To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Veterans Trust Fund -- Grants To Veterans -- Health Care Aid Grant Program (Veterans Affairs)

[LFB Summary: Page 639, #6d]

CURRENT LAW

The health care aid grant program provides emergency assistance to veterans to cover certain medical or hospital bills. Grants are limited to $5,000 per veteran or dependent for a maximum of 30 days within a twelve-month period for the same condition or conditions. Under current law, this program is to sunset on June 30, 1997.

GOVERNOR

Provide an additional $40,000 SEG annually and allow continuation of the health care aid grant program for an additional two years. Provide that the sunset date for the program be extended to June 30, 1999. Also, modify the current law governing this program to provide that the maximum amount of liquid assets that a veteran and the veteran's dependents who are living in the same household can retain and still be eligible for the program would be $1,000.

DISCUSSION POINTS

1. The health care aid grant (HCAG) program is to be eliminated on June 30, 1997. The Governor's recommendations would extend the sunset date for the program to June 30, 1999, and provide an additional $40,000 SEG annually for the program. Total funding for the program under the Governor's recommendations would be $460,000 SEG annually.

2. The Governor's recommendations would also provide that the maximum amount of liquid assets that a veteran and the veteran's dependents who are living in the same household can retain and still be eligible for the program is $1,000. Currently, there is no statutory maximum amount specified. Administrative rule, however, provides that single veterans with monthly incomes less than $900 or married veterans with combined monthly incomes of less than $1,300 plus $125 for each dependent are eligible for this program without undergoing any further analysis of the availability of assets for health care expenses. The Governor's recommendations would preempt the administrative rule and require that all veterans' liquid assets be reviewed.

3. Past expenditures for this program for the last four years are provided in the table below.

Expenditures for the Health Care Aid Grant Program

Fiscal Year	Expenditures
1993-94	$330,100
1994-95	383,300
1995-96	439,900
1996-97	1,184,600*

* Estimated.

5. On March 1 of this year, DVA suspended the HCAG program for the remainder of 1996-97 because of a shortfall of funding for the program. The Department then came before this Committee under s. 13.10 and requested a one-time transfer of $426,200 SEG to meet total anticipated increased costs to be paid in 1996-97 for the HCAG program through the suspension date. The requested funding for the HCAG program was only to cover DVA's estimate of health care aid grant commitments made through February 28, 1997. The Committee, however, directed DVA to restore operation of the health care aid grant program for the remainder of the year and transferred $985,900 from the economic assistance loan program appropriation to the appropriation for the HCAG program.

6. On May 14, 1997, DVA indicated that estimated expenditures for the HCAG for this year are $1,184,600 rather than the amount estimated in March for the s. 13.10. and approved by the Committee ($1,421,800). DVA indicates that it intends to transfer surplus funding from the HCAG program to the other programs within that appropriation including the part-time study grant program and the retraining grant program to meet projected shortfalls of funding in the those programs.

7. At the s. 13.10 meeting, the Committee asked DVA to submit a report to the Committee on the HCAG program regarding: (a) whether DVA continues to believe that the

existence of the program should be extended beyond its currently scheduled sunset date; and (b) if the program is to be if continued, DVA's recommendations on what changes, if any, should be made to the current program eligibility, coverage and operational criteria.

8. The Department submitted its recommendation to the Committee on April 30, 1997. In its recommendations, DVA recommended not only that the program be continued, but that the sunset date for the program be eliminated and the program made permanent. DVA stated that it had initially recommended that the sunset be extended to June 30, 1999, in large part because of the uncertainty over how health care reform, both nationally and in the U.S. Department of Veterans Affairs (USDVA), would affect the care available to low-income veterans with little or no health insurance. The Department reported that recent actions by the USDVA to limit the number of veterans that are eligible for health care services has in its view only increased the need for programs such as the HCAG program.

9. The Department also recommended the following additional statutory program modifications to the health care aid grant program:

- Replacing the current statutory cap of $5,000 per condition, per person, per year with a cap of $5,000 per person per 12-month period commencing with the first day of care for which a veterans seeks reimbursement under this program and repealing the current statutory provision limiting coverage to 30 days of treatment in a 12-month period for the same condition;

- Prohibiting any prior authorizations approvals (as currently used) under this program but permitting DVA to issue a certification of entitlement identifying that a veteran or dependent is eligible to receive a health care aid grant from DVA provided the treatment is received by the veteran within a time period as specified by DVA;

- Placing an expenditure limit for the program at $835,200 per year for 1997-98 and 1998-99 (excluding $164,800 SEG annually for the costs of peacetime eligibility); and

- Creating a session law provision directing the Department to develop, through administrative rule, a funding allocation model for the health care aid grant program that ensures fair and equitable distribution of the HCAG funds to all counties in the state.

10. In its report, DVA also indicated that it would intend to implement through administrative rules that following additional changes to program operations:

- allow a grant to be issued for care that is for treatment that began no earlier than 90 days before the grant application is received by the Department (currently the limit is 120 days);

- place a cap of $250 on any aid grant for glasses or contact lenses; and

- place a cap of $1,000 per ear on any grant for hearing aids.

11. The Committee could modify the bill to include the change for this program as recommended by the Department.

12. However, the Committee may wish to consider the Department's recommendation that the program should be continued. As noted by the Department, federal VA health care benefits for certain veterans are being reduced. Further, it appears that there is no immediate likelihood of any major health reform changes at the national or state level that might affect the provision of health care for needy veterans. These factors suggest there is a continued need for some sort of program.

13. Does the Committee agree with DVA's recommendations regarding permanent continuation of the program? The Department indicates that it feels the program should be made permanent. The Governor's recommendations would extend the sunset date for the program for an additional two years. The benefit that extending the sunset date for two years would provide is if DVA determines the program should continue past the sunset date, it can request continuation in its budget request and this would ensure another full review of the program by the Governor and the Legislature in the next biennial budget.

14. The Committee could agree with the Governor's recommendation to extend the current sunset for two years, it could let the program sunset as provided for under current law or it could repeal the sunset date thereby making the program permanent.

15. The Department has suggested establishing an expenditure limit of $835,200 per year for this appropriation (which excludes the costs of $164,800 SEG annually of adding peacetime eligibility). This estimate is based on estimated annual demand of $1,096,200 less $220,300 for the estimated fiscal effect of DVA's proposed statutory and rule changes and less $125,000 for the estimated fiscal effect of the imposition of a $1,000 liquid asset limit. Therefore, net annual demand is estimated at $750,900.

