



OKLAHOMA DEPARTMENT OF VETERANS AFFAIRS

Fiscal Year 2019

State Budget Request



Agency Mission

In partnership with the Secretary of Veterans Affairs, the Oklahoma Department of Veterans Affairs, State and Local Agencies, and Veterans Service Organizations, the State of Oklahoma will facilitate in providing to the Veterans residing in the State of Oklahoma the highest quality support and care available anywhere in the Nation.



- The operation of seven Oklahoma Veteran Centers located at Claremore, Ardmore, Clinton, Norman, Sulphur, Talihina & Lawton, providing extended care services to eligible Oklahoma Veterans.
- 1,423 beds available



Claims and Benefits

- One of the key components of our core mission is assisting Veterans obtain federal VA benefits including disability compensation, pension, survivor benefits, healthcare, education, etc.
- Our VSRs are accredited by the USDVA to represent Veterans in all claims actions including representation before the Board of Veterans Appeals.
- As of the end of November 2017, ODVA represents 29,238 claims with a monthly benefit value of \$42,795,069.
- Over \$107,715 was distributed to Veterans, dependents, and surviving spouses under the ODVA emergency grant program in the past fiscal year. This grant allows Veterans, dependents, and surviving spouses meet their financial obligations without having to depend on the other services within the state such as unemployment or homeless shelters.
- Claims and Benefits staff regularly conduct community outreach to assist Veterans obtain assistance in housing, employment, and education. ODVA - Education is partnering with the Oklahoma State Board of Regents for Higher Education to hold a military-connected conference for schools throughout Oklahoma, as well as an education fair for veterans to be connected with quality schools.
- By mandate of the Governor, Veterans Services staff has conducted mental health and employment community outreach services.



FY 18 Operating Budget

Program	Amount	Percent	Funding Source
Veterans Centers	140,638,516	91.48%	Federal, Appropriation and Revolving Funds
Capital Outlay- Lawton Bond	884,049	0.58%	100% Appropriation
Administrative Services	4,265,910	2.77%	Appropriation and Revolving Fund
Claims and Benefits-Services	3,552,844	2.31%	Appropriation and Revolving Fund
State Accrediting Agency	552,160	0.36%	100% Federal
Information Technology	3,836,910	2.50%	Appropriation and Revolving Fund
Buffalo Soldiers/ Traumatic Brain Injury	2,200		Pass-Through from Taxpayers
Total	153,732,589	100.00%	

