



## Revenues, Expenditures, and Capital Projects *Wisconsin Veterans Home at King*

### Background

The Wisconsin Veterans Home at King is administered by the Department of Veterans Affairs (DVA). In 2016, King provided skilled nursing care to a [daily average of 685 veterans and their spouses](#). [Operating expenditures for King](#) increased from \$68.8 million in fiscal year (FY) 2011-12 to \$76.7 million in FY 2015-16. From FY 2011-12 through FY 2015-16, [capital project expenditures for King totaled \\$20.2 million](#). This report is the first phase of our evaluation and analyzes revenues, expenditures, and capital projects.

### Key Findings

During our audit, we found:

- King generated operating revenue of more than \$8.0 million [in excess of its expenditures each year](#) from FY 2011-12 through FY 2015-16.
- From FY 2003-04 through FY 2015-16, a total of [\\$55.0 million was transferred from King's institutional operations account](#) to other accounts that do not directly benefit King, including transfers of \$28.4 million to the Wisconsin Veterans Home at Union Grove and \$20.1 million to the Veterans Trust Fund.
- The year-end [cash balance in King's institutional operations account](#) grew from \$17.3 million at the end of FY 2011-12 to \$35.2 million at the end of FY 2015-16, or by 103.5 percent.
- DVA has not developed a systematic process for comprehensively identifying and assessing [capital-related project needs](#) at King and the other Wisconsin Veterans Homes.
- From July 2011 through December 2016, 19 of the 29 capital projects King requested were initiated, but not all of the projects were initiated promptly. For example, more than seven years elapsed before an [approved request to replace soiled carpeting](#) in one of its skilled nursing facilities was initiated.
- Ten projects with budgets totaling \$23.2 million that were [requested by King were not initiated](#) based upon decisions by DVA or the Building Commission. Three of these projects (30.0 percent) may have had a potential effect on resident safety.

### Key Recommendations

We recommend that DVA [modify its administrative rules](#) to clarify terms used in calculating private pay rates; develop a management [strategy for the level and use of the cash balance](#) in the institutional operations account for King; and establish a systematic process for comprehensively [identifying capital-related project needs](#) for all Wisconsin Veterans Homes. We also recommend that DVA report to the Joint Legislative Audit Committee by September 1, 2017, on the status of its efforts to implement our recommendations.