

MINUTES OF THE HOUSE VETERANS, MILITARY AND HOMELAND SECURITY COMMITTEE

The meeting was called to order by Chairman Don Myers at 1:30 p.m, on January 22, 2009, in Room 711 of the Docking State Office Building.

All members were present except:

Representative Clay Aurand- excused
Representative Marti Crow- excused
Representative Pat George - excused

Committee staff present:

Barbara Lewerenz, Administrative Assistant
Corey Carnahan, Kansas Legislative Research Department
Chris Courtwright, Kansas Legislative Research Department
Art Griggs, Office of the Revisor of Statutes
Scott Wells, Office of the Revisor of Statutes

Conferees appearing before the committee:

Barbara Hinton, Legislative Post Auditor
Lisa Hoopes, Senior Audit Supervisor, Legislative Post Audit
Wayne Bollig, Director of Veterans' Services, Kansas Commission on Veterans' Affairs

Others attending:

See attached list.

Moved by Representative Wolf, seconded by Representative Goyle for approval of Minutes of the House Committee on Veterans, Military and Homeland Security held January 20, 2009. Motion Carried.

Bills were introduced by Vice Chairman Goico and Chairman Myers pertaining to decals for veterans on duty more than 90 days in a combat zone and expansion of eligibility for "Gold Star Mother" license plates to the immediate family members of the deceased veteran. Motion Accepted by Chairman.

Chairman Myers introduced Conferee, Barbara Hinton, Legislative Post Auditor. The audit was requested by legislators to insure funds were being used appropriately for service to veterans. Copies of the *2008 Performance Audit Report of the Kansas Commission on Veterans' Affairs* completed by the Legislative Post Audit Committee were available to Committee members. A copy of this report is on file at the at the State of Kansas, Legislative Division of Post Audit, 800 SW Jackson, Suite 1200, Topeka, Kansas 66612.

Senior Audit Supervisor, Lisa Hoopes was introduced and gave an overview of the audit findings addressing four basic questions (Attachment 1):

Is Kansas doing a good job of ensuring that veterans are aware of services available through Federal programs? The audit recommendations were that the Kansas Commission on Veterans' Affairs (KCVA) should periodically provide information to all state agencies and request that the agencies refer veterans in need of assistance to the KCVA. The KCVA executive director should work closely with veterans' service organizations to address and resolve significant issues.

Has the Commission on Veterans' Affairs held open a significant number of veteran representative positions? No audit recommendations were made. Most of these positions are being utilized by other state programs or grants. A new Enhanced Service Delivery Program will come from revenues generated by the veterans lottery scratch ticket beginning 2011. The KCVA will receive 30 percent of the revenues to fund vacant positions.

Has the Commission used all funds available to provide sufficient staff and service levels at the Kansas Soldiers' Home? Although inspections in July 2007 reported many deficiencies, the home has submitted plans of correction and is currently in good standing. Hiring practices have changed so that higher wages for nurses make it easier to hire qualified staff in this remote location. No audit recommendations were made.

CONTINUATION SHEET

Minutes of the House Veterans, Military And Homeland Security Committee at 1:30 p.m. On January 22, 2009, in Room 711 of the Docking State Office Building.

How much money is the KCVA spending to hold meetings at locations around Kansas? The Commission spent \$24,038 on 24 meeting and approximately one-half that amount was for meetings outside of Topeka. The audit recommendation was to consider alternative ways of meeting such as video conferencing or possibly fewer meetings.

Chairman Myers introduced Wayne Bollig, Director of Veterans' Services, KCVA, who held a question and answer session with the Committee regarding the audit findings, the current status of the KCVA and service to veterans. He explained the reason it often takes years for Federal benefits to process is the backlog in paper work and the appeals that are often necessary. Veterans are paid retroactively if benefits are approved. Outreach, which includes newsletters and referrals by Social and Rehabilitative Services and other agencies, is being done to reach veterans. There are still large numbers of veterans who have not filed claims that are potentially eligible for benefits especially in rural areas. The average number of residents at the Kansas Soldiers Home in Ft. Dodge, Kansas is 150. Some of the residents are spouses of veterans. The relationship between the KCVA and service organizations has greatly improved since Jack Fowler became Commissioner.

