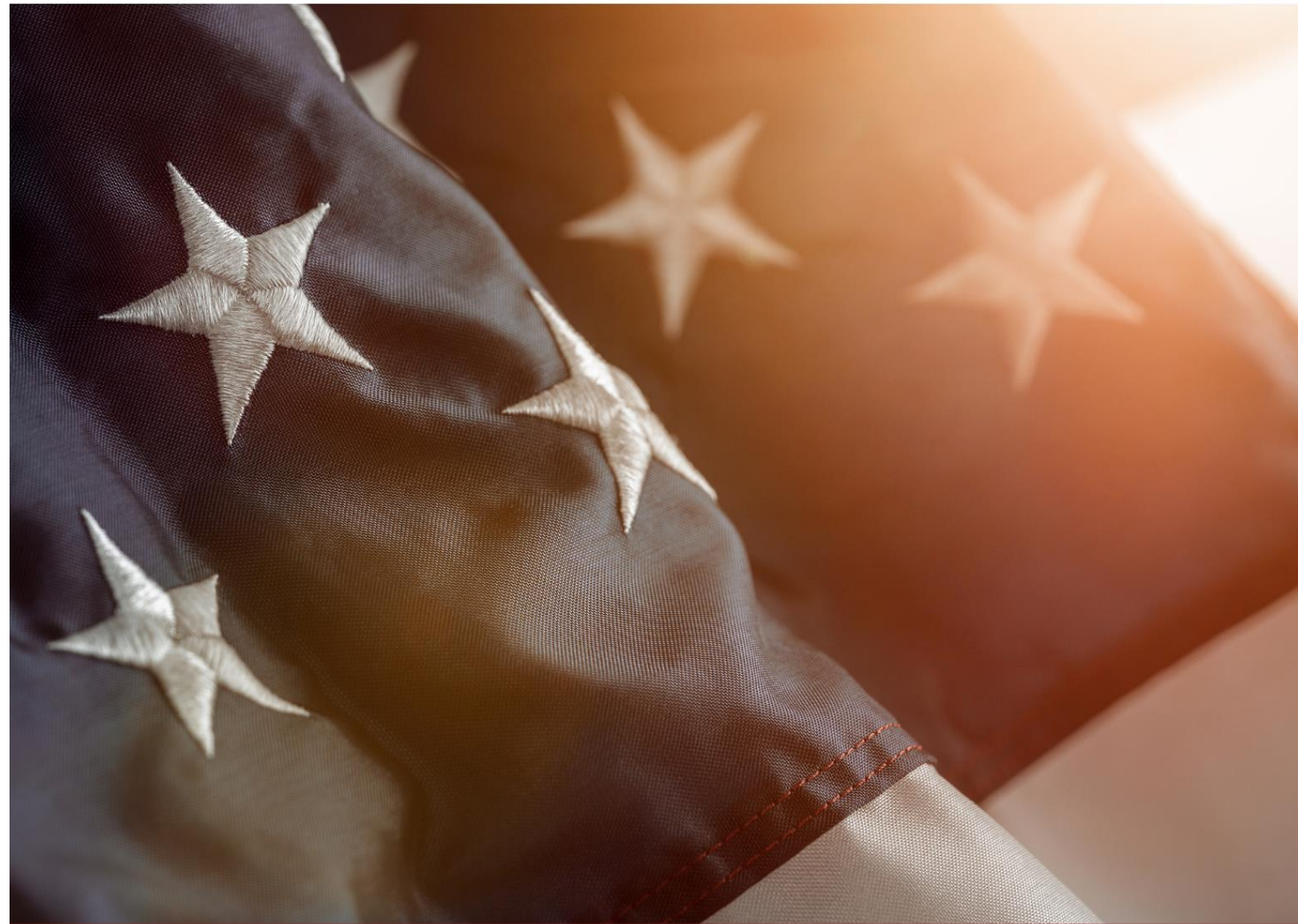


Performance-Based Budget

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS



Commonwealth of Pennsylvania
Independent Fiscal Office
March 2021

Independent Fiscal Office
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INDEPENDENT FISCAL OFFICE

March 25, 2021

The Honorable Members of the Pennsylvania Performance-Based Budget Board:

Act 48 of 2017 specifies that the Independent Fiscal Office (IFO) shall "review agency performance-based budget information and develop an agency performance-based budget plan for agencies subject to a performance-based budget review." This review "shall be completed in a timely manner and submitted by the IFO to the board for review."

This report contains the review for the Department of Military and Veterans Affairs. All performance-based budget (PBB) reviews submitted to the Board contain the following content for each activity or service provided by the agency:

- a brief description of the activity, relevant goals and outcomes;
- a breakdown of agency expenditures;
- the number of full-time equivalent positions dedicated to the activity;
- select currently available metrics and descriptive statistics;
- any proposed metrics that the review recommends; and
- observations that should allow agencies to more effectively attain their stated goals and objectives.

The IFO submits this review for consideration by the PBB Board. The agency received a draft version of this review and was invited to submit a formal response. If submitted, the response appears in the Appendix to this review. The IFO would like to thank the agency staff that provided considerable input to this review.

Sincerely,

A handwritten signature in blue ink that reads "Matthew J. Knittel".

Dr. Matthew J. Knittel
Director

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Background on Performance-Based Budgeting

Act 48 of 2017 is known as the Performance-Based Budgeting and Tax Credit Efficiency Act. The act requires the Independent Fiscal Office (IFO) to develop performance-based budget (PBB) plans for all agencies under the Governor’s jurisdiction once every five years based on a schedule agreed to by the Secretary of the Budget and the Director of the IFO. The act directs the IFO to evaluate and develop performance measures for each agency program or line item appropriation. As determined by the IFO to be applicable, the measures shall include the following: outcome-based measures, efficiency measures, activity cost analysis, ratio measures, measures of status improvement of recipient populations, economic outcomes or performance benchmarks against similar state programs or similar programs of other states or jurisdictions.

The act requires the IFO to submit plans to the PBB Board for review and approval. The PBB Board reviews plans at a public hearing at which agency heads or their representative must attend to offer additional explanations if requested. The PBB Board has 45 days after submission to approve or disapprove plans.

A performance-based budget differs from a traditional budget in several key respects. The main differences are summarized by this table:

Traditional versus Performance-Based Budget		
Criteria	Traditional Budget	Performance Budget
Organizational Structure	Line Items or Programs	Agency Activities
Funds Used	Appropriated Amounts	Actual Expenditures
Employees	Authorized Complement	Actual Filled Complement
Needs Assessment	Incremental, Use Prior Year	Prospective, Outcome-Based

The plans track funds based on agency activities because they can be more readily linked to measures that track progress towards goals, objectives and ultimate outcomes. Activities are the specific services an agency provides to a defined service population in order to achieve desired outcomes. Activity measures can take various forms: inputs (funding levels, number of employees), outputs (workloads), efficiency (cost ratios, time to complete tasks), outcomes (effectiveness), benchmark comparisons to other states and descriptive statistics. The final category includes a broad range of metrics that provide insights into the work performed by an agency and the services provided. Those metrics supply background, context and support for other metrics, and they may not be readily linked to efficiency or outcome measures. The inclusion of such measures supports the broader purpose of the PBB plans: to facilitate a more informed discussion regarding agency operations and how they impact state residents.

Note: Unless otherwise noted, performance metrics used in this report were supplied by the agency under review. Those data appear as submitted by the agency and the IFO has not reviewed them for accuracy. For certain years, data are not available (e.g., due to a lag in reporting). In those cases, "--" denotes missing data. All data related to expenditures and employees are from the state accounting system and have been verified by the IFO and confirmed by the agency.

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Department of Military & Veterans Affairs Overview

Mission Statement

The Department of Military and Veterans Affairs (DMVA) is a diverse team of professionals who strengthen our commonwealth by serving our veterans and partners, while preparing military personnel to safeguard our way of life.

Services Provided

For this report, the services provided by the DMVA are classified into six general activities.

DMVA: Activities and Primary Services Provided	
Activity	Primary Service
1 Veterans Homes.....	Oversee six veterans homes throughout PA
2 Outreach to Veterans.....	Manage veterans programs and conduct outreach
3 PA National Guard and Military Support.....	Recruit, retain, train and support military personnel
4 Keystone State ChalleNGe Academy.....	Manage residential high school for at-risk youth
5 Facilities Maintenance.....	Maintain and update property for use by DMVA
6 Administration.....	Provide organizational leadership and support

Highlights of recent agency activities include:

- Provide resources and assistance to approximately 800,000 Pennsylvania veterans and their families, and provide quality care for aging and disabled veterans.
- Provide safe and efficient operation of six state-owned veterans homes that deliver quality daily personal, skilled nursing and secure care to roughly 1,000 veteran residents and spouses. From March through December 31, 2020, 393 residents tested positive for COVID-19.¹
- Prepare the Pennsylvania Army and Air National Guard for combat, perform worldwide combat and combat support operations, provide global reach and the projection of U.S. military power in support of national objectives and, at the command of the Governor, provide trained personnel to support state and local authorities in times of natural disaster or civil strife. In 2020, over 1,500 Pennsylvania National Guard members supported COVID-19 pandemic response operations with the Pennsylvania Emergency Management Agency (PEMA) and Department of Health (DOH). The National Guard provided (1) medical and general staffing support to 55 long-term care facilities; (2) personal protective equipment (PPE) fitting and testing training to 1,500 employees of long-term care facilities; (3) COVID-19 testing support to 28,735 residents and staff at 40 long-term care facilities; (4) COVID-19 testing support to over 29,000 individuals at three community-based testing sites; and (5) other COVID-19 support operations.
- In FY 2019-20, DMVA began the formal process of creating a Keystone State ChalleNGe Academy, a residential high school for at-risk youth. The school is scheduled to open July 2022, will employ 50 to 60 state employees and enroll 150 to 250 at-risk youth annually. This school is federally funded with a 25 percent state match.

¹ The 393 residents includes residents who tested positive more than once.

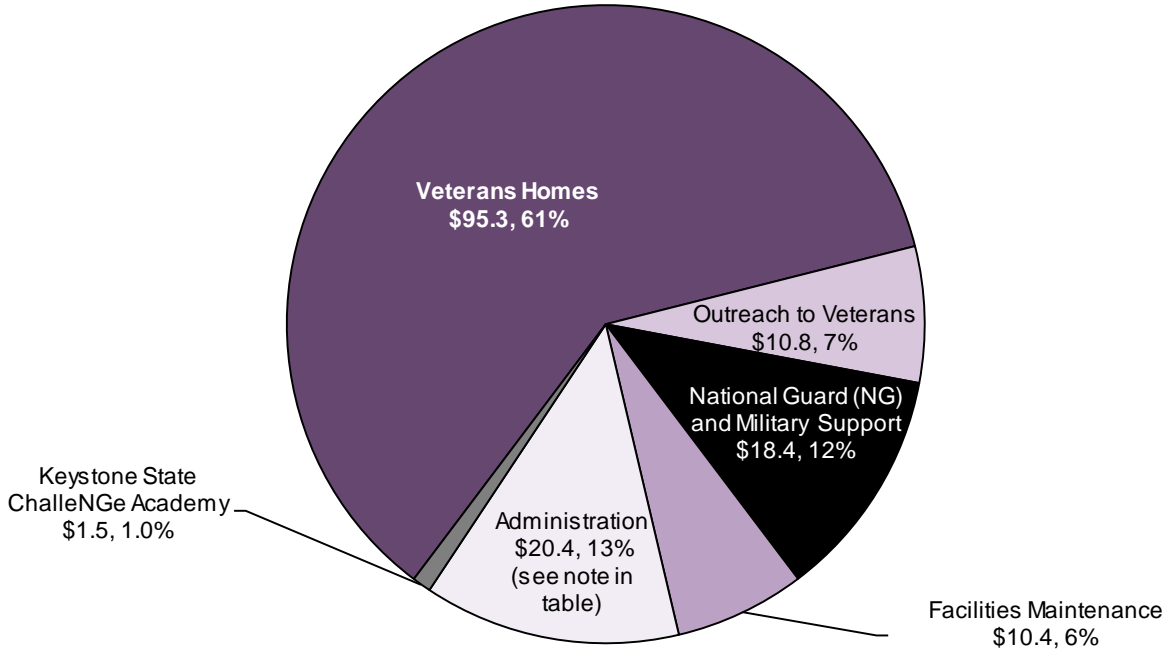
DMVA Expenditures and Average Weekly FTE Positions by Fiscal Year

