

KANSAS OFFICE OF VETERANS SERVICES**

FY 2024 – FY 2026 BUDGET SUMMARY

FIG. 1 BUDGET SUMMARY, FY 2024 – FY 2026

	Actual FY 2024	Agency FY 2025	Legislative Budget Committee FY 2025	Agency FY 2026	Legislative Budget Committee FY 2026
EXPENDITURES:					
State Operations*	\$ 31,572,462	\$ 33,141,693	\$ 33,141,693	\$ 34,916,147	\$ 34,916,147
Salaries and Wages	23,307,942	28,477,248	28,477,248	28,958,810	28,958,810
Contractual Services	5,020,860	1,002,761	1,002,761	1,715,833	1,715,833
Commodities	2,715,255	2,707,344	2,707,344	3,317,251	3,317,251
Capital Outlay	528,405	954,340	954,340	924,253	924,253
State Aid and Assistance	\$ 1,004,301	\$ 1,150,000	\$ 1,150,000	\$ 1,000,000	\$ 1,000,000
Aid to Local Units	-	-	-	-	-
Other Assistance	1,004,301	1,150,000	1,150,000	1,000,000	1,000,000
Capital Budget and Debt	\$ 5,815,578	\$ 21,861,874	\$ 21,861,874	\$ 2,814,298	\$ 2,814,298
Capital Improvements	5,815,578	21,861,874	21,861,874	2,814,298	2,814,298
Debt Service Principal	-	-	-	-	-
Debt Service Interest	-	-	-	-	-
TOTAL	\$ 38,392,341	\$ 56,153,567	\$ 56,153,567	\$ 38,730,445	\$ 38,730,445
FINANCING:					
State General Fund	\$ 14,495,331	\$ 16,324,953	\$ 16,324,953	\$ 15,464,028	\$ 15,464,028
State Inst. Building Fund	4,923,952	19,748,865	19,748,865	2,612,318	2,612,318
Soldiers Home Fee Fund	1,458,453	1,789,205	1,789,205	1,547,928	1,547,928
Veterans Home Fee Fund	1,901,745	2,388,993	2,388,993	2,421,485	2,421,485
All Other Funds	15,612,860	15,901,551	15,901,551	16,684,686	16,684,686
TOTAL	\$ 38,392,341	\$ 56,153,567	\$ 56,153,567	\$ 38,730,445	\$ 38,730,445
PERCENTAGE CHANGE:					
State General Fund	33.7 %	12.6 %	-- %	(5.3) %	-- %
All Funds	14.2 %	46.3 %	-- %	(31.0) %	-- %
FTE Positions	376.0	376.0	376.0	376.0	376.0

* Note: Expenditures for debt service interest are reflected under "Capital Budget and Debt."

** Note: 2024 HB 2760 changed the agency's name from the Kansas Commission on Veterans Affairs Office to the Kansas Office of Veterans Services.

AGENCY OVERVIEW

The Kansas Office of Veterans Services (KOVs) provides veterans and veterans' families in Kansas with advice and assistance in obtaining veterans' benefits and services that are intended to improve the quality of their lives. Aside from assisting veterans in obtaining federal and state benefits, including internment benefits at one of the four State Veterans' Cemeteries, the KOVS operates two veterans' homes that provide long-term and domiciliary care to veterans and, on occasion, family of veterans. The KOVS established the five programs to effectuate the agency's mission to provide advice and assistance to veterans and their families in Kansas, detailed below.

ADMINISTRATION

The Administration Program provides guidance and oversight for the veterans programs and support staff. There are five divisions within the Administration Program: Operations, Fiscal, Public Affairs, Human Resources, and Information Technology. The **Operations Division** integrates and synchronizes available resources to provide optimal services to veterans. The Director of Operations maintains relationships with federal and state agencies to generate support for agency priorities and goals. The **Fiscal Division** is responsible for providing accounting and reporting services, as well as applying for and overseeing federal grant awards. The **Public Affairs Division** is responsible for all KOVS communications strategies, including coordinating agency outreach activities and developing and maintaining relationships and partnerships with external

organizations. The **Human Resources Division** provides guidance and oversight of the human resources staff members at the two veterans' homes, and manages the agency-wide personnel program. The **Information Technology Division** coordinates and provides support for the information technology and telecommunications needs and services for the Central Office, the veterans' homes, the veterans' cemeteries, and the Veterans Services offices throughout Kansas.

VETERANS SERVICES

The Veterans Services Program exists to serve Kansas veterans, their families, and survivors by advocating for them, providing them information on benefits, and assisting them in securing their rightful benefits. Veterans Services utilizes outreach events to expand visibility and awareness statewide of the many services available to Kansas veterans and their families. There are three main subprograms, and many miscellaneous subprograms, that fall within the Veterans Services Program: Veterans Claims Assistance, Veterans Field Services, and the State Approving Agency.