Chairman Myers introduced Darrell Bencken, Veterans' Claims Advisory Committee, Veterans of Foreign Wars.

Chairman Myers requested a meeting with the revisors to discuss the possibility of drafting a letter requesting that KCVA funds not be cut.

The next meeting is scheduled for January 27, 2009

The meeting was adjourned at 2:40 p. m

**Commission on Veterans' Affairs: Reviewing How Well It Is
Spending Its Money and Serving Veterans**

Legislative Post Audit (08-17)

**Veterans, Military, and Homeland Security Committee
January 22, 2009**

Good afternoon Mr. Chairman and members of the Committee.

Established in 1951, the Kansas Commission on Veterans' Affairs was created to ensure that Kansas veterans and their eligible dependents receive the benefits and services to which they are entitled. Those benefits and services can include pensions or disability payments, healthcare services, or vocational rehabilitation and employment services.

The Commission board consists of five members appointed by the Governor, all of whom must have served in the armed forces. Members are responsible for overseeing the Kansas Commission on Veterans' Affairs and for hiring an executive director to administer the Commission's day-to-day operations.

The Commission is structured into four major program areas — administration, veteran services — through 15 field offices located throughout the State, veteran cemeteries, and two veteran's homes for long-term care. The **map on page 4** shows the locations of the Commission's programs.

In the field offices, veteran service representatives—who must be veterans themselves—help Kansas veterans gather the necessary documentation to support a benefits claim, fill out the appropriate forms and paperwork, and file the claim with the U.S. Department of Veterans Affairs.

The Commission also works in conjunction with 28 veteran service organizations in Kansas to help serve veterans. Veteran service organizations are advocacy groups for veterans and veteran's issues. These groups include organizations such as the Veterans of Foreign Wars, the American Legion, and the Disabled American Veterans.

House Committee on Veterans
Military and Homeland Security

Date: 01-22-09
Attachment /

Question 1: Is Kansas Doing a Good Job of Ensuring That Veterans Are Aware of Services Available Through Federal Programs?

The Commission on Veterans' Affairs appears to be taking reasonable steps to make veterans aware of services. Commission staff use both passive and active efforts to make veterans aware of the Commission.

Passive efforts include:

- Distributing information through newsletters and news releases
- maintaining a Commission website with contact information
- listing Commission contact information on benefits booklets given to veterans

Active efforts include:

- Staff attending information briefings on military posts for veterans leaving active duty status
- Field office staff must make visits to veteran service organizations posts, long-term care facilities and attend community events

The U.S. Department of Veterans Affairs provides 39 benefits and services to eligible veterans and their dependents. Those benefits can be divided into eight general categories, as summarized in **Figure 1-1 on page 9**.

The figure shows that five State agencies provide similar services to veterans or their dependents, including medical services through SRS and the Health Policy Authority, long-term care services through the Department on Aging, and employment services through the Department of Commerce. In addition, veterans enrolling in State universities may be eligible for financial educational assistance through the Montgomery GI Bill.

We reviewed the procedures for these agencies and two universities—KU and Emporia State University—to determine what they do to identify veterans who apply for assistance, and to refer them on to federal benefit programs to determine whether veteran applicants are eligible.

Figure 1-2, on page 10, shows:

- Three agencies ---- The Department on Aging, the Department of Commerce and 2 programs within SRS, identify veterans by including questions on their applications or sign-in sheet asking if an applicant is veteran or a veteran's spouse.
- Two agencies --- the Kansas Health Policy Authority and one program through SRS only identify veterans who currently are receiving veteran benefits. However, people who report that they're not receiving veteran benefits still may be veterans, but wouldn't be identified.

- Officials at the University of Kansas and Emporia State University don't ask students their veteran status on their admission application forms because most veterans applying for admission are aware of their eligibility for veteran education benefits

State agencies generally are referring identified veterans on to federal programs and services. Agency staff typically give veterans a federal contact name or address OR have staff on board to help veterans identify and apply for federal veteran benefits they may be eligible for.

