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Title: Chief Administrative Office recommending the Board:
 1) Authorize the transfer of the Veteran Affairs Department from the Recorder-Clerk/Elections/Veterans Department to establish the Veterans Affairs Department as a stand-alone program within the Health and Human Services Agency; and
 2) Direct staff to return to the Board as part of the Fiscal Year 2018-19 budget process with recommended changes for this transfer to become effective July 1, 2018. (Est. Time: 45 Min.)

FUNDING: General Fund.

Sponsors:

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Date	Ver.	Action By	Action	Result
3/13/2018	1	Board of Supervisors	Approved	Pass

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DEPARTMENT RECOMMENDATION

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 1) Authorize the transfer of the Veteran Affairs Department from the Recorder-Clerk/Elections/Veterans Department to establish the Veterans Affairs Department as a stand-alone program within the Health and Human Services Agency; and
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Since November 2009, the County Recorder-Clerk has acted as the Department Head for the Veteran Affairs Department. With the upcoming retirement of the Recorder-Clerk in December 2018, the Chief Administrative Officer (CAO) is recommending that the Board consider establishing a stand-alone Veteran Affairs program within the Health and Human Services Agency (HHSA). This will result in fiscal and business process efficiencies and cost savings, compared to establishing a stand-alone department with an appointed Department Head.

BACKGROUND

Veteran Affairs Mission and Staffing

The mission of the Veteran Affairs Department is to assist veterans, their dependents and survivors with the administration of legislation resulting from military service. This includes providing assistance filing claims with the U.S. Department of Veteran Affairs, and processing applications for benefits with the California Department of Veteran Affairs. Department staff provides information, benefit counseling, application assistance, case management, and intercession and advocacy with any aspect of State and Federal law providing for the relief and assistance of veteran clients and their families. Examples of assistance provided by staff include help with home loans, pension, compensation, insurance, medical and domiciliary care, education programs, veterans preference, military retirement and survivor benefits. The Department also provides assistance and referrals to homeless veterans and their dependents to federal, state and county resources, as well as to local non-profit service providers.

In addition to providing assistance directly to veterans and their families, Veteran Affairs Department staff provides administrative and fiscal support to the Veteran Affairs Commission and the Memorial Building House Council.

Currently CAO staff provides fiscal and administrative assistance at times, including budget monitoring and contract support, and HHSa has recently assumed responsibility for the administration of the annual Veteran Affairs Commission contracts with multiple community-based providers for the annual distribution of TOT funding. It is difficult to estimate the annual cost to these departments of providing fiscal/admin support to Veteran Affairs due to the variety and complexity of tasks performed, as well as the lack of time tracking information.

The Veteran Affairs Department currently has five (5) Full Time Employees (FTEs) consisting of 1.00 Veteran Service Officer, 1.00 Executive Assistant and 3.00 Veteran Service Representatives. Veteran Service Representatives are required to obtain and maintain State certification. The Department budget also includes appropriations for extra help. This is supplemented by funding for an extra help office assistant provided via funding from the Veteran Affairs Commission mini-grant program. When available, these resources provide valuable office help, staff backup and support to an Outreach program driven by the CVSO. The FY 2017-18 Budget is \$508,867, of which \$84,809 is offset by state subvention and Medi-Cal cost avoidance funding and the Vehicle License Plate Program. The budgeted Net County Cost is \$424,058.

The County Veteran Service Officer (CVSO) must be a veteran as well as an accredited Veteran Service Representative (VSR) with the California Department of Veteran Affairs in order for the County to receive state/federal funding. State and Federal funding allocations to counties with a designated CVSO are determined by a performance-based formula based on the number of veterans served, the number of claims filed, the annualized monetary value of benefits received by veterans, as well as other services provided. In addition to supervising department personnel, the CVSO carries a client caseload and is responsible for submitting regular reports to the state.

Veteran Statistics

According to the U.S. Department of Veterans Affairs Veteran Population Model (VetPop2016) California has the highest number of veterans in the nation, with approximately 1.7M veterans in 2017. However, over time, the veteran population is expected to decrease in nearly all counties, including El Dorado County. It should be noted that since the number of clients served includes survivors and dependents of local veterans as well as veterans from outside the County

(approximately 7.6%), the number of veterans residing in the County may not accurately indicate the number of clients served. The Veteran Affairs Department serves any veteran seeking assistance.

According to the CVSO for El Dorado County, workload has increased in recent years. This can be attributed to changing legislation requiring more programs and benefits, and a change in business model that brings Veterans into the office for assistance instead of handling issues over the phone or making in-office appointments. As reported by the CVSO, total claims processed (auditable and non-auditable) have increased from 652 claims in 2014 to 1,116 claims in 2017, an increase of approximately 79%. Auditable claims relate to subvention dollars received and non-auditable claims relate to programs that don't receive subvention dollars, such as processing DMV verifications and ID cards. In 2017 there were 834 auditable claims and 332 non-auditable claims.

DISCUSSION

Current Recommendation:

It is recommended that the Veteran Affairs Department transfer to become a stand-alone program within the HHS agency, to gain efficiencies by utilizing the support structure already in place. The biggest benefit operationally is the expanded staff capacity and fiscal/admin support. This is the most cost-effective option and it will result in an efficient structure that allows the CVSO and VSRs to provide high-quality client support, the ability to flex with changing state requirements, and the ability to concentrate on the mission of the program--to assist Veterans in getting the benefits they deserve.