The **Veterans Claims Assistance Program (VCAP)** was statutorily created to improve the coordination of veterans' benefits counseling to ensure that every veteran is served and receives claims counseling and assistance. The Deputy Director of Veterans Services serves as the Chairperson of the VCAP Advisory Board, which consists of at least seven members, including two state legislators, who meet a minimum of four times a year. The VCAP Advisory Board advises interested parties on veterans services, and works with the KOVS to guarantee that veterans are able to obtain the benefits to which they are entitled. Per KSA 73-1234, the VCAP must provide service grants to eligible Veterans Service Organizations (VSO). The service grants are provided to the organizations for purposes of training and accrediting veteran service representatives (VSRs) who are employed by KOVS and other VSOs to assist veterans in filing claims for federal benefits.

In addition to administering the service grant, the VCAP maintains the Quality Assurance subprogram, which exists to review veterans' claims for benefits prior to the claims being filed by VSRs employed by either the KOVS or participating VSOs. The Quality Assurance staff reviews all paperwork in order to ensure veterans' claims for benefits meet the standards for development, accuracy, and completeness. The agency believes this helps facilitate a faster response from the VA Regional Office regarding eligibility for benefits.

The **Veterans Field Services Program** exists, in a sense, to effectuate the VCAP. Throughout the state, there are 15 KOVS field offices, with accredited VSRs employed by the agency located at each office. In addition to field services, KOVS has a mobile office program known as the Veterans Enhanced Field Service Delivery Program to provide services to veterans residing in rural areas. Through the field and mobile services programs, the agency frequently organizes community outreach events in partnership with the U.S. Department of Veterans Affairs (VA), as well as other veterans organizations, various state agencies, and community leaders, to identify the needs of veterans in Kansas. Every outreach event is attended by VSRs so veterans are able to receive immediate personal counseling on benefits that may be available to them. Oftentimes, the only person a veteran is able to directly communicate with throughout the months-long claims process is the VSR assigned to their claim. VSRs are trained to determine what service-related injuries a veteran may have incurred, and to explain the circumstances and severity of those injuries in a compelling way to the VA. In FY 2024, the Veterans Services Program assisted in submitting 15,937 claims to the VA, resulting in more than \$380.6 million being paid to Kansas veterans.

The **State Approving Agency (SAA)** operates as a subprogram of Veterans Services through a contractual agreement between the VA and the KOVS to provide veterans and community members with information on work programs available to veterans. Veterans only receive reimbursement for programs reviewed by the SAA and approved under the GI Bill. Annual grants from the VA are calculated by the number of active veteran programs within the state.

KANSAS SOLDIERS' HOME PROGRAM / KANSAS VETERANS' HOME PROGRAM

The Kansas Soldiers' Home Program is tasked with managing and operating the Kansas Soldiers' Home (KSH) campus, located on Fort Dodge near Dodge City, Kansas. The KSH consists of three domiciliary buildings, a long-term care facility, 65 cottages, and numerous ancillary buildings. The Kansas Veterans' Home Program is tasked with managing and operating the Kansas Veterans' Home (KVH) campus, located in Winfield, Kansas. The KVH has five main buildings and connected structures that house a 48-bed domiciliary unit, 73-bed long-term care unit, and 18-bed special care unit for Alzheimer's patients and those with related dementia.

Both the KSH and the KVH serve veterans (and their family members, if space is available) who have been discharged under conditions other than dishonorable who may be disabled to such an extent that they are unable to earn a living. The primary purpose of both programs is to care for any person who served in active military duty for the United States during war or peacetime and is entitled to VA hospitalization or domiciliary care. To achieve this purpose, the KSH and the KVH provide long-term care and related medical services to veterans who require skilled or intermediate nursing care. The secondary purpose of the KSH and the KVH is to provide domiciliary care to veterans who are suffering from a disability that incapacitates them from earning a living but who are not in need of hospitalization or nursing care services. The goal is to attain physical, mental, and social well-being through a coordinated treatment plan to restore the residents to, or maintain the residents at, their highest-functioning level.

The 2023 Legislature appropriated from the State Institutions Building Fund (SIBF) \$17.2 million for the construction of a third veterans' home to be located in Northeast Kansas. However, these funds have routinely been carried forward while the State waits to receive the remaining 65.0 percent of funds from the federal VA.

