

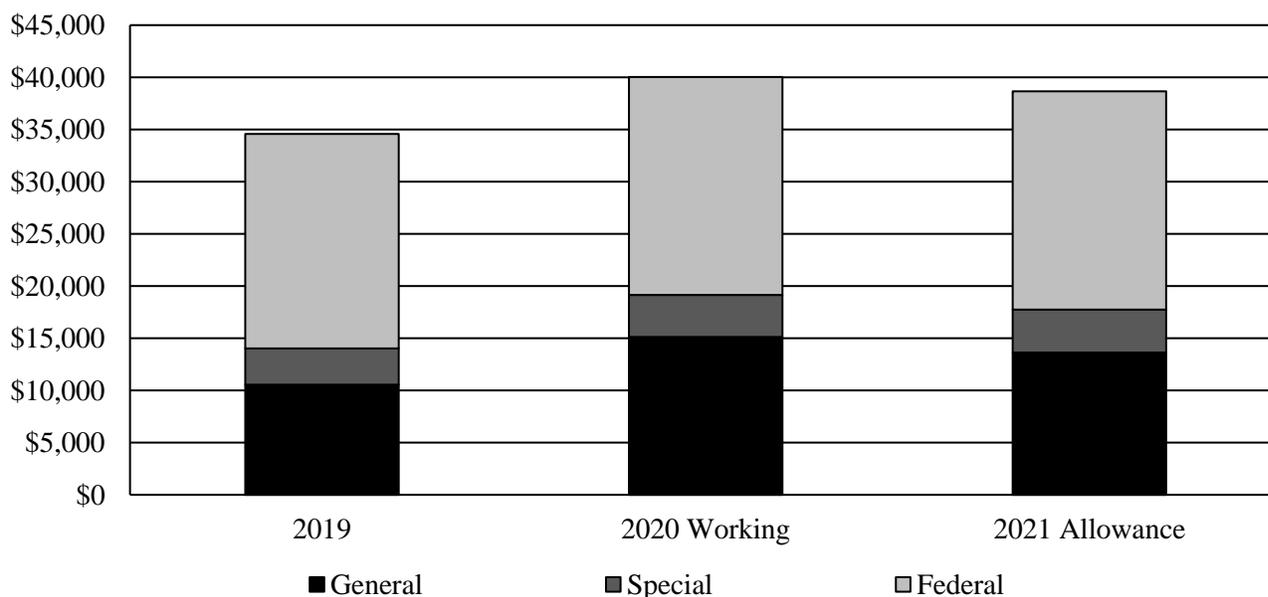
D55P00
Department of Veterans Affairs

Program Description

The Maryland Department of Veterans Affairs (MDVA) delivers services and programs to assist Maryland veterans, their families, and survivors in obtaining State, federal, and local benefits provided by law in recognition for their service. MDVA also assures the quality maintenance of veterans’ cemeteries and memorials to honor Maryland veterans. MDVA also manages Charlotte Hall Veterans Home (CHVH), an assisted living and skilled nursing facility for veterans and their eligible spouses who are unable to care for themselves due to disability, advancing age, or who have requirements for nursing home care. Additionally, MDVA engages in public awareness and outreach to veterans, their families, and other stakeholders throughout the State to further engage and encourage statewide participation in addressing problems faced by Maryland veterans.

Operating Budget Summary

Fiscal 2021 Budget Decreases by \$1.4 Million to \$38.7 Million
(\$ in Thousands)



Note: Numbers may not sum due to rounding. The fiscal 2020 appropriation includes deficiencies, planned reversions, and general salary increases. The fiscal 2021 allowance includes contingent reductions and general salary increases.

- Most of the federal funds in the fiscal 2021 budget, \$19 million of \$20.3 million, are derived from per diem payments for the care of eligible veterans at CHVH.

