

Veterans Commission
Summary of Budget Recommendations - Senate

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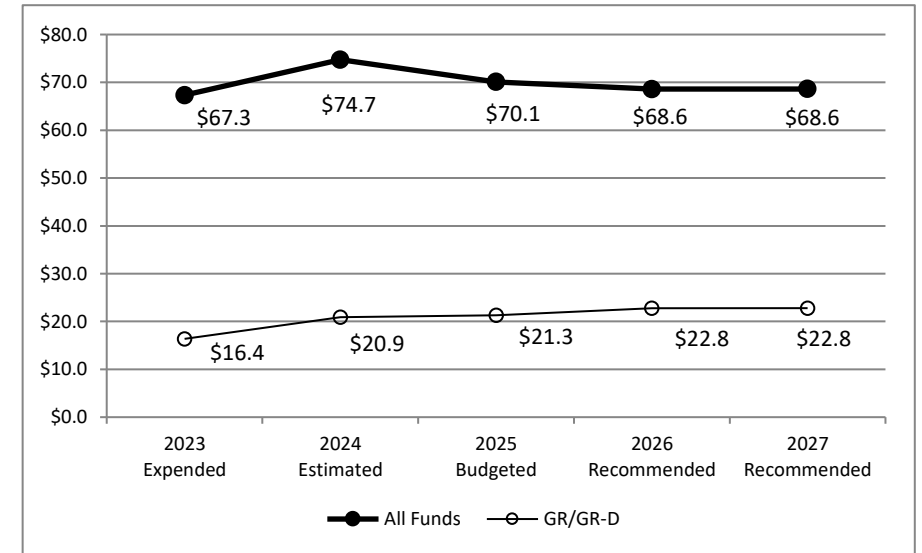
Thomas Palladino, Executive Director

James Kesler, LBB Analyst

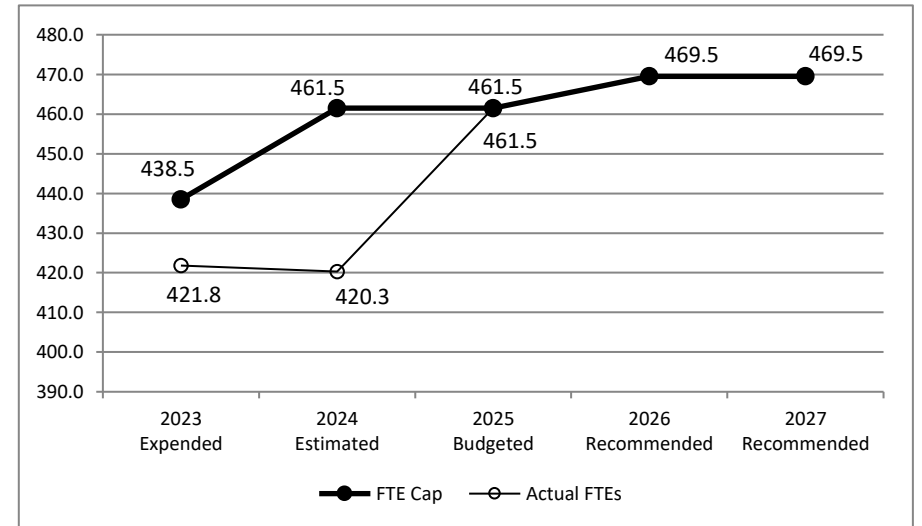
Method of Financing	2024-25 Base	2026-27 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$42,145,800	\$45,548,168	\$3,402,368	8.1%
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$42,145,800</i>	<i>\$45,548,168</i>	<i>\$3,402,368</i>	<i>8.1%</i>
Federal Funds	\$26,351,997	\$27,663,718	\$1,311,721	5.0%
Other	\$76,348,133	\$64,006,290	(\$12,341,843)	(16.2%)
All Funds	\$144,845,930	\$137,218,176	(\$7,627,754)	(5.3%)

	FY 2025 Budgeted	FY 2027 Recommended	Biennial Change	Percent Change
FTEs	461.5	469.5	8.0	1.7%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2026-27 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2026-27 biennium.

