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**Report to the Committee on Finance and the
Committee on Veterans on the Fiscal 2024
Executive Plan and the Fiscal 2024 Executive
Capital Commitment for the**

**Department of Veteran's
Services (DVS)**

May 8, 2023

Prepared by Ross Goldstein, Financial Analyst



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Department of Department of Veteran’s Services (DVS) Budget Overview

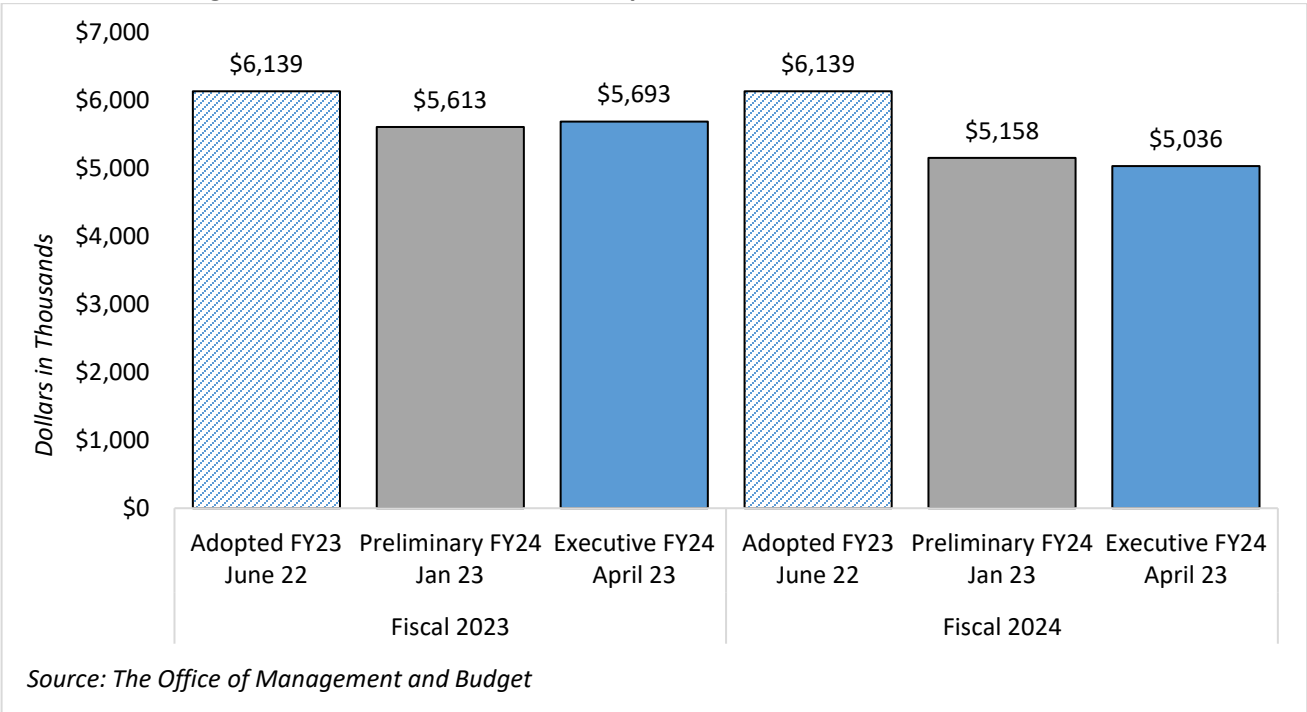
On April 26, 2023, the Administration released the Executive Financial Plan for Fiscal 2023-2027 (Executive Plan) which includes a proposed Fiscal 2024 budget of \$106.7 billion. This report offers a review of the Department of Veteran’s Services (DVS or the Department) Fiscal 2024 Executive Budget, including proposed budget actions taken in the Executive Plan.

The Department’s projected Fiscal 2024 budget of \$5.0 million represents less than half of one percent of the City’s proposed Fiscal 2024 budget of \$106.7 billion in the Executive Plan.

The Department of Veteran’s Services Fiscal 2024 budget decreased by \$122,000 (2.4 percent), from the \$5.2 million budgeted in the Fiscal 2024 Preliminary Financial Plan (Preliminary Plan) presented in January. The decrease is the result of a number of actions taken, most significant of which are: collective bargaining costs and savings from the Citywide Program to Eliminate the Gap (PEG) initiative.

DVS’ current Fiscal 2023 budget is \$5.7 million, \$446,000 (7.3 percent) smaller than the agency’s Fiscal 2023 Adopted Budget (\$6.1 million) and \$80,000 (1.4 percent), greater than the budget presented in the Preliminary Plan.