Analysis:

A comparison was performed of the eight (8) counties similar in size to El Dorado County. Two (2) have stand-alone Veteran departments (Shasta and San Luis Obispo). Six (6) have a Veterans department or program that resides within another department, typically within Health and Human Services (Butte, Yolo, Imperial, Marin, Merced and Santa Cruz). Efficiencies can be gained by having Veterans Affairs reside within a larger department or agency and share administrative, fiscal and other support services. Smaller departments benefit from sharing fiscal, administrative and contracts support available in larger departments due to economies of scale and additional resources.

There are benefits and challenges of aligning the Veteran Affairs Department as a program under the HHS umbrella. Following is a summary:

Benefits to having a Veteran Affairs Program within HHS:

- Dedicated, high-quality fiscal/administrative support already in place as part of a large organization that provides services and refers residents to resources. This will help alleviate late claims, improve contract and budget preparation and tracking, personnel requisitions and recruitment, thereby allowing VSRs to focus on client caseloads.
- Fiscal/admin support available to assist with special projects and provide backup for staff time away of office, which can be a challenge for a small department. HHS staff has depth to cover and cross-train in a pinch and can provide flexibility to expand and contract with changing legislation and state record-keeping/audit requirements.
- Improved coordination and communication of Veteran client programs and resources associated with the approved HHS programs (i.e. MHS).

- Access to best practices and expertise within HHSa relative to client and grant reporting, including laws pertaining to client data and security (HIPAA).
- HHSa has experience supporting multiple advisory commissions that report directly to the Board of Supervisors, similar to the Veteran Affairs Commission.
- HHSa has recently assumed responsibility for contract support related to the distribution of annual TOT funding by the Veteran Affairs Commission. The administration of these contracts would return to Veteran Affairs if the department does not reside in HHSa.
- Cost savings from not creating an additional department head position and adding support positions. A Fiscal Assistant would be located at the Veterans Memorial Building to assist with office support, staff backup for the front desk, and outreach as necessary.
- The Veteran Affairs program would remain in the current Veteran Memorial Building to maintain a consistent service location and minimize service disruption should the management reporting structure be moved to HHSa.

Challenges to having Veteran Affairs Program within HHSa:

- Veteran community preference is for a stand-alone department. However, HHSa has a strategic organizational structure allowing for flexibility with where the program could be located within HHSa.
- Absence of a dedicated department head may impact budget authority, approval time for purchases, and ability to advocate for Veteran services, programs and funding on behalf of the County. However, this would be little change from the current structure.
- With the department residing in HHSa additional support would still be required to handle fiscal tasks and provide backup support to the current program staff. HHSa would support the request for an additional Fiscal Assistant position that could be housed within the Veterans program, and could provide fiscal/admin support skills needed by the program, including front desk and phone help as well as outreach support.

ALTERNATIVES

The Board could authorize the establishment of the Veterans Affairs Department as a stand-alone department, separate from HHSa. This would require an appointed department head and an amendment to County Ordinance, Chapter 2.14 - Appointed Officers and Department Heads, Section 2.14.010 - Designation of appointed department heads, pursuant to Section 404 of the County Charter. Board approval of this alternative would provide conceptual approval to return to the Board with the first reading of a proposed ordinance change.

Another alternative for the provision of fiscal/admin. support could be that this service be supplied by the Central Fiscal work group within the CAO office. Based on the complexity of the workload, including that being transferred back from HHSa, Central Fiscal would recommend hiring an Administrative Technician or Department Analyst level position. Additionally, Veteran Affairs would need to add an Office Assistant to provide backup to staff, front desk coverage and outreach support at the Veteran Memorial Building. Therefore the cost of this option is the same as if the department were stand-alone.

OTHER DEPARTMENT/AGENCY INVOLVEMENT

Veteran Affairs, HHS, Human Resources

FINANCIAL IMPACT

Cost of Veteran Affairs becoming a program within the HHS Dept.: Add Fiscal Assistant for dedicated admin/fiscal support to be located at the Veteran Memorial Building. This position would also provide office support and backup to staff as necessary.

This option will have a net General Fund impact of approximately \$70,000. Incremental cost would be approximately \$88,000 offset by a reduction in extra help budget of approximately \$18,000.

Cost of Stand-Alone Veteran Affairs Department with Appointed Department Head: Delete VSO Position, Add appointed Department Head who also assumes responsibilities of CVSO. The contract support and administration coming back from HHS in addition to fiscal/admin support needs would require an Accountant, Admin Technician or Department Analyst level position to take on this ongoing work. Additionally, based on discussions with the current CVSO the department also requires an Office Assistant to provide office and front-desk support, support to the outreach program and backup for staff.

This option will have a net General Fund impact of approximately \$175,000-\$192,000, depending on final Department Head salary and the support position classifications selected. Incremental cost would be approximately \$193,000 - \$210,000, offset by a reduction in extra help budget of approximately \$18,000.

CLERK OF THE BOARD FOLLOW UP ACTIONS

N/A

STRATEGIC PLAN COMPONENT

Good Governance

CONTACT

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