16. The Committee could consider limiting reimbursement to the amount estimated, $750,900. (The issue of adding funding for peacetime eligibility is addressed in a separate paper.) This alternative would require an increase in funding over the Governor's recommendations of $290,900 SEG annually. The Department's $1 million less $164,800 SEG annually for peacetime veterans request would require additional funding of $375,200 SEG annually.

17. The Department indicates that it wants to keep HCAG within a combined appropriation with the subsistence aid grant program, but with the overall limit on expenditures for the program. If expenditures for the program are to be limited, it could be argued that providing a separate appropriation would provide greater legislative oversight of expenditures.

Any need for increases for the program would automatically trigger legislative review, rather than possibly being addressed by internal shifts between program allocations.

18. The Department has also requested session law language that would direct DVA to develop a mechanism by administrative rule to ensure the fair and equitable distribution of health care aid grant funding all counties in the state. One could question the rationale in having a state system in which funding for veterans health care needs are first allocated to specific counties and from that amount then allocated to the veterans. It could be argued that the program is intended to serve those veterans with qualifying health care needs and funding (within the total appropriation) and should not be based on which county a veteran resides.

19. The counter argument that would likely be raised is that, under the current system, certain counties may receive a disproportionate amount of the total funding, due in part to the differing efforts of the county veteran service officers in informing veterans and health care providers about the program pursuing benefits for veterans. If there is a county expenditure limit, some veterans who have a need may, just by the existence of the limit not receive grants under the proposed system.

20. It could also be questioned how such a mechanism would work administratively. What would occur if a particular county did not use its allocated funding, while other counties had a demand greater than what funding was allocated? The Committee could consider not including this recommendation. Rather, DVA could simply further refine its proposal in this area and then pursue it through separate legislation or via the next biennial budget.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation to provide an additional $40,000 annually and allow continuation of the health care aid grant program for an additional two years and modify the current law governing this program to provide that the maximum amount of liquid assets that a veteran and the veteran's dependents who are living in the same household can retain and still be eligible for the program would be $1,000.

2. Modify the Governor's recommendations to include the Department's recommended changes for the program as follows:

(a) Provide that HCAG program would be permanently continued;

(b) Replace the current statutory cap of $5,000 per condition, per person, per year with a cap of $5,000 per person per 12 month period commencing with the first day of care for which a veterans seeks reimbursement under this program and repealing the current statutory provision limiting coverage to 30 days of treatment in a 12-month period for the same condition;

(c) Prohibit any prior authorizations approvals under this program but permit DVA to issue a certification of entitlement identifying that a veteran or dependent is eligible to receive a health care aid grant from DVA provided the treatment is received by the veteran within a time period as specified by DVA by rule; and

(d) Place a statutory expenditure limit of $835,200 SEG per year on expenditures for program (excluding amounts allocated for funding benefits for peacetime veterans) for 1997-98 and 1998-99 and provide additional funding of $375,200 SEG per year over the Governor's recommendation.

Alternative 2	SEG
1997-99 FUNDING (Change to Bill)	$750,400

3. *In addition to alternative 2,* include a non-statutory provision directing the Department to develop, through administrative rule, a funding allocation model for the health care aid grant program that ensures fair and equitable distribution of the HCAG funds to all counties in the state.

4. *Adopt alternative 2 with the following modification:* (a) delete part (d) of Alternative 2 and instead, create a separate annual appropriation for the HCAG program funded at $750,900 SEG annually (not including any amounts provided for peacetime eligibility) and provide additional funding of $290,900 SEG per year over the Governor's recommendation.

Alternative 4	SEG
1997-99 FUNDING (Change to Bill)	$581,800

MO# Alt 4

ain current law (which would eliminate the program as of June 30, 1997).

Alternative 5	SEG
1997-99 FUNDING (Change to Bill)	- $1,114,000

2 BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
1 JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

Collins

AYE 16 NO 0 ABS 0

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Primary Home Loan and Home Improvement Loan Programs (Veterans Affairs)

[LFB Summary: Page 639, #7]

CURRENT LAW

The Department of Veteran Affairs administers two housing loan programs. The first program is the primary mortgage loan program. This program provides mortgage loans to qualifying veterans to purchase or construct a home. The second program, the home improvement loan program allows veterans to borrow up to $15,000, for a term of 15 years, for property repairs or improvements.

GOVERNOR

Repeal the appropriation and eliminate base expenditure authority of $7,851,900 annually for the home improvement loan program and primary mortgage loan program for "disenfranchised veterans." Provide that assets in the veterans mortgage loan repayment fund, with the approval of the Building Commission, may be transferred to the veterans trust fund and used to fund the personal loan program.

Allow use of the proceeds from the sale of taxable general obligation bonds to support the former primary home loan program for disenfranchised veterans and the home improvement loan program. Provide that the Chairperson of the Board of Veteran Affairs is to certify the Board does not expect to use the proceeds of revenue bonds issued for home loans to be used in such a manner as to violate federal arbitrage limits on interest earnings related to the issuance of tax-exempt bonds.

Repeal the current income limit provision regarding determining an applicant's eligibility for the primary home loan for disenfranchised veterans. Provide that a primary home mortgage loan of $3,000 or less used for home improvements could be secured by a guarantor or by a mortgage on the real estate.

Prohibit DVA from providing a primary home loan to an otherwise qualified veteran if the price of the home the veteran is purchasing exceeds 2.5 times the median price of a home in Wisconsin, as determined and promulgated by rule before July 1 of each year, using the housing price index generated by the Wisconsin Realtors Association. This provision would apply to applications received by DVA on or after the effective date of the bill.

DISCUSSION POINTS

1. Under current law, funding for primary mortgage loan derives from two different sources depending on when the veteran was discharged. For veterans discharged before January 1, 1977, the loans are funded with monies acquired by the state through the issuance of general obligation bonds. Federal law, however, prohibits the use of tax-exempt proceeds for loans to veterans discharged after January 1, 1977, or before 30 years prior to the application date. Veterans ineligible to receive loans financed by general obligation bonds because of these criteria are referred to by DVA for the purpose of the primary mortgage loan program as "disenfranchised veterans."