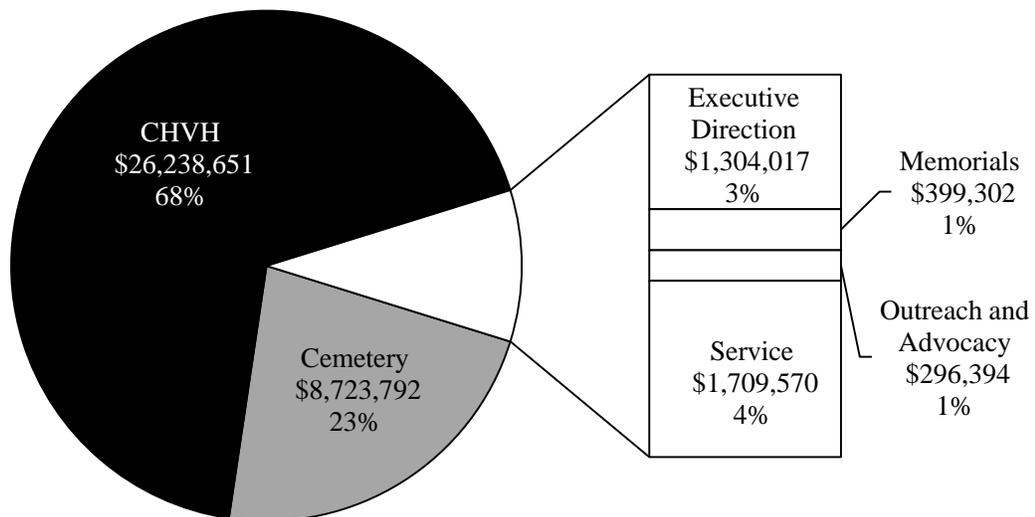
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Fiscal 2021 Overview of Agency Spending

The fiscal 2021 budget for the MDVA is \$38.7 million, most of which relates to the management of CHVH and the veterans cemeteries, as show in **Exhibit 1**. At CHVH, \$23 million of the \$26 million funds the contract for the care of veterans in that facility, which is largely derived from federal fund reimbursements. The five State veterans’ cemeteries make up the next largest share of the budget, \$8.7 million, over half of which is personnel expenditures. The cemeteries make up the largest single component of MDVA’s employee compliment, 78 regular employees in fiscal 2021, and make up nearly 60% of the agency’s total personnel expenses.

Exhibit 1
Overview of Agency Spending
Fiscal 2021 Allowance
(\$ in Thousands)



CHVH: Charlotte Hall Veterans Home

Source: Governor’s Fiscal 2021 Budget Books

Proposed Budget Change

Changes proposed for MDVA in fiscal 2021 are concentrated within the cemetery program. As shown in **Exhibit 2**, increases for new positions and employee compensation costs are offset by a reduction of maintenance costs at these facilities.

Exhibit 2
Proposed Budget
Department of Veterans Affairs
(\$ in Thousands)

How Much It Grows:	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Total</u>
Fiscal 2019 Actual	\$10,547	\$3,471	\$20,548	\$34,567
Fiscal 2020 Working Appropriation	15,128	4,042	20,884	40,054
Fiscal 2021 Allowance	<u>13,633</u>	<u>4,120</u>	<u>20,918</u>	<u>38,672</u>
Fiscal 2020-2021 Amount Change	-\$1,495	\$79	\$34	-\$1,383
Fiscal 2020-2021 Percent Change	-9.9%	1.9%	0.2%	-3.5%

Where It Goes:

Personnel Expenses

	<u>Change</u>
Retention bonuses and other hiring incentives for cemetery employees	\$330
Increased expenditures for 7 new cemetery caretakers throughout the State’s veterans cemeteries.....	228
Employee and retiree health insurance	215
Workers’ compensation premium assessment	67
Fiscal 2021 general salary increase, 2% effective January 1, 2021	58
January 1, 2020 general salary increase annualization	17
Other fringe benefit adjustments for existing employees	-6
Decrease in compensation for existing PINs	-41
Turnover adjustments.....	-49

Other Changes

Increase in maintenance and repair expenditures at veterans cemeteries	155
Increase in Statewide cost allocations.....	133
Maryland Environmental Service charges increase for CHVH Property	55
1 additional contractual office secretary for the Bel Air Veterans Service Office.....	41
Other operating expenditures.....	6
Decrease in Cemetery Contract Services expenditures, driven by fiscal 2020 one-time spending on headstone realignment (\$4.73 million) at Garrison Forest, partially offset by headstone realignment at other cemeteries.....	-2,591

Total **-\$1,383**

CHVH: Charlotte Hall Veterans Home

Note: Numbers may not sum due to rounding. The fiscal 2020 appropriation includes deficiencies, planned reversions, and general salary increases. The fiscal 2021 allowance includes contingent reductions and general salary increases.

