

1. List of key officials attending the hearing with contact information for each.

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3. Budget important information we would like the members to be aware of.

1. Based on the transfer of Veterans Nursing homes from the Department of Mental Health to the Department of Veteran's Affairs we are requesting \$866,392 in recurring funds, along with 4 new FTEs, for costs associated with developing new and critical capabilities within the department that will not transfer from the Department of Mental Health. The Boston Consulting Group, a Department of Administration-retained consultant, performed a comprehensive analysis of the Veteran Home oversight transfer process that informs this request. This study included an in-depth examination of the Department of Mental Health's current operating processes, models used in other states, and industry norms. The analysis concluded the Department of Veterans' Affairs needs a minimum of 27 additional FTEs to perform the functions associated with Veteran Homes. The Department of Administration has identified 23 FTEs, including both current employees and vacancies, to be transferred from the Department of Mental Health to the to the Department of Veterans' Affairs to help meet this requirement. The requested recurring funds will pay the salaries and benefits of the remaining 4 FTEs that will not transfer from the Department of Mental Health and salary differentials of unencumbered FTE authorization that transfer and are reclassified to revised roles.
 - a. Director of Veteran Homes. This position will have responsibility for all aspects of Veteran Home operations, to include the development and enforcement of quality assurance standards, and participation in the legislative process for matters relevant to Veteran Homes and Veteran Home residents.
 - b. Deputy Director, Medical Services. This position, a principal deputy to the Director of Veteran Services, will provide the clinical expertise required for effective management and oversight of the Veteran homes and Veteran cemeteries.
 - c. Director of Resource Management / Chief Financial Officer. This position will have responsibility for the management of the department's budget and provide oversight of the construction, maintenance, procurement, and information technology enterprises of the department. With the addition of Veteran Homes to the department's portfolio, our base operating budget will grow from roughly \$6 million to roughly \$230 million annually.
 - d. Deputy Director, Facilities Management. As a principal deputy to the Director of Resource Management / Chief Financial Officer, this position will be responsible for both the construction of new Veteran homes (to include the completion of the home in Sumter and the future construction of homes in Horry, Orangeburg, and Lexington), as well as the maintenance of existing homes.
2. We are requesting \$954,244 in recurring funds to increase efficiency and enable systemic improvements to the Veteran Home enterprise through 1) out-sourcing certain recurring tasks to vendors (with the necessary oversight) and 2) shifting a greater portion of administrative and support tasks to the Department of Administration's Shared Services. These program improvements will ensure South Carolina's Veteran Home residents receive the high-quality care and support they are both entitled to and deserve.

- a. Resident Billing. Currently, the Department of Mental Health executes Veteran Home resident billing internally. However, the Department of Mental Health model is dependent upon the benefits of an economy of scale, as it also conducts billing for a large number of care facilities and not just Veteran Homes. Having a state agency perform Veteran Home billing also places South Carolina in the extreme minority nationwide. Outsourcing billing to a third party is considerably more cost effective than building such a capability within the Department.
 - b. Auditing. Moving billing to a vendor will require, of course, a dedicated auditing capability not currently existing in the Department. Again, outsourcing the auditing function to a third party is considerably more cost effective than building such a capability internally.
 - c. Adverse Incident Reviews. Under federal and state regulations, one or more medical professionals with specific credentials must review certain incidents that occur within Veteran Homes. The most efficient means for the Department to acquire this necessary expertise is through outsourcing.
 - d. Cost Reporting. The Department of Mental Health currently uses a third-party commercial vendor to fulfill its requirement to report costs associated with the Veteran Homes to state and federal agencies. This funding will allow us to continue this cost-efficient practice.
 - e. Shared Services Expansion. The changes within the Department resulting from the transfer of Veteran homes will significantly increase the scope and scale of administrative tasks in two critical functions: human resources and information technology. The Shared Services model is the most cost-effective option for addressing increased requirements.
3. We are also requesting \$34,762,175 in recurring funds that would be realized regardless of whether Veterans Homes remained under the oversight of the Department of Mental Health. This request includes the contract for operation of the soon-to-be-complete Veteran Home in Sumter and increased operating costs in the other four contracted homes. This funding will cover both an increase in the rates for the vendor operating the existing Veteran Homes as well as a shortfall between current appropriations and anticipated future costs. Current appropriations total \$73.7 million; forecast costs total \$89.2 million, producing a deficit of \$15.5 million. The Department of Veterans' Affairs, unlike the Department of Mental Health, will not have sufficient operating funds to cover the difference without this request.
4. We are requesting \$49,048,440 in capital funds for the construction of a new Veteran Home in Lexington to replace the 90-bed Stone Pavilion Veteran Home in Columbia and bring South Carolina to its full USDVA allocation of 1,089 beds for Veterans across the state. We are also requesting funds for capital improvements to existing Veteran Homes to address known maintenance requirements, which come from two primary sources: 1) maintenance requirements that the Department of Mental Health identified and placed on the Comprehensive Permanent Improvement Plan (CPIP) but are without funding, totaling \$1,015,000, and 2) maintenance requirements for the two oldest facilities that a third-party inspector discovered as part of the transition process, totaling \$7,453,440.