	15-16	16-17	17-18	18-19	19-20	20-21
	Actual	Actual	Actual	Actual	Actual	Budget
Expenditure by Activity						
Veterans Homes	\$187.0	\$202.5	\$192.3	\$202.5	\$208.6	\$233.1
Outreach to Veterans	10.4	11.0	11.9	13.1	14.2	15.0
PA National Guard and Military Support	28.6	35.1	39.5	38.3	37.6	38.5
Keystone State ChalleNGe Academy	0.0	0.0	0.0	0.0	0.6	7.1
Facilities Maintenance	49.7	48.9	53.3	54.9	60.9	82.2
Administration	<u>11.6</u>	<u>12.2</u>	<u>11.7</u>	<u>13.4</u>	<u>18.7</u>	<u>21.9</u>
Total	287.3	309.7	308.7	322.3	340.6	397.8
Expenditures by Object						
Personnel Services	\$201.6	\$204.7	\$204.4	\$211.6	\$215.3	\$226.9
Operational Expenses	58.5	66.8	68.2	74.8	85.5	99.0
Fixed Assets Expense	8.4	13.5	11.2	9.3	7.5	22.4
Grants ¹	17.2	20.8	21.6	21.7	23.0	24.6
Non-Expense Items	<u>1.7</u>	<u>3.9</u>	<u>3.5</u>	<u>5.0</u>	<u>9.3</u>	<u>25.0</u>
Total	287.3	309.7	308.7	322.3	340.6	397.8
Expenditures by Fund						
General Fund (State) ¹	\$123.8	\$143.2	\$140.0	\$150.0	\$145.0	\$156.8
General Fund (Augmentations)	34.1	32.1	30.5	30.1	28.2	26.4
General Fund (Federal)	126.4	131.6	134.7	138.8	164.5	211.4
State Treasury Armory Fund	1.5	0.9	1.7	1.6	1.3	1.4
Veterans' Trust Fund	1.2	1.7	1.5	1.5	1.5	1.8
Other Funds	<u>0.3</u>	<u>0.2</u>	<u>0.2</u>	<u>0.3</u>	<u>0.2</u>	<u>0.1</u>
Total	287.3	309.7	308.7	322.3	340.6	397.8
Average Weekly FTE Positions by Activity						
Veterans Homes	1,892	1,876	1,848	1,831	1,829	1,889
Outreach to Veterans	28	30	31	33	34	32
PA National Guard and Military Support	113	116	113	110	114	120
Keystone State ChalleNGe Academy	0	0	0	0	1	4
Facilities Maintenance	276	282	288	285	280	293
Administration	<u>93</u>	<u>94</u>	<u>93</u>	<u>93</u>	<u>98</u>	<u>98</u>
Total	2,403	2,398	2,374	2,351	2,355	2,435
Personnel Cost/FTE (\$ thousands)	\$83.9	\$85.4	\$86.1	\$90.0	\$91.4	\$93.2

Note: Expenditures in dollar millions. Actual expenditures are listed in the year the expenditure was recorded. FTE stands for Full-Time Equivalent.

1 Includes a transfer from the General Fund to the Education Assistance Program Fund.

State General Fund Expenditures by Activity (FY 2020-21 Budget)



General Fund Appropriations	NG & ChalleNGe					Fac. Maint.	Admin.	Total
	Vets Homes	Outreach to Vets	Military Support	ChalleNGe Acad.	ChalleNGe Acad.			
Veterans Homes	\$95.3	\$0.1	--	--	--	\$0.1	\$4.8	\$100.3
General Government Operations	--	3.1	\$4.8	--	--	9.1	15.6	32.6
Transfer to EAP Fund	--	--	13.3	--	--	--	--	13.3
Amputee & Paralyzed Vet Pension	--	3.7	--	--	--	--	--	3.7
Veterans Outreach Services	--	3.1	--	--	--	--	--	3.1
NG Youth ChalleNGe Program	--	--	--	\$1.5	--	--	--	1.5
Armory Maintenance and Repair	--	--	--	--	--	1.1	--	1.1
Disabled American Vet. Transport.	--	0.3	--	--	--	--	--	0.3
Blind Veterans Pension	--	0.2	--	--	--	--	--	0.2
Supplemental Life Insur. Premiums	--	--	0.2	--	--	--	--	0.2
Education of Veterans Children	--	0.1	--	--	--	--	--	0.1
Other Appropriations	--	<u>0.1</u>	<u>0.2</u>	--	--	--	--	<u>0.3</u>
Total	95.3	10.8	18.4	1.5	10.4	20.4		156.8

Note: State expenditures are in dollar millions. The Keystone State Challenge Academy is expected to open in July 2022. Administration includes \$5.8 million in radio purchases for the state-wide radio program.

Performance-Based Budget Plan: Key Metrics and Observations

This report includes numerous performance metrics, but certain metrics are critical to the overall operation of the agency. Notable metrics that policymakers should monitor closely include the following:

While Pennsylvania veterans homes have higher ratings than other nursing homes in the Commonwealth, ratings vary across veterans homes. The U.S. Centers for Medicare and Medicaid Services (CMS) provides monthly ratings for nursing homes. In January 2021, the weighted average of the overall CMS rating was 3.9 (1 = worst; 5 = best) for the six Commonwealth veterans homes compared to 3.1 for all Pennsylvania nursing homes. However, the six veterans homes ranged from 2.0 (Southeastern Pennsylvania Veterans Center) to 5.0 (Delaware Valley Veterans Home, Southwestern Veterans Center and Pennsylvania Soldiers and Sailors Home).

Counties and veterans service organizations (VSOs) assisted veterans to increase the total compensation and pension benefits paid annually to Pennsylvania veterans from \$2.4 billion in federal fiscal year (FFY) 2015 to \$2.9 billion in FFY 2019. The U.S. Department of Veterans Affairs (VA) reported that the total annual compensation and pension payments to Pennsylvania veterans increased 4.6 percent per annum over this time period. These pension payments are largely federal government expenditures paid monthly to Pennsylvania veterans, most of whom reside in the state. The department provides annual Veterans Trust Fund grants to counties (\$150,000 in FY 2019-20) and non-profit organizations (\$650,000 in FY 2019-20) to assist veterans through various programs and services.

Compared to 2011, veterans are less likely to be homeless, less likely to be unemployed and moderately more likely to have a four-year degree in 2019. However, Pennsylvania veterans are more likely to live in poverty in 2019 than in 2011.² The number of homeless Pennsylvania veterans declined from a decade high of 1,462 in 2013 to 857 in 2019, a decline of over 40 percent. The veteran unemployment rate also declined from 9.3 percent (2011) to 3.6 percent (2019), a drop of over 60 percent. Over that same time period, the share of Pennsylvania veterans that are at least age 25 and have a four-year degree has moderately increased from 20.8 percent (2011) to 22.8 percent (2019). While these trends are positive, the share of Pennsylvania veterans living in poverty increased from 5.9 percent in 2011 to 6.8 percent in 2019.

The number of Pennsylvania National Guard (PANG) members declined at a faster rate than other large National Guard states and the U.S. The National Guard's force is dependent on member retention and recruitment. From September 2016 to September 2020, PANG's enlisted membership declined by 1,042 (-5.5 percent) while the U.S. as a whole increased by 1.3 percent. During that time, Pennsylvania also dropped from the second largest state National Guard force, behind Texas, to the third largest, behind Texas and California. One tool PANG uses for retention and recruitment is the Education Assistance Program (EAP) that provides education grants to National Guard members. However, the number of Army National Guard (ARNG) EAP applications awarded declined from 1,989 in FFY 2015 to 1,486 in FFY 2019. To address the decline, the Military Family Education Program (MFEP) was signed into law on July 1, 2019. The MFEP allows spouses and children of PANG members to attend college at no or reduced cost.

² Unemployment and education data from U.S. Census Bureau. Homelessness data from the U.S. Housing and Urban Development and U.S. Census Bureau.

Activity 1: Veterans Homes

The department provides for the safe and efficient operation of six state-owned veterans homes that offer quality personal, skilled nursing and secure care to veteran residents and their resident spouses. From FY 2015-16 to FY 2020-21, the number of daily residents generally ranged between 886 and 1,113.

Each home offers on-site medical and pharmacy services, physical and occupational therapy and 24-hour nursing care. Daily operation of each home is the responsibility of its Commandant who is appointed by the Adjutant General and approved by the Governor. The Commandant employs an interdisciplinary staff to provide quality care for residents while ensuring compliance with all appropriate state and federal regulations. The homes are evaluated annually by the nearest Department of Veterans Affairs Medical Center for healthcare compliance, oversight and funding responsibility for the homes' per diem grants. The Pennsylvania Department of Health and the Department of Human Services licensing and certification staff ensure compliance with the Commonwealth's long-term care facility regulations. The veterans homes are funded by a combination of federal and state funds as well as various resident fees and insurance reimbursements.

The primary goals of this activity are to (1) provide a personal, safe and therapeutic environment for and (2) offer stimulating recreational activities to veterans home residents. The expected outcomes are to (1) provide quality care for residents and (2) maintain or increase veterans home resident satisfaction.

Resources for Veterans Homes						
	15-16	16-17	17-18	18-19	19-20	20-21
	Actual	Actual	Actual	Actual	Actual	Budget
Expenditures by Object						
Personnel Services	\$157.36	\$158.97	\$157.27	\$162.99	\$165.12	\$173.59
Operational Expenses	28.32	32.30	31.26	34.69	40.93	43.64
Fixed Assets Expense	1.02	7.30	1.66	2.44	2.03	6.82
Grants	0.09	0.10	0.09	0.08	0.07	0.09
Non-Expense Items	<u>0.16</u>	<u>3.82</u>	<u>2.02</u>	<u>2.29</u>	<u>0.46</u>	<u>9.00</u>
Total	186.96	202.49	192.30	202.50	208.61	233.13
Expenditures by Fund						
General Fund (State)	\$81.81	\$95.80	\$92.35	\$98.66	\$91.10	\$95.31
General Fund (Augmentations)	33.58	31.56	30.02	29.61	27.69	25.89
General Fund (Federal)	<u>71.57</u>	<u>75.13</u>	<u>69.93</u>	<u>74.24</u>	<u>89.83</u>	<u>111.93</u>
Total	186.96	202.49	192.30	202.50	208.61	233.13
Average Weekly FTE Positions	1,892	1,876	1,848	1,831	1,829	1,889
Personnel Cost/FTE (\$ thousands)	\$83.2	\$84.8	\$85.1	\$89.0	\$90.3	\$91.9
Note: Expenditures in dollar millions. Actual expenditures are listed in the year the expenditure was recorded.						

Performance Measures for Veterans Homes

	15-16	16-17	17-18	18-19	19-20	20-21
Efficiency						
Activity cost per resident (\$000s) ¹	\$168	\$193	\$179	\$191	\$194	\$263
Avg. days to resolve resident grievances ²	9.1	14.3	10.0	9.8	8.1	10.9
Outcome						
<u>Overall CMS rating (1 = worst, 5 = best)^{3,4,5}</u>						
All PA veterans homes	3.4	3.1	3.6	3.9	3.8	3.9
All PA nursing homes	2.9	2.8	3.0	3.2	2.9	3.1
<u>Nurse staffing hours per resident per day^{3,4}</u>						
All PA veterans homes	4.6	4.8	4.8	4.5	4.3	4.9
All PA nursing homes	3.9	3.8	3.9	3.6	3.6	3.7
<u>Occupancy rate^{3,4,6}</u>						
All PA veterans homes	89%	84%	86%	91%	92%	76%
All PA nursing homes	90%	89%	87%	85%	86%	75%
Avg. wait time for a bed at veterans homes ⁷	4.1	4.5	5.2	5.7	4.5	--
Veterans homes resident satisfaction ^{4,5}	87%	87%	85%	90%	87%	--
Annual staff turnover	22%	23%	22%	21%	23%	--

Notes:

1 IFO calculation. Total activity cost divided by total number of residents. Budget year calculation reflects appropriated state and federal funds.

