



PERFORMANCE AUDIT REPORT

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

Executive Summary *with Conclusions and Recommendations*

A Report to the Legislative Post Audit Committee
By the Legislative Division of Post Audit
State of Kansas
August 2008

Legislative Post Audit Committee

Legislative Division of Post Audit

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To: Members of the Kansas Legislature

This executive summary contains the findings and conclusions, together with a summary of our recommendations and the agency responses, from our completed performance audit, *Commission on Veterans' Affairs: Reviewing How Well It Is Spending Its Money and Serving Veterans*.

This report includes several recommendations for the Commission on Veterans' Affairs. It was recommended that the Commission periodically provide information to all State agencies informing them of the services offered by the Commission. We also recommended the Commission's Executive Director work closely with veteran service organizations to resolve significant issues between the two entities in order to better coordinate efforts. Finally, we made several recommendations for the Commission to reduce the amount spent on holding monthly Commission meetings in locations outside of Topeka. We would be happy to discuss these recommendations or any other items in the report with you at your convenience.

If you would like a copy of the full audit report, please call our office and we will send you one right away.

A handwritten signature in black ink that reads "Barbara J. Hinton". The signature is written in a cursive, flowing style.

Barbara J. Hinton
Legislative Post Auditor

EXECUTIVE SUMMARY

LEGISLATIVE DIVISION OF POST AUDIT

Overview of the Kansas Commission on Veterans' Affairs

Established in 1951, the Commission's primary purpose is to serve veterans living in Kansas. *The Commission was created to ensure that Kansas veterans and their eligible dependents receive the federal benefits and services to which they are entitled. The Commission's board consists of five members appointed by the Governor, all of whom must have served in the armed forces. The Commission is structured into four major program areas—administration, veteran services, veteran cemeteries, and veteran's homes for long-term care. The Commission has 15 field offices across the State.*

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. *The Commission maintains a Commission website with contact information, and lists Commission contact information on benefits booklets given to veterans and on posters distributed to veteran service organizations. The field office veteran representatives make scheduled visits in communities without a veteran service office. These representatives also perform veteran outreach by attending active duty discharge briefings and community events, and visiting long-term care facilities and veteran service organization posts.*

Some State agencies provide services that veterans could be eligible for through federal programs. *The U.S. Department of Veterans Affairs provides 39 benefits and services to eligible veterans and their dependents, including medical, long-term care, employment, and education services. Four State agencies provide similar services to veterans or their dependents: SRS, Health Policy Authority, Department on Aging, and the Department of Commerce. In addition, veterans enrolling in State universities may be eligible for financial educational assistance through the Montgomery GI Bill.*

All four agencies take some steps to identify whether individuals applying for their services are veterans. Varying methods are used, but generally involve a question regarding veteran status on an application or sign-in sheet. Once a veteran is identified, the agencies generally do refer them on to federal programs, either by giving a federal contact name or

address to applicants, or by having staff to help veterans identify and apply for federal veteran benefits. Only two agencies said they refer veterans to the Commission on Veterans' Affairs, either because they weren't aware of the commission or hadn't thought about it.

The Commission and veteran service organizations coordinate certain activities, but an adversarial relationship may undermine some efforts. *The Commission's goal of helping veterans obtain benefits is shared by many veteran service organizations. These overlapping goals provide an opportunity to coordinate certain activities or efforts related to serving veterans.*

Some significant efforts have been made to reach out to other organizations and coordinate veteran's assistance, such as joint training of veteran service representatives from both the Commission and service organizations. Despite these efforts, the current relationship between veteran service organization staff and Commission staff—especially at the leadership levels—could be characterized more as adversarial than cooperative in nature.

Question 1 Conclusion. *The Kansas Commission on Veterans' Affairs appears to be taking reasonable steps to identify veterans through its field offices and their outreach efforts and, although other State agencies in general have varied methods for identifying veterans, those agencies seem to be referring veterans on to federal services. We noted, however, that in most cases they didn't refer veterans to the Commission—which serves as the central State agency for veterans services. Helping veterans is the primary mission of the Commission and several veteran service organizations. However, the Commission is less effective if State agencies are unaware of their services. Further, coordination between the Commission and other veteran service organizations is being deterred by long-standing rivalries and disagreements between the leadership of the veteran entities.*

Question 1 Recommendations for Executive Action.

We recommended the Commission on Veterans' Affairs should periodically provide information to State agencies about the services it provides to Kansas veterans, so that agencies are aware and can refer people they identify as veterans to the Commission if they need any services. In addition, we recommended the Commission's Executive Director should work closely with various veteran service organizations to resolve significant issues and concerns that may hamper effective coordination between the Commission and the organizations.

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?

The Commission has 44 positions authorized for its Veteran Services Program. *The Veteran Services Program's mission is to provide advocacy and resources to the veterans of Kansas, their families, or their survivors, 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 representative positions.*

Legislation passed in 2006 transferred the responsibilities of 14 positions from the Commission to a State-funded grant program. *The Veterans Claim Assistance Program (VCAP) was created as an alternative way of providing funding for veteran services needed within the three VA Hospitals located in Kansas. 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.*

These 14 positions weren't removed from the authorized position count for the Veteran Services Program. During the 2008 session, the Commission testified that it had 19 "vacant" positions, which included those 14 positions whose job responsibilities had been transferred to VCAP, plus four other positions the Commission hadn't requested funding for, and one position that's being held vacant.