5. We are requesting \$87,164 in non-recurring funds to provide workspace and IT for 23 new FTEs. The earlier-referenced comprehensive analysis from the Boston Consulting Group informs this request.
6. We are requesting \$92,786 in recurring for a full-time social work coordinator. This position will address a shortfall that has emerged in our state-wide system for connecting Veterans to the network of service providers: a human contact to follow up with Veterans who were served as the result of an automated referral. These follow-ups will either confirm that the Veteran is on the path to success or to make the additional referrals that are needed. This request will allow us to fill the missing piece of the puzzle and allow for the best possible outcomes for the largest number of Veterans.
7. We are requesting \$3,962 in non-recurring funds for initial start-up cost for automated office work capability and associated equipment for the one new full-time Social Work Coordinator.
8. We are requesting \$104,973 in recurring funding for the existing South Carolina Veteran Coalition and enhancements that has been previously grant funded. The South Carolina Veteran Coalition is a web-based digital platform and referral management system that has already proven to be successful for the Veteran population in South Carolina. This request includes expansion of the South Carolina Veteran Coalition to a web-based mobile application, as well as increased resource visibility and predictive analytics to enable preventative interventions.
9. We are requesting \$92,786 in recurring funds, along with one new FTE to assist South Carolina Veterans with VA benefits and claims processing when receiving VA Healthcare from the Augusta, GA VA Medical Center (Charlie Norwood VA Medical Center). This capability will resume service at the point of need and close the gap to serve SC veterans that exists since 2021 when SCDVA coverage there was withdrawn.
10. We are requesting \$77,159 in recurring funds, along with one new FTE to assist South Carolina Veterans with United States Department of Veterans' Affairs benefits and claims processing when receiving healthcare from the Charlie Norwood VA Medical Center in Augusta. This funding will resume service at the point of need and close the gap to serve South Carolina veterans that has existed since 2021, when prior South Carolina Department of Veterans' Affairs coverage there was withdrawn.
11. We are requesting \$1,280,000 in capital funds for a new committal shelter at the MJ "Dolly" Cooper State Veterans' Cemetery. The Cemetery was initially constructed in 2007 with one committal shelter located adjacent to the original interment gardens and columbarium walls. A second committal shelter provides greater flexibility to support Veterans and families in their time of need, and it also supports the planned expansion of new interment gardens into undeveloped acreage that will extend cemetery operational capacity for the next 50-100 years.
12. We are requesting \$10,000,000 in recurring funds for the Military Enhancement Fund. The Military Enhancement Fund is a direct investment in the long-term success of the military installations of South Carolina and an effective tool for maintaining their viability into the future. The General Assembly added \$8 million to the Department's FY21-22 budgets for the express

purpose of supporting actions and programs that make South Carolina a more appealing location for military bases and military families. An additional \$10 million was added to the FY22-23 budget. The total Military Enhancement Funds awarded in Fiscal Year 22-23 were \$9,109,091.31.

