
EXECUTIVE DIRECTOR PERFORMANCE CONTRACT

*"The willingness with which our young people
are likely to serve in any war, no matter how justified,
shall be directly proportional as to how they perceive
the veterans of earlier wars were treated and appreciated by their nation."*

~ George Washington ~

MEMORANDUM

TO: The Honorable Charlie Crist, Governor
The Honorable Bill McCollum, Attorney General
The Honorable Alex Sink, Chief Financial Officer
The Honorable Charles H. Bronson, Commissioner of Agriculture

FROM: LeRoy Collins, Jr.

SUBJECT: FY 2007 - 2008 Performance Contract

The Government Performance and Accountability Act of 1994 requires agencies meet performance standards as specified in the annual General Appropriations Act (GAA). This document contains the expectations for each of the Department of Veterans' Affairs Divisions and Programs for Fiscal Year 2007 - 2008.

Agency Goals

FDVA has identified three Goals:

Goal One: Provide information, advocacy and quality health care services to Florida veterans. (Veterans' Health Care/Long-term Care Management program)

Goal Two: Improve the economic status of Florida veterans, their families and survivors. (Veterans' Benefits and Assistance program)

Goal Three: Develop the FDVA agency infrastructure necessary to support services for veterans. (Executive Direction and Support program)

Agency Objectives

Goal One Objective 1A: Maintain Occupancy rate at State Veterans' Homes a minimum of 90% occupancy for homes in operation 2 years or longer.

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Legislature Approved Outcome: Maintain minimum of 90% occupancy for homes in operation 2 years or longer.

Justification: Complies with Statutory mandates.

Goal One Objective 1B: Veterans' homes in substantial compliance with AHCA quality of care healthcare regulations (Standard 100%).

Legislature Approved Outcome: Percent of veterans' homes in substantial compliance with quality of care healthcare regulations

Justification: Complies with Statutory mandates

Goal One Output Performance Contract Goals: Number of Veterans' Homes Beds Available. FDVA completed a 5-Year Veterans' Homes construction plan in 2004. This plan's goal was met to place in service five state veterans' homes to complement the State Veterans' Domiciliary Home.

Recent studies by the United States Department of Veterans' Affairs (USDVA) have significantly increased the documented "need" for nursing home beds in Florida to the equivalent of forty-four, 120-bed homes. FDVA intends to continue the veterans' homes building program with State Veterans' Nursing Home #6, to be situated in St. John's County. Funding for this project was requested in the 2006-2007 and 2007-2008 Legislative Budget Requests (LBR). Changes in USDVA guidelines required a larger percentage of private rooms which caused the 2007-08 LBR request for additional funding.

Baseline/ Year	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
750 Beds/2005	750	870 (1 New Home)	870	990 (1 New Home)	990

Goal Two Objective 2A: Value of cost avoidance due to retroactive compensation.

Outcome: Increase value of cost avoidance due to retroactive compensation by 2 percent per year.

Baseline/ Year	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
\$70,747,000 2005-2006	\$73,961,798	\$75,441,032	\$76,949,852	\$78,488,849	\$80,058,625

FDVA Performance Contract Goal: Increase value of cost avoidance from Retroactive Compensation by 2% per year..

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Goal Two Objective 2B: Value of cost avoidance due to veterans' issue resolutions.

Outcome: Increase value of cost avoidance due to veterans' issue resolutions by 2% per year.

Baseline/ Year	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
\$12,244,897 2005-2006	\$17,772,591 (+2%)	\$18,128,042 (+2%)	\$18,490,602 (+2%)	\$18,860,414 (+2%)	\$19,237,622 (+2%)

FDVA Performance Contract Goal: Increase value of cost avoidance due to veterans' issue resolutions by 2% per year.

Goal Two Output Performance Contract Goals:

Number of Veterans Served

Baseline/ Year	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
70,000/ 2002-2003	79,676	81,270 (+2%)	82,895 (+2%)	84,553 (+2%)	86,245 (+2%)

Number of Veterans' Claims Processed

Baseline/ Year	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
13,816 1999-2000	18,239	18,604 (+2%)	18,976 (+2%)	19,355 (+2%)	19,742 (+2%)

Number of Services to Veterans

Baseline/ Year	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
361,210 2001-2002	396,740	404,675 (+2%)	412,768 (+2%)	421,023 (+2%)	429,444 (+2%)

Performance measures for the Division of Benefits and Assistance can be affected by significant changes within the USDVA. Legislative changes to benefit programs can result in increased demand for claim services and increase the number of services to veterans. Conversely, improvements made by the USDVA in claims processing or increased staffing can reduce the amount of retroactive benefits paid by more timely

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action. Current projections are based upon the fictional assumption that both the programs and processes for the USDVA will remain static.