Veterans Commission
Summary of Funding Changes and Recommendations - Senate

Funding Changes and Recommendations for the 2026-27 Biennium compared to the 2024-25 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
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<i>OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):</i>
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A)	Increase of \$1,201,505 in General Revenue to biennialize the statewide salary adjustments.	\$1.2	\$0.0	\$0.0	\$0.0	\$1.2	Multiple Strategies
B)	Increase of \$1,311,721 in Federal Funds for increases to the Jobs for Veterans State Grants and the All-Volunteer Force Educational Assistance Grants.	\$0.0	\$0.0	\$1.3	\$0.0	\$1.3	A.1.2, A.1.3
C)	Decrease of \$12,877,398 in the Fund for Veterans Assistance Account No. 368 to remove an unexpended balance transfer from the 2022-23 biennium to the 2024-25 biennium. This is offset by an increase of \$700,997 in Strategy D.1.1 to offset a decrease in earned federal funds and to biennialize statewide salary adjustments.	\$0.0	\$0.0	\$0.0	(\$12.2)	(\$12.2)	A.1.2, B.1.1, D.1.1
D)	Decrease of \$157,600 in Interagency Contracts to reflect the end of the TVC's contract with Texas Department of Housing and Community Affairs.	\$0.0	\$0.0	\$0.0	(\$0.2)	(\$0.2)	A.1.8
E)	Decrease of \$613,452 in General Revenue to remove one-time funding for the Hazlewood Database Project.	(\$0.6)	\$0.0	\$0.0	\$0.0	(\$0.6)	C.1.1
F)	Decrease of \$127,347 in General Revenue from earned federal funds received in excess of amounts identified in Article IX, Section 13.10, Definition, Appropriation, Reporting and Audit of Earned Federal Funds during the 2024-25 biennium.	(\$0.1)	\$0.0	\$0.0	\$0.0	(\$0.1)	B.1.1
G)	Increase of \$1,735,394 in General Revenue to provide additional funding and staff for the Veterans Mental Health Department.	\$1.7	\$0.0	\$0.0	\$0.0	\$1.7	A.1.8
H)	Increase of \$1,206,268 in General Revenue to provide additional funding for Data Center Services (DCS) to upgrade IT infrastructure.	\$1.2	\$0.0	\$0.0	\$0.0	\$1.2	D.1.1

TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)	\$3.4	\$0.0	\$1.3	(\$12.4)	(\$7.6)	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>	\$4.1	\$0.0	\$1.3	\$0.0	\$5.4	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>	(\$0.7)	\$0.0	\$0.0	(\$12.4)	(\$13.1)	As Listed

NOTE: Totals may not sum due to rounding.

Veterans Commission
Selected Fiscal and Policy Issues - Senate

1. **Update on the Hazlewood Database Improvements.** In the 2024-25 biennium, the Texas Veterans Commission (TVC) was appropriated \$1,088,458 in General Revenue to replace or refurbish the existing Hazlewood Act Database. The database houses individual records of the Hazlewood Act tuition exemption benefits for veterans, their dependents, and spouses. The database is accessed by students and institutions of higher education. Several higher education system offices have expressed concerns regarding data consistency and transparency. Several general academic institutions have requested to add a new rider to the Permanent Fund Supporting Military and Veterans Exemptions bill pattern requiring TVC to report Hazlewood exemption program data to the institutions. **This rider is included in recommendations.**

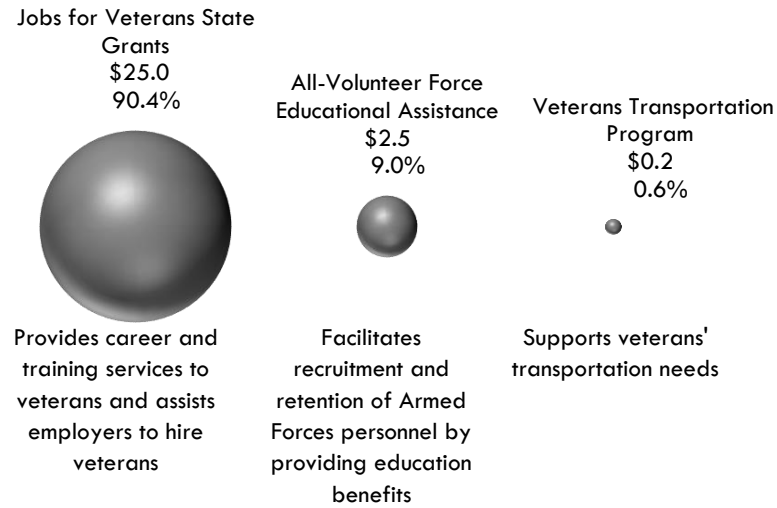
As of January 13, 2025, the agency has selected a contractor and has begun working with them to assess project needs and develop an implementation plan. The agency anticipates completion of the database project by October 2025. The agency did not request authority to carry forward unexpended balances to the 2026-27 biennium. However, recommendations add a rider providing this authority.

