



The Pennsylvania
STATE VETERANS' COMMISSION



Act 66 of 2007

**Both a Boon to Veterans
and
A Money-Maker for the State!**

But ...

It is time to increase the investment to sustain it!

Goals of the Act 66 Program



From the DMVA Grant Application:

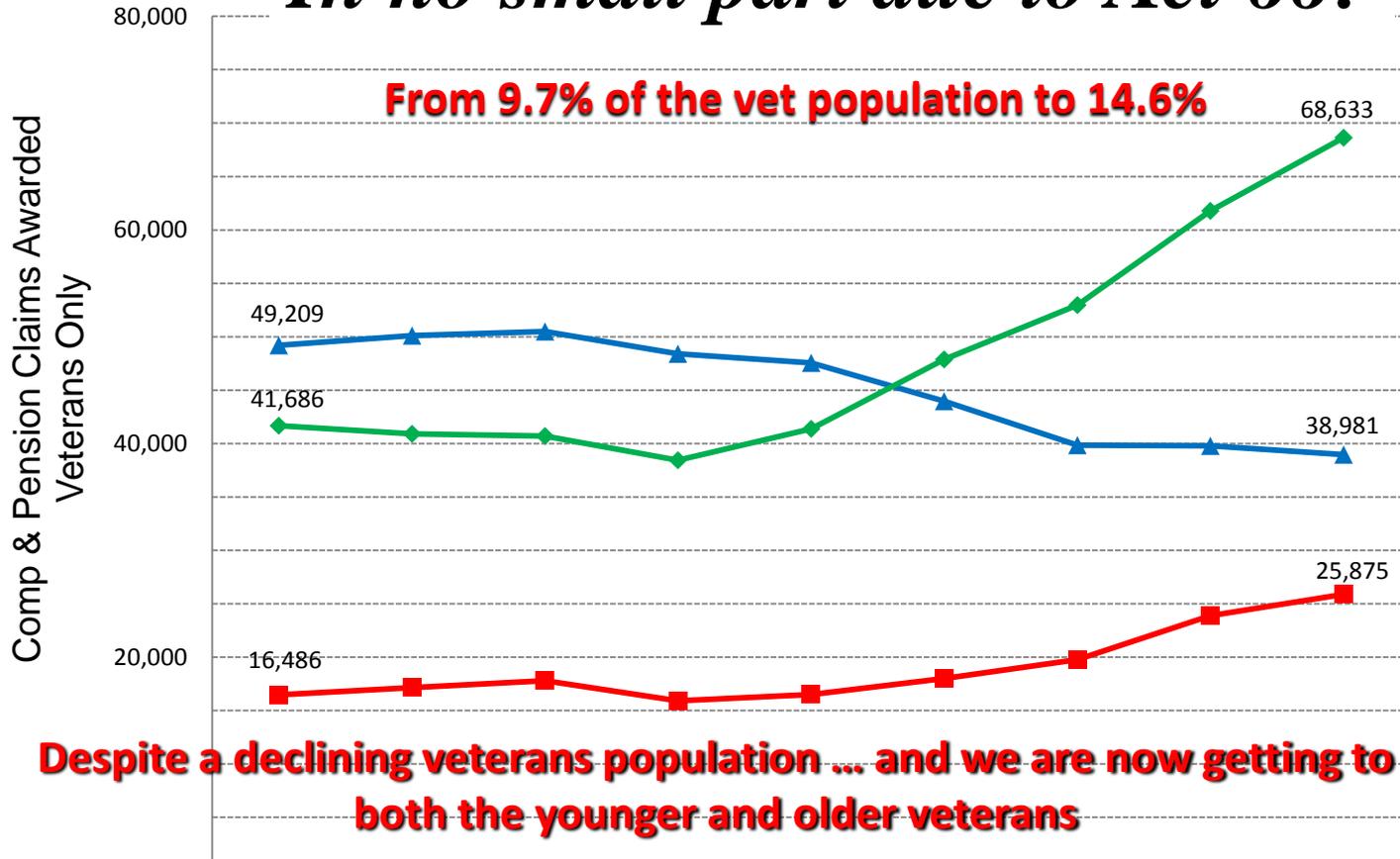
- Improvement of the coordination and distribution of veterans' benefits,
- Maximization of the effective and efficient use of taxpayer dollars; and
- Increasing veterans' participation in available benefits programs.

This is being accomplished



More Veterans Are Obtaining Their Benefits Than Ever

In no small part due to Act 66!