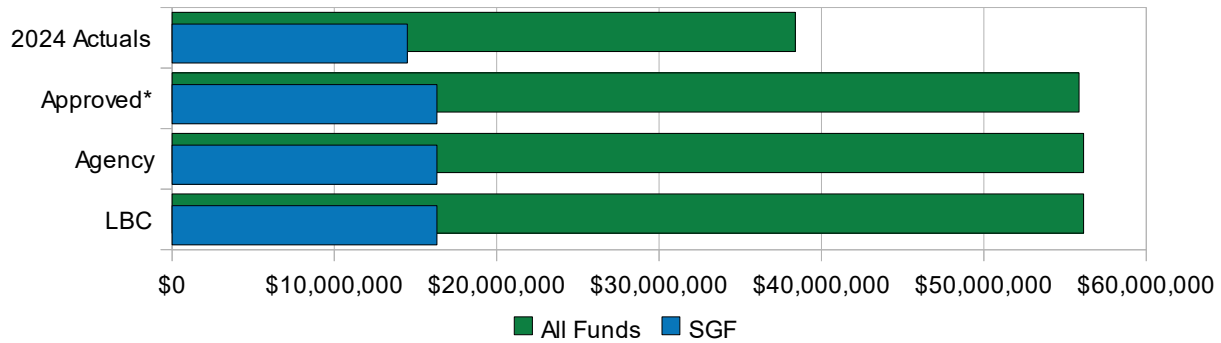
VETERANS' CEMETERIES

The Kansas Veterans' Cemeteries Program provides veterans and their eligible dependents with interment opportunities for burial in a Kansas Veterans' Cemetery. There are four veterans' cemeteries located throughout the State: Fort Dodge, Fort Riley, WaKeeney, and Winfield. The agency strives to exceed the standards promulgated by the VA National Cemetery Administration.

The Veterans' Cemeteries Program provides support and assistance to veterans regarding their interment options. Veterans and their dependents are provided the following cemetery benefits at no charge: burial space, grave liner, opening and closing of the grave, perpetual care, placement of cremation remains in either columbarium niche or in-ground interment plot, scattering garden, and headstone or marker. The agency notes that the veterans' cemeteries are in full compliance with VA standards that ensure these cemeteries are national shrines.

FY 2025 ANALYSIS

FIG. 2 BUDGET HIGHLIGHTS, FY 2025



* Note: Includes SGF reappropriations.

FIG. 3 BUDGET COMPARISON, FY 2025

Fund	2024 Actuals	2025 Approved*	2025 Agency	Agency Change from Previous-Year Actuals		Agency Change from Approved*	
SGF	\$ 14,495,331	\$ 16,324,953	\$ 16,324,953	\$ 1,829,622	12.6 %	\$ -	-- %
All Other Funds	23,897,010	39,537,264	39,828,614	15,931,604	66.7	291,350	0.7
TOTAL	\$ 38,392,341	\$ 55,862,217	\$ 56,153,567	\$ 17,761,226	46.3 %	\$ 291,350	0.5 %

* Note: Includes SGF reappropriations.

BUDGET ANALYSIS

FIG. 4 SUMMARY OF BUDGET REQUEST, FY 2025

	Agency			Legislative Budget Committee		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Approved, FY 2025	\$ 16,324,953	\$ 55,862,217	376.0	\$ 16,324,953	\$ 55,862,217	376.0
2024 SB 28 & HB 2551	15,345,207	38,716,660	376.0	15,345,207	38,716,660	376.0
1. SGF Reappropriation	979,746	979,746	-	979,746	979,746	-
2. SIBF Reappropriation	-	16,165,811	-	-	16,165,811	-
Supplemental Requests	\$ -	\$ -	-	\$ -	\$ -	-
3. No Supplemental Requests	-	-	-	-	-	-
Other Changes	\$ -	\$ 291,350	-	\$ -	\$ 291,350	-
4. State Cemetery Grant	-	1,331,218	-	-	1,331,218	-
5. Federal Per-Diem Rate	-	(858,209)	-	-	(858,209)	-
6. All Other Adjustments	-	(181,659)	-	-	(181,659)	-
TOTAL	\$ 16,324,953	\$ 56,153,567	376.0	\$ 16,324,953	\$ 56,153,567	376.0

1. SGF REAPPROPRIATION

The agency carried forward \$979,746 in reappropriated SGF moneys from FY 2024 into FY 2025. These funds include the following:

- \$452,149 for **previously approved supplemental requests and legislative adjustments** that were not entered into the accounting system until near the end of FY 2024. The agency anticipates completing these projects and adjustments in FY 2025:
 - \$151,536 for the transition to **Office 365** services, including email managed by the Office of Information Technology Services (OITS);
 - \$150,000 for a **VCAP grant** to provide service representatives to both the American Legion and the Veterans of Foreign Wars at U.S. Veterans Affairs (VA) Medical Centers and the VA Regional Office;

- \$107,945 to purchase a **KVH transit van** equipped with a wheelchair lift. The agency missed the deadline to submit a bid in FY 2024. The van is now out for bid; and
- \$42,668 for **salary adjustments included in 2024 SB 28**. The agency states that at the time it received the funds, its programs were pulling from other accounts to cover the costs.
- \$413,171 for certain projects associated with the **Veterans' Cemetery Program** that were not completed due to delays in receiving adequate bids. The agency has budgeted these expenditures for projects in FY 2025.
- \$114,426 in **salary savings** from positions that were not filled due to turnover. The agency plans to use the funds for salary and wages, support at multiple outreach events, and training opportunities.

