



# **PERFORMANCE AUDIT REPORT**

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

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

# ***Legislative Post Audit Committee***

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## ***Legislative Division of Post Audit***

**THE LEGISLATIVE POST** Audit Committee and its audit agency, the Legislative Division of Post Audit, are the audit arm of Kansas government. The programs and activities of State government now cost about \$10 billion a year. As legislators and administrators try increasingly to allocate tax dollars effectively and make government work more efficiently, they need information to evaluate the work of governmental agencies. The audit work performed by Legislative Post Audit helps provide that information.

We conduct our audit work in accordance with applicable government auditing standards set forth by the U.S. Government Accountability Office. These standards pertain to the auditor's professional qualifications, the quality of the audit work, and the characteristics of professional and meaningful reports. The standards also have been endorsed by the American Institute of Certified Public Accountants and adopted by the Legislative Post Audit Committee.

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August 21, 2008

To: Members, Legislative Post Audit Committee

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This report contains the findings, conclusions, and recommendations from our completed performance audit, *Commission on Veterans' Affairs: Reviewing How Well It Is Spending Its Money and Serving Veterans*.

The 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 any legislative committees, individual legislators, or other State officials.

Barbara J. Hinton  
Legislative Post Auditor

## Get the Big Picture

Read the sections and features:

1. **Executive Summary** - an overview of the questions we asked and the answers we found.
2. **Conclusion and Recommendations** - appear in boxes at the end of the report sections. They also are referenced in the Executive Summary.
3. **Agency Response** - Is included as the last Appendix in the report.

### *Helpful tools for Getting to the Detail*

- In many cases, an “**At a Glance**” description of the agency or program appears within the first few pages of the main report.
- **Side Headings** point out key issues and findings.
- **Charts and Tables** found throughout the report help tell the story of what we found.
- **Narrative text boxes** can highlight interesting information, or provide detailed examples.
- Appendices include additional supporting detail, along with the **Scope Statement** and **Agency Response(s)**.

**EXECUTIVE SUMMARY**  
LEGISLATIVE DIVISION OF POST AUDIT

**Overview of the Kansas Commission on Veterans' Affairs**

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**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.* ..... page 3

**Question 1: Is Kansas Doing a Good Job of Ensuring That Veterans Are Aware of Services Available Through Federal Programs?**

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**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.* ..... page 7

**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.* ..... page 8

*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.* .....page 12

*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** ..... page 14  
**Question 1 Recommendations for Executive Action** ..... page 14

**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.* ..... page 15

**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.* ..... page 15

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 is being held vacant.

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**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.

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**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** .....page 20

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### **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?**

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**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.

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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.

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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. 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.

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.

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**Question 3 Conclusion** ..... page 27



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**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?**

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**The Commission spent about \$24,000 to hold monthly Commission meetings during fiscal years 2007 and 2008.** ..... page 28  
*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 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.*

*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.*

<b>Question 4 Conclusion</b>	..... page 31
<b>Question 4 Recommendations for Executive Action</b>	..... page 31

<b>APPENDIX A: Scope Statement</b>	..... page 32
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<b>APPENDIX B: Agency Response</b>	..... page 37
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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](mailto:LPA@lpa.state.ks.us).



## **Commission on Veterans' Affairs: Reviewing How Well It Is Spending Its Money and Serving Veterans**

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The 1986 Legislature established the Kansas Commission on Veterans' Affairs as a separate agency. The Commission is composed of five members who have served in the armed forces. The Commission appoints an executive director who hires staff to administer the agency. The Commission provides Kansas veterans and eligible dependents with information, advice, direction, and assistance with various educational, health, vocational, and economic programs.

Recently, legislators reviewing the Commission's budget have raised questions about how the Commission is spending its money. Specifically, they are concerned that the Commission is holding veterans representative positions open and not spending money it has available, which is negatively impacting the level of service provided to Kansas veterans. Also they are concerned about reports from the Department on Aging that showed a number of significant deficiencies at the Kansas Soldiers' Home. The House Appropriations Budget Subcommittee dealing with the budget for the Veterans Commission, Soldiers' Home and Veterans' Home noted that the Soldiers' Home had about \$1 million in funds carried over from the previous year's budget, and they want to know why that money wasn't used to address the conditions that led to the deficiencies cited by the Department on Aging. Other concerns relate to whether the Commission is coordinating well with other veterans organizations, and whether it's cost effective to hold meetings of the Commission at remote locations around the State.

This performance audit answered the following questions:

- 1. Is Kansas doing a good job of ensuring veterans are aware of and receiving services available through federal programs?**
- 2. Has the Veterans Commission held open a significant number of veterans representative positions, and if so, why, and what has been the likely impact on veterans?**
- 3. Has the Commission used all funds it had available to provide sufficient staff and service levels at the Kansas Soldiers' Home and the Veterans' Home, and if not, why not?**

**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?**

To answer these questions, we summarized federal veteran benefits and determined which State agencies offered similar benefits. Based on that determination, we reviewed the procedures of several State agencies for identifying and referring veterans to federal veteran benefits. We interviewed staff at the Commission on Veterans' Affairs and veteran service organizations concerning coordination of efforts between the two entities to better serve veterans. We analyzed veteran service representative position vacancy information to determine the number of vacancies since fiscal year 2005 and how long the vacancies lasted. Question 3 work was done only on the Soldiers' Home because it had significant ending fund balances that raised legislative concern. We reviewed State and federal health surveys and budget information for the Kansas Soldiers' Home to determine why the Soldiers' Home had a large surplus and several health care deficiencies. We reviewed Commission meeting location, cost and attendance information.

A copy of the complete scope statement for the audit request approved by the Legislative Post Audit Committee is included in *Appendix A*. In conducting this audit we followed all applicable auditing standards set forth by the U.S. Government Accountability Office.

Our findings begin on page 7, following a brief overview of the Kansas Commission on Veterans' Affairs.

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## Overview of the Kansas Commission on Veterans' Affairs

***Established in 1951,  
The Commission's  
Primary Purpose  
Is To Serve Veterans  
Living in Kansas***

The Kansas Commission on Veterans' Affairs was created to ensure that Kansas veterans and their eligible dependents receive the federal benefits and services to which they are entitled. Those benefits and services can include the following:

- pensions or disability payments
- healthcare services (i.e., through a federal Veterans Affairs Hospital)
- vocational rehabilitation and employment services
- education and training (i.e., through the GI Bill)
- home loans
- insurance
- burial assistance

**The Commission's board consists of five members appointed by the Governor, all of whom must have served in the armed forces.**

The Governor appoints one member from each of the congressional districts and one at-large member—selecting one member to serve as chairperson. Commission members serve four-year terms and are required to hold regular monthly meetings. Members are responsible for overseeing the Kansas Commission on Veterans' Affairs and for hiring an executive director to administer the Commission's day-to-day operations.

Most veterans discharged from active duty—including reserve and guard members called to active duty—are eligible for some federal benefits or services such as health care provided by U.S. Department of Veterans Affairs hospitals and clinics. In other cases, however, veterans can obtain veteran benefits only if they meet certain eligibility or income requirements. For example, to obtain vocational rehabilitation and employment services a veteran must have a service-connected disability.

Besides an administrative office in Topeka, the Commission operates veteran cemeteries in Fort Dodge, Manhattan, WaKeeney, and Winfield. It also operates two long-term care homes in the State: the Soldiers' Home in Fort Dodge, and the Veterans' Home in Winfield.

**The Commission is structured into four major program areas.**

Those program areas are administration, veteran services, veteran cemeteries, and veteran's homes for long-term care. Staffing levels for these major programs are shown in *Figure OV-1* on page 4.

The Commission also employs veteran service representatives who receive training about the various federal veteran benefits. These

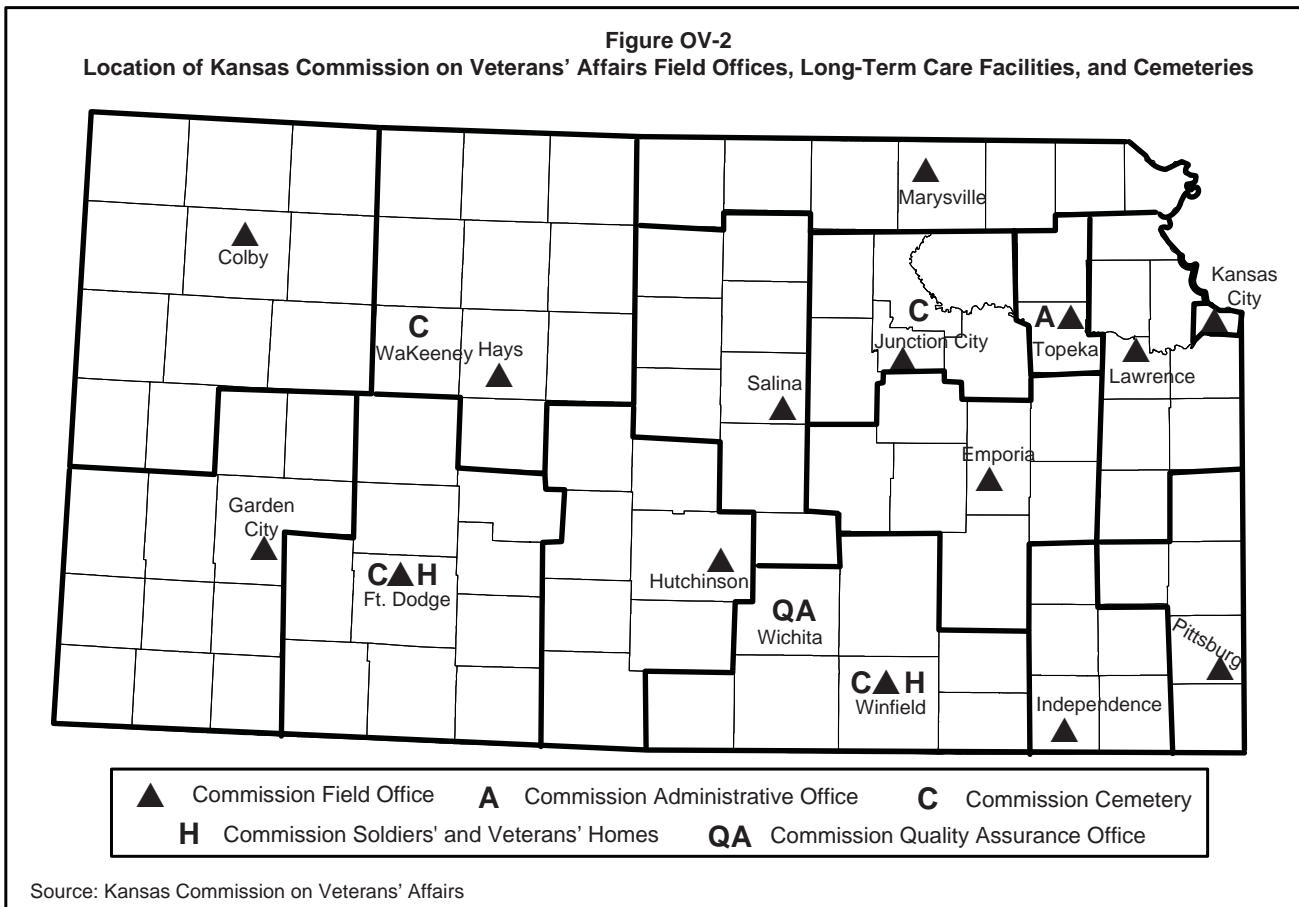
staff—who must be veterans themselves—help Kansas veterans gather the necessary documentation to support a benefits claim, fill out the appropriate forms and paperwork, and file the claim with the U.S. Department of Veterans Affairs.