The Department of Commerce (through workforce centers) and SRS were the only two agencies that told us they refer veterans to the Kansas Commission on Veterans' Affairs. Other agencies' staff haven't referred veterans to the Commission because they weren't aware of the Commission, or just never thought of referring their veterans to the Commission.

The Commission's goal of helping veterans obtain benefits is shared by many veteran service organizations. This overlapping goal provides an opportunity to coordinate certain activities or efforts related to serving veterans.

We reviewed the coordination efforts of the Commission and the three veteran service organizations in Kansas with the largest memberships—the Veterans of Foreign Wars (VFW), the American Legion, and the Disabled American Veterans (DAV).

We compared current coordination efforts between the entities to the efforts we would have expected these four entities to engage in to build a network of veteran's assistance in the State. We found both formal and informal coordination efforts between the Commission staff and veteran service organization staff. *Figure 1-3 on page 12* --- lists some of the efforts.

Some significant efforts include: Commission staff referring veterans to the service organizations to legally represent them at the federal level, where those organizations have a significant presence; and Commission staff provide training to both State and service organization veteran representatives.

Successful coordination generally comes from organizations working together to advance a common goal. Despite current efforts, after speaking with Commission staff and some veteran service organization staff, we concluded that the relationship that exists between them—especially at the leadership levels—could be characterized more as adversarial than cooperative in nature.

We heard a number of charges and countercharges. It's difficult to tell where the truth may lie in all of this. However, it seemed clear to us that, despite the coordination efforts that currently are being made, there's not a particularly good working relationship between staff from the Commission and the veteran service organizations.

Recommendations for Question 1:

The Commission on Veterans' Affairs should periodically provide information to all State agencies informing them of the services it provides to Kansas veterans, and recommend that agencies refer people they identify as veterans to the Commission if they need any services.

The Commission's executive director should work closely with the veteran service organizations to try to address and resolve significant issues and concerns that may hamper effective coordination.

Question 2: Has The Commission On Veterans' Affairs Held Open a Significant Number of Veteran Representative Positions, And If So, Why, and What Has Been the Likely Impact On Veterans?

All the veteran service representative positions within the Commission are located within the Veteran Services Program. Its mission is to provide advocacy and resources to the veterans of Kansas and their families, and to assist them in getting and using the benefits to which they are entitled under federal law. The Program currently has 44 authorized positions, 27 of which are veteran service representative positions.

Based on a formalized agreement in 1997, 19 of those positions (12 veteran service representative positions and 7 office assistant positions) were assigned to the VA Hospitals in Topeka, Wichita, and Leavenworth under a joint employment agreement with the VFW and the American Legion.

Although the 19 positions assigned to the VA Hospitals were State employees, the people in those positions advertised themselves as representatives of the veteran service organizations, not of the Commission. Because of concerns about these arrangements the 2006 Legislature created the Veterans Claim Assistance Program (VCAP) as an alternative way of providing funding for these services within the VA Hospitals, without using State employees.

VCAP is funded through a State grant of about \$500,000, which is appropriated annually to the Commission. The Commission passes the grant funding on to qualified veteran service organizations so they can hire the staff needed to provide veterans services within the VA Hospitals. To-date, only the VFW and the American Legion have participated in the grant.

Of the 19 positions initially involved with the VA Hospitals, 4 positions became staff for the newly created Quality Assurance Office and remained state employees. And one employee chose to stay with the Commission in a central office assistant position. That meant the responsibilities of only 14 positions were transferred from the Commission.

When this change was made, however, those 14 positions weren't removed from the inventory of authorized positions within the Veteran Service Program. It still shows 44 authorized positions. As a result, it appears like the Commission has at least 14 vacancies, but those vacancies no longer have responsibilities to fulfill.

The positions funded through the VCAP Program have been filled since 2006, a significant improvement over when these positions were Commission employees. The VFW and American Legion have used the State grant funds to staff the three VA Hospitals with 8 veteran service representatives and 4 office assistants. According to officials from both organizations, all of these positions have been filled since the program began in September 2006.

