

LRB or Bill No./Adm. Rule No.
 VA 2.01 (2)(a) VA 2.01 (2)(b) VA
 2.01 (3)(b) VA 2.01 (3)(c)
 Amendment No. if Applicable

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

FISCAL ESTIMATE
 DOA-2048 N(R10/94)

Subject
Amending administrative rules relating to the assistance to needy veterans grant program

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Decrease Costs

Local: No local government costs

1. Increase Costs
 Permissive Mandatory
 2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
 4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:
 Towns Villages Cities
 Counties Others _____
 School Districts WTCS Districts

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

\$20.485 2(vm)

Assumptions Used in Arriving at Fiscal Estimate

This proposed administrative rule change amends VA 2.01 (2) (a), VA 2.01 (2) (b), VA 2.01 (3) (b) and VA 2.01 (3) (c) relating to the assistance to needy veterans grants (ANVG).

The proposed administrative rule establishes the following provisions governing subsistence aid grants (SAG) under the ANVG program:

- Allowing applicants to apply for subsistence aid at any point in the 90 day period following loss of income from an illness, injury or natural disaster.
- No subsistence aid will be granted for any period prior to the date the application for subsistence aid is received.

Under current law, subsistence aid may be granted within a 30 day period following the loss of income due to illness, injury, or a natural disaster.

The proposed rule amendment will show a decrease in the department's denial rate of the grant for eligible veterans. The only data available to estimate the fiscal effect are the number of grant applications denied in FY08 because the veteran failed to submit an application within the required 30-day time limit. Available data for shows that 40 of the 127 SAG applications disapproved in FY08 were denied for not meeting the 30-day limit. The average SAG grant in FY08 was \$1,997. Consequently, the proposed rule change would increase projected SAG expenditures by at least \$79,900 (40 x \$1,997).

The base level funding for SAGs is \$172,000 per fiscal year. A total of \$119,800 in SAG's were approved in FY08. The increased funding needed to cover the estimated 40 additional SAG's is \$27,700 (\$199,700 – \$172,000).

There is no data on the number of veterans who did not submit an application because they were aware of the 30-day limit and knew that their application would be disapproved because they had not applied within the 30-day limit. As a result, it is anticipated that the number of additional applications received due to increasing the limit to 90-days would be greater than the 40 applications that were submitted and disapproved. Unfortunately, there is no way of estimating what that number will be.

An additional fiscal effect of the proposed rule changes is that the amount of the SAG grant would be prorated over the 90-day period since no subsistence aid would be granted for any period prior to the date the application for subsistence aid is received. The effect of this provision, at least over the short-term, would be to lower SAG expenditures. However, the data needed to estimate that amount of cost savings does not exist.

Because it is not possible to estimate all of the cost impacts of the proposed rule changes, the fiscal estimate is indeterminate. However, based on the cost of the 40 known SAG applications that would have been paid under the proposed rule changes, it is estimated that SAG funding should be increased by \$48,200 in FY10 and \$59,200 in FY11. The table below shows how the dollar amounts for FY10 and FY11 were calculated.

Fiscal Year	Estimated Demand*	Base Level Funding	Additional Funding Needed**
FY08	\$199,900	\$172,000	\$27,900
FY09	\$209,700	\$172,000	\$37,700
FY10	\$220,200	\$172,000	\$48,200
FY11	\$231,200	\$172,000	\$59,200

*Assumes a 5% inflation factor for each fiscal year after FY08.

**Assumes that the proposed rule changes would become effective at the start of FY10.

Long-Range Fiscal Implications

Agency/Prepared by: (Name & Phone No.)
Zolonda Eubanks 264-7072
 Dept. of Veterans Affairs

Authorized Signature/Telephone No.
Kenneth B. Black 266-2256

Date
3/18/09