

# **Texas Veterans Land Board Self-Evaluation Report**



Prepared for the

**Sunset Advisory Commission**



**August 2005**

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## I. Agency Contact Information

<b>Veterans Land Board Exhibit 1: Agency Contacts</b>				
	<b>Name</b>	<b>Address</b>	<b>Telephone &amp; Fax Numbers</b>	<b>E-mail Address</b>
<b>Agency Head</b>	Paul Moore Executive Secretary	1700 N. Congress, Rm 700 Austin, TX 78711	512-463-5401 512-475-1425 fax	<a href="mailto:Paul.moore@glo.state.tx.us">Paul.moore@glo.state.tx.us</a>
<b>Agency's Sunset Liaison</b>	Martha Zottarelli Governmental Relations	1700 N. Congress, Rm 1003 Austin, TX 78711	512-463-6119 512-305-8937	<a href="mailto:Martha.zottarelli@glo.state.tx.us">Martha.zottarelli@glo.state.tx.us</a>

## II. Key Functions and Performance

### A. Provide an overview of your agency's mission, objectives, and key functions.

The Texas Veterans Land Board (the "VLB") is a division of the Texas General Land Office (the "GLO") and is primarily engaged in providing long-term, low-interest rate loans to eligible Texas veterans for the purposes of purchasing land and housing and making home improvements. The VLB also is responsible for the construction, operation, and oversight of Texas State Veterans Homes and Texas State Veterans Cemeteries.

Early in its history, Texas gave land to its veterans in recognition of their military service. However, as public land became scarce, and more valuable, it became more difficult to simply give away. As a result, the return of WWII veterans in 1946 prompted the Legislature to create the VLB to continue the tradition of rewarding Texas veterans for their service by providing them with low-interest rate loans to purchase land.

Since its inception, more than 120,000 Texas veterans have taken advantage of the completely self-supporting loan program. The loans in the program are funded through the issuance of bonds and the recycling of loan repayments and investment earnings. Loan repayments and investment earnings are also used to pay the debt service on outstanding bonds. No general revenue funds are appropriated for the program.

The mission of the VLB is to provide the very best service to Texas veterans through timely and courteous loan processing and servicing, sound administrative decisions, and innovative ideas for program enhancements.

Objectives For FY 2005:

- Manage program assets to cover 100 percent of loan demand, debt service, and program expenses;
- Reach one-third of Texas veterans annually with program information;
- Maintain delinquency and foreclosure ratios at less than industry averages; and,
- Provide veterans with quality nursing home care and dignified burial sites.

Key Functions of the VLB are:

- Loan Origination
- Loan Servicing
- Oversight of the construction and operations of Texas State Veterans Homes
- Oversight of the construction and operations of Texas State Veterans Cemeteries
- Marketing and outreach to Texas veterans
- Communications Center

**B. Do each of your key functions continue to serve a clear and ongoing objective? Explain why each of these functions is still needed. What harm would come from no longer performing these functions?**

The VLB gives Texas veterans the opportunity to save money on land, housing and home-improvement loans by providing below-market interest rates. In addition, it is a partner with the U.S. Department of Veterans Affairs (the “USDVA”) in building and operating long-term skilled care nursing homes and cemeteries for Texas veterans.

Each of the Key Functions continues to serve a clear and ongoing objective:

VLB Land Loan Origination and Servicing: The Veterans Land Program is the only one of its kind in the country. The uniqueness of the program and the legal and financial parameters under which it operates require a sophisticated set of policies and systems in order to ensure that it functions effectively. The VLB has developed its own custom software to originate and service these loans in accordance with the parameters described above. The institutional knowledge of VLB staff, as well as our commitment to provide veterans with the very best customer service possible, is not readily found in the private sector. The elimination of the program would severely impact the delivery of these land loan benefits to Texas veterans.

Veterans Homes and Veterans Cemeteries: The VLB and the USDVA are partners in the construction and operation of long-term skilled nursing care and burial facilities for veterans in Texas. The VLB submits applications to the USDVA for funding, provides partial financing and financial planning and management, furnishes construction oversight and planning, and provides operational oversight for each of the veterans homes and cemeteries. With limited federal dollars, timely and complete applications are necessary for approval of new applications for veterans home and cemetery construction grants. The consequences of the reduction or elimination of these functions would mean other states, not Texas, would receive those federal grants.

Outreach Marketing: VLB Outreach Marketing staff are available outside the Austin headquarters to provide information about VLB programs to veterans around the state. They provide information, present seminars, and interact with other veterans service organizations to increase awareness of the benefits available to Texas veterans. Outreach staff are continually visiting Texas communities to build relationships and inform veterans of VLB programs. The VLB is a self-supporting entity. In order to remain self-supporting, it needs to continually generate interest in loans, nursing home care and interment services. Without proper marketing, awareness of and participation in VLB programs, they would inevitably decline, resulting in less revenue generated to continue the programs.

Communication Center: The toll-free Veterans Hotline was established to provide information on VLB programs and as a valuable resource for Texas veterans. Communications Center staff also frequently refer veterans with other concerns or issues to other veterans service providers throughout the state. For example, a Memorandum of Understanding (MOU) was signed between the VLB and the Texas Veterans Commission (the “TVC”) to share information and other non-financial resources that may provide valuable information to Texas veterans. Without this centralized veterans information clearinghouse, veterans service agencies would be forced to set up their own call center and veterans would have to call each agency individually to identify programs for which they may qualify.

**C. What evidence can your agency provide to show your overall effectiveness and efficiency in meeting your objectives?**

**Performance Measures reported to the Legislative Budget Board for FY 04**

<b>OBJECTIVE:</b>	<b>FY 04</b>	<b>Goal</b>	<b>% of Goal</b>
<b>Manage program assets to cover 100% of loan demand, debt service, and program expenses</b>			
3.1.1 OP 02 Dollar Volume of Program Loans Originated by Participating Lenders	1,010,441,321	330,000,000	306.19%
3.1.1 OP 03 Dollar Volume of Program Loans Originated by the Veterans Land Board	25,899,206	20,000,000	129.50%
3.1.1 OP 04 Dollar Volume of Program Loans Serviced by Participating Lenders	1,261,978,122	1,880,000,000	67.13%
3.1.1 OP 05 Dollar Volume of Program Loans Serviced by Veterans Land Board	445,608,177	465,000,000	95.83%
3.1.1 EF 01 Percent of Debt Service, Loan Demand and Program Costs Self-Funded	100%	100%	100%
<b>OBJECTIVE: Reach one-third of Texas veterans annually with program information</b>			
3.1.1 Percent of Veterans Reached Through Outreach Efforts	36.28%	33%	109.95%
3.1.1 OP 01 Number of veterans contacted	623,977	568,000	109.86%
<b>OBJECTIVE: Maintain delinquency and foreclosure ratios to at less than industry averages</b>			
3.1.1 EF 02 Percent of Delinquent Loans in Portfolio	4.11%	5.5%	74.79%
3.1.1 EF 03 Percent of Foreclosed Loans in Portfolio	.53%	.45%	117.83%
<b>OBJECTIVE: Provide veterans with quality nursing home care and dignified burial sites</b>			
3.1.2 OP 01 Occupancy Rate at Veterans Homes	91.15%	85%	107.24%

**D. Does your agency's enabling law continue to correctly reflect your mission, objectives, and approach to performing your functions? Have you recommended changes to the Legislature in the past to improve your agency's operations? If so, explain. Were the changes adopted?**

The agency's enabling legislation continues to reflect the Veterans Land Board's mission, objectives and approach to serving Texas veterans with well-earned benefits and the highest quality of customer service. Recent key changes were recommended to the Legislature and all were enacted.

2003: Legislation (HB3211, 78<sup>th</sup> Legislature) was passed to allow former members of the Armed Forces of the Republic of Vietnam to be eligible for participation in a portion of the housing assistance and home-improvement loan programs.

2003: Constitutional Amendment #1 (HJR 68, 78<sup>th</sup> Legislature) was approved by 81% of the voters and allows the VLB to use excess assets in the Veterans Land and Housing Assistance Programs for the construction, operation and maintenance of the state veterans homes and the operation and maintenance of state veterans cemeteries, rather than issuing new bonds for those purposes. This change alone could result in estimated savings of approximately \$1.35 million per veterans home by eliminating the costs of issuance and capitalized interest typically associated with the issuance of revenue bonds.

2003: Legislation (HB 2396, 78<sup>th</sup> Legislature) allowed the VLB to raise the maximum amount for a VLB land loan from \$40,000 to \$60,000. The minimum acreage required for purchase was reduced from five to one acre, enabling veterans to borrow money in the Veterans Land Program to purchase land closer to urban areas where tracts of five acres or greater in size are less common.

2005: Legislation (SB 581, 79<sup>th</sup> Legislature) exempted the building of veteran homes and cemeteries from Texas Building and Procurement Commission (TBPC) oversight. The result is a streamlined process for building veteran homes and cemeteries and increased efficiency by elimination of duplicative efforts by the TBPC and VLB.

**E. Do any of your agency's functions overlap or duplicate those of another state or federal agency? Explain if, and why, each of your key functions is most appropriately placed within your agency. How do you ensure against duplication with other related agencies?**

No other state or federal agency provides land, housing or home improvement loans exclusively for Texas veterans.

The USDVA provides long-term skilled nursing care to veterans at some of its current hospitals and also operates and maintains federal veteran cemeteries. However, the USDVA has no plans to construct additional federal facilities and is instead turning those functions over to the states.

**F. In general, how do other states carry out similar functions?**

Programs of the Veterans Land Board, and similar programs offered (or not) by other states are listed below:

**STATE VETERANS NURSING HOME PROGRAM**

All but three states currently have a State Veterans Home Program with operational homes. Alaska, Delaware and Hawaii have been awarded state veterans home grants, but have not completed construction.

**STATE VETERANS CEMETERY PROGRAM**

All states (except those listed below) have state veterans cemeteries or are in the process of completing construction.

Alabama, Alaska, Florida, Louisiana, Mississippi, New Mexico, New York, Oregon, South Carolina

**STATE HOUSING LOAN PROGRAM**

Currently, only Alaska, California, Mississippi, Oregon, Texas, and Wisconsin have state programs to assist veterans in purchasing a home.

**STATE LAND LOAN PROGRAM**

Only Texas provides veterans the opportunity to finance the purchase of raw land through a land loan program.

In Alaska, the Veterans Land Discount program allows certain veterans a 25% discount on the purchase price of state residential/recreational land. The discount may be used only once during the veteran's lifetime and may not be used in conjunction with the veteran's preference.

Under the Veterans Land Sale Preference, before offering to the general public any unoccupied residential land by auction, a veteran has the exclusive opportunity to purchase the land at a restricted sale at fair appraised market value. Parcels that are offered under this preference must be five acres or less, classified as settlement land and zoned for residential use only.

**STATE HOME-IMPROVEMENT LOAN PROGRAM**

Texas is the only known state to offer loans for select home-improvement projects to its veterans.

States that have been awarded state veterans homes and/or veterans cemeteries operate similarly under USDVA guidelines. Some states operate the facilities with state employees. Texas contracts out the operations function to private operators.

### **G. What key obstacles impair your agency's ability to achieve its objectives?**

Loan program participation is affected by the overall economic health of Texas and the nation. Factors that may affect the competitiveness of VLB loan rates include:

- Changes in federal statutes or other actions resulting in changes to the rules concerning the use of tax exempt bonds
- Changes in market interest rates
- Changes in investor interest that may affect the pricing of VA/FHA-guaranteed loans
- Competition from local commercial lenders

The VLB will require improved automation, technical training and creative financing mechanisms to be able to continue offering efficient and effective services.

Occupancy in Texas State Veterans Homes can be impacted by the cost of providing long-term skilled nursing care, the economic health of Texas and the nation, and federal regulations regarding financial assistance to veterans. A failure to maintain adequate occupancy rates could put pressure on the facilities' ability to remain self-supporting.

Delays in federal approvals, construction delays, and difficulty finding suitable operators could impact targeted performance of the State Veterans Cemeteries.

### **H. Discuss any changes that could impact your agency's key functions in the future (e.g., changes in federal law or outstanding court cases).**

Changes in federal funding priorities could impact the Veterans Land Board's ability to continue to offer attractive benefits to Texas veterans. Currently, a USDVA construction grant program funds up to 65% of the qualified construction costs of State Veterans Homes. The USDVA also provides a daily per diem to veterans residing in State Veterans Homes. Another USDVA construction grant program funds up to 100% of the qualified construction and equipment costs of State Veterans Cemeteries. Federal funding changes could result in a halt to the construction of veterans homes and/or cemeteries and higher room rates for veterans may result if the daily per diem paid to veterans in State Veterans Homes is reduced.

An extension of the federal legislation that allows Texas and four other states (California, Oregon, Wisconsin, and Alaska) to use private activity bonds, known as Qualified Veterans Mortgage Bonds (QVMBs), as a funding source for low interest loans would positively impact the Veterans Housing Assistance Program. Current federal bills are H.R. 2952 and S. 1449 of the 109<sup>th</sup> Congress. Unless extended, new funds would primarily come from taxable funding sources resulting in less competitive interest rates on VLB loans.

### **I. What are your agency's biggest opportunities for improvement in the future?**

The agency's biggest opportunities for improvement in the future lie in developing more effective methods for delivering the services required in administering VLB programs in the most cost-efficient manner possible. For example, transitioning the processing of loan applications from a paper to a Web-based delivery and acceptance system could hasten the application process and minimize mistakes that can delay approvals. The agency is also exploring new opportunities to increase its visibility and market its programs throughout the different generations of veterans it serves.

**J. In the following chart, provide information regarding your agency's key performance measures included in your appropriations bill pattern, including outcome, input, efficiency, and explanatory measures.**

**(Veterans Land Board)**

**Exhibit 2: Key Performance Measures — Fiscal Year 2004**

<b>Key Performance Measures</b>	<b>FY 2004 Target</b>	<b>FY 2004 Actual Performance</b>	<b>FY 2004 % of Annual Target</b>
% of Veterans Reached Through Outreach Efforts	33%	36.28%	109.95%
Dollar Volume of Program Loans Serviced by Texas Veterans Land Board	465,000,000	445,608,177	95.83%

### III. History and Major Events

**Provide a timeline of your agency's history, and key events.**

- 1946 Legislature created the Veterans Land Board
- 1948 Land Finance Program introduced
- 1983 Home Loan Program introduced
- 1986 Home Improvement Loan Program introduced
- 1997 Legislature created the State Veterans Home Program
- 2001 Legislature created the State Veterans Cemeteries Program

#### **Recent Key Changes:**

2004: Board mandated that new-construction loans in the Veterans Housing Assistance Program only may be used to purchase homes that meet the U.S. Environmental Protection Agency's ENERGY STAR® rating as energy efficient homes.

2004: Board discontinued the Greenbuilding and Troops to Teachers discounts. The interest rate discounts previously associated with these programs have been redirected to reduce the overall base rate for the Housing and Home Improvement Programs.

2004: Board raised the eligibility requirement for the Veterans with Disabilities Discount to a USDVA compensable disability rating of 50% or higher. Previously, veterans who had a rating of 10% (meaning 10% disabled as determined by the USDVA) were eligible for the discount. This was done to bring the eligibility requirement in line with most disabled veterans benefit programs offered by other state and federal agencies.

## IV. Policymaking Structure

### A. Complete the following chart providing information on your policymaking body members.

<b>Veterans Land Board Exhibit 3: Policymaking Body</b>			
<b>Member Name</b>	<b>Term/ Appointment Dates/ Appointed by</b>	<b>Qualification (e.g., public member, industry representative)</b>	<b>City</b>
Jerry Patterson Commissioner of the Texas General Land Office	4-year term Statewide elected official Term expires 01/02/2007	Chairman	Austin
Mike Ussery  <b>Deceased 6/14/05</b>	4-year term Appointed by Governor Term expired 12/29/2004	Board Member Veterans Advocate	Amarillo
Cephus S. Rhodes	4-year term Appointed by Governor Term expires 12/29/2006	Board Member Financial	El Paso

### B. Describe the primary role and responsibilities of your policymaking body.

The primary role of the Veterans Land Board (the “Board”) is to review and determine all policy and procedural matters pertaining to the administration of the programs of the Veterans Land Board in compliance with the Texas Government Code, Chapter 572; the Texas Penal Code, Chapters 36 & 39; the Texas Natural Resources Code, Chapters 161, 162 & 164; and the Texas Constitution, Sections 49-b.

General duties of the Board are to: 1) authorize and execute negotiable bonds as provided by law; 2) provide by resolution for use of the funds in a manner that will effectuate the intent of the constitution and the law; 3) prescribe the interest rates as provided by law; 4) provide for the forfeiture of contracts of sale and purchase and resale of forfeited land; 5) conduct investigations it considers necessary; and 6) formulate policies and rules necessary and not in conflict with the law to ensure the proper administration and to carry out the intent and purposes of the law.