2. To provide a source of funding for mortgage loans to be made to disenfranchised veterans, DVA has established a separate loan fund from loans not subject to any bond indentures. Principal and interest payment from this portfolio have been utilized to make new primary mortgage loans to disenfranchised veterans and to make home improvement loans to all eligible veterans. Each year, DVA has determined the amounts of this fund that will be allocated to the primary home loan program and to the home improvement loan program. The Department has tried to ensure that the amounts allocated for the home improvement loan program would be sufficient to fund program demand for the entire year, however, due to an overall limit on total available funding, a shortage of funding to fully meet disenfranchised veterans loan demands under the primary home loan program can result.

3. The Governor's recommendation would repeal the appropriation that funds disenfranchised veterans' home loans and home improvement loans. The Department indicates that the portfolio of existing loans in this appropriation would then be transferred to the veterans trust fund to provide loans under the personal loan program.

4. The bill includes language which would allow DVA, after meeting all expenses and providing for reserves, to transfer assets in the veterans mortgage loan repayment fund, upon prior approval of the Building Commission, to the veterans trust fund to use to fund loans under the personal loan program. This language would allow DVA to transfer the portfolio of loan that

funds the disenfranchised veterans' home loans and the home improvement loan program. The language would allow DVA to transfer other assets, in addition to the identified portfolio of loans, after meeting all expenses and providing for reserves, in the veterans mortgage loan repayment fund to the veterans trust fund, upon approval by the Building Commission.

5. As a result of transferring current funds used for disenfranchised and home improvement loan program to the veteran trust fund, the bill would then provide for future disenfranchised and home improvement loans from the sale of taxable general obligation bonds. Using taxable bonds will most likely result in a higher interest rate loan. DVA, however, has indicated that it intends to use a subsidy pool of funds to buy-down the interest rate on the loans funded from taxable bonds so that the rate for disenfranchised veteran loans and home improvement loans would be the same as those loans funded from tax exempt bonds. The bill provides that the chairperson of the Board of Veterans Affairs would certify the Board does not expect to use the proceeds of revenue bonds issued for home loans to be used in such a manner as to violated federal arbitrage limits on interest earnings related to the issuance of tax-exempt bonds.

6. The Department estimates that total program demand for both the primary home mortgage loan fund and the home improvement loan fund would be approximately $142.1 million annually. Of that amount, the Department estimates $51.2 million annually would be for peacetime veterans.

7. The current bonding cap for DVA is statutorily set at $1.661 billion for self-amortizing mortgage loans. From this bonding authority, DVA has remaining authority of approximately $137,800,000. DVA has indicated that based on its estimates for home loans, the bonding authority for the Department needs to be increased. The Department has suggested that its authority be increased by $189 million.

8. If the Committee approves the Governor's recommendation, DVA's bonding authority will have to be increased. However, based on to DVA's estimate of annual issuance of $142.1 million in loans the next biennium, the increase needed, including available unused authority of $137,800,000, would be $146,500,000; a reduction of $42,500,000 in bonding authority level requested by the Department.

9. Further, if the Committee should not approve extending housing loan program benefits to peacetime veterans, DVA's bonding authority would only have to be increased by $44,100,000.

10. The Governor's provisions would also repeal the current income limit provisions for disenfranchised veterans. Current law provides that for loans approved after June 30, 1994, the disenfranchised veteran and his or her spouse's annual income cannot exceed $47,500. Currently, for mortgage loans for other veterans, there is no income limit.

11. The Department indicates its rationale for requesting the elimination of the income limit is to make the qualified veterans and disenfranchised veterans into one group for the purpose of home loans. Currently, due to the limited amount of funding available for home loans, DVA instituted an income limit. It is the Department's position that if funds were provided with taxable bonds, more funding would be available and the income limit could be removed.

12. The bill would also prohibit DVA from providing a primary home loan to an otherwise qualified veteran if the price of the home the veteran is purchasing exceeds 2.5 times the median price of a home in Wisconsin, as determined and promulgated by rule before July 1, of each year, using the housing price index generated by the Wisconsin Realtors Association. This provision would apply to applications received by DVA on or after the effective date of the bill. In 1996, the reported median price of a home in Wisconsin was $98,000. It is estimated, based on loans approved in 1995-96, that approximately 2% of currently approved loans would be denied under this provision.

13. The Governor's recommendations also provide that a home improvement loan of $3,000 or less could be secured by a guarantor or by a mortgage on the real estate. Under current law, all primary home mortgage loans are required to be secured by a mortgage on the real estate. This provision would apply to applications received by DVA on or after the effective date of the bill.

14. DVA indicates that it requested this provision because, under the recommended personal loan program, loans for home improvements are not authorized. Current law, however provides that under the economic assistance home improvement loans up to $5,000 were available without a security interest. The Governor's recommendations would allow for such loans, up to $3,000, to made under the home improvement loan program secured by a guarantor instead of a mortgage.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendations

2. *In addition to alternative 1,* provide additional bonding authority of one of the following amounts:

a. $189,000,000 (Department's request)
b. $146,500,000 (alternative based on estimated annual loan issuance)
c. $44,100,000 (alternative based on estimated annual loan issuance and no peacetime eligibility)

Alternative 2	BR
Alternative 2a	$189,000,000
Alternative 2b	$146,500,000
Alternative 2c	$44,100,000

Prepared by: Tricia Collins

MO# Alt. 2b

2 BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
1 JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

AYE 16 NO 0 ABS 0

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Veterans Home -- Nursing Care Staff (Veterans Affairs)

[LFB Summary: Page 641, #8]

CURRENT LAW

The Veterans Home at King has 746 licensed beds and 667.83 authorized positions.

GOVERNOR

Provide $430,900 PR in 1997-98 and $728,100 PR in 1998-99 for the following direct care staff additions at the Home: (1) 15.0 positions (7 nurses, 1 program assistant and 7 nurse assistants) beginning in 1997-98; and (2) 5.0 additional positions (1 nurse and 4 nurse assistants) beginning in 1998-99.

DISCUSSION POINTS

1. The specific 20.0 positions provided under the Governor's recommendation are: 1 nurse practitioner, 1 nursing supervisor, 6 nurse clinicians, 1 program assistant and 11 nurse assistants.

2. The Department's request for additional staff was justified on the need to meet state direct care staff requirements. The Department had requested 17 positions in 1997-98 and an additional 6 positions in 1998-99. The Governor's recommendation would provide 15 positions in 1997-98 and an additional 5 positions in 1998-99.

3. Each nursing home is required under state law to provide a minimum number of nursing hours per patient based upon the number of and acuity level of its residents. The Wisconsin Administrative Code provides the minimum number of hours of service on a daily basis that is to be provided to members by direct care staff.

