

Veterans and Defense Affairs

Governor's Proposed Amendments				
(\$ in millions)				
	FY 2017 Proposed		FY 2018 Proposed	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2016-18 Current Budget (Ch. 780, 2016 Session)	\$18.8	\$61.1	\$20.7	\$61.1
Proposed Increases	0.0	0.0	1.5	0.1
Proposed Decreases	(0.1)	(0.0)	(0.1)	(0.0)
\$ Net Change	(0.1)	0.0	1.4	0.1
2016-18 Proposed Budget	\$18.7	\$61.0	\$22.0	\$61.1
% Change	0.0%	0.0%	6.7%	0.1%
FTEs	164.00	602.00	205.00	602.00
# Change	0.00	0.00	33.00	0.00

- **Department of Veterans Services**

- ***October 2016 Savings.*** Includes reductions totaling \$144,057 GF the first year to reflect the budget reductions incorporated in the Governor's October 2016 savings plan. This reduction captures grant funding for the Virginia Values Veterans (V3) program that is not needed to meet anticipated grant requests in FY 2017.
- ***Delay Hiring of New Administrator.*** Includes a reduction of \$133,333 GF and one position the second year by delaying until FY 2019 the hiring of an administrator for the new veterans care center.
- ***Reorganization of Virginia Veteran and Family Support (VVFS) Program.*** Adds \$610,128 GF and 34 positions the second year to reorganize the VVFS program (formerly known as the Virginia Wounded Warrior Program), which coordinates mental health and rehabilitative services for veterans, guardsmen and reservists not active in federal service, and their families. Instead of using contract staff provided by local Community Services Boards (CSBs), the department will use its own employees. This is intended to provide a clear chain of command, a more standardized approach, and clearer accountability for results.

- Following completion of the JLARC report on the Department of Veterans Services in late 2015, the General Assembly added language in the 2016 appropriation act directing a working group (comprised of the Secretary of Health and Human Resources, the Secretary of Veterans and Defense Affairs, and the Director of JLARC), to review the VVFS program and provide a follow-up report to JLARC by November 15, 2016. This report was presented to JLARC at its November 2016 meeting.
 - The language further provided that upon unanimous request of the working group, the Director, Department of Planning and Budget would transfer \$393,494 GF the first year (which was set aside in Chapter 780 of the 2016 Acts of Assembly under the Secretary of Veterans and Defense Affairs), to implement the recommendations of the working group for the VVFS program. The request was made, and DPB is now in the process of implementing this transfer to the VVFS program.
 - Chapter 780 also included \$687,684 GF the second year for the VVFS program. The budget as introduced adds an additional \$610,128 GF and 34 positions the second year to move all of the VVFS positions from the CSBs into state employment status under the Department of Veterans Services, effective July 1, 2017, rather than phasing-in the reorganization over three years, as originally proposed. These 34 positions are currently employees of 11 local CSBs, and are physically located in 19 CSBs, but all 34 positions will become state employees as of July 1, 2017, under the reorganization.
 - The working group report provided four options for reorganization of the VVFS program. The option incorporated in the budget as introduced converts the same number of positions currently working on a contract basis to state employment, allowing for standardized service delivery across all VVFS offices. The working group anticipates this approach will allow the program to (i) provide better and more consistent services to clients than the CSB contract model, and (ii) provide more capacity than the other options.
 - A projected FY 2017 balance of about \$86,000 will be used to offset the FY 2018 cost of the reorganization.
- *Virginia Veteran Entrepreneurship Grant Fund.* Provides \$900,000 GF the second year to establish a new program to award grants to organizations that assist veterans in starting new businesses. A companion Governor’s bill is to be introduced to authorize this program.

- *Veterans Cemeteries.* Includes language authorizing a treasury loan for the construction of additional cremated burial sites and associated landscaping and infrastructure at the Suffolk veterans cemetery, subject to the confirmation of federal grant funding.
- *Nongeneral Fund Appropriation.* Adds \$60,000 NGF the second year to reflect increased private donations for veterans cemeteries and care centers.