2 By calendar year beginning with 2015. 2015 is October - December. 2020 is January - September.

3 As of January 1 each fiscal year. Source: U.S. Centers for Medicare and Medicaid Services (CMS).

4 Weighted average based on the number of residents per day.

5 See notes below.

6 Occupancy rate is the ratio of the average number residents per day to the number of certified beds.

7 Weighted average in months based on the number of individuals on each waiting list by calendar year.

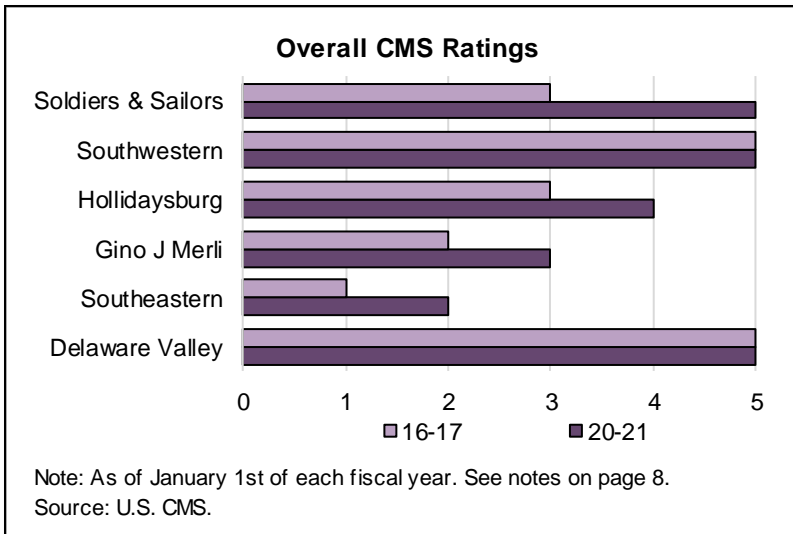
Notes on Measures

- Nursing home ratings are produced monthly by the U.S. Centers for Medicare and Medicaid Services (CMS), which rates each facility between one (lowest) and five (best) stars. Each facility receives overall, health inspection, staffing and quality of resident care measures (QM) ratings.³
- DMVA surveys residents in December and June each year.⁴ The resident satisfaction measure is the share of respondents who stated they were "extremely satisfied" or "satisfied." The FY 2019-20 data are only based on the December survey as the June 2020 survey was not completed due to COVID-19.

³ More information on the methodology used for these ratings is available at: <https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/CertificationandCompliance/FSQRS>.

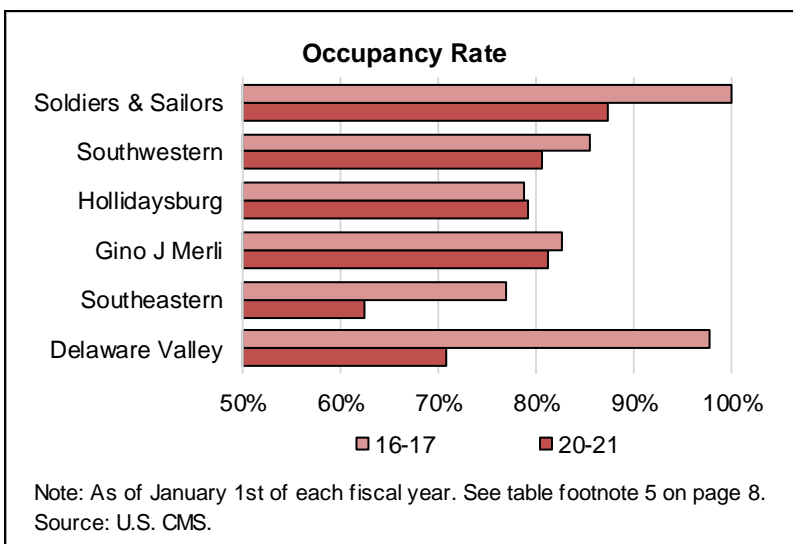
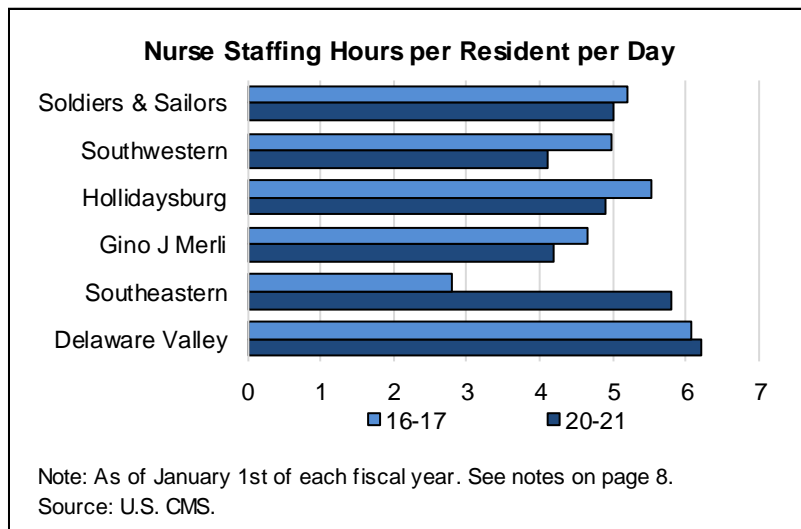
⁴ In 2015 and 2016, DMVA surveyed 25 residents in each home selected by social services staff to provide a cross-section of resident population. In 2017, the number was reduced to 9, but DMVA increased the sample to 15 residents per home per six-month period in 2018 to present. Those incapable of answering the survey themselves or with assistance are excluded.

Commonwealth Facility Benchmarks



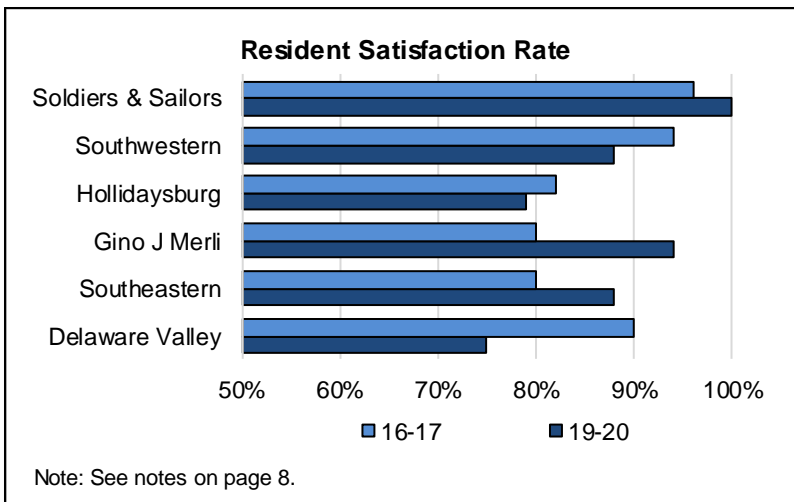
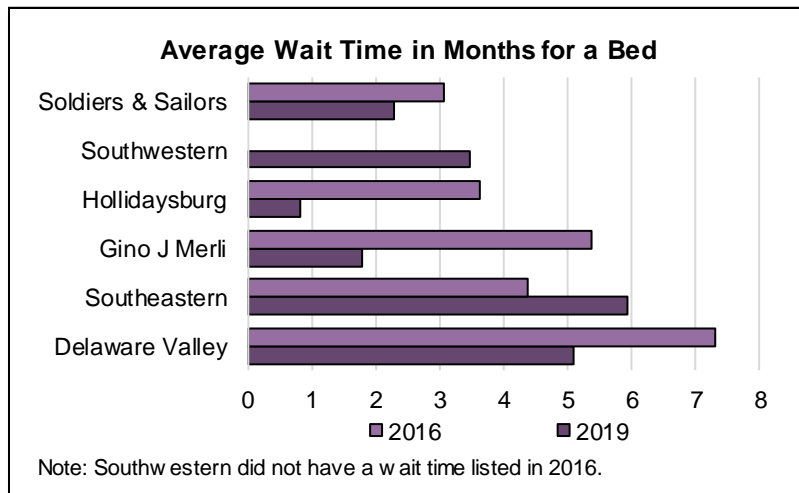
Delaware Valley Veterans Home and Southwestern Veterans Center have the highest **overall CMS ratings** in the two years shown while Southeastern had the lowest. For Southeastern, a new commandant and director of nursing implemented multiple initiatives that improved facility performance from FY 2016-17 through FY 2019-20 (5.0 rating in FY 2019-20, not shown) before declining in FY 2020-21 primarily due to poor health inspection in June 2020.

Southeastern Veterans Center had the lowest **nurse staffing hours per resident per day** in FY 2016-17 but improved in later years. Despite the variation in nurse staffing hours per resident per day, all Pennsylvania veterans homes nurse staffing hours per resident were greater than the weighted average of 3.7 hours in January 2021 for all Pennsylvania nursing homes.



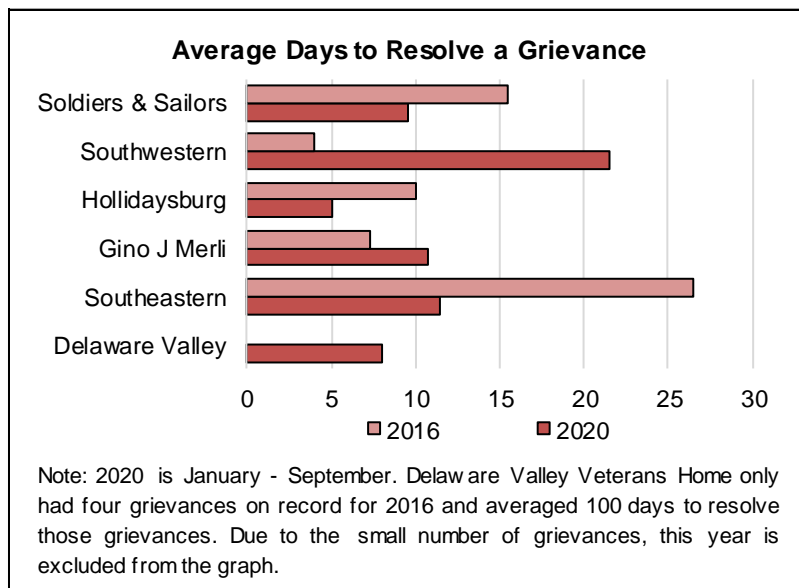
The **occupancy rate** is defined as the average daily residents divided by the total certified beds. Overall, the occupancy rate for Pennsylvania veterans homes declined from 84 percent (FY 2016-17) to 76 percent (FY 2020-21) primarily due to COVID-19 and construction at Delaware Valley. In FY 2019-20 (not shown), the average occupancy rate for all veteran homes was 92 percent.

The **average wait time in months for a bed** in the two homes in the southeast portion of the state (Southeastern and Delaware Valley) are generally higher than other veterans homes. In 2019, Southeastern had the highest average wait time of 5.9 months, while Hollidaysburg had the lowest at less than one month.



The department surveys a sample of residents twice a year on their overall satisfaction. In FY 2019-20, Soldiers and Sailors had the highest **resident satisfaction rate** at 100 percent, while Delaware Valley had the lowest at 75 percent. However, the FY 2019-20 survey data are only based on one survey (in December 2019) as DMVA did not survey residents in the spring (June 2020) due to COVID-19.

From January through September 2020, Southwestern had the highest **average number of days to resolve a grievance** at 11.5 days, while Hollidaysburg had the fewest average number of days at 5.1 days. On average, there is less than one resident grievance filed for every three residents per year. Common grievances include lost or missing money, lost and missing clothing and lost or missing dentures and hearing aids.



