

TRANSITION REPORT



ARIZONA DEPARTMENT OF VETERANS' SERVICES

**TED VOGT
DIRECTOR**

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Arizona Department of Veterans' Services (ADVS)

MISSION STATEMENT

“To advance the interests of Arizona veterans through advocacy, legislation, service, and community relationships”

AGENCY SERVICES

Arizona has an estimated 530,000 veterans—many of whom are eligible for federal and state benefits.

The State has been providing services to veterans since 1925, when the position of Veterans' Service Officer was created. In 1951, the Veterans' Service Commission was established, and was later integrated into the Department of Economic Security in 1973. In 1982, the Commission was reestablished as a separate agency. In 1999, the Legislature made the Commission an advisory body and created a separate, cabinet-level department headed by a governor-appointed director.

Headquartered at 3839 North Third Street in Phoenix, ADVS has a total of 518 FTEs with 416 FTEs currently filled. For FY 2015, ADVS's budget is \$47,710,200, of which \$5,438,300 was appropriated from the General Fund.

Administrative Services: (Total FTE 48) houses the Director's office and provides internal, agency-wide support by managing ADVS financial, HR, and IT resources. This division also oversees programs assisting homeless veterans, women veterans, as well as veteran employment and education. The State Approving Agency, whose mission is to support veterans in reaching their educational goals through their G.I. Bill benefits, is also administered from this division.

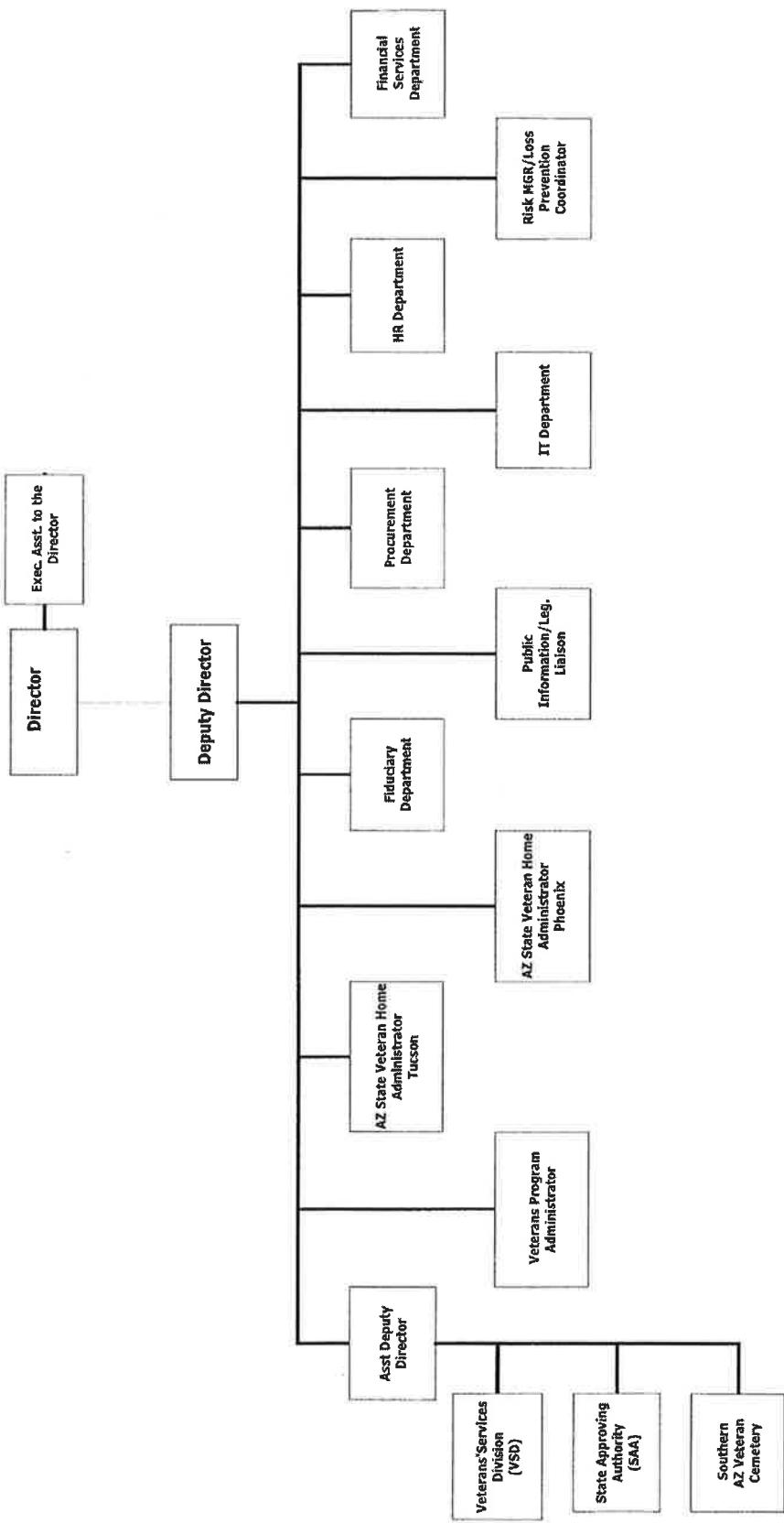
Veterans' Services: (Total FTE 57) consists of a network of Veterans Benefits Counselors (VBCs), located in 16 sites throughout Arizona. All VBCs are accredited by the U.S. Department of Veterans Affairs (VA), and provide information, counsel and assistance to veterans, their dependents and survivors in matters pertaining to federal and state benefits earned by honorable service in the armed forces of the United States.