Funding for ongoing support of the new database is included at \$237,503 from General Revenue in each fiscal year.

Veterans Commission

Summary of Federal Funds (2026-27) - Senate

Total \$27.7M

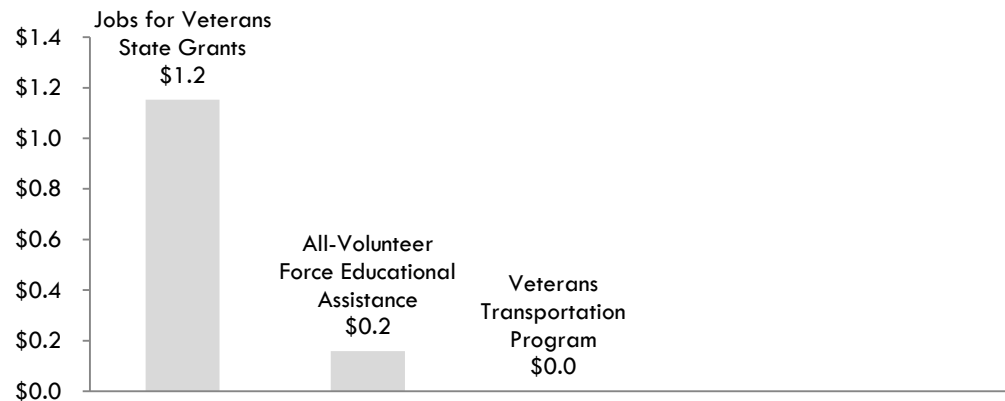


Selected Federal Fiscal and Policy Issues

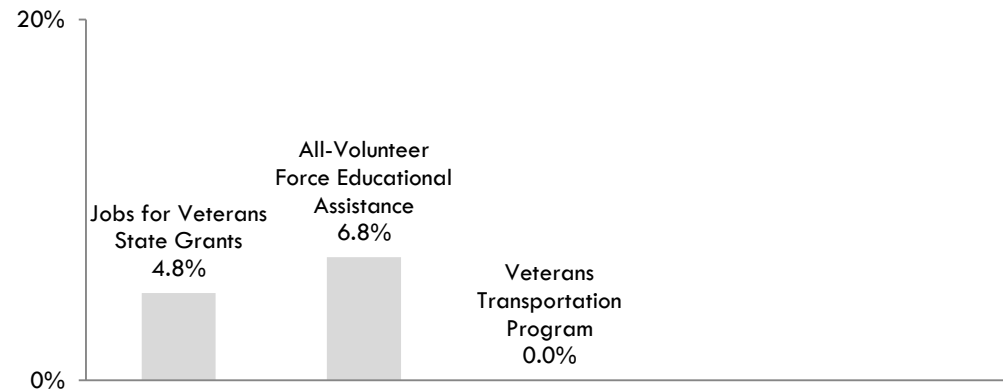
Federal funds estimates for the 2026-27 biennium are similar to fiscal years 2024 and 2025. There are no significant fiscal and policy issues.

Programs with Significant Federal Funding Changes from 2024-25

Program Change-by Amount (In Millions)



Program Change-by Percentage



**Veterans Commission
Rider Highlights - Senate**

Modification of Existing Riders

2. **Capital Budget.** Recommendations include amounts for the following projects:

- **Data Center Services.** Project continued at \$2,197,965, an increase of \$1,684,607 from the 2024-25 biennium.
- **Hazlewood Database Improvements.** Project continued at \$475,006, a decrease of \$613,452 from the 2024-25 biennium.

5. **Fund for Veterans Assistance.** Recommendations include modifying Rider 5 to clarify that the rider gives the TVC authority for revenue collected above appropriations in the Fund for Veterans Assistance Account No. 0368, in addition to clarifying UB authority from the 2024-25 biennium to the 2026-27 biennium.

The following riders include recommendations to remove obsolete language, make conforming changes such as updating fiscal years and amounts to reflect funding recommendations, and clarify deadlines:

- Rider 3, Program for the Visitation of Wounded and Disabled Veterans
- Rider 4, Cash Flow Contingency
- Rider 6, Interagency Contract with the General Land Office and Veterans Land Board
- Rider 7, PARIS Data Review
- Rider 8, Veterans Housing Grant Program
- Rider 9, Support to Coordinating Councils
- Rider 10, Healthcare Advocacy Programs for Veterans
- Rider 11, Reimbursement of Advisory Committee Members
- Rider 13, Service Dogs for Veterans
- Rider 14, Veteran Suicide Prevention Website

New Riders

15. **Unexpended Balances: Hazlewood Database Improvements.** Recommendations add a new rider to provide authority to carry forward unexpended balances across biennia for funds remaining from the Hazlewood Database Improvement project.
16. **Texas Veterans Commission Veterans Exemption Data.** Recommendations add a rider requiring the Veterans Commission to submit an annual report to higher education systems and institutions on participants in the Hazlewood exemption program.