**PA Veterans Homes Receive Higher Overall Quality Ratings than
Other PA Nursing Homes (January 2021)**

	Average # of Residents	Number of Facilities	Average Facility Rating ¹			
			Overall	Health Inspect.	QM	Staffing
Govt. - State (Veterans Homes)	886	6	3.9	2.7	4.3	4.8
Delaware Valley Veterans Home	92	1	5.0	5.0	4.0	5.0
PA Soldiers and Sailors' Home	93	1	5.0	5.0	3.0	5.0
Southwestern Veterans Center	190	1	5.0	3.0	5.0	5.0
Hollidaysburg Veterans Home	203	1	4.0	2.0	5.0	5.0
Gino J Merli Veterans Center	159	1	3.0	2.0	4.0	4.0
Southeastern PA Veterans Center	149	1	2.0	1.0	4.0	5.0
Non-profit	25,537	306	3.8	3.1	4.1	3.6
Corporation	21,448	261	3.8	3.2	4.1	3.6
Church-related	2,848	30	3.8	3.0	4.3	3.6
Other	1,242	15	3.4	2.7	4.1	3.4
Government	4,974	21	3.3	3.2	2.9	3.5
State (non-veterans homes)	134	1	4.0	3.0	4.0	5.0
City/county	4,840	20	3.3	3.2	2.8	3.5
For-profit	33,984	354	2.6	2.3	3.5	2.5
LLC	158	2	3.2	3.2	2.8	3.2
Individual	90	2	3.0	2.5	4.0	3.0
Partnership	6,848	64	2.6	2.4	3.5	2.5
Corporation	26,888	286	2.5	2.3	3.5	2.5
Total	65,381	687	3.1	2.7	3.7	3.1

Note:

1 Calculated by IFO. Weighted by the average number of residents per day in each facility.

Source: U.S. CMS, as of January 1, 2021. Only includes facilities with an overall rating.

Notes on Measures

- Nursing home ratings are produced monthly by CMS, which rates each facility between one (lowest) and five (best) stars. Each facility receives overall rating, health inspection rating, staffing rating and quality of resident care measures (QM) ratings.⁵

⁵ More information on the methodology used for these ratings is available at: <https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/CertificationandCompliance/FSQRS>.

State Benchmarks

PA Ranks 20 Out of 37 When Compared to Veterans Homes in Other States

	Avg. # of Residents/Day	Average Facility Rating			
		Overall	Health Inspect.	QM	Staffing
North Dakota	47	5.0	5.0	5.0	5.0
Nevada	146	5.0	5.0	4.0	5.0
Kentucky	362	5.0	4.2	4.2	5.0
Virginia	107	5.0	4.0	2.0	5.0
California	888	5.0	3.8	4.5	5.0
Iowa	390	5.0	3.0	5.0	5.0
Utah	373	5.0	4.1	5.0	4.8
New York	790	5.0	3.9	4.5	4.7
Maine	321	4.7	3.7	4.4	5.0
Tennessee	295	4.7	4.4	3.7	3.7
North Carolina	338	4.6	3.4	4.1	4.4
Louisiana	42	4.6	4.6	4.0	--
Vermont	335	4.5	3.5	4.5	4.0
Minnesota	497	4.5	3.0	4.7	5.0
Wisconsin	672	4.4	3.5	4.0	5.0
Florida	501	4.1	3.4	3.9	5.0
South Dakota	70	4.0	3.0	3.0	5.0
Massachusetts	1	4.0	3.0	5.0	--
Delaware	63	4.0	2.0	5.0	5.0
Pennsylvania	886	3.9	2.7	4.3	4.8
Arizona	219	3.9	2.9	4.4	4.4
Idaho	185	3.7	2.2	4.5	5.0
Montana	148	3.7	3.1	4.0	5.0
Colorado	291	3.7	2.5	4.0	5.0
Kansas	123	3.6	3.3	2.4	4.4
New Jersey	613	3.5	2.5	3.4	5.0
Oregon	239	3.5	2.0	3.9	4.5
Washington	464	3.5	2.0	4.5	4.5
Ohio	446	3.0	2.7	4.0	3.3
Michigan	65	3.0	2.0	3.0	5.0
Maryland	201	3.0	2.0	2.0	4.0
South Carolina	358	3.0	2.0	4.5	4.0
Texas	924	2.9	2.6	3.5	3.2
Indiana	141	2.0	2.0	1.0	4.0
Hawaii	79	2.0	1.0	5.0	5.0
Arkansas	159	2.0	1.0	3.3	4.0
New Mexico	118	2.0	1.0	3.0	5.0
Total	11,898	4.0	3.0	4.1	4.5

Note: Calculated by IFO. See page 11 for more detail. Excludes facilities with missing overall rating.

Source: U.S. CMS, as of January 1, 2021.

Pennsylvania ranks 20 out of 37 states with veterans homes based on the overall facility rating produced by CMS as of January 2021. Additionally, Pennsylvania ranks third in the average daily number of residents in its veterans homes (886). Texas currently has the highest number of residents (924) and California has the second highest (888).

The information below is from the "Design for Nursing Home Compare Five-Star Quality Rating System: Technical Users' Guide, January 2021," produced by the U.S. CMS.

Key factors that motivate the health inspection rating are the number, scope and severity of deficiencies identified during the three most recent annual inspection surveys. Deficiency findings are weighted by scope and severity and take into account the number of revisits to ensure deficiency has been corrected.

Key factors that motivate the quality measures (QM) rating are nine long-stay measures (such as share of high-risk residents with pressure ulcers and share of residents with a urinary tract infection) and six short-stay measures (such as share of residents with improved function).

Key factors that motivate the staffing rating are the number of registered nurse (RN) hours per resident per day and total nurse (RNs plus licensed practical nurses plus nurse aides) staffing hours per resident per day.

Activity 1: Veterans Homes (Addendum)

The following data shall serve as an addendum to the initial Performance-Based Budget report for the DMVA delivered to the General Assembly on March 25, 2021. This addendum was requested by the Performance-Based Budget (PBB) Board during a hearing on April 28, 2021. The following data are to be used in conjunction with the initial report, and not serve as a replacement for the original measures provided.

The PBB Board requested Department of Human Services (DHS) program data related to average costs for residents in private nursing facilities and average costs for individuals served in home- and community-based settings. The private nursing facility expenditure data compiled for DHS programs are not directly comparable to veterans homes expenditure data. DHS nursing facility data represent average Medical Assistance (MA) payments to nursing facilities and do not reflect the total cost of providing nursing facility services. The DHS data exclude supplemental payments, participant payments and costs covered by third-parties (e.g., long-term care insurance). Additionally, DHS provided average costs per participant for home- and community-based services (HCBS) provided during this time period.

Average Costs for Veterans Homes, Nursing Facilities and Community-Based Services							
	15-16	16-17	17-18	18-19	19-20	20-21	AAGR
Veterans Homes							
Activity cost/resident (\$000) ¹	\$168.0	\$193.2	\$179.2	\$191.1	\$194.0	\$241.7	--
Annual growth	--	15.0%	-7.2%	6.7%	1.5%	24.6%	7.6%
Private Nursing Facilities							
Avg. MA payment/resident (\$000) ²	--	\$73.1	\$72.6	\$75.0	\$76.8	\$79.7	--
Annual growth	--	--	-0.7%	3.2%	2.4%	3.9%	2.2%
Supplemental payments (\$ millions) ³	--	\$648	\$656	\$630	\$678	\$660	--
Home- and Community-Based Services							
Avg. cost/HCBS participant (\$000) ⁴	\$38.4	\$43.6	\$49.5	\$54.5	\$54.8	\$53.6	--
Annual growth	--	13.6%	13.6%	10.0%	0.5%	-2.1%	6.9%

Notes: AAGR stands for average annual growth rate.

1 Total activity cost divided by total number of residents. Veteran homes costs include all activity expenditures regardless of source of funds. FY 20-21 reflects actual expenditures and resident counts. FY 20-21 costs are significantly higher than prior years due to fewer average residents per day. IFO calculation based on data provided by DMVA.

2 MA payments to private nursing facilities exclude participant payments, supplemental payments and third-party reimbursements (e.g., long-term care insurance). IFO calculation based on data provided by DHS.

3 Supplemental payments are payments from DHS to providers for nursing facility services above payments based on established MA rates. These payments are not directly tied to individual residents but are reimbursements for costs to provide nursing facility services.

4 In FY 17-18, HCBS services began to transition from fee-for-service waivers (e.g., Attendant Care) to Community HealthChoices.

Source: Veterans Homes data provided by DMVA. Private nursing facility and HCBS data provided by DHS.

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Activity 2: Outreach to Veterans

The Bureau of Veterans Programs, Initiatives, Reintegration and Outreach ensures that approximately 800,000 Pennsylvania veterans and their beneficiaries receive the veterans benefits and services to which they are entitled and establishes new veterans benefits programs as needs are identified. The bureau coordinates with federal, state, county, local and private agencies. It administers all state veterans benefits programs legislatively tasked to the DMVA and (1) ensures the quality control of disability and pension claims from the County Directors of Veterans Affairs (CDVAs) offices, (2) provides CDVA and Veteran Service Officer accreditation training, (3) provides advocacy for clients in dealing with agencies, organizations and institutions in pursuit of veterans benefits and services and (4) coordinates all matters pertaining to the contact, tracking, reintegration and outreach of current and former service members, including those on active status who are in the process of returning to Pennsylvania. The number of veterans receiving benefits through the Veterans Temporary Assistance Program (VTA) increased from 436 in FY 2015-16 to 645 in FY 2019-20. The number of recipients of the amputee and paralyzed pension benefits increased from 1,811 to 1,950 over the same time period. Other sub-activities include the blind veterans pension benefits, burial honors program services, and children of deceased and disabled veterans educational gratuity program.

The primary goal of this activity is to ensure eligible veterans and their families gain access to the various federal, state and local veterans benefits, services and programs in order to reintegrate into society after serving in the nation's military. Expected outcomes include an increase in the number of eligible Pennsylvania veterans receiving benefits as well as total compensation and pension benefits received.

Resources for Outreach to Veterans						
	15-16	16-17	17-18	18-19	19-20	20-21
	Actual	Actual	Actual	Actual	Actual	Budget
Expenditures by Object						
Personnel Services	\$2.49	\$2.61	\$2.80	\$3.19	\$3.22	\$3.18
Operational Expenses	0.39	0.53	0.30	0.43	1.06	0.39
Grants	7.56	7.91	8.82	8.43	9.61	11.05
Non-Expense Items	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1.09</u>	<u>0.34</u>	<u>0.34</u>
Total	10.44	11.05	11.92	13.13	14.23	14.96
Expenditures by Fund						
General Fund (State)	\$9.03	\$9.29	\$10.31	\$11.45	\$10.99	\$10.80
General Fund (Federal)	0.00	0.00	0.00	0.00	1.75	2.40
Persian Gulf Veterans Bonus Prog.	0.20	0.05	0.08	0.18	0.00	0.00
Veterans Trust Fund	<u>1.20</u>	<u>1.70</u>	<u>1.54</u>	<u>1.51</u>	<u>1.49</u>	<u>1.76</u>
Total	10.44	11.05	11.92	13.13	14.23	14.96
Average Weekly FTE Positions	28	30	31	33	34	32
Personnel Cost/FTE (\$ thousands)	\$88.0	\$87.4	\$89.2	\$97.9	\$95.9	\$99.4
Note: Expenditures in dollar millions. Actual expenditures are listed in the year the expenditure was recorded.						