State Veteran Homes: (Total FTE 386) composed of a 200-bed facility in Phoenix and 120-bed facility in Tucson, the Arizona State Veterans Homes are state-of-the-art, skilled nursing facilities. In 2014, the Governor and Legislature approved monies to build a State Veteran Home in Yuma in partnership with the federal VA.

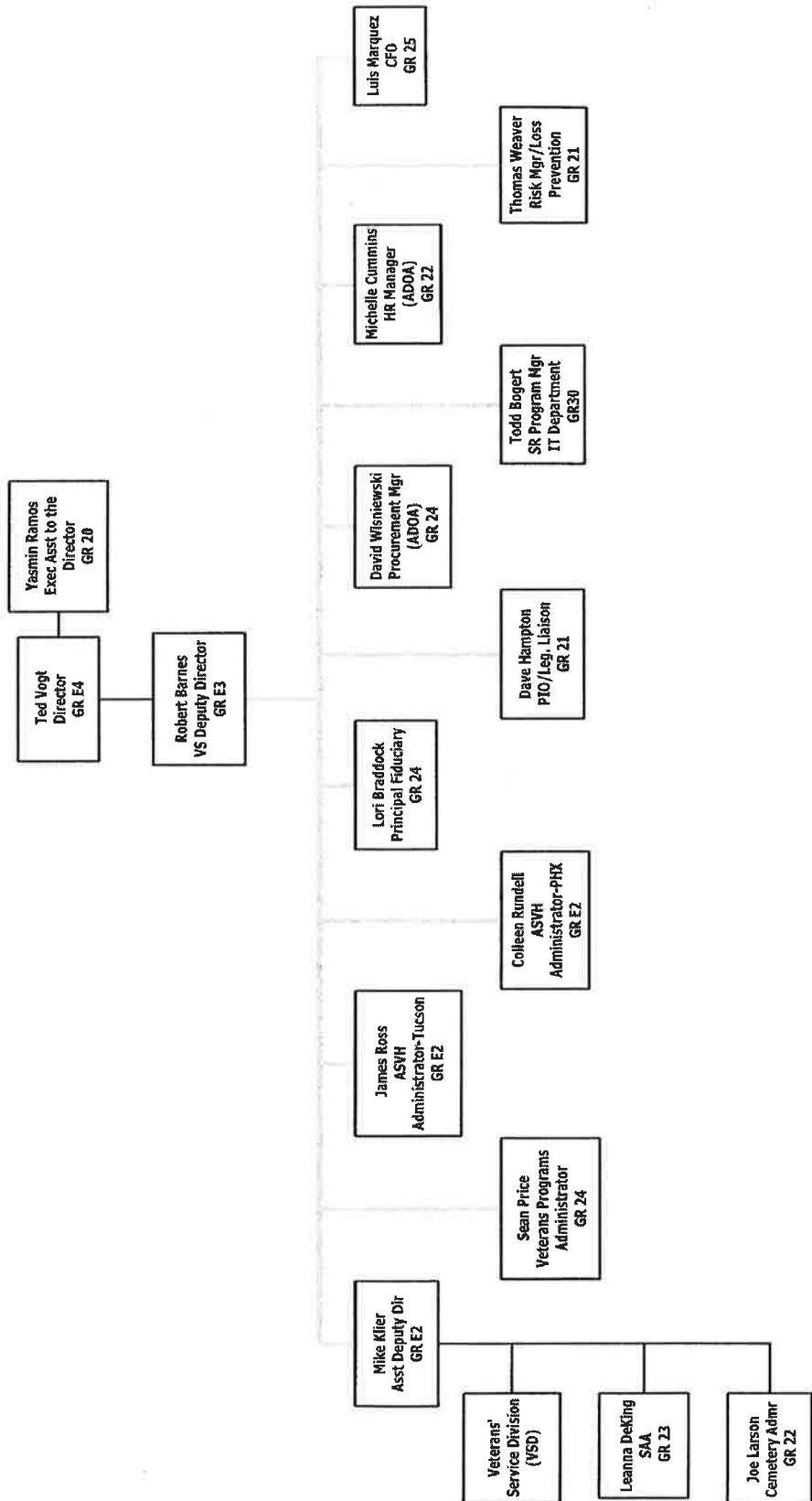
Fiduciary: (Total FTE 20) Provides guardianships and conservatorships for incapacitated veterans, as well as personal representative services for decedent estates.