Goal Three Objective 3: Administrative costs as a percentage of total agency costs.

Outcome: Maintain administrative costs and personnel as a percentage of total agency costs consistent with statutory requirements.

Baseline/ Year	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
6.8%/4.4% 2005-2006	6.8/4.4%	6.8/4.4%	6.8/4.4%	6.8/4.4%	6.8/4.4%

Administrative costs and personnel as a percentage of total agency cost have increased directly from opening new State Veterans' Nursing Homes (Pembroke Pines, Springfield and Port Charlotte). These Homes currently outsource the majority of certified nursing assistants (CNA). This staffing option effectively reduces the total number of FTE in the denominator and skews the total administration/agency relationship. Administrative costs and personnel as a percentage of total agency costs would have a statistical decrease if contract FTE were included as a part of the total FTE. Contract FTE are not reflected in the state's LAS/PBS data base and therefore are not part of the statistical formula.

Summary: FDVA is greatly dependent upon the policies and funding of the USDVA, i.e., the USDVA pays 65% of the capital cost of the Veterans' Nursing Homes; the ongoing cost of each home is sustained in part by USDVA per diem payments. There are preliminary indications the USDVA seeks home care and day care options to decrease the cost of institutionalizing veterans in nursing homes. As that evolves, FDVA will keep the Cabinet informed.

GOALS, OBJECTIVES, OUTCOMES

Department Outcomes and Projection Tables

PROGRAM: Services to Veterans

SERVICE: State Veterans' Nursing Homes

Fiscal Year 2005-06 GAA/Implementing Bill measures that align with this service:

	BASELINE	BASELINE FY	FY 2005-06		FY 2006-07	FY 2007-08
			ACTUAL	ESTIMATED	ESTIMATED	AGENCY REQUEST
OUTCOMES						
Occupancy Rate for Veterans' Homes in operation for 2 years or longer	90%	1999-2000	86%	90%	90%	90%
Percent of Veterans' Homes in substantial compliance with state and federal health care regulations.	100%	2002-03	100%	100%	100%	100%
OUTPUTS						
Number of Veterans' Homes Beds Available	510	2002-03	750 *	750	750	750

* The Port Charlotte USDVA outpatient clinic was destroyed during Hurricane Charlie in 2004. The Port Charlotte SVNH provided temporary space for the outpatient clinic resulting in the loss of use of 20 beds through April 15, 2006.

GOALS, OBJECTIVES, OUTCOMES

Department Outcomes and Projection Tables

PROGRAM: Services to Veterans

SERVICE: Veterans' Benefits and Assistance

Fiscal Year 2005-06 GAA/Implementing Bill measures that align with this service:

	BASELINE	BASELINE FY	FY 2005-06		FY 2006-07	FY 2007-08
			ACTUAL	ESTIMATED	ESTIMATED	AGENCY REQUEST
OUTCOMES						
Value of cost avoidance due to retroactive compensation.	\$70,747,000	2005-2006	\$85,820,216	\$72,482,563	\$73,961,798	
Value of cost avoidance due to issue resolution.	\$12,244,877	1995-2006	\$31,335,469	\$17,417,140	\$17,772,591	
OUTPUTS						
Number of veterans' served	70,000	2002-2003	78,019	78,083	79,676	
Number of claims processed	13,816	1999-2000	18,745	17,875	18,239	
Number of services to veterans	361,210	2001-2002	401,044	388,800	396,740	

- Measures are subjective and highly influenced by factors over which FDVA has little control. The baseline and estimates are in accordance with the department 5-year projection which began in 1999.

GOALS, OBJECTIVES, OUTCOMES

Department Outcomes and Projection Tables

PROGRAM: Services to Veterans

SERVICE: Executive Direction and Support Services

Fiscal Year 2005-06 GAA/Implementing Bill measures that align with this service:

	BASELINE	BASELINE FY	FY 2005-06	FY 2006-07	FY 2007-08
			ACTUAL	ESTIMATED	AGENCY REQUEST
OUTCOMES	6.8%/4.4%	2002-2003	5.6 %/4.4%	6.8%/4.4%	6.8%/4.4%
Agency administrative and support costs as a percent of total agency costs/agency administrative and support positions as a percent of total agency positions.					