**C. How is the chair selected?**

The Commissioner of the Texas General Land Office statutorily chairs the Texas Veterans Land Board. The Chief Clerk of the General Land Office may act as chair in the Commissioner's absence.

**D. List any special circumstances or unique features about your policymaking body or its responsibilities.**

The Veterans Land Board membership is prescribed in Article 3, Section 49-b (a) of the Texas Constitution. The Constitution states that the Veterans Land Board shall consist of the Commissioner of the General Land Office and two appointees of the Governor with backgrounds in veterans' issues and finance. The members are appointed biennially to serve four-year terms.

**E. In general, how often does your policymaking body meet? How many times did it meet in FY 2004? in FY 2005?**

The Veterans Land Board generally meets monthly. The Board may choose to cancel a meeting if there are no items requiring Board action. The Board held eleven meetings in FY 04 and eight meetings in FY 05.

**F. What type of training do members of your agency's policymaking body receive?**

The Executive Secretary, as well as the GLO's Chief Clerk and Deputy Commissioner of Funds Management provide new Board members with an orientation. Prior to service, Board members also receive information regarding:

- o Texas Government Code, Chapter 572, Personal Financial Disclosure, Standards of Conduct and Conflict of Interest;
- o Texas Penal Code, Chapter 36, Bribery and Corrupt Influence
- o Texas Penal Code, Chapter 39, Abuse of Office
- o Natural Resources Code, Chapter 161, Veterans Land Board
- o Natural Resources Code, Chapter 162, Veterans Housing Assistance Program
- o Natural Resources Code, Chapter 164, Veterans Financial Assistance Program
- o Texas Constitution, Article 3, Section 49-b, Veterans Land Board; Bond Issues; Veterans Land Fund; Veterans Housing Assistance Fund; Veterans Housing Assistance Fund II
- o Texas Administrative Code, Chapter 175, General Rules of the Veterans Land Board
- o Texas Administrative Code, Chapter 176, Veterans Homes
- o Texas Administrative Code, Chapter 177, Veterans Housing Assistance Program
- o Texas Administrative Code, Chapter 178, Texas State Veterans Cemeteries
- o Public Information Handbook 2004, Opening Meetings Act

In addition, the Executive Secretary reviews VLB programs and services, Board rules, roles and functions of the Board and the divisions of the Board, Board budget, Board audits, and travel reimbursement.

**G. Does your agency have policies that describe the respective roles of the policymaking body and agency staff in running the agency? If so, describe these policies.**

The Texas Constitution sets the requirements for the respective roles of the Board.

Texas Administrative Code, Chapter 175, Rule 175.22 Duties and Responsibilities of Chairman, Executive Secretary and Assistant Executive Secretary – this rule states clearly the General Land Commissioner is the chairman and administrator of the Veterans Land Board, that the chief clerk may perform duties if necessary, that the board selects the executive secretary and assistant executive secretary, and the chairman can delegate nondiscretionary responsibilities.

Texas Administrative Code, Chapter 176, Veterans Homes, Rule 176.10 Rights of Board – this rule makes it clear that the Board is the final authority on interpretation and application of rules related to Veterans homes.

Texas Administrative Code, Chapter 177, Veterans Housing Assistance Program, Rule 177.13 Rights of Board – this rule makes it clear that the Board is the final authority on interpretation and application of rules related to the veterans housing assistance program.

Texas Administrative Code, Chapter 178, Texas State Veterans Cemeteries, Rule 178.2 Authority – this rule outlines the circumstances under which the Board may issue a waiver from any requirement of Chapter 178. The rule also makes it clear that the Board is the final authority on interpretation and application of rules related to veterans cemeteries.

**H. What information is regularly presented to your policymaking body to keep them informed of your agency's performance?**

Information presented to the Board on a regular basis includes an update by the Deputy Commissioner of Funds Management on the current market and VLB interest rates and VLB investment portfolio performance strategy; a summary of current census levels in the Texas State Veterans Homes by the Director of Texas State Veterans Homes; an update on the construction of any Texas State Veterans Homes or Texas State Veterans Cemeteries by the Senior Project Manager.

**I. How does your policymaking body obtain input from the public regarding issues under the jurisdiction of the agency? How is this input incorporated into the operations of your agency?**

In addition to public Board meetings, the agency also participates in Customer Service Surveys conducted by the General Land Office, and tracks customer compliments and complaints. Input is also gathered from veterans who attend free veterans benefits seminars. Issues identified through public input that require Board approval are researched by staff and submitted to the Board for discussion and deliberation.

**J. If your policymaking body uses subcommittees or advisory committees to carry out its duties, fill in the following chart.**

<b>Veterans Land Board Exhibit 4: Subcommittees and Advisory Committees</b>			
<b>Name of Subcommittee or Advisory Committee</b>	<b>Size/Composition/How are members appointed?</b>	<b>Purpose/Duties</b>	<b>Legal Basis for Committee</b>
State Veterans Cemetery Site Selection Committee	Appointed, as needed, by Executive Secretary of VLB.  GLO/VLB employees. Size varies from 3-5 individuals.  Composition has been a combination of all or some of the following: Attorney, Administration Deputy Commissioner, Project Manager, Director of Cemetery Operations, Director of State Veterans Homes.	From review of the Request for Proposals, the committee makes recommendations to Texas State Veterans Cemetery Committee of the best possible sites for cemeteries to serve the veterans of the state.	None
State Veterans Home Site Selection Committee	Appointed, as needed, by Executive Secretary of VLB.  GLO/VLB employees. Size varies from 3-5 individuals.  Composition has been a combination of all or some of the following: Attorney, Administration Deputy Commissioner, Project Manager, Director of Cemetery Operations, Director of State Veterans Homes.	After review of the Request for Proposals, the committee makes recommendations to the Chief Clerk and Executive Secretary on the sites for the homes. The agency has the authority to make the final decision on the site.	None
State Veterans Cemetery Committee	Six-member committee consisting of the VLB Board, Chairman of Texas Veterans Commission, plus two representatives of the veteran community selected by the Chairman of the Texas Veterans Commission.  Composition set by statute.	Charged with establishing guidelines for determining: a) location and size of cemeteries, b) eligibility for burial, and the selection of up to 7 cemetery locations across state.	Section 164, Natural Resources Code

<p>State Veterans Home Naming Committee</p>	<p>Seven member committee consisting of the adjutants of the Veterans of Foreign War, American Legion, and Disabled American Veterans; the Executive Director of the Texas Veterans Commission; the Chief Clerk of the General Land Office, Executive Secretary and Veterans Liaison of the Veterans Land Board.</p> <p>Composition of committee was proposed by VLB staff and approved by the Executive Secretary.</p>	<p>The committee is charged with evaluating nominations submitted for naming of each Texas State Veterans Home and making its recommendation to the Board.</p>	<p>None</p>
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## V. Funding

### A. Provide a brief description of your agency's funding.

The Veterans Land Board (VLB) is funded primarily with the loan repayments and investment earnings associated with VLB-issued bonds through Veterans Land Program Administration Fund No. 522 and Texas Veterans Homes Administration Fund No. 374. During the construction phase of the Texas State Veterans Homes and Texas State Veterans Cemeteries, federal grant funds are also used. All VLB programs are fully self-supporting.

### B. List all riders that significantly impact your agency's budget.

In the G.A.A. 79<sup>th</sup> Leg., R.S. Conference Committee Report on SB 1:  
 Rider 4, Appropriation Source: Veterans' Land Program;  
 Rider 6, Transfer Authority; Rider 8, Unexpended Balances within the Biennium;  
 Rider 10, Reporting Requirements: Veterans' Land Board Loan Programs;  
 Rider 11, Medicaid Reimbursement Rates for Texas State Veterans Homes;  
 Rider 12, State Veterans Homes

### C. Show your agency's expenditures by strategy.

<b>Veterans Land Board</b>	
<b>Exhibit 5: Expenditures by Strategy — Fiscal Year 2004 (Actual)</b>	
<b>Goal/Strategy</b>	<b>Amount</b>
Provide Benefit Programs to Texas Veterans/Veterans Loan Programs	\$11,788,397
Provide Benefit Programs to Texas Veterans/State Veterans Homes	\$2,116,167
Provide Benefit Programs to Texas Veterans/State Veterans Cemeteries	\$1,412,062
<b>GRAND TOTAL:</b>	<b>\$15,316,626</b>

**D. Show your agency's objects of expense for each category of expense listed for your agency in the General Appropriations Act FY ~~2005-2006~~ 2004-2005. Add columns and rows as necessary.**

<b>Veterans Land Board</b>			
<b>Exhibit 6: Objects of Expense by Program or Function — Fiscal Year 2005</b>			
<b>Object-of-Expense</b>	<b>Veterans Loan Programs</b>	<b>State Veterans Homes</b>	<b>State Veterans Cemeteries</b>
Salaries and Wages	\$9,856,016	\$1,580,690	\$120,409
Other Personnel Costs	\$283,430	\$20,800	\$31,890
Professional Fees and Services	\$341,478	\$110,050	
Fuels and Lubricants	\$4,178		
Consumable Supplies	\$149,238	\$34,482	\$973
Utilities	\$53,141	\$976	\$500
Travel	\$226,547	\$58,190	\$5,245
Rent-Building	\$95,270		
Rent-Machine and Other	\$52,996		\$5,045
Other Operating Expense	\$905,038	\$267,551	\$261,357
Capital Expenditures	\$80,000	\$186,924	\$1,881,184
<b>Total</b>	<b>\$12,047,332</b>	<b>\$2,259,663</b>	<b>\$2,306,603</b>

**E. Show your agency's sources of revenue. Include all local, state, and federal appropriations, all professional and operating fees, and all other sources of revenue collected by the agency, including taxes and fines.**

<b>Veterans Land Board Exhibit 7: Sources of Revenue — Fiscal Year 2004 (Actual)</b>	
<b>Source</b>	<b>Amount</b>
Veterans Land Program Administrative Fund No. 522	\$14,539,265
Veterans Homes Administration Fund No. 374	\$77,146
Federal Funds	\$1,005,677
<b>TOTAL</b>	<b>\$15,622,088</b>

**F. If you receive funds from multiple federal programs, show the types of federal funding sources.**

<b>Veterans Land Board Exhibit 8: Federal Funds — Fiscal Year 2004 (Actual)</b>				
<b>Type of Fund</b>	<b>State/Federal Match Ratio</b>	<b>State Share</b>	<b>Federal Share</b>	<b>Total Funding</b>
Veterans Administration (Cemetery Program)	0/100	\$0	\$1,005,677	\$1,005,677
<b>TOTAL</b>			<b>\$1,005,677</b>	<b>\$1,005,677</b>

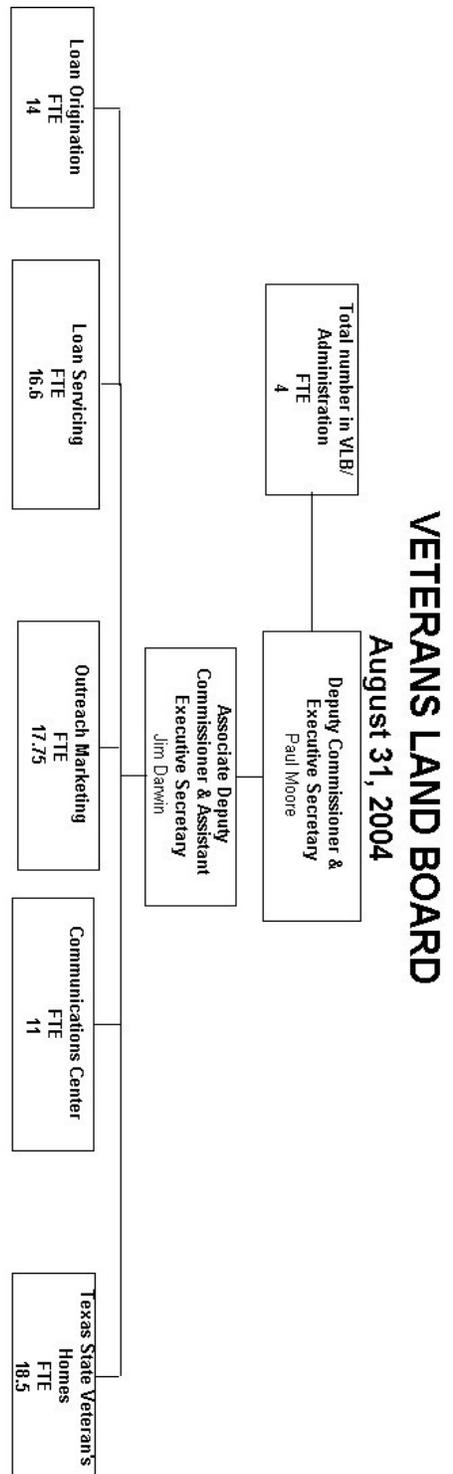
**G. If applicable, provide detailed information on fees collected by your agency.**

<b>Veterans Land Board Exhibit 9: Fee Revenue — Fiscal Year 2004</b>				
<b>Fee Description/ Program/ Statutory Citation</b>	<b>Current Fee/ Statutory maximum</b>	<b>Number of persons or entities paying fee</b>	<b>Fee Revenue</b>	<b>Where Fee Revenue is Deposited (e.g., GR)</b>
Regular or first appraisal of a tract of land/NRC 161.070	\$250	700	\$167,411.21 (This figure includes partial payments made by veterans reinstating loans previously in forfeiture status)	General Revenue Fund
Reappraisal of a tract of land/NRC 161.070	\$100	0	0	General Revenue Fund
Subdivision pre-appraisal and consultation fee/NRC 161.070	\$2 per acre/ minimum of \$250	213	\$53,310	General Revenue Fund
Returned check fee/NRC 161.070	\$25	213	\$5,339	Appropriated Receipts/GR
Contract of sale and purchase/NRC 161.070	\$75	673	\$50,460	General Revenue Fund
Mineral lease or assignment of mineral lease/NRC 161.070	\$75	135	\$10,163	General Revenue Fund
Easement, utility easements, access right of ways and recreational/NRC 161.070	\$75	74	\$5,545	General Revenue Fund
Transfer of contract and sale purchase/NRC 161.070	\$75	314	\$23,588	General Revenue Fund
Deed issued when a portion of a tract is severed prior to full payment of its loan/NRC 161.070	\$75	158	\$11,883	General Revenue Fund
Fee for a deed issued when a loan is paid in full if the contract incorporates this chapter by reference, or includes a general reference to the rules and/or regulations of the board/NRC 161.070	\$75	2,565	\$192,380	General Revenue Fund

The amount of the fee that was in effect on the date the contract was executed if the contract contains no reference to the rules and/or regulations of the board. /NRC 161.070	Variable/not more than the fee in effect when contract was executed		Combined with paid in full revenue above	General Revenue Fund
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## VI. Organization

A. Provide an organizational chart that includes major programs and divisions, and shows the number of FTEs in each program or division.



**B. If applicable, fill in the chart below listing field or regional offices.**

<b>Veterans Land Board Exhibit 10: FTEs by Location — Fiscal Year 2004</b>			
<b>Headquarters, Region, or Field Office</b>	<b>Location</b>	<b>Number of Budgeted FTEs, FY 2004</b>	<b>Number of Actual FTEs as of August 31, 2004</b>
Headquarters	Austin	63.10	59.60
Field Office, Outreach/Marketing Central Texas Region	Temple (Residence)	1	1
Field Office, Outreach/Marketing Gulf Coast Region	Corpus Christi (Office, rented)	2	2
Field Office, Outreach/Marketing North/East Texas Region	Dallas (Residence)	4	4
Field Office, Outreach/Marketing West Texas Region	El Paso (Office, co-located)	2.25	2
Field Office, Outreach/Marketing Houston Region	Houston (Office, rented)	3.5	2.5
Field Office, Outreach/Marketing South Texas Region	McAllen (Residence)	1	1
Field Office, Outreach/Marketing San Antonio Region	San Antonio (Office, rented)	2	2
Field Office, Veterans Home OSR	Temple TSVH	1	1
Field Office, Veterans Home OSR	Bonham TSVH	1	1
Field Office, Veterans Home OSR	Big Spring TSVH	1	1
Field Office, Veterans Home OSR	Floresville TSVH	2	1
<b>TOTAL</b>		83.85	78.10

**C. What are your agency's FTE caps for fiscal years 2004 - 2007?**

There is no cap assigned to the VLB strategies. The agencywide (General Land Office) cap is as follows:

2004: 611  
 2005: 610  
 2006: 598  
 2007: 598

**D. How many temporary or contract employees did your agency have as of August 31, 2004?**

None.