Performance Measures for Outreach to Veterans

	15-16	16-17	17-18	18-19	19-20	20-21
Workload						
# New registrations through veterans registry ¹	3,255	7,732	4,369	9,193	8,945	8,268
# New federal comp. & pension claims for PA veterans (result of state & county assistance) ¹	8,362	8,065	6,970	7,195	7,684	4,610
# New federal comp. & pension claims for PA veterans (result of VSO Grant Program) ^{1,2}	18,371	32,756	27,733	18,299	14,589	7,384
Outcome						
Total comp. & pensions to PA vets (\$ billion) ³	\$2.61	\$2.60	\$2.51	\$2.88	--	--
# Vets (000s) receiving VA comp. or pension benefits ³	132.7	137.5	146.3	--	--	--

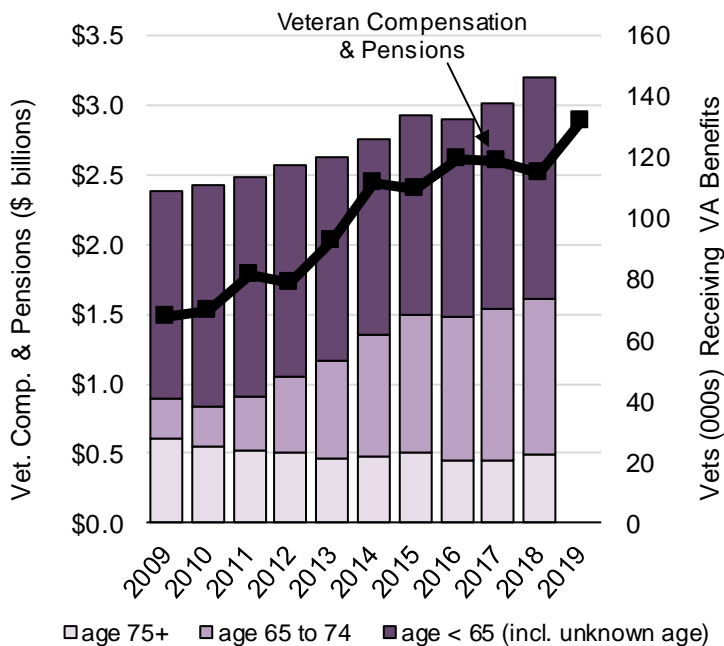
Notes:

1 FY 20-21 is based on first six months of fiscal year and projected forward. Decrease is pandemic related.

2 VSO is veterans service organization. This is the number of new claims that were a result of VSOs.

3 Data on a federal fiscal year basis and from the U.S Department of Veterans Affairs, National Center for Veterans Analysis and Statistics.

Vets Receiving Compensation & Pension Benefits and Benefits Received Continue to Grow



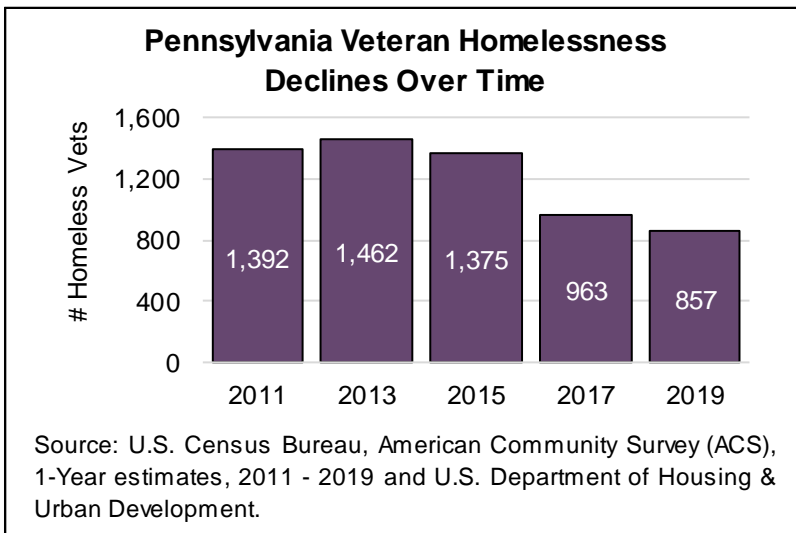
Note: By federal fiscal year.

Source: U.S. Department of Veterans Affairs, National Center for Veterans Analysis and Statistics.

From FFY 2009 to 2019, total compensation and pension benefits received by Pennsylvania veterans increased by 6.9 percent per annum while the total number of Pennsylvania veterans receiving U.S. veterans compensation and pension benefits increased by 3.3 percent per annum (FFY 2009 to FFY 2018). Not all veterans are eligible for benefits. In FFY 2018, less than 20 percent of Pennsylvania veterans received veterans benefits. Of these, most received compensation for a disability (over 90 percent).

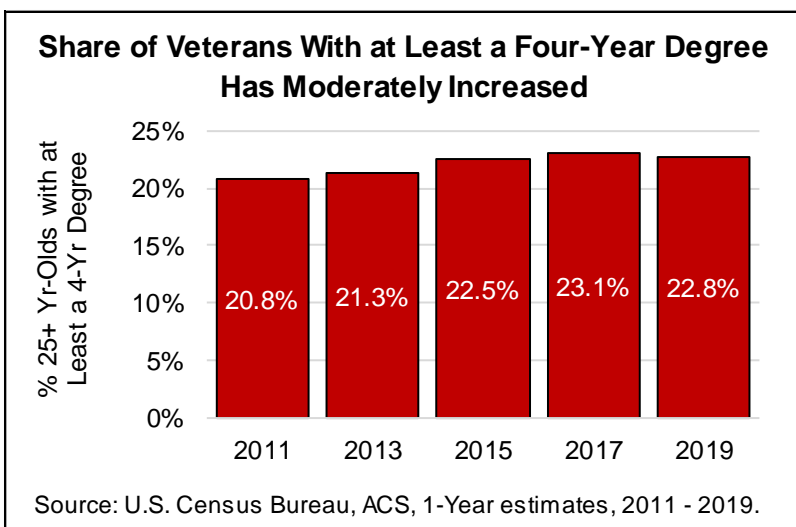
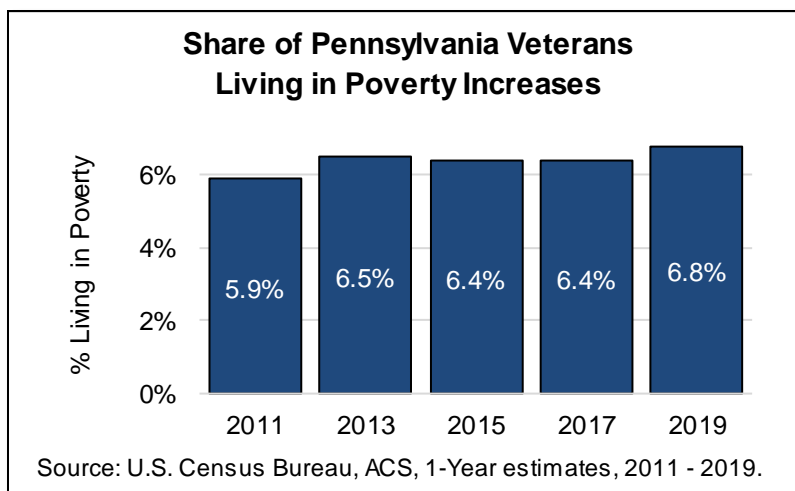
The bulk of these dollars come from the federal government and are primarily spent in Pennsylvania. The department provides Veterans Trust Fund grants to counties and veteran service organizations (VSOs) to assist veterans in applying for these benefits. In FY 2019-20, grants totaling \$150,000 went to eight counties and \$650,000 went to 76 VSOs.

Statewide Indicators



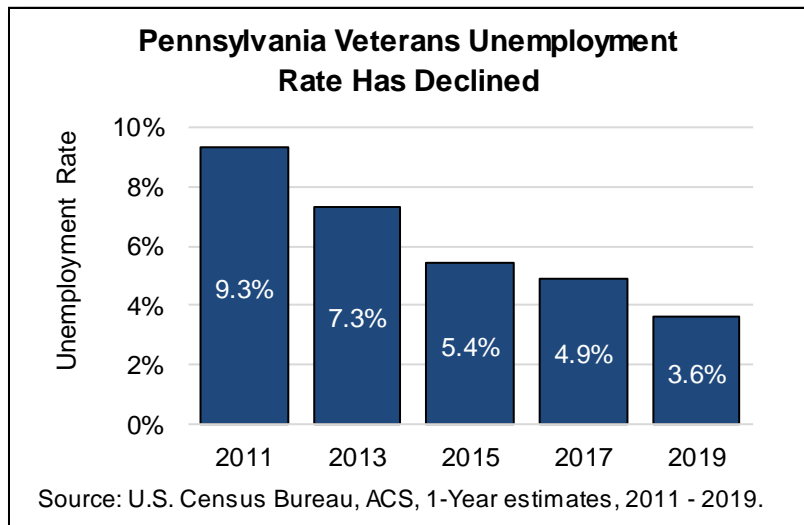
The **number of homeless veterans** has declined from a decade high of 1,462 in 2013 to a low of 857 in 2019. Of the 857 homeless veterans in 2019, 795 (93 percent) were male, which is roughly the same share of total veterans that were male.

The **share of veterans living in poverty** increased from 5.9 percent (2011) to 6.8 percent (2019). The percentage of non-veteran adults in poverty declined from 12.8 percent to 11.1 percent over the same time period. Due to more single women with children living in poverty than men, non-veterans tend to have higher poverty rates than veterans.



The **share of veterans, age 25+, with at least a four-year degree** increased moderately from 2011 to 2019. For the total Pennsylvania male population, age 25+, this metric increased from 27.3 percent (2011) to 31.7 percent (2019). For all females, this metric has a similar trend and increased from 26.7 percent (2011) to 32.9 percent (2019).

The **Pennsylvania veterans unemployment rate** declined from 9.3 percent in 2011 to 3.6 percent in 2019. During that same time period, the unemployment rate for non-veterans, age 18 to 64 years-old also declined from 9.1 percent to 4.5 percent.



State Benchmarks

PA Has Fourth Highest Number of Veterans and 18.4% Receive U.S. Veteran Benefits (FFY 2018)

	Veterans ¹		Receive Benefits ²	
	Number (000s)	% of U.S.	Number (000s)	% of Veterans
California	1,629	8.4%	456	28.0%
Texas	1,574	8.1	471	29.9
Florida	1,491	7.6	389	26.1
Pennsylvania	793	4.1	146	18.4
Ohio	754	3.9	156	20.8
New York	747	3.8	152	20.3
North Carolina	728	3.7	206	28.3
Virginia	720	3.7	208	28.9
Georgia	694	3.6	208	30.0
Illinois	610	3.1	116	19.0

Notes:

1 Number of veterans by state is an estimate as of Sept. 30, 2018.

2 See notes to the right of this table.

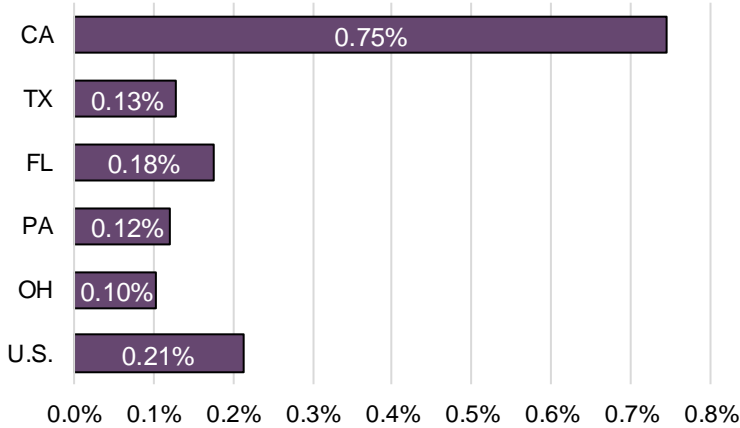
Source: U.S. Department of Veterans Affairs, National Center for Veterans Analysis and Statistics.

The vast majority of veterans who received U.S. veterans compensation or pension benefits in FFY 2018 did so as compensation for a disability.

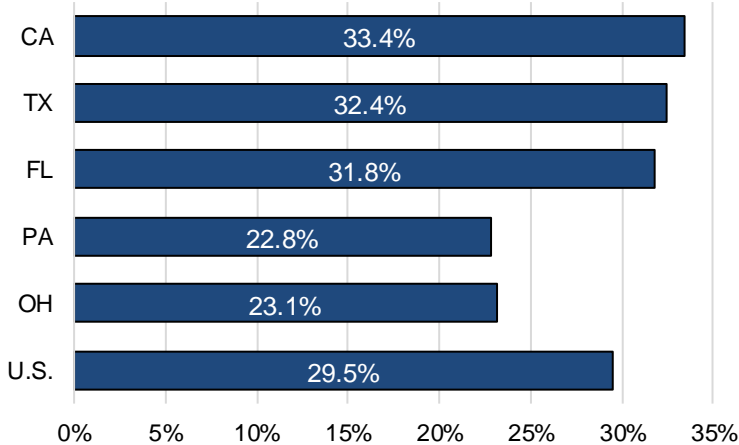
Not all veterans qualify for benefits. According to 2018 U.S. VA data, only 18.4 percent of Pennsylvania veterans received U.S. veteran compensation and pension benefits and those that did not receive benefits may not qualify. Of states with large veteran populations, Pennsylvania has the lowest share of veterans who receive these benefits.