Figure 2-1 on page 17 shows that when these positions still were Commission employees, 7 of the 9 veteran service representatives positions assigned to the three VA Hospitals at the time had been vacant for extended periods of time. The vacancies for those positions ranged from one

month to at least 26 months. According to Commission staff, these positions had been kept vacant at the time because of funding issues.

Excluding the 14 positions whose responsibilities were transferred to the grant program, 6 positions within the Veteran Services Program have been vacant for an extended time.

- **One veteran service representative position in the Topeka central office is being held vacant, but its funding is part of the overall Commission budget.** The Commission was receiving funding for this position in fiscal years 2006 and 2007. When the position became vacant in early fiscal year 2007 — the Commission was able to use the unused position funding for other expenditures. According to Commission officials, they requested funding for the position as part of their budget enhancement packages in fiscal years 2008 and 2009. Division of Budget denied the enhancement requests because the funding for the position had never been reduced from the agency budget.
- **one veteran representative position in Emporia was vacant for about 7 months.** This position became vacant in August 2007 when the employee resigned to accompany their spouse overseas. The Executive Director told us that, because the Commission had incurred some unexpected additional expenses at that time (such as annual training and software licenses), he decided to keep this position open until he was certain he had enough money to fund it. Once funding was appropriated, the position was filled again in March 2008.
- Although we didn't analyze office assistant position vacancies, we noticed 4 were vacant because funding was not requested in 2008 and 2009. The program director didn't request funding for these office assistant positions because he felt they weren't needed.

According to legislative testimony from Commission officials, the loss in production from the vacancy in Emporia had an impact to the community and State of over \$941,000 in lost veteran benefit revenues. The impact is measured by the loss of money that is put back into the State and local economies by the veterans who receive the benefits. We didn't attempt to verify that assertion.

Current veteran service representatives and officials from veteran service organizations we talked with said there had been no quantifiable impact from the vacancies at the Commission.

In testimony before the House Veterans Military and Homeland Security Committee and the Senate Ways and Means Committee during the 2008 legislative session, Commission staff indicated they had 44 authorized positions in the Veteran Services Program, 19 of which were vacant. At the time of this testimony, all the 19 "vacancies" Commission staff were referring to were the positions whose responsibilities were transferred to the State-funded grant program, the Commission hadn't requested funding for them, or the position being held vacant.

During the 2008 legislative session, the Commission proposed—and the Legislature passed—legislation creating the Veterans Enhanced Service Delivery Program. The new program includes the operation of three mobile units to reach and serve more veterans throughout the State, as well as the development of a rural outreach program that would contact veterans who may not be receiving services.

Funding for the new Enhanced Service Delivery Program will come from revenues generated by the veterans benefit game—a lottery scratch ticket created in 2003. Beginning in fiscal year 2011, the Commission will receive 30% of the revenues from the lottery scratch ticket to fund its vacant positions.

If the Commission is able to fill all 19 positions through the Enhanced Service Delivery Program, the number of State-funded veteran service representatives and other staff serving veterans throughout the State will total 56; 44 through the Commission, and 12 through the State-grant-funded Veterans Claim Assistance Program.

There are no recommendations for question 2.

Question 3: Has the Commission Used All Funds It Had Available To Provide Sufficient Staff and Service Levels at The Kansas Soldiers' Home, And If Not, Why Not?

The Kansas Soldiers' Home --- a long-term care facility operated by the Commission --- receives funding from three sources—State General Fund, resident fees, and monthly per-diem payments from the U.S. Department of Veterans Affairs. Resident fees and federal per-diem payments received both can fluctuate based on the overall number of residents at the Soldiers' Home.

Figure 3-1 on page 21 shows the Soldiers' Home's receipts, expenditures, and balances from all three sources of funds for fiscal years 2005 through 2008. It also shows the resident census counts for those years.

As the figure shows in fiscal year 2007 the Soldiers' Home had an ending balance of nearly \$1.1 million, or the equivalent of about 17% of its total expenditures that year. That year, the Commission took in about \$612,000 more than it spent. That was partly because the Home's revenues from resident fees and federal per-diem payments in fiscal year 2007 were about \$769,000 more than it had estimated in its revised budget for that year.