**E. List each of your agency's key programs or functions, along with expenditures and FTEs by program.**

<b>Veterans Land Board Exhibit 11: List of Program FTEs and Expenditures — Fiscal Year 2004</b>		
<b>Program</b>	<b>FTEs as of August 31, 2004</b>	<b>Actual Expenditures</b>
Communications Center	11	\$569,449
Loan Origination	14	\$ 535,868
Loan Servicing	16.6	\$915,085
Outreach Marketing	17.5	\$1,088,596
Veterans Homes Program	17.5	\$892,509
Veterans Cemetery Program	1	\$1,865,708
Administration	6	\$436,069
<b>TOTAL</b>	<b>83.85</b>	<b>\$ 6,303,284</b>

## VII. Guide to Agency Programs

**A. Provide the following information at the beginning of each program description.**

<b>Name of Program or Function</b>	<b>Communications Center</b>
<b>Location/Division</b>	Austin, Texas
<b>Contact Name</b>	Jan Rader
<b>Actual Expenditures, FY 2004</b>	\$569,449
<b>Number of FTEs as of August 31, 2004</b>	11

**B. What is the objective of this program or function? Describe the major activities performed under this program.**

The objective of this program is to provide information and respond to inquiries from veterans who are interested in VLB programs.

The Communications Center responds to written, TDD, telephone, in-person, and electronic inquiries. Staff reviews loan program applications and supporting documentation to determine veterans' eligibility to participate in our programs. Staff maintains the VLB Web site, updates and maintains supplies of all informational brochures, produces the VLB newsletter, supports marketing efforts by managing a veterans' database of more than 675,000 records, initiates and manages direct mail marketing efforts, handles incoming and outgoing VLB mail and mail distribution, executes receiver's duties for loan payments, generates routine electronic communication of program updates to online database of more than 30,000 veterans, and sends weekly electronic notification of loan program rates to lender and realtor participants.

**C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.**

The following performance measures relate to this program for LBB reporting purposes.

(NOTE: Communication Center and Outreach Marketing numbers are combined for measure as well as the Key Performance Measure)

<b>Veterans Land Board</b>			
<b>Performance Measures Fiscal Year 2004</b>			
<b>Performance Measures</b>	<b>FY 2004 Target</b>	<b>FY 2004 Actual Performance</b>	<b>FY 2004 % of Annual Target</b>
Number of Veterans Contacted	568,000	623,977	109.86%

Activity of the Communications Center is reported monthly and reviewed by the Communications Center Director and the Executive Secretary of the VLB. Information reported includes:

- Number of printed materials distributed
- Number of documents distributed for marketing efforts
- Number of phone calls received/answered
- Number of electronic inquiries handled
- Number of electronic contacts made to provide program updates and educational information

Fiscal Year 2004 Total report is shown below:

FY2004 TOTAL																
DATE	PHONES			MAIL		PROCESSED			PRODUCED						WEB	DATA
Mo./Yr.	Calls Offered	% Abndnd	Calls Answ.	Outgoing Mail	Incoming Mail	Certs	Walk-Ins	DD-214's	VHAP Apps	VHIP Apps	Land Apps	TSVH Apps	Seminar (Cont)	Seminar (CommC)	Page Hits	Total Names
Sep-03	13,400	7	10,502	9,583	7,230	1,056	159	1,992	234	235	253	70	0	0	19,614	377,647
Oct-03	11,053	5	9,469	6,918	5,890	1,125	115	2,158	258	179	259	49	0	0	6,113	384,488
Nov-03	7,696	7	6,373	5,155	4,812	822	83	1,431	274	164	400	235	0	0	11,488	386,018
Dec-03	8,377	6	7,040	3,185	6,186	877	72	1,071	175	117	210	29	0	0	3,051	386,301
Jan-04	11,419	7	8,992	9,460	6,619	973	97	1,962	342	204	401	19	0	2,724	16,713	388,090
Feb-04	10,454	9	7,722	6,194	6,535	1,007	90	745	188	177	255	34	0	3,314	14,664	388,197
Mar-04	17,994	11	11,626	29,170	10,936	1,404	198	542	251	251	269	21	0	25,219	4,669	386,421
Apr-04	16,187	10	10,681	48,747	11,186	1,474	210	164	527	383	352	30	38,852	4,612	33,239	383,592
May-04	11,867	9	8,498	64,411	7,865	1,435	83	2,649	194	265	260	36	55,376	3,124	17,590	381,574
Jun-04	13,416	10	9,126	17,835	13,562	1,600	119	993	215	229	211	16	11,729	2,384	19,714	*572545
Jul-04	11,143	8	8,887	5,369	6,859	1,587	149	406	238	315	205	31	0	1,729	15,720	563,381
Aug-04	12,338	9	9,424	61,023	10,537	1,328	91	1,226	195	226	270	20	0	56,310	13,776	564,499
<b>FY Total</b>	<b>145,344</b>	<b>8</b>	<b>108,340</b>	<b>267,050</b>	<b>98,217</b>	<b>14,688</b>	<b>1,466</b>	<b>15,339</b>	<b>3,091</b>	<b>2,745</b>	<b>3,345</b>	<b>590</b>	<b>105,957</b>	<b>99,416</b>	<b>176,351</b>	<b>417,292</b>
		(Avg)														(Average)

**Key to Report above:**

**Calls Offered:** Total number of calls that ring into the Communications Center (CC) automated call distribution system (24/7).

**% Abandoned:** Percentage of offered calls where callers hang up before the call is answered without going through voice mail menu selections.

**Calls Answered:** Total number of calls answered by CC staff during regular office hours.

**Outgoing Mail:** Number of individual items mailed out in response to inquiries and in support of outreach/marketing efforts.

**Incoming Mail:** Number of pieces of mail received and distributed throughout VLB.

**Certs:** Number of requests for housing or home improvement certification processed by CC specialists.

**Walk-Ins:** Number of persons individually served at the VLB front desk.

**DD-214's:** Number of DD-214's processed to send post cards to newly discharged veterans.

**VHAP Apps:** Number of housing application packets assembled and mailed by CC staff. (Included in outgoing mail.)

**VHIP Apps:** Number of home improvement application packets assembled and mailed by CC staff. (Included in outgoing mail.)

**Land Apps:** Number of land loan application packets assembled and mailed by CC staff. (Included in outgoing mail.)

**TSVH Apps:** Number of Texas State Veteran Home application packets assembled and mailed by CC staff. (Included in outgoing mail.)

**Seminar (Cont):** Number of seminar invitation letters generated by CC staff but prepared and mailed by outside contractor. (Included in outgoing mail.)

**Seminar (CommC):** Number of seminar promotional flyers and invitation letters prepared and mailed by CC staff. (Included in outgoing mail.)

**Web (Page Hits):** Number of times a user has contacted the VLB home page at the web site.

**Data:** Total names included in multiple contact databases.

\*Substantial increase in total records due to addition in June 2004, of information from Texas Workforce Commission and Texas Department of Transportation

**D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.**

The original intent and purpose of the Communications Center was to staff a call center to respond to inquiries regarding programs offered by the VLB. Services and functions added include:

- Veterans' eligibility determination and certification
- Marketing support and database management
- Web site maintenance
- VLB newsletter

**E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.**

The Veterans Land Board programs are available for the estimated 1.7 million veterans living in Texas who meet the eligibility requirements. Eligibility requirements for program participation, which are shown in all printed materials and on our Web site at [www.texasveterans.com](http://www.texasveterans.com), follow:

**Loan Eligibility Requirements**

To be eligible to participate in the Texas Veterans Loan Programs, an applicant must have:

- Served no fewer than 90 cumulative days on active duty or active duty training in the Army, Navy, Air Force, Marine Corps, Coast Guard or United States Public Health Service, or recognized reserve component of one of the listed branches of service (unless discharged sooner due to service-connected cause), OR completed all initial active duty training required as a condition of service in any National Guard or reserve component of one of the listed branches of service, OR served in the Armed Forces of the Republic of Vietnam (ARVN) between February 28, 1961 and May 7, 1975 (ARVN - Housing Assistance Program or Home Improvement Program only, no service era discount allowed).

(Members of the Armed Forces of the Republic of Vietnam who served between February 28, 1961 and May 7, 1975 may be eligible to participate in the Housing and Home Improvement Loan Programs. These veterans are NOT eligible for the Land Loan Program.)

- Served after September 16, 1940. (For housing or home improvement loans, certain interest rate incentives may be available to Texas veterans who served on active duty prior to January 1, 1977, and who have been discharged from active duty less than 30 years.)
- Not been dishonorably discharged. A person who has been discharged from the branch of the service in which the person served or from the National Guard is considered not to have been dishonorably discharged if the person: (1) received an honorable discharge; (2) received a discharge under honorable conditions; or, (3) received a discharge and provides evidence from the United States Department of Veterans Affairs, its successor, or other competent authority that indicates that the character of the person's discharge has been determined to be other than dishonorable.
- Listed Texas as the home of record at the time of entry into the military OR must have been a legal resident of Texas for at least twelve consecutive months immediately prior to filing an application OR be on active military duty, stationed in Texas, and have changed his/her state of legal residency to Texas. The applicant must also be a bona fide resident of Texas at the time the application is made. (A "Bona fide resident" is someone who is living in Texas with the intent to remain in Texas.) This may include a Texas resident currently serving on active military duty outside of Texas. Presence in Texas due solely to military service may not establish bona fide residency.
- Successfully repaid any previous Texas Veterans Land Board (VLB) loan. A loan is considered repaid when the account has been paid in full by the original veteran purchaser or last approved assignee. Any other active VLB loans in programs other than the one for which the application is being made must be in good standing. Veterans are entitled to have only one loan in each VLB program at the same time.

**NOTE:** The unmarried, surviving spouse of a Texas veteran who is missing in action, or who died in the line of duty, or died from a service-connected cause may be eligible to participate in the programs. The veteran's home of record must have been Texas at the time of entry into the military, OR the veteran must have been a legal resident of Texas at the time of death. Qualified unmarried, surviving spouses *may* be eligible for interest rate discounts.

The Texas Veteran Eligibility Chart, found on the VLB Web site at [www.texasveterans.com](http://www.texasveterans.com), is designed to give preliminary indication of whether the applicant may be eligible to participate in VLB loan programs. Final determination must be made by the VLB from supporting documentation submitted by the applicant with a certification application.

The VLB will determine eligibility in terms of service in the Armed Forces and residency in the state of Texas.

All VLB loans are subject to credit approval.

**F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.**

The Communications Center is a division within the Veterans Land Board headquartered in Austin. A Director who reports to the Assistant Executive Secretary and Executive Secretary of the VLB administers the division. The Communications Center has no field or regional services.

**G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).**

This program is funded through the Veterans Land Program Administration Fund No. 522.

Veterans Land Program Administration Fund No. 522	FY 04	\$569,449
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**H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.**

While different lending institutions may have call centers, none provide information exclusively for Texas veterans with regard to VLB programs. This is in addition to the newsletter, mail services and veteran's eligibility certification and the MOU with the Texas Veterans Commission, which also provides information on veterans' benefits.

**I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.**

The VLB administers state veterans programs while the Texas Veterans Commission assists Texas veterans with obtaining federal veterans benefits. Although the entities do not provide the same services, programs or benefits, the VLB has an MOU with the Texas Veterans Commission to cooperate and assist one another by sharing educational materials, Web site links, and other non-financial resources.

**J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.**

N/A

**K. If this program or function is contracted out, provide a description of how you ensure accountability for funding and performance.**

N/A

**L. What statutory changes could be made to assist this program in performing its functions? Explain.**

None identified at this time.

**M. Provide any additional information needed to gain a preliminary understanding of the program or function.**

**A. Provide the following information at the beginning of each program description.**

<b>Name of Program or Function</b>	<b>Loan Origination</b>
<b>Location/Division</b>	Austin/VLB/Loan Origination
<b>Contact Name</b>	Suzanne Guerrero
<b>Actual Expenditures, FY 2004</b>	\$535,868
<b>Number of FTEs as of August 31, 2004</b>	14

**B. What is the objective of this program or function? Describe the major activities performed under this program.**

The objective is to provide below-market interest rate loans for land, housing and home improvements. Major activities include credit review and underwriting, requesting and reviewing appraisals, and preparing legal documents. Also, the loan origination division works closely with CitiMortgage, the program administrator of the Veterans Housing Assistance Program, to ensure efficiency in the delivery of services by CitiMortgage's loan origination and master servicing divisions.

**C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.**

The following performance measures relate to this program for LBB reporting purposes:

<b>Veterans Land Board</b>			
<b>Performance Measures Fiscal Year 2004</b>			
<b>Key Performance Measures</b>	<b>FY 2004 Target</b>	<b>FY 2004 Actual Performance</b>	<b>FY 2004 % of Annual Target</b>
\$ Volume of Loans Originated by Participating Lenders (pertains to housing loans over \$45K)	\$330,000,000	\$1,010,441,321	306.19%
\$ Volume of Loans Closed by the VLB (housing loans <\$45K, home improvement loans, land loans)	\$20,000,000	\$25,899,206	129.50%

**D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.**

Loan Origination continues to function as originally intended.

**E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.**

The Veterans Land Board programs are available for the estimated 1.7 million veterans living in Texas who meet the eligibility requirements. Eligibility requirements for program participation, which are shown in all printed materials and on our Web site at [www.texasveterans.com](http://www.texasveterans.com), follow:

**Loan Eligibility Requirements**

To be eligible to participate in the Texas Veterans Loan Programs, an applicant must have:

- Served no fewer than 90 cumulative days on active duty or active duty training in the Army, Navy, Air Force, Marine Corps, Coast Guard or United States Public Health Service, or recognized reserve component of one of the listed branches of service (unless discharged sooner due to service-connected cause), OR completed all initial active duty training required as a condition of service in any National Guard or reserve component of one of the listed branches of service, OR served in the Armed Forces of the Republic of Vietnam (ARVN) between February 28, 1961 and May 7, 1975 (ARVN - Housing Assistance Program or Home Improvement Program only, no service era discount allowed).

(Members of the Armed Forces of the Republic of Vietnam who served between February 28, 1961 and May 7, 1975 may be eligible to participate in the Housing and Home Improvement Loan Programs. These veterans are NOT eligible for the Land Loan Program.)

- Served after September 16, 1940. (For housing or home improvement loans, certain interest rate incentives may be available to Texas veterans who served on active duty prior to January 1, 1977, and who have been discharged from active duty less than 30 years.)
- Not been dishonorably discharged. A person who has been discharged from the branch of the service in which the person served or from the National Guard is considered not to have been dishonorably discharged if the person: (1) received an honorable discharge; (2) received a discharge under honorable conditions; or, (3) received a discharge and provides evidence from the United States Department of Veterans Affairs, its successor, or other competent authority that indicates that the character of the person's discharge has been determined to be other than dishonorable.
- Listed Texas as the home of record at the time of entry into the military OR must have been a legal resident of Texas for at least twelve consecutive months immediately prior to filing an application OR be on active military duty, stationed in Texas, and have changed his/her state of legal residency to Texas. The applicant must also be a bona fide resident of Texas at the time the application is made. (A "Bona fide resident" is someone who is living in Texas with the intent to remain in Texas.) This may include a Texas resident currently serving on active military duty outside of Texas. Presence in Texas due solely to military service may not establish bona fide residency.

- Successfully repaid any previous Texas Veterans Land Board (VLB) loan. A loan is considered repaid when the account has been paid in full by the original veteran purchaser or last approved assignee. Any other active VLB loans in programs other than the one for which the application is being made must be in good standing. Veterans are entitled to have only one loan in each VLB program at the same time.

**NOTE:** The unmarried, surviving spouse of a Texas veteran who is missing in action, or who died in the line of duty, or died from a service-connected cause may be eligible to participate in the programs. The veteran's home of record must have been Texas at the time of entry into the military, OR the veteran must have been a legal resident of Texas at the time of death. Qualified unmarried, surviving spouses *may* be eligible for interest rate discounts.