Veterans Cemetery Care and Management Expenditures

The largest single change in the fiscal 2021 budget for MDVA is the reduction in cemetery contract expenditures. This is largely driven by a \$4.7 million fiscal 2020 expenditure for realignment of headstones at Garrison Forest. This one-time expense is offset in part by \$2.3 million in one-time expenses for headstone realignment at the remaining cemeteries.

Personnel Data

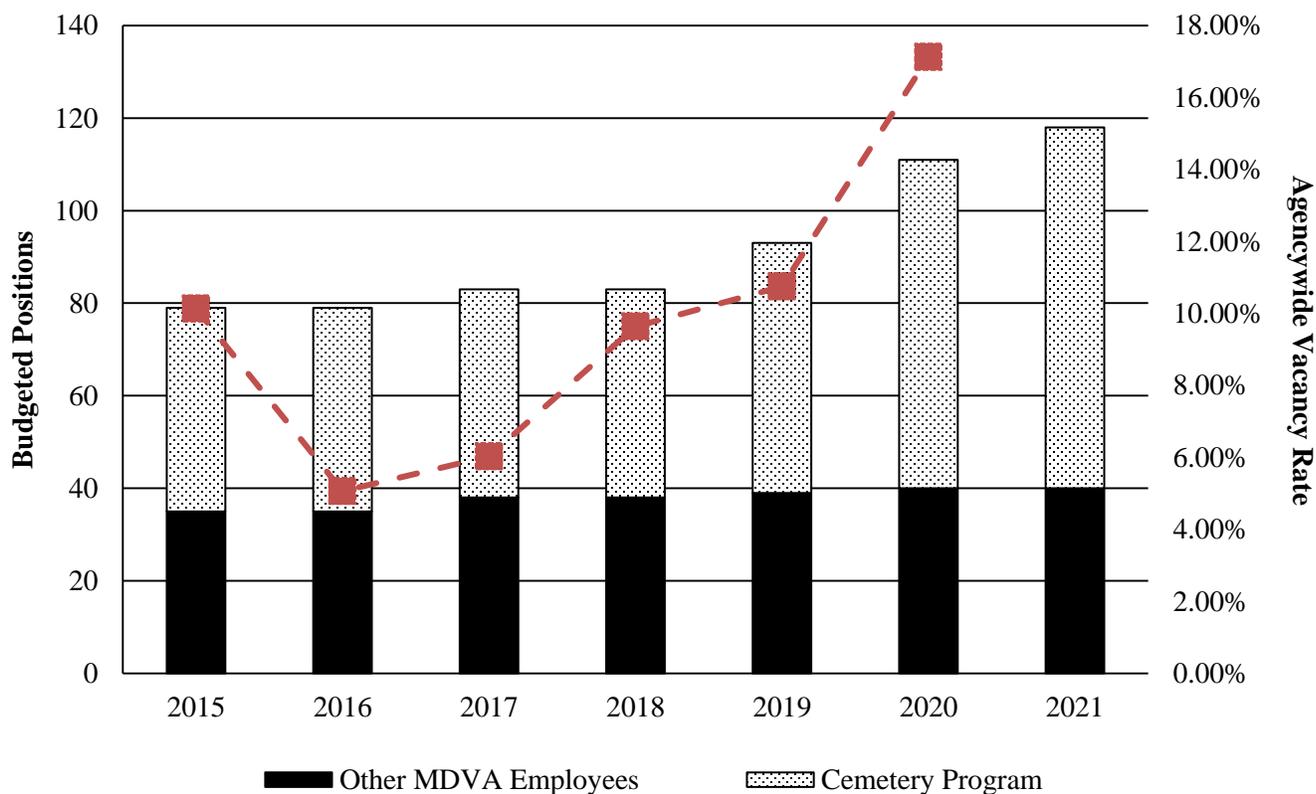
	<u>FY 19 Actual</u>	<u>FY 20 Working</u>	<u>FY 21 Allowance</u>	<u>FY 20-21 Change</u>
Regular Positions	93.00	111.00	118.00	7.00
Contractual FTEs	<u>20.22</u>	<u>5.50</u>	<u>6.50</u>	<u>1.00</u>
Total Personnel	113.22	116.50	124.50	8.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	9.52	8.58%
Positions and Percentage Vacant as of 12/31/19	19.00	17.12%
Vacancies Above Turnover	9.48	8.54%