2. SIBF REAPPROPRIATION

The agency carried forward \$16.2 million in reappropriated SIBF moneys from FY 2024 into FY 2025. The reappropriation is associated with the construction of the new Northeast Kansas Veterans' Home located on a plot of land near the Colmery-O'Neil VA Medical Center in Topeka, Kansas. The 2023 Legislature appropriated \$17.2 million, or 35.0 percent of the total cost of construction, to KOVS for FY 2024 with the intention that the federal VA would provide the remaining 65.0 percent of funding.

The agency does not know when the VA will appropriate the remaining 65.0 percent in matching federal funds to the KOVS for the construction of the home. Despite not knowing when the federal funds will be received, the agency expended approximately \$1.0 million SIBF on architecture and engineering fees to render a schematic design of the new facility in FY 2024, with the remaining \$16.2 million SIBF reappropriated into FY 2025. It is likely that a large portion of this reappropriation will be carried over into the next fiscal year if the agency is not in receipt of the matching federal funds.

3. SUPPLEMENTAL REQUEST

The agency's revised estimate does not include any requests for supplemental funding in FY 2025.

4. STATE CEMETERY GRANT (OT)

Established in 1978, the VA's Veterans Cemetery Grants Program provides assistance to states, territories, and tribal governments in providing grave sites for veterans in areas where the National Cemetery Administration cannot fully satisfy burial needs. In July 2024, KOVS applied for a federal grant to the National Cemetery Administration for purposes of expanding the casket and in-ground cremation gardens at the Veterans' Cemetery in Winfield. In October 2024, the agency learned that the Veterans' Cemetery in Winfield was awarded the grant funds. As such, the agency's revised request includes \$1.3 million, all from the State Cemetery Grants Fund, for the expansion of casket and in-ground cremation gardens in FY 2025.

- **Agency:** Add \$1.3 million, all from the State Cemetery Grants Fund, to expand the casket and in-ground cremation gardens at the Veterans' Cemetery in Winfield in FY 2025.
- **LBC:** No changes.

5. FEDERAL PER DIEM

Both the Kansas Soldiers' Home (KSH) and the Kansas Veterans' Home (KVH) receive reimbursements from the VA in the form of per-diem payments for nursing and domiciliary care provided to eligible veterans, as well as per-diem payments for long-term care provided to eligible veterans. The VA domiciliary per-diem rate for federal fiscal year 2024 is **\$59.69** per veteran. The current VA long-term care per-diem basic rate is **\$138.29** per veteran, though the rate increases to **\$472.86** per veteran with a service-connected disability rating of 70.0 percent or higher.

The agency states that it is difficult to predict when the VA reimbursements will be receipted into the agency's accounting system, which is a main reason why the estimates for the Federal VA Domiciliary Care Per-Diem Fund and the Federal VA Long-Term Care Per-Diem Fund routinely fluctuate from the time of the agency's budget submission to the time the budget is appropriated. In FY 2025, only the Federal Long-Term Care Per-Diem fund for the Veterans' Home is expected to increase (\$125,158) due to the agency's belief that the number of long-term care residents will also increase. However, the agency anticipates that the average daily census for domiciliary residents will remain unchanged from FY 2024 into FY 2025, at approximately 105 veteran-residents per day. Thus, the Federal Domiciliary Care Per-Diem Fund for the Veterans' Home will be reduced (**\$195,065**) due to less domiciliary residents than previously predicted. (Note: At the beginning of FY 2025, there was an outbreak of COVID-19 at the Veterans' Home. Per federal regulations, the agency was not able to admit new veteran-residents until the outbreak subsided.)

Finally, there is a decrease of moneys in both the Federal Long-Term Care Per-Diem Fund (**\$414,203**) and the Federal Domiciliary Care Per-Diem Fund (**\$374,099**) of the Soldiers' Home due to the agency's anticipation that it will receive less in federal VA reimbursement funds.

- **Agency:** Delete \$858,209, all from special revenue funds, for a decrease in federal per-diem reimbursement payments in FY 2025.
- **LBC:** No changes.

6. ALL OTHER ADJUSTMENTS

The agency's revised request includes an overall decrease of \$181,659, all from special revenue funds, for all other adjustments in FY 2025.

There is a decrease of \$307,188, all from special revenue funds, for temporary staffing agencies and recruiting services in FY 2025. The KSH and the KVH have both relied significantly less on temporary nurses contracted out through temporary staffing agencies than in years past. The agency attributes the decrease in staffing and recruiting expenditures to an increase in salaries and wages for nursing staff, as well as the agency's presence at job recruiting fairs.