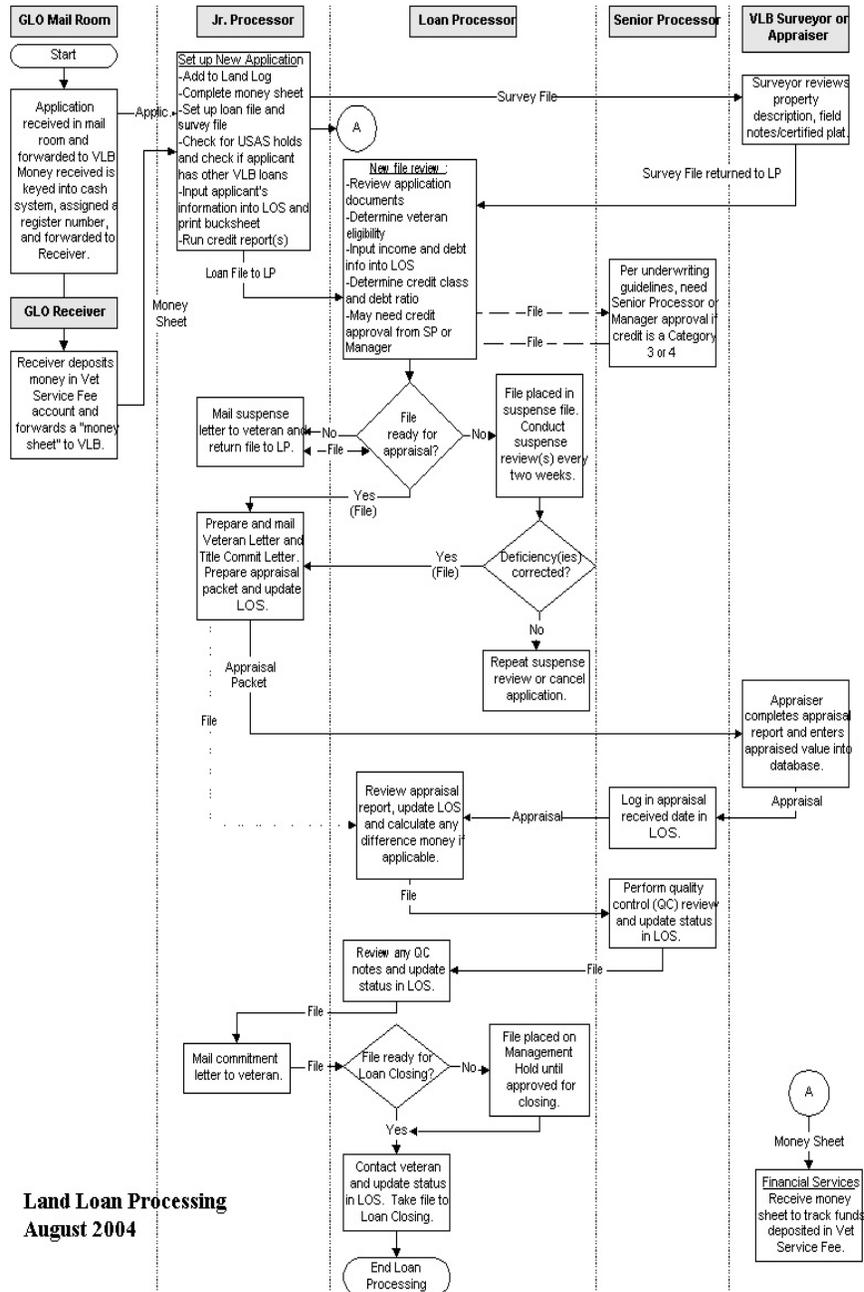
The Texas Veteran Eligibility Chart, found on the VLB Web site at [www.texasveterans.com](http://www.texasveterans.com), is designed to give preliminary indication of whether the applicant may be eligible to participate in VLB loan programs. Final determination must be made by the VLB from supporting documentation submitted by the applicant with a certification application.

The VLB will determine eligibility in terms of service in the Armed Forces and residency in the state of Texas.

All VLB loans are subject to credit approval.

**F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.**

A Director who reports to the Assistant Executive Secretary and Executive Secretary of the VLB administers the Loan Origination Division. All positions are in the Austin office. Loan Origination processes the paperwork for all loans offered by the VLB. Procedures vary depending on the type of loan. The flowchart for Land Loan Processing (for example) follows:



**G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).**

This program is funded through the Veterans Land Program Administration Fund No. 522.

Veterans Land Program Administration Fund No. 522

FY 04

\$535,868

**H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.**

The VLB operates within standard mortgage lending practices. However, while many lenders originate home loans, the interest rates associated with VLB home loans are typically lower because of our funding sources.

The land loan program offers long term financing, up to 30 years, with only a 5% down payment. Most industry lenders require 20% down payment and a shorter term on the purchase of raw land.

**I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.**

Veterans Housing Assistance Program (VHAP) loans of \$45,000 or less are originated directly by the VLB. Because most lenders do not originate small loans, there is no conflict with the mortgage industry. All VHAP loans more than \$45,000 are originated by participating lenders in the mortgage industry.

**J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.**

The Veterans Home Improvement Program (VHIP) loans are federally insured HUD Title I loans. These loans are subject to HUD guidelines and audits.

**K. If this program or function is contracted out, provide a description of how you ensure accountability for funding and performance.**

N/A

**L. What statutory changes could be made to assist this program in performing its functions? Explain.**

None identified at this time.

**M. Provide any additional information needed to gain a preliminary understanding of the**

<b>program or function.</b>
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LAND PROGRAM ADDITIONAL INFORMATION

The Veterans Land Board issues a Contract for Deed to veterans who purchase land through the Veterans Land Program. In short, the VLB buys the land for the veteran and maintains ownership and title until the account is paid in full, then a clear title is issued to the veteran.

HOUSING ASSISTANCE ADDITIONAL INFORMATION

CitiMortgage, Inc. is the Program Administrator and Master Servicer for the Texas Veterans Housing Assistance Program (home loans). CitiMortgage has general responsibility for administering the program for the VLB, and they work hand in hand with the lending community. This is done in accordance with program guidelines, and all applicable statutes, rules and regulations.

CitiMortgage is responsible for: soliciting participation of Texas mortgage lenders and real estate professionals in the program; reviewing program loan files and recommending purchase or rejection of a loan; assuring participating lenders compliance with program servicing guidelines; submitting various financial reports; and issuing interest rate locks. Extensive communication between the VLB and CitiMortgage ensures excellent service is provided to Texas veterans.

CitiMortgage has the expertise, knowledge and relationships with the lending community to perform these duties for the VLB. Because of their position in the market place, they perform these duties with better delivery of service to the veteran, lender community and at a great cost benefit.

**A. Provide the following information at the beginning of each program description.**

<b>Name of Program or Function</b>	<b>Loan Servicing</b>
<b>Location/Division</b>	Austin/Texas Veterans Land Board
<b>Contact Name</b>	Lesley Griggs
<b>Actual Expenditures, FY 2004</b>	\$915,085
<b>Number of FTEs as of August 31, 2004</b>	16.6

**B. What is the objective of this program or function? Describe the major activities performed under this program.**

The objective of Loan Servicing is to provide outstanding customer service to veterans who have land loans with the Veterans Land Board.

The four areas of Loan Servicing are:

Accounting: Set up new land loans in the database; code and post money to VLB land accounts; audit accounting records for accuracy; perform write-offs and write-ons for foreclosed land loans; prepare verifications of loan status; answer customer inquiries; process Automatic Bank Withdrawals, insufficient checks, cancellations, accelerations, royalties, assumptions and pay-in-fulls; research reconciliation discrepancies; and work to correct errors.

Land Loan Servicing: Handle all requests for customer service once the land loan is closed. Provide information and complete documents on severances, assumption packets, paid in full deeds, timber deeds, oil and gas leases, easements, death claims, peanut/cotton allotments, mobile home waivers and hazard insurance.

Veterans Home Assistance Program/Veterans Home Improvement Program (VHAP/VHIP) Servicing: Most of servicing duties related to VHAP/VHIP loans are performed outside of the agency by private sector servicers. The servicing-related duties performed specifically by the VLB are: Process release of liens; manage real estate owned portfolio by preparing Substitution of Trustee documents, Special Warranty Deeds and by working with our servicers to assist veterans with work-outs or favorable pricing on foreclosures; answer customer inquiries and resolve problems; perform quarterly audits on VHIP origination files; process and approve 3-year waivers (in order to allow assumptions).

Loss Mitigation: Manage delinquent and forfeited land accounts; send notices; assist customers with work-out alternatives; present forfeiture and order for sale items to the Board for action; plan and execute forfeited land sales; pay taxes on foreclosed land properties; arrange surveys on sold tracts.

**C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.**

The following performance measures relate to this program for LBB reporting purposes:

<b>Veterans Land Board</b>			
<b>Performance Measures Fiscal Year 2004</b>			
<b>Key Performance Measures</b>	<b>FY 2004 Target</b>	<b>FY 2004 Actual Performance</b>	<b>FY 2004 % of Annual Target</b>
\$ Volume of Loans Serviced by Participating Lenders (housing, home improvement only)	\$1,880,000,000	\$1,261,978,122	67.13%
\$ Volume of Loans Serviced by VLB (land only)	\$465,000,000	\$445,608,177	95.83%
% of Delinquent Loans in Portfolio (combined land, home and home-improvement loans)	5.50%	4.11%	74.79%
% Foreclosed Loans in Portfolio	0.45%	0.53%	117.83%

**D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.**

Loan Servicing continues to function as originally intended.

**E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.**

The Veterans Land Board programs are available for the estimated 1.7 million veterans living in Texas who meet the eligibility requirements. Eligibility requirements for program participation, which are shown in all printed materials and on our Web site at [www.texasveterans.com](http://www.texasveterans.com), follow:

#### **Loan Eligibility Requirements**

To be eligible to participate in the Texas Veterans Loan Programs, an applicant must have:

- Served no fewer than 90 cumulative days on active duty or active duty training in the Army, Navy, Air Force, Marine Corps, Coast Guard or United States Public Health Service, or recognized reserve component of one of the listed branches of service (unless discharged sooner due to service-connected cause), OR completed all initial active duty training required as a condition of service in

any National Guard or reserve component of one of the listed branches of service, OR served in the Armed Forces of the Republic of Vietnam (ARVN) between February 28, 1961 and May 7, 1975 (ARVN - Housing Assistance Program or Home Improvement Program only, no service era discount allowed).

(Members of the Armed Forces of the Republic of Vietnam who served between February 28, 1961 and May 7, 1975 may be eligible to participate in the Housing and Home Improvement Loan Programs. These veterans are NOT eligible for the Land Loan Program.)

- Served after September 16, 1940. (For housing or home improvement loans, certain interest rate incentives may be available to Texas veterans who served on active duty prior to January 1, 1977, and who have been discharged from active duty less than 30 years.)
- Not been dishonorably discharged. A person who has been discharged from the branch of the service in which the person served or from the National Guard is considered not to have been dishonorably discharged if the person: (1) received an honorable discharge; (2) received a discharge under honorable conditions; or, (3) received a discharge and provides evidence from the United States Department of Veterans Affairs, its successor, or other competent authority that indicates that the character of the person's discharge has been determined to be other than dishonorable.
- Listed Texas as the home of record at the time of entry into the military OR must have been a legal resident of Texas for at least twelve consecutive months immediately prior to filing an application OR be on active military duty, stationed in Texas, and have changed his/her state of legal residency to Texas. The applicant must also be a bona fide resident of Texas at the time the application is made. (A "Bona fide resident" is someone who is living in Texas with the intent to remain in Texas.) This may include a Texas resident currently serving on active military duty outside of Texas. Presence in Texas due solely to military service may not establish bona fide residency.
- Successfully repaid any previous Texas Veterans Land Board (VLB) loan. A loan is considered repaid when the account has been paid in full by the original veteran purchaser or last approved assignee. Any other active VLB loans in programs other than the one for which the application is being made must be in good standing. Veterans are entitled to have only one loan in each VLB program at the same time.

**NOTE:** The unmarried, surviving spouse of a Texas veteran who is missing in action, or who died in the line of duty, or died from a service-connected cause may be eligible to participate in the programs. The veteran's home of record must have been Texas at the time of entry into the military, OR the veteran must have been a legal resident of Texas at the time of death. Qualified unmarried, surviving spouses *may* be eligible for interest rate discounts.

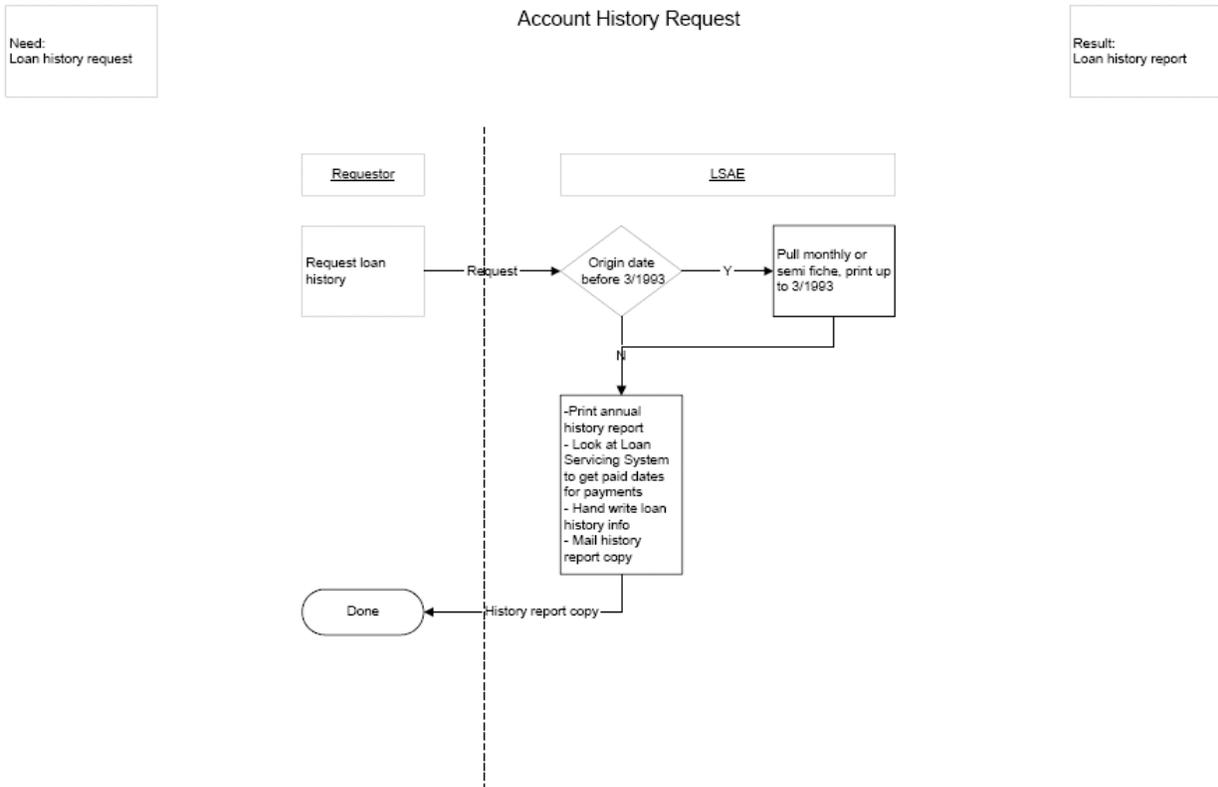
The Texas Veteran Eligibility Chart, found on the VLB Web site at [www.texasveterans.com](http://www.texasveterans.com), is designed to give preliminary indication of whether the applicant may be eligible to participate in VLB loan programs. Final determination must be made by the VLB from supporting documentation submitted by the applicant with a certification application.

The VLB will determine eligibility in terms of service in the Armed Forces and residency in the state of Texas.

All VLB loans are subject to credit approval.

**F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.**

A Director who reports to the Assistant Executive Secretary and Executive Secretary of the VLB administers Loan Servicing. Loan Servicing has no field offices. Procedures vary depending on the type of request. The flowchart for Account History Request (for example) follows:



**G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).**

This program is funded through the Veterans Land Program Administration Fund No. 522

Veterans Land Program Administration Fund No. 522

FY 04

\$915,085

**H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.**

No other entity services Texas veterans land loans.

**I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.**

N/A

**J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.**

Veterans Land Board staff work with county taxing entities to ensure that taxes are paid on foreclosed land properties.

**K. If this program or function is contracted out, provide a description of how you ensure accountability for funding and performance.**

N/A

**L. What statutory changes could be made to assist this program in performing its functions? Explain.**

None identified at this time.

**M. Provide any additional information needed to gain a preliminary understanding of the program or function.**

**A. Provide the following information at the beginning of each program description.**

<b>Name of Program or Function</b>	<b>Outreach Marketing</b>
<b>Location/Division</b>	Austin, Texas
<b>Contact Name</b>	Ken Wallingford
<b>Actual Expenditures, FY 2004</b>	\$1,088,596
<b>Number of FTEs as of August 31, 2004</b>	17.5

**B. What is the objective of this program or function? Describe the major activities performed under this program.**

The objective is to increase awareness of all VLB programs through-out the state through marketing and outreach activities and to increase participation by veterans, realtors, lenders, long-term care professionals and burial professionals in the programs.

Major activities include:

- Informational seminars held around the state
- Advertisement mailings to VLB database (675,000 records)
- Coordinate with realtors, lenders, veterans groups to mail to their databases
- Radio Public Service Announcements
- Television Public Service Announcements
- Meetings with:
  - County veterans service officers
  - Local realtors and realtor associations
  - Mortgage lenders and lending associations
  - Area veterans groups
  - Long-term nursing care advocates and providers
  - Burial professionals.