The fiscal 2021 budget marks the third consecutive year in which the Governor’s allowance adds cemetery employees to MDVA. The fiscal 2021 proposal is for 7 new caretakers to be distributed throughout Cheltenham, Crownsville, Eastern Shore, and Garrison Forrest cemeteries. **Exhibit 3** shows the recent increase in employees and the growth of the cemetery program. Exhibit 3 also highlights the historical vacancy rates for the entire department at the end of the fiscal year.

**Exhibit 3
Increasing Positions and Vacancies
Fiscal 2015-2021**



MDVA: Maryland Department of Veterans Affairs

Note: Vacancy rates calculated at the end of the fiscal year. Fiscal 2020 vacancy rate as of December 2019.

Source: Governor’s Fiscal 2021 Budget Books

As shown, the rising number of cemetery employees has impacted the department’s vacancy rates. In the fiscal 2020 budget, 17 new cemetery workers were added: 12 caretakers; and 5 motor equipment operators. Of the fiscal 2020 new positions, 2 caretakers still remain unfilled, and only one motor vehicle operator has been hired. In total, there are 16 vacancies within the cemetery program alone, 20% of total program positions.

In an effort to improve recruitment and retention for cemetery workers, the fiscal 2021 allowance includes \$330,295 for salary enhancements for these employees. MDVA advises that a retention bonus program has been implemented for caretakers and motor equipment operators who complete 6, 12, and 24 months of service. This funding also allows for salary enhancements for currently vacant positions in hopes to improve recruitment.

The difficulty in filling positions notwithstanding, it should be noted that the authorized fiscal 2020 staffing level of caretakers at the State cemeteries already exceeds standards outlined by the U.S. Department of Veterans Affairs (VA) Veterans Cemetery Grant Program (VCGP), as shown in **Exhibit 4**. Full VCGP recommendations are in **Appendix 1**.

Exhibit 4
Veterans Cemetery Caretakers
Fiscal 2020

	Cemetery Grounds Maintenance Workers <u>2020 Allocations</u>	<u>Anticipated Annual Burials</u>	<u>VCGP Employee Recommendations</u>
Cheltenham	14	511	5 to 8
Crownsville	13	290	5 to 8
Garrison Forest	15	512	5 to 8
Eastern Shore	5	97	2 to 4
Rocky Gap	5	60	2 to 4

VCGP: Veterans Cemetery Grant Program

Source: Governor’s Fiscal 2021 Budget Books; Department of Veteran Affairs Veterans Cemetery Grant Program; Maryland Department of Veterans Affairs

Note: Employee recommendations derived from VCGP defining medium cemeteries as having 200 to 749 annual burials and needing 5 to 8 employees with small cemeteries having 51 to 199 annual burials and needing 2 to 4 employees. See Appendix 1 for further detail. Anticipated Annual Burials only includes in-ground interments.

Prior year concerns related to staffing at the veterans cemeteries pertained to another federal VA standard of using preplaced burial crypts. These preplaced crypts are considered more cost effective, use space more efficiently, and facilitate burials in winter months. However, these crypts also involve additional manual labor, requiring a team of 5 caretakers to lower the caskets by hand for interment. As shown in Exhibit 4, all cemeteries currently have enough positions to accommodate the labor needed for preplaced crypts. **The Department of Legislative Services recommends deleting 4 of the new caretakers allocated to the veterans’ cemeteries, reducing new positions from 7 to 3.**