The reduction in expenditures for staffing and recruiting services is partially offset by an overall increase (\$42,665) in the salaries of wages of employees of the Veterans Services program. The reduction is further offset by an increase in funding (\$150,000 SGF) for the Veterans' Claims Assistance Program (VCAP) Service Grant in FY 2025. (Note: The 2024 Legislature appropriated \$1.0 million SGF for the VCAP Service Grant for FY 2025. This request would increase this amount by \$150,000, for a total of \$1,150,000 SGF in FY 2025.)

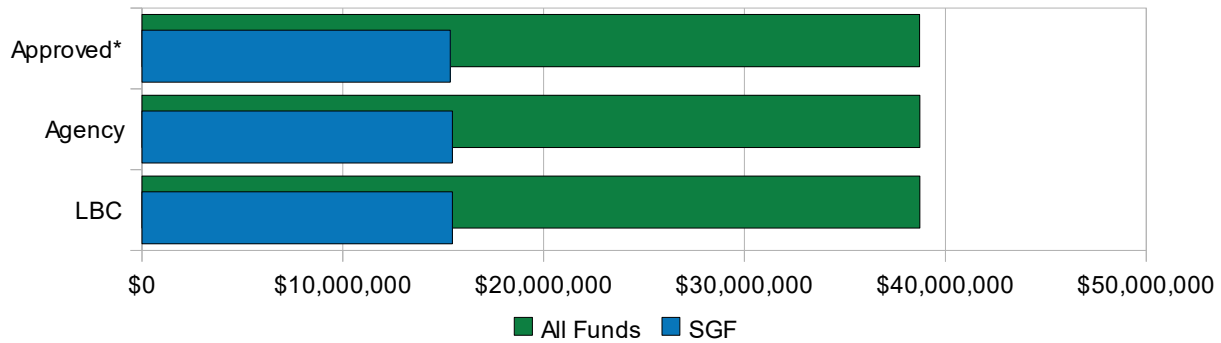
- **Agency:** Delete \$181,659, all from special revenue funds, for all other adjustments

in FY 2025.

- **LBC:** No changes.

FY 2026 ANALYSIS

FIG. 5 BUDGET HIGHLIGHTS, FY 2026



* Note: Reflects legislative-approved expenditures for FY 2025, excluding reappropriations.

FIG. 6 BUDGET HIGHLIGHT CHANGES, FY 2026

Fund	2025 Agency	2025 Approved*	2026 Agency	Agency Change from Previous-Year Agency		Agency Change from Approved*	
SGF	\$ 16,324,953	\$ 15,345,207	\$ 15,464,028	\$ (860,925)	(5.3) %	\$ 118,821	0.8 %
All Other Funds	39,828,614	23,371,453	23,266,417	(16,562,197)	(41.6)	(105,036)	(0.4)
TOTAL	\$ 56,153,567	\$ 38,716,660	\$ 38,730,445	\$ (17,423,122)	(31.0) %	\$ 13,785	0.0 %

* Note: Reflects legislative-approved expenditures for FY 2025, excluding reappropriations.

BUDGET ANALYSIS

FIG. 7 SUMMARY OF BUDGET REQUEST, FY 2026

	Agency			Legislative Budget Committee		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Approved, FY 2025	\$ 15,345,207	\$ 38,716,660	376.0	\$ 15,345,207	\$ 38,716,660	376.0
2024 SB 28 & HB 2551	15,345,207	38,716,660	376.0	15,345,207	38,716,660	376.0
Supplemental Requests	\$ -	\$ -	-	\$ -	\$ -	-
1 No Supplemental Requests	-	-	-	-	-	-
Other Changes	\$ 118,821	\$ 13,785	-	\$ 118,821	\$ 13,785	-
2 Nursing Personnel	(1,617,165)	3,610,987	-	(1,617,165)	3,610,987	-
3 Soldiers' Home Capital Projects	-	(1,045,942)	-	-	(1,045,942)	-
4 All Other Adjustments	1,735,986	(2,551,260)	-	1,735,986	(2,551,260)	-
TOTAL	\$ 15,464,028	\$ 38,730,445	376.0	\$ 15,464,028	\$ 38,730,445	376.0

1. NO ENHANCEMENT REQUESTS

The agency's estimate does not include any enhancement requests for FY 2026.

2. NURSING PERSONNEL

For several years, the KOVS has struggled to hire permanent nursing staff for both the KSH and the KVH due to the locations of the homes as well as the nation-wide nursing shortage. The agency frequently utilizes temporary staffing agencies to ensure that both the KSH and the KVH have enough nurses on site. The KOVS recognizes that it is more costly to contract with staffing agencies than to hire permanent employees. In an effort to lessen its reliance on contractual services for staffing needs, the agency frequently attends job recruiting fairs and has increased the salaries and wages for nursing staff. As such, the agency plans to decrease the amount expended on temporary staffing services while increasing expenditures for salaries and wages of nursing staff. In FY 2024, the agency expended a total of \$2.3 million in on-budget and off-budget expenditures for temporary staffing services. The 2024 Legislature approved a total of \$3.0 million in on-budget and off-budget expenditures for this purpose in FY

2025. However, the agency anticipates that this amount will decrease by \$696,679, for a total of \$2.4 million in on-budget and off-budget expenditures for temporary staffing services for FY 2026. (*Note:* Essentially, there is an increase of \$188,424 in on-budget expenditures for temporary staffing services, and a decrease of \$696,679 in total expenditures for temporary staffing services for FY 2026.)