**C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.**

In 2004, the VLB almost doubled the previous year's loan volume with an increase from \$532 million to \$1.1 billion and increased the number of loans funded by 81%. The loan volume increase may be attributable to the very low interest rates. The Outreach Marketing staff made a significant effort in marketing to realtors and lenders, and also marketing directly to National Guard and Reserve personnel in Texas.

Monthly reports are collected from field staff that provide number of contacts made, VLB seminars provided and presentations made to realtor and lending professionals.

The following performance measures relate to this program for LBB reporting purposes:

<b>Veterans Land Board</b>			
<b>Performance Measures Fiscal Year 2004</b>			
<b>Key Performance Measures</b>	<b>FY 2004 Target</b>	<b>FY 2004 Actual Performance</b>	<b>FY 2004 % of Annual Target</b>
Number of Veterans Contacted	568,000	623,977	109.86%

**D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.**

Outreach Marketing continues to function as originally intended.

**E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.**

The program is designed to reach the 1.7 million veterans living in Texas to make them aware of the benefits available to them. The program is also making use of industry professionals (real estate and lending professionals, burial professionals, and long-term care professionals), as these may be the first contact when a veteran is looking for a home, long-term care or burial needs.

**Loan Eligibility Requirements**

To be eligible to participate in the Texas Veterans Loan Programs, an applicant must have:

- Served no fewer than 90 cumulative days on active duty or active duty training in the Army, Navy, Air Force, Marine Corps, Coast Guard or United States Public Health Service, or recognized reserve component of one of the listed branches of service (unless discharged sooner due to service-connected cause), OR completed all initial active duty training required as a condition of service in any National Guard or reserve component of one of the listed branches of service, OR served in the Armed Forces of the Republic of Vietnam (ARVN) between February 28, 1961 and May 7, 1975 (ARVN - Housing Assistance Program or Home Improvement Program only, no service era discount allowed).

(Members of the Armed Forces of the Republic of Vietnam who served between February 28, 1961 and May 7, 1975 may be eligible to participate in the Housing and Home Improvement Loan Programs. These veterans are NOT eligible for the Land Loan Program.)

- Served after September 16, 1940. (For housing or home improvement loans, certain interest rate incentives may be available to Texas veterans who served on active duty prior to January 1, 1977, and who have been discharged from active duty less than 30 years.)
- Not been dishonorably discharged. A person who has been discharged from the branch of the service in which the person served or from the National Guard is considered not to have been dishonorably discharged if the person: (1) received an honorable discharge; (2) received a discharge under

honorable conditions; or, (3) received a discharge and provides evidence from the United States Department of Veterans Affairs, its successor, or other competent authority that indicates that the character of the person's discharge has been determined to be other than dishonorable.

- Listed Texas as the home of record at the time of entry into the military OR must have been a legal resident of Texas for at least twelve consecutive months immediately prior to filing an application OR be on active military duty, stationed in Texas, and have changed his/her state of legal residency to Texas. The applicant must also be a bona fide resident of Texas at the time the application is made. (A "Bona fide resident" is someone who is living in Texas with the intent to remain in Texas.) This may include a Texas resident currently serving on active military duty outside of Texas. Presence in Texas due solely to military service may not establish bona fide residency.
- Successfully repaid any previous Texas Veterans Land Board (VLB) loan. A loan is considered repaid when the account has been paid in full by the original veteran purchaser or last approved assignee. Any other active VLB loans in programs other than the one for which the application is being made must be in good standing. Veterans are entitled to have only one loan in each VLB program at the same time.

**NOTE:** The unmarried, surviving spouse of a Texas veteran who is missing in action, or who died in the line of duty, or died from a service-connected cause may be eligible to participate in the programs. The veteran's home of record must have been Texas at the time of entry into the military, OR the veteran must have been a legal resident of Texas at the time of death. Qualified unmarried, surviving spouses *may* be eligible for interest rate discounts.

The Texas Veteran Eligibility Chart, found on the VLB Web site at [www.texasveterans.com](http://www.texasveterans.com), is designed to give preliminary indication of whether the applicant may be eligible to participate in VLB loan programs. Final determination must be made by the VLB from supporting documentation submitted by the applicant with a certification application.

The VLB will determine eligibility in terms of service in the Armed Forces and residency in the state of Texas.

All VLB loans are subject to credit approval.

**F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.**

The program is administered from Austin by the Director of Outreach Marketing and assisted by regional team leaders. Marketing personnel are located in Houston, Dallas, El Paso, Corpus Christi, McAllen, San Antonio and Temple. Currently the VLB leases office space in San Antonio, and Corpus Christi. El Paso staff operate out of a multi-agency office building at no charge. McAllen, Dallas and Temple staff operate out of their residences. Employees in Houston are housed in the VA Regional Office at no charge to the state. As a cost saving measure, leases on current office space will not be renewed.

**G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).**

This program is funded through the Veterans Land Program Administration Fund No. 522.

Veterans Land Program Administration Fund No. 522

FY 04

\$892,509

**H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.**

Other agencies or entities that provide information to veterans include:

- The Texas Veterans Commission helps veterans, dependents and widows file claims for disability, pension, medical and education benefits at the state and federal level.
- The US Department of Labor in Texas helps veterans with employment rights.
- County veteran service officers help veterans on a local level with their entitlements.
- Veteran organizations (VFW, American Legion, Disable American Veterans) advocate for veterans and the benefits available to them.

**I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.**

While VLB's Outreach Marketing team provides information about its own programs, it also refers veterans to the proper organization if the veteran is requesting service the VLB does not provide. The VLB works with all veterans' organizations and groups to disseminate information about VLB programs. The VLB maintains an MOU with the Texas Veterans Commission to share non-financial resources, such as DD 214 information, web-links, seminar participation, meeting dates and training information.

**J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.**

The Veterans Land Board Outreach Marketing staff work with all potential veteran-related entities. The most common are county Veteran Service Officers (VSO). VSO's are employed by the county to help local veterans with any needs they may have, such as disability and employment.

**K. If this program or function is contracted out, provide a description of how you ensure accountability for funding and performance.**

N/A

**L. What statutory changes could be made to assist this program in performing its functions? Explain.**

None identified at this time.

**M. Provide any additional information needed to gain a preliminary understanding of the program or function.**

**A. Provide the following information at the beginning of each program description.**

<b>Name of Program or Function</b>	<b>State Veterans Homes Program</b>
<b>Location/Division</b>	Austin, Texas
<b>Contact Name</b>	Beatrice Burrell
<b>Actual Expenditures, FY 2004</b>	\$892,509
<b>Number of FTEs as of August 31, 2004</b>	17.5

**B. What is the objective of this program or function? Describe the major activities performed under this program.**

The Texas State Veterans Homes (TSVH) Program of the Veterans Land Board (VLB) provides eligible Texas veterans, their spouses, and Gold Star parents with affordable, dignified professional nursing care in long-term care facilities specifically intended for their needs.

Created through a partnership between the State of Texas and the U.S. Department of Veterans Affairs (USDVA), the homes are owned and managed by the VLB. The Veterans Homes Program of the VLB oversees the operations and management contract of the homes by contracted long-term care facility operators.

The major activities of the program are:

- Monitoring and oversight of compliance of contracted operators with federal and state guidelines and regulations necessary to maintain Medicare/Medicaid certification and USDVA State Homes Programs recognition.
- Provision of standardized financial and operational policies and procedures for all TSVH facilities.
- Financial uniformity of operations of all TSVH facilities.
- Provision and monitoring of quality of care provided residents of TSVH facilities.
- Oversight of census development to ensure an acceptable census level at each operating facility.
- Establishing and maintaining cost control policies and procedures for the most effective and efficient use of Program funds.
- Automation of existing payment processes.
- Development and planning for future TSVH facilities.
- Monitoring and oversight of operator compliance with the Management and Operations Agreement between the operator and the VLB.

**C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.**

The following performance measures relate to this program for LBB reporting purposes:

<b>Veterans Land Board</b>			
<b>Performance Measures Fiscal Year 2004</b>			
<b>Key Performance Measures</b>	<b>FY 2004 Target</b>	<b>FY 2004 Actual Performance</b>	<b>FY 2004 % of Annual Target</b>
Occupancy Rate at Veterans' Homes	85%	91.15%	107.24%

Additional efforts the division has undertaken include:

- Implemented effective measures to decrease pharmacy costs which resulted in monthly payments to pharmacies decreasing from \$125,000 in Mar 2004 to \$55,000 in December 2004.
- Developed and implemented standard administrative, financial, and quality assurance operations for the Program.
- Developed a quality assurance manual containing procedures for monitoring the quality of care in the homes and applicable state, federal, and USDVA program requirements.
- Developed and implemented standardized quality assurance reporting of monitoring visits conducted, to including format, content, review and distribution.
- Conducted quality assurance monitoring visits monthly at the four operating facilities with an average of 3 homes monthly.
- Continued efforts to achieve and maintain an occupancy rate of 90%. As of July 2005, the occupancy rate is 89%. (The overall rate for FY2005 will be negatively affected by the opening of two new homes during FY2005, but will steadily climb as residents are accepted and welcomed to the El Paso and McAllen homes.)
- Planned and constructed two additional Veterans Homes in El Paso and McAllen. The McAllen home opened July 1, 2005. The El Paso home opened August 1, 2005.
- Broke ground on a new veterans home in Amarillo with plans to open in 2007.
- Maintained Occupancy Statistics of: FY2002 - 67.3%; FY2003 – 83.6%; FY2004 – 91.15%. At July 2005, the occupancy rate was 89%.
- Educated 867 long-term care professionals at end of 3<sup>rd</sup> quarter FY 05.

**D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.**

A relatively new program at the Veterans Land Board, the State Veterans Homes program continues to function as originally intended.

**E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.**

The Texas State Veterans Homes Program was created specifically to provide long term care services for eligible veterans, their spouses, and Gold Star parents. Among the entities affected are the private long-term care industry, the Department of Veterans Affairs, and the state of Texas Medicaid program.

There are additional eligibility requirements for admission to a Texas State Veterans Home (in addition to those required for the loan programs):

- All applicants must require long term nursing care as determined by a physician.
- Must be recognized as an eligible veteran by the USDVA.
- The USDVA must concur the eligible veteran requires long term nursing care.
- Be at least 18 years of age.
- Be a bona fide resident of the State of Texas at the time of application for admission.
- Have been a legal resident of Texas at the time of entry into military service, or
- Have resided in Texas continuously for at least one year immediately prior to application for admission.
- Not have been dishonorably discharged.
- Residence claims based solely on previous military assignment are excluded.
- Others eligible for admission who meet the minimum age and residency requirements are:
  - A. The veteran's spouse.
  - B. The unmarried surviving spouse of a veteran.
  - C. Gold Star parents, all of whose children died while serving in the United States Armed Forces.

According to 2000 US Census figures 1,754,809 veterans reside in Texas. These are all persons over the age of 18 with qualifying military service. Additional USDVA data is as follows:

- 326,394 are WWII era Veterans
- 250,938 are Korean Conflict Veterans
- 607,164 are Vietnam Veterans
- 263,221 are Gulf War Veterans

Of the above numbers, 578,000 Veterans are potentially eligible based solely on retirement age.

The entities affected are:

- The private long-term care industry – affects potential resident census.
- The USDVA by providing additional care resources for veterans needing long term nursing care.
- The Medicaid Program by providing services to Medicaid eligible Veterans and spouses.

**F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.**

The Texas State Veterans Homes Program (TSVH) is administered from Austin by the Program Director. The Program Director supervises, directs, initiates projects, requires reporting of actions by subordinate staff, and oversees the management of the Program. The Director advises and reports to the Assistant Executive Secretary and Executive Secretary of the VLB on the operations, issues, and events occurring within the TSVH Program. The Director works with the TSVH Projects group on the maintenance of existing TSVH facilities, and the planning, development and construction of new TSVH facilities.

- Staff under the Director
  1. Administrative Assistant
  2. Care Specialists – Quality Monitor RNs  
The Care Specialists conduct quality-monitoring visits to the TSVH to determine operator compliance with:
    - Contractual obligations of the operator required by the Management and Operations Agreement;
    - Titles 18 and 19 of the Social Security Act, Medicare and Medicaid;
    - State licensure requirements for long term care facilities;
    - USDVA State Veterans Homes Program requirements for recognition as an approved Veterans Home;
    - Quality of Care standards for provision of nursing care;
    - Professional nursing standards for provision of nursing care; and
    - Implementation of the privacy requirements of the Health Insurance Portability and Accountability Act (HIPAA) of 1996.
  3. Senior Auditor/auditors-  
The Audit section reviews all aspects of TSVH operator financial operations to include:
    - Compliance with Medicare, Medicaid, USDVA and other local, state, federal laws and requirements for:
      - Billing Medicare Parts A and B,
      - Billing Medicaid,
      - USDVA for Aid and Attendance funding,
      - Resident funds protections, and
      - Resident consent for third party billing, bed hold agreements;
    - Private pay billing;
    - Compliance with medication/pharmacy ordering procedures;
    - Census data to include funding sources for payment for each resident;
    - Funds collection; and
    - Operator requests for payment of: Monthly variable and fixed fee payments for TSVH operator services consistent with the Management and Operations Agreement.
  4. On-site Representative (OSR) Coordinator and On-site representatives for each TSVH

The On-site Representatives are responsible for oversight of daily operations of the TSVH by the contracted management operations group. Their duties include:

- Monitoring and reporting operator contractual compliance;
- Monitoring and reporting census daily and admission practices;
- Marketing the TSVH to target referral sources and potential eligible persons;
- Acting as a liaison with local USDVA facilities and community resources;
- Reporting operator actions, TSVH occurrences to the OSR Coordinator, Program Director and Care Specialists (if required); and
- Forwarding operator financial reports, requests and documentation for review by the Audit section and Program Director.

The OSRs and the OSR Coordinator provide daily reports of census and other activities to the Program Director. Bi-weekly reports of activities are submitted by all Program staff to the Director for inclusion in the required Director's bi-weekly Activity report. Monitoring Visit reports are provided the week following any visit by Care Specialists to the Director for review and approval prior to submission to the Executive Secretary.

All staff members as a group, and individually, are included in project development, research and reporting consistent with the needs and goals of the TSVH Program.

**G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).**

This program is funded through the Veterans Land Program Administration Fund No. 522.

Veterans Land Program Administration Fund No. 522	FY 04	\$892,509
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**H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.**

There are private nursing homes in Texas that provide veterans similar care. The decision whether to stay in a Texas State Veterans Home (TSVH) is made by the veteran and the family. Location and costs are often factors that effect these decisions. Since there are only six TSVH's, location and proximity to family are reasons a veteran or his family may choose to stay in a TSVH. If the veteran is eligible for a daily per diem from the USDVA, the costs to stay in a TSVH are greatly reduced, making it more affordable than a private nursing home. Also, there is a camaraderie that is formed among fellow veterans that may be lacking in other homes.

**I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.**

N/A

**J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.**

The TSVH program and staff work with, or are regulated by the following entities:

**Veterans County Service Officers:** An employee of each county trained to advise and educate veterans and eligible dependents about benefits and services, and assist them with applying for those benefits and services. The Veterans County Service Officers assist veterans applying for pensions and healthcare benefits. They also act as a marketing source by providing literature and information about the VLB and subordinate programs.

**The Texas Veterans Commission (TVC)** reports to the Office of the Governor. With regional offices throughout the state, its employees provide

- Claims counseling, claims development and representation.
- Training of Veterans County Service Officers.
- Marketing its services to veterans and their families.
- Assistance in ensuring that Texas Veterans and their families receive all the rights and entitlements provided for veterans by law.

**The Department of Aging and Disability Services (DADS)** of the Texas Health and Human Services Commission provides regulatory oversight of the TSVH Program. It conducts surveys and investigations of the TSVH to ensure compliance with state licensure, and Medicaid and Medicare requirements for Conditions of Participation in those programs. As a regulatory agency, it has no relationship to the Veterans Land Board beyond its statutory requirements to determine compliance and enforce the standards and requirements for the veterans homes.

**The U.S. Department of Veterans Affairs (USDVA)** and its Medical Centers, Veterans Integrated Service Networks (VISN), and clinics collaborate with the Veterans Land Board to provide services to the residents of the TSVH facilities.

- VISN
  1. Works with the TSVH Program to coordinate services for veterans.
  2. Mediates issues to resolve differences and service provision concerns of local USDVA medical centers and TSVH Program and facilities.
- USDVA Medical Centers
  1. Provide pharmaceutical and health care services to eligible TSVH resident veterans.
  2. Determine eligibility of veterans for Aid and Attendance benefits and other services.
  3. Conduct annual surveys of TSVH in their jurisdiction for recognition of the home as meeting standards for participation in the USDVA's State Veterans Home Program.