	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Age <45	16,486	17,164	17,813	15,911	16,505	17,994	19,759	23,890	25,875
Age 45-64	49,209	50,096	50,487	48,403	47,553	43,962	39,850	39,790	38,981
Age >64	41,686	40,901	40,690	38,446	41,388	47,878	52,973	61,784	68,633
Total	107,381	108,161	108,990	102,760	105,446	109,834	112,582	125,464	133,489

Vital to State's Claims Efforts



- The program has more than doubled the state's ability to outreach – *lives are being touched for the first time*

At least 6,500 veterans and family members filing brand new claims each year*

- Over 60% of the claims actions are produced by Act 66's current workforce of 48 fulltime and 17 part-time veterans service officers and their supporting staff – *it is no small effort and the results are substantial*

Over \$123,739,236 in claims were awarded last year

- Healthcare enrollment, for the first time, has received attention – *this is looking out for the well-being of our veterans at its most fundamental level ... and helps to reduce the state's Medicaid costs*

At least 1,250 are added to the VA healthcare rolls each year*

* 3 pt. moving ave; all figures exclude state and county service officer work; add another 70% for the all recorded Act 66 C&P activities

Act 66 Results in Revenues

... and ultimately pays for itself, unlike other veterans programs

While not its *only* economic benefit,

if only half the money recouped in 2015/2016 were spent
state purchases,

about \$4 million in sales tax revenues alone will be
generated each year from this cycle alone

... adding to the yearly sales taxes of previous cycles

... more than the entire cost of the program!

Act 66 Helps Alleviate Pressure on the State Veterans Homes



- Approximately 52% of our veterans are over the age of 65
- Others suffer from severe long-term disabilities (ca. 40,000 have a 70% disability rating or higher)
- A need exists for the Commonwealth to understand the number and distribution of state veterans homes (even DMVA's planning and policies) exacerbate the care of veterans in need

Meanwhile, part of the solution already exists:

- Compensation and/or disability pensions – especially when aid and attendance provisions are included – increase the available options to these veterans
- VA compensation and pension programs *and* health care help veterans use more local, private care, whether it is an aging-in-place program or a long-term care facility.
- **An emerging target for Act 66 service officers is commercial long-term care facilities.**