Benchmarks for Top Five Veteran States (2019)

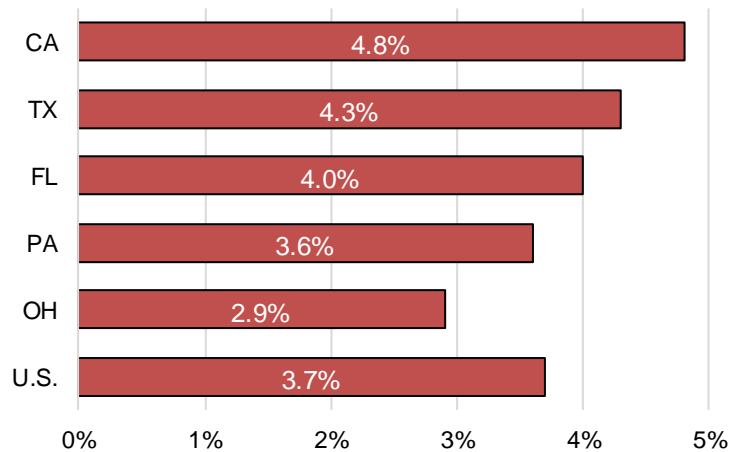
Share of Veterans Who Are Homeless



Share of 25+ Year-Old Veterans With at Least a Four-Year Degree



Unemployment Rate for Veterans, 18- to 64-Years



Source: U.S. Census Bureau, ACS, 1-Year estimates, 2019 and U.S. Department of Housing and Urban Development.

Of the top five veteran states, only Ohio has a lower **share of its veteran population that is homeless** at 0.10 percent compared to Pennsylvania (0.12 percent).

Of the top five veteran states, Pennsylvania has the lowest **share of veterans with at least a four-year degree** at 22.8 percent in 2019. Two of the top five veteran states (Texas and Florida) offer some state tuition reimbursement for certain veterans which likely results in higher rates for those states. According to Military.com, a website for military members, veterans and their families that provides military and veterans benefits information, Ohio, California and Pennsylvania do not offer veteran-specific educational benefits. (This excludes the Education Assistance Program that is available to Pennsylvania National Guard members.)

Pennsylvania has a lower **unemployment rate for veterans** (3.6 percent) than the top five veteran states with the exception of Ohio, which has a rate of 2.9 percent for veterans.

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Activity 3: PA National Guard and Military Support

The department maintains the strength and readiness of the Pennsylvania National Guard (PANG), which includes the Army National Guard (ARNG) and Air National Guard (ANG). National Guard assignment numbers are annually determined by the federal National Guard Bureau. Currently, the ARNG is allotted approximately 14,300 members while the ANG is allotted nearly 4,200. Maintaining the strength and readiness of the PANG ensures well-trained and well-equipped personnel for deployment in collaboration with homeland security and emergency preparedness and response. When an emergency occurs in the Commonwealth, active duty PANG are called upon for support to ensure an appropriate domestic response. Within the PANG is the Pennsylvania Counterdrug Joint Task Force (CJTF), which leverages the National Guard to support state efforts against illicit drugs and threats. Established in conjunction with the CJTF is the Northeast Counterdrug Training Center (NCTC), which is operated by the PANG. The DMVA also administers two educational assistance programs and a financial assistance grant which are the Education Assistance Program (EAP), the Military Family Education Program (MFEP) and the Military Family Relief Assistance Program (MFRAP), respectively. The EAP provides eligible Pennsylvania National Guard members with an education grant to attend certain Pennsylvania universities. The MFRAP provides personal financial assistance grants to eligible PANG members and their families that are in immediate financial need.

The primary goal of this activity is to recruit, train and retain Pennsylvania National Guard members. The expected outcome is a high level of readiness in support of state and federal missions.

Resources for PA National Guard and Military Support

	15-16	16-17	17-18	18-19	19-20	20-21
	Actual	Actual	Actual	Actual	Actual	Budget
Expenditures by Object						
Personnel Services	\$10.19	\$11.01	\$11.24	\$10.94	\$11.84	\$12.19
Operational Expenses	8.67	10.35	12.26	12.86	10.73	12.84
Grants ¹	9.55	12.75	12.65	13.15	13.37	13.42
Fixed Assets Expense	<u>0.21</u>	<u>0.97</u>	<u>3.38</u>	<u>1.38</u>	<u>1.70</u>	<u>0.06</u>
Total	28.62	35.08	39.53	38.33	37.63	38.51
Expenditures by Fund						
General Fund (State) ¹	\$13.39	\$16.75	\$17.11	\$16.98	\$16.18	\$18.42
General Fund (Augmentations)	0.17	0.18	0.19	0.19	0.19	0.20
General Fund (Federal)	15.01	18.02	22.15	21.04	21.09	19.79
PA Vets Monuments & Memorial TF	<u>0.06</u>	<u>0.14</u>	<u>0.09</u>	<u>0.12</u>	<u>0.17</u>	<u>0.09</u>
Total	28.62	35.09	39.53	38.33	37.63	38.51
Average Weekly FTE Positions	113	116	113	110	114	120
Personnel Cost/FTE (\$ thousands)	\$90.3	\$94.9	\$99.1	\$99.7	\$103.5	\$102.0

Note: Expenditures in dollar millions. Actual expenditures are listed in the year the expenditure was recorded.

¹ Includes a transfer from the General Fund to the Education Assistance Program Fund.

Performance Measures for the PA National Guard (NG) and Military Support

	15-16	16-17	17-18	18-19	19-20	20-21
Workload						
# State active duty days PANG personnel deployed for statewide emergencies ^{1,2}	838	1,993	1,817	831	38,907	49,952
# EAP applications awarded ³	2,567	2,545	2,248	1,987	1,952	--
Total MFEP applications ¹	--	--	--	--	2,046	--
Outcome						
% PA Army National Guard members end strength ¹	101%	100%	101%	100%	100%	96%
% PA Air National Guard members end strength ¹	98%	96%	97%	99%	99%	100%
ARNG re-enlistment retention rate	--	--	52%	56%	55%	--
% Exiting EAP recipients that graduated prior to leaving service	-- Recommended measure --					
% PANG members using EAP benefits at PASSHE ⁴	-- Recommended measure --					
% PANG dependents using MFEP benefits at PASSHE ^{1,4}	-- Recommended measure --					

Notes: Data reflect federal fiscal year.

1 See notes below.

2 FFY 20-21 is fiscal-year-to-date as of December 31, 2020.

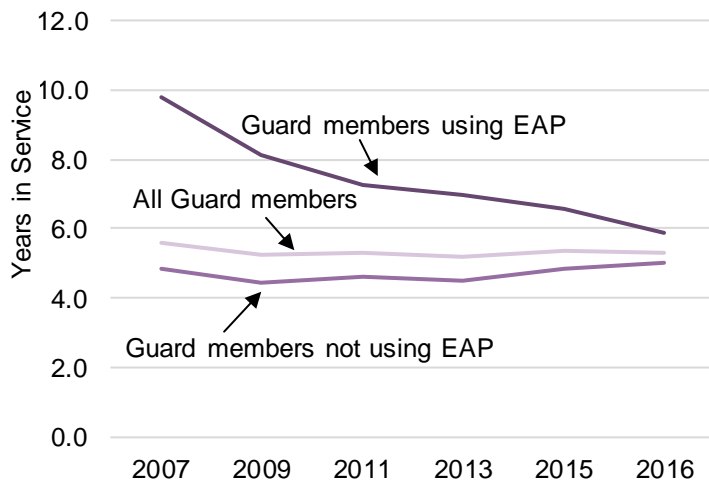
3 EAP is Education Assistance Program and applications are awarded to both Army and Air National Guard.

4 PASSHE stands for Pennsylvania State System of Higher Education and includes 14 state-owned schools.

Notes on Measures

- The FFY 2019-20 number of state active duty days that Pennsylvania National Guard personnel were deployed for statewide emergencies was unusually high. Almost all of the state active duty days came from two missions: Operation COVID-19 and Operation Protect PA. Operation COVID-19 was a response to the pandemic and involved planning, synchronization and execution of COVID-19 pandemic support operations at the request of Governor Wolf and in coordination with PEMA/DOH. Approximately 1,500 PANG members were utilized in missions that consisted of long-term care facility staffing/training support, COVID testing, food distribution, various logistical missions, COVID mapping and planning support. Operation Protect PA was a civil unrest response at the request of Governor Wolf and in coordination with PEMA. Approximately 3,500 PANG members supported local law enforcement in Philadelphia, Montgomery and Delaware Counties including area denial, asset protection, access control, perimeter security, traffic control and aviation support.
- The Military Family Education Program (MFEP) is an educational assistance grant for PANG dependents that starts in 2021. The total application number is a current estimate which includes applications that were received, pending, denied and returned without action.
- National Guard end strength is the ratio of the number of Army and Air National Guard personnel assigned to the number of Army and Air National Guard positions authorized by the federal National Guard Bureau, respectively.

Army NG Members Using EAP Spend More Time in Service than Members Not Using EAP



Note: Data by calendar year. EAP is Education Assistance Program. Data are only for the Army National Guard and provided by DMVA. It was created by combining past Guard members and PHEAA EAP rosters.

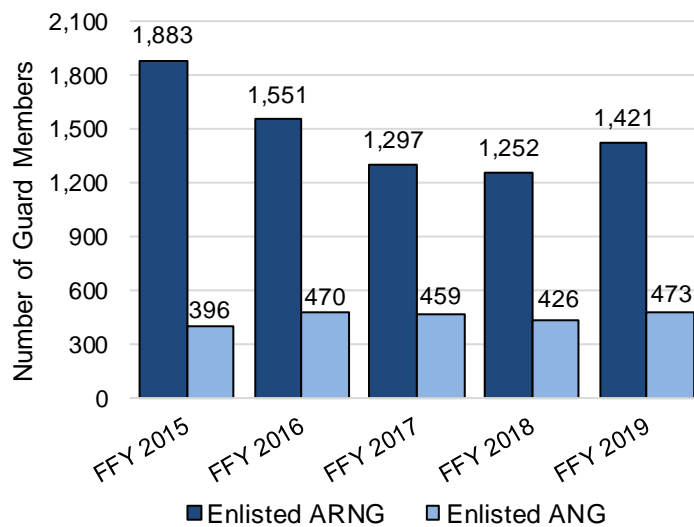
Education Assistance Program (EAP)

goals are to increase PANG retention and recruitment rates. Due to the six-year enlistment commitment needed to qualify for EAP, Army NG members that use EAP generally serve longer than members who do not use EAP. The figure displays the years of service for all newly enlisted Army NG members during that year based on whether they used EAP in any year after initial enrollment. Recent years are not included because newly eligible members may not have had an opportunity to use EAP yet. Of all Army Guard members in 2011 (including those that are continuing enlistment), 26 percent used EAP at some point. By 2016, that figure increased to 33 percent.

Recruitment for the Army National Guard steadily declined from FFY 2015 through FFY 2018 but increased in FFY 2019.