Current Awarded Capital Projects

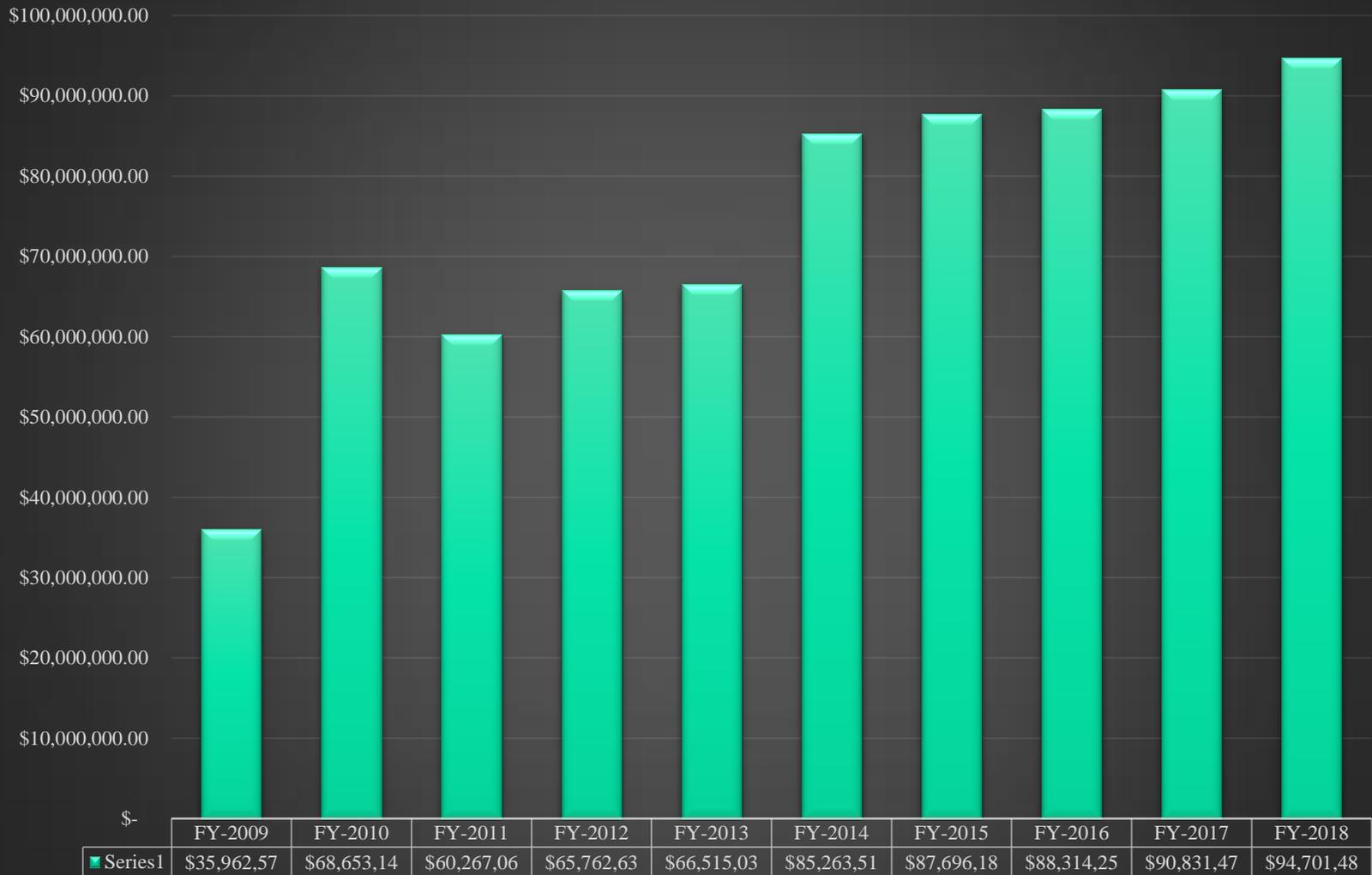
Description	Total Project Budget	Federal Share	ODVA Share	Long-Range Commission
Security Cameras	1,518,000	986,700	531,300	
Agency Wide CPRS Imaging	541,158	351,753	189,405	
Claremore Floors, Elevators & Windows	850,983	536,331	314,652	
Claremore Boilers & Chillers	1,080,575	702,374	378,201	
Clinton Boiler	1,539,201		18,351	1,520,850
Safety: Emergency Generators	3,543,932	2,303,556	1,240,376	
Safety Elevators	2,554,715	1,586,329	83,291	885,095
Sulphur Mold Project	10,865,092	5,165,168	5,699,924	
Wander Management	1,666,087	1,082,957	583,131	
Total	24,159,743	12,715,168	9,038,631	2,405,945

65% Funded by the Federal for most of the projects.