**K. If this program or function is contracted out, provide a description of how you ensure accountability for funding and performance.**

Private operators to provide the daily care and operations of the homes by contract with the VLB. A Management and Operations Agreement is signed between the VLB and the operators, and TSVH staff is charged with oversight and ensuring compliance. Program staff, auditors, care specialists, on-site representatives, and the Director, monitor the operators' performance compared to existing standards and requirements. The contract requires the operators to correct observed errors and poor practices.

The Texas State Veterans Homes Program has no regulatory authority beyond requiring compliance by the

operator with its contractual obligations. Funds and payments may be withheld or reduced for non-compliance with or non-performance of the contract terms. The results of monitoring visits by Program staff are used in determining contract renewal or denial. Serious violations can result in the removal and replacement of the operator.

**L. What statutory changes could be made to assist this program in performing its functions? Explain.**

None identified at this time.

**M. Provide any additional information needed to gain a preliminary understanding of the program or function.**

The Texas State Veterans Home Program continues to seek, develop, and implement new opportunities, operational policies and procedures, and systems to best serve the State's veteran population and carry out its mission to provide affordable, dignified professional nursing care to Texas veterans and other eligible persons in high quality long-term care facilities.

**A. Provide the following information at the beginning of each program description.**

<b>Name of Program or Function</b>	<b>Veterans Cemeteries Program</b>
<b>Location/Division</b>	Austin, TX
<b>Contact Name</b>	Jack Slayton
<b>Actual Expenditures, FY 2004</b>	1,865,708
<b>Number of FTEs as of August 31, 2004</b>	1

**B. What is the objective of this program or function? Describe the major activities performed under this program.**

The objective of the Texas State Veterans Cemetery (TSVC) program is to provide Texas veterans with a dignified, honorable burial place.

Activities include:

- Selecting cemetery sites
- Designing cemetery features and layout
- Applying for Federal grant funding
- Coordinating construction
- Developing and promulgating operating policies

Depending on revenue availability and federal approval, Texas could receive funding for up to seven Texas State Veterans Cemeteries.

**C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.**

The following performance measures relate to this program for LBB reporting purposes:

<b>Veterans Land Board</b>			
<b>Performance Measures Fiscal Year 2004</b>			
<b>Key Performance Measures</b>	<b>FY 2004 Target</b>	<b>FY 2004 Actual Performance</b>	<b>FY 2004 % of Annual Target</b>
Number of Interments Provided by Texas State Veterans Cemetery Program (none available due to delay in original construction start date and USDVA grant approval)	1,000	0	0

Note: No cemeteries have been completed. As of 3<sup>rd</sup> quarter FY05, 88 burial industry professionals have been educated.

**D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.**

In 2001, the Legislature authorized the Veterans Land Board (the “VLB”) to build up to seven State Veterans Cemeteries and to spend not more than \$7 million per year in their operation (HB 310, 77<sup>th</sup> Legislature). Texas State Veterans Cemeteries will help augment the four National Cemeteries in Texas. It is the goal of the U.S. Department of Veterans Affairs (USDVA) to have a veterans’ cemetery within 75 miles of 90% of U.S. veterans. The USDVA supports this goal by building National Cemeteries to serve major veterans’ markets. National cemeteries are located in Dallas, El Paso, Houston, and San Antonio. In the smaller veterans’ markets, the USDVA funds grants to states to pay up to 100% of the costs to design, construct and equip state veterans cemeteries. By the end of this fiscal year (2005) the USDVA will have 120 National Cemeteries and will have provided funding for 59 state veterans cemeteries nationwide.

While the federal government pays for the construction costs of state veterans’ cemeteries, the state must pay for the operational costs. Excess assets of the VLB land and housing assistance loan programs fund the operation of the Texas State Veterans Cemeteries without tax dollars.

House Bill 310 also directed the establishment of a Texas State Veterans Cemetery Committee to determine the eligibility criteria for and the location and size of Texas State Veterans Cemeteries. The committee is made up of the three members of the Veterans Land Board plus the Chairman of the Texas Veterans Commission and two additional members selected by the Chairman of the Texas Veterans Commission.

Killeen was selected as the location of the first state veterans cemetery, using land donated by Ft Hood. It is currently under construction with a scheduled opening of September 2005. Each cemetery will be developed in phases with the first phase in Killeen providing adequate burial sites for about ten years (approximately 6,000 gravesites for casketed and cremated interments).

A second site in Mission was donated by the City of Mission. The cemetery design for this site has been completed. The final grant application has been submitted to the USDVA for approval. Construction on the Mission site is expected to begin in the summer of 2005 and should be completed by early 2007. This site will have approximately 6,000 gravesites in the initial construction phase.

The TSVC Committee identified a third cemetery site in Abilene (to be donated by the City of Abilene) to propose to the USDVA for FY 2007 construction grant funding. The pre-application for the grant has been approved, now the VLB has begun the design process. If the final grant application is approved for funding by the USDVA, the Abilene site would likely be operational by the fall of 2008.

The VLB will seek donation of land for up to four more sites in areas of high concentration of veterans that are not already served by a National or State Veterans Cemetery. Northeast Texas, the Coastal Bend area and perhaps several more sites in west Texas are areas with significant concentrations of veterans.

The VLB intends to contract with private companies for the operations of the cemeteries. The operator for the Central Texas State Cemetery has been selected and a contract for operation has been negotiated.

**E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.**

This program is intended for deceased Texas veterans and their families.

The National Cemetery Administration, an element of the U.S. Department of Veterans Affairs that funds the cemetery construction grants, considers a veteran to be within the cemetery service area if he or she resides within 75 miles of a cemetery. Using this measure, approximately 1.1 million of our total 1.7 million Texas veterans are within the service areas of the four national cemeteries in Houston, Dallas/Ft. Worth, San Antonio, and El Paso. State-operated veterans cemeteries will provide cemetery services to smaller concentrations of veterans. When all seven cemeteries are operational, approximately 400,000 veterans are expected to reside within 75 miles of one of the seven State veterans cemeteries and benefit from their services.

The Texas State Veterans Cemetery Committee has adopted the Federal standards for eligibility. Veterans who have completed a full tour of federal service and reserve component personnel who have met the service requirement for retirement benefits are eligible. Spouses and dependent children of eligible beneficiaries are also eligible for cemetery services. There is no state residency requirement.

**F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.**

One Director who reports to the Assistant Executive Secretary and Executive Secretary of the VLB administers the veterans cemetery program.

Veterans Cemetery Milestone Schedule (parenthesis indicate projected dates):

Location	Site Selection	Pre-application	Design	Final Grant Approved	Construction	Projected Opening Date
Killeen	Feb-02	Jun-02	Feb 03 - Sep 03	Dec-03	Mar 04 - (Oct 05)	(Dec-05)
Mission	Feb-02	Jun-02	Feb 04 - Jun 05	(Sep-05)	(Sep 05 - Mar 07)	(Apr-07)
Abilene	Sep-04	Jan-05	(Aug 05 - Mar 06)	(Oct-06)	(Nov 06 - May 08)	(Jun-08)
Amarillo	preliminary Sep-04					
Corpus Christi	preliminary May-05					
Longview	preliminary Jun-05					

**G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).**

House Bill 310 and a subsequent constitutional amendment approved by the voters in 2001 permits the Texas Veterans Land Board to use excess assets from the Veterans Land Fund or the Veterans Housing Assistance Fund I and II to plan, design, operate, maintain, enlarge, or improve veterans cemeteries. All land for Texas State Veterans Cemeteries must be donated. The U.S. Department of Veterans Affairs (USDVA) provides grants to cover 100% of the costs for design, construction, and equipment. Design costs must be paid in advance by the VLB and later reimbursed by the USDVA, upon final approval of the grant. The assets of the veterans loan programs pay for most of the costs of operation of the cemeteries. The USDVA pays a \$300 plot allowance to the VLB for interment of each veteran.

**H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.**

Texas veterans and their families may choose to bury their loved ones in any cemetery. However, the State Veterans Cemeteries are exclusively for Texas veterans. There are no other programs within the State of Texas that provide identical services. The Texas Building and Procurement Commission administers the Texas State Cemetery in Austin as a place of final repose for prominent public officials. Funding support for the Texas State Cemetery is through general revenue. Funding support for the Texas State Veterans Cemeteries is entirely from federal grants, federal fee reimbursements, and from the assets of the veterans loan programs.

**I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.**

The Texas State Veterans Cemetery Program is unique within the Texas government and does not duplicate any other state programs.

**J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.**

The Texas State Veterans Cemetery Program seeks donation of suitable land for development of Texas State Veterans Cemeteries in selected communities. County judges, city mayors, city economic development councils, and private donors have proposed donation of tracts of land for state veterans cemeteries. Tax Increment Reinvestment Zone (TIRZ) boards and irrigation district boards have donated financial support for cemetery infrastructure and utility services. The federal government through the State Cemetery Grants Office of the National Cemetery Administration of the U.S. Department of Veterans Affairs has provided construction grant funding and design consultation for the Texas State Veterans Cemetery Program. The U.S. Department of Veterans Affairs also provides a \$300 plot allowance for eligible veterans burials in state veterans cemeteries. Successful operation of state veterans cemeteries also relies on the support of

community service and veterans organizations.

The Department of Texas AMVETS (in cooperation with the national AMVETS organization) has agreed to donate a carillon tower for the Killeen and Mission State Veterans Cemeteries. This is approximately a \$50,000 donation for each cemetery.

**K. If this program or function is contracted out, provide a description of how you ensure accountability for funding and performance.**

This program will be contracted out to a private professional burial care operator. Parameters within the operational contract will include contract performance and accountability measures. TSVC staff will ensure compliance with the contract.

**L. What statutory changes could be made to assist this program in performing its functions? Explain.**

None identified at this time.

**M. Provide any additional information needed to gain a preliminary understanding of the program or function.**

## VIII. Statutory Authority and Recent Legislation

**A. Fill in the following chart, listing citations for all state and federal statutes that grant authority to or otherwise significantly impact your agency. Do not include general state statutes that apply to all agencies, such as the Public Information Act, the Open Meetings Act, or the Administrative Procedure Act. Provide information on Attorney General opinions from FY 2001 - 2005, or earlier significant Attorney General opinions, that affect your agency's operations.**

<b>(Veterans Land Board)</b>	
<b>Exhibit 13: Statutes/Attorney General Opinions</b>	
<b>Statutes</b>	
<b>Citation/Title</b>	<b>Authority/Impact on Agency</b>
Texas Constitution Article 3 Legislative Department Section 49-b Veterans' Land Board; Bond Issue; Veterans' Housing Assistance Fund; Veterans' Housing Assistance Fund II	Establishes the Veterans Land Board (VLB); Appoints the Commissioner of the General Land Office as the Chairman and administrator of the Veterans Land Program; Authorizes the VLB to issue and sell bonds or obligations to create the Veterans Land Fund, the Veterans Housing Assistance Fund and Fund II; Establishes the Veterans House Assistance Fund and authorizes the use of the fund to make home mortgage loans; Establishes the Veterans Land Fund authorizing the VLB to purchase land to be sold to veterans in quantities, on terms, at prices and at interest rates determined by the Board; Delineates the sources of the corpus of the fund; Establishes the Veterans; Housing Assistance Fund II which is a separate and distinct fund that is used to make home mortgage loans to veterans in the state; Establishes the sources for the corpus of this fund; Establishes the sources for the corpus of the Veterans' Housing Assistance Fund; Provides for the uses of receipts for all three funds if such receipts are not used for the payment of the principal and interest on the general obligation bonds benefiting the three funds; Provides for the use of the assets from the fund if such assets are not used for the purpose of the funds, including the use of the assets to plan, design, operate, maintain enlarge or improve veterans cemeteries or to plan design, operate, maintain, enlarge, improve, furnish, or equip veterans homes; Determines what types of bonds will be issued by the Board and how the Board may issue such bonds; Provides that the Constitutional amendment is only a basic framework and the Legislature is given full authority to implement and effectuate the design

	and objects of the Amendment and to delegate such duties and responsibilities to the VLB as the Legislature sees fit; Authorizes the VLB to provide, issue, and sell general obligation bonds to provide mortgage loans to veterans, the principle amount not to exceed \$500 million.
The Texas Constitution Article 3-Legislative Department  Section 65 Public Bonds; Interest Rate; Conflicting Rates Repealed; Veterans Land Board Bonds	Subsection (b) authorized the Board to determine the interest rates for the bonds it issues but the rates may not exceed a net effective interest rate of 10% per year unless otherwise provided by law. Any statute in effect when this amendment was passed, (1972) that sets a rate different from this amendment is ineffective unless it is reenacted by the legislature.  Section 1204.006b, Government Code, allows the board of directors of any state agency to set rates of not more than 15%. This section is other law that provides for a higher percentage rate as contemplated by subsection(b) above, in effect making subsection (b) unnecessary.
The Texas Constitution  Temporary Transition Provisions  H.J.R. No 62, Section 56, 76 <sup>th</sup> Legislature	Originally section 49-b, listed above, was amended three times, 49-b1, 49b-2 and 49-b3 expanding the Texas Veterans Land Board's bond authorization. H.J.R. No. 62's purpose was to remove redundant language from the Constitution. It was determined that these three amendments were redundant. However the authority expanding the Texas Veterans Land Board's bond authorization had to be continued. Therefore, the Temporary Transition Provisions maintains the intent of the three repealed amendments.
Texas Natural Resources Code, Title 7, Resources Program Chapter 161, Veterans Land Board  Chapter 162, Veterans Housing Assistance Program  Chapter 164, Veterans Financial Assistance Program	Establishes the Veterans Land Board. Establishes the powers and duties of the Veterans Land Board (VLB). Authorizes the VLB to issue General Obligation Bonds; to create the Veterans Land Fund; to buy and sell certain land; to forfeit land and require all veteran purchasers to have insurance when participating in the Veterans Land Fund program.  Establishes the Veterans Housing Assistance Program and authorizes the VLB to administer the program.  Authorizes the VLB to establish financial assistance programs to aide veterans in the purchase of land, selling land to the veterans, making home loans to veterans, and to construct, operate, maintain, improve or enlarge Texas State Veterans Homes (skilled nursing care facilities) and Texas State cemeteries and to issue bonds to carry out these programs.