Some reasons for the increase included: the Home had an average of nine more veteran residents than it expected in 2007—which meant more in federal per-diem payments—and it received an unanticipated \$100,000 refund on unused drug prescriptions.

Early in fiscal year 2008, inspections by the Department on Aging and the U.S. Department of Veterans Affairs identified significant deficiencies at the Soldiers' Home. **Figure 3-2 on page 23** shows, two-thirds of the 69 deficiencies identified during those inspections were in the areas of quality of care and resident rights.

The inspection reports don't cite the causes of the deficiencies however, officials from the Soldiers' Home and with State and federal inspectors said a shortage of nursing staff contributed to many of them.

Figure 3-3 on page 24 show the Soldiers' Home's direct-care staffing levels in recent years.

In July 2007, about the same time the inspections were identifying so many deficiencies, the Home had only 60 permanent and temporary direct-care staff positions filled, compared with an average of 67 positions in the three preceding years.

Commission officials told us they have a difficult time getting nurses to apply at the Soldiers' Home because of its remote location in Fort Dodge. Available nurses who are in the area typically are hired by the competition for higher salaries or benefits.

During 2007, Soldiers' Home officials worked with the Division of Personnel Services to have 24 positions changed from classified to unclassified temporary positions. This change allows Soldiers' Home officials to begin offering higher wages, and to have some negotiating room on starting wages for nurses.

In addition, a Statewide change in the pay grade for various levels of classified registered nurses went into effect October 2007.

As *Figure 3-3* shows, as of July 2008 the Home had a total of 72 direct-care staff, up 20% from the low the previous year. Most of those new staff were certified nurse aides, however, not nurses—the positions that the reclassifications and salary adjustments were intended to address.

The Soldiers' Home has submitted plans of correction for all deficiencies cited in the 2007 inspections. As a result, the Soldiers Home is currently in good standing.

There are no recommendations for question 3.

Question 4: How Much Money Is the Kansas Commission on Veterans' Affairs Spending To Hold Meetings at Locations Around Kansas, and Does This Appear To Be a Reasonable Use of State Moneys?

The Commission is statutorily required to hold monthly Commission meetings. General topics discussed are budgetary items, legislative updates, and progress reports related to Commission activities. The law gives the Commission the authority to hold meetings anywhere in the State.

We reviewed expenditure vouchers for the 24 Commission meetings held during fiscal years 2007 and 2008. The Commission and its staff spent a total of \$24,038 on the 24 meetings we reviewed.

Figure 4-1 on page 29 -- shows the number, costs, and locations of Commission meetings held in fiscal years 2007 and 2008. The total cost of meetings held outside Topeka was almost four times that of the total cost of meetings held in Topeka. On a per-meeting basis, the average cost of meeting outside Topeka was more than triple the cost of meeting in Topeka.

The Commission says it holds meetings outside Topeka to make it more accessible to veterans. Other reasons included touring certain facilities, such as the Kansas Soldiers or Veterans Homes, seeing the site and progress of the new State veterans' cemetery, and providing exposure to areas where commissioners live.

Attendance at all the Commission's meetings was very low in 2007 and 2008. For those 24 meetings, the attendance records showed they were attended by a total of 191 people not directly associated with the Commission. **Figure 4-2 on page 30** shows that the average number of non-Commission staff who attended meetings outside of Topeka was 12.

The Commission has reduced the number of meetings held outside Topeka from 8 in 2007 to 5 in 2008. Commission staff told us they had reduced these outside-Topeka meetings because they weren't satisfied with the non-Commission attendance turnout at those meetings.

Based on overall attendance, except for the occasional meetings held at other Commission facilities (such as the Soldiers' or Veterans' Homes), the extra costs incurred in holding meetings outside Topeka doesn't appear to be justified.

Recommendations:

Consider other ways to ensure meeting costs are reasonable and cost-effective such as only holding meetings outside of Topeka on a periodic basis at Commission facilities, and the possible use of videoconferencing.

Also, we recommended the Commission explore the feasibility of reducing the number of Commission meetings held.

That concludes my presentations, and I'll stand for questions.