State Veterans' Cemeteries: (Total FTE 7) The Southern Arizona Veterans' Memorial Cemetery in Sierra Vista is a state veteran cemetery located on 145 acres adjacent to Fort Huachuca, Arizona. Ground has been broken for a State Veterans' Cemetery in Marana and also for one on Camp Navajo, west of Flagstaff. Completion for both is expected in early 2016.

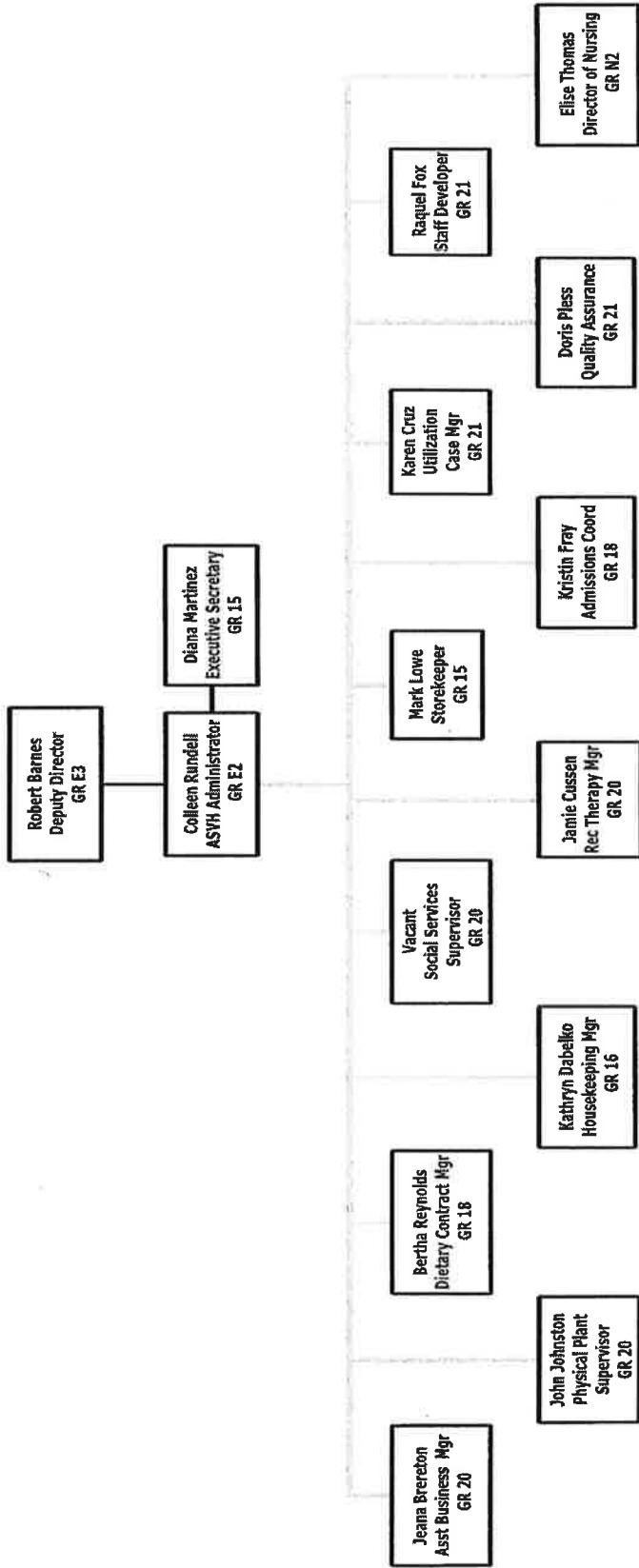
**ARIZONA DEPARTMENT OF VETERANS' SERVICES
ORGANIZATIONAL CHART**



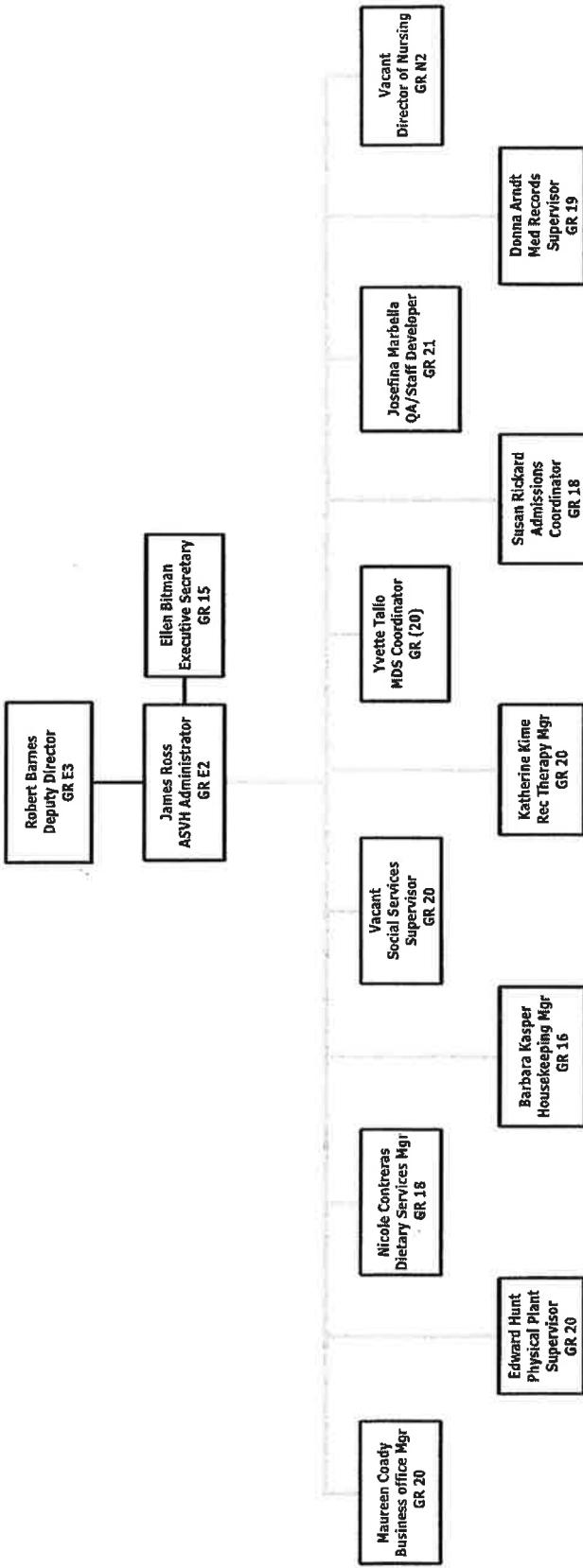
**ARIZONA DEPARTMENT OF VETERANS' SERVICES
DIRECTOR'S OFFICE
ORGANIZATIONAL CHART**