4. When the number of required staff hours for patients in a facility is compared to the number of direct care hours actually worked, the result is a staffing percentage. For example, if a nursing home is staffed exactly at the minimum number of hours required, the nursing home would be staffed at 100% of the staffing requirement. If a nursing home's staffing provided 10% more care hours than required, the direct care staffing percentage would be 110%. If the nursing home provided 10% less direct care hours than required, the staffing percentage would be 90%.

5. A staffing percentage of 100% or higher indicates that the nursing home meets state-required minimum staffing levels. However, DVA indicates that a higher staffing level percentage may be required to adequately meet the needs of a given facility's residents.

6. The Home is currently at a 111.70% overall staffing percentage level based on July 1, 1996, census data. The Department, however, would like to increase the Home's overall staffing percentage to a higher average. In order to do that, DVA in preparing its budget request increased its daily care standard for its skilled nursing care patients (which are more than 60% of the Home population) from 110% of the skilled care minimum to 125% of the minimum, resulting in an overall staffing percentage of 119%. This change, along with the estimated changes in acuity levels of the members of the Home, resulted in the calculation of the need for an additional 22.0 direct care staff.

7. If the daily care standard for skilled nursing care used in the last biennium, 110% of minimum, were used with DVA's formula for staffing, there would be no additional staff needed. It could be argued that since the Home is currently above the state minimum staffing level requirements and would continue to be under the staffing standards previously used by DVA, it is not necessary to provide any additional staff at this time.

8. Alternatively, it could also be argued that the Home should have some increase in its direct care staff. The Department notes that the Federal Health Care Financing Administration has recently established new enforcement regulations and changed its survey requirements for nursing homes. The State Bureau of Quality Compliance conducts the actual surveys. The Home indicated that the new survey process places more emphasis on a resident's quality of care and quality of life. Under the survey process requirements, DVA indicates that the Home could be cited for staffing inadequacies, if negative outcomes are observed, even though its staffing is above the minimum state requirements.

9. It should be noted, however, that only certain staff are counted as direct care staff under the administrative code formula. The staff that is considered in this formula is nursing staff which is assigned a specific duty for direct care of residents and does not rotate among

buildings. King has four licensed nursing care buildings. In its budget request, DVA included 2.0 positions that would not be counted in meeting the minimum daily care standard. The two positions include one nurse practitioner and two half-time nurse supervisors. These positions would rotate through all the nursing buildings, supervise other staff and cover hours for current staff on weekends. They cannot, however, be counted in the direct care staff complement.

10. The Committee could modify the Governor's recommendation to replace those positions that cannot be counted in meeting the minimum requirement of daily care hours with nurse staff (nurse clinicians) that would be included in the formula. Under this alternative, the Governor's recommended funding could be reduced by $14,000 PR in 1997-98 and $18,500 PR in 1998-99 due to the difference in pay levels of the positions.

11. Alternatively, if the Committee feels that a lower level of increase in nursing care staff is warranted, the Committee could consider a staffing increase to bring the Home to a skilled care staffing percentage of 120% of the minimum, rather than 125%. Under this alternative, 10.0 additional nursing care staff could be provided in 1997-98 and an additional 5.0 positions in 1998-99 (a total of 15 additional positions -- 6.0 nurse clinicians, 1 program assistant and 8.0 nursing assistants). The overall staffing percentage would increase from 111% to 116% under this alternative. The Governor's recommended level of funding could be reduced by $147,600 PR in 1997-98 and by $195,300 PR in 1998-99 and 5.0 positions.

12. Funding for operations at the King Home comes primarily from three sources: medical assistance payments, federal Department of Veterans Affairs per diem payments and charges assessed against members' excess assets and income. Medical assistance funding is approximately 60% federal share and 40% state share (GPR). Because the amount of medical assistance the Home receives depends on operating costs, any changes in staffing or funding levels result in changes in the amount of medical assistance the Home receives. Medical assistance is budgeted for under the Department of Health and Family Services. A change in the funding for the Home from the amounts recommended by the Governor would also affect the medical assistance funding requirement and are indicated in each alternative below.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendations to provide $430,900 PR in 1997-98 and $728,100 PR in 1998-99 for 15.0 positions beginning in 1997-98 and 5.0 additional positions beginning in 1998-99.

2. Approve the Governor's recommendation with the following modification: delete $14,000 PR in 1997-1998 and $18,500 PR in 1998-99 and remove 2.0 positions, nurse practitioner and nurse supervisor, and replace the positions with 2.0 nurse clinicians beginning in 1997-98. Further, reduce funding for medical assistance by $4,800 GPR and $6,800 FED in 1997-98 and $6,400 GPR and $9,000 FED in 1998-99.

Alternative 2	GPR	FED	PR	TOTAL
1997-99 FUNDING (Change to Bill)	- $11,200	- $15,800	- $32,500	- $59,500

3. Provide $283,300 PR in 1997-98 and $532,800 PR in 1998-99 for 10.0 positions beginning in 1997-98 (5 nurse clinicians, 1 program assistant and 4 nurse assistants) and 5.0 additional positions beginning in 1998-99 (1 nurse clinician and 4 nurse assistants). Reduce funding for medical assistance by $50,400 GPR and $72,100 FED in 1997-98 and $67,100 GPR and $95,000 FED in 1998-99.

Alternative 3	GPR	FED	PR	TOTAL
1997-99 FUNDING (Change to Bill)	- $117,500	- $167,100	- $342,900	- $627,500
1998-99 POSITIONS (Change to Bill)	0.00	0.00	- 5.00	- 5.00

4. Delete the Governor's recommendation and also reduce medical assistance funding by $147,100 GPR and $210,600 FED in 1997-98 and $250,100 GPR and $354,300 FED in 1998-99.

Alternative 4	GPR	FED	PR	TOTAL
1997-99 FUNDING (Change to Bill)	- $397,200	- $564,900	- $1,159,000	- $2,121,100
1998-99 POSITIONS (Change to Bill)	0.00	0.00	- 20.00	- 20.00

Prepared by: Tricia Collins

MO# Alt. 3

2 BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
1 JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

AYE 16 NO 0 ABS 0

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Veterans Home -- Eligibility Requirements (Veterans Affairs)

[LFB Summary: Page 643, #17]

CURRENT LAW

Current service requirements for admission to the Home provide that a veteran must have served under honorable conditions or be eligible for federal veteran's benefits in the armed forces; and have either (1) received an armed forces expeditionary medal; (2) served during a qualifying military conflict; or (3) served at least one day during a war period and been discharged under honorable conditions after 90 days or more of active service unless earlier discharge due to service-connected disability.