The agency's request also includes an increase of \$3.4 million, all from special revenue funds, for the salaries and wages of nursing personnel. (*Note:* For purposes of this Budget Summary, "nursing personnel" contain the following position classifications: Assistant Nurse Manager, Certified Nurse Aide, Certified Nurse Aide I, Certified Nurse Aide II, Certified Nurse Aide Specialist, Licensed Practical Nurse, and Registered Nurse.) When the increase in on-budget expenditures for temporary staffing services is included, the amount expended on nursing personnel for FY 2026 will increase by \$3.6 million above the FY 2025 approved amount. However, when the total on-budget and off-budget expenditures for temporary staffing services are taken into account, the amount expended on nursing personnel for FY 2026 will increase by only \$2.7 million above the FY 2025 approved amount.

Finally, the SGF reduction is due to the agency shifting how it will fund certain expenditures. According to the agency, the KSH did not receive enough SGF funds to cover the increase in salaries and wages that stemmed from the 2024 Legislature's pay plan, so the agency had to utilize various federal funds and fee funds to cover the difference. For example, the KOVS will utilize fee funds and federal funds to pay the salaries and wages of nursing personnel at the KSH and the KVH, whereas the SGF will be utilized to pay the salaries and wages of other personnel at the KSH and the KVH for FY 2026. (*Note:* The agency is not requesting additional FTE positions because there are enough vacant positions for which the agency can hire additional nursing personnel.)

- **Agency:** Add \$3.6 million in special revenue funds, and delete \$1.6 million SGF, for on-budget expenditures related to nursing personnel for FY 2026.
- **LBC:** No changes.

3. SOLDIERS' HOME CAPITAL PROJECTS

Prior to FY 2026, there were a variety of capital improvement projects being undertaken at the KSH. Of the nine projects undertaken at the KSH in FY 2025, the agency expended \$1.3 million SIBF on four projects conducted on or at Halsey Hall, the skilled living facility. These projects ranged from replacing the roof of the building to remodeling the showers in the facility. The agency expended \$879,935 SIBF on the remaining five projects, which ranged from replacing the fire panels on various buildings to painting the domiciliary cottages, in FY 2025. For FY 2026, the agency's request includes a reduction of \$1,045,942 SIBF in capital project expenditures at the KSH, for a total of \$798,670 SIBF in capital improvement expenditures for the KSH for FY 2026. The agency plans to complete emergency repair projects on the KSH (\$212,900), upgrade the IT infrastructure for the KSH (\$495,295), and expand the pharmacy within Halsey Hall (\$90,475) for FY 2026.

- **Agency:** Delete \$1.1 million SIBF in capital expenditures on the KSH for FY 2026.
- **LBC:** No changes.

4. ALL OTHER ADJUSTMENTS

The agency's request includes a decrease of \$2.4 million in all funds, but an increase of \$1.8 million SGF, for all other adjustments for FY 2026.

The primary reason for the adjustments is due to the agency shifting how it pays for certain expenditures. For example, there is an all funds reduction of \$2.7 million in salaries and wages expenditures for non-nurse personnel at the KSH and the KVH for FY 2026. However, there is an increase of \$3.3 million SGF, and a decrease of \$6.0 million in all other funds, in salaries and wages expenditures for non-nurse personnel at the KSH and the KVH for FY 2026.

Lastly, there is an increase in commodities (\$825,665) and capital outlay (\$163,781) expenditures at both the KSH and the KVH. The majority of these expenses relate to the increased costs associated with providing care for persons in nursing homes and assisted living facilities, such as food (\$311,240), drugs and prescriptions (\$70,592), and other household supplies (\$235,045). A smaller portion of this amount relates to increased costs associated with running nursing homes and assisted living facilities, such as passenger cars (\$85,422) and professional equipment (\$71,651) for FY 2026.

- **Agency:** Delete \$2.6 million all funds, and add \$1.7 million SGF, to reallocate funding operational funding at the veterans' homes for FY 2026. The SGF increase is primarily attributable to projected inflationary increases in food, drugs, and supplies, as well as an adjustment in expenditures for non-nurse personnel.
- **LBC:** No changes.