These veteran service representatives are located in 15 field offices across the State. The locations of the Commission’s field offices, long-term care facilities, and cemeteries are shown in *Figure OV-2*.

**Figure OV-1**  
**Commission's Authorized Staff by Program Area**  
**(FY 2008)**

Program Area	FTE Positions
Administration	6.0
Veteran Services	44.0
Veteran Cemeteries	13.0
Veteran Homes (Soldiers' Home in Fort Dodge and Veterans' Home in Winfield)	494.8
<b>Total</b>	<b>557.8</b>

Source: Kansas Legislative Research Department's "Budget Analysis: Fiscal Year 2009."



**The Commission also works in conjunction with 28 veteran service organizations in Kansas to help serve veterans.** Veteran service organizations are advocacy groups for veterans and veteran's issues. These groups include organizations such as the Veterans of Foreign Wars, the American Legion, and the Disabled American Veterans. The Commission isn't directly affiliated with the federal Veterans Administration Hospitals or services.

Some veteran service organizations also have veteran service representatives on staff to help veterans file claims for benefits, much like the Commission staff do. However, these organizations can accept power of attorney for a veteran. The organization then can serve as a legal representative on the veteran's behalf to help expedite the claim process at the federal level. The Commission is prohibited by statute from accepting power of attorney; Commission staff often refer veterans to a veteran service organization once they have helped them prepare and file a claim.

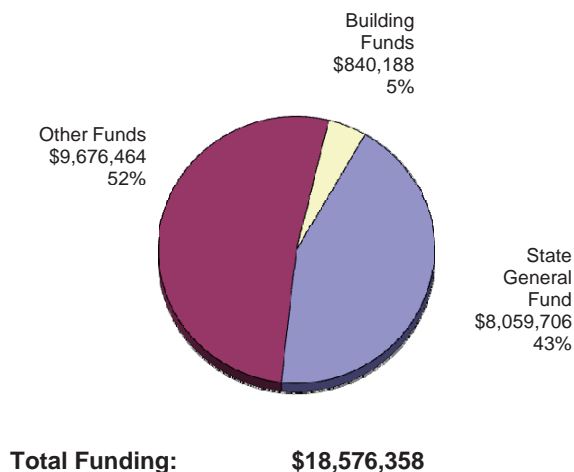
### Commission on Veterans' Affairs AT A GLANCE

<b>Authority:</b>	Created by K.S.A. 73-1207. The mission of the Kansas Commission on Veterans' Affairs is to provide Kansas veterans and their dependents with information, advice, direction, and assistance through the coordination of programs and services in education, health, vocational guidance and placement, and economic security.
<b>Staffing:</b>	The Commission has 557.8 full-time-equivalent positions, including staff at the Kansas Veterans' Home, Kansas Soldiers' Home, and State veterans cemeteries.
<b>Budget:</b>	The Commission receives about half of its funding from the State General Fund and half from other sources, which include federal funding and fees from residents at the Kansas Veterans' Home and Kansas Soldiers' Home. For fiscal year 2007, the Commission took in and spent about \$18.6 million, as shown below. Most of the expenditures were for salaries and wages.

**FY 2007 Expenditures**

<u>Type</u>	<u>Amount</u>	<u>% of Total</u>
Salaries & Wages	\$13,140,486	71%
Contractual Services	\$2,241,472	12%
Commodities	\$1,979,724	11%
Capital Outlay & Improvements	\$1,212,037	6%
Other Assistance	\$2,639	0%
<b>Total Expenses:</b>	<b>\$18,576,358</b>	<b>100%</b>

**Sources of Funding for Expenditures**



**Total Funding: \$18,576,358**

Source: *The Governor's Budget Report*, Vol. 2, FY 2009.





## Question 1: Is Kansas Doing a Good Job of Ensuring That Veterans Are Aware of Services Available Through Federal Programs?

**ANSWER IN BRIEF:** *The Commission on Veterans' Affairs appears to be taking reasonable steps to make veterans aware of services. Other State agencies also provide services that veterans could be eligible for through federal programs, and those agencies identify and refer veterans to the federal services. Agencies like the Department on Aging and SRS take a more proactive role than others in identifying veterans who may be eligible for those federal benefits. All the agencies we contacted do refer people applying for their services that they learn are veterans to federal benefit programs. In some cases, however, it could take months or even years before veterans are determined to be eligible for certain benefits. Finally, the Commission and veteran service organizations coordinate certain activities, but an adversarial relationship may undermine some efforts. These and other findings are discussed in the following sections.*

### ***The Commission on Veterans' Affairs Appears To Be Taking Reasonable Steps To Make Veterans Aware of Services***

Armed forces personnel discharged from active duty typically are provided with information about services and benefits available to veterans. Veterans may file for benefits immediately upon release from active duty, or they may delay filing until later in life when services are needed. In either case, the Kansas Commission on Veterans' Affairs should make veterans aware that the Commission is available to help them file benefits claims.

The Commission staff—including veteran service representatives in field offices across the State—use both passive and active efforts to make veterans aware of the Commission.

Passive efforts include distributing information through newsletters and news releases, maintaining a Commission website with contact information, listing Commission contact information on benefits booklets given to veterans and on posters distributed to veteran service organizations. In addition, the Commission relies on word-of-mouth advertising among veterans.

Active efforts include the Executive Director and other administrative staff attending information briefings on military posts for veterans leaving active duty status, commission cemetery staff briefing funeral homes on interment benefits, and superintendents of both the Veterans' and Soldiers' Homes setting up informational booths at conferences on aging.

Other active efforts include field office veteran representatives making scheduled visits in communities without a veteran service office. However, many of the field offices are staffed by one veteran representative and must be closed when the veteran representative visits other communities.

Field office veteran 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. In the past, veteran representatives were expected to conduct and report on outreach efforts, but recently Commission staff have implemented a more formal process that includes conducting a minimum of two visits to veteran service organization's posts and four visits to other groups. These outreach visit locations are recorded—along with the purpose of the visit and the number of persons contacted—and sent to the Commission's Veteran Services director.

As described later, several State agencies told us they weren't aware of the Commission or haven't referred veterans to the Commission. These agencies provide similar services to the available federal veteran benefits, and should be made aware of the State's central agency on veteran services.

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***Other State Agencies Also 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. Those benefits can be divided into eight general categories, as summarized in **Figure 1-1** on page 9.

The figure also shows that four other State agencies provide similar services to veterans or their dependents, including medical services through SRS and the Health Policy Authority, long-term care services through the Department on Aging, and employment services through the Department of Commerce. In addition, veterans enrolling in State universities may be eligible for financial educational assistance through the Montgomery GI Bill.

To varying degrees, these are the government agencies most likely to have contact with veterans who may be eligible for veteran benefits, or who may be in need of services provided through federal veteran programs.

**Figure 1-1**

**Categories of Federal Veteran Services and State Agencies Providing Similar Services**

Federal Service	Description	State Agency Providing Similar Services
Compensation	Monetary payments to disabled veterans and some surviving dependents based upon the severity of the disability.	None
Pension	Monthly pension payments for veterans with limited income, and are disabled or at least 65 years old.	None
Healthcare	Includes help with hospital, outpatient medical, dental, pharmacy, mental health, and long-term care needs.	SRS provides medical coverage that may assist with paying doctor bills, buying medicine, etc.
		The Kansas Health Policy Authority provides financial medical assistance to low-income families
		The Department on Aging provides long-term nursing facility care
Vocational Rehabilitation and Employment	Assists disabled veterans with career exploration, job searches, and vocational training.	The Department of Commerce and area workforce centers to provide assistance in job searches, training opportunities, skill assessments, etc.  SRS provides services such as counseling, vocational training, and job placement to individuals with disabilities.
Education and Training	Financial educational assistance, including Montgomery GI bill and the Veterans Education Assistance Program.	State Universities assist veterans in filing for education benefits such as Montgomery GI bill
Home Loans (a)	Helps guarantee and refinance certain home loans and provides grants for home modifications for the disabled.	SRS provides financial assistance to modify a home for disability access
Insurance	Low-cost term life insurance of up to \$400,000 dollars while on active duty service. Coverage ends 120 days after leaving service.	None
Burial	Provides a burial allowance or burial in a national veterans' cemetery, headstone, and burial flag.	SRS provides funeral assistance to some persons who are receiving cash, medical, or food stamp services at the time of death.

(a) The Kansas Housing Resources Corporation doesn't provide home loans.

Source: U.S. Department of Veterans Affairs and State agency interviews and document review

As shown in *Figure 1-2*, we reviewed the procedures for these agencies and two of the State’s universities—the University of Kansas and Emporia State University—to determine what they do to identify veterans who apply for assistance, and to refer them on to federal benefit programs to determine whether veteran applicants are eligible.

