

VETERANS AFFAIRS

Budget Summary							
Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$5,511,200	\$4,584,000	\$4,845,800	\$261,800	5.7%	- \$665,400	- 12.1%
FED	5,993,800	5,960,000	5,960,000	0	0.0	- 33,800	- 0.6
PR	231,534,200	228,778,100	239,793,300	11,015,200	4.8	8,259,100	3.6
SEG	<u>41,035,000</u>	<u>40,911,400</u>	<u>39,576,600</u>	<u>- 1,334,800</u>	- 3.3	<u>- 1,458,400</u>	- 3.6
TOTAL	\$284,074,200	\$280,233,500	\$290,175,700	\$9,942,200	3.5%	\$6,101,500	2.1%

FTE Position Summary					
Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	Joint Finance Change to:	
				Governor	2020-21 Base
FED	16.50	16.50	16.50	0.00	0.00
PR	1,146.74	1,119.81	1,119.81	0.00	- 26.93
SEG	<u>106.12</u>	<u>113.12</u>	<u>106.12</u>	<u>- 7.00</u>	<u>0.00</u>
TOTAL	1,269.36	1,249.43	1,242.43	- 7.00	- 26.93

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- \$2,000	\$0	- \$2,000
FED	- 33,800	0	- 33,800
PR	- 988,000	0	- 988,000
SEG	<u>- 194,600</u>	<u>- 95,000</u>	<u>- 289,600</u>
Total	- \$1,218,400	- \$95,000	- \$1,313,400

Governor: Reduce funding by \$618,000 (-\$1,000 GPR, -\$16,900 FED, -\$494,000 PR, and -\$106,100 SEG) in 2021-22 and by \$600,400 (-\$1,000 GPR, -\$16,900 FED, -\$494,000 PR, and -\$88,500 SEG) in 2022-23 to reflect the following standard budget adjustments: (a) turnover (-\$1,085,300 PR and (-\$142,200 SEG annually); (b) full funding of continuing position salaries

and fringe benefits (-\$1,000 GPR -\$16,900 FED, -\$2,923,100 PR, and \$306,500 SEG annually); (c) overtime (\$1,090,300 PR annually); (d) night and weekend differential pay (\$2,186,600 PR annually); (e) full funding of lease and directed move costs (\$237,500 PR and -\$270,400 SEG in 2021-22 and \$237,500 PR and -\$252,800 SEG in 2022-23); and (f) and minor transfers within appropriations (\$0 annually).

Joint Finance: Increase the rate used to calculate turnover reduction from 3% to 4% for all appropriations subject to a 3% turnover rate under the Governor's recommended budget. Reduce funding under the turnover reduction standard budget adjustment by \$47,500 SEG annually.

2. VETERANS TRUST FUND -- GPR SUPPLEMENT [LFB Paper 102]

Governor: Estimate that \$15,100,000 in 2021-22 and \$15,800,000 in 2022-23 will be transferred from the general fund to the veterans trust fund (VTF) to support estimates of SEG-supported expenditures from the VTF in the 2021-23 biennium. Base funding for the transfer is \$15,800,000. The fiscal effect of this item is summarized under "Miscellaneous Appropriations."

The following table summarizes the administration's estimates of balances, revenues, and expenditures from the VTF in the 2021-23 biennium.

Veterans Trust Fund		
Governor's Recommendations		
	<u>2021-22</u>	<u>2022-23</u>
Opening Balance	\$842,600	\$175,400
Revenue		
Veterans Programs	\$450,000	\$450,000
GPR Transfer	<u>15,100,000</u>	<u>15,800,000</u>
Total Available	\$16,392,600	\$16,425,400
Expenditures		
DVA Appropriations	\$20,517,500	\$20,517,500
Pay Plan Reserves	321,500	649,300
Lapses from DVA Appropriations	<u>-4,621,800</u>	<u>-4,833,000</u>
Net Expenditures	\$16,217,200	\$16,333,800
Year End Balance	\$175,400	\$91,600

Joint Finance: Reestimate the transfer at \$14,676,200 in 2021-22 and \$15,276,200 in 2022-23, based on the Committee's decisions on VTF appropriation levels. Relative to the AB 68/SB 2011, the transfer is estimated to be lower by \$423,800 in 2021-22 and \$523,800. The fiscal effect of this change is summarized under "Miscellaneous Appropriations."