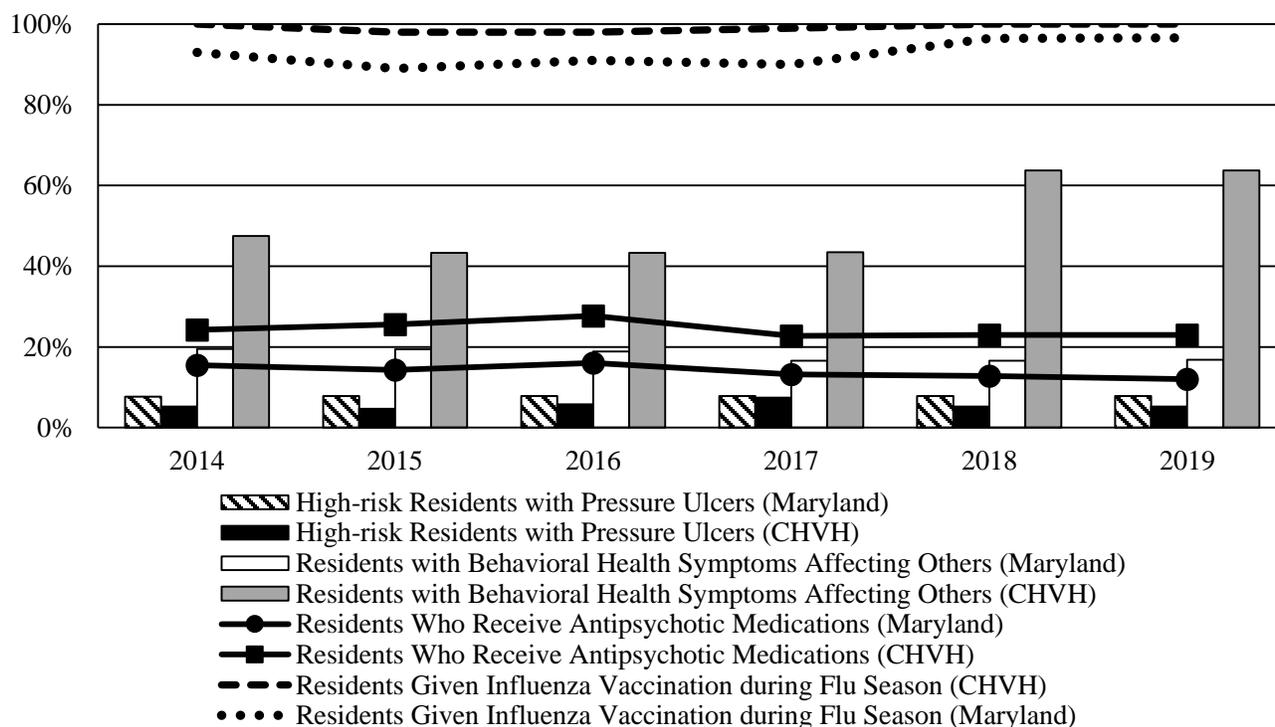
Key Observations

1. Continued Improved Performance Throughout MDVA

CHVH

CHVH, which opened in 1985, is a State-run, long-term health care facility in St. Mary’s County offering assisted living and skilled nursing care for eligible veterans and their spouses who are unable to care for themselves due to disability, advancing age, or who meet requirements for nursing home care. Clinical care and health care management at CHVH are provided by a private contractor but are overseen by the director and other MDVA staff. The home provides shelter, sustenance, medical care, and the social services necessary to maintain the residents’ quality of life. One of the ways in which the department measures the performance of CHVH is by comparing the CHVH residents’ health outcomes and quality of life indicators with the statewide average in other nursing facilities. This comparison is shown in Exhibit 5.

