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State Programs for Veterans

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State Programs for Veterans

The Department of Veterans Affairs (DVA) administers several loan and grant programs and operates the Wisconsin Veterans Home at King (Waupaca County) and the Wisconsin Veterans Home at Union Grove (Racine County) for the benefit of Wisconsin veterans. Approximately 437,000 Wisconsin veterans may be eligible for services provided by DVA as a result of having prior service in the armed forces and meeting certain residency and specific program eligibility requirements.

This paper is organized into seven major sections. The first section describes the general military service and state residency eligibility requirements applicable to most veterans programs. The next four sections summarize DVA's loan programs, grant programs to individual veterans, grant programs to veterans organizations, and other programs, respectively. The sixth section describes how DVA's loan and grant programs are funded. The last section discusses DVA-operated care facilities. Appendix I describes major DVA program changes from the 2007-09 biennium.

General Eligibility Requirements for State Veterans Programs

Although most DVA-administered grant and loan programs have a variety of specific eligibility requirements that an applicant must meet, there are two requirements that are uniform for nearly all programs. First, the individual must meet certain military service requirements to qualify as a veteran. Second, since most of DVA's programs are designated for the benefit of Wisconsin veterans, there is a state residency requirement. With only a

few exceptions (identified in the individual program descriptions), the following military service and Wisconsin residency requirements are uniform across all DVA programs.

Military Service

Until 1997, the statutes defined eligible military service for veterans benefits purposes as service occurring during certain war and designated conflict periods. Eligible military service had to involve any one of the following: 90 days of service during a wartime period, service during a statutorily designated crisis period, six months of peacetime service between February 1, 1955, and August 4, 1964, or the receipt of an armed services medal.

Provisions of 1997 Wisconsin Act 27 expanded eligibility for DVA grant and loan programs to include peacetime veterans. Peacetime veterans are defined as veterans who have served in the U.S. armed forces, regardless of where the service was rendered or the conditions of service, for two or more continuous years or the full period of their service obligation, whichever is less. Individuals discharged early for reasons of hardship, service-connected disability, or a reduction in military personnel are also considered peacetime veterans.

Individuals that served during a war period are generally classified as a veteran if they have served for at least 90 days during a recognized war period. Individuals that were released due to service-connected disabilities or death are also classified as veterans.

In most cases, a veteran must have served under honorable conditions (persons who died or are classified as missing in action may be excluded

from this requirement). Individuals that are eligible for federal veterans' benefits are considered to have served honorably for the purpose of determining state veteran benefit eligibility.

Appendix II enumerates the statutory war periods, designated conflicts, and peacetime veterans eligibility criteria.

Wisconsin Residency

Most DVA grant and loan programs have a state residency requirement. To be eligible to receive benefits, a veteran must be a current Wisconsin resident at the time of application and meet either of the following requirements: (a) the veteran must have been a Wisconsin resident upon entering or reentering military service; or (b) the veteran was a resident of Wisconsin for any consecutive 12-month period after entry or reentry into service and before the date of an application for benefits or death.

Veterans Loan Programs

The Department of Veterans Affairs administers three loan programs to improve housing opportunities, provide home improvement assistance, and access multi-purpose low-cost loans for Wisconsin veterans. These programs are the primary mortgage loan program, the home improvement loan program, and the personal loan program.

Eligibility for DVA administered loans is limited to: (a) a veteran; (b) a person that served honorably on active duty for more than six months between February 1, 1955 and August 4, 1964; (c) an unremarried surviving spouse or dependant child of a deceased veteran; or (d) a person that served under honorable conditions and has completed six years of continuous service in the National Guard or a reserve component of the U.S.

armed forces who lives in the state.

A person may not receive a veterans loan if any of the following apply: (a) the person would be incurring a debt that is excessive in light of the individual's income; (b) the person has another outstanding loan (unless the loan debt has been assumed by another individual or the second outstanding loan was a home improvement loan); and (c) the person is delinquent on child support or maintenance obligations as evidenced by a lien issued by the Department of Workforce Development or an approved repayment schedule has been established (this clause does not apply for permanently and totally disabled veterans).

Primary Mortgage Loan Program

The primary mortgage loan program (PMLP) was created by Chapter 208, Laws of 1973, to provide mortgage loans to qualifying state veterans to purchase or construct a home. Under provisions of 2003 Wisconsin Act 83, a Wisconsin resident currently serving on active duty in the U.S. armed forces at the time of making application is also eligible for the program. Under the program, over \$2.6 billion has been made available for 55,308 home loans to Wisconsin veterans through June 30, 2008. In 2007-08, DVA made 320 primary mortgage loans totaling \$51,001,000. The average loan was \$159,400.