Figure 1-2 State Agency Methods for Identifying and Referring Veterans		
State Agency	Method of Identification	How and Where Veterans Are Referred Once They Are Identified
Department on Aging	Question on application: "Are you a veteran or veteran's spouse?"	Contact information provided for U.S. Department of Veterans Affairs
Department of Social Rehabilitation and Services	Question on Elderly and Disabled application: "Are you a veteran or veteran's spouse?"	Contact information provided for U.S. Department of Veterans Affairs, Topeka VA Hospital, and/or Kansas Commission on Veterans' Affairs
	Question on Vocational Rehabilitation application: "Are you a veteran?"	
	Question on Family application: "Are you receiving federal veteran benefits?"	
Kansas Health Policy Authority	Question on application: "Are you receiving federal veteran benefits?"	Contact information provided for U.S. Department of Veteran Affairs and/or Topeka VA Hospital
Department of Commerce (and regional workforce centers located throughout the State)	Sign-in sheet for services has a checkbox for veteran status	Contact information provided and/or appointment made for appropriate organization to address veteran's need (i.e. Kansas Commission on Veterans' Affairs, VFW, SRS, etc.)
Emporia State University	None: veteran must self identify to admissions staff	Sent to University Veterans Services Office and provided contact information for U.S. Department of Veterans Affairs if needed
University of Kansas	None: veteran must self identify to admissions staff	Sent to University Veterans Services Office and provided contact information for U.S. Department of Veterans Affairs if needed
<b>Source:</b> Interviews with agency officials and review of documentation.		

As the figure shows:

- Three agencies have included questions on their applications asking if an applicant is veteran or a veteran’s spouse. The Department on Aging asks this question of each applicant. The Department of Commerce has an agreement with workforce centers located throughout the State, all of which ask if the applicant is a veteran on an initial sign-up sheet completed when first seeking services. SRS asks if an applicant is a veteran or a veteran’s spouse on two of three applications—the elderly and disabled assistance and vocational rehabilitation assistance applications.

- Two agencies only identify veterans who currently are receiving veteran benefits. The Kansas Health Policy Authority and the family assistance application at SRS—which includes medical and financial support—only ask about an applicant’s current veteran benefits. However, people who report that they’re not receiving veteran benefits still may be veterans or their dependents, but wouldn’t be identified.
- Officials at the University of Kansas and Emporia State University told us they don’t ask students their veteran status on their admission application forms because most veterans applying for admission are aware of their eligibility for veteran education benefits, and contact the University Veterans Services office directly.

**When agencies learn that the people applying for their services are veterans, they generally do refer them on to federal programs.** As *Figure 1-2* shows, State agencies refer veterans to federal services or programs in the following ways:

- **Giving a federal contact name or address to applicants.** For example, the Department on Aging gives applicants who identify themselves as veterans or their spouses the telephone number or address where they can contact the U.S. Department of Veterans Affairs to determine whether they are eligible for benefits.
- **Having staff to help veterans identify and apply for federal veteran benefits they may be eligible for.** For example, Department of Commerce and area workforce centers generally have disabled veteran outreach specialists or local veteran’s employment representatives on-site at their five centers. If Department or workforce center staff serve veterans and determine that the veteran needs other veteran or non-veteran assistance, they indicated they refer them to the appropriate agency. Referral help includes providing contact information for the agency, or setting an appointment up with the agency. Both universities we contacted have University Veterans Services Offices staffed by veteran specialists who help students file for the Montgomery GI bill. These specialists also provide contact information for the U.S. Department of Veterans Affairs if the veteran has additional needs.

**Only two agencies that provide services reported referring veterans or their dependents to the State Commission on Veterans’ Affairs.** The Department of Commerce (through workforce centers) and SRS were the only two agencies that told us they refer veterans to the Commission. Other agencies’ staff told us they haven’t referred veterans to the Commission because they weren’t aware of the Commission, or just never thought of referring their veterans to the Commission. As noted earlier, the Commission operates 15 field offices around the State with trained staff to assist veterans with the initial filing of a benefits claim.

***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.

We reviewed the coordination efforts of the Commission and the three veteran service organizations in Kansas with the largest memberships—the Veterans of Foreign Wars (VFW), the American Legion, and the Disabled American Veterans (DAV).

**Current coordination efforts between the Commission staff and veteran service organization staff include both formal and informal activities.** During this audit, we compared the current coordination efforts to the efforts we would have expected these four entities to engage in to build a network of veteran’s assistance in the State. The efforts these organizations take are summarized in *Figure 1-3*.

The efforts these organizations take are summarized in *Figure 1-3*.

As the figure shows, some significant efforts have been made to reach out to other organizations and coordinate veteran’s assistance. For example, the Commission helps veterans fill out application forms and submit claims, but refers them to the service organizations to legally represent them at the federal level, where those organizations have a significant presence. In addition, those organizations can accept power of attorney in representing veterans; the Commission can’t. Some veteran service organization officials stated that it can often take months or even years for the U.S. Department of Veterans Affairs determines a veteran’s eligibility for benefits.

**Figure 1-3  
Comparing Current Coordination Efforts to Expected Efforts**

Good Coordination Efforts Expected	Current Coordination Efforts
Periodic communication with other veteran entities	-Commission staff develop and send a newsletter about veteran issues to veteran service organization and others on its mailing list -Commission staff and veteran service organization staff communicate informally
Joint training on benefits and services	-Commission staff provide annual training to both State and service organization veteran representatives -Commission staff notify other service organizations about additional training opportunities
Joint dissemination of benefits information	-The Commission and two service organizations (VFW and American Legion) jointly fund the creation of a benefits information booklet distributed to veterans
Coordination of direct veteran assistance	-The Commission refers veterans to service organizations who can accept power of attorney -Two veteran organizations receive State grant moneys to fund veteran service representative positions for the Topeka, Wichita, and Leavenworth VA hospitals
Joint attendance at veteran functions	-Commission staff and service organization staff are invited to attend and/or present information at each others events
Periodic meetings to discuss veteran issues and set priorities	-Joint quarterly meetings between Commission staff and veteran service organization staff are no longer taking place. However, Commission staff and service organization staff met in January 2008 to discuss veteran issues.

Source: Interviews with KCVA and veteran service organization staff

The Commission and the service organizations also have joined together to provide certain services over the years. For example, a 1997 joint employment agreement formalized a long standing employment arrangement between the Commission, the VFW, and the American Legion. Under this agreement the Commission provided State funding for veteran service representative positions for the VA Hospitals in Leavenworth, Topeka, and Wichita. Initially those positions were State employees. That arrangement changed somewhat in September 2006, but the Commission still provides \$500,000 a year in grant funding under the Veterans Claim Assistance Program so that the two participating organizations can hire their own veteran representative employees. (This arrangement is discussed in more detail in Question 2.)

**Despite these efforts, the current relationship between veteran service organization staff and Commission staff appears to be adversarial, rather than cooperative.** Successful coordination generally comes from organizations working together to advance a common goal. Attitudes and communication may affect those efforts. After speaking with Commission staff and some veteran service organization staff, we concluded that the relationship that exists between them—especially at the leadership levels—could be characterized more as adversarial than cooperative in nature.

Among other things, some veteran service organization officials reported that the Commission’s executive director was a divisive figure who worked against veteran service organizations’ efforts to serve veterans. One organization stated the director attempted to create conflict between the smaller and larger veteran organizations. Another example: several veteran service organization staff expressed dismay that the director had discontinued quarterly meetings held between their organizations to discuss veterans’ issues.

On the other hand, the executive director told us that the veteran service organizations have been uncooperative and often negative toward the Commission’s efforts. He said he didn’t pit small organizations against larger ones, but said smaller organizations may seem to get more of the Commission’s attention because they don’t have full-time staff and need additional help. He also said the quarterly meetings had been discontinued before he was hired into his position.

We heard a number of other charges and countercharges. It’s difficult to tell where the truth may lie in all of this. However, it seemed clear to us that, despite the coordination efforts that currently are being made, there’s not a particularly good working relationship between staff from the Commission and the veteran service organizations.

***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.

***Recommendations For Executive Action:***

1. To help ensure that veterans are being made aware of the federal services and benefits available to them, the Commission on Veterans' Affairs should periodically provide information to all State agencies informing them of the services it provides to Kansas veterans, and recommend that agencies refer people they identify as veterans to the Commission if they need any services.
2. To help foster a more cooperative working relationship between the Commission on Veterans' Affairs and the various veteran service organizations, the Commission's Executive Director should work closely with those organizations to try to address and resolve significant issues and concerns that may hamper effective coordination.



## 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?

### ANSWER IN BRIEF:

*The Commission's Veteran Services Program has 44 authorized positions. Beginning in 2006, responsibilities for 14 of those positions were transferred to a separate State-funded grant program and are no longer employees of the Commission. Because those positions weren't removed from the Veteran Services' count of authorized positions, it looks like the Commission has 14 more vacancies than it actually does. Of the 30 other positions in the Program, the Commission didn't request funding in fiscal year 2008 for four of them. Two of the Commission's funded veteran service representative positions have been vacant for a significant amount of time. Using the proceeds from lottery ticket revenues, the Commission plans to hire additional staff to create mobile outreach services for veterans through a new program authorized in 2008. When that happens, if the Commission fills all 19 vacancies, the number of State-funded veteran service representatives and support staff serving veterans throughout the State will total 56; 44 through the Commission, and the rest through the State-funded grant program. These and other findings are discussed in the following sections*

### ***The Commission Has 44 Positions Authorized For Its Veterans Services Program***

All the veteran representative positions within the Commission are located within the Veteran Services Program, whose 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.

Based on the 1997 agreement, 19 of those positions (12 veteran service representative positions and 7 office/administrative assistant positions) were assigned to the VA Hospitals in Topeka, Wichita, and Leavenworth under a joint employment agreement with the VFW and the American Legion. These service representatives help veterans from within the three VA Hospitals collect the appropriate paperwork and fill out the necessary forms to file claims for benefits.