In addition to the service requirements listed above, a veteran must also meet a number of additional requirements including being over the age of 50 (except if disabled and unable to secure adequate care from the federal government).

GOVERNOR

Repeal the provision that requires a veteran to be over the age of 50 to be eligible for membership at the Home.

DISCUSSION POINTS

1. The current capacity of the Home is 746. During 1995-96, there was an average of 88 pending applications for admission to the Home. Between 1990-91 and 1996-97, the

Department indicates the lowest number of average pending applications was 25 which was in 1993-94.

2. The bill provides no funding for extending eligibility to the Home to veterans under 50 years of age.

3. Under current law, a disabled veteran under 50 years of age can be admitted to the Home if otherwise qualified, and unable to secure adequate care from the federal government. The Governor's recommendation would repeal this provision.

4. The Committee may wish to consider whether eliminating the age limit for the Home would create a larger population of veterans eligible for the Home, but, unable to gain admission because the Home is at full capacity. It could be argued that the most likely result of the Governor's recommendation would be an increase in the number of pending applications for the Home, which could perhaps be seen as a group of unserved Wisconsin veterans and a reason for establishing another veterans nursing home or similar facility in Wisconsin. If it is the intent of the Department to establish another veterans home, it could be argued that the issue of eligibility should be examined at that time that issue is considered.

5. In this regard, it may be noted that language is included in the proposed building program relating to expanding the authority for expenditures from the capital improvement fund for construction or improvement of facilities at the King Home is changed to refer to "state veterans homes."

6. The Committee could consider not deleting the current Home age eligibility requirement. If and when legislation to provide for another veterans home is proposed this statutory language could then be reviewed at that time.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation.

2. Maintain current law.

MO# Alt. 1

BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

AYE ____ NO ____ ABS ____

MO# Alt 2.

BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

AYE 5 NO 11 ABS 0

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Grants to County Veterans Service Officers and State Veterans Service Organizations (Veterans Affairs)

[LFB Summary: Page 643 & 644, #18 & #20]

CURRENT LAW

The Department of Veterans Affairs provides grants to counties for maintaining and operating county veterans service offices (CVSOs). Grants to counties with full-time officers are phased-in with grants beginning at $1,000 annually the first year a county participates in the program and limited to a maximum of $5,000 annually. Counties with part-time veterans officers are eligible for $500 annually. Funding for CVSO grants is split between the veterans trust fund (40%) and the primary mortgage loan program (60%).

The Department also provides grants to state veterans service organizations (VSOs) for federal claims assistance. Grants are equal to 25% of all salaries and travel expenses paid to employees engaged in veterans claims service and stationed at the federal VA regional office in Milwaukee. Grants may not be less than $2,500 nor more than $15,000 annually. Funding for this program comes entirely from the veterans trust fund.

GOVERNOR

Provide $470,300 SEG annually to increase the level of grants for counties with full-time veterans service offices. Of the total, provide $376,200 from the veterans trust fund and $564,400 from the primary mortgage loan program. Eliminate current county grant levels and replace them with grants based on total county population size. Annual grants would be distributed as follows: (1) counties with populations under 20,000 would receive grants of $8,500;

(2) counties with populations from 20,000 to 45,499 would receive grants of $10,000; (3) counties with populations of 45,500 to 74,999 would receive grants of $11,500; and (4) counties with populations of 75,000 or more would receive grants of $13,000. In addition, of the total funding provided, $64,800 annually would be allocated to be used to institute a production incentive award based on the number of veterans served in the county by the CVSO. The incentive award would be established by Department rule.

Further, provide that any amount remaining in the existing appropriation from the veterans trust fund for payments to state veterans organizations that provide full-time veterans claims service at the federal VA regional in Milwaukee, after current statutory base grants amounts have been paid, could be used by DVA to make additional payments to each organization as a performance incentive award. The bill does not specify how the amount of the performance incentive award would be determined.

DISCUSSION POINTS

County Veterans Service Officers

1. Each county is required to have a county veterans service officer (CVSO) whose statutory responsibilities include the following: (a) advising persons living in the county who served in the U.S. armed forces regarding any benefits to which they may be entitled or any complaint or problem arising out of such service and render to them and their dependents all possible assistance; (b) reporting to the county board regarding veterans benefits; (c) cooperating with federal and state agencies which serve or grant aids or benefits to former military personnel and their dependents; and (d) furnishing information about veterans' burial places with the county.

2. Grants to counties for CVSO services were originally provided for in the 1973-75 biennial budget at which time the maximum grant was set at $3,000.

3. Eligibility for DVA grants requires that: (a) the officer be paid a minimum annual salary ranging from $16,520 to $33,383 in 1997 based on county population and length of service; and (b) the officer be hired through the civil service.

4. It is expected that the 72 counties which currently receive a grant will continue to do so over the next two years. However, three counties (Green, Florence and Iron) have part-time officers and would continue to receive the part-time officer grant of $500 annually.

5. The Department, in preparing this budget request, based its population estimates on the 1990 U.S. Census data for Wisconsin. Under DVA's request, it was assumed that all counties would have a full-time CVSO program. However, it is not clear that those county

boards which do not have a full-time office will necessarily be persuaded to provide a full-time officer simply as a result of the increased grant levels.

6. If the basis for the grant award is to be changed to one using population as the basis for the amount of the award, it could be argued that DVA should use the most current population estimate to determine the grant annual amounts. The Demographic Services Center publishes the Wisconsin official population estimates each October. The Committee could require that DVA use the most recent Demographic Services Center county population estimate in making the awards.

7. Based on county population levels from the 1995 official Wisconsin population estimates and the current full-time participation in the program, a reestimate of the total funding required for the base grants under the Governor's recommendation indicates that $732,000 SEG would be required annually. The Committee could modify the Governor's recommendation by reducing funding in the bill by $19,500 SEG annually.

8. DVA officials believe that CVSOs provide valuable services which if not provided by these offices would require additional resources the Department. Therefore, DVA is seeking a way to provide additional state funding to these offices by increasing the amount of the basic grants.

9. In lieu of the Governor's recommendation, the Committee could consider increasing the current maximum $500 part-time officer grant to $600, $700 or $800 and the maximum $5,000 full-time officer grant to $6,000, $7,000 or $8,000.