Chart 1: DVS Budget for Fiscals 2023 and 2024: Comparison of the Last Three Financial Plans



Personal Services and Headcount

DVS’ Executive Plan includes funding for a total of 37 full-time position in the current year remaining unchanged in Fiscal 2024. The current plan represents a reduction in agency headcount of four in Fiscal 2023 since adoption.

In the Executive Plan, funding for DVS’ personal services (all agency staffing related expenses) comprise \$3.7 million or 64 percent of the agency’s total Fiscal 2023 plan. This increases to \$3.5 million or 69 percent in Fiscal 2024.

Table 1: DVS Spending and Budgeted Headcount Summary						
<i>Dollars in Thousands</i>	2021	2022	2023	Executive Plan		*Difference
	Actual	Actual	Adopted	2023	2024	2024 – 2023
Spending						
Personal Services	\$3,800	\$3,645	\$4,106	\$3,662	\$3,477	(\$629)
Other Than Personal Services	1,577	2,072	2,033	2,031	1,559	(474)
TOTAL	\$5,377	\$5,717	\$6,139	\$5,693	\$5,036	(\$1,103)
Budgeted Headcount						
Full-Time Positions - Civilian	39	34	41	37	37	(4)
TOTAL	39	34	41	37	37	(4)

**The difference of Fiscal 2023 Adopted Budget compared to Fiscal 2024 Executive Budget.*

Source: The Office of Management and Budget

Funding Sources

DVS' budget is financed by city funds as well as state funding. In the current financial plan, the Department's primary funding source is city funds. City funds comprise 94 percent (\$5.4 million) of DVS' total funding in the current fiscal year, down from the 95 percent (\$5.8 million) of the Department's budget financed by city funds in the Adopted 2023 budget. City funds comprise 93 percent (\$4.7 million) of the Department's Executive Plan for Fiscal 2024.

The \$80,000 increase in DVS' Fiscal 2023 and \$122,000 decrease in its Fiscal 2024 budget between the 2024 Preliminary Plan and the 2024 Executive Plan is the result of modifications to City funds. These changes include:

City Funding

City funding increases by \$80,000 in Fiscal 2023 and reduced by \$122,000 in Fiscal 2024 when compared to the Preliminary Plan.

State Funding

State funding remained unchanged in Fiscal 2023 and Fiscal 2024 when compared to the Preliminary Plan.

See Appendix A for a complete list of all changes reflected in DVS' Fiscal 2023 and 2024 budgets since adoption.