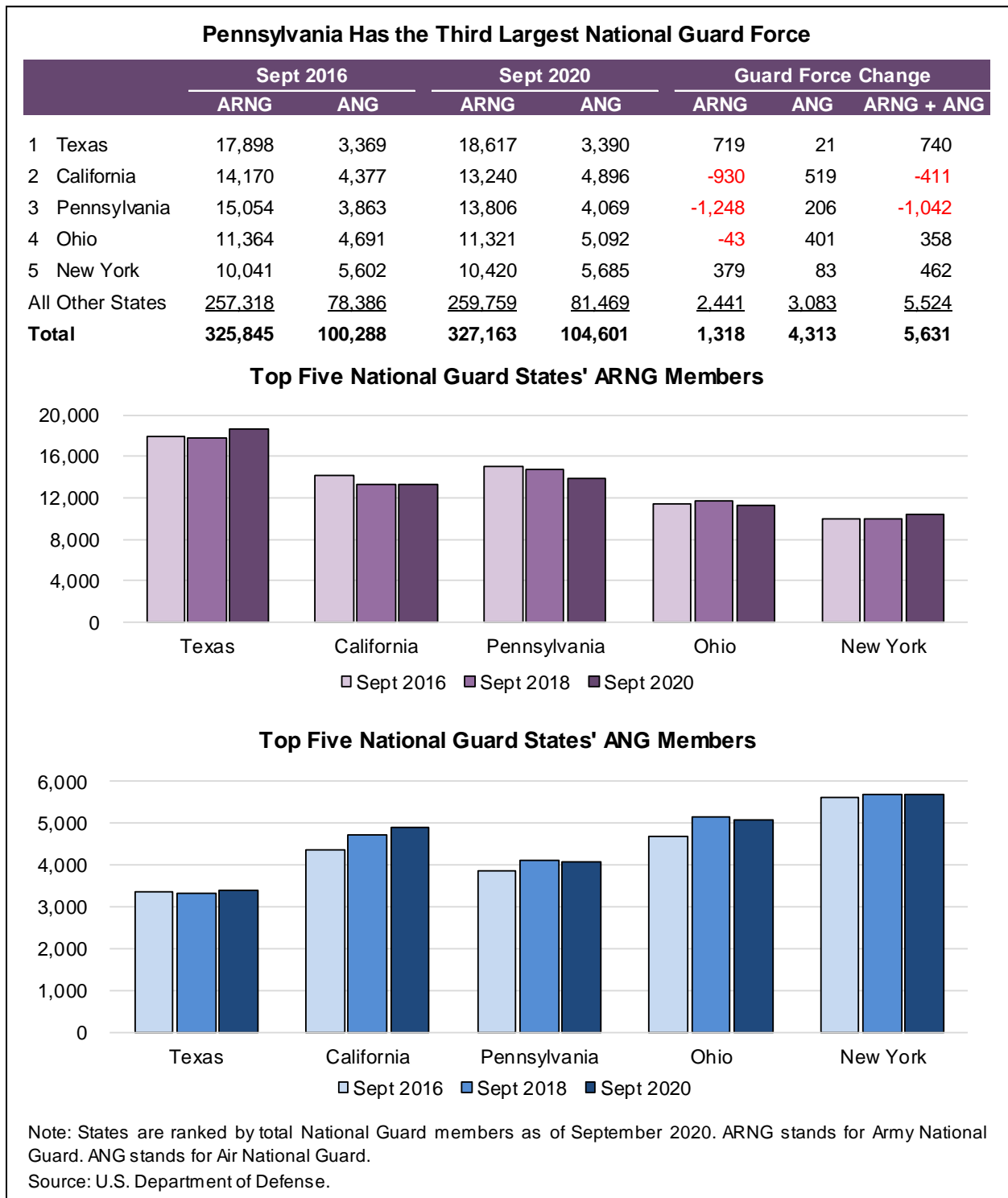
Air National Guard recruitment has largely held steady over this time period.

Recruitment for PA Army National Guard Down From FFY 2015 Level



Note: Recruitment data include enlisted personnel only.

State Benchmarks



From 2016 to 2020, the Pennsylvania Air National Guard (ANG) increased by 206 guard members, but it did not offset the decline of 1,248 Army National Guard members, and overall, PANG members declined by 1,042. During the same time period, the U.S. and all larger NG population states (except California) increased their total National Guard force.

Activity 4: Keystone State Challenge Academy

The Keystone State Challenge Academy is part of the National Guard Youth Challenge Program (NGYCP), a program in 28 states, Washington D.C. and Puerto Rico with 39 sites designed to assist at-risk youth ages 16 to 18 who have dropped out of school or are not satisfactorily progressing, are unemployed or under employed, and are drug-free and crime-free.⁶ The Keystone State Challenge Academy is a new program in Pennsylvania expected to commence in July 2022. Once open, the Academy has the potential to employ 50 to 60 state employees and assist between 150 to 250 at-risk youth each year. The department expects to have 125 at-risk youth in their opening class with an estimated 100 of those youth graduating from the residential phase.

The Academy is a 17 ½ month military-based training program consisting of a 22-week residential phase (including a two-week acclimation phase) followed by a one-year post-residential phase. During the residential phase, cadets are fully immersed in a military-type training environment, which emphasizes discipline, consistency and structure. There is a focus on eight core components of academic excellence, physical fitness, leadership/followership, responsible citizenship, job skills, service to the community, health and hygiene and life-coping skills. During the one-year post-residential phase, graduates return to their communities to complete high school, pursue higher education, find a job, join the military or volunteer at least 30 hours a week as a placement. Screened mentors assist academy graduates during the residential and post-residential phase. The academy is federally funded with a 25 percent state match.

The primary goals of this activity are to (1) graduate productive citizens, who are academically, physically, emotionally, and economically prepared to enter the workforce or follow-up educational placements; (2) teach and certify job and life-coping skills and (3) maintain a high GED completion rate per class. The expected outcome of this activity is to place graduates from the residential program into education, employment or military service within 12 months of graduation.

Resources for Keystone State Challenge Academy						
	15-16	16-17	17-18	18-19	19-20	20-21
	Actual	Actual	Actual	Actual	Actual	Budget
Expenditures by Object						
Personnel Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.15	\$0.43
Operational Expenses	0.00	0.00	0.00	0.00	0.04	1.05
Fixed Assets Expense	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.37</u>	<u>5.59</u>
Total	0.00	0.00	0.00	0.00	0.56	7.07
Expenditures by Fund						
General Fund (State)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.14	\$1.49
General Fund (Federal)	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.42</u>	<u>5.58</u>
Total	0.00	0.00	0.00	0.00	0.56	7.07
Average Weekly FTE Positions	0	0	0	0	1	4
Personnel Cost/FTE (\$ thousands)	n.a.	n.a.	n.a.	n.a.	\$139.8	\$108.3
Note: Expenditures in dollar millions. Actual expenditures are listed in the year the expenditure was recorded.						

⁶ Constant, Louay, et al. "National Guard Youth Challenge Program Progress in 2018-2019." RAND Corporation.

Future Performance Measures for the Keystone State Challenge Academy

Note and/or Future Targets (if applicable)

Efficiency

Cost/student graduating from residential phase	Total activity costs/number of students graduating. In FFY 2019, the federal cost per graduate was \$19,065. Given that states have a 25% match, this implies the total cost per graduate was roughly \$25,400. ¹
--	--

Outcome

% Graduates from residential program placed: Within 1 month of graduation Within 6 months of graduation Within 12 months of graduation	Placement is defined as any one or combination of education, employment or military participation. Mentors of cadets support and follow up with cadets and report information to DMVA on placement.
---	---

% Graduates receiving high school diploma, GED or HiSET certification	GED is the General Education Development test. HiSET is the High School Equivalency Test.
---	---

Grade-levels gained in Tests of Adult Basic Education (TABE) Total Battery Score of residential graduates from start to end of residential period	TABE is a standardized test with questions in reading, language arts and math and used in adult basic and secondary education programs. Cadets are tested on entry and exit of residential programs and growth in test scores can indicate progression in academic studies. Test scores reflect grade-level knowledge.
---	--

Average decrease in time for graduates to complete a 1-mile run	Program focuses on physical fitness and cadets are timed in 1-mile run on entry and exit of residential program.
---	--

% Cadets that graduate from residential phase ²	Goal of 75% to 80% based on national averages.
--	--

% Staff hired in last 12 months	"Excessive [staff] turnover may result in negative program- and cadet-level outcomes." ³
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Notes:

1 The federal cost per graduate data was from the National Guard Youth Challenge Program. "Challenge Program Facts." July 16, 2020. The IFO estimated the total cost per graduate.

2 Cadets that graduate residential phase / Cadets admitted to program after acclimation.

3 Constant, Louay, et al. "National Guard Youth Challenge Program Progress in 2017-18." Page 51. RAND Corporation (2019).

Notes on Measures

- The table above describes recommended performance measures once the school program commences.
- Many of these measures were taken from a series of RAND reports on the National Guard Youth Challenge academies throughout the United States. Those reports note that it is important to maintain contact with student mentors after a student graduates from the residential program for at least a year. The mentors should be able to provide information on if the student has been successfully placed (job, school or military service) as a way to measure the overall success of the program.

State Benchmarks

National Youth Challenge Academy Benchmarks in Existing State Programs									
	2015		2016		2017		2018		
	1st class	2nd class	1st class	2nd class	1st class	2nd class	1st class	2nd class	
% Youth who applied & eventually graduated	51%	49%	48%	47%	50%	49%	49%	49%	
<u>TABE Total Battery Score (only graduates)¹</u>									
Beginning of residential phase	7.0	6.8	6.8	6.7	6.7	6.7	--	--	
End of residential phase	8.8	8.7	8.9	8.9	8.9	8.8	--	--	
Grade level gained	1.8	1.9	2.1	2.2	2.2	2.1	--	--	
<u>Physical fitness of graduates (1-mile run)</u>									
Beginning of residential phase	10:09	10:04	10:18	10:24	10:14	10:10	10:19	10:19	
End of residential phase	8:29	8:22	8:11	8:37	8:10	8:32	8:29	8:37	
Decrease in time to complete 1-mile run	1:40	1:42	2:07	1:47	1:55	1:38	1:50	1:42	
<u>% Placement of cadets upon graduation²</u>									
Within 1 month of graduation	--	--	--	--	68%	--	68%	--	
Within 6 months of graduation	72%	--	63%	--	77%	--	79%	--	
Within 12 months of graduation	--	--	--	--	75%	--	79%	--	

1 See notes below.

2 Approximate values based on available data.

Source: "National Guard Youth Challenge Program Progress in 2018-19." RAND Corporation and same report for FY 2015-16, FY 2016-17 and FY 2017-18.

Notes on Measures

- The table above lists various annual metrics compiled from all state Challenge academies by the RAND Corporation in a report series that evaluates the success of these academies. Column headings denote the year in which the class began. There are two classes per year.
- TABE is a standardized test with questions in reading, language arts and math and used in adult basic and secondary education programs. Cadets are tested upon entry and exit of residential programs and higher test scores can indicate progress in academic studies. Test scores reflect cadets' grade-level knowledge. A score of 7.5 indicates a level of knowledge approximately equal to the fifth month of the seventh grade. A score of 9.0 has a reasonably good probability of passing the GED. In 2018, there was a change in the TABE test to reflect changes in educational standards based on the 2010 release of the K-12 educational Common Core State Standard (CCSS). Some sites began using the updated test in 2018 and all sites will begin using the new test in the near future.⁷ In the new test, there is no overall (battery) composite score. However, there are reading, language, and mathematics scoring areas. Moving forward, it will be necessary to track the individual academic areas separately. Results for the new tests cannot be compared over time to the older tests, but still can be used to track progress over the course of a cadet class.

⁷ Constant, Louay, et al. "National Guard Youth Challenge Program Progress in 2018-2019." RAND Corporation.

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Activity 5: Facilities Maintenance

The department is responsible for the acquisition, management, maintenance, construction, operation and environmental management of all land and facilities that support the department. The activity provides engineering and facility services to maintain the living, learning and working environment for service members, veterans and their families. Facilities maintenance for the Army National Guard currently oversees 934 buildings (6.9 million square feet) including Fort Indiantown Gap (FIG) National Guard Training Center, approximately 70 National Guard Readiness Centers and 18 National Guard Field Maintenance Shops. The cost of replacing all DMVA facilities at current standards is estimated at \$3.4 billion. Federal funds sustain 79 percent of facilities' square footage while state funds sustain the remaining 21 percent.

The primary goals are to modernize DMVA facilities through the (1) enhancement of FIG as a diverse, high-capacity major and regional training installation, (2) improvement of operations and facility programs to include green and sustainable designs and (3) investment in new technologies and infrastructure upgrades. The expected outcomes are to (1) meet critical readiness, outreach and health needs essential to provide service members and veterans with safe, well-maintained and adequately sized facilities and (2) reduce costs, protect the environment and increase resiliency.