### ***Legislation Passed in 2006 Resulted in the Responsibilities Of 14 Positions Being Transferred From the Commission, But Those Positions Still Are Shown as Being "Vacant"***

Although the 19 positions assigned to the VA Hospitals were State employees, the people in those positions advertised themselves as representatives of the veteran service organizations, not of the Commission. Because of concerns about these arrangements, including possible violations of State ethics laws on compensation, the 2006 Legislature created the Veterans Claim Assistance Program (VCAP) as an alternative way of providing funding for these services within the VA Hospitals, without using State employees.

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. The grant doesn't specify the number of positions to be funded. To-date, only the VFW and the American Legion have participated.

Of the 19 positions initially involved with the VA Hospitals, 4 positions — 3 veteran service representatives and 1 office assistant — became the staff for the newly created Quality Assurance Office and remained State employees. One employee chose to stay with the Commission in a central office assistant position. That meant the responsibilities of only 14 positions were transferred from the Commission.

According to organization officials we talked with, since the grant program began in 2006, they've used the grant funds to provide 12 staff positions for the Hospitals—8 veteran service representatives and 4 office assistants. Most employees who were in those positions before the 2006 change all switched over to the new program.

**Because these 14 positions weren't removed from the authorized position count for the Veteran Services Program, it looks like the Commission has 14 more "vacancies" than it actually does.**

Commission officials told us that, when the new program was established, they had no intention of funding or filling the 14 positions that had been used to provide these services. They said those services still were being offered, only now through staff hired by the veteran service organizations under the State-funded grant program.

When this change was made, however, those 14 positions weren't removed from the inventory of authorized positions within the Veteran Service Program. It still shows 44 authorized positions. As a result, it appears like the Commission has at least 14 vacancies, but those vacancies no longer have responsibilities to fulfill.

**The positions funded through the VCAP Program have been filled since 2006, a significant improvement over when these positions were Commission employees.** As noted earlier, the VFW and American Legion have used the State grant funds to staff the three VA Hospitals with 8 veteran service representatives and 4 office assistants. According to officials from both organizations, all of these positions have been filled since the program began in September 2006. This information is summarized in *Figure 2-1* on page 17.

**Figure 2-1  
A Comparison of the Positions Whose Responsibilities Were Transferred  
From the Commission to the Veterans Claim Assistance Program**

Type of Position	Location	Position Vacancies Before the VCAP Program Was Established in Sept. 2006	Length of Vacancy Up Until Sept. 2006 (a)	Current Status with the Veteran Service Org. (As of June 08)
Veteran Service Representative	Topeka VA Hospital	1	26 months	not filled as part of State grant
Veteran Service Representative	Topeka VA Hospital	1	15 months	filled
Veteran Service Representative	Topeka VA Hospital	--	--	filled
Veteran Service Representative	Wichita VA Hospital	1	26 months	filled
Veteran Service Representative	Wichita VA Hospital	1	25 months	filled
Veteran Service Representative	Wichita VA Hospital	1	20 months	filled
Veteran Service Representative	Wichita VA Hospital	1	1 month	filled
Veteran Service Representative	Leavenworth VA Hospital	1	7 months	filled
Veteran Service Representative	Leavenworth VA Hospital	--	--	filled
Office Assistant	Topeka VA Hospital			filled
Office Assistant	Wichita VA Hospital			filled
Office Assistant	Wichita VA Hospital			filled
Office Assistant	Leavenworth VA Hospital			filled
Office Assistant	Wichita VA Hospital			not filled as part of State grant
<b>Total</b>		<b>7</b>		
(a) We reviewed the status of these positions from July 2004 to May 2008. Some of the positions may have been vacant before July 2004.				
Source: Division of Budget, SHaRP, and Commission records				

The figure also shows that, when these positions still were Commission employees, 7 of the 9 veteran service representatives positions assigned to the three VA Hospitals at the time had been vacant for extended periods of time. The vacancies for those positions ranged from one month to at least 26 months. According to Commission staff, these positions had been kept vacant at the time because of funding issues.

***Of the 30 Other Positions In the Veteran Services Program, Six Have Been Vacant for An Extended Time***

Figure 2-2 shows the status of these 30 positions. Our analyses for this audit focused on vacancies in the veteran service representative positions. As the figure shows:

- **The veteran service representative position in the Topeka central office is being held vacant, but its funding is now part of the overall Commission budget and isn't tied to the position.** Since July 2004, this position has been filled only once, from September 2005 to August 2006. Therefore, the Commission was receiving funding for this position in fiscal years 2006 and 2007. When the position became vacant in early fiscal year 2007, the Commission had received the funding for the full year, and was able to use the unused position funding for other expenditures. According to Commission officials, they requested funding for the position as part of their budget enhancement packages in fiscal years 2008 and 2009. Division of Budget denied the enhancement requests because this position had been filled during fiscal year 2006 and part of 2007, and, the funding for that position had continued and hadn't been reduced from the agency budget.

- **1 veteran representative position in Emporia was vacant for about 7 months.** According to Commission officials, this funded position became vacant in August 2007 when the employee resigned to accompany their spouse overseas. 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. The position was advertised in January 2008 because the Governor had recommended additional funding that would cover the cost of filling the position again. It was filled in March 2008.
- **The Commission didn't request funding for 4 vacant office assistant positions for fiscal years 2008 and 2009.** Although we didn't analyze office assistant position vacancies, we noticed 4 were vacant because they were unfunded. The program director didn't request funding for these office assistant positions because he felt they weren't needed.

**Figure 2-2  
Status of the 30 Positions Whose Responsibilities  
Are Currently Assigned to the Commission on Veterans' Affairs**

Type of Position	Location	Total # of Positions	Positions Funding Not Requested for in FY 08	Current Status (May 2008)
Program Director	Topeka Central Office	1		filled
Veteran Service Representative	Topeka Central Office	1		VACANT
<b>Field Offices</b>				
Veteran Service Representative	Emporia	1		filled
Veteran Service Representative	Hays	1		filled
Veteran Service Representative	Colby	1		filled
Veteran Service Representative	Fort Dodge	1		filled
Veteran Service Representative	Garden City	1		filled
Veteran Service Representative	Hutchinson	1		filled
Veteran Service Representative	Independence	1		filled
Veteran Service Representative	Junction City	1		filled
Veteran Service Representative	Kansas City	1		filled
Veteran Service Representative	Lawrence	1		filled
Veteran Service Representative	Marysville	1		filled
Veteran Service Representative	Pittsburgh	1		filled
Veteran Service Representative	Salina	1		filled
Veteran Service Representative	Wichita	3		filled
Veteran Service Representative	Winfield	1		filled
<b>Support Staff</b>				
Office Assistants		7		---
Office Assistants		4	4	UNFUNDED
<b>Total</b>		<b>30</b>	<b>4</b>	

Source: Division of the Budget, SHaRP, and Commission records

Data collected by the Commission indicated that leaving this position vacant had a quantifiable impact on the program. Its records show that, from fiscal year 2007 to 2008 (during which the vacancy at Emporia occurred), there was an average drop of 74% in the number of personal and field contacts made by the Emporia office. In addition, the number of forms processed for veterans declined by 80%.

According to legislative testimony from Commission officials, the loss in production from the veteran representative position vacancy in Emporia had an impact to the community and State of over \$941,000 in lost veteran benefit revenues. The impact is measured by the loss of money that is put back into the State and local economies by the veterans who receive the benefits. We didn't attempt to verify that assertion.

From their perspective, current veteran service representatives and officials from veteran service organizations we talked with said there had been no quantifiable impact from the vacancies at the Commission. However, some indicated a vacancy could increase the work for a neighboring office because of travel for the representative to cover the vacant office and its clients.

**The 19 “vacancies” Commission staff have referred to recently included the 14 positions that had responsibilities transferred to the State-funded grant program, the 4 positions described above for which no funding had been requested, and the one position being held vacant.** In testimony before the House Veterans Military and Homeland Security Committee and the Senate Ways and Means Committee during the 2008 legislative session, Commission staff indicated they had 44 authorized positions in the Veteran Services Program, 19 of which were vacant. This testimony apparently led to legislative concerns about the significant number of vacancies on the Commission's staff.

At the time of this testimony, all the 19 “vacancies” Commission staff were referring to were the positions described in the previous sections—they were either part of the responsibilities transferred to the State-funded grant program, positions the Commission hadn't requested funding for, or a position that has been held vacant.

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***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 Commission proposed—and the Legislature passed—legislation creating the Veterans Enhanced Service Delivery Program. 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.

When the initial bill was introduced, the Commission was requesting State General Fund moneys to hire 19 staff to fill all the “vacancies” it currently has in its 44 authorized positions. As passed, the legislation specified that the funding for the new Enhanced Service Delivery Program would come from revenues generated by the veterans benefit game—a lottery scratch ticket created in 2003. When the lottery ticket first was created, State law dedicated half the revenues for educational assistance scholarships, and the other half for operating expenditures/capital improvements for the Kansas Veterans’ and Soldiers’ Homes and the State veterans cemetery program.

The 2008 legislation changed the distribution of revenues from the lottery ticket as follows:

- 40% for Kansas National Guard educational assistance scholarships
- 30% for operating expenditures/capital improvements for the Kansas Veterans’ and Soldiers’ Homes and the State veterans cemetery program
- 30% to expand the Kansas National Guard Museum (funding for fiscal years 2009 and 2010)
- 30% to fund the Veterans Enhanced Service Delivery Program (funding from fiscal year 2011 forward)

Therefore, beginning in fiscal year 2011, the Commission will receive 30% of the revenues from the lottery scratch ticket to fund its vacant positions. If the Commission is able to fill all 19 positions through the Enhanced Service Delivery Program, the number of State-funded veteran service representatives and other staff serving veterans throughout the State will total 56; 44 through the Commission, and 12 through the State-grant-funded Veterans Claim Assistance Program.