The following table shows the estimated VTF fund condition statement under Joint Finance.

**Veterans Trust Fund
Joint Finance**

	<u>2021-22</u>	<u>2022-23</u>
Opening Balance	\$842,600	\$439,000
Revenue		
Veterans Programs	\$450,000	\$450,000
GPR Transfer	<u>14,676,200</u>	<u>15,276,200</u>
Total Available	\$15,968,800	\$16,165,200
Expenditures		
DVA Appropriations	\$19,908,400	\$19,791,800
Pay Plan Reserves	321,500	649,300
Lapses from DVA Appropriations	<u>-3,822,100</u>	<u>-3,916,700</u>
Net Expenditures	\$16,407,800	\$16,524,400
Year End Balance	\$439,000	\$359,200

3. VETERANS OUTREACH AND RECOVERY

	Governor		Jt. Finance		Net Change
	(Chg. to Base)		(Chg. to Gov)		
	Funding	Positions	Funding	Positions	Funding Positions
SEG	\$0	7.00	-\$1,316,000	- 7.00	-\$1,316,000 0.00

Governor: Provide \$699,700 in 2021-22 and \$816,300 in 2022-23 and 7.0 positions, beginning in 2021-22, to increase services under the veterans outreach and recovery program (VORP). Reduce funding by corresponding amounts in other DVA appropriations to offset these increases as follows: (a) \$549,700 in 2021-22 and \$666,300 in 2022-23 in the veterans tuition reimbursement program; and (b) \$150,000 annually in the assistance to needy veterans program. Base funding for these two programs exceeds the administration's estimates of what will be needed to fully fund tuition assistance and assistance to needy veterans in the 2021-23 biennium, based on historical spending under these programs.

Require DVA to expend at least \$100,000 annually under VORP to promote suicide prevention and awareness by providing outreach, mental health services, and support to individuals who are members of a traditionally underserved population, including minority groups and individuals who reside in rural areas of the state. Authorize DHS to enter contracts to provide services for this purpose.

VORP provides outreach, treatment and support to veterans who have mental health conditions. The program employs outreach specialists to contact veterans to provide direct assistance and referral to social service programs. Current staff include 11.0 outreach specialists,

1.0 clinical director, and 2.0 outreach supervisors, which are supported from an appropriation that funds VORP exclusively (8.0 positions) and DVA's general administration appropriation (6.0 positions).

Joint Finance: Delete \$599,700 in 2021-22 and \$716,300 in 2022-23 and 7.0 positions to maintain current position authorization for the program. The \$100,000 annually funding in the VORP appropriation for suicide prevention and awareness would be retained. Under AB 68/SB 111, the funding associated with the proposed 7.0 positions and the funding for the suicide prevention and awareness initiative would be offset with reductions to the appropriations for the tuition reimbursement program and the assistance to needy veterans program, with the result that the bill would have no net effect on total SEG appropriations. Since the Finance Committee would retain the offsetting reductions to these appropriations, but delete the funding for the 7.0 VORP positions, the net effect would be a reduction to total base appropriations equal to the position funding. Because the tuition reimbursement and assistance to needy veterans programs have underspent the respective appropriations by more than the proposed reductions for the last several years, the reductions would be unlikely to affect actual program expenditures.

Transfer \$548,600 SEG annually and 5.0 SEG positions, beginning in 2021-22, from the DVA appropriation for the administration of loans and aids and \$141,200 SEG annually and 1.75 SEG positions, beginning in 2021-22, from the appropriation for the veterans assistance program, to the VORP appropriation (\$689,800 SEG annually and 6.75 SEG positions, beginning in 2021-22). These transfers would not change total funding and positions available for the program, but would consolidate funding and positions currently allocated to the program, totaling \$1,571,900 and 14.75 positions, in the VORP program appropriation.