<p>Title 40 Texas Administrative Code, Social Services and Assistance, Part 5, Texas Veterans Land Board. Chapter 175, General Rules of the Veterans Land Board, Subchapter A, General Rules and Contracting Financing</p>	<p>Contains rules governing various activities of the Veterans Land Board including the issuance of bonds, the sale of land, granting of mineral leases, easements, forfeitures and subsequent sales and the duties and responsibilities of the Chairman, Executive Secretary and Assistant Executive Secretary.</p>
<p>Title 40 Texas Administrative Code, Social Services and Assistance, Part 5, Texas Veterans Land Board. Chapter 175, General Rules of the Veterans Land Board, Subchapter B, Mortgage Financing</p>	<p>Contains the rules governing the Veterans Land Board's authority and procedures for making loans secured by mortgages, deeds of trust or other liens.</p>
<p>Title 40 Texas Administrative Code, Social Services and Assistance, Part 5, Texas Veterans Land Board. Chapter 176, Veterans Homes</p>	<p>Contains the rules regarding the procedures for the administration and operation of the Texas State Veterans Homes including such rules as admission eligibility and construction of the homes.</p>
<p>Title 40 Texas Administrative Code, Social Services and Assistance, Part 5, Texas Veterans Land Board. Chapter 177, Veterans Housing Assistant Program</p>	<p>Contains the rules regulating the various aspects of the Housing Assistant Program from the issuance and sales of bonds for the fund, to the application and land processing required under the program.</p>
<p>Title 40 Texas Administrative Code, Social Services and Assistance, Part 5, Texas Veterans Land Board. Chapter 178, Texas State Veterans Cemeteries</p>	<p>Contains the rules regulating the Texas State Cemeteries program including the funding and eligibility criteria.</p>
<p>Texas Health and Safety Code, Title 4, Health Facilities Licensing  Chapter 242, Convalescent and Nursing Homes and Related Institutions</p>	<p>Legislation governing the licensing and operation of among other institutions, skilled nursing facilities. These statutes contain the Texas Board of Human Services authority and oversight of the state's skilled nursing facilities that include the facilities owned and operated by the VLB through its Texas State Veterans Homes program. These statutes impact the way in which the VLB operates the homes.</p>
<p>Title 40, Social Services and Assistance, Part 1, Department of Aging and Disability Services  Chapter 19, Nursing Facility Requirements for Licensure and Medicaid Certification</p>	<p>These rules contain the requirements for skilled nursing care and services provided to the residents that the Texas State Veterans Homes must meet in order to be licensed as a nursing facility and to qualify to participate in Medicaid. These rules serve as the basis for the Department of Aging and Disability Services surveys of the homes for licensure and certification purposes. These rules are very similar in requirements to 38 CFR Part 51 D.</p>

<p>38 United States Code, Veterans' Benefits</p> <p>Chapter 17, Medical and Nursing Care, Subchapter II, Hospital, Nursing Home, or Domiciliary Care and Medical Treatment</p> <p>Chapter 17 Medical and Nursing Care, Subchapter V, Sections 1741-1743, Payments to State Homes</p> <p>Chapter 81, Facilities and Supplies, Subchapter III, State Home Facilities for Furnishing Domiciliary, Nursing Home and Hospital Care, Sections 8126-8137</p> <p>42 United States Code, Public Health and Welfare</p> <p>Chapter 7, Social Security Part C Administrative Simplification, Sections 1320d-1320-8</p> <p>Chapter 7, Social Security Subchapter 18, Health Insurance for Aged and Disabled, Sections 1394-1395cc</p> <p>Chapter 7, Social Security Subchapter 19, Grants to States for Medical Assistance Programs, Sections 1396-1396v</p>	<p>Establishes the criteria for medical benefits for veterans. This impacts the benefits for which the veteran residents for the Texas State Homes are eligible and the resulting payment the Texas State Veterans Homes will receive for the care provided to such residents.</p> <p>Authorizes the Secretary of Veterans Affairs to pay a per diem for each eligible veteran resident of the Texas State Veterans Homes; and how those payments will be made and to inspect the homes.</p> <p>Authorizes the Secretary of Veterans Affairs to assist the states to construct State home facilities. It authorizes the Secretary to establish the criteria for the need for such facilities, the funding for the construction, the requirements for each facility among other things. This legislation coupled with Chapter 164, Texas Natural Resources Code allowed the Texas Veterans Land Board to create the Texas State Veterans Homes Program.</p> <p>Health Information Portability and Accountability Act of 1996. (HIPAA) Establishes HIPAA and the regulations regarding the protection for personal identification information contained in medical records. This law affects the Texas State Veterans Homes Program in the maintenance, transmission and receipt of such information on a daily basis.</p> <p>Contains the federal legislation for the Medicare program. The Texas State Veterans Homes are all Medicare certified.</p> <p>Contains the federal legislation for the Medicaid program. The Texas State Veterans Homes are all Medicaid certified.</p>
<p>Title 38 Code of Federal Regulations, Pensions Bonuses, and Veterans' Relief, Part 17 Medical, Sections 17.190-17.200</p> <p>Title 38 Code of Federal Regulations, Pensions Bonuses, and Veterans' Relief, Part 51 Per Diem for Nursing Home Care of Veterans in State Homes, Sections 51.1-51.210</p>	<p>Contains the regulations governing the federal requirements for the operation and payment thereof for State Nursing Homes.</p> <p>Contains the regulations that govern the payment of the per diem for each eligible veteran resident in the Texas State Veterans Homes and the services and skilled nursing care that must be provided by the Texas Veterans Land Board to each resident in order to receive such payments.</p>

<p>Title 42, Public Health, Chapter IV, Center for Medicare and Medicaid Service, Department of Health and Human Services, Part 483, Requirements for States and Long Term Care Facilities, Sections 483.1-483.480</p>	<p>These regulations are similar to the regulations found in Title 40, Social Services and Assistance, Part 1, Department of Aging and Disability Services Chapter 19, Nursing Facility Requirements for Licensure and Medicaid Certification. These regulations contain the requirements that the Texas State Veterans Homes Program must meet in order to participate in Medicare.</p>
<p>38 United States Code, Veterans Benefits  Chapter 24, Cemeteries and Memorials, Section 2408  Title 38 Code of Federal Regulations, Pensions, Bonuses, and Veterans' Relief, Part 39, State Cemetery Grants, Sections 39.1-39.26</p>	<p>Authorizes the Secretary of Veterans Affairs to make grants to States to assist in the establishment, expansion or improvement of state owned veterans cemeteries. This legislation coupled with Chapter 164 Texas Natural Resources Code allowed the Texas Veterans Land Board to create the Texas State Cemeteries Program for the construction and operation of the Texas State Cemeteries for veterans in Texas.</p> <p>These rules set forth the requirements and mechanisms for the states to obtain grants to establish, expand or improve a state owned veterans cemetery, including site planning and architectural design requirements for the cemetery.</p>
<p><b>Attorney General Opinions</b></p>	
<p><b>Attorney General Opinion No.</b></p>	<p><b>Impact on Agency</b></p>
<p>JM-289 1984</p>	<p>The Texas Veterans Land Board must allow resident aliens who served in the United States armed forces to participate in the Veterans Land and Housing programs.</p>
<p>JM-774 1987</p>	<p>The Texas Veterans Land Board may not impose a fee for delivery of a paid-in-full deed authorized under section 161.070, Texas Natural Resources Code on purchasers of land whose contracts entitle them to delivery of the deed without payment of such fee. The imposition of the fee would violate Article I, section 10 clause 1, United States Constitution.</p>
<p>JM-1085 1989</p>	<p>Taxes may not be imposed upon real property comprising the Texas Veterans Land Fund after the contract of sale has been forfeited and full title to the property has reverted to the possession and control of the state. Penalties and interest on unpaid delinquent taxes imposed on real property whose title has reverted to the state continue to accrue. During the period when real property title reverts to the Texas Veterans Land Board, and such delinquent taxes are owed, a lien is unenforceable against the state.</p>

JM-1201 1990	The Veterans Land Board may not invest moneys of the Veterans Land Fund or the Veterans Housing Assistance Fund in direct security repurchase agreements, call options contracts, reverse repurchase agreements or collateralized mortgage obligations.
GA-0026	Foreclosed properties held by the Texas Veterans Land Board under the Veterans Housing Assistance Program, which authorizes use of public funds to make home mortgage loans to qualified veterans for housing, are exempt from ad valorem property taxes while they are owned and held by the Board pending resale.

**B. Provide a summary of recent legislation regarding your agency by filling in the chart below or attaching information already available in an agency-developed format. Briefly summarize the key provisions. For bills that did not pass, briefly explain the key provisions and issues that resulted in failure of the bill to pass (e.g., opposition to a new fee, or high cost of implementation).**

**(Veterans Land Board)  
Exhibit 14: 79th Legislature Chart**

**Legislation Enacted - 79th Legislature**

Bill No.	Caption	Program Impact	Implementation Required
HB 2340 (Corte, Leibowitz)	Relating to grants and loans for certain economic development projects to assist defense communities affected by the federal military base realignment and closure process.	Allows department to require a minimum data set reports.  Ensures that rules governing the rates paid to nursing homes include the reporting of all revenue and costs unless that cost is payment for liability insurance or the cost is a payment of a penalty assessed by the commission against the nursing home.	The VLB will have to work with its operators of the vet homes to provide date when requested.  The VLB may be impacted as it addresses the amount of reimbursement from the commission for the provision of services to nursing home residents receiving Medicaid and Medicare.
SB 48 (Nelson)	Relating to reporting requirements for convalescent and nursing homes and related institutions.	Allows the department to require nursing homes to submit information including the Minimum Data Set Resident Assessments to ensure quality of care.  Requires the Commission to ensure that the determination of rates paid for nursing home services provide for the reporting of all revenue and costs.	The Veterans Homes will have to work with its operators to provide this data on request.
SB 52 (Nelson)	Relating to a competitive grant program for aging and disability services.	Requires HHSC agency to establish a grant program to aid in the establishment of quality of life innovation programs for the residents at nursing homes. The program will be funded through penalties assessed against nursing homes for lack of care and other standards.	The Texas Veterans Homes Program may work with its operators on any quality of life programs and qualify for the grant money or may be a beneficiary of other institutions' programs. Be aware and work with the operators and appropriate HHSC agencies (DADS).
SB 325	Relating to the management of	Establishes guidelines for the use of	This will affect the Veterans

(Zaffirini)	behavior of residents of certain facilities.	restraints and seclusion at facilities, including the Veteran Homes.	Homes program, as it will change the way in which the operators of the homes may use restraints with the residents of the homes. The VLB and Operators will have to comply with the regulatory requirements of this Act.
SB 500 (West)	Relating to prices charged for the provision of health care services.	Reinstates the exemption for persons on Medicaid or Medicare and expands such exemption to include financially or medically indigent persons who qualify for health care on a sliding fee or a written charity policy. Prohibits the establishment of policies or contracts by health care providers that violate any state or federal law. Makes it fraudulent to knowingly or intentionally have two different prices for the same services or products.	The Veterans Homes program will have to ensure that the operators do not intentionally engage in the type of billing as described in the measure.
SB 581 (Van de Putte)	Relating to the powers and duties of the Veteran's Land Board.	Exempts VLB from TBPC purchasing regulation and changes the definition of "veteran" to serving 90 days.	Make necessary adjustments to reflect change in "veteran" definition.
SB 1173 (Armbrister)	Relating to the regulation of a perpetual care cemetery and the sale of interment rights in a mausoleum before completion of construction and to the protection of cemetery property.	This bill establishes consumer protection for plot owners through creating proposed code provision that will regulate the construction and operation of mausoleums specifically in the pre-sale before construction phase. The bill establishes a preconstruction trust by a corporation for the purposes of administering proceeds from sales of undeveloped mausoleum spaces.	VLB cemetery program needs to review carefully for impact.
SJR 7 (Carona)	Proposing a constitutional amendment authorizing line-of-credit advances under a reverse mortgage.	The constitutional amendment, if passed, would authorize lenders to offer more flexibility in the types and timing of payments made to borrowers under reverse mortgages by permitting line-of-credit advances.	It would not directly affect the activities and programs of the General Land Office, except that it may be of interest to the Veterans Land Board if it offers more flexible financing options in the future.

<b>Legislation Not Passed - 79th Legislature</b>		
<b>Bill Number</b>	<b>Author</b>	<b>Summary of Key Provisions/Reason the Bill Did Not Pass</b>
HB 1057	Corte	Exempts VLB from TBPC purchasing regulation and changes the definition of “veteran” to serving 90 days <b>Companion SB 581 passed instead.</b>
HB 1391	Leibowitz	Would have required the VLB and Texas Residential Construction Commission to encourage volume homebuilders (those who build more than 100 homes a year) to make available floor plans for potential buyers with special needs. <b>Passed House. Referred to Senate Committee. Reason for not passing unknown.</b>
HB 2342	Corte	Redefined veteran as a person who has served 90 days, rather than 90 “continuous” days.
SB 1093	Van de Putte	<b>Rolled into SB 581.</b>
SB 862	Van de Putte	Bill would have allowed the VLB to appoint an advisory board in assisting them with determining eligibility for certain person for certain VLB programs, and to pay a per diem and reimbursement for expenses. <b>Reason for not passing unknown.</b>

## **IX. Policy Issues**

<b>A. Brief Description of Issue</b>
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No policy issues have been identified requiring changes to State statutes. The Veteran's Land Board currently has the legislative authority and flexibility to address most issues pertaining to the operations of the board and its programs. A list of recent legislative changes and description are included in this report in earlier sections.

**X. Other Contacts**{tc \12 "X. Comments}

A. Fill in the following chart with updated information on people with an interest in your agency, and be sure to include the most recent e-mail address.

**(Veterans Land Board)  
Exhibit 15: Contacts**

**INTERAGENCY, STATE, OR NATIONAL ASSOCIATIONS**

(that serve as an information clearinghouse or regularly interact with your agency)

<b>Group or Association Name/ Contact Person</b>	<b>Address</b>	<b>Telephone</b>	<b>E-mail Address</b>
<b>American Legion, Department of Texas</b> Mike Palmquist	3401 Ed Bluestein Blvd. Austin, TX 78721-2902	512-472-4138	<a href="mailto:txlegion@txlegion.org">txlegion@txlegion.org</a>
<b>Disabled American Veterans, Department of Texas</b> Eldon Armstrong	2400 E. Arbrook Blvd. Arlington, TX 76014-3926	817-394-3260	<a href="mailto:davtx.adj@sbcglobal.net">davtx.adj@sbcglobal.net</a>
<b>Veterans of Foreign Wars, Department of Texas</b> Glen Gardner	8503 North IH-35 Austin, TX 78753	512-834-8535	<a href="mailto:glen@texasvfw.org">glen@texasvfw.org</a>
<b>National Guard Association of Texas</b> Ray Lindner	3706 Crawford, POB 10045 Austin, TX 78766-1045	512-454-7300	<a href="mailto:rlinder@ngat.org">rlinder@ngat.org</a>
<b>Association for Professional Mortgage Women (APMW)</b> Kimberly Pryor President	20326 Liatris Lane San Antonio, Texas 78259 210.885.8348 cell	210-885-8348	<a href="mailto:kpryor@satx.rr.com">kpryor@satx.rr.com</a>
<b>Texas Association of Mortgage Brokers</b> Chilton Roberts Executive Director	502 E. 11th St. #400 Austin, TX 78701	512-708-0611	<a href="mailto:chiltonr@aams-texas.com">chiltonr@aams-texas.com</a>
<b>Texas Mortgage Bankers Association</b> Lisa A. Vercher Executive Vice President	823 Congress Ave #220 Austin, TX 78701	512-480-8622	<a href="mailto:lvercher@texasmba.org">lvercher@texasmba.org</a>

<b>National Association of State Veterans Homes</b> Lourdes "Alfie" Alvarado-Ramos Washington State Department of Veterans Affairs	1011 Plum Street 2nd Floor P.O. Box 4115 Olympia, WA 98504-1150	360-725-2155 800-562-2308	<a href="mailto:alfie@dva.wa.gov">alfie@dva.wa.gov</a>
<b>Texas Association of Realtors (TAR)</b> John Gormley	1115 San Jacinto Blvd #200 Austin, TX 78701	512-370-2107	<a href="mailto:jgormley@texasrealtors.com">jgormley@texasrealtors.com</a>
<b>National Association of Hispanic Realtors</b> Jose Chavez	PO Box 275 Round Rock, TX 78680	512-472-9480	<a href="mailto:chavezgroup@realtyworldaustin.com">chavezgroup@realtyworldaustin.com</a>
<b>Fannie Mae (Federal National Mortgage Association (FNMA))</b> Maria Brewster	14221 Dallas Pkwy #1000 Dallas, TX 75254	972-773-7919	<a href="mailto:maria_b_brester@fanniemae.com">maria_b_brester@fanniemae.com</a>
<b>Texas Real Estate Educators Association</b> Rebecca Ray, President	4100 Midway Road Suite #1055 Carrolton, TX 75007	940-637-2070	<a href="mailto:rray@leonard-hawes.com">rray@leonard-hawes.com</a>
<b>LIAISONS AT OTHER STATE AGENCIES</b> (with which your agency maintains an ongoing relationship, e.g., the agency's assigned analyst at the Legislative Budget Board, or attorney at the Attorney General's office)			
<b>Agency Name/Relationship/ Contact Person</b>	<b>Address</b>	<b>Telephone</b>	<b>E-mail Address</b>
<b>Texas Veterans Commission</b> Jim Nier Executive Director	920 Colorado Street PO Box 12277 Austin, TX 78711	512-463-5538	<a href="mailto:info@tvc.state.tx.us">info@tvc.state.tx.us</a>
<b>Legislative Budget Board</b> Jennifer Fox, Analyst	PO Box 12666 Austin, TX 78711-2666	512-463-1188	<a href="mailto:jennifer.fox@lbb.state.tx.us">jennifer.fox@lbb.state.tx.us</a>
<b>Texas Department of Housing and Community Affairs (TDHCA)</b> Eric Pike	PO Box 13941 Austin TX 78711	512-475-3356	<a href="mailto:Eric.pike@tdhca.state.tx.us">Eric.pike@tdhca.state.tx.us</a>

## XI. Additional Information

A. Fill in the following chart detailing information on complaints regarding your agency. Do not include complaints received against people or entities you regulate. The chart headings may be changed if needed to better reflect your agency's practices.

<b>(Veterans Land Board)</b>		
<b>Exhibit 16: Complaints Against the Agency — Fiscal Years 2003 and 2004</b>		
	<b>FY 2003</b>	<b>FY 2004</b>
<b>Number of complaints received (For VLB)</b> (Note: The GLO tracks response time to written, external complaints.)	49 (Number of compliments received: 60.)	68 (Number of compliments received: 89.)
<b>Number of complaints resolved</b>	38	48
<b>Number of complaints dropped/found to be without merit</b>	11	20
<b>Number of complaints pending from prior years</b>	0	0
<b>Average time period for resolution of a complaint</b>	All were responded to within 10 working days. Resolution time varied greatly.	All were responded to within 10 working days. Resolution time varied greatly.