10. It could be argued that there is no direct benefit provided to veterans as a result of the increased funding provided under the bill compared to increase expenditures for direct grants, aids and loans to veterans. It is not clear that an increase in the base grant for the CVSOs would necessarily mean that more services would be provided to veterans. Rather, it could result in a shift of current resources used to support the CVSO. For example, a portion of the current county funds supporting CVSO offices might simply be replaced by the additional state funds, as opposed to increasing the budget for CVSOs.

11. The bill also allows DVA to award additional "production" incentive grants and includes $64,800 SEG annually for this program. While the bill provides DVA rule authority to determine the distribution of these grants, original estimates were based on 45% of the 72 counties receiving $2,000 each year of the biennium.

12. Subsequent to its budget request, the Department has indicated that it no longer wishes to provide the incentive grant awards for CVSOs because the Association of CVSOs no longer supports the recommendation. The Committee could, therefore, delete funding of $64,800 SEG annually from the bill.

Veterans Service Organizations

13. A state veterans service organization is a state organization of a national veterans organization which is incorporated by an act of Congress. The private, nonprofit organizations assist veterans in filing claims for federal veterans benefits, including providing information, representing veterans at claims hearings and assisting veterans in getting adjustments in their level of benefits. To be eligible for a grant the organization must have maintained a full-time service office to the federal regional VA office in Milwaukee for at least five of the last ten years prior to receiving the grant.

14. Currently, four organizations receive DVA grants: AmVets, Veterans of Foreign Wars, Disabled American Veterans and American Legion. The Department indicates that Wisconsin Paralyzed Veterans of American is eligible for a grant, but has not applied for at least the last five years. Despite this, the agency has continued to budget the appropriation at $15,000 per year for a total of five organizations. The Committee could reduce funding for this appropriation by $15,000 SEG per year to reflect the amount needed to fund the four organizations currently receiving grants at the maximum grant level.

15. Grants have been set at 25% of the cost of services, based on salaries and travel expenses paid by the state veterans organizations to employes at the regional office, not to exceed a maximum of $15,000. Currently, annual grants range from $12,000 for one organization to $15,000 each for the other three. However, due to the limit on the maximum grant, the amounts provided under the program are less than 25% of expenses for three of the four organizations. The Committee could increase the maximum allowable grant amount by $5,000 and leave the appropriation at its current level.

16. The bill provides that the funding remaining in the appropriation after base grants are paid would be used to provide a performance incentive award to the organizations. It was estimated by DVA that at least $15,000 SEG annually would be available for additional "production" awards due to less than the $75,000 currently budgeted actually being needed. No additional funding is provided in the bill for the performance incentive awards. If the Committee adopts either of the alternatives outlined above, the Committee could delete this language from the bill. Further, since the concept of a production incentive for local veterans offices is not being pursued, it could be questioned whether such an initiative should be pursued for the VSOs.

ALTERNATIVES TO BILL

County Veterans Service Officers

In the following alternatives funding modifications would be split 40%/60% between the veterans trust fund and the primary home mortgage loan repayment fund.

1. Approve the Governor's recommendation except delete $19,500 SEG annually to reflect a reestimate for funding needed for base grants based on the number of full-time officers and 1995 population estimates.

Alternative 1	SEG
1997-99 FUNDING (Change to Bill)	- $39,000

2. *In addition to Alternative 1,* provide that the Department base annual grant amounts on the most recent Wisconsin official population estimates prepared by the Demographic Services Center.

3. *In addition to Alternative 1*, delete $64,800 SEG annually to eliminate production incentive awards for CVSOs.

Alternative 3	SEG
1997-99 FUNDING (Change to Bill)	- $129,600

4. Delete the Governor's recommendation and instead provide for an increase in maximum part-time and full-time CVSO grants at one of the following levels:

Alternative 4				
	New Maximum Part-time Grant	New Maximum Full-time Grant	Biennial Cost (SEG)	Change to Bill (SEG)
5a.	$600	$6,000	$831,600	- $801,000
5b.	700	7,000	970,200	- 662,400
5c.	800	8,000	1,108,800	- 523,800

5. Maintain current law.

Veterans Service Organizations

1. Approve the Governor's recommendation to provide that any funding remaining in the appropriation funding grants to veterans service offices may be used for performance incentive grants for VSOs.

2. Modify the Governor's recommendation to delete funding of $15,000 SEG annually to reflect the amount needed to fund the four organizations currently receiving grants at the maximum grant level.

Alternative 2	SEG
1997-99 FUNDING (Change to Bill)	- $30,000

3. Delete the performance incentive grant language and instead increase the maximum grant amount under the VSO program to $20,000 per organization.

4. Maintain current law.

Prepared by: Tricia Collins

MO# Alt. 1, 2, 3 (CVSO's)

2 BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
JENSEN	Y	N	A
1 OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

AYE 16 NO 0 ABS 0

MO# Alt 3 (Vets Service)

2 BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
JENSEN	Y	N	A
1 OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

AYE 16 NO 0 ABS 0

Representative Ourada

VETERANS AFFAIRS

County Veteran Service Offices Grant Money

Motion:

Move to prohibit counties from allocating any portion of a grant from the Department for a county veterans service office for use by another county department or to reduce funding to a county veterans service office based upon receipt of a grant.

Note:

DVA provides grants to counties for maintaining and operating county veteran service offices (CVSOs). Grants to counties with full-time officers are phased-in with grant beginning at $1,000 annually the first year a county participates in the program and limited to a maximum of $5,000 annually. Counties with part-time officers are eligible for $500 annually. Funding for CVSO grants is split between the veterans trust fund (40%) and the primary mortgage loan program (60%).

The Governor's recommendations would replace current county grant levels and replace them with grants based on total county population size. Annual grants would range between $8,500 and $13,000.

This motion would prohibit counties from using the grant amounts for any other county department or to reduce county funding for the county veterans' service office based upon receipt of a grant.

MO# 6020

BURKE	N	A
DECKER	N	A
GEORGE	N	A
JAUCH	N	A
WINEKE	N	A
SHIBILSKI	N	A
COWLES	N	A
PANZER	N	A
JENSEN	N	A
OURADA	N	A
HARSDORF	N	A
ALBERS	N	A
GARD	N	A
KAUFERT	N	A
LINTON	N	A
COGGS	N	A

AYE 16 NO 0 ABS 0

Motion #6020

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Computerization of CVSO and VSO Offices (Veterans Affairs)

[LFB Summary: Page 644, #19]

CURRENT LAW

County veterans service offices and veterans services organizations in the federal DVA regional office in Milwaukee assist Wisconsin veterans with obtaining Wisconsin and federal veterans benefits. There are currently 69 full-time county veteran service offices, three which have two offices, and three part-time county veteran service offices. There are also five veterans service organizations working in the federal DVA regional office in Milwaukee.