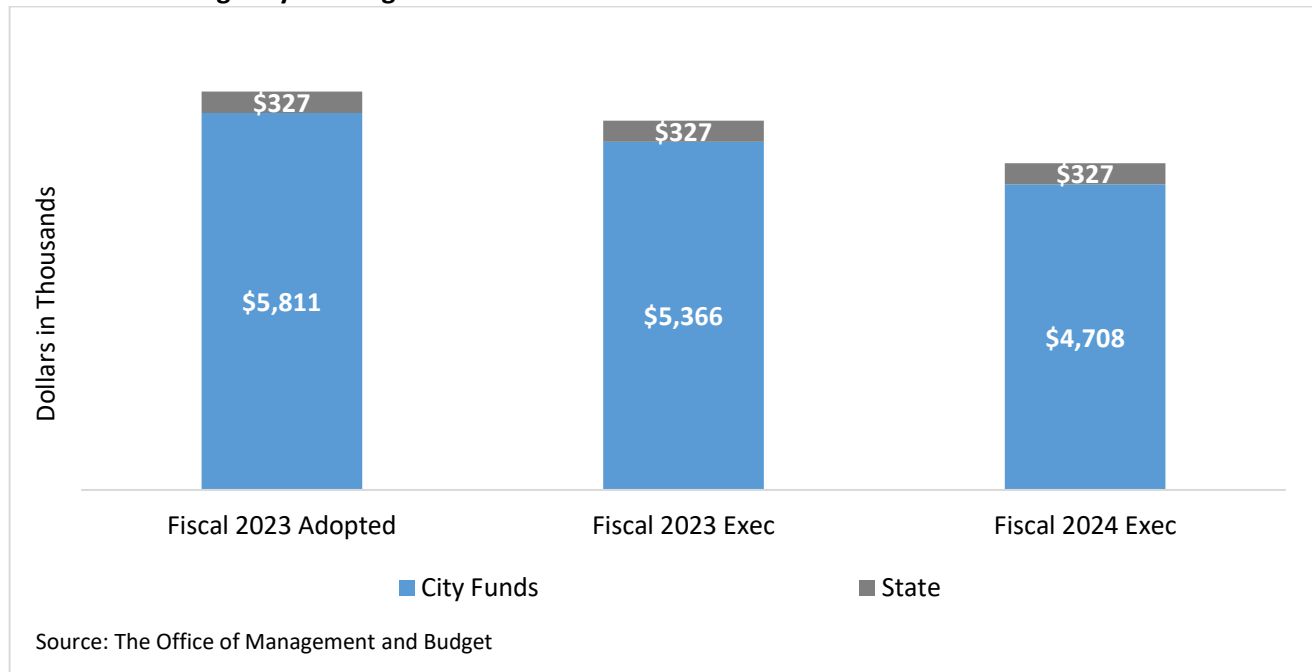
Chart 2: DVS Budget by Funding Source

Table 2: DVS Funding Sources				
Dollars in Thousands	2023	Executive Plan		*Difference
	Adopted	2023	2024	2024 - 2023
Funding				
City Funds	\$5,811	\$5,366	\$4,708	(\$1,103)
State	\$327	\$327	\$327	\$0
TOTAL	\$6,139	\$5,693	\$5,036	(\$1,103)

*The difference of Fiscal 2023 Adopted Budget compared to Fiscal 2024 Executive Budget.

Source: The Office of Management and Budget

Executive Plan Changes

Each financial plan is comprised of changes to an agency's budget from the prior plan. These changes are comprised of new needs that have not previously been included in the agency's budget, other adjustments to existing spending (these adjustments can involve adding additional funding or removing funding), savings programs which provide additional resources either through reduced spending or increased revenue, and savings restorations which include the restoration of expenditures that had been reduced in prior financial plans.

A summary of all changes made to DVS's financial plan since adoption can be found in Appendix A.

New Needs

The Executive Plan includes no new needs for DVS.

Other Adjustments

The Executive Plan includes other adjustments totalling \$80,000 in Fiscal 2023 and \$71,000 in Fiscal 2024.

Collective Bargaining. The Executive Plan includes an additional \$80,000 in Fiscal 2023 and \$71,000 in Fiscal 2024 for costs related to the DC 37 collective bargaining agreement.

Program to Eliminate the Gap (PEG)

The Executive Plan includes \$193,000 of savings in DVS' budget in Fiscal 2024 and the outyears as part of the citywide Program to Eliminate the Gap (PEG) initiative. The agency was able to locate additional savings by re-evaluating administrative and legal services.

Administrative Re-Estimate. Re-estimate of administrative services budget resulting in \$193,000 savings in Fiscal 2024 only.

Legal Services Re Estimate. Re- estimate of legal services budget resulting in \$193,000 in savings in Fiscal 2025 and the outyears.

Appendix A: Budget Actions since Fiscal 2023 Adoption

<i>Dollars in Thousands</i>	FY23			FY24		
	City	Non-City	Total	City	Non-City	Total
DVS Budget as of the Adopted FY23 Budget	\$5,811	\$327	\$6,139	\$5,811	\$327	\$6,139
Changes Introduced in the November 2021 Plan						
Programs to Eliminate the Gap (PEGs)						
Less Than Anticipated PS and OTPS Spending	(\$174)	\$0	(\$174)	(\$276)	\$0	(\$276)
Telecommunication Savings	(2)	0	(2)	(5)	0	(5)
Subtotal, PEGs	(\$176)	\$0	(\$176)	(\$281)	\$0	(\$281)
TOTAL, All Changes in November 2021 Plan	(\$176)	\$0	(\$176)	(\$281)	\$0	(\$281)
DVS Budget as of the November 2022 Plan Budget	\$5,636	\$327	\$5,963	\$5,531	\$327	\$5,858
Changes Introduced in the FY23 Preliminary Plan						
Programs to Eliminate the Gap (PEGs)						
Vacancy Reduction - IC	(\$350)	\$0	(\$350)	(\$700)	\$0	(\$700)
Subtotal, PEGs	(\$350)	\$0	(\$350)	(\$700)	\$0	(\$700)
TOTAL, All Changes in the FY24 Preliminary Plan	(\$350)	\$0	(\$350)	(\$700)	\$0	(\$700)
DVS Budget as of the FY24 Preliminary Budget	\$5,286	\$327	\$5,614	\$4,831	\$327	\$5,159
Changes Introduced in the FY24 Executive Plan						
Programs to Eliminate the Gap (PEGs)						
Administrative Re-estimate	\$0	\$0	\$0	(\$193)	\$0	(\$193)
Legal Services Re-estimate	0	0	0	0	0	0
Subtotal, PEGs	\$0	\$0	\$0	(\$193)	\$0	(\$193)
Other Adjustments						
DC 37 Collective Bargaining Adjustment	\$80	\$0	\$80	\$71	\$0	\$71
Subtotal, Other Adjustments	\$80	\$0	\$80	\$71	\$0	\$71
TOTAL, All Changes in the FY23 Executive Plan	\$80	\$0	\$80	(\$122)	\$0	(\$122)
DVS Budget as of the FY23 Executive Budget	\$5,366	\$327	\$5,693	4,708	\$327	\$5,035

Source: The Office of Management and Budget