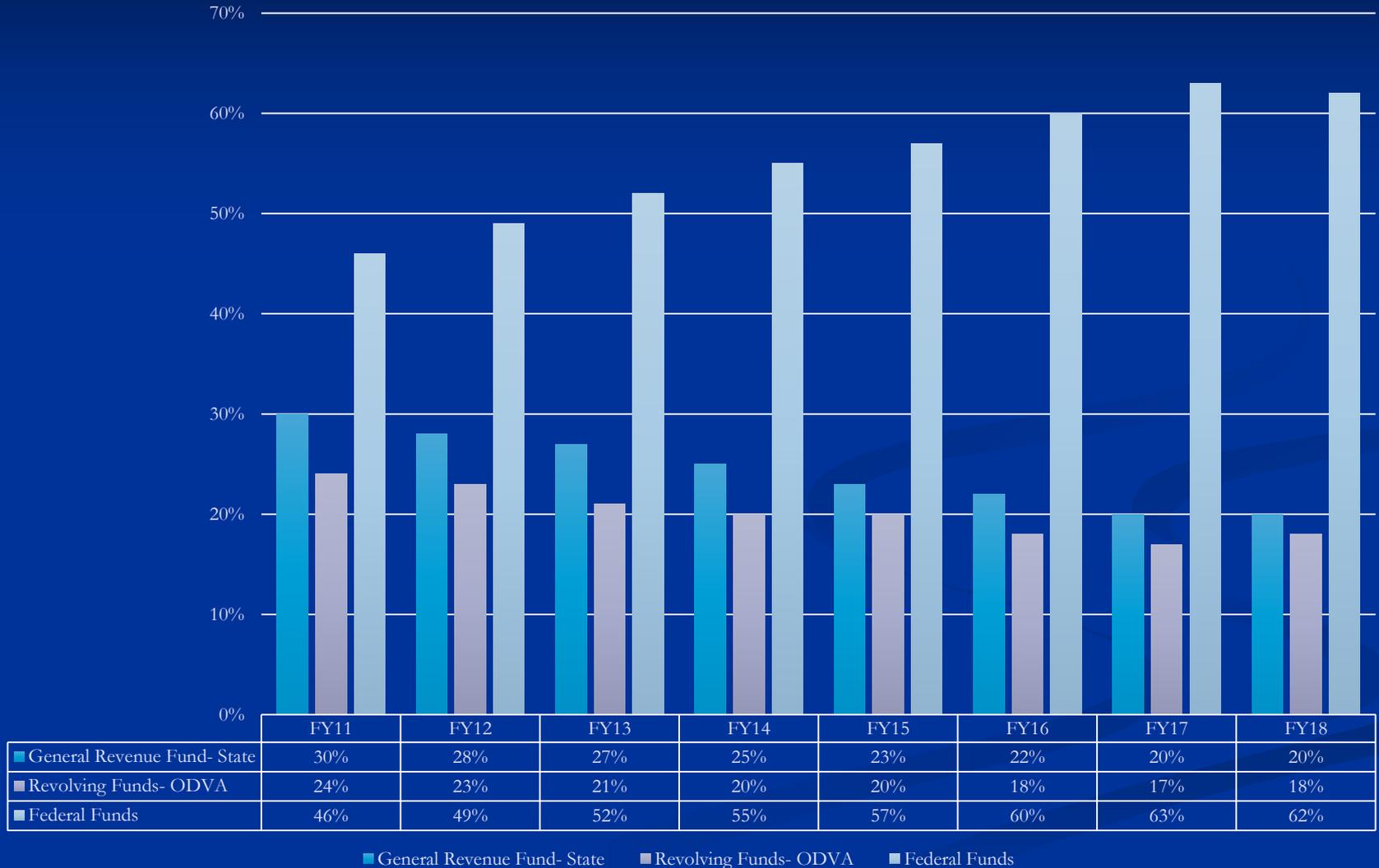
General Revenue FY 09-18

	General Revenue	(Reduction)/Addition	% Cut
FY 2009	\$ 40,282,600		
FY 2010	\$ 37,261,401	\$ (3,021,199)	-7.50%
FY 2011	\$ 35,957,256	\$ (1,304,145)	-3.50%
FY 2012	\$ 34,698,752	\$ (1,258,504)	-3.50%
FY 2013	\$ 35,698,752	\$ 1,000,000	-2.88%
FY 2014	\$ 35,698,752	\$ -	0.00%
FY 2015	\$ 34,396,750	\$ (1,302,002)	-3.65%
FY 2016	\$ 33,339,314	\$ (1,057,436)	-3.07%
Eff 01/01/2016	\$ 32,339,135	\$ (1,000,179)	-3.00%
Eff 03/01/2016	\$ 31,005,562	\$ (1,333,573)	-4.12%
FY 2017	\$ 29,357,287	\$ (1,648,275)	-5.32%
FY 2016 GR HB 2242		\$ 860,139	2.58%
FY 2018	\$ 27,846,072	\$ (1,511,215)	-5.15%