***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?**

**ANSWER IN BRIEF:** *The Soldiers' Home had almost \$1.1 million in unspent moneys at the end of fiscal year 2007. In August 2007, federal and State inspections identified significant deficiencies at the Home, and direct-care staffing levels were at their lowest point in years. During fiscal year 2008, the Soldiers' Home spent down about \$365,000 of carryover funds, and increased spending on all salaries by about \$550,000. As of July 2008, it had 12 additional direct-care staff—primarily certified nurse aides. Commission staff told us the Soldiers' Home had tried to fill nursing staff positions, but said they had an extremely difficult time recruiting nurses to work there, partly because of the location and partly because of competition from other employers in the area. Although the State took several steps in fiscal year 2008 to make nursing salaries more competitive, few nurses have been hired. Soldiers' Home officials have submitted plans of correction for all the deficiencies cited in the 2007 inspections. These and other findings are discussed in the following sections.*

**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 are on a sliding scale, based on all residents' financial ability to pay. Federal per-diem payments for veteran residents are based on a monthly count of the number of veteran residents. Both can fluctuate based on the overall number of residents at the Soldiers' Home.

**Figure 3-1**  
Receipts, Expenditures, Balances, and  
Average Census Counts of the Kansas Soldiers' Home  
Fiscal Years 2005 to 2008

	FY 2005	FY 2006	FY 2007	FY 2008
Beginning Balances	\$ 289,137	\$ 361,787	\$ 479,077	\$ 1,091,136
Fee Fund Receipts	\$ 1,925,569	\$ 1,814,826	\$ 2,010,064	\$ 1,925,660
Federal Fund Receipts	\$ 1,899,968	\$ 1,870,011	\$ 2,372,233	\$ 2,349,750
State General Fund Appropriation	\$ 1,897,993	\$ 2,637,825	\$ 2,733,279	\$ 2,948,770
<b>Total Revenues Available</b>	<b>\$ 5,723,530</b>	<b>\$ 6,322,662</b>	<b>\$ 7,115,576</b>	<b>\$ 7,224,180</b>
<b>Total Expenditures</b>	<b>\$ 5,608,769</b>	<b>\$ 6,189,069</b>	<b>\$ 6,503,517</b>	<b>\$ 7,589,323</b>
Transfers Out	\$ 33,373	\$ 16,307	\$ -	\$ -
<b>Ending Balances (a)</b>	<b>\$ 370,525</b>	<b>\$ 479,073</b>	<b>\$ 1,091,136</b>	<b>\$ 725,993</b>
<b>Average Resident Census Counts</b>				
Veteran Residents	129	119	136	128
Non-veteran Residents	61	51	41	39
<b>Total Resident Count</b>	<b>190</b>	<b>170</b>	<b>177</b>	<b>167</b>
(a) 2005 ending balance doesn't equal the 2006 beginning balance because of rounding issues and the release of encumbrances.				
Source: Legislative Research Budget Analysis Books				

**Figure 3-1** shows the Soldiers' Home's receipts, expenditures, and balances from all three sources of funds for fiscal years 2005 through 2008. It also shows the resident census counts for those years.

As the figure shows, the Home's ending balance in fiscal year 2005 was about

\$370,000, or the equivalent of about 7% of its total expenditures for the year. That amount would cover about two pay periods of salary expenses, which is what officials told us they aim for.

In fiscal year 2007, however, the Soldiers' Home had an ending 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. That was partly because the Home's revenues from resident fees and federal per-diem payments in fiscal year 2007 were about \$769,000 more than it had estimated in its revised budget for that year. Some of the reasons: the Home had an average of nine more veteran residents than it expected in 2007—which meant more in federal per-diem payments—and it received some unanticipated funding, including a \$100,000 refund on unused drug prescriptions.

**Early in fiscal year 2008, inspections by the Department on Aging and the U.S. Department of Veterans Affairs identified significant deficiencies at the Soldiers' Home.** These inspections were conducted in August 2007. The State inspection was completed first, and identified 28 deficiencies. The federal inspection was completed 11 days after the State inspection (before the deficiencies had been corrected). According to Commission officials the federal inspection identified many of the same deficiencies as the State inspection, plus additional deficiencies for a total of 41. The combined surveys have a total of 69 deficiencies cited.

As *Figure 3-2* shows, 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. All the deficiencies in those years were from the State inspections. In those years, the federal inspections were conducted after the State inspections and identified zero deficiencies in each year. Commission officials explained that's because the deficiencies from the State inspections had already been corrected before the federal inspectors came.

Seeing this information led legislators to question whether the Soldiers' Home has used the unspent moneys carried forward from fiscal year 2007 to help increase staffing and service levels and address the deficiencies that were cited.



**Figure 3-2  
Results of Kansas Soldiers' Home State and Federal Inspections  
Conducted in August 2007**

Deficiency Category	2007		Deficiency Example
	# of Deficiencies	% of Total	
<b>Quality of Care</b> – addresses how well the facility renders services provided and supervised by nursing staff. Examples include such things as avoiding pressure sores, proper fluid intake, and medication administration.	22	32%	In all, 8 of 15 patients received psychopharmacologic drugs. The facility failed to monitor 7 of these 8 residents for desired responses and adverse effects.
<b>Resident Rights</b> – addresses how well the facility succeeds in ensuring that the rights of residents are respected, recognized, and upheld. Examples include such things as personal privacy, protocols for transferring or discharging residents, and resident restraint.	22	32%	The facility failed to investigate an injury of unknown origin for one resident in the sample.
<b>Administration</b> – addresses how well the overall administration and management of a nursing home are carried out. Examples include such things as staff training, clinical records of residents, and employing a medical director.	20	29%	The facility failed to immediately notify the physician and/or family following significant changes in the residents for 4 of 15 sampled residents.
<b>Other Services</b> – addresses how well the facility assists residents in obtaining specialized rehabilitative services; such as dental services, physical therapy, and pharmacy services.	3	4%	The facility failed to have a system in place to ensure that the pharmacist reported drug irregularities involving psychopharmacological medications to the attending physician, director of nursing, and medical director for 7 of 15 residents sampled.
<b>Physical Environment</b> – addresses how well the facility maintains the resident environment to protect the health and safety of its residents, personnel, and the public. Examples include such things as the design of the facility, functioning equipment, and resident rooms.	2	3%	The facility failed to ensure that resident care equipment (wheelchairs, motorized scooters) was maintained in sanitary condition and in good repair for 2 of 15 sampled residents.
<b>Total</b>	<b>69</b>	<b>100%</b>	

Source: 2007 Soldiers' Home State and Federal Inspections

***In Fiscal Year 2008, The Home Spent About \$365,000 of Its Carryover Balances, and Hired 12 Additional Direct-Care Staff***

Because the inspection reports don't cite the causes of the deficiencies noted, we talked with officials from the Soldiers' Home and with State and federal inspectors to find out what may have led to those deficiencies. All three officials said a shortage of nursing staff contributed to many of them.

As a result, we focused our review on the Home's direct-care staffing levels in recent years. That information is summarized in **Figure 3-3**.

<b>Figure 3-3 Kansas Soldiers' Home Direct-Care Staffing Levels and Expenditures Fiscal Years 2005-2009</b>						
	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
<b>Authorized Permanent Full-time Classified Direct-Care Staff</b>	82	81	81	81	80	-2.4%
<b>Total Permanent and Temporary Direct-Care Staff Positions Filled</b>	68	67	66	60	72	5.9%
<b>Detail of Positions Filled:</b>						
<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%
	<b>FY 2005 Total</b>	<b>FY 2006 Total</b>	<b>FY 2007 Total</b>	<b>FY 2008 Total</b>	<b>FY 2009 Estimate</b>	
<b>Actual Expenditures for Contracted Direct-Care Staff</b>	\$0	\$0	\$92,338	\$258,654		
<b>Actual / Estimated Salary Expenditures for all Staff (b)</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.						

As the figure shows, 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. We also noted that the number of authorized permanent direct-care staff positions filled has hovered at only around 68% in recent years.

**Starting in late fiscal year 2007, the Soldiers' Home began using contracted direct-care staffing services.** At that time, three registered nurses were terminated from the staff. In order to maintain the proper staffing levels at the Home, officials began contracting for direct-care staff. A few months later, the August 2007 inspections occurred that resulted in 69 deficiencies. As mentioned before, a nursing staff shortage was cited as a reason for many deficiencies. Therefore, the Soldiers' Home began to contract for more direct-care staff. As **Figure 3-3** shows, expenditures for contracted direct-care staff began in 2007 and reached almost \$260,000 in fiscal year 2008. A new superintendent for the Soldiers' Home was hired in April 2008, and one of his main goals was to reduce the amount spent on contracted direct-care staff. Expenditure data shows that monthly contractual services costs have decreased significantly since April.

By the end of fiscal year 2008 however, the Home had spent down about \$365,000 of its carryover funds. That information can be seen in **Figure 3-1**. Further, as can be seen in **Figure 3-3**, the Home's expenditures for all staff salaries increased by about \$550,000 during fiscal year 2008. In that same year, the Home had also hired 12 additional direct-care staff. However, of the 12 additional staff, only two were nurses.

**Commission staff told us the Soldiers' Home had tried to fill more nursing positions, but said they had an extremely difficult time recruiting staff to work there.** Commission officials told us they have a difficult time getting nurses to apply at the Soldiers' Home because of its remote location in Fort Dodge. Available nurses who are in the area typically are hired by the competition for higher salaries or benefits.

Commission officials also said a hospital and other organizations in the area that hire direct-care staffing have been able to offer higher wages than the Soldiers' Home, partly because these positions at the Home were classified positions that had to be kept within the State's pay grades.

Soldiers' Home officials told us the competing organizations also offer other perks that aren't available to the Home to hire nursing staff. These can include the following:

- Giving hiring bonuses of up to \$10,000
- Allowing nurses to work three, 12-hour shifts, but paying them for 40 hours
- Providing assistance in repaying student loans
- Giving nurses a uniform allotment

**The State took several steps in fiscal year 2008 to make nursing salaries more competitive at the Soldiers' Home, but most of the additional positions filled that year weren't nurses.** During 2007, Soldiers' Home officials worked with the Division of Personnel Services to have 24 positions changed from classified to unclassified temporary positions. In all, 21 of those 24 positions are registered nurse or licensed practical nurse positions. The Governor approved this change in September 2007. This change allowed Soldiers' Home officials to begin offering higher wages, and to have some negotiating room on starting wages for nurses.

In addition, a Statewide change in the pay grade for various levels of classified registered nurses went into effect October 2007. The pay for those positions was raised three pay grades. Assuming a 40-hour work week, the average annual starting pay for full-time classified registered nurses would have risen from \$40,388 to \$46,758, an increase of 16%.

