



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #804

Use of Tribal Gaming Revenues for Certain Veterans Programs (DVA -- Veterans Trust Fund)

[LFB 2005-07 Budget Summary: Page 518, #10]

CURRENT LAW

The American Indian veterans services coordinator acts as the Department of Veterans Affairs (DVA) contact between the agency and tribal governments and American Indian veterans. The position is involved in planning and coordinating DVA programs for American Indians. Base funding for the coordinator is \$67,400 SEG and 1.0 SEG position annually, funded from the veterans trust fund.

The American Indian grants program provides assistance to the governing bodies of federally-recognized American Indian tribes, provided that the tribal governing body enters into an agreement with DVA regarding the creation, goals and objectives of a tribal veterans service officer, appoints a veteran to act as that service officer, and gives the individual duties that are similar to a county veterans service officer (except that the tribal veterans service officer would report to the governing body of the tribe or band). DVA may make annual grants of up to \$2,500 for these purposes. Base funding for these grant payments is \$15,000 SEG annually, funded from the veterans trust fund.

GOVERNOR

Provide \$111,500 PR and 1.0 PR position annually and delete \$82,400 SEG and 1.0 SEG position annually to reflect the funding conversion from the veterans trust fund to tribal gaming revenue in connection with these two programs.

American Indian Veterans Services Coordinator. Convert the current American Indian veterans services coordinator position from veterans trust fund support to tribal gaming revenue

support (\$67,400 PR and -\$67,400 SEG and 1.0 PR and -1.0 SEG position annually) and create a separate PR annual appropriation for the purpose of providing tribal gaming revenues for the position. Provide additional funding of \$4,100 PR annually for increased supplies and services costs for the position.

American Indian Grants. Convert the current American Indian grants program from veterans trust fund support to tribal gaming revenue support (\$15,000 PR and -\$15,000 SEG annually) for grant assistance to American Indians. Create a separate PR appropriation for the purpose of providing the American Indian grants and delete the parallel veterans trust fund supported appropriation.

Increase the maximum size of a grant that may be made to an American Indian tribe in the state from \$2,500 annually to \$10,000 annually and provide additional funding of \$25,000 annually for this purpose. The Department anticipates that four of the state's 11 tribes would apply for annual grants.

DISCUSSION POINTS

1. The Department has developed a 10-year solvency plan for the veterans trust fund. The intended purpose of the solvency plan is to ensure that the fund will have sufficient revenues available to meet its anticipated expenditure requirements from the 2004-05 fiscal year until the 2013-14 fiscal year. One element of this 10-year solvency plan is the conversion of the costs of the American Indian veterans services coordinator position and the American Indian grants funding from the veterans trust fund to support from tribal gaming revenues.

2. Funding for the American Indian services coordinator and the American Indian grants was initially established as part of the 1999-01 biennial budget. These activities were funded from tribal gaming revenues. This funding source was used until the 2003-05 biennial budget, which converted the funding for these two programs to the veterans trust fund.

3. The rationale for shifting the funding source for these programs from tribal gaming revenues to the veterans trust fund as part of the 2003-05 biennial budget was due to the condition of the state's general fund. Tribal gaming revenues are the equivalent of GPR funding, since the appropriation of such revenues means a corresponding decrease in the amount of tribal revenues that would be credited instead to the general fund.

American Indian Veterans Services Coordinator

4. Currently, the American Indian coordinator is stationed in Park Falls and provides liaison services between DVA and all 11 Wisconsin Indian tribes and bands. The coordinator has duties similar to county veterans service officers in providing outreach to tribes in an effort to educate tribal members who are veterans concerning their eligibility for federal and state benefits. The coordinator also assists the tribes in establishing their own veterans tribal services offices and programs.

5. In recent years, the coordinator's supplies and services budget, which supports travel

between the various tribes and bands, has been fully utilized. The additional funding of \$4,100 annually for supplies and services costs would appear justified in order to address increased transportation costs and provide additional contact between the coordinator and the tribes.

American Indian Grants

6. Currently, the Ho-Chunk Nation, Forest County Potawatomi, Lac du Flambeau and Oneida are the only state tribes that appoint tribal service officers and attempt to meet all other current DVA requirements for the receipt of an American Indian annual grant. These annual awards are limited to \$2,500 per tribe or band.