CAPITAL BUDGET AND DEBT

FIG. 8 **CAPITAL BUDGET AND DEBT, FY 2024 – FY 2026**

	Actual FY 2024	Agency FY 2025	LBC FY 2025	Agency FY 2026	LBC FY 2026
EXPENDITURES:					
Capital Projects	\$ 5,815,578	\$ 21,861,874	\$ 21,861,874	\$ 2,814,298	\$ 2,814,298
Kansas Soldiers' Home	215,289	3,468,174	3,468,174	798,670	798,670
Kansas Veterans' Home	1,232,898	2,342,979	2,342,979	1,813,648	1,813,648
NE Kansas Veterans' Home	3,475,767	13,724,233	13,724,233	-	-
State Veterans' Cemeteries	568,932	2,273,094	2,273,094	201,980	201,980
Network Modernization & Security	322,692	53,394	53,394	-	-
Debt Service Principal*	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Interest*	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 5,815,578	\$ 21,861,874	\$ 21,861,874	\$ 2,814,298	\$ 2,814,298
FINANCING:					
SGF	\$ 768	\$ 615,151	\$ 615,151	\$ 201,980	\$ 201,980
SIBF	4,923,952	19,748,865	19,748,865	2,612,318	2,612,318
Federal Cemetery Grant	568,164	1,375,247	1,375,247	-	-
All Other Funds	322,694	122,611	122,611	-	-
TOTAL	\$ 5,815,578	\$ 21,861,874	\$ 21,861,874	\$ 2,814,298	\$ 2,814,298

* Note: Includes debt service expenditures on capital improvement projects only.

FY 2025 CAPITAL IMPROVEMENTS

The **agency** submits a revised estimate of \$21.9 million in capital improvement expenditures in FY 2025, including \$615,151 SGF and \$19.8 million State Institutions Building Fund (SIBF). The SGF was previously appropriated for the Veterans' Cemetery Program. The revised estimate includes the following capital projects:

1. KANSAS SOLDIERS' HOME CAPITAL PROJECTS

The revised request includes \$2.1 million for the following eight projects, in addition to emergency repairs and maintenance (\$206,467), at the Soldiers' Home on Fort Dodge:

- Roof replacement on Halsey Hall (\$498,000);
- Shower room remodel at Halsey Hall (\$352,000);
- Fire panel replacement at Lincoln Hall, Grant Hall, and Nimitz Hall (\$238,700);
- HVAC upgrade in Lincoln Hall (\$213,675);
- Generator purchase for Halsey Hall (\$213,000);
- Make-up air unit at Halsey Hall (\$188,000);
- Conversion of LTC bariatric room (\$180,000); and
- Painting cottages (\$41,093).

2. KANSAS VETERANS' HOME CAPITAL PROJECTS

The revised request includes \$2.3 million for two projects, in addition to emergency repairs and maintenance (\$172,055), at the Veterans' Home in Winfield, Kansas:

- Upgrade the electrical infrastructure for the facility (\$1. million); and
- Remodel the dementia wing of Bleckley Hall (\$604,537).

3. NEW NORTHEAST KANSAS VETERANS' HOME

The 2023 Legislature appropriated \$17.2 million, or 35.0 percent of the total cost, to construct a new Veterans' Home to be located in Topeka, Kansas. In FY 2024, the agency expended approximately \$3.4 million on items such as schematic designs and architectural renderings. The revised request includes \$13.7 million in expenditures for the new Northeast Kansas Veterans' Home in FY 2025. However, the agency does not know when it will receive the matching federal funds, so a portion of the \$13.7 million SIBF will likely be carried over to the next fiscal year, in case the VA approves the agency's application to construct a new Veterans' Home in northeast Kansas.

4. STATE VETERANS' CEMETERIES CAPITAL IMPROVEMENTS

The revised request includes \$2.1 million, including \$615,151 SGF, for eight projects, in addition to emergency repairs and maintenance (\$28,980), on various State Veterans' Cemeteries:

- Expansion of casket and in-ground cremation gardens at the Winfield Veterans Cemetery (\$1.3 million);
- Installation of restrooms at the committal shelter at the Fort Riley Veterans Cemetery (\$262,911);
- Construct a portion of a fence to enlarge the outdoor work area at the Fort Dodge Veterans Cemetery (\$241,696);
- Install and construct a road through a garden at the Fort Dodge Veterans Cemetery (\$70,000);
- Add doors to the committal shelter at the Fort Dodge Veterans Cemetery (\$45,000);
- Add doors to the committal shelter at the WaKeeney Veterans Cemetery (\$45,000);
- Complete the expansion of the columbarium wall at the Fort Dodge Veterans Cemetery (\$44,029); and
- Install a scattering garden at the Fort Dodge Veterans Cemetery (\$35,000).

5. NETWORK MODERNIZATION AND SECURITY

The revised request includes \$53,394 to complete the network modernization and security project in FY 2025.