As *Figure 3-3* showed, 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.

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***The Home Has Submitted Plans of Correction for All Deficiencies Cited in The 2007 Inspections***

To correct the deficiency that the Home doesn't develop individualized comprehensive care plans for each resident, officials from the Home submitted a plan of correction stating that care plans would be reviewed and updated as needed. In addition, the plan stated that the Soldiers' Home's Quality Assurance Committee would review these plans on a quarterly basis to ensure that this is being accomplished.

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.

***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 continue to take 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?**

**ANSWER IN BRIEF:** *The Commission is required by law to hold monthly Commission meetings, and is authorized to hold them anywhere in the State. Over the past two fiscal years, the Commission spent about \$24,000 on Commission meetings: \$19,000 on the 13 meetings held outside Topeka, and \$5,000 on the 6 meetings held in Topeka and the 5 held by teleconference. On average, meetings held outside Topeka cost almost four times more than meetings held in Topeka. The Commission says it holds meetings outside Topeka to try to make them more accessible to veterans; however, attendance at those meetings has been extremely low. The Commission reduced the number of meetings held outside Topeka from 8 in 2007 to 5 in 2008, and plans to keep that reduced schedule in fiscal year 2009. However, except for the occasional meetings held at other Commission facilities (such as the Soldiers' or Veterans' Homes), the extra costs incurred in holding meetings outside Topeka doesn't appear to be justified. These and other findings are discussed in the sections that follow.*

***The Commission Spent About \$24,000 To Hold Monthly Commission Meetings During Fiscal Years 2007 and 2008***

As noted in the Overview, the Commission consists of five members appointed by the Governor for four-year terms. Its central administrative operations are located in Topeka, and are headed-up by an Executive Director with a central staff of five employees.

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.

We reviewed expenditure vouchers for the 24 Commission meetings held during fiscal years 2007 and 2008. The Commission and its staff spent a total of \$24,038 on the 24 meetings we reviewed.

Costs associated with the monthly Commission meetings include per-diem pay for Commissioners, plus mileage, gas, and lodging expenses for Commissioners and staff members when traveling outside their home areas. None of the meetings we reviewed included any costs for hospitality or room rental. Commission meetings generally are held at a local veteran service organization post.

**Figure 4-1** shows the number, costs, and locations of Commission meetings held in fiscal years 2007 and 2008.

**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
<b>Meetings held in Topeka</b>							
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>
<b>Subtotal</b>		<b>4</b>	<b>7</b>	<b>\$1,326</b>	<b>\$3,642</b>	<b>11</b>	<b>\$4,968</b>
<b>Average cost per meeting</b>				<b>\$332</b>	<b>\$520</b>		<b>\$452</b>
<b>Meetings held outside Topeka</b>							
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>
<b>Subtotal</b>		<b>8</b>	<b>5</b>	<b>\$10,732</b>	<b>\$8,338</b>	<b>13</b>	<b>\$19,070</b>
<b>Average cost per meeting</b>				<b>\$1,342</b>	<b>\$1,668</b>		<b>\$1,467</b>
<b>TOTAL all meetings</b>		<b>12</b>	<b>12</b>	<b>\$12,058</b>	<b>\$11,980</b>	<b>24</b>	<b>\$24,038</b>

Source: Commission on Veteran' Affairs expenditure vouchers

As the figure shows, 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.

The figure also shows that the Commission reduced the number of non-Topeka meetings from eight in 2007 to five in 2008. With one exception, all those meetings in 2008 were associated with facilities under the Commission's control, such as the Soldiers' Home or a veterans' cemetery site. Commission staff told us they planned to keep that same schedule in fiscal year 2009. The exception was the regional federal Veterans Administration Office in Wichita. However that office is also the location for the Commission's Quality Assurance staff.

**The Commission says it holds meetings outside Topeka to make it more accessible to veterans.** They cited that as an overall goal. Other reasons they cited included touring certain facilities, such as the Kansas Soldiers or Veterans Homes, seeing the site and progress of the new State veterans’ cemetery, and providing exposure to areas where commissioners live.

***Attendance at All The Commission’s Meetings Was Very Low In 2007 and 2008***

According to Commission officials, attendance at these meetings is affected by three factors—location, specific agenda items, and support from the local veteran service organizations. The support from these organizations comes in the form of “word of mouth” advertising of the meeting.

During this audit, we reviewed meeting minutes for the 24 meetings held in fiscal years 2007 and 2008. For those 24 meetings, the attendance records showed they were attended by a total of 191 people not directly associated with the Commission, or an overall average of about 8 people per meeting. Commission officials told us that some of the attendance records may be understated because not all meeting attendees sign in. In particular, officials stated that meetings held at Ft. Dodge normally had between 20-30 attendees. The attendance records from four meetings held at that location show attendance of 27, 25, 6, and 2. It’s likely that two meetings’ attendance records may indeed be understated. As far as other meeting locations, the attendance sheets show a range of 1-15 attendees, and officials indicated this range sounded reasonable.

**Figure 4-2**  
**Average Attendance at Monthly Commission Meetings**  
**Fiscal Years 2007 and 2008**

	Topeka Meetings	Other Meeting Locations	Teleconference Meetings
Average number of Commissioners/ Commission Staff	13	13	12
Average number of non-Commission staff	9	12 (a)	3
Range	4-12	1-27	3-4

(a) This averages assumes 25 people attended each meeting at Ft. Dodge.  
Source: Commission on Veteran Affairs monthly meeting minutes

**Figure 4-2** shows that the average number of Commissioners and Commission employees who attended each was thirteen. Generally, all five Commissioners attend each meeting, as do eight Commission staff.



The figure also shows the average number of people not directly associated with the Commission who attended these meetings. The minutes show that this group generally includes members or representatives from the local veteran service organizations, such as the VFW or the American Legion, the State long-term-care ombudsman, and on occasion, legislators.

As noted earlier, the number of meetings held outside Topeka has been reduced from 8 in 2007 to 5 in 2008. Commission staff told us they had reduced these outside-Topeka meetings because they weren't satisfied with the non-Commission attendance turnout at those meetings.

Based on overall attendance, except for the occasional meetings held at other Commission facilities (such as the Soldiers' or Veterans' Homes), the extra costs incurred in holding meetings outside Topeka doesn't appear to be justified.

***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 meetings—to improve its outreach efforts to more veterans.

***Recommendations For Executive Action:***

1. To help ensure that total expenditures for the Commission on Veterans' Affairs' monthly meetings are reasonable and cost effective, Commission staff should do the following:
  - a. Hold meetings at locations outside Topeka only on a periodic basis, and only at facilities where the Commission has some presence, such as the Soldiers' or Veterans' Homes or the veteran cemetery sites.
  - b. Consider using videoconferencing to hold meetings, which would allow costs for travel and lodging to be significantly reduced, and which could help improve non-Commission staff's access to the meeting.

2. The Commission also should explore the feasibility of holding bi-monthly or quarterly meetings to see if that would help hold down its costs while still providing Commission members with adequate input and discussion time regarding the operations it is responsible for overseeing.

## **APPENDIX A**

### **Scope Statement**

This appendix contains the scope statement approved by the Legislative Post Audit Committee for this audit on April 29, 2008. The audit was requested by Representatives Bethel, Ruff, Schwartz and Tapanelli.

**Revised**  
**SCOPE STATEMENT**

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

The 1986 Legislature established the Kansas Commission on Veterans Affairs as a separate agency. The Commission is composed of five members who have served in the armed forces. The Governor appoints one commissioner from each of the four federal legislative districts and one at-large member. All members are appointed to four-year terms. The Commission appoints an executive director who hires staff to administer the agency.

The Commission provides Kansas veterans and eligible dependents with information, advice, direction, and assistance with various educational, health, vocational, and economic programs. The Commission serves veterans in all Kansas counties from field offices, in the Veterans Administration medical centers, and from a central office located in Topeka. It also is responsible for operations at the Kansas Soldiers Home and the Kansas Veterans Home. For fiscal year 2007, the Commission (including the Soldiers Home and Veterans Home) spent about \$18.5 million and had approximately 558 full-time equivalent employees.

Recently, legislators reviewing the Commission's budget have raised questions about how the Commission is spending its money. Specifically, they are concerned that the Commission is holding veterans representative positions open and not spending money it has available, which is negatively impacting the level of service provided to Kansas veterans. Also they are concerned about reports from the Department on Aging that showed a number of significant deficiencies at the Kansas Soldiers Home and the Kansas Veterans Home. The House Appropriations Budget Subcommittee dealing with the budget for the Veterans Commission, Soldiers Home and Veterans Home noted that the Soldiers Home had about \$1 million in funds carried over from the previous year's budget, and they want to know why that money wasn't used to address the conditions that led to the deficiencies cited by the Department on Aging. Other concerns relate to whether the Commission is coordinating well with other veterans organizations, a whether it is cost effective to hold meetings of the Commission at remote locations around the State.

A performance audit of this topic would address the following questions.

- 1. Is Kansas doing a good job of ensuring veterans are aware of and receiving services available through federal programs?** To answer this question, we would identify State-funded programs that assist with the financial, medical, educational, or mental health needs of Kansans. We would review the application processes for those programs, and talk to officials who administer those programs to determine whether they identify veterans as part of their application process. If they do identify veterans, we would find out whether they take any steps to refer those veterans to federal programs they might be eligible to receive. We would contact officials from the Veterans Administration and the U.S. Department of Veterans Affairs to find out if they are aware of states that appear to do a particularly good job of referring veterans to services. Also, we would talk to officials from the Kansas Commission on Veterans Affairs and groups such as the VFW to determine what steps they

think would be most useful in identifying veterans who may be eligible for VA Benefits. In addition, we would interview officials from the Veterans Commission and review relevant records to determine what they do to coordinate with other veterans organizations to serve Kansas veterans. We would contact officials from the other veterans' organizations to determine the types of activities they coordinate with the Veterans Commission, and to find out whether there are areas where they think coordination could be improved. Finally we would find out what suggestions they have for ways to improve coordination.