Exhibit 5
CHVH Health Outcomes and Quality of Life Indicators
Fiscal 2014-2019



CHVH: Charlotte Hall Veterans Home

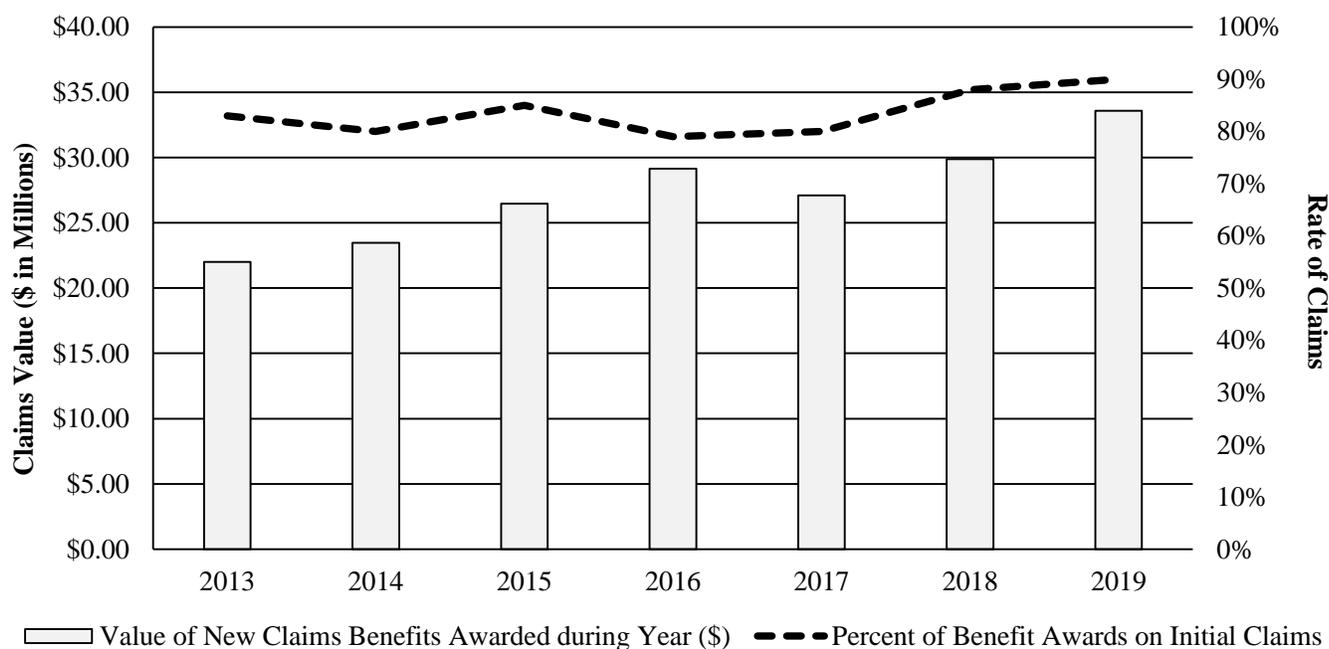
Source: Governor’s Fiscal 2021 Budget Books

As seen in Exhibit 5, CHVH has better health outcomes (lower share of patients with high-risk ulcers and higher vaccination rates) while having a consistently more challenging population than other nursing facilities in the State (higher share of residents with behavioral health symptoms affecting others and taking antipsychotic medications). Both the share of residents taking antipsychotic medications and the share of patients with high-risk ulcers remained constant from fiscal 2018 to 2019.

Service Program

The MDVA service program provides information, guidance, and assistance to veterans, their dependents, and their survivors in applying for and obtaining federal, State, and local benefits and entitlements granted by law. These benefits include disability compensation, pension, death benefits, educational assistance, home loans, and medical care. The service program tracks the claims for benefits assisted with over the year and the outcomes of those claims, shown in **Exhibit 6**.

Exhibit 6
Veteran Claims Awarded
Fiscal 2013-2019
(\$ in Millions)



Source: Governor’s Fiscal 2021 Budget Books

Over the last three fiscal years, MDVA has had more decisions on initial claims, with more of those claims awarding a benefit to the veteran or their family. As a result, the total dollar value of these claims awarded to Maryland veterans has also increased steadily since 2017 with over \$33 million being awarded in fiscal 2019.

Operating Budget Recommended Actions

	<u>Amount Reduction</u>		<u>Position Reduction</u>
1. Delete the funding 4 new caretakers for the cemetery program (PINs: 104487, 104488, 104489, and 104490). This action still allows for 3 new cemetery positions over the fiscal 2020 budget, which also added 17 new cemetery positions.	\$ 130,903	GF	4.0
Total General Fund Reductions	\$ 130,903		4.0