Funding Act 66 is a pragmatic investment towards a solution

Act 66 Is A Bargain



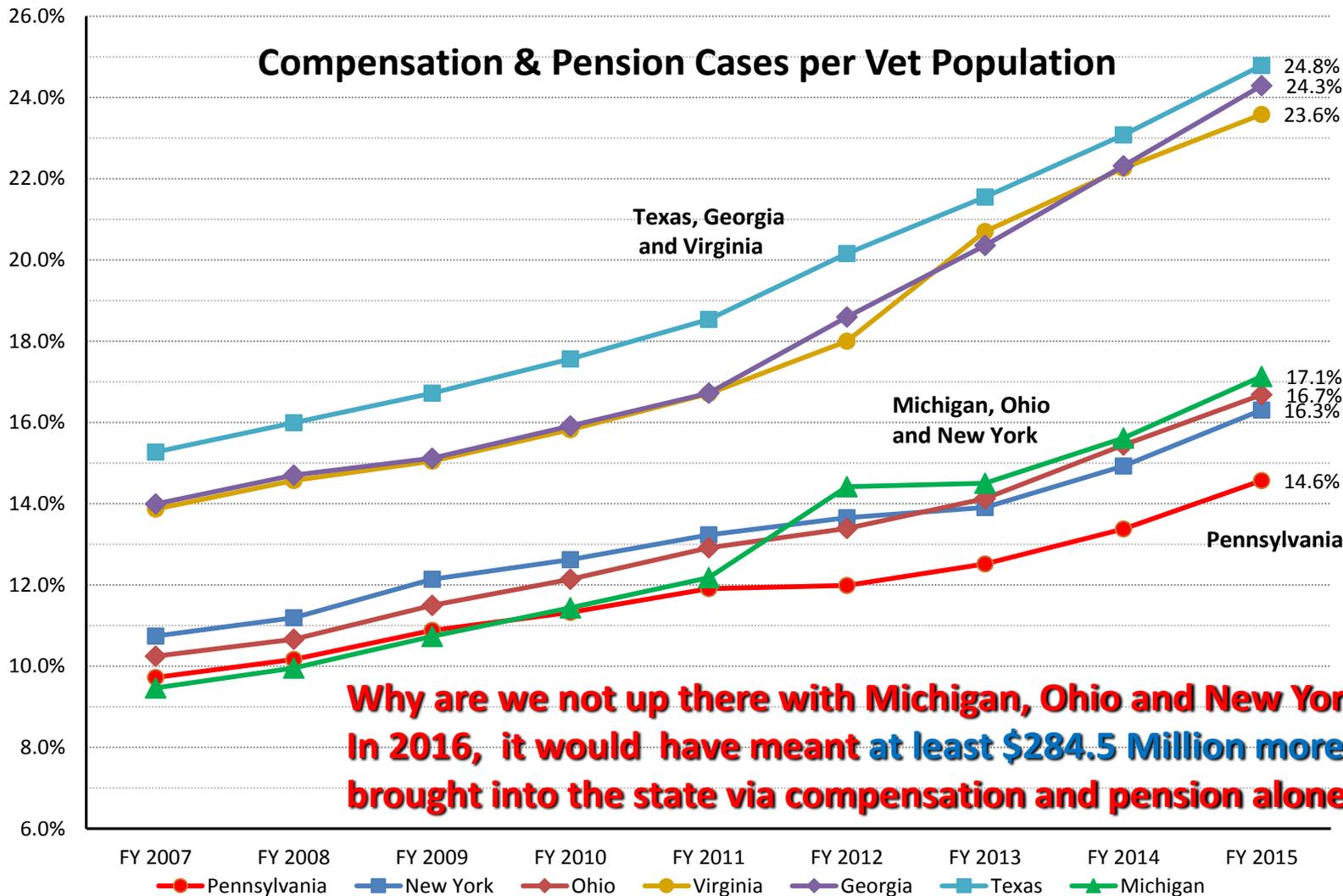
FY 2015/2016

Subject	Calculation	Remarks
Program Cost	\$3,566,675	
State Funding	\$2,332,000	< 65 % of true cost
Organizations' Absorbed Cost	\$1,244,675	conservative calculation
Comp & Pen Dollars Captured	\$123,739,236	Act 66 only
Return on the State Dollar	53 : 1	high return on the dollar
Total FTE (Effort Applied)	68.5	Includes all Act 66-directed labor
Ave. Wage Cost	\$34,974	State Employee (BLS OES Ave.*) = \$47,410
Ave. Personnel Cost	\$47,450	

BLS OES Ave. -- Bureau of Labor Statistic's May 2015 calculation for the annual mean wage in the Commonwealth for a state employee working in this Occupational Employment Specialty 21-1009



And More Remains To Be Done





But Not All is Well

- Veterans Service Officers/Representatives are in high demand in government and at considerably higher rates of compensation – the situation is worsening as demonstrated by some recent recruiting attempts
 - The VA and state government positions are more attractive for those starting off
 - Always in the background, the private sector also beckons with higher paying jobs
- To continue the success of the Act 66 program, a livable, family-supporting wage is required – much more than in the past
 - To attract qualified, dedicated career-minded candidates to fill openings in its aging workforce.
 - To ensure their retention and a return on an extensive training investment – this is a high skill job.
 - To motivate the experienced to continue to perform in a job that is a higher calling and often under-appreciated

A \$30,000 *starting* salary is no longer adequate



But Not All is Well

(Cont'd)

- Declining memberships and the resulting decline in finances are putting additional stress on the Act 66 organizations to absorb the additional costs of this program. *It means affects their other valuable programs in the bargain.* A for-profit and most nonprofit businesses would not do this.
- While this is a grant program, it involves outsourcing: the commonwealth is contracting for outreach and other services it is not willing to hire state employees to perform (the Michigan model). The result has been an income producer at a substantial savings to the Commonwealth.
- Considering the program's impact on lives and the benefits garnered to the state, it is fair for the Act 66 organizations to ask the Commonwealth to increase the program's appropriation (note that no 'cost of doing business' increases have been made since 2013).

A Budget Increase Is Needed



- **Wage increases are necessary** to counteract the trend in hiring and retention
- There is also a **need to increase the number of veterans service officers** to
 - **improve rural outreach and a long-term care facility initiative**
 - in addition to providing sufficient workforce depth
- The Act 66 service **providers' finances are being unfairly strained**
 - They cannot continue to absorb the deficit in appropriation funding to continue the program as originally intended
- Continuing an appropriation of **\$2,232,000 will no longer sustain** the program
 - Unless something is done, the Commonwealth **will underfund the program by approximately \$1.5 Million** in 2017/18 if there is no appropriation increase
- *The \$500,000 increase recommended by the Adjutant General in the past is more than justified*

The Act 66 Program is in danger of collapsing

* We used the 2015 25% quartile figure in PA for this Occupational Employment Specialty as the start point.

The Ask



Act 66 organizations ask the Commonwealth to bear about 70-75% of the true cost of the program: an additional \$500,000

FY 2017/2018 Estimated Budget

Objects of Expense	Amount	Remarks
Salaries and Wages	\$2,694,060	
Other Personnel Costs	\$ 808,478	
Overhead	\$ 314,654	ca. 8% of total costs
Total	\$3,817,192	ca. 7% increase from 2016/2017
Current State Funding	\$2,322,000	assuming the FY 2016/2017 allocation
Shortfall	\$(1,495,192)	
FTE	74.5	6 FTE increase (includes support staff; currently vacant needed positions)
Ave. Wage Cost	\$36,175	ca. \$1,201 increase
Ave. Personnel Cost	\$47,031	