4. VETERANS SERVICE OFFICE GRANTS

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$76,200	\$76,200	\$152,400

Governor: Provide \$38,100 annually to increase, from \$761,000 to \$799,100, annual funding for DVA to award as grants to support county veterans service officers (CVOs).

Increase the statutory annual grant amounts as follows: (a) for counties with a population of less than 20,000, from \$8,500 to \$8,925; (b) for counties with a population of 20,000 to 45,499, from \$10,000 to \$10,500; (c) for a county with a population of 45,500 to 74,999, from \$11,500 to \$12,075; and (d) for a county with a population of 75,000 or more, from \$13,000 to \$13,650. Increase from \$500 to \$525 the maximum annual grant amount DVA pays to eligible counties with a part-time CVO.

Increase from \$15,000 to \$15,750 the maximum annual grant amount DVA pays to eligible governing bodies of federally-recognized American Indian tribes and bands that employ tribal veteran's service officers (TVSOs) that provide veterans services to tribal members. The bill would maintain base funding for these grants (\$61,200 PR from Indian gaming revenue and \$48,800 SEG annually).

The cost of maintaining county veterans services offices is primarily a county and tribal responsibility. CVOs and TVSOs advise veterans of benefits to which they may be entitled, and assist in resolving complaints regarding veterans services.

Joint Finance: Provide \$38,100 SEG annually for CVSO grants to provide a total increase of \$76,200 annually for the program, establishing total annual funding at \$837,200. Increase the statutory annual grant amounts, relative to current grants, as follows: (a) for counties with a population of less than 20,000, from \$8,500 to \$9,350; (b) for counties with a population of 20,000 to 45,499, from \$10,000 to \$11,000; (c) for a county with a population of 45,500 to 74,999, from \$11,500 to \$12,650; and (d) for a county with a population of 75,000 or more, from \$13,000 to \$14,300. Increase from \$500 to \$550 the maximum annual grant amount DVA pays to eligible counties with a part-time CVO.

Increase from \$15,000 to \$16,500 the maximum annual grant amount DVA pays to eligible governing bodies of federally-recognized American Indian tribes and bands that employ tribal veteran's service officers (TVSOs) that provide veterans services to tribal members. Maintain base funding for these grants (\$61,200 PR from Indian gaming revenue and \$48,800 SEG annually).

5. EQUITY OFFICER POSITION

Governor: Reallocate 0.5 vacant position from within the Department to create an agency equity officer position. The agency equity officer would be responsible for coordinating with other agency equity officers and identifying opportunities to advance equity in government operations. The bill does not identify a specific funding source or position to be reallocated. The Department has not yet identified the position and funding sources for the reallocation. For additional information, see "Administration -- General Agency Provisions."

Joint Finance: Provision not included.

6. CHIPPEWA FALLS STATE VETERANS HOME OPERATIONS

PR	\$800,000
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Governor/Joint Finance: Provide \$400,000 annually to fund increases in the cost of the Department's contract with Health Dimensions Group to operate the Wisconsin Veterans Home at Chippewa Falls. Unlike the other two state veterans homes that are staffed by state employees, DVA contracts for the staffing and other functions to operate the state veterans home at Chippewa Falls. In 2019-20, DVA paid \$7.6 million to the vendor under the terms of the contract. The Department recently extended the contract for an additional three years.

7. VETERANS HOME AT KING -- TRANSFER BASE FUNDING TO UNALLOTTED RESERVE

Governor/Joint Finance: Transfer \$10,000,000 PR annually in base funding budgeted for permanent position salaries (\$5,000,000), fringe benefits (\$2,510,500) and supplies and services

(\$2,489,500) for the Veterans Home at King to unallotted reserve to reflect anticipated reductions in costs due to declining resident populations. This expenditure authority would remain available to the Department should it be needed if resident populations increase from the current census.