13. We are requesting \$2,000,000 in non-recurring funds for the Veterans' Trust Fund. The Veterans' Trust Fund is a long-standing entity designed to provide grants to organizations providing services to Veterans of South Carolina. Funded primarily by voluntary tax donations, the Fund has grown very little over its lifetime and currently has a total value of roughly \$700,000, typically awarding grants totaling less than \$20,000 annually. As a result, the Fund's effect on the Veteran service environment has been negligible to date. The ability of the Board of Trustees to award grants is significantly restricted by law until its total value exceeds \$1 million. Established in 1995, the Fund has never reached that value. The fund is governed by state law and the Department is responsible for staff and administrative assistance to the Board.
14. We are requesting \$77,159 in recurring funds along with one new FTE to meet the expanding requirements and emerging challenges of South Carolina Veterans. This request will provide the funding necessary to meet the increasing need for assistance through conducting complex referrals for currently underserved Veteran demographics, following up with partnered agencies to identify emerging Veteran populations, maintaining contact with Veterans and their families, and accurate reporting of all collected data.
15. We are requesting \$3,962 in non-recurring funds for initial start-up cost for automated office work capability and associated equipment for the one new full-time Emerging Veteran Challenges Coordinator
16. We are requesting \$182,000 in recurring funds for the Military Child Education Coalition. Education for military connected children is a major quality of life concern for the Department of Defense, and for the eight installation Commanders in South Carolina. One of the factors considered by the Department of Defense when making decisions about base closings is the quality of education around the base. Out of 73 school districts in South Carolina, only 11 have received Purple Star designation. The Department of Veterans' Affairs has partnered with the Department of Education, the South Carolina National Guard, and the Military Child Education Coalition to increase the number of Purple Star School Districts across the state. the Military Child Education Coalition currently receives \$350,000 in recurring funds and submits quarterly reports to the state on how those funds are spent.

4. Budget Request Summary in priority order

BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Veteran Homes Critical Capability Development	866,392	0	0	0	866,392	4.00	0	0	0	4
2	B1 - Recurring	Veteran Homes – Program Improvements	954,244	0	0	0	954,244	0.00	0	0	0	0
3	B1 - Recurring	Veteran Homes – Inherent Costs	25,456,920	0	9,305,255	0	34,762,175	0.00	0	0	0	0
4	C - Capital	Veteran Homes – Capital Improvements	49,048,440	0	0	0	49,048,440	0.00	0	0	0	4
5	B2 - Non-Recurring	Veteran Homes Critical Capability Development	87,164	0	0	0	87,164	0.00	0	0	0	0
6	B1 - Recurring	Social Work Coordinator for South Carolina Veterans Coalition (Operations)	92,786	0	0	0	92,786	1.00	0	0	0	0
7	B2 - Non-Recurring	Social Work Coordinator Startup Costs for the South Carolina Veterans Coalition (Operations)	3,962	0	0	0	3,962	0.00	0	0	0	0
8	B1 - Recurring	South Carolina Veteran Coalition and Mobile Application (Operations)	104,973	0	0	0	104,973	0.00	0	0	0	0
9	B1 - Recurring	Program Coordinator II at Augusta, GA VA Medical Center	92,786	0	0	0	92,786	1.00	0	0	0	0
10	B1 - Recurring	Service Officer Staffing at Augusta, GA VA Medical Center	77,159	0	0	0	77,159	1.00	0	0	0	1
11	C - Capital	MJ “Dolly” Cooper State Veterans’ Cemetery -- Committal Shelter II	1,280,000	0	0	0	1,280,000	0.00	0	0	0	0
12	B1 - Recurring	Military Enhancement Fund	10,000,000	0	0	0	10,000,000	0.00	0	0	0	0
13	B2 - Non-Recurring	Veteran Trust Fund	2,000,000				2,000,000	0.00	0	0	0	0
14	B1 - Recurring	Emerging Veteran Challenges Coordinator (Operations)	77,159				77,159	1.00	0	0	0	0
15	B2 - Non-Recurring	Emerging Challenging Veteran Coordinator Start-up Costs	3,962	0	0	0	3,962	0.00	0	0	0	0
16	B1 - Recurring	Military Child Education Coalition	182,000	0	0	0	182,000	0.00	0	0	0	0
TOTALS			90,559,854	0	9,305,255	0	99,865,109	8.00	0.00	0.00	0.00	8.00