Resources for Facilities Maintenance						
	15-16	16-17	17-18	18-19	19-20	20-21
	Actual	Actual	Actual	Actual	Actual	Budget
Expenditures by Object						
Personnel Services	\$22.62	\$23.72	\$23.74	\$25.35	\$24.10	\$26.46
Operational Expenses	18.41	19.83	21.94	22.52	24.87	30.25
Fixed Assets Expense	7.14	5.26	6.17	5.42	3.40	9.90
Non-Expense Items	<u>1.51</u>	<u>0.05</u>	<u>1.46</u>	<u>1.61</u>	<u>8.49</u>	<u>15.62</u>
Total	49.68	48.85	53.31	54.90	60.86	82.23
Expenditures by Fund						
General Fund (State)	\$8.75	\$9.11	\$9.28	\$9.37	\$8.97	\$10.37
General Fund (Augmentations)	0.35	0.33	0.34	0.31	0.30	0.27
General Fund (Federal)	39.06	38.49	41.93	43.63	50.24	70.17
State Treasury Armory Fund	<u>1.53</u>	<u>0.93</u>	<u>1.76</u>	<u>1.59</u>	<u>1.35</u>	<u>1.42</u>
Total	49.68	48.85	53.31	54.90	60.86	82.23
Average Weekly FTE Positions	276	282	288	285	280	293
Personnel Cost/FTE (\$ thousands)	\$81.8	\$84.0	\$82.4	\$88.8	\$86.2	\$90.3

Note: Expenditures in dollar millions. Actual expenditures are listed in the year the expenditure was recorded.

Performance Measures for Facilities Maintenance

	15-16	16-17	17-18	18-19	19-20	20-21
Activity Cost Analysis						
Activity cost per sq. foot ¹	--	--	\$7.82	\$8.01	\$8.89	\$11.83
Outcome						
% Armories and field sites rated adequate by PA Army National Guard ²	45%	50%	53%	53%	53%	53%
Emergency work order completion rate ^{3,4}	--	--	--	89%	92%	--
% Properties inspected ^{3,5}	--	20%	23%	20%	21%	--
Annual energy costs (\$ millions) ⁶	--	--	\$6.0	\$5.8	\$5.2	--
% DMVA's highest energy consuming structures receiving a level II energy audit ^{3,7}	--	10%	11%	13%	9%	--
% Facilities audited by the Environmental Performance Assessment System ^{2,3}	--	32%	42%	44%	45%	--

Notes:

1 IFO calculation. Total activity cost divided by total facility square footage. Facility square footage encompasses all aspects of a facility including, but not limited to, sidewalks, privately owned vehicles, military equipment parking, outside grounds and smoking shelters. Budget year calculation reflects appropriated state and federal funds.

2 See notes below.

3 Tracked by federal fiscal year.

4 The percentage of emergency work orders completed within three days from submission. Tracking started in federal fiscal year 2019.

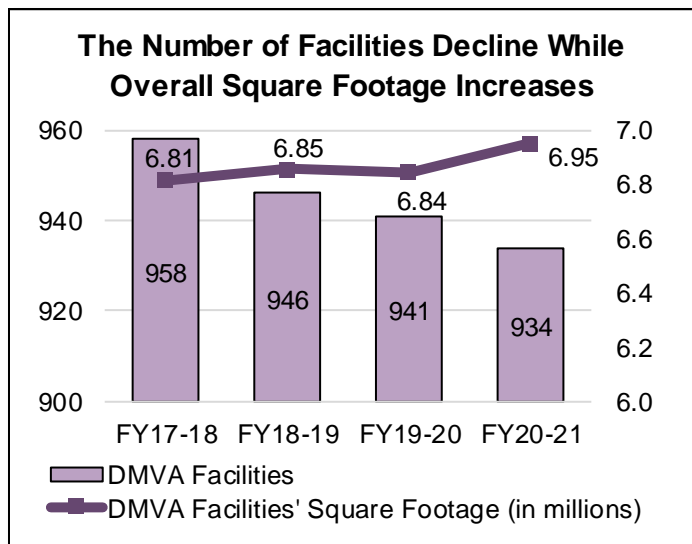
5 To ensure that all usable real property assets are correctly recorded on the Facilities Inventory and Support Plan. The goal is to inspect at least 20 percent of properties each year.

6 Includes electric, natural gas, oil, steam, propane and solar.

7 The goal is to audit 25 percent of the highest 75 percent of energy consuming structures annually.

Notes on Measures

- Ratings for armories and field sites are based on federal rules and procedures and performed by trained National Guard staff.
- The facilities annually audited by the Environmental Performance Assessment System is an assessment of the facility to determine compliance with state and federal environmental regulations. Every third-year, assessments are conducted externally by the National Guard Bureau. The goal is to audit 40 percent of facilities annually.



Activity 6: Administration

The administration activity provides organizational leadership and core support services. It includes the executive leadership functions associated with the Adjutant General, Deputies Adjutant General and the legal, legislative, communications and policy offices. It also includes human resources, information technology and financial management services.

Resources for Administration						
	15-16	16-17	17-18	18-19	19-20	20-21
	Actual	Actual	Actual	Actual	Actual	Budget
Expenditures by Object						
Personnel Services	\$8.90	\$8.40	\$9.30	\$9.10	\$10.83	\$11.07
Operational Expenses	2.66	3.79	2.39	4.30	7.88	10.79
Fixed Assets Expense	<u>0.00</u>	<u>0.00</u>	<u>-0.01</u>	<u>0.02</u>	<u>0.04</u>	<u>0.03</u>
Total	11.56	12.20	11.68	13.42	18.74	21.90
Expenditures by Fund						
General Fund (State)	\$10.80	\$12.26	\$10.98	\$13.52	\$17.58	\$20.40
General Fund (Augmentations)	0.00	0.00	0.00	0.05	0.00	0.00
General Fund (Federal)	0.76	-0.06	0.71	-0.15	1.16	1.50
State Treasury Armory Fund	<u>0.00</u>	<u>0.00</u>	<u>-0.02</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total	11.56	12.20	11.68	13.42	18.74	21.90
Average Weekly FTE Positions	93	94	93	93	98	98
Personnel Cost/FTE (\$ thousands)	\$95.7	\$89.8	\$100.0	\$98.2	\$110.4	\$113.0
Note: Expenditures in dollar millions. Actual expenditures are listed in the year the expenditure was recorded.						

Performance Measures for Administration

	15-16	16-17	17-18	18-19	19-20	20-21
Descriptive						
<u>Agency FTE¹</u>						
Veterans homes	1,892	1,876	1,848	1,831	1,829	1,889
All other activities	511	522	526	520	527	547
<u>Overtime costs (\$ thousands)</u>						
Veterans homes	\$2,413	\$3,162	\$3,528	\$4,065	\$4,688	--
All other activities	\$580	\$685	\$866	\$876	\$817	--
HR costs (\$ thousands) ¹	\$4,373	\$4,685	\$4,871	\$5,435	\$5,621	--
IT costs (\$ thousands) ¹	\$3,622	\$3,959	\$3,598	\$4,793	\$9,135	--
Efficiency						
<u>Overtime cost per agency FTE</u>						
Veterans homes	\$1,275	\$1,686	\$1,909	\$2,221	\$2,564	--
All other activities	\$1,135	\$1,312	\$1,646	\$1,683	\$1,550	--
HR cost per agency FTE ¹	\$1,820	\$1,954	\$2,051	\$2,312	\$2,387	--
IT cost per agency FTE ¹	\$1,507	\$1,651	\$1,515	\$2,039	\$3,878	--
Outcome						
<u>Staff turnover rate</u>						
Veterans homes	22%	23%	22%	21%	23%	--
All other activities	8%	8%	10%	11%	11%	--

Note:

¹ See notes below.

Notes on Measures

- Agency FTE counts reflect budgeted FTE positions in FY 2020-21.
- In FY 2017-18, executive agency human resources (HR) services and information technology (IT) complement were consolidated under the Office of Administration (OA). During this transitional year, executive agencies continued to pay the personnel costs associated with the HR and IT complement transferred to OA. Beginning in FY 2018-19, agencies are billed for these services as well as for a portion of the HR and IT enterprise budget previously appropriated to OA.

Appendix

Performance-Based Budgeting and Tax Credit Review Schedule

Year		Performance-Based Budgets				
1	Corrections	Board of Probation and Parole	PA Commission on Crime & Delinquency	Juvenile Court Judges' Commission	Banking and Securities	General Services
2	Economic & Community Development	Human Services – Part 1	Health	Environmental Protection	PA Emergency Management Agency	State
3	PennDOT	Human Services – Part 2	State Police	Military & Veterans Affairs		
4	Education	Human Services – Part 3	Aging	PA Historical & Museum Commission	Agriculture	Labor and Industry
5	Drug and Alcohol Programs	Insurance	Revenue	Executive Offices	Environmental Hearing Board	Conservation and Natural Resources
Year		Tax Credits				
1	Film Production	New Jobs	Historic Preservation Incentive			
2	Research and Development	Keystone Innovation Zones	Mobile Telecom and Broadband	Organ and Bone Marrow		
3	Neighborhood Assistance	Resource Enhancement and Protection (REAP)	Entertainment Economic Enhancement Program	Video Game Production	Keystone Special Development Zones	
4	Educational Tax Credits	Coal Refuse and Reclamation	Mixed Use	Community-Based Services		
5	Resource Manufacturing	Brewers'	Computer Data Center	Manufacturing and Investment	Waterfront Development	Rural Jobs and Investment

 Independent Fiscal Office

Agency Response



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
OFFICE OF THE ADJUTANT GENERAL
BUILDING 0-47, EDWARD MARTIN HALL
FORT INDIANTOWN GAP
ANNVILLE, PENNSYLVANIA 17003-5002

December 16, 2020

Dr. Matthew J. Knittel, Director
The Independent Fiscal Office
Rachel Carson State Office
400 Market Street
Harrisburg, PA 17105

Dear Dr. Knittel:

Thank you for the opportunity to review the Independent Fiscal Office (IFO) draft Performance Based Budget (PBB) report for the Department of Military and Veterans Affairs (DMVA). We appreciate the efforts of your staff to assist DMVA in the development of the report and the performance outcome metrics.

DMVA has a dual mission: to provide quality service to the commonwealth's veterans and their families, and to oversee and support the members of the Pennsylvania National Guard (PNG). We provide resources and assistance to Pennsylvania's more than 700,000 veterans and their families by providing quality care for aging and disabled veterans. This includes six state veterans' homes in Pennsylvania with an estimated 1,900 staff members providing quality care for approximately 1,300 residents.

In addition, we prepare almost 20,000 Pennsylvania National Guard service members for potential national and global combat as well as support state and local authorities in times of natural disaster or civil strife.

Calendar year 2020 has been challenging for our commonwealth, the nation, and the world. DMVA staff and PNG service members have assisted with the COVID-19 battle in the Pennsylvania health-care arena as well as in long-term care facilities across the state. Thousands of PNG service members have also assisted in protecting Pennsylvanians during civil disturbances.

Recently, the Governor and DMVA announced the implementation of PA VETConnect – the pathway to a better means of serving Pennsylvania's veterans. The objectives of PA VETConnect are simple: determine the needs of veterans and their beneficiaries, find resources that meet those needs, and connect veterans with those resources. DMVA has staff living and working in communities across the commonwealth who are doing just that on a daily basis. This program, in addition to partnerships with federal entities, has been very successful in connecting veterans with state and federal service providers.

Dr. Matthew J. Knittel, Director
December 16, 2020
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DMVA is committed to measuring outcomes, and in 2019, began developing DMVA Results Management; a tool to collect and measure data and measures to enhance decision-making. We are in agreement with the IFO report and will continue to refine and develop benchmarks in order to better serve the citizens of Pennsylvania.

Sincerely,

A handwritten signature in black ink, appearing to read 'M.J. Schindler', written in a cursive style.

Mark J. Schindler
Major General, Pennsylvania
Army National Guard
Acting Adjutant General