7. The Department has proposed and the Governor has recommended increasing the amount of the annual grants to \$10,000 per tribe or band. The Department indicates that the proposed \$10,000 maximum is based on an approximation of the current average for payments to counties for support their county veterans service officers. Under current law, these payments vary between \$8,500 per county to \$13,000 per county, depending on population. Currently, \$10,000 is paid to counties with populations between 20,000 and 45,499. In 2000, 47,228 Wisconsin residents identified themselves as American Indians. Among the 11 tribes or bands on reservations, the tribal populations range from a low of 332 to a high of 3,288.

8. If the Department wishes to provide comparability between the grant levels made under the American Indian grant program and current grants to counties for their county veterans service officers, it would appear appropriate to set grant level at \$8,500, rather than \$10,000. The \$8,500 grant level is provided to counties with populations under 20,000. The Committee could choose to set the grant level at \$8,500 per tribe or band and delete \$6,000 annually from the Governor's recommendation.

9. Further, it may be noted that not all of the four tribes that could potentially qualify for an American Indian grant actually apply for one. In the 2003-04 fiscal year, only one grant of \$2,500 was awarded and \$12,500 lapsed to the veterans trust fund at the end of the year. For the current 2004-05 fiscal year, two awards totaling \$5,000 have been awarded through April 30. The grant application deadline is May 31. The Department has indicated that it is attempting to encourage the remaining two tribes to seek funding under the program.

10. It could be argued that it is appropriate to provide funding from tribal gaming revenues to support grants specifically to assist tribal members in obtaining state and federal veterans benefits. Since funding for both of these programs was originally provided from tribal gaming revenues prior to the 2003-05 biennial budget, the Committee may wish to approve the Governor's recommendation to support these activities from tribal gaming revenues. Such an action would also ease the expenditure pressures on the veterans trust fund, which currently supports these functions.

11. Alternatively, it could be argued that the current condition of the general fund is such that tribal gaming revenues should not be used for these purposes but should be credited instead to the general fund. While this action would place additional expenditure pressure on the veterans trust fund, the annual costs of these functions are relatively modest. If the Committee

concurs with these funding allocation priorities, it could delete the Governor's recommendation and continue the funding of these programs from the veterans trust fund.

ALTERNATIVES

1. Approve the Governor's recommendation to: (a) provide \$67,400 PR and -\$67,400 SEG and 1.0 PR and -1.0 SEG position annually to convert the current American Indian veterans services coordinator position from veterans trust fund support to tribal gaming revenue support, create a separate PR annual appropriation for this purpose, and provide \$4,100 PR annually for increased supplies and services costs; and (b) provide \$15,000 PR and -\$15,000 SEG annually to convert the American Indian grants program from veterans trust fund support to tribal gaming revenue support, create a separate PR appropriation for the payment of these aids and delete a parallel veterans trust fund appropriation, and increase the maximum annual grant from \$2,500 to \$10,000 annually and provide \$25,000 PR annually for this purpose.

2. Modify the Governor's recommendation by setting the maximum annual American Indian grant at \$8,500 annually and deleting \$6,000 PR annually.

<u>Alternative 2</u>	<u>GPR-REV</u>	<u>PR</u>
2005-07 REVENUE (Change to Bill)	\$12,000	
2005-07 FUNDING (Change to Bill)		-\$12,000

3. Modify the Governor's recommendation by deleting the funding conversion from the veterans trust fund to tribal gaming revenues for the American Indian veterans services coordinator position and American Indian grants and approving increased funding for the American Indian veterans position services coordinator (\$4,100 SEG annually) and American Indian Grants (\$25,000 SEG annually) to fund annual grants of \$10,000. Reestimate general fund revenues by \$111,500 annually due to decreased spending from tribal gaming revenues.

<u>Alternative 3</u>	<u>GPR-REV</u>	<u>PR</u>	<u>SEG</u>	<u>TOTAL</u>
2005-07 REVENUE (Change to Bill)	\$223,000			\$223,000
2005-07 FUNDING (Change to Bill)		-\$223,000	\$223,000	\$0
2006-07 POSITIONS (Change to Bill)		- 1.00	1.00	0.00

4. *In addition to Alternative 3*, delete \$6,000 SEG annually to reflect a maximum American Indian grant annual award level of \$8,500 per grant.

<u>Alternative 4</u>	<u>SEG</u>
2005-07 FUNDING (Change to Bill)	-\$12,000

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