- 2. Has the Veterans Commission held open a significant number of veterans representative positions, and if so, why, and what has been the likely impact on veterans?** To answer this question, we would review the number of veterans representative positions authorized and filled at the Veterans Commission. We would determine the number of vacant veterans representative positions in recent years, and the length of time those positions have been vacant. Through interviews with agency officials we would determine why those positions haven't been filled. We would interview current veterans representatives to get their opinions about the impact of not having vacant positions filled. Also, we would review available agency records to determine whether having vacant positions may be creating backlogs in paperwork, long wait times, or other issues that may affect how quickly veterans receive services. In addition, we would talk to officials from veterans groups to determine whether they have had complaints about veterans not being able to meet with a veterans representative in a reasonable time or other concerns about the quality of services provided by the Commission and its staff. In addition, we would review the use of salary moneys and overtime at the Veterans Commission to determine whether there are less costly ways to staff its programs. Finally, we would talk to a sample of veterans to get their opinions about how helpful the Veterans Commission has been in assisting them with services and to find out any specific problems they have encountered. We would conduct other work in this area as needed.
- 3. Has the Commission used all funds it had available to provide sufficient staff and service levels at the Kansas Soldiers Home and the Veterans Home, and if not, why?** To answer this question, we would review the most recent Department on Aging surveys of the Soldiers Home and the Veterans Home to determine what issues were uncovered in those surveys. We would talk to officials at the Department on Aging to get their assessment of whether the shortcomings were the result of insufficient staffing, insufficient staff training, or other factors. We would also talk to officials from the Soldiers Home and Veterans Home to get their opinions about what factors may have contributed to problems the Department on Aging has pointed out at the facilities, and to find out what has been done to address those issues. Also, we would determine whether the deficiencies cited at the facilities could potentially jeopardize and federal funding they are receiving. We would review the budgets of the Soldiers Home and the Veterans Home to determine what moneys are available, what their spending levels have been in recent years, and whether it appears that they have money available to enhance services at the two facilities that haven't been spent. If we find that there are additional moneys available that haven't been used at the facilities, we would interview management to determine why, and what the rationale is for not spending those funds.

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?** To answer this question, we would review documentation at the Commission to determine where meetings have been held, and what additional costs have been incurred to have those meetings around the State. We would interview Commission officials to determine what they hoped to achieve by having the meetings at remote locations, and assess whether those goals appear to be reasonable. We would determine whether the Commission has any information showing whether its goals for having meetings at remote locations have been met, and we would report on what that information shows.

**Estimated Time to Complete:** 11-13 weeks

## APPENDIX B

### Agency Response

On August 13, we provided copies of the draft audit report to the Kansas Commission on Veterans Affairs. Its response is included as this Appendix.

In general, the agency concurred with the report's findings, conclusions, and recommendations. However, the response pointed out three areas that the Executive Director thought were incorrect in the draft report. Those three areas—and our review and comment on those areas—are detailed below:

- The response indicated that our discussion on page 16 of the draft report about the positions affected by the VCAP program was incorrect. Our report said that those positions have all been filled since the VCAP program was started, which was a significant improvement over when those positions were housed within the Commission. The response said that the number of positions now filled under the VCAP program generally were the same or even less than what the Commission had in place before the VCAP program began. The draft report said that most positions before the VCAP program began weren't filled, but have been filled since the program.

In our review of the response, and in subsequent discussions with the Executive Director, we realized there was some confusion as to what positions the text on page 16 and the figure on page 17 were referring to. We were referring only to the veteran service representative positions that ultimately were affected by the VCAP program. Other positions that used to work in the VA Hospitals went on to form a Quality Assurance Office, and weren't part of the VCAP grant funding. We clarified that information in the text of the final report. The Executive Director agreed that the figure on page 17 was correct for what we were showing.

- The response indicated that our discussion in the draft report on page 17 about the Emporia position was incorrect because the position was "in effect" not funded [emphasis added]. According to Division of the Budget officials, however, this position was a funded position in the budget, but the Commission may have been experiencing budget shortfalls in other areas and used the funding to cover that shortfall.
- The response indicated that our statement on page 17 of the draft report that the Commission didn't seek funding for the Topeka veteran service representative position was incorrect. After reviewing agency and Division of Budget information on budget requests, we determined that the Commission had requested funding for that position as part of its enhancement packages for fiscal years 2008 and 2009. However, Division of Budget officials told us those requests were denied because funding for that position already was included in the Commission's overall budget request for those years. Budget officials indicated that the funding for the position continued even though it was currently vacant, and the agency budget hadn't been reduced. As a result, we changed the report to show that the Commission did receive the funding, but had shifted the funding to other expenditures and left the position vacant since August 2006.

We made other minor changes or clarifications to the draft report as a result of the agency's response that didn't affect our findings, conclusions, or recommendations.



# KANSAS COMMISSION ON VETERANS' AFFAIRS



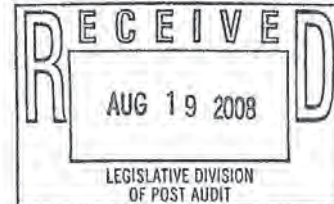
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Executive Director George Webb

August 19, 2008

Barbara J. Hinton  
Legislative Division of Post Audit  
800 Southwest Jackson Street, Suite 1200  
Topeka, KS 66612-2212



Dear Ms. Hinton:

I have reviewed the draft document regarding the Kansas Commission on Veterans' Affairs, and I appreciate the opportunity to respond. As you advised us, the draft report is confidential and the Kansas Open Meetings Act therefore prevents distribution to KCVA commissioners. This letter addresses the report's recommendations and also some areas where correction or explanation is in order. We greatly appreciate the time your group spent on this report and look forward to putting your recommendations in place.

## Background:

Map Page 4. The map does not reflect the KCVA Quality Assurance office in the VA Regional Office in Wichita, and omitting this group misses an important KCVA function. The QA office was an offshoot of legislation that spawned the grant program, because the KCVA recognized that it had no quality control structure for claims work coming in from the field offices. Current KCVA QA staffing is three VSRs and one OA; the three VSRs have a total of 64 years of experience in veterans' benefits and claims. During the early development of the grant program, QA staff assisted the newly-hired service reps and office assistants of the American Legion and Veterans of Foreign Wars. The staff has matured now into its QA function, but those KCVA VSRs still spend considerable time with original claims intake, development, and even appeals – generally under an American Legion Power of Attorney.

## Question 1

### a. Issues of correction:

(1) Page 7-8. The report reads as if KCVA VSRs on itinerant visits are the only avenue for active outreach. While field office VSRs should be on the front lines, a lot more is happening. The KCVA (generally the executive director) regularly briefs the retirees at Fort Riley and McConnell AFB; KCVA VSRs or staff attend and brief at separation briefings on the military posts in Kansas; KCVA cemetery managers and their director brief interment benefits to funeral homes and even the funeral homes association in Kansas; superintendents at the two homes participate in conferences on the aging and set up booth displays for information; the executive director and one commissioner are closely engaged with the Warrior Transition Unit



for wounded/injured soldiers at Fort Riley; the executive director meets regularly with the state's Transition Assistance Advisor (and his leadership) who organizes briefings and benefits for post-deployment returning Guard and Reserve units; and the KCVA has written and distributed several news releases and developed an electronic newsletter to carry information to all Kansas veterans. The KCVA requested and was approved for money to support outreach to Kansas veterans in SFY 2009.

(2) Page 12. The information about quarterly meetings with veteran service organizations needs clarification. These meetings were not being held when I came on board in January, 2004, so to get more background, I called the previous director, Stoney Wages. He told me that he tried holding quarterly meetings in 2002, but they were not well attended so he stopped having them. He and the Commission determined that monthly KCVA Commission meetings were better for this purpose.

It should be noted that this last year, two organizations (National Guard Association Kansas and the Military Order of the Purple Heart) organized a VSO meeting to address programs and policies that could go before the Legislature as well as a national forum. The January 19, 2008 meeting was well attended by a variety of VSOs – including me as director of the KCVA. It was collegial and did help to gain group support for a variety of issues going before the Legislature. Another meeting is set for November 15, 2008 – since the organizers recognized that it should precede the arrival of the state Legislature to be most effective on platform issues.

(3) The report says that the Joint Employment Agreement (JEA) which provided state employees to work for the American Legion and Veterans of Foreign Wars began in 1997. Actually, that arrangement had been in place for decades. What happened in 1997 was that the KCVA and affected organizations felt the need for a MOU that addressed hiring responsibilities. Following months of discussion on that topic, the Commission voted to develop a plan to sever the JEA. That did not occur, and some problematic issues were never resolved. KCVA concerns with the JEA were long-standing.

(4) It is regrettable that due to time, this audit did not engage with any of the host of smaller VSOs in Kansas. They would have found that the relationship between those organizations and the KCVA is collegial and supportive and that those organizations make regular contact with the KCVA. Such organizations as the Military Order of the Purple Heart, Veterans of Modern Warfare, Atomic Veterans, National Guard Association of Kansas, Association of the United States Army, and Kansas Gold Star Mothers (to name a few) know that they have a friend at the KCVA. These organizations do not have full time staffs, and they rely on the KCVA to assist them with programs and information.

Two organizations which are receiving significant grant funding may perceive some discord from the KCVA. When the grant program was initiated, eligibility rules were written that excluded all veterans' organizations except two. The Commission took a position that would have relaxed the restrictions, and thus would have made more VSOs eligible for state assistance funding, but that did not prevail. The message from the Commission to other VSOs that applied but were deemed ineligible is that they need to speak up if they want the rules amended. Perhaps conveying this message is perceived as creating conflict.

(b) Recommendations for Executive Action.

(a) The KCVA is most anxious to improve and increase its outreach efforts. Over two years ago, after studying structures in other states' veterans organizations, the Agency identified the need for an outreach coordinator to assist in this important effort – someone who could help integrate benefits information with other state and fraternal organizations, serve as the focal point of pushing information on benefits, and develop publications that were professional, well written and distributed information in a timely manner. Funding for this position was requested as an enhancement in both the SFY 2008 and 2009 budgets. This effort was rejected by the 2007 Legislature but was finally approved as a Veteran Support Administrative Officer by the 2008 Legislature during conference committee action. Hiring is moving forward. While not to suggest that one person will make all the difference, the Agency believes that having a focused individual with the appropriate skills will significantly improve outreach to all veterans in Kansas.