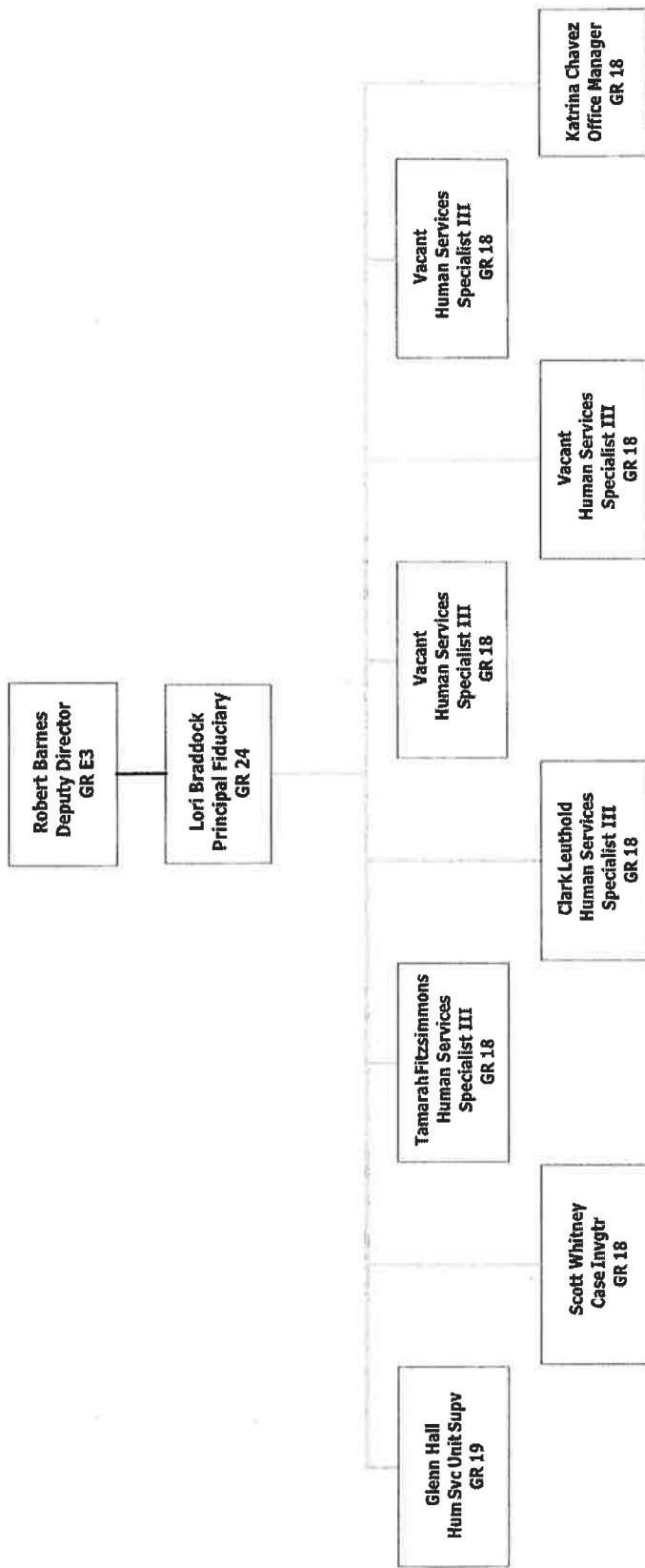
ARIZONA DEPARTMENT OF VETERANS' SERVICES
ARIZONA STATE VETERAN HOME - PHOENIX FACILITY
ORGANIZATIONAL CHART