Total base funding budgeted for the operation of the veterans home at King is \$77,992,700 PR, which includes \$42,396,900 for permanent position salaries, \$20,671,200 for fringe benefits, \$12,706,300 for supplies and services, and \$2,218,300 for other budget categories. Resident populations at the Veterans Home at King have decreased from 546 on July 1, 2019, to 383 as of February 1, 2021.

**8. UNION GROVE ASSISTED LIVING FACILITY
BUDGET AUTHORITY AND POSITIONS**

	Funding	Positions
PR	- \$5,842,600	- 26.93

Governor/Joint Finance: Reduce funding by \$2,921,300 annually and delete 26.93 positions, beginning in 2021-22, to eliminate funding and position authority for the assisted living facility at the Union Grove state veterans home. DVA closed the 40-bed Union Grove assisted living facility in 2019-20 due to decreased demand and operating losses.

9. DEBT SERVICE [LFB Paper 102]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	- \$925,200	\$261,800	- \$663,400
PR	3,274,500	1,015,200	4,289,700
SEG	<u>- 5,200</u>	<u>0</u>	<u>- 5,200</u>
Total	\$2,344,100	\$1,277,000	\$3,621,100

Governor: Provide \$1,291,000 (-\$50,600 GPR, \$1,343,900 PR, and -\$2,300 SEG) in 2021-22 and \$1,053,100 (-\$874,600 GPR, \$1,930,600 PR, and -\$2,900 SEG) in 2022-23 to reflect reestimates of debt service costs on authorized bonds.

Joint Finance: Provide \$421,800 (\$149,700 GPR and \$272,100 PR) in 2021-22 and \$855,200 (\$112,100 GPR and \$743,100 PR) in 2022-23 to reflect a reestimate of debt service.

10. CEMETERY STAFFING CONSOLIDATION

Governor/Joint Finance: Transfer \$355,500 and 2.0 positions that currently assist in the administration of the veterans memorial cemeteries but are funded from an appropriation that supports the administration of loans and aids, to a current appropriation that funds the administration and operation of the cemeteries, beginning in 2021-22.

11. VETERANS SERVICE ORGANIZATION GRANTS

Joint Finance: Increase the maximum grant amount DVA may award to an organization

under the veterans service organization grant program, from \$100,000 annually to \$175,000 annually. Specify that this statutory change would first apply to applications for a grant assistance received by the Department of Veterans Affairs after July 1, 2021. Base funding for the grant program is \$348,000. This item would not increase this amount as base funding is anticipated to be sufficient for any increase in grant expenditures resulting from the change to the maximum grant.

12. GRANT FOR AN ORGANIZATION PROMOTING U.S.S. WISCONSIN

Joint Finance: Authorize DVA to award a one-time grant in 2021-22 from the GPR appropriation for Wisconsin Veterans Museum operations in an amount not to exceed \$16,540 to a private nonprofit organization or a nonstock corporation that is a nonprofit corporation whose sole purpose is to promote and support recognition of the Columbia-class submarine U.S.S. Wisconsin.

13. STATE VETERANS HOMES APPROPRIATION FOR NATURAL DISASTER OR PUBLIC EMERGENCY MITIGATION

PR	\$10,000,000
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Joint Finance: Provide \$10,000,000 in 2021-22 in a new, continuing appropriation for emergency mitigation for costs that are incurred by the state veterans homes in response to, or in preparation for, a natural disaster or a public emergency. Specify that the Department may transfer moneys from the state veterans homes institutional operations appropriation in an amount not to exceed \$10,000,000 to the emergency mitigation appropriation. Specify that the Department may expend moneys from the emergency mitigation appropriation if the Governor issues an executive order declaring a state of emergency, but only after all funds allocated by the federal government to veterans homes for purposes of responding to the emergency have been exhausted.