5. Proviso

Constitutional Subcommittee Proviso Request Summary FY24-25				
Proviso # in FY 23-24 Act	Renumbered FY 24-25 Proviso #	Proviso Title	Short Summary	Agency Recommended Action (keep, change, delete, add)
101.1.		VET: M.J. "Dolly" Cooper Veterans Cemetery Carry Forward	The Department of Veterans' Affairs may carry forward unexpended funds appropriated and/or authorized for the M.J. "Dolly" Cooper Veterans Cemetery from the prior fiscal year and shall use such funds for the same purpose. In addition, any unexpended funds in the Department of Veterans' Affairs, including Special Line Items, shall be carried forward from the prior fiscal year into the current fiscal year and used for operation of the M.J. "Dolly" Cooper Veterans Cemetery. Funds carried forward more than the amount needed for the operation of the Cemetery may be used for other expenses of the Department of Veterans' Affairs.	Keep
101.2.		VET: Budget Reduction Exemption	Funds appropriated for the Department of Veterans' Affairs shall be excluded from any across-the-board agency base reductions mandated by the Executive Budget Office or General Assembly.	Keep
101.3.		VET: Base Protection Plan Allocation	Funds appropriated to the department for the Base Protection Plan may be allocated to items including, but not limited to, land acquisition, recreational purposes, educational purposes, and facilities for military personnel. Eligible recipients are counties and municipalities with federal military installations	Keep
11.9.		CHE: Tuition Age	For the current fiscal year, the age limitation for those children of certain war veterans who may be admitted to any state-supported college, university, or post high school technical education institution free of tuition is suspended for eligible children that successfully appeal the Department of Veterans' Affairs on the grounds of a serious extenuating health condition	Keep
101.NEW.		VET: Deferred Maintenance, Capital Projects, Ordinary Repair and Maintenance	The Department of Veterans' Affairs is authorized to establish an interest bearing fund with the State Treasurer to deposit funds for deferred maintenance and other one-time funds from any source. The department is also authorized to retain and deposit into the fund proceeds from the sale of excess real property owned by, under the control of, or assigned to the department. After receiving any required approvals, the department is authorized to expend these funds for the purpose of deferred maintenance, capital projects, and ordinary repair and maintenance. These funds may be carried forward from the prior fiscal year into the current fiscal year to be used for the same purpose.	ADD

6. Carry forward information

DEPARTMENT OF VETERAN AFFAIRS SUMMARY of CARRY FORWARD CASH BALANCE

FISCAL YEAR 2024

DEPARTMENT OF VETERAN AFFAIRS		
SUMMARY OF CARRY FORWARD CASH BALANCES		
FISCAL YEAR 2024		
		Balance
	Fund	7/1/2023
General Fund - Veterans' Cemetery	1001	1,091,551
General Fund - MBTF Non Recurring	1001	455,545
General Fund - Admin Svcs Non Recurring	1001	15,000
General Fund - Office of Secretary Non Recurring	1001	441,667
General Fund - Public Information Non Recurring	1001	13,800
General Fund - SC Base Protection Fund Non Recurring	1001	3,569,740
General Fund - State Coalition Integration Office Non Recurring	1001	38,500
General Fund - Vet Cemetery Hearse Non Recurring	1001	60,000
COVID-19 GF Reimbursement	3035	3,926
Donations	3098	49,038
Special Operating	3417	11,899
Maybank Fund	34E4	42,451
Military Family Relief Fund - Housing Authority	35E5	163,804
Veterans' Cemetery Capital Reserve Fund	3634	29
Veterans' Cemetery Special Revenue Fund	3639	2,383,497
Sale of Assets	3958	41,420
Military Family Relief Fund	49E2	286,876
Grand Total		8,668,743