Federal Revenue FY 09-18



Funding Sources



FY 19 Budget Request

TALIHINA CHALLENGES

- Talihina is a small town in Southeastern Oklahoma with a current population of less than a 1000 people. The Choctaw Indians have a clinic along with our center and together we represent the majority of the jobs in the town. We employ 260 people in our center and by simple math you can easily determine personnel resources are scarce. The buildings there are approx. 100 years old and any modernization/update is extremely expensive. Additionally, the water supplied by the City of Talihina is out of compliance with DEQ standards. ODVA has been noticed of non-compliance and is responsible for bringing water supplied to our residents into compliance if the City fails to do so by 2018.
- Finding professional licensed staff that are willing to live in or around Talihina is problematic. We have had three different Medical Directors in the 18 months I have been with ODVA and we currently pay the present Director 25 percent more than our other centers. During the approximately 90 days it took to recruit that doctor we had staff from our other centers rotating through Talihina to satisfy regulatory requirements. This was a large part of the reason for the recent news concerning maggots in the Talihina center as the mid-level providers were overwhelmed. Another primary reason was the lack of supervision of direct care staff as we are currently short 15 LPNs and no one is applying for these positions.
- Medical Director interviewed for and accepted position as the Medical Director for Talihina. Medical Director recently declined accepting this position. By not having a Medical Director on staff, ODVA will need to examine the possibility of hiring a contract Medical Director to satisfy supervisory requirements for the medical doctors at Talihina.
- We are constrained by Federal restrictions that any replacement beds be within 90 miles of the current center.

ODVA Oklahoma State Auditor & Inspector Audit



Oklahoma State Auditor & Inspector

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September 22, 2017

RECEIVED

SEP 26 2017

DEPT OF VETERANS AFFAIRS

Oklahoma Department of Veterans Affairs
2132 NE 36th Street
Oklahoma City, OK 73111

To the Executive Director of ODVA and the Oklahoma Veterans Commission:

Under **74 O.S. § 18f** our office has been requested by Attorney General Mike Hunter to conduct an audit into certain matters pertaining to the Oklahoma Department of Veterans Affairs (ODVA).

We will seek your assistance in obtaining the basic information required for us to complete the audit, and anticipate cooperation from ODVA personnel in this effort.

ODVA will be responsible for the cost of the audit pursuant to **74 O.S. § 18f**, which states:

... it shall be the duty of the State Auditor and Inspector, upon request of the Attorney General, to furnish him with experienced auditors and/or accountants from the personnel of his department to make audits and check records for the Attorney General in any case to be tried or in any matter being investigated by the Attorney General. The cost of such services shall be borne by the entity audited.

Our fee for services will be calculated at our standard hourly rates, which vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Invoices will be rendered each month as work progresses and are payable on presentation. Based on our preliminary analysis the estimated fee is \$130,000. This fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. We will endeavor to minimize cost and work to complete the audit in a timely manner. If significant additional time is necessary, we will notify you with a new fee estimate.

Should you have any questions please do not hesitate to contact our office.

Sincerely,

Gary A. Jones, CPA, CFE
Oklahoma State Auditor & Inspector

Construction Projects

Funding for ODVA construction projects, in general, is shared between the state and federal government. In large projects (new centers, major renovations, etc.), the state portion of 35% is provided through one-time state appropriated funds or bond revenue and debt service payments are built into the agency's appropriated budget. The USDVA (federal) pays 65% of the cost of construction or renovation once the project is put on the federally approved construction priority list on USDVA life safety issues. ODVA has submitted the projects to USDVA to be in the priority list and hence the request for the state match.