Under current law, there is no state funding provided for the computerization of these offices. The county veteran service offices, however, do receive annual grants of $500 for part-time offices and $5,000 for full-time county offices. The veteran service organizations can receive annual grants of up to $15,000.

GOVERNOR

Provide $71,400 SEG in 1997-98 and $162,000 SEG in 1998-99 for one-time funding to provide county veterans service offices (CVSOs) and the five veterans services organizations (VSOs) working in federal DVA regional office in Milwaukee with basic office computer hardware and software. The funding would provide the CVSOs and VSOs with modems, printers and software to enable the offices to process and submit veterans applications more efficiently and transfer information between the offices and DVA offices electronically. Funding for this project would be split between the veterans trust fund ($93,400) and the primary mortgage loan program ($140,000).

DISCUSSION POINTS

1. Each county is required to have a county veterans service officer (CVSO) whose statutory responsibilities include the following: (a) advising persons living in the county who served in the U.S. armed forces regarding any benefits to which they may be entitled or any complaint or problem arising out of such service and render to them and their dependents all possible assistance; (b) reporting to the county board regarding veterans benefits; (c) cooperating with federal and state agencies which serve or grant aids or benefits to former military personnel and their dependents; and (d) furnishing information about veterans' burial places with the county.

2. Under current law, CVSOs are eligible to receive $5,000 a year for full-time offices and $500 a year for part-time offices. In 1996-97, $346,000 SEG was appropriated for CVSO grants (40% from the veterans trust fund and 60% from the primary home mortgage loan repayment fund).

3. A state veterans service organization (VSO) is a state unit of a national veterans organization which is incorporated by an act of Congress. The private, nonprofit organizations assist veterans in filing claims for federal veterans benefits, including providing information, representing veterans at claims hearings and assisting veterans in getting adjustments in their level of benefits. To be eligible for a grant the organization must have maintained a full-time service office in the federal regional VA office in Milwaukee for at least five of the last ten years prior to receiving the grant.

4. Current law provides grants to state VSOs for federal claims assistance. Grants are equal to 25% of all salaries and travel expenses paid to employees engaged in veterans claims service and stationed at the federal VA regional office in Milwaukee. Grants may not be less than $2,500 or more than $15,000 annually. Funding for this program comes from the veterans trust fund.

5. The bill would provide $36,600 SEG for modems and printers and $34,800 SEG for software costs in 1997-98 and $162,000 SEG for additional software in 1998-99 to allow the offices to process information between the office and the state DVA electronically. In addition, DVA plans, as a part of this effort, to recycle its existing personal computers to the offices as its existing IT infrastructure is upgraded.

6. The Department argues that veteran application data could be processed much more efficiently via electronic transmission, but in order for DVA to increase efficiency by using on-line forms processing to acquire and process application, CVSO and VSO offices need to have adequate hardware and software that is compatible with state DVA processing. The Department in preparing its request for this funding conducted a survey of the CVSOs. The survey indicated that there is great variance in the standards, amount and type of IT support currently provided in county offices.

7. Since the CVSO is basically a county entity, the question could be raised whether DVA should be fully funding this computerization project or whether some county contribution should be required. Under the Governor's recommendation, the counties would receive modems, printers and software at no cost. The Committee could consider requiring the counties to provide a 40% match for the cost of the IT enhancements. This would provide some county level commitment to the IT enhancements, which in part would ensure that counties receiving the IT items are willing to support the enhancements.

8. The Department may argue that requiring a county match could result in some counties not participating in the computerization project and thereby decrease the overall efficiency DVA intends to achieve from this one-time project. However, it could be argued that if a county office really needs IT enhancements the county should be willing to provide the 40% match.

9. Under this alternative, the Committee could reduce the funding for the computerization project by $26,000 SEG in 1997-98 and $59,800 SEG in 1998-99 (-$51,500 from the primary mortgage loan program and -$34,300 from the veterans trust fund).

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation to provide $71,400 SEG in 1997-98 and $162,000 SEG in 1998-99 for one-time funding to provide county veterans services offices and state veterans service organizations with basic office computer hardware and software.

2. Modify the Governor's recommendation to require that the counties be required to provide a 40% match for the veterans service offices' total cost of the computerization effort and reduce the funding by $26,000 SEG in 1997-98 and $59,800 SEG in 1998-99.

Alternative 2	SEG
1997-99 FUNDING (Change to Bill)	- $85,800

3. Maintain current law.

Alternative 3	SEG
1997-99 FUNDING (Change to Bill)	- $233,400

Prepared by: Tricia Collins

MO#_____

BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

AYE _____ NO _____ ABS _____

Representative Harsdorf

VETERANS AFFAIRS

CVSO and VSO Computerization Project - LTE Funding

Motion:

Move to provide one-time funding of $22,200 SEG in 1997-98 (to be funded 60% from the primary mortgage loan program and 40% from the veterans trust fund) for DVA to engage LTE support to assist in the implementation of the county veterans service offices and veterans services organizations computerization project.

Note:

This motion would provide LTE funding for 1997-98 only to DVA. SB77 includes a provision and associated funding for the computerization of county veterans service offices (CVSOs) and veterans service organization offices (VSOs). The Department had also requested a 1.0 FTE project position for one year to install the equipment and software and train staff in the CVSO and VSO offices. The Department indicated that existing staff could not meet the increased workload. The Governor, however, did not approve the position.

This motion would provide the Department with funds in 1997-98 to hire LTE staff to work on the implementation of the computerization project. Funding of $22,200 SEG would be provided as follows: $8,800 from the veterans trust fund and $13,400 from the primary mortgage loan program.

[Change to Bill: $22,200 SEG]

MO# 6016

2 BURKE	A	N
DECKER	A	N
GEORGE	A	N
JAUCH	A	N
WINEKE	A	N
SHIBILSKI	A	N
COWLES	A	N
PANZER	A	N
JENSEN	A	N
OURADA	A	N
1 HARSDORF	A	N
ALBERS	A	N
GARD	A	N
KAUFERT	A	N
LINTON	A	N
COGGS	A	N

AYE 16 NO 0 ABS 0

Motion #6016

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Veterans Cemetery Debt Service (Veterans Affairs)

[LFB Summary: Page 645, #21]

CURRENT LAW

The Department of Veterans Affairs is operating two cemeteries: Southeastern Cemetery located in Union Grove and the Wisconsin Veterans Memorial Cemetery located in King.