B. Fill in the following chart detailing your agency's Historically Underutilized Business (HUB) purchases.

<b>General Land Office and Veterans Land Board – Agency 305</b>				
<b>Exhibit 17: Purchases from HUBs</b>				
<b>FISCAL YEAR 2002</b>				
<b>Category</b>	<b>Total \$ Spent</b>	<b>Total HUB \$ Spent</b>	<b>Percent</b>	<b>Statewide Goal</b>
<b>Heavy Construction</b>	0	0	N/A	11.9%
<b>Building Construction</b>	181,414	0	N/A	26.1%
<b>Special Trade</b>	7,093	0	N/A	57.2%
<b>Professional Services</b>	897,870	0	N/A	20.0%
<b>Other Services</b>	17,230,715	371,168	2.15	33.0%
<b>Commodities</b>	2,408,558	763,304	31.6	12.6%
<b>TOTAL</b>	<b>\$20,725,652</b>	<b>\$1,134,472</b>	<b>5.47</b>	

**General Land Office – Fiscal – Agency 317  
Exhibit 17: Purchases from HUBs**

**FISCAL YEAR 2002**

<b>Category</b>	<b>Total \$ Spent</b>	<b>Total HUB \$ Spent</b>	<b>Percent</b>	<b>Statewide Goal</b>
<b>Heavy Construction</b>	0	0	N/A	11.9%
<b>Building Construction</b>	0	0	N/A	26.1%
<b>Special Trade</b>	0	0	N/A	57.2%
<b>Professional Services</b>	4,037,501	0	N/A	20.0%
<b>Other Services</b>	380,690	0	N/A	33.0%
<b>Commodities</b>	0	0	N/A	12.6%
<b>TOTAL</b>	4,418,192	0	N/A	

**General Land Office and Veterans Land Board – Agency 305  
Exhibit 17: Purchases from HUBs**

**FISCAL YEAR 2003**

<b>Category</b>	<b>Total \$ Spent</b>	<b>Total HUB \$ Spent</b>	<b>Percent</b>	<b>Statewide Goal</b>
<b>Heavy Construction</b>	0	0	N/A	11.9%
<b>Building Construction</b>	0	0	N/A	26.1%
<b>Special Trade</b>	54,214	0	N/A	57.2%
<b>Professional Services</b>	408,165	20,327	4.98	20.0%
<b>Other Services</b>	25,473,111	317,617	1.24	33.0%
<b>Commodities</b>	2,252,989	633,675	28.1	12.6%
<b>TOTAL</b>	\$28,188,481	971,620	3.44	

**General Land Office – Fiscal – agency 317  
Exhibit 17: Purchases from HUBs**

**FISCAL YEAR 2003**

<b>Category</b>	<b>Total \$ Spent</b>	<b>Total HUB \$ Spent</b>	<b>Percent</b>	<b>Statewide Goal</b>
<b>Heavy Construction</b>	0	0	N/A	11.9%
<b>Building Construction</b>	0	0	N/A	26.1%
<b>Special Trade</b>	0	0	N/A	57.2%
<b>Professional Services</b>	9,969,230	631,583	6.33	20.0%
<b>Other Services</b>	196,545	40,970	20.8	33.0%
<b>Commodities</b>	0	0	N/A	12.6%

<b>TOTAL</b>	\$10,165,776	\$672,553	6.61	
<b>General Land Office and Veterans Land Board – Agency 305</b>				
<b>Exhibit 17: Purchases from HUBs</b>				
<b>FISCAL YEAR 2004</b>				
<b>Category</b>	<b>Total \$ Spent</b>	<b>Total HUB \$ Spent</b>	<b>Percent</b>	<b>Statewide Goal</b>
<b>Heavy Construction</b>	0	0	N/A	11.9%
<b>Building Construction</b>	12,128,954	7,460,148	61.5	26.1%
<b>Special Trade</b>	40,360	6,983	17.3	57.2%
<b>Professional Services</b>	1,107,575	27,168	2.45	20.0%
<b>Other Services</b>	28,509,544	396,410	1.39	33.0%
<b>Commodities</b>	2,500,490	524,873	20.9	12.6%
<b>TOTAL</b>	44,286,924	8,415,584	19.0	
<b>General Land Office – Fiscal – Agency 317</b>				
<b>Exhibit 17: Purchases from HUBs</b>				
<b>FISCAL YEAR 2004</b>				
<b>Category</b>	<b>Total \$ Spent</b>	<b>Total HUB \$ Spent</b>	<b>Percent</b>	<b>Statewide Goal</b>
<b>Heavy Construction</b>	0	0	N/A	11.9%
<b>Building Construction</b>	0	0	N/A	26.1%
<b>Special Trade</b>	0	0	N/A	57.2%
<b>Professional Services</b>	5,604,894	2,094,779	37.3	20.0%
<b>Other Services</b>	215,179	12,750	5.92	33.0%
<b>Commodities</b>	0	0	N/A	12.6%
<b>TOTAL</b>	5,820,073	2,107,529	36.2	

HUB Issue: The Veterans Land Board contracts with three entities to operate its state veterans homes. Payments to these operators comprise over 90% of the agency's expenses in the Other Services category. With the opening of two more homes, this percentage will increase. Only one HUB firm has provided a proposal to operate any of the homes and that firm did not meet the agency's experience qualifications. The VLB is working with the current operators to find HUB subcontracting opportunities, but the dollars available for subcontracting are limited and many of the firms in the identified industries (medical supplies, food service) are large national corporations with extremely competitive pricing. The VLB will continue to pursue HUB participation in its nursing home operation.

**C. Does your agency have a HUB policy? How does your agency address performance shortfalls related to the policy?**

Yes. The agency is constantly reviewing procurement opportunities and working to make HUB firms aware of business opportunities. The GLO HUB Coordinator works with a representative from each program area of the agency as well as our procurement staff to include HUB firms in their purchases and contracts. HUB statistics are shared regularly with senior management and program area contacts.

**D. For agencies with contracts valued at \$100,000 or more: Does your agency follow a HUB subcontracting plan to solicit bids, proposals, offers, or other applicable expressions of interest for subcontracting opportunities available for contracts of \$100,000 or more? (Tex. Government Code, Sec. 2161.252; TAC 111.14)**

Yes.

**E. For agencies with biennial appropriations exceeding \$10 million, answer the following HUB questions.**

	<b>Response / Agency Contact</b>
1. Do you have a HUB coordinator? (Tex. Government Code, Sec. 2161.062; TAC 111.126)	Yes/Angel Abitua, 512-463-1313
2. Has your agency designed a program of HUB forums in which businesses are invited to deliver presentations that demonstrate their capability to do business with your agency? (Tex. Government Code, Sec. 2161.066; TAC 111.127)	Yes/Angel Abitua, 512-463-1313
3. Has your agency developed a mentor-protégé program to foster long-term relationships between prime contractors and HUBs and to increase the ability of HUBs to contract with the state or to receive subcontracts under a state contract? (Tex. Government Code, Sec. 2161.065; TAC 111.128)	Yes/Angel Abitua, 512-463-1313

**F. Fill in the chart below detailing your agency's Equal Employment Opportunity (EEO) statistics.**

**(Veterans Land Board)  
Exhibit 18: Equal Employment Opportunity Statistics**

**FISCAL YEAR 2002**

Job Category	Total Positions	Minority Workforce Percentages					
		Black		Hispanic		Female	
		Agency	Civilian Labor Force %	Agency	Civilian Labor Force %	Agency	Civilian Labor Force %
Officials/Administration	2	50%	7%	0%	11%	0%	31%
Professional	47	12.8%	9%	19.1%	10%	61.7%	47%
Technical	0	0%	14%	0%	18%	0%	39%
Protective Services	0	0%	18%	0%	21%	0%	21%
Para-Professionals	15	26.7%	18%	33.3%	31%	86.7%	56%
Administrative Support	14	14.3%	19%	21.4%	27%	71.4%	80%
Skilled Craft	0	0%	10%	0%	28%	0%	10%
Service/Maintenance	0	0%	18%	0%	44%	0%	26%

**FISCAL YEAR 2003**

Job Category	Total Positions	Minority Workforce Percentages					
		Black		Hispanic		Female	
		Agency	Civilian Labor Force %	Agency	Civilian Labor Force %	Agency	Civilian Labor Force %
Officials/Administration	3	33.3%	7%	0%	11%	0%	31%
Professional	49	16.3%	9%	16.3%	10%	59.2%	47%
Technical	0	0%	14%	0%	18%	0%	39%
Protective Services	0	0%	18%	0%	21%	0%	21%
Para-Professionals	16	25.0%	18%	18.8%	31%	100%	56%
Admin. Support	12	8.3%	19%	25.0%	27%	41.7%	80%
Skilled Craft	0	0%	10%	0%	28%	0%	10%
Service/Maintenance	0	0%	18%	0%	44%	0%	26%

FISCAL YEAR 2004							
Job Category	Total Positions	Minority Workforce Percentages					
		Black		Hispanic		Female	
		Agency	Civilian Labor Force %	Agency	Civilian Labor Force %	Agency	Civilian Labor Force %
Officials/Administration	2	50.0%	7%	0%	11%	0%	31%
Professional	50	12.0%	9%	20.0%	10%	56.0%	47%
Technical	0	0%	14%	0%	18%	0%	39%
Protective Services	0	0%	18%	0%	21%	0%	21%
Para-Professionals	16	31.3%	18%	25.0%	31%	93.8%	56%
Administrative Support	12	8.3%	19%	25.0%	27%	50.0%	80%
Skilled Craft	0	0%	10%	0%	28%	0%	10%
Service/Maintenance	0	0%	18%	0%	44%	0%	26%

**G. Does your agency have an equal employment opportunity policy? How does your agency address performance shortfalls related to the policy?**

Yes. Employees of the GLO/VLB, with managements support, created the Cultural Awareness Council (CAC) to highlight the different cultures of employees at the agency. CAC activities include an International Heritage Day, where agency departments choose different countries and bring or cook food from that country.

A subcommittee of HR staff, CAC members and management was formed to address and implement ideas relating to minority recruiting at the GLO and VLB. The subcommittee meets monthly to address job postings and recruitment ideas and progress.

Also, employees may refer to the GLO's Sexual Harassment Policy or Employee Complaint Resolution Policy for several options for seeking a resolution of any work-related complaint.

In addition, the HR Deputy monitors a physical suggestion box and an on-line (Intranet) suggestion form. Both of these can be submitted anonymously.

Although designed to capture reports of possible fraud, employees could use the internal auditor's suggestion box and the agency's third party, confidential 1-800 number to report other work-related concerns.

These various mechanisms provide employees a variety of ways to voice their concerns about any perceived shortfalls related to the above policy.

## **XII. Agency Comments**

Provide any additional information needed to gain a preliminary understanding of your agency.

### **FUNDS MANAGEMENT DIVISION**

The Funds Management Division of the General Land Office (the “GLO”) is generally responsible for all of the strategic and tactical financial operations related to the financing mechanisms associated with all of the programs administered by the Veterans’ Land Board of the State of Texas (the “VLB”). Within that construct, Funds Management plans and manages the issuance of all tax-exempt and taxable bonds for the VLB and hedges associated interest rate risk by entering into interest rate swaps and other bond enhancement agreements. In addition, it oversees the financial operations of the VLB loan programs, including the certification and sale of GNMA pass-through mortgage-backed securities in the secondary market. It also develops and recommends for Board approval interest rates for loans in the Veterans’ Land and Housing Assistance Programs. Funds Management also manages the VLB investment portfolio to maximize return and minimize risk, while ensuring that programmatic liquidity and cash flow needs are satisfied. The division also ensures that the VLB investment portfolio maintains compliance with federal arbitrage regulations. With regard to the Texas State Veterans Homes Program, the division develops and recommends for Board approval room rates for residents of the homes and negotiates financial contract terms with the homes’ private-sector operators. Finally, the division also assists other GLO divisions and program areas with complex financial planning and analysis.

To reflect the ongoing evolution of the Veterans Land Board, including the addition of the Texas State Veterans Cemetery program, and employing new avenues to reach veterans and inform them of benefits available to them, the VLB will have updated objectives in FY06.

The new objectives will be:

- Manage program assets to cover 100 percent of loan demand, debt service, and program expenses;
- Train lending and real estate professionals and educate long term nursing care and burial industry professionals about TVLB programs;
- Contact veterans and veterans' organizations regarding TVLB programs;
- Maintain delinquency and foreclosure ratios at less than industry averages;
- Provide veterans with quality nursing home care and dignified burial sites.

In addition to existing Legislative Budget Board performance measures, the following new measures take effect beginning FY06:

- Number of Real Estate and Lending Professionals Trained
- Number of Long Term Care Professionals Educated
- Number of Burial Industry Professionals Educated
- Number of Loans Serviced by VLB
- Average Number of Loans Serviced Per Loan Servicer
- Number Loans Originated by VLB
- Average Number of Loans Originated Per VLB Loan Processor

## ATTACHMENTS

{TC\LI "ATTACHMENTS} Submit the following supplemental data or documents with the hard copy of the Self-Evaluation Report. Label each attachment with its number (e.g., Attachment 1). As part of the electronic version, attach a list of items submitted, but do not attach the actual documents to the electronic submission.

### Attachments Relating to Key Functions, Powers, and Duties

1. A copy of the agency's enabling statute.  
Included
2. A copy of each annual report published by the agency from FY 2000 - 2004.  
2004 Unaudited Annual Report of Nonfinancial Data  
2003 Unaudited Annual Report of Nonfinancial Data  
2002 Unaudited Annual Report of Nonfinancial Data  
2001 Unaudited Annual Report of Nonfinancial Data  
2001 Unaudited Annual Financial Report  
2000 Unaudited Annual Financial Report
3. A copy of each internal or external newsletter published by the agency from FY 2003 - 2004.  
Spring 2004 Veterans Voice  
Fall 2004 Veterans Voice  
Spring 2003 Veterans Voice  
Fall 2003 Veterans Voice
4. A list of publications and brochures describing the agency.  
Veterans Land Board (VLB) 5-in-1 Brochure  
VLB State Veterans Homes Program Brochure  
VLB State Veterans Cemetery Program Brochure
5. A list of studies that the agency is required to do by legislation or riders.  
NA
6. A list of legislative or interagency studies relating to the agency that are being performed during the current interim.  
NA
7. A list of studies from other states, the federal government, or national groups/associations that relate to or affect the agency or agencies with similar duties or functions.  
NA

### Attachments Relating to Policymaking Structure

8. Biographical information (e.g., education, employment, affiliations, and honors) or resumes of all policymaking body members.  
Jerry Patterson, Commissioner of the Texas General Land Office

Cephus S. Rhodes, Member, Texas Veterans Land Board

9. A copy of the agency's most recent rules.  
Board Members Handbook

#### **Attachments Relating to Funding**

10. A copy of the agency's Legislative Appropriations Request for FY 2006-2007.  
Included
11. A copy of each annual financial report from FY 2002 - 2004.  
2004 Unaudited Annual Financial Report  
2003 Unaudited Annual Financial Report  
2002 Unaudited Annual Financial Report  
2002 Annual Financial Report
12. A copy of each operating budget from FY 2003 - 2005.  
Operating Budget for Fiscal Year 2004

#### **Attachments Relating to Organization**

13. If applicable, a map to illustrate the regional boundaries, headquarters location, and field or regional office locations.  
Included

#### **Attachments Relating to Agency Performance Evaluation**

14. A copy of each quarterly performance report completed by the agency in FY 2002 - 2004.  
Included
15. A copy of any recent studies on the agency or any of its functions conducted by outside management consultants or academic institutions.  
Parrish, Moody & Fikes, p.c., 2003 Audited Annual Financial Report  
Weaver & Tidwell, L.L.P., 2004 Texas State Veterans Home Program Audited Financial Report
16. A copy of the agency's current internal audit plan.  
General Land Office/Veterans Land Board Internal Audit Division 2005 Plan
17. A list of internal audit reports from FY 2001 - 2005 completed by or in progress at the agency.  
Audit of the Texas State Veterans Homes Division FY 2005 (April 20, 2005)  
Summary Report Audit of HIPAA Compliance/Information Security FY 2004 (July 29, 2004)  
Follow-up to the 2002 Audit of VLB Loan Servicing Division (August 26, 2003)  
Follow-up to the 2001 Audit of VLB Loan Origination Division (August 30, 2004)  
Follow-up to the 2002 Audit of Veterans Homes Construction Accounting (August 21, 2003)

18. A list of State Auditor reports from FY 2001 - 2005 that relate to the agency or any of its functions.  
Statewide Single Audit Report for the Year Ended August 31, 2002 (April 2003 Report No. 03-555)
19. A copy of any customer service surveys conducted by or for your agency in FY 2004.  
General Land Office Report on Customer Service June 1, 2004



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