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February 7, 2018

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Assembly Bill 732: Veterans Outreach and Recovery Program

Assembly Bill 732 was introduced on December 7, 2017, and referred to the Joint Committee on Finance. An identical bill, Senate Bill 666, was introduced on December 21, 2017, and was referred to the Senate Committee on Transportation and Veterans Affairs. That Committee held a public hearing on the bill on January 30, 2018.

BACKGROUND

The veterans outreach and recovery program (VORP) was a program, administered by the Department of Veterans Affairs (DVA), to help veterans who are homeless or at risk of homelessness, and who have a mental health or substance abuse disorder, to receive housing and treatment services. VORP provided some mental health or substance abuse treatment services to program participants directly, but also helped veterans access other social service programs or service providers. DVA developed the program in 2015 in cooperation with the Department of Health Services using two one-time federal grants (one a three-year grant and one a two-year enhancement grant) totaling $2.4 million. The federal grants have expired, resulting in the termination of the program at the end of 2017.

From its inception, VORP case workers made contacts with over 800 persons and, of those, enrolled 330 veterans in the program to receive direct services. Persons who were contacted, but not enrolled, could be referred to services through other existing programs. The program provided services to veterans in 49 counties in northern and central Wisconsin.

VORP had 8.0 project positions for the provision of services and program administration. Of these eight positions, six were outreach and recovery program specialists, who acted as regional case managers, one was an enrollment specialist for state and federal supplemental security insurance benefits, and one provided statewide administration.

SUMMARY OF AB 732

AB 732 would provide $538,521 GPR in 2017-18 and $719,779 GPR in 2018-19 in a new biennial appropriation in DVA for the veterans outreach and recovery program. The bill would also authorize 8.0 project positions. Under the program, which the bill designates as a "pilot" program, DVA would provide outreach, treatment, and support to individuals who have a mental health condition and who: (a) served on active duty in the U.S. armed forces, forces incorporated as part of the U.S. armed forces, a reserve component of the U.S. armed forces, or the national guard of any state and were discharged under conditions other than dishonorable; or (b) are serving in the National Guard of any state or a reserve component of the U.S. Armed Forces.

The bill would specify that the current law eligibility criteria that typically apply to veterans benefit programs (such as a requirement that the veteran entered military service from Wisconsin) do not apply to the pilot program. Unlike the existing program, participants would not need to be homeless to receive services. The Department would be permitted to provide payments to facilitate services under the program.

Beginning on June 30, 2018, and quarterly thereafter, DVA would be required to submit a report to the Governor and the Joint Committee on Finance that includes information on the number of veterans served and the services provided, and the types of insurance that a veteran has at the time the veteran receives services. For the report that is due on December 30, 2018, the Department would be required to include a summary of the administrative expenses for the program and the Department's recommendations for whether to continue or expand the pilot program.

The appropriation for the program would be repealed, effective July 1, 2019, and the project positions would expire on June 30, 2019.

FISCAL EFFECT

AB 732 would increase GPR appropriations by $538,521 in 2017-18 and $719,779 in 2018-19. Since the appropriation would be repealed at the end of the biennium, the bill would not have an ongoing fiscal effect. The funding amounts are based on DVA's calculations. The following table shows the elements of the Department's proposal.

Expenditure Category	2017-18	2018-19
Salary and Fringe Benefits for 8.0 Positions	$426,176	$568,235
Mental Health Services	52,450	71,684
Travel	40,500	54,000
Equipment	14,895	19,860
Office Lease Cost	4,500	6,000
Total	$538,521	$719,779

The Department's salary and fringe benefit calculations are based on an assumed salary of $22 per hour for seven of the positions and $25 per hour for one position. The mental health services category represents the Department's assumptions for detoxification services and hospital inpatient services for approximately 25 individuals per year. The travel, equipment, and office lease estimates are based on costs incurred under the expired program.

For 2017-18, the Department assumed three-quarters of the annualized estimates. However, if the bill were to pass in the Legislature's January or February floor period, the Department would administer the program for, at most, three months in that year. Consequently, the Committee could consider amending the bill to provide one-quarter of the annualized amount, or $180,000 in 2017-18. Also, the bill should be amended to comply with Chapter 20 rounding conventions ($719,800 in 2018-19 instead of $719,779).

Although the Department administered the previous program in six regions covering 49 counties, the Department indicates that it would intend to administer the pilot program on a statewide basis using 10 regions. In order to provide a statewide program, the Department would combine the funding and positions provided under the bill with base funding and positions in the Department's appropriation for administration of loans and grants. Generally, the Department would utilize vacant positions in the administration of loans and grants appropriation for this purpose, although some currently-filled positions would also be used. The Department's administration of loans and grants appropriation has funding of $8,775,100 SEG in 2017-18 and $8,782,400 SEG in 2018-19 and 83.51 positions in 2017-18 and 74.15 positions in 2018-19. Currently, of the authorized positions in the appropriation, approximately 15 are vacant.

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