Deleted Riders

11. **Contingency for Behavioral Health Funds.** Recommendations delete Rider 11 as all provisions are currently covered in Article IX, Section 10.04, Statewide Behavioral Health Strategic Plan and Coordinated Expenditures.

Veterans Commission
Items Not Included in Recommendations - Senate

	2026-27 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2028-29
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items Not Included (in agency priority order)

1)	Increase to Agency Operations to Support Current and Future Veteran Population. Agency is requesting 35 additional FTEs and funding for various programs: 9.0 FTEs to support veteran claims submissions, 4.0 FTEs for employment services, 8.0 FTEs to support health care advocacy, 4.0 FTEs to support veteran entrepreneurs, 2.0 FTEs for communications and outreach, and 8.0 FTEs to support central administration.	\$8,825,780	\$8,825,780	35.0	No	No	\$8,687,880
2)	Support Services Database. Agency is requesting 1.0 FTE and funds for a data management and engagement system to better identify Texas Veterans for outreach purposes.	\$2,671,739	\$2,671,739	1.0	Yes	Yes	\$904,978
3)	Agency Retention Equity Adjustments. Agency is requesting funding to raise salaries up to the state average for all positions.	\$1,965,982	\$2,832,958	0.0	No	No	\$2,832,958

TOTAL Items Not Included in Recommendations	\$13,463,501	\$14,330,477	36.0		\$12,425,816
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**Veterans Commission
Appendices - Senate**

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**Veterans Commission
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS**

Strategy/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
CLAIMS BENEFITS & ASSISTANCE A.1.1	\$17,634,751	\$18,116,742	\$481,991	2.7%	1) An increase of \$486,376 in General Revenue primarily to biennialize the statewide salary adjustments and fund full staffing levels. 2) An increase of \$3,457 from the Fund for Veterans' Assistance Account 368 to biennialize the statewide salary adjustments. 3) A decrease of \$7,842 from License Plate Trust Fund Account 802 to remove the unexpended balance transfer from FY2023 to FY2024.
VETERANS EMPLOYMENT SERVICES A.1.2	\$24,963,493	\$26,398,326	\$1,434,833	5.7%	Recommendations include: 1) An increase of \$281,875 in General Revenue primarily to biennialize the statewide salary adjustments and fund full staffing levels. 2) An increase of \$1,152,958 in Federal Funds for Jobs for Veterans State Grants.
VETERANS EDUCATION A.1.3	\$3,762,262	\$3,981,392	\$219,130	5.8%	Recommendations include 1) An increase of \$60,367 in General Revenue primarily to biennialize the statewide salary adjustment. 2) An increase of \$158,763 in Federal Funds for All-Volunteer Force Educational Assistance Grants.
VETERANS OUTREACH A.1.4	\$1,142,185	\$1,162,636	\$20,451	1.8%	Recommendations include an increase of \$20,451 in General Revenue primarily to biennialize the statewide salary adjustments.
VETERAN ENTREPRENEUR PROGRAM A.1.5	\$792,986	\$807,728	\$14,742	1.9%	Recommendations include an increase of \$14,742 in General Revenue to biennialize the statewide salary adjustments.
HEALTH CARE ADVOCACY PROGRAM A.1.6	\$3,140,396	\$3,224,690	\$84,294	2.7%	Recommendations include an increase of \$84,294 in General Revenue primarily to biennialize the statewide salary adjustments and fund full staffing levels.
WOMEN VETERANS PROGRAM A.1.7	\$712,450	\$728,268	\$15,818	2.2%	Recommendations include an increase of \$15,818 in General Revenue primarily to biennialize the statewide salary adjustments.