Appropriation Needed- FY 19 Budget Estimate

Department	FY 18 *Average Cost of Care	Average *Occupancy	Average Total Cost	Projected Perdiem Revenue	70% Percent	Projected Maintenance	Profit (Loss)	Funded by Appropriations	FY 19 Budget Estimate
Ardmore	270.64	167	16,536,861.20	10,921,159	28%	3,238,638	(2,377,064.20)	4,275,112.00	18,434,909.00
Claremore	237.63	291	25,309,870.45	17,711,753	22%	6,595,606	(1,002,511.45)	2,224,369.00	26,531,728.00
Clinton	275.98	145	14,650,270.81	10,108,495	34%	2,678,601	(1,863,174.81)	3,331,301.00	16,118,397.00
Lawton	260.89	195	18,648,845.75	17,061,691	53%	3,000,564	1,413,409.25	(104,938.00)	19,957,317.00
Norman	236.19	295	25,480,034.06	22,361,072	35%	5,676,798	2,557,835.94	(1,196,617.00)	26,841,253.00
Sulphur	302.62	118	13,101,398.54	9,679,641	48%	1,666,700	(1,755,057.54)	2,728,990.00	14,075,331.00
Talihina	320.62	112	13,118,859.29	6,857,671	24%	2,403,809	(3,857,379.29)	5,803,958.00	15,065,438.00
Total	272.08	1323	126,846,140.10	94,701,482	35%	25,260,716	(6,883,942.10)	17,062,175.00	137,024,373.00
C/O								4,314,910.00	4,319,910.00
C & B								2,759,116.00	2,929,116.00
VS								688,228.00	688,228.00
IT								2,815,672.00	2,815,672.00
Law bond								147,520.00	147,520.00
Total								27,787,621.00	147,924,819.00