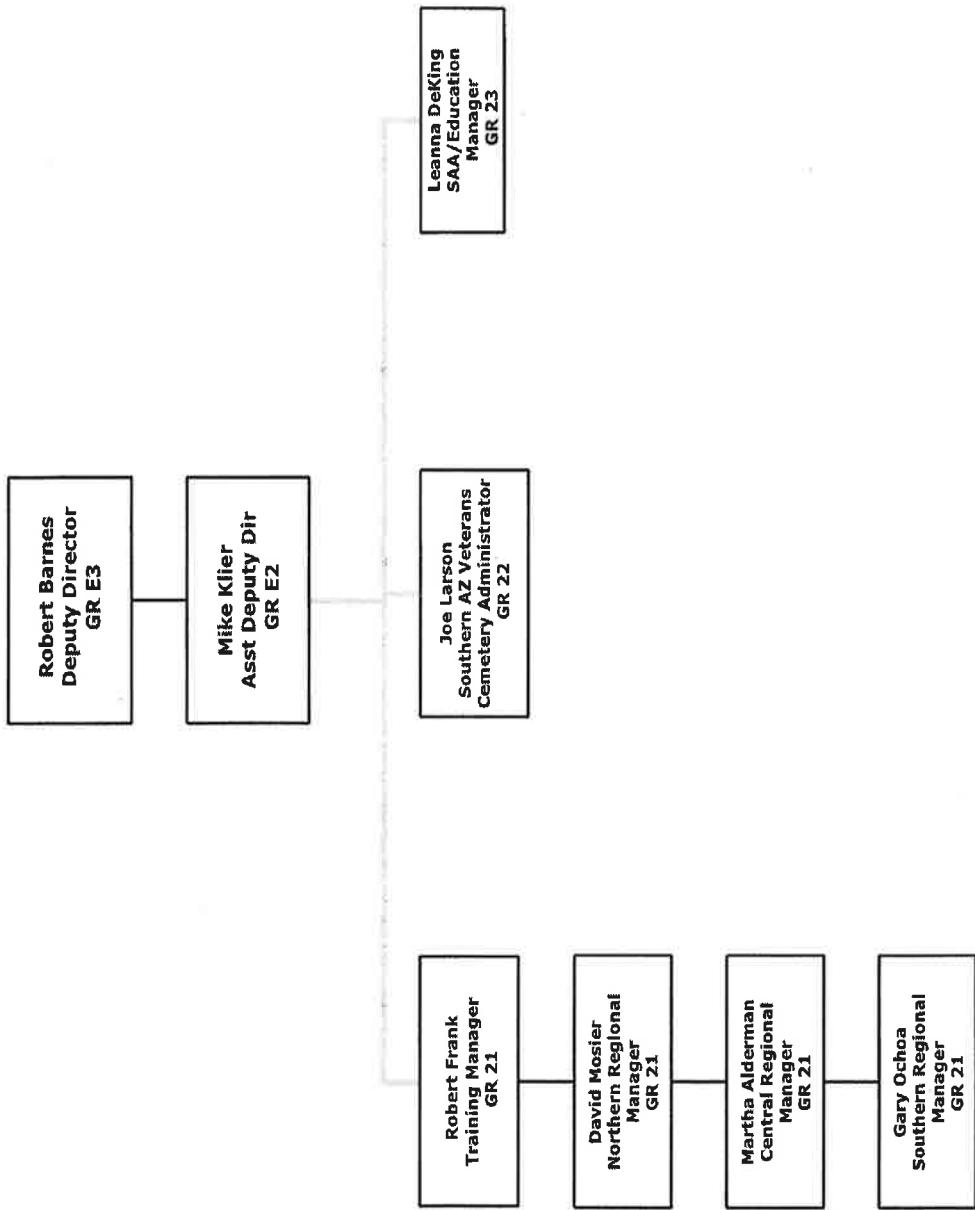
**ARIZONA DEPARTMENT OF VETERANS' SERVICES
ARIZONA STATE VETERAN HOME - TUCSON FACILITY
ORGANIZATIONAL CHART**



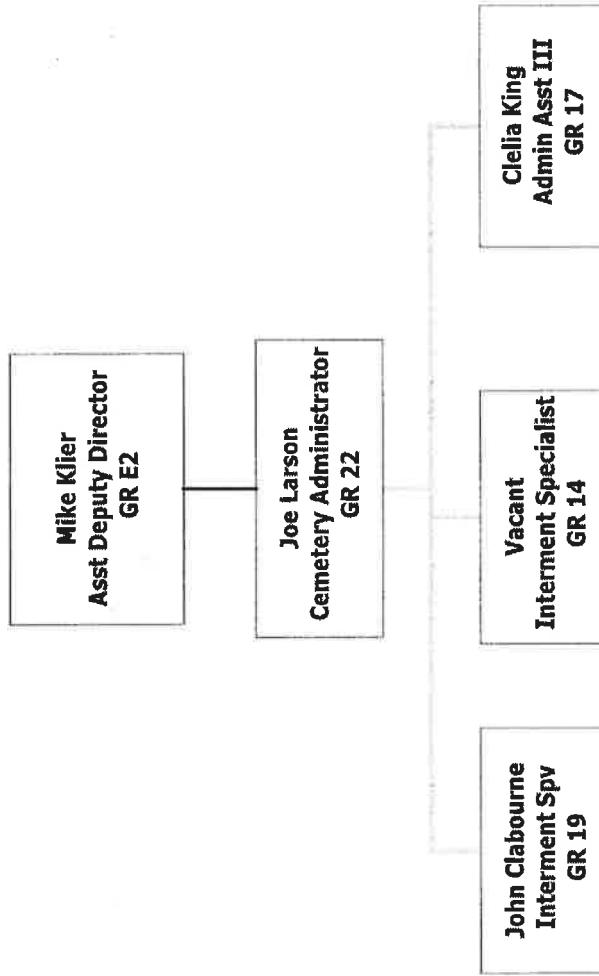
ARIZONA DEPARTMENT OF VETERANS' SERVICES
FIDUCIARY DIVISION
ORGANIZATIONAL CHART



