298,976 in funds for that program. GR funding to HHSC has been reduced by the same amount to reflect the appropriation being shifted to TVC.
VETERAN ENTREPRENEUR PROGRAM 1.1.5	\$610,824	\$610,824	\$0	0.0%	
HEALTH CARE ADVOCACY PROGRAM 1.1.6	\$2,888,398	\$2,888,398	\$0	0.0%	
WOMEN VETERANS PROGRAM 1.1.7	\$514,024	\$514,024	\$0	0.0%	
Total, Goal 1, ASSIST VETS W/RECEIVING BENEFITS	\$52,256,818	\$48,280,308	(\$3,976,510)	(7.6%)	
GENERAL ASSISTANCE GRANTS 2.1.1	\$55,037,826	\$48,909,514	(\$6,128,312)	(11.1%)	Recommendations include: 1) Decrease of \$6,202,312 in Fund for Veterans' Assistance Account 368, related to an estimated reduction of grant applications for 2024-25 compared to 2022-23. This amount is estimated and can fluctuate based on the number of applications received by the agency. 2) Increase of \$74,000 estimated in Federal Funds for the Veterans Transportation Program.
HOUSING FOR TEXAS HEROES 2.1.2	\$11,760,000	\$8,600,000	(\$3,160,000)	(26.9%)	Recommendations include a decrease of \$3,160,000 million in Fund for Veterans' Assistance Account 368, related to an estimated reduction of dispersed grants for 2024-25 biennium.

Veterans Commission					
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS					
Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
VETERANS TREATMENT COURTS 2.1.3	\$7,835,000	\$7,670,000	(\$165,000)	(2.1%)	Recommendations include a decrease of \$165,000 in Fund for Veterans' Assistance Account 368, related to a reduction of dispersed grants for Veteran Treatment Courts. This is an estimate based on the anticipated number of grant applications and may fluctuate in the 2024-25 biennium.
Total, Goal 2, FUND DIRECT SERVICES TO VETERANS	\$74,632,826	\$65,179,514	(\$9,453,312)	(12.7%)	
HAZLEWOOD ADMINISTRATION 3.1.2	\$751,200	\$1,839,658	\$1,088,458	144.9%	Recommendations include an increase of \$1,088,458 in General Revenue for improvements to the Hazlewood Database.
Total, Goal 3, HAZLEWOOD ADMINISTRATION	\$751,200	\$1,839,658	\$1,088,458	144.9%	
CENTRAL ADMINISTRATION 4.1.1	\$6,702,503	\$6,163,506	(\$538,997)	(8.0%)	Recommendations include: 1) Decrease of \$639,540 in Federal Funding for the Jobs for Veterans State Grants. 2) Increase of \$72,080 in Fund for Veterans' Assistance 368. 3) Increase of \$28,463 in General Revenue for the Executive Director exempt position to meet the State Auditor's Office Report market average salary of \$170,098.
Total, Goal 4, INDIRECT ADMINISTRATION	\$6,702,503	\$6,163,506	(\$538,997)	(8.0%)	
SALARY ADJUSTMENTS 5.1.1	\$0	\$4,289,820	\$4,289,820	100.0%	Recommendations include a total increase of \$4,289,820 for the statewide salary adjustment comprised of: 1) Increase of \$3,577,469 in General Revenue. 2) Increase of \$184,703 in Fund for Veterans' Assistance 368. 3) Increase of \$527,648 in Federal Funds.
Total, Goal 5, SALARY ADJUSTMENTS	\$0	\$4,289,820	\$4,289,820	100.0%	
Grand Total, All Strategies	\$134,343,347	\$125,752,806	(\$8,590,541)	(6.4%)	

Veterans Commission
FTE Highlights - Senate

Full-Time-Equivalent Positions	Expended 2021	Actual 2022	Budgeted 2023	Recommended 2024	Recommended 2025
Cap	396.5	438.5	438.5	438.5	438.5
Actual/Budgeted	403.0	412.5	438.5	NA	NA

Schedule of Exempt Positions (Cap)					
Executive Director, Group 5	\$151,123	\$151,123	\$151,123	\$160,611	\$170,098

Notes:

- a) Actual FTEs in fiscal year 2021 are higher than the cap. In July 2020, the agency 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 2020-21 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.
- b) The State Auditor's Office Report, *Executive Director Compensation at State Agencies* (Report 22-706, August 2022), indicates a market average salary of \$170,098 for the Executive Director position at the Texas Veterans Commission.
- c) The State Auditor's Office is the source for the FY 2021 and FY 2022 annual average (actual) FTE levels.