In recent years, there have been two significant vacancies in the Commission's funded veteran service representative positions. *One position is located in the Topeka central office, and hasn't been filled since August 2006. The other position, located in Emporia, was vacant for about seven months. 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. It was filled in March 2008.*

Legislation passed in 2008 will allow the Commission to hire more staff to provide outreach services to veterans in rural communities. *During the 2008 legislative session, the Veterans Enhanced Service Delivery Program was established. 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. Beginning in 2011, 30% of revenues from the veterans benefit game lottery ticket will go towards funding the Veterans Enhanced Service Delivery Program. If the Commission is able to fill all 19 positions, a total of 56*

veteran service representative positions and other staff serving veterans throughout the state will be State-funded; 44 through the Commission, and 12 through the State-grant-funded Veterans Claim Assistance Program.

Question 2 Conclusion. Recent legislative testimony by Commission staff may have led legislators to believe there currently were numerous vacancies within the Commission. As we've described in this question, however, job responsibilities for 14 of the Commission's 44 "authorized" positions in the Veteran Services Program were transferred to the VFW and American Legion under a State-funded grant program in 2006, and are no longer within the Commission. Of the 30 other positions within the Commission, only two veteran service representative positions have been vacant for a significant amount of time since 2006. One vacancy in the central office hasn't been filled since August 2006. The other vacancy was unanticipated; it occurred during a time when the Commission was short on funding and decided to keep the position vacant to cover other expenses. If the Commission uses lottery funds in 2011 to fill the 19 positions it wants to, the State will have significantly more State-funded positions assigned to provide services to veterans than it previously did.

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 Soldiers' Home had significant amounts of unspent moneys in fiscal year 2007. The Kansas Soldiers' Home 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 can fluctuate based on the overall number of residents at the Soldiers' Home.

At the end of fiscal year 2007, the Soldiers' Home had a carryover 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.

Early in fiscal year 2008, State and federal inspections identified significant deficiencies at the Soldiers' Home. Two-thirds of the 69 deficiencies identified during those inspections were in the areas of quality of care and resident rights. The 69 deficiencies cited in 2007 were significantly higher than the previous two years—17 in 2006 and 15 in 2005.

In fiscal year 2008, the Home spent about \$365,000 of its carryover balances, and hired 12 additional direct-care staff. *Officials from the Soldiers' Home and both State and federal inspectors said a shortage of nursing staff contributed to many of the deficiencies cited.*

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. Kansas Soldiers' Home direct-care staffing information is shown in the accompanying figure. Commission staff told us the Soldiers' Home had tried to fill more nursing positions, but it had an extremely difficult time recruiting staff to work there because of its remote location in Fort Dodge and competition from area employers.

Figure 3-3 Kansas Soldiers' Home Direct-Care Staffing Levels and Expenditures Fiscal Years 2005-2009						
	Start of FY 2005 (July 04)	Start of FY 2006 (July 05)	Start of FY 2007 (July 06)	Start of FY 2008 (July 07)	Start of FY 2009 (July 08)	Percent Change, 05-09
Authorized Permanent Full-time Classified Direct-Care Staff	82	81	81	81	80	-2.4%
Total Permanent and Temporary Direct-Care Staff Positions Filled	68	67	66	60	72	5.9%
Detail of Positions Filled:						
<i>Nurses (LPN, RN)</i>	19	20	19	18	20	5.3%
<i>Certified Nurses Aides (a)</i>	46	45	46	42	51	10.9%
<i>Activity Therapists</i>	3	2	1	0	1	-66.7%
	FY 2005 Total	FY 2006 Total	FY 2007 Total	FY 2008 Total	FY 2009 Estimate	
Actual Expenditures for Contracted Direct-Care Staff	\$0	\$0	\$92,338	\$258,654		
Actual / Estimated Salary Expenditures for all Staff (b)	\$4,256,511	\$4,249,922	\$4,554,865	\$5,100,569	\$5,921,736	39.1%
(a) Certified Nurses Aides were called Health Care Assistants in FY 2005. (b) FY 2009 is based on the amount appropriated by the Legislature. Source: Position data from the State's Personnel and Payroll System (SHaRP), Legislative Research Budget Analysis, and Commission on Veterans' Affairs records.						

During fiscal year 2008, Soldiers' Home officials worked with the Division of Personnel Services to have 24 positions changed from classified to unclassified temporary positions. In addition, a Statewide change in the pay grade for various levels of classified registered nurses went into effect October 2007.