7. FTE Breakdown.

Personnel Area	Authorized Total FTE	Position FTE	Actual Total FTE	Filled FTE	Vacant FTE	Total Salary	Difference Authorized - Actual
E260 DEPT OF VETERANS' AFFAIRS	52.000	52.0000	52.000	44.000	8.000	\$ 3,131,029.00	0.000
Overall Result	52.000	52.0000	52.000	44.000	8.000	\$ 3,131,029.00	0.000

8. Any other information your agency wishes to provide (such as a summary of your Accountability Report).

Based on the experience of the past three years, the department focused its efforts in FY22-23 on fourteen specific metrics, grouped into four Focus Areas. Those metrics, with both the goals established at the beginning of the year and the degree to which they were achieved by the end of the year, are summarized below. Additionally, the department began the planning and preparation necessary to support a potential transfer of responsibility for Veteran homes from the Department of Mental Health, a concept approved by the General Assembly and the Governor in May 2023.



FY 22-23 Action Plan Summary

1 July, 2022 – 30 June, 2023

	Focus Area 1 Expand the Coalition Intent: Improve our ability to effectively and efficiently align available resources to Veteran needs by increasing the number of partners actively participating in the state-wide network.	Focus Area 2 Reduce Veteran Suicide Intent: Reverse the long-standing trendline of rising Veteran suicide rates.	Focus Area 3 Improve Veteran Services in Under-resourced Counties Intent: Reduce the broad disparity in Veteran Services available to those in urban counties and those in rural and poorly resourced counties.	Focus Area 4 Improve Educational Opportunities Military Children Intent: Make South Carolina a station of choice for service members by addressing long-standing concerns about public education.
Focus Areas	2.1.3 Number of service providers using the SC Veteran Coalition Goal: 30 Achieved: 84	2.2.1 Veteran Suicide Rate in South Carolina Goal: 27/100k Achieved: 29.7	1.1.1 Percentage of county offices that are open 37.5 hours per week Goal: 90% Achieved: 89%	5.2.1.1 Number/type of existing/proposed alternatives to traditional public schools that are available Goal: 299 Achieved: 300
	4.1.2 Percentage of County Veterans Affairs Offices enrolled in the SC Veteran Coalition Goal: 50% Achieved: 19%	2.2.5 Number of county offices who have gun locks available on request by a Veteran or family member Goal: 22 Achieved: 46	1.1.2 Percentage of counties with a minimum of two fully-accredited full-time equivalent staff members Goal: 83% Achieved: 82%	5.2.1.2 Number of Purple Star designated school districts in the state Goal: 12 Achieved: 11
	4.2.1 Number of counties with a Community Veteran Engagement Board or similar body Goal: 35 Achieved: 25	2.2.6 Number of partnered organizations in the coalition using "Ask The Question" Suicide Prevention Campaign Goal: 30 Achieved: 30	2.1.1 Percentage of counties in which Veterans have access to county-wide transport three days per week Goal: 61% Achieved: 69%	5.2.1.3 Percentage of schools zoned for military installations with a score >= the state average in ELA and math Goal: 67% Achieved: 50%
Performance Goals		2.2.7 Number of Palmetto Pathfinders trained and available to connect with Veterans Goal: 166 Achieved: 121	4.3.1 Percentage of counties with a functional Veteran Treatment Court Goal: 26% Achieved: 26%	Focus Area 5 Prepare for the Potential Transfer of Responsibility for Veteran Nursing Homes