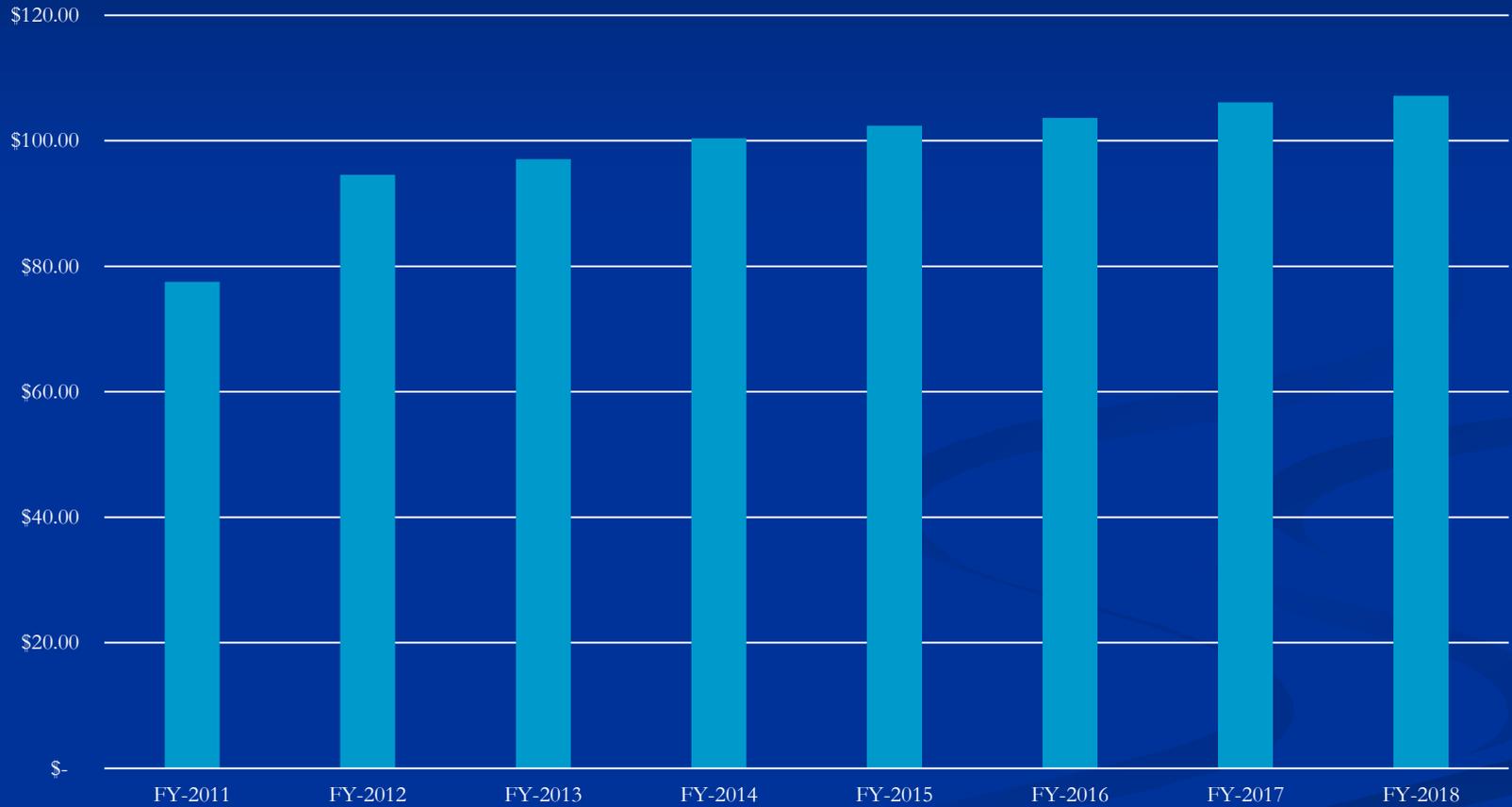
One-Time Funding for Talihina Veterans Center Relocation	
Description of Funding Changes	General Revenue
Meet CMS Standards compliance requirement for all Veterans Centers	7,700,000
Relocation of Talihina Veterans Center	20,000,000
Total Changes	\$ 27,700,000
FY-2018 Appropriation	27,846,072
FY-2018 Expenditure Authorization	3,000,000
	15
Balance Available FY 2019 Budget	\$ 58,546,072