As of July 2008 the Home had a total of 72 direct-care staff, up 20% from the low the previous year, and up 6% from the July 2004 levels. 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 Home has submitted plans of correction for all deficiencies cited in the 2007 inspections. *The Department on Aging has approved the plan of correction for the State inspection findings. The plan submitted to the U.S. Department of Veterans Affairs also has been approved, and a federal follow-up inspection in January 2008 found that all deficiencies were either observed to have been corrected, or were awaiting some final actions. As a result, the Soldiers Home is currently in good standing.*

Question 3 Conclusion. *The Soldiers' Home had 12 more direct-care staff positions filled on July 2008 than it did on July 2007, and its corrective action plan apparently has brought it back into good standing with both the State and federal inspectors. However, Home officials indicated they have huge challenges trying to attract and keep qualified nursing staff because of the Home's remote location and because of competition from other local employers. Given its large balances, the Home now has more flexibility to try to attract new nursing staff and pay more competitive salaries, and should take greater advantage of that situation. Over the long-term, the Commission will want to continue working with the Soldiers' Home and with executive and legislative officials to ensure that the Home is well-managed and has sufficient direct-care staff to provide quality care to veterans and other residents.*

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 spent about \$24,000 to hold monthly Commission meetings during fiscal years 2007 and 2008. *The Commission is statutorily required to hold monthly Commission meetings. General topics discussed are budgetary items, legislative updates, and progress reports related to Commission staff activities. The law gives the Commission the authority to hold meetings anywhere in the State.*

The Commission says it holds meetings outside Topeka to make it more accessible to veterans. The accompanying figure shows the number, cost, and location of the Commission's monthly meetings. 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.

**Figure 4-1
Number, Cost, and Location of Commission on Veterans' Affairs Monthly Meetings
Fiscal Years 2007-2008**

Meeting Location	Reason Cited for Meeting Location	# of Meetings		Cost of Meetings		TOTAL FY 2007-08	
		FY 2007	FY 2008	FY 2007	FY 2008	Meetings Held	Meeting Costs
Meetings held in Topeka							
Topeka	Central Office	1	5	\$367	\$3,294	6	\$3,661
Topeka	Teleconference	<u>3</u>	<u>2</u>	<u>\$959</u>	<u>\$348</u>	<u>5</u>	<u>\$1,307</u>
Subtotal		4	7	\$1,326	\$3,642	11	\$4,968
Average cost per meeting				\$332	\$520		\$452
Meetings held outside Topeka							
Fort Dodge	Site of Soldiers' Home	2	2	\$5,095	\$4,750	4	\$9,845
Winfield	Site of Veterans' Home	1	1	\$2,080	\$1,936	2	\$4,016
Manhattan	Site of new veterans' cemetery	1	1	\$624	\$793	2	\$1,417
Wichita	Regional VA and the Commission's Quality Assurance Office	0	1	\$0	\$859	1	\$859
Olathe	Outreach to area	1	0	\$678	\$0	1	\$678
Overland Park	Commissioner's home area	1	0	\$853	\$0	1	\$853
Marysville	Commissioner's home area	1	0	\$616	\$0	1	\$616
Emporia	Central location for Commissioners	<u>1</u>	<u>0</u>	<u>\$786</u>	<u>\$0</u>	<u>1</u>	<u>\$786</u>
Subtotal		8	5	\$10,732	\$8,338	13	\$19,070
Average cost per meeting				\$1,342	\$1,668		\$1,467
TOTAL all meetings		12	12	\$12,058	\$11,980	24	\$24,038

Source: Commission on Veteran' Affairs expenditure vouchers

Based on a low average attendance rate of 12 non-Commission staff per meeting, the extra costs incurred in holding meetings outside Topeka doesn't appear to be justified.

Question 4 Conclusion. *The benefit of any new idea or option must be weighed against its overall costs. In this case, the Commission on Veterans' Affairs' goal was to improve accessibility for veterans by holding monthly Commission meetings at various locations across the State. Although that goal may have been laudable, attendance by non-*

Commission staff at meetings held outside of Topeka has been very low, and those meetings cost almost four times as much as a Topeka-based meeting. Given those figures, we've concluded the overall goal doesn't justify the additional costs incurred, and that the Commission could try other potential solutions—such as videoconferencing more meetings—to improve its outreach efforts to more veterans.

Question 4 Recommendations for Executive Action. *We recommended that Commission staff should hold meetings at locations outside Topeka only on a periodic basis, and only at facilities where the Commission has some presence. Also, the Commission should reduce meeting costs by considering the use of videoconferencing. We also recommended the Commission should explore the feasibility of holding bi-monthly or quarterly meetings.*

These appendices can be found in the full report:

APPENDIX A: *Scope Statement*
APPENDIX B: *Agency Response*

In general, the agency concurred with the report's findings, conclusions, and recommendations.

This audit was conducted by Lisa Hoopes, Jack Brooks, Dan Bryan and Amy Thompson. Chris Clarke was the audit manager. If you need any additional information about the audit's findings, please contact Lisa Hoopes at the Division's offices. Our address is: Legislative Division of Post Audit, 800 SW Jackson Street, Suite 1200, Topeka, Kansas 66612. You also may call us at (785) 296-3792, or contact us via the Internet at LPA@lpa.state.ks.us.