Funding for the primary mortgage loan program is derived from the proceeds from state bond issuances. While the financing of the home loan program is discussed in greater detail in the financing section of this paper, federal law allows the use of federally tax-exempt debt to finance home loans to veterans who apply for a loan within 25 years of the date of their discharge from military service. Until the change in federal law (*Tax Increase Prevention and Reconciliation Act of 2005*) in May, 2006, eligibility for loans from the federally tax exempt debt was limited to veterans whose service started before 1977, and who had applied within 30 years after leaving active service.

Restrictions on the use of tax-exempt debt for veterans home mortgage programs prior to May, 2006, had the effect of requiring DVA to issue both tax exempt and taxable bond issues to fund the PMLP. Although taxable bond issues are more expensive than tax-exempt issues, DVA had previously chosen to offer veterans the same mortgage rate, regardless of the source of the funds, providing a subsidy for taxable bond issues from equity in the program. The Department has discontinued issuances of taxable bonds and is currently not offering loans to veterans that do not qualify under the federal tax-exempt bonding qualifications.

The interest rate charged to veteran borrowers under the primary mortgage loan program is dependent on the interest rate associated with each bond issue. Under s. 45.37(4) of the statutes, the Board of Veterans Affairs sets the interest rate. In 2007-08, primary mortgage loan interest rates varied between 5.65% and 6.25% for a 30-year loan. In addition, the Department does not require private mortgage insurance.

There are additional specific requirements that must be met before a veteran may receive a primary mortgage loan. These requirements include: (a) a down payment on the home of at least 5% (15% for a manufactured home); (b) the value of the loan may not exceed 2.5 times the value of the median price of a house in Wisconsin (as of July 1, 2008, this maximum was \$385,000); (c) the loan must be secured with a first mortgage on the subject property; (d) a veteran receiving a primary mortgage loan must initially occupy the residence as the primary residence; and (e) the home must have adequate fire and extended coverage insurance.

A veteran may receive more than one primary mortgage loan provided the previous loan has been repaid in accordance with the terms and conditions of the mortgage or other agreement executed in connection with the loan.

Primary mortgage loans carry a fixed rate of interest, impose no prepayment penalties, may not be used to pay closing costs, and typically run for 30 years, which is the maximum term allowed under the program.

If a veteran's down payment, closing costs or moving expenses are acquired through borrowing, the loan application will be denied unless the funding source is government-sponsored or is from a program approved by the Department. The applicant must be financially able to purchase the house, including construction and improvements, as well as afford all closing and moving expenses with personal assets and the loan provided by the Department to be eligible for the loan. Work credits, rent credits and other items that may reduce the cost are allowed, but only after the applicant has already shown that they possess the required 5% down payment from their own funds.

A veteran must also have a satisfactory repayment record on any other departmental loan or the loan will be denied. Further, a veteran who is certified by the Department of Workforce Development as delinquent in any child support or maintenance obligations will be denied, unless the veteran can show proof of entering into a repayment agreement with the local county child support agency.

Home Improvement Loan Program

The home improvement loan program (HILP) was created as part of the veterans home loan program by 1989 Wisconsin Act 31. This program allows veterans to borrow up to \$385,000, or up to 90% of the home's value, for alterations, repairs or improvements to primary residences. Up to 50% of the value of the improvements can be considered as increased value for the purposes of determining the maximum loan amount. The Department sets interest rates on a quarterly basis.

The rates offered vary based on whether the loan is secured by a mortgage or by a guarantor.

Mortgage secured loans also vary based on the percent of the house's value is being loaned. Home Improvement Loans that are less than 80% of the home value (termed the loan-to-value ratio) have lower rates than those loans that are between 80% and 90% (maximum loan value) of the house value. Table 1 shows the available loan periods and the interest rates as of December, 2008.

Table 1: Home Improvement Loan Rates

Term Period	<u>Loan-to-Value Ratio</u>		Guarantor Secured
	Less than 80%*	Between 80% and 90%*	
Three Years	N.A.	N.A.	8.50%
Five Years	5.85%	6.75%	10.00
Seven Years	6.25	7.00	N.A.
10 Years	6.25	7.00	N.A.
15 Years	6.55	7.25	N.A.

*Percent of the Home Improvement Loan compared to the value of house.

All eligible veterans may qualify for these loans. Further, under provisions of 2003 Wisconsin Act 83, a Wisconsin resident currently serving on active duty in the U. S. armed forces at the time of making application is also eligible for the program. The general eligibility requirements for HILP are the same as for the primary mortgage loan program. However, no property security is required for HILP loans under \$3,000; instead a simple guarantor is acceptable. In 2007-08, 46 HILP loans were made, totaling \$1,190,000. The average loan was \$25,900.

Personal Loan Program

The personal loan program (PLP) was established by 1997 Wisconsin Act 27 to provide qualifying state veterans with multi-purpose, low-interest loans to eligible veterans, unremarried spouses of veterans, or a deceased veteran's child. Personal loans may be used for any purpose. The PLP replaced both the veteran's consumer loan and economic assistance loan programs.