CMS Standards Compliance Requirement

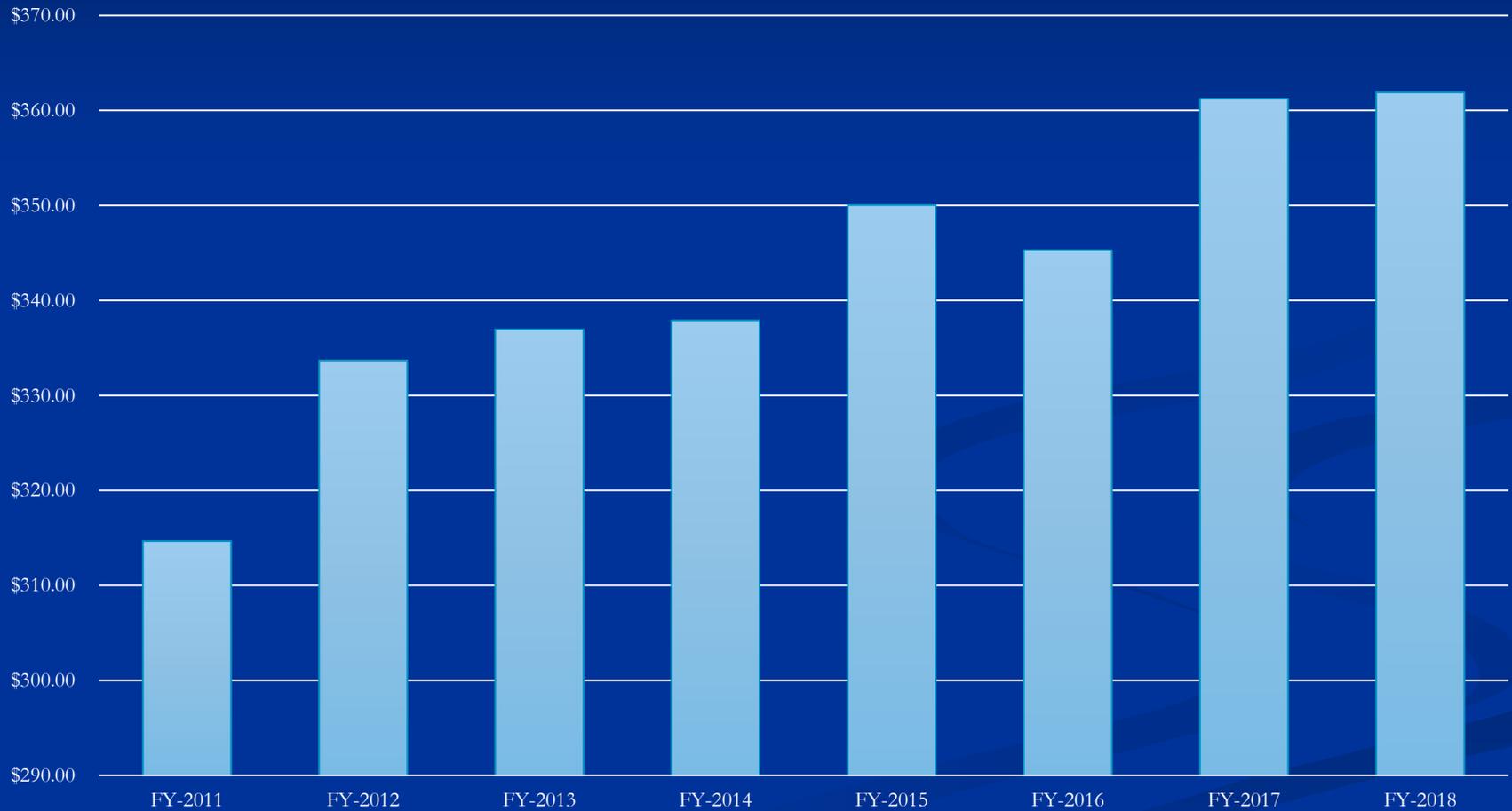
ODVA desires to make all of the Veterans Centers Medicaid and Medicare certified homes. Prior to becoming certified, each Veterans Center must meet specific Centers for Medicare and Medicaid Services (CMS) requirements. In meeting these requirements, costs will be incurred for contract and consulting services, upgrades, and other various costs. Certification costs are estimated to be \$1.1 million per Veterans Center. This estimate is based on the State of Michigan's analysis of converting their State Veterans Homes to Medicare/Medicaid certified homes.

Backup Slides

Basic Per Diem Rates History



70% Average Per Diem Rates History



FY17 Utilization Rate- by %

Name of Veterans Center	Avg Occupancy %
Ardmore Veterans Center	96%
Claremore Veterans Center	95%
Clinton Veterans Center	98%
Lawton Veterans Center	99%
Norman Veterans Center	99%
Sulphur Veterans Center	96%
Talihina Veterans Center	89%
Total Avg.	96%

Fiscal Year 2017 Average Cost of Care/per Day/per Bed

Name of Veterans Center	Average Cost
Ardmore Veterans Center	\$239.75
Claremore Veterans Center	\$256.35
Clinton Veterans Center	\$302.86
Lawton Veterans Center	\$276.12
Norman Veterans Center	\$250.88
Sulphur Veterans Center	\$316.36
Talihina Veterans Center	\$305.18
Average Cost of Care	\$285.36