GOVERNOR

Create a sum sufficient GPR appropriation to pay principal and interest costs incurred in financing the acquisition, construction, development, enlargement or improvement of veterans cemeteries. In addition, modify a current appropriation to provide that the bond security and redemption fund would receive from DVA the monies appropriated for veterans cemetery debt service for payment of principal and interest on public debt. Provide $3,000,000 project authority for a northwestern veterans cemetery funded from federal funds.

DISCUSSION POINTS

1. 1993 Act 296 authorized the Department of Veteran Affairs to operate state veterans cemeteries in southeastern and northwestern Wisconsin.

2. The Southeastern Cemetery opened in September of 1996. The Building Commission has authorized the use of $3,000,000 in federal funds for the northwestern veteran cemetery.

3. Under the bill, an appropriation would be created to fund the current costs of debt service on the Southeastern Cemetery and any future debt service costs on existing or future cemeteries. In addition, a current appropriation would be modified to provide that the bond security and redemption fund would receive from DVA the monies appropriated for veteran cemetery debt service for payment of principal and interest on public debt.

4. Under the Governor's recommendations any debt service costs would be GPR funded. It could be argued that such costs should not be funded with general purpose revenues.

5. In the last biennial budget, the issue was raised that the Wisconsin Veterans Museum should not be funded from the veterans trust fund because the museum provides a benefit to all persons not just veterans. In 1995 Act 27, $209,000 SEG in 1996-97 was deleted and $209,000 GPR was added to shift funding for the operation of the museum from the veterans trust fund to the general fund beginning on January 1, 1997. A total of 5.65 positions was also shifted from SEG to GPR funding as a result of this transfer.

6. The opposite argument could be raised in regard to funding cemetery debt service costs. Burial at a Wisconsin veterans cemetery is veterans program service provided for deceased veterans and certain members of their families. In this way, it is similar to other DVA programs for veterans which are funded from either the veterans trust fund or the primary home mortgage repayment fund.

7. It could be argued that state construction costs for a veterans cemetery should also be funded from the veterans trust fund.

8. Currently, no estimate of the amount required for any such debt service payments is available. The Governor did not provide any funding for the GPR sum sufficient appropriation under the bill. In addition, the Building Commission recommended only federal funding for the northwestern veteran cemetery. In addition, there is no current debt service obligation or authorized debt service obligation for Southeastern Cemetery.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendations to create a sum sufficient GPR appropriation to pay principal and interest costs incurred in financing the acquisition, construction, development, enlargement or improvement of veteran cemeteries. In addition, modify a current appropriation to provide that the bond security and redemption fund would receive from DVA the monies appropriated for veterans cemetery debt service for payment of principal and interest on public debt.

2. Modify the Governor's recommendation to provide that the sum sufficient appropriation would be a SEG appropriation with funding provided from the veterans trust fund.

3. Maintain current law.

Prepared by: Tricia Collins

MO# Alt. 2

?BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

AYE 14 NO 2 ABS 0

Senator Decker

VETERAN AFFAIRS

Museum Funding for Maintenance and Rotation of Exhibits

Motion:

Move to shift one-time funding of $15,000 GPR provided in 1997-98 for the maintenance of the Wisconsin veterans museum and for the rotation of exhibits of the museum to 1998-98 and specify the funding as an on-going budget increase.

Note:

The Governor's budget includes $15,000 GPR as a one-time funding in 1997-98 to help pay the cost of the development, maintenance and rotation of museum exhibits. This motion would shift this funding from 1997-98 to 1998-99 and provide that funding be a permanent increase and therefore base building.

MO# 6024

2 BURKE	Y	N	A
1 DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

AYE 8 NO 8 ABS 0

Motion #6024

Senator Jauch

VETERANS AFFAIRS

Veterans Cemetery Eligibility Changes

Motion:

Move to expand eligibility for burial in a state veterans cemetery to the following individuals: (1) an eligible veteran's remarried surviving spouse; (2) the spouse, whether or not subsequently remarried, of an eligible National Guard member or Reservist; and (3) an eligible National Guard member or Reservist who was a resident of the state at the time of entry or reentry into service in the Wisconsin Guard or Reserves and his or her spouse, surviving spouse and dependent children.

Note:

Under current law, only unremarried surviving spouses of eligible veterans and National Guard members or Reservists can be buried in a Wisconsin veterans cemetery. In addition, members of the National Guard and Reserves and their spouses, surviving spouses and dependent children must be a Wisconsin resident when they die to be eligible for burial in a state veterans cemetery.

This motion would expand eligibility for burial in a state veterans cemetery to the following individuals: (1) an eligible veteran's remarried surviving spouse; and (2) spouse, whether or not subsequently remarried, of an eligible National Guard member or Reservist, and (3) an eligible National Guard members and Reservist who were residents of the state at the time of entry or reentry into service, rather than just at the time of death, in the Wisconsin Guard or Reserves and his or her spouse, surviving spouse and dependent children.

MO# 6018

BURKE	A	N
DECKER	A	N
GEORGE	A	N
JAUCH	A	N
WINEKE	A	N
SHIBILSKI	A	N
COWLES	A	N
PANZER	A	N
JENSEN	A	N
OURADA	A	N
HARSDORF	A	N
ALBERS	A	N
GARD	A	N
KAUFERT	A	N
LINTON	A	N
COGGS	A	N

AYE 16 NO 0 ABS 0

Motion #6018

VETERANS AFFAIRS

LFB Summary Items for Which No Issue Papers Have Been Prepared

Item #	Title
1	Standard Budget Adjustments
9	Veterans Home -- Special Staffing Needs
10	Veterans Home -- Increased Supplies and Services Funding
11	Veterans Home -- Fuel and Utility Costs Reestimate
12	Veterans Home -- Computerized Medical Records
13	Veterans Home -- Maintenance Equipment and Structures
14	Veterans Home -- Miscellaneous Expenditure Increases
15	Veterans Home -- Miscellaneous Base Funding Adjustments
16	Veterans Home -- Cemetery
17	Veterans Home -- Eligibility Requirements
22	Southeastern Veterans Cemetery -- Supplies and Services Funding Shift
23	Veterans Museum Funding
24	Information Technology Infrastructure
25	Overtime Funding
26	Reallocation of Position Funding Among Appropriations
27	Increase Bonding Authority for Bond Refunding