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Joint Committee on Finance

Paper #659

Appropriation Structure for the Department of Veterans Affairs (Veterans Affairs)

CURRENT LAW

The Department of Veterans Affairs (DVA) administers several programs that provide veterans benefits and grants in the areas of education and training, healthcare and income assistance, housing assistance, employment assistance, aid to county and tribal veterans assistance offices, and aid to nonprofit organizations. These programs are funded primarily through appropriations from the veterans trust fund.

In addition, the DVA appropriation schedule includes several appropriations that previously funded activities and programs that are no longer administered by DVA.

GOVERNOR

No provision.

DISCUSSION POINTS

1. During the past several years, the Legislature has enacted several new programs for DVA to administer. However, rather than creating new appropriations to fund these programs, the acts have expanded the purposes of the agency's existing appropriations for unrelated purposes. Specifically:

a. 2015 Wisconsin Act 383 authorized DVA to make grants to nonprofit organizations that provide assistance to veterans, provided no additional funding for this purpose, but authorized DVA to make grants of up to \$250,000 from a DVA appropriation that previously supported the veterans tuition reimbursement programs.

b. 2013 Wisconsin Act 20 directed DVA to reimburse the Department of Natural

Resources for the forgone conservation fund revenue associated with issuing fish and game licenses to veterans free of charge, provided \$15,000 SEG annually to make these reimbursement payments, but funded it from an appropriation that supports veterans assistance programs (for assisting homeless veterans).

Since each of these two current appropriations fund unrelated programs, the appropriations could be restructured by creating separate appropriations to identify the amounts the Legislature has authorized DVA to expend for each program.

2. Another DVA appropriation funds three distinct programs, which could be separated to increase budgeting transparency. All three programs are included in the statutory title for the appropriation, which is "Payments to veterans organizations for claims service; grants for the operation of Camp American Legion; grants to American Indian tribes and bands."

3. Finally, an appropriation for the assistance to needy veterans program was used for making a grant for veterans start-up businesses in the 2013-15 biennium, and the title of the appropriation was amended to reflect that grant. Since the grant was one-time in nature and the Legislature has since established a separate program and appropriation for veteran employment and entrepreneurship grants, the title of assistance to needy veterans program appropriation could be amended to eliminate the obsolete reference.

4. Table 1 shows the current and modified appropriation structure for the programs discussed in the previous points. The funding shown for the proposed appropriation structure (Alternative A1) reflects the level of funding that would be provided in the Governor's budget recommendations.

TABLE 1

Current and Proposed Appropriation Structure

<u>Existing Appropriation</u>	<u>Annual Funding</u>	<u>Proposed Appropriation</u>	<u>Annual Funding</u>
Veterans tuition reimbursement program; grants to nonprofit organizations that serve veterans and their families	\$1,403,100	Veterans tuition reimbursement program	\$1,278,100
		Grants to nonprofit organizations	125,000
Veterans assistance program; fish and game vouchers	845,700	Veterans assistance program	830,700
		Fish and game vouchers	15,000
Payments to veterans organizations for claims service; grants for the operation of Camp American Legion; grants to American Indian tribes and bands	471,800	Payments to veterans organizations for claims service	348,000
		Grants to Camp American Legion	75,000
		Grants to American Indian tribes and bands	48,800
Assistance to needy veterans and veteran start-up businesses	970,000	Assistance to needy veterans	970,000

5. The DVA appropriation schedule in the bill includes 12 obsolete appropriations for the agency, for which no funding is budgeted. In many cases, these appropriations have been replaced with similar appropriations, and so are now duplicative. In other cases, the appropriations were established to make payments that have already been made or contain a sunset provision that has now passed. These appropriations are listed in Table 2.

TABLE 2

Obsolete, Unfunded DVA Appropriations

<u>Citation</u>	<u>Source</u>	
20.485 (1)(b)	GPR	General fund supplement to institutional operations
20.485(1)(hm)	PR	Gifts and grants (duplicates another gifts and grants appropriation)
20.485(1)(mj)	FED	Federal aid, geriatric unit
20.485(1)(u)	SEG	Rentals; improvements; equipment; land acquisitions
20.485(2)(a)	GPR	General program operations; loans and aids
20.485(2)(b)	GPR	Housing vouchers for homeless veterans
20.485(2)(d)	GPR	Veterans memorials at the Highground
20.485(2)(e)	GPR	Korean war memorial grant
20.485(2)(eg)	GPR	Victorious charge monument grant
20.485(2)(vy)	SEG	American Indian service coordinator
20.485(2)(yg)	SEG	Acquisition of 1981 revenue bond mortgages
20.485(3)(v)	SEG	Revenue obligation repayment

6. DVA has reviewed the list and has determined that all of these appropriations could be repealed without any effect on the agency. Consequently, these obsolete appropriations could be deleted (Alternative B1).

7. The nonprofit grant program was created initially in the in the 2013-15 session as a one-time program to make grants totaling \$250,000. During the 2015-17 session, the program was recreated, again to make grants totaling \$250,000. Based on testimony to the standing committees that considered the bill, it appears that the intent of the 2015-17 session bill was to reestablish the program on an ongoing basis, to distribute \$250,000 per year. However, the statutory language for the program authorizes DVA to make grants totaling \$250,000, but does not specify that this amount may be granted every year. Consequently, DVA is authorized to make grants totaling \$250,000 only on a one-time basis. If the Committee decides that these grants should be made on an ongoing basis, the statutory authorization for the program should be modified to reflect that intent (Alternative C1).

ALTERNATIVES

A. Appropriation Restructuring

1. Modify the appropriation structure for DVA benefit and grant programs as reflected in Table 1.

2. Maintain current law.

B. Obsolete Appropriations

1. Repeal all of the obsolete appropriations listed in Table 2.
2. Maintain current law.

C. Grants to Nonprofit Organizations

1. Modify the statutory authorization for the nonprofit organizations grant program to specify that the Department may make grants totaling \$250,000 on an annual basis.
2. Maintain current law.

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