**ARIZONA DEPARTMENT OF VETERANS' SERVICES
VETERANS' SERVICES DIVISION
ORGANIZATIONAL CHART**



**ARIZONA DEPARTMENT OF VETERANS' SERVICES
SOUTHERN ARIZONA CEMETERY
ORGANIZATION CHART**



Department of Veterans' Services FY 2015 Budget Summary

Budget by Expenditure Category

	Appropriated Funds	Non-Appropriated Funds	Total
Payroll	\$ 25,067,000	\$ 440,200	\$ 25,507,200
Aid to Others	0	1,440,000	1,440,000
All Other Operating	<u>12,372,900</u>	<u>8,390,100</u>	<u>20,763,000</u>
Agency Total	<u>\$ 37,439,900</u>	<u>\$ 10,270,300</u>	<u>\$ 47,710,200</u>

Agency Budget by Program

Administration	\$ 3,797,600
Veterans' Conservatorship / Guardianship	1,326,500
Veterans' Benefits Counseling Services	2,848,100
State Veterans' Homes	31,553,000
Arizona Veterans' Cemeteries	8,185,000
Agency Total	<u>\$ 47,710,200</u>

Funding Sources

General Fund	5,438,300
Veterans' Conservatorship Fund (Appropriated)	906,600
State Home for Veterans Trust Fund (Appropriated)	31,095,000
Other Appropriated Funding	-
Non-Appropriated Funding	1,543,700
Federal Funds	8,726,600
Agency Total	<u>\$ 47,710,200</u>

Accomplishments

Accomplishment #1: Homeless Veterans

In 2010, ADVS developed the *Arizona Action Plan to End Homelessness Among Veterans* to establish a set of goals, strategies, and objectives used to guide stakeholders in ending chronic veteran homelessness over five years. In February 2014, all identified chronically homeless veterans in Metropolitan Phoenix were housed, effectively ending chronic homelessness among veterans in Maricopa County. Phoenix has been nationally recognized as *the first city in the United States* to end chronic homelessness among veterans.

Accomplishment #2: Paperless Benefits Offices

ADVS's Veterans Benefits Division counselors throughout the state have been equipped to electronically submit claims to the U. S. Department of Veterans Affairs (VA), making all division offices paperless. This automation has enabled VBCs to conduct greater outreach to veterans, improving statewide delivery of service that assists Arizona veterans connect with the benefits they have earned.

Additionally, in 2014, a quality assurance team was created to review all claims for completeness and accuracy before submission by ADVS to the VA. The results have been veterans receiving decisions from the VA in a more timely fashion.

Accomplishment #3: Cemetery Renovation/Expansion

ADVS finished a \$2,000,000 expansion and renovation of the Southern Arizona Veterans' Memorial Cemetery in Sierra Vista through a grant from Federal VA Cemetery Grants Program. ADVS renovated current cemetery infrastructure (roads, gutters, irrigation) and added 2,000 additional columbarium niches—extending the life of the cemetery and service to veterans in southern Arizona to 2025. In addition, various community and veterans organizations in the Sierra Vista area raised private money for a \$250,000 dollar chapel that has been built in the cemetery and was dedicated on Memorial Day 2014.

Major Initiatives/Projects

Initiative/Project #1: Arizona Roadmap to Veteran Employment

ADVS has led and developed a statewide plan to reduce unemployment among Arizona's veterans, military service members, and their families. Engaging public and private sector organizations to effectively focus on a common effort, the Roadmap brings job seekers, service providers, employers and the community-at-large together with the goal of clearly identifying steps for each group to have a positive impact on veteran unemployment and underemployment. The Roadmap is structured around an employment equation focusing on the interest and needs of the different stakeholders (job seekers, employment service providers, and employers), the end goal being successful hiring and retention of veterans, service members, and their families.

Initiative/Project #2: Veterans Cemeteries

ADVS has two major construction projects serving the needs of veterans in Northern and Central Arizona. The Arizona Veterans' Memorial Cemetery at Camp Navajo, Phase One, develops 9 acres of an 80 acre site, and will have the capacity to inter 860 veterans and eligible family members. The Arizona Veterans' Memorial Cemetery at Marana, Phase One, develops 15 acres of a 32 acre site, and will have the capacity to inter 5,300 veterans and eligible family members. The \$16 million for both projects comes from the Federal VA Cemetery Grant Program. Both cemeteries are scheduled to open in the first quarter of CY 2016.