For two years the Agency has also sought to have the funding for a Veteran Service Officer in the KCVA Central Office. Doing so would help free up the Veteran Services director who currently spends considerable time with claims assistance. Because of that, he is hardly engaged in the role of benefits integration and information, in turn making the executive director the responsible person for state agency benefits coordination. The Agency has been unsuccessful in the last two years in securing the funding to fill this FTE.

The Agency appreciates the review by the Post Audit team regarding other state agencies that serve veterans. This has helped to identify gaps that can be filled. Clearly the Agency's Veteran Services program will need to complete an ongoing paradigm shift from a claims focus to a more proactive integration of a broader array of veterans' benefits.

(b) It is no secret that some working relationships have been strained, principally as a consequence of the review of – and termination of – the Joint Employment Agreement for Veteran Service Officers. Certainly the Legislature is tired of the resultant animosity, and so is the KCVA. Putting resentments behind us and moving forward is the only reasonable solution. The executive director's door has always been open to all organizations, and it will continue to be. Commissioners are anxious for contact and resolution as well.

This report will certainly generate some decisions from the Commission on how and when to hold reviews and meetings with various service organizations. Better participation in monthly Commission meetings will be encouraged and reemphasized. Capitalizing on the aforementioned meetings organized by the National Guard Association Kansas (NGAKS) will be important. Whether or not other meetings should be led by the KCVA or instead attended by the KCVA as a partner will also be up for discussion by the Commission, and the sentiments of service organizations will have to be assessed. Finally, opening up the grant program to other VSOs may help to improve relationships among various veterans' organizations – but that will require legislative action.

## Question 2

a. Issues of correction:

(1) To understand the funding complexities for VSRs in the KCVA as well as budget requests, it is essential to review some history. When I came in as executive director in January, 2004,

the KCVA was in fiscal crisis. One home predicted that its budget would be in the red within a month, and the other anticipated it had two or three months. Fiscal accounting was in disarray to the point that I was told the Governor directed the KCVA would not get another penny until it straightened it out. I was directed to meet with the Director of the Budget weekly (and after resolution, this became monthly). On top of that, the KCVA had received significant cuts to its Veteran Services program ca. 2001-2002 when state revenues dropped, and considerable VSR and OA positions were unfilled and unfunded. After significant work by all to resolve the homes' situation (and a \$666,000 Governor's Budget Amendment), we turned our attention on the Veteran Services program.

It became apparent that as we were about to enter SFY 2005, the KCVA did not have enough funding in the Veteran Services program even to meet payroll – and even after we lost two VSRs. This was the new crisis – to shore up the Veteran Services program. While filling all Veteran Services positions was the long range desire of the Agency (and the Agency's appeals have been consistent that full funding is the appropriate end state), the immediate need was to plug the holes in another listing ship. Complicating this situation was the fact that for two years, the Governor had given written guidance that the offices in the VA hospitals (side-by-side and manned by state employees but under either American Legion or Veterans of Foreign Wars supervision) should be consolidated. The Agency had ignored this guidance, and as a result, success in getting additional funding was problematic. Monthly budget reviews with the state budget director gave the Agency a good idea about what additional funding might be forthcoming, and failure to comply with the Governor's guidance was not helpful. In addition, the Agency appealed to VSOs and others to help explain why substantially more VSRs were needed in the Wichita and Topeka hospitals and what work was not getting done with lower staffs. Without appropriate metrics to make the case there, the KCVA (with DoB support) crawled back – first securing funding to meet payroll obligations, then to refill lost field office positions that were so evident on the map, and finally securing funding for additional VSRs in the VA hospitals – the JEA positions.

By the time that funding was forthcoming, the JEA was under Commission review – and then the Veterans Claims Assistance (grant) Program was being developed. Since we were told that the KCVA would have the hospital positions taken away (later relaxed to KCVA keeping those positions but not being allowed to rehire any employees if they were to leave the Agency), hiring new employees was clearly problematic if for no other reason than good faith. The Agency did hire and train two temp-status VSRs in the months before the grant program took effect, and the VFW ended up hiring them both.

(2) Page 15. As mentioned earlier, the Joint employment Agreement began well before 1997. That is when the Commission reviewed the program and considered stopping it.

(3) Page 16. Counting filled and unfilled positions in this area over several years is very complicated. However, one statement is incorrect. The report states, "*The positions funded through the VCAP Program have been filled since 2006, a significant improvement over when these positions were Commission employees.*" In fact, the number of positions filled now by the American Legion and Veterans of Foreign Wars under the VCAP are generally equal to or a few less than what the KCVA had in place before the program went into effect. In June 2006, out of 19.75 authorized FTE in the three hospitals, the KCVA had 12 fulltime and two temp employees assigned. This is a fairly consistent figure once the 2005 leaks were filled. Per the Post Audit report, the two grant recipients have maintained a total of 12 staff in the hospitals. This is only mentioned to clarify that VCAP-driven personnel fills do not represent a "significant improvement."

Again, the existence of the new KCVA Quality Assurance section in Wichita is still part of the equation. Because the KCVA QA team still does considerable work with claims for the American Legion, the number of claims processed has risen. But there was no QA authorization in the old 19.75 FTE positions.

In addition, the report states that one KCVA employee chose to stay with the Commission. Actually, five employees in the VA hospitals – because they still had jobs where they were at – remained with the KCVA. Four of them transferred to the newly established QA section.

Notwithstanding this clarification, the report is correct that the majority of unfilled positions are due to the VCAP program and the fact that the KCVA was directed not to refill them.

(4) Pg. 17. Discussion about the Emporia VSR position is inaccurate, because that position was in effect not funded. The Veteran Services budget was reduced in 2007, and even before SFY 2008 began, we knew that unless changes were made, the program would have a \$56,000 shortfall, which is about the cost of maintaining one field office. The Commission was apprised, but no decision was made on what to cut. Soon the Emporia VSR announced that he would be leaving in August to move with his wife to Japan. While this busy office is not the one the Agency would have selected to close, doing so avoided having to terminate one or two employees elsewhere. We covered the office with itinerant travel for other VSRs, but it was not full time. We also apprised state legislators in the affected area. In January, when the Governor recommended approving the Agency's supplemental budget request for that office, the Commission gave direction to rehire a VSR, hoping that the Legislature would follow suit with the funding (which it did).

(5.) Pp. 19-20. The report discusses five vacant KCVA positions. Four were office assistants, and the program director felt that with software and computers, he did not need to hire OAs. However, the assertion that the KCVA did not seek funding for the VSR position in the Topeka Central Office is incorrect.

The initial SFY 2008 budget submission did not seek any enhancements in Veteran Services because the program director knew he would have fiscal "savings" from unfilled positions when some staff left to work under the VCAP. At the time of the budget submission, the exact number of employees who would leave was uncertain – but it was clear that there would be some "savings." This all needed to play out in the budget process. As the personnel decisions matured, the Agency and DoB calculated that in SFY 2008 the KCVA had \$413,989 in these savings. In December, 2007 the KCVA laid out in its budget appeal its plan for these dollars – which included four new VSR positions. Ultimately the Governor recommended taking this \$413K in savings (and \$313K in the previous SFY) and using these funds for the Agency to address its enhancements and supplements. While the Legislature approved this concept for the current year (SFY 2007), it removed the available \$413K in the budget year (SFY 2008) for discussion during Omnibus.

During legislative review, the Agency provided a list of the most important enhancements, and even scaled back the \$413K to \$324K for seven of the most important enhancements. The Topeka VSR position was the top priority in this list. The Senate Ways and Means Committee supported the Agency's request for the full set of enhancements totaling \$324K, but the Topeka VSR position was not approved during conference committee action. At the end of the session I made a personal appeal to one senator who wanted to strike it, but to no avail.

The Agency came back in its SFY 2009 budget and rerequested funding for the Topeka VSR position – again as an enhancement. It was in the budget as Enhancement 10 out of 20 Agency enhancements. Once again, it did not survive the legislative session.

### **Question 3**

The Agency concurs with the audit report. Significant competition for direct care staff – particularly nurses – in western Kansas is a manifestation of a national problem as well. The Agency is extremely appreciative of payroll policy changes recently enacted in the state and anticipates that these will stabilize the workforce at the Soldiers' Home. In turn, patient/resident care will improve.

Conversion to Medicare in the coming months will tax the staff at the home, but in the long run it should improve the facility and its fiscal posture. The Agency and others believe that increased funds from Medicare revenue will start to come in about when carryover revenue is exhausted – but this is uncharted territory.

### **Question 4**

(a) The audit report reflects the same concerns that commissioners expressed over the last several years: as attendance at Commission meetings dwindled, the Commission chose to cut back on the number of meetings held away from Topeka. The Chairman has long expressed his disappointment with low or erratic attendance. While actual attendance is higher than sign-in sheets reflect, we concur that except for meetings at our homes, overall turn-out is too low to support travel away from KCVA sites.

(b) Recommendations for Executive Action.

(1) The Commission has already started holding meetings only at locations where there is a KCVA presence.

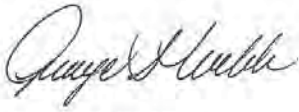
(2) Commissioners feel that face-to-face interface is important, so telephonic meetings have been held to a minimum. The Agency will explore the prospect of videoconferencing. Hopefully facilities are reasonably available to commissioners who otherwise would have to travel to videoconferencing sites or lease conference time.

(3) The Commission will address the prospect of reducing the number of meetings and, if appropriate, will seek to have the statute amended. The exact number of meetings will need to be discussed with commissioners; there are certain Agency reviews, particularly with the budget, that are time-specific, so bi-monthly meetings might be problematic. It may be more appropriate to have a statute change requiring a minimum of eight meetings annually and then giving the Commission the flexibility of determining when those should occur.

Again, I appreciate the review of our programs and the identified ways in which we might improve. Supporting those veterans who have supported this Nation is a privilege as well as a

duty, and anything we can do better is important to this Agency. Thank you and your team for the considerable time they spent on this report.

Sincerely,



George S. Webb  
Executive Director  
Kansas Commission on Veterans' Affairs