FY 2026 CAPITAL IMPROVEMENTS

The **agency** requests \$2.8 million in capital improvement expenditures for FY 2026, including \$201,980 SGF for the Veterans' Cemetery projects. The request includes the following projects:

1. KANSAS SOLDIERS' HOME CAPITAL IMPROVEMENTS

The request includes \$798,670 for the following two projects, in addition to emergency repairs and maintenance (\$212,900), at the Soldiers' Home on Fort Dodge:

- Upgrade the IT infrastructure of the Soldiers' Home (\$495,295); and
- Expand the pharmacy located in Halsey Hall (\$90,475).

2. KANSAS VETERANS' HOME CAPITAL IMPROVEMENTS

The request includes \$1.8 million for the following seven projects, in addition to emergency repairs and maintenance (\$177,417), at the Veterans' Home in Winfield, Kansas:

- Repair the steam line that runs from the Timmerman Building to the Holly Power Plant (\$650,000);
- Remodel the Donlon - Ehlers Wing (\$446,500);
- Install new 100-ton air-cooled chillers (\$198,477);
- Replace exterior doors at Donlon (\$194,611);
- Repair the Holly Power Plant steam trap (\$98,609);
- Replace the main entrance exterior door of the Timmerman Building (\$28,516); and
- Install a new boiler water softening system (\$19,519).

3. STATE VETERANS' CEMETERIES CAPITAL IMPROVEMENTS

The revised request includes \$437,844 for two projects, in addition to emergency repairs and maintenance (\$28,980), on various State Veterans' Cemeteries for FY 2026:

- Install restrooms at the committal shelter at the WaKenney Veterans Cemetery (\$312,964); and
- Install memorial walks at all Veterans' Cemeteries (\$96,000).

REFERENCE TABLES

FIG. 9 **10-YEAR EXPENDITURE HISTORY, FY 2017 – FY 2026**

Fiscal Year	SGF	Change	All Funds	Change	FTE	CPI-U Change**
FY 2017	\$ 6,852,094	8.0 %	\$ 25,095,123	0.6 %	331.0	0.0 %
FY 2018	6,589,784	(3.8)	26,468,234	5.5	308.8	0.2
FY 2019	5,715,188	(13.3)	29,247,309	10.5	373.0	0.0
FY 2020	6,713,881	17.5	28,515,241	(2.5)	373.0	0.8
FY 2021	5,952,980	(11.3)	27,689,908	(2.9)	373.0	2.4
FY 2022	6,139,217	3.1	29,146,625	5.3	373.0	9.2
FY 2023	10,839,461	76.6	33,621,840	15.4	375.0	5.8
FY 2024	14,495,331	33.7	38,392,341	14.2	376.0	3.0
FY 2025 Agency	16,324,953	12.6	56,153,567	46.3	376.0	2.5
FY 2026 Agency	15,464,028	(5.3)	38,730,445	(31.0)	376.0	2.4
10-Yr. Chg. (FY 2017– 2026)	\$ 8,611,934	125.7 %	\$ 13,635,322	54.3 %	45.0	33.4 %
3-Yr. Avg. (FY 2022– 2024)*	10,491,336		33,720,269		374.7	

* Note: Reflects three most recent years of actuals data.

** Note: Consumer Price Index – All Urban Consumers estimate for FY 2025 and FY 2026 is from the Consensus Revenue Estimating Group.

FIG. 10 **EXPENDITURES BY PROGRAM, FY 2024 – FY 2026**

Program	Actual FY 2024	Agency FY 2025	LBC FY 2025	Agency FY 2026	LBC FY 2026
Administration	\$ 1,318,934	\$ 1,536,977	\$ 1,536,977	\$ 1,438,667	\$ 1,438,667
Kansas Soldiers' Home	11,613,524	11,262,893	11,262,893	12,742,705	12,742,705
Kansas Veterans' Home	14,888,232	15,823,100	15,823,100	16,119,189	16,119,189
Veterans' Cemeteries	1,994,834	1,549,354	1,549,354	1,559,125	1,559,125
Veterans Services	3,652,095	4,172,763	4,172,763	4,056,461	4,056,461
Capital Improvements	4,924,722	21,808,480	21,808,480	2,814,298	2,814,298
TOTAL	\$ 38,392,341	\$ 56,153,567	\$ 56,153,567	\$ 38,730,445	\$ 38,730,445

FIG. 11 **FTE POSITIONS BY PROGRAM, FY 2024 – FY 2026**

Program	Actual FY 2024	Agency FY 2025	LBC FY 2025	Agency FY 2026	LBC FY 2026
Administration	12.0	12.0	12.0	12.0	12.0
Kansas Soldiers' Home	117.0	117.0	117.0	117.0	117.0
Kansas Veterans' Home	193.0	193.0	193.0	193.0	193.0
Veterans' Cemeteries	19.0	19.0	19.0	19.0	19.0
Veterans Services	35.0	35.0	35.0	35.0	35.0
Capital Improvements	-	-	-	-	-
TOTAL	376.0	376.0	376.0	376.0	376.0