**Appendix 1
Veterans Cemetery Grant Program Building Space**

<u>Cemetery Type</u>	<u>Large</u>	<u>Medium</u>	<u>Small</u>	<u>Remote</u>
Annual Burials	750 to 1,000	200 to 749	51 to 199	1 to 50
Employees	9 to 11	5 to 8	2 to 4	1
Space, Measured in Net Square Feet				
Administrative/Visitors				
Entry Vestibule	150	114	90	-
Lobby	215	-	-	-
Kiosk	25	25	25	-
Men’s toilet (public)	115	115	-	-
Women’s toilet (public)	115	115	-	-
Unisex toilet	-	-	52	-
Family toilet	52	52	52	-
Waiting room (4 to 6 persons)	155	215	160	-
Reception/Cemetery Representative	150	120	56	-
Closet	10	10	10	-
Operations (files, office equipment)	150	100	15	-
Director’s office	150	150	165	-
Conference Room	165	165	-	-
Mechanical/Electric	95	95	95	-
Subtotal	1,547	1,276	720	-
Maintenance/Operations				
Forman’s office	125	100	90	-
Honor Guard (kitchenette, lockers, and toilet)	260	260	236	-
Boots and Lockers	110	110	70	-
Closet	10	10	10	-
Shower/Toilet	75	75	52	-
Wash Bay	540	540	-	-
Service Bay	600	360	360	400
Parts and Tool Storage	150	100	80	-
Air Compressor	50	50	50	-
Flammable Storage cabinet	25	25	25	-
Vehicle and Equipment Storage	1,100	720	360	-
Subtotal	3,045	2,350	1,333	400
Committal Service Shelter				
Covered Area	900	900	900	-
Storage Room	125	125	125	-
Subtotal	1,025	1,025	1,025	-

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<u>Cemetery Type</u>	<u>Large</u>	<u>Medium</u>	<u>Small</u>	<u>Remote</u>
General*				
Break room	165	120	-	-
Janitor Closet	40	35	35	-
Hall	90	90	80	-
<i>Subtotal</i>	<i>295</i>	<i>245</i>	<i>115</i>	-

*If the Administration and Maintenance buildings are combined, there will be one shared space. If the buildings are separated, there will be one space for each.

Note: Building program is driven by the annual workload and cemetery staffing and is divided into four categories: remote; small; medium; and large. The area guidelines listed above are based on net square footage and represent the maximum allowance by use space.

**Appendix 2
Object/Fund Difference Report
Department of Veterans Affairs**

<u>Object/Fund</u>	<u>FY 19 Actual</u>	<u>FY 20 Working Appropriation</u>	<u>FY 21 Allowance</u>	<u>FY 20 - FY 21 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	93.00	111.00	118.00	7.00	6.3%
02 Contractual	0.00	5.50	6.50	1.00	18.2%
Total Positions	93.00	116.50	124.50	8.00	6.9%
Objects					
01 Salaries and Wages	\$ 6,072,971	\$ 7,043,895	\$ 7,787,007	\$ 743,112	10.5%
02 Technical and Spec. Fees	166,315	191,994	222,416	30,422	15.8%
03 Communication	78,939	77,049	77,049	0	0%
04 Travel	52,324	38,538	38,538	0	0%
06 Fuel and Utilities	678,926	748,895	804,788	55,893	7.5%
07 Motor Vehicles	285,391	231,731	387,576	155,845	67.3%
08 Contractual Services	24,953,587	29,534,210	27,076,225	-2,457,985	-8.3%
09 Supplies and Materials	695,913	765,250	765,250	0	0%
10 Equipment – Replacement	368,020	298,378	304,875	6,497	2.2%
11 Equipment – Additional	208,808	507,028	506,498	-530	-0.1%
12 Grants, Subsidies, and Contributions	198,961	231,622	231,622	0	0%
13 Fixed Charges	58,802	66,274	75,967	9,693	14.6%
14 Land and Structures	747,558	302,739	302,739	0	0%
Total Objects	\$ 34,566,515	\$ 40,037,603	\$ 38,580,550	-\$ 1,457,053	-3.6%
Funds					
01 General Fund	\$ 10,547,164	\$ 15,115,559	\$ 13,561,092	-\$ 1,554,467	-10.3%
03 Special Fund	3,471,476	4,039,613	4,110,158	70,545	1.7%
05 Federal Fund	20,547,875	20,882,431	20,909,300	26,869	0.1%
Total Funds	\$ 34,566,515	\$ 40,037,603	\$ 38,580,550	-\$ 1,457,053	-3.6%

Note: The fiscal 2020 appropriation does not include deficiencies, targeted revenues, or across-the-board reductions. The fiscal 2021 allowance does not include contingent reductions or cost-of-living adjustments.