Veterans Commission
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS

Strategy/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
VETERANS MENTAL HEALTH PROGRAM A.1.8	\$2,369,244	\$3,989,600	\$1,620,356	68.4%	Recommendations include: 1) An increase of \$42,562 in General Revenue primarily to biennialize the statewide salary adjustment. 2) A decrease of \$157,600 in Other Funds to reflect the ending of the Interagency contract between the TVC and TDHCA which expires at the end of FY24. 3) An increase of \$1,735,394 in General Revenue to provide additional funding and staff for the Veterans Mental Health Department.
Total, Goal A, ASSIST VETS W/RECEIVING BENEFITS	\$54,517,767	\$58,409,382	\$3,891,615	7.1%	
GENERAL ASSISTANCE GRANTS B.1.1	\$64,164,122	\$51,272,224	(\$12,891,898)	(20.1%)	Recommendations include: 1) A decrease of \$127,347 in Earned Federal Funds in excess of amounts identified in Article IX, Section 13.10. This is offset by an increase of \$112,847 primarily to biennialize the statewide salary adjustments and fund full staffing levels. 2) A decrease of \$12,877,398 in Other Funds from the Fund for Veterans' Assistance Account 368 due to the unexpended balance transfer from the 2022-23 biennium to the 2024-25 biennium.
HOUSING FOR TEXAS HEROES B.1.2	\$8,600,000	\$8,600,000	\$0	0.0%	
VETERANS TREATMENT COURTS B.1.3	\$7,670,000	\$7,670,000	\$0	0.0%	
Total, Goal B, FUND DIRECT SERVICES TO VETERANS	\$80,434,122	\$67,542,224	(\$12,891,898)	(16.0%)	
HAZLEWOOD ADMINISTRATION C.1.1	\$1,944,457	\$1,357,630	(\$586,827)	(30.2%)	Recommendations include the removal of \$613,452 of General Revenue in one-time funding for the Hazlewood Database Project. This is offset by an increase of \$26,625 to biennialize the statewide salary adjustments.
Total, Goal C, HAZLEWOOD ADMINISTRATION	\$1,944,457	\$1,357,630	(\$586,827)	(30.2%)	

Veterans Commission
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS

Strategy/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
CENTRAL ADMINISTRATION D.1.1	\$7,949,584	\$9,908,940	\$1,959,356	24.6%	Recommendations include: 1) An increase of \$55,548 primarily to biennialize the statewide salary adjustments and fund full staffing levels. 2) An increase of \$697,540 from Fund 368 to offset the decrease in Earned Federal Funds. Funds are allocated to provide for full staffing levels and other operating costs. 3) An increase of \$1,206,268 to provide additional funding for Data Center Services (DCS) to upgrade IT infrastructure.
Total, Goal D, INDIRECT ADMINISTRATION	\$7,949,584	\$9,908,940	\$1,959,356	24.6%	
Grand Total, All Strategies	\$144,845,930	\$137,218,176	(\$7,627,754)	(5.3%)	

**Veterans Commission
Summary of Federal Funds - Senate
(Dollar amounts in Millions)**

Program	Est 2024	Bud 2025	Rec 2026	Rec 2027	2024-25 Base	2026-27 Rec	2026-27 Rec % Total	Recommended Over/(Under) Base	% Change from Base
Jobs for Veterans State Grants	\$11.4	\$12.5	\$12.5	\$12.5	\$23.9	\$25.0	90.4%	\$1.2	4.8%
All-Volunteer Force Educational Assistance	\$1.1	\$1.2	\$1.2	\$1.2	\$2.3	\$2.5	9.0%	\$0.2	6.8%
Grants for Transportation of Veterans in Highly Rural Areas	\$0.1	\$0.1	\$0.1	\$0.1	\$0.2	\$0.2	0.6%	\$0.0	0.0%
TOTAL:	\$12.5	\$13.8	\$13.8	\$13.8	\$26.4	\$27.7	100.0%	\$1.3	5.0%

Veterans Commission
FTE Highlights - Senate

Full-Time-Equivalent Positions	Expended 2023	Actual 2024	Budgeted 2025	Recommended 2026	Recommended 2027
Cap	438.5	461.5	461.5	469.5	469.5
Actual/Budgeted	421.8	420.3	461.5	NA	NA

Schedule of Exempt Positions (Cap)					
Executive Director, Group 5	\$151,123	\$160,611	\$170,098	\$170,098	\$170,098

Notes:

- a) The State Auditor's Office Report, Executive Director Compensation at State Agencies (Report 25-702, October 2024), indicates a market average salary of \$179,057 for the Executive Director position at the Texas Veterans Commission. The agency is not requesting any changes to its exempt position.
- b) The State Auditor's Office is the source for the FY 2023 and FY 2024 annual average (actual) FTE levels. In 2023 the agency expended 16.7 FTEs below its cap, or 3.8%. In 2024, the agency employed 41.2 FTEs below its cap, or 8.9%.
- c) FTE cap raised by 8.0 in FY 2026 and 8.0 in FY 2027 for the Veterans Mental Health Department.