Initiative/Project #3: State Veterans Home - Yuma

In 2014, the Governor and Legislature authorized \$9.2 million to establish a State Veteran Home in Yuma. This future home is a joint venture with the VA and will help meet the increasingly complex, long-term health care needs of veterans and their spouses in Southwest Arizona. It will provide professional, skilled nursing care 24 hours a day/seven days a week for geriatric and chronically ill veterans and surviving spouses. Like the State Veterans' Homes in Phoenix and Tucson, the Yuma home will provide care that promotes dignity, self-determination, happiness, independence, and well-being for the residents.

Challenges

Challenge #1: Fiduciary Operations

A.R.S.14-5414(G) caps the amount ADVS can charge for conservatorship services. This cap has not changed since 1979, when it was increased from 3% to 5% of client's income. Guardianship fees were developed, adjusted, and reviewed in 2014. However, these revenue streams are currently insufficient to support the Fiduciary Division's operations—even after improving efficiencies through staff reduction and an improved business model. With no direct state funded dollars for the program, ADVS must repurpose administrative general fund dollars to ensure the Fiduciary Division's operational success, adversely impacting Administrative Division operations.

Challenge #2: Retention of Veterans Benefits Counselors (VBCs)

VBCs provide critical advocacy for our veterans statewide, yet ADVS is struggling to provide competitive compensation to recruit and retain them. VA regulations are so complex and the learning curve so steep that the VA Regional Office acknowledges that counselors need 3 to 5 years to truly become proficient. ADVS provides VBCs with extensive claims training. However, once fully trained, VBCs have a number of more lucrative opportunities open to them either from the Federal VA or other Veteran Service Organizations. Turnover of VBCs creates gaps in service while newer VBCs learn the complex claims administration. It is critical that we properly compensate our VBCs to maintain a trained qualified staff.

Challenge #3: Meeting the needs of our Native American Veterans

ADVS was first in the nation to place a state veterans' service office on a reservation (Chinle, Arizona) staffed by Native American veterans. ADVS also provides itinerate service to reservations where possible.

Although well received and utilized, the following barriers inhibit our ability to effectively and efficiently provide services to Arizona Native American veterans: the need to traverse the vast geographical distances in which tribal lands are located; federal regulations and guidelines that restrict some federal benefits such as per diem for veterans' homes to states only; and federal VA's use of defined boundaries and catchment areas that span tribal lands and interstate boundaries.

Pending Decisions

NONE.

Boards, Commissions and Committees

The Director serves on:

A.R.S. § 41-608.04. Military Family Relief Fund; advisory committee

The Military Family Relief advisory committee determines appropriate uses of the monies in the Military Family Relief Fund. The advisory committee consists of the Director or the Director's designee and twelve additional members, including widows and widowers of military personnel who died in the line of duty, military retirees, veterans who have a service-connected disability and their family members, Arizona Army and Air National Guard unit commanders and active and retired senior enlisted military personnel. Except for the Director, the Governor appoints the members based on recommendations by the Director, the Adjutant General and commanders of military bases in this state. Appointed members serve at the pleasure of the Governor.

The fund is used to provide financial assistance to the family of or to a service member deceased, wounded or injured or became seriously ill after September 11, 2001, was deployed from a military base in this state, claimed this state as the service member's home of record or has been a member of the Arizona National Guard at the time of deployment. If discharged from military service, the service member must have been discharged under honorable conditions.

E.O. 2010-03. Governor's Arizona Commission on Homelessness and Housing

The Commission facilitates collaboration between state agencies, local governments, the private sector and service provider networks to coordinate program development focused on ending homelessness. The Director or designee serves on this council.

E.O. 2014-06. Arizona Council on Faith and Community Partnerships

The Council on Faith and Community Partnerships is charged with establishing and supporting partnerships between the State and faith-based and non-profit organizations in an effort to strengthen communities. The Director or designee serves on this council.

A.R.S. § 41-602. Veterans Advisory Commission

The Veterans Advisory Commission provides policy advice to both the Governor and the ADVS Director regarding veterans' issues. While not a statutory member, the Director has significant interaction with the Commission and the Department provides critical support to the commission and commissioners.