

# REVISED STATEMENT OF SCOPE

## Department of Veterans Affairs

**Rule No.:** VA 2

**Relating to:** Veterans assistance grants

**Rule Type:** Both Emergency and Permanent

*Note: This statement of scope revises SS 103-19, which was approved by the governor on October 3, 2019 and published in Register 766A1 on October 7, 2019.*

### 1. Finding/nature of emergency (Emergency Rule only):

The Department of Veterans Affairs finds that an emergency exists and that the proposed emergency rule is necessary for the immediate preservation of the public peace, health, safety, or welfare. Facts constituting the emergency are as follows:

An emergency rule is necessary to ensure that the administrative rules relating to the granting of appropriated funds are amended before the next grant period begins. Amending the rules would allow for the distribution of funds to more veterans, veterans organizations, employers of veterans, and non-profit organizations who provide outreach and services to veterans and underserved veteran populations. The proposed rules would also amend the current grant process and evaluation criteria to improve grant compliance and accountability.

In order to expand eligibility for these grant programs administered under ch. VA 2, the amended criteria and procedures must be in effect prior to the opening of the next grant period. The timeline for the permanent version of this rule would not otherwise be in effect prior to the grant deadlines. Unless a new rule is in place, the Department is unable to efficiently implement and administer these grant programs. The promulgation of emergency rules will help ensure implementation of the programs remain consistent through the completion of the permanent rulemaking process.

### 2. Detailed description of the objective of the proposed rule:

The primary objective of the proposed rule is to remove burdensome barriers, establish the evaluation criteria, and revise the grant program requirements, in order to expand eligibility and increase accountability of grant funds administered by the Department.

The proposed rules include the following substantive amendments:

Chapter Title: The proposed rule will amend the current chapter title, *Grants; Needy Veterans, Veterans Tuition Reimbursement and Retraining; Nonprofit Organizations* and retitles the chapter to *Veterans Assistance Grants*.

Section 2.01 - Subsistence and health care aid grant programs: Subsistence aid provides financial assistance to veterans based on financial need who have experienced a recent loss of income. Health care aid provides financial assistance for dental, hearing, and vision care to veterans and their eligible family members based on financial need. The proposed rules will reorganize this section to remove and amend several limitations and eliminate barriers in order to expand eligibility and ease the application process for veterans needing financial assistance through these two grant programs. The proposed rules will eliminate language relating to loss of income due to "illness, injury, and natural disasters" and increase the eligibility from 180% to 200% of the federal poverty guidelines in order to expand a veteran's eligibility for subsistence and health care aid. The proposed rules will amend the timeframe from the

current 120 days and increase the timeframe to one year in which a veteran may apply for subsistence aid after the loss of income. The proposed rules will allow the veteran to apply for additional aid after participating in the subsistence and health care aid programs for a consecutive 24-month period instead of the current restrictive time-period of 48 consecutive months.

Sections 2.02 to 2.06 - Veterans tuition reimbursement grants: The proposed rules will amend the definition of “available liquid assets” and clarify the student budget calculations to eliminate confusion and barriers. The proposed rules will also repeal the *Tribal College Tuition Reimbursement Program* under s. 2.06 since this section is redundant and included under s. 2.02.

Sections 2.07 and 2.08 - Nonprofit organizations, entrepreneurship, and employment grants: The *Grants to nonprofit organizations* program provide financial assistance or other services to veterans and their dependents. The *Employment grant* program provides incentives to employers to hire disabled veterans. The *Entrepreneurship grant* program provides grants to incentivize entities that provide entrepreneurship training, technical or business assistance, financial assistance, and other assistance to veteran entrepreneurs to improve employment outcome for the benefit of veterans. The proposed rules will include the following:

1. Clarify allowed use of grant funds.
2. Strengthen the delivery and administration of the programs.
3. Expand eligibility.
4. Increase transparency, accountability, and compliance by adding a matching requirement to ensure grantee organizations are sustainable and financially viable.
5. Streamline the application and evaluation process to enhance pre-award screening and efficiency. For example, the current rules under s. 2.08 require the Department to rate the criteria but do not specifically outline the expectations. The proposed rules will set clear expectations for the applicants and allow the evaluation committee to have all the information to evaluate and rate the criteria appropriately.

Additionally, the proposed rules will include general cleanup and updates, reorganize sections, amend outdated provisions, and bring the rule into conformity with current statutes and drafting standards for style and format.

### **3. Description of the existing policies relevant to the rule, new policies proposed to be included in the rule, and an analysis of policy alternatives:**

The Department promulgated rules that created s. VA 2.07 (Clearinghouse Rule 14-058, effective October 1, 2017) and s. VA 2.08 (Clearinghouse Rule 17-003, effective April 1, 2018). Upon further review, the Department has identified provisions within the rules that require revisions and clarification in order to enhance the administration of these grant programs.

Without a rule change, the Department will be required to administer the grant programs for the upcoming grant period as they currently exist under ch. VA 2. This will result in the enforcement of unnecessary and restrictive requirements, limitation in the number of grant awards, and unclear guidance for applicants and program administrators.

The rules propose the following new policies:

1. Implements new matching requirements in order to ensure grantee organizations are sustainable and financially viable while expanding the distribution of grant funds to more entities.
2. Redefines the evaluation process in order to enhance pre-award screening and efficiency.
3. Defines new scoring criteria in order to streamline and simplify the evaluation process.

There are no alternative means to address the need for revisions as presented above.

### **4. Detailed explanation of statutory authority for the rule (including the statutory citation and language):**

Section 45.03 (2), Stats., authorizes the Secretary of the Department to promulgate rules necessary to carry out the purposes of Ch. 45 and the powers and duties conferred upon it.

Section 45.21 (3), Stats., requires the Department to promulgate rules for the distribution of aid under the retraining assistance program.

Section 45.40 (3m), Stats., authorizes the Department to promulgate rules establishing eligibility criteria and household income limits for payments under the subsistence and health care aid grant programs.

Section 45.437, Stats., authorizes the Department to award grants to veterans, employers, and nonprofit or organizations to assist veteran entrepreneurs, to give employers in this state incentives to hire veterans, especially disabled veterans, to help fund employment training for veterans, especially disabled veterans, and for other programs or purposes as determined by the department by rule.

Section 45.437(4), Stats., explicitly authorizes the Department to promulgate rules implementing the veterans employment and entrepreneurship grant programs.

**5. Estimate of amount of time that state employees will spend developing the rule and of other resources necessary to develop the rule:**

200 hours

**6. List with description of all entities that may be affected by the proposed rule:**

Veterans, eligible spouses of veterans, eligible family members of veterans, training centers and institutions of higher education that enroll veterans and eligible family members, employers that hire veterans, nonprofit organizations and entities that provide assistance to veterans and their eligible family members, and health care providers that provide veterans with dental, vision, and hearing services.

**7. Summary and preliminary comparison with any existing or proposed federal regulation that is intended to address the activities to be regulated by the proposed rule:**

None.

**8. Anticipated economic impact of implementing the rule (note if the rule is likely to have a significant economic impact on small businesses):**

The department anticipates that the proposed rules will have no to minimal economic impact statewide or locally, nor have an effect upon small businesses.

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