The PLP is funded from the segregated (SEG) veteran's trust fund, but the Department may borrow from the primary mortgage loan repayment fund or may enter into an agreement with the State of Wisconsin Investment Board to obtain additional moneys for these loans. These amounts (along with agreed upon interest fees) are then repaid to these funds. A total of \$10,000,000 SEG was budgeted for PLP loans in 2005-06 and in 2006-07 under a biennial appropriation. In 2007-08, 310 loans were made, totaling \$4,898,100. The average loan was \$15,800.

The statutes authorize veterans to borrow up to \$25,000, or such lesser amounts as the Department establishes, by rule, for a term of up to 10 years. A borrower may have more than one PLP loan outstanding, provided the current ceiling is not exceeded. PLP loan interest rates are also set by administrative rule and may be adjusted by DVA based on the term of the loan, the type of security offered, method of payment, or any other relevant factor.

Most PLP loans must be evidenced by a promissory note and secured by a Wisconsin mortgage. However, where the loan is less than \$5,000 and is made to an individual with total PLP indebtedness of less than \$5,000, the loan may be evidenced simply by a promissory note secured by a guarantor. (The loan may also be secured by a Wisconsin mortgage.) DVA is required to establish, by rule, the minimum allowable equity for mortgages that may be used to secure a personal loan.

The Department has established variable interest rates, depending on the securitization of the loan. As of December, 2008, interest rates ranged from 5.85% for five-year loans secured by a mortgage to 10% for five-year loans secured by a guarantor.

A qualifying veteran may not receive a loan if the outstanding loan balance for a PLP loan combined with any loans under any predecessor loan programs, would exceed \$25,000 for a mortgage-

secured loan, or \$5,000 for a guarantor-secured loan.

Loan recipients must not have been delinquent in any child support or maintenance obligations, as certified by the Department of Workforce Development. However, a loan can be used to make child-support payments. In these cases, the DVA is required to ensure that the proceeds of the loan are first applied to pay any delinquent child support or maintenance payments and to pay any past support, medical expenses or birth expenses.

Veterans Grant Programs

The Department of Veterans Affairs administers two grant programs for veterans: the veterans education grant program; and the retraining grant program. These programs are funded from the segregated veterans trust fund and provide grants to individuals for education and for emergency assistance.

Beginning in 2004-05, the University of Wisconsin System and the Wisconsin Technical College System are also required to operate a program for veteran student's education.

Education Grant Programs

In 2005 Wisconsin Acts 25 and 468, education benefits for most veteran students were significantly modified. Beginning with the 2007-08 academic year, the University of Wisconsin System (UWS) and the Wisconsin Technical College System (WTCS) are now required to remit 100% of tuition and fees for qualified veterans. The operation of these remitted fees along with DVA's veterans education grant program is described below.

Tuition Remission and Reimbursement Programs. This section will identify two types of tuition aid: (a) *remitted* tuition and fees, the amounts

that are not charged to a student but are instead deducted from the amount owed before a payment is made; and (b) *reimbursed* tuition and fees, the amounts repaid to a student, in this case at the end of a semester. In the case of reimbursements, the student must initially pay the tuition and fees actually charged (tuition and fee costs minus any other grants or scholarships or amounts remitted by Wisconsin higher education institutions) and then seek reimbursement from DVA upon completing a semester and meeting all qualifications (such as filing required forms with the Department in a timely matter and obtaining at least a 2.0 grade point average).

The UW System Board of Regents and each technical college district board must remit 100% of tuition and fees, minus any federal tuition reimbursement, for up to 128 credits or eight semesters, whichever is longer, for a student who meets the following qualifications: (a) is a qualified veteran as defined in Chapter 36 of the statutes; (b) is a Wisconsin resident as defined in Chapter 45 of the statutes; and (c) has entered or reentered service from Wisconsin. These education costs are no longer borne by the veterans trust fund for these students. There is no income limitation for the UWS or WTCS tuition remission program.

Under the DVA education grant program, reimbursements are made upon an eligible veteran's successful completion of a semester at any UW System institution or center, state technical college, private school approved by the Educational Approval Board, private or public high school, or similar institution with a tuition reciprocity agreement with Wisconsin.

Act 25 maintains DVA's responsibility for reimbursing veterans students for tuitions and fees that are not remitted at any eligible institution. If the veteran student was also eligible for DVA's veterans education grant program, the student could be reimbursed for the amounts not remitted by the UWS or WTCS institution, up to 100% of the cost of undergraduate tuition and fees, minus any

other grants or scholarships received by the veteran, with a maximum reimbursement based on the costs of a UW-Madison resident undergraduate. The statutes specify that veterans that are eligible for National Guard tuition reimbursement may not receive DVA veterans education grants.

Eligible veterans that attend qualifying institutions other than the UWS and WTCS or did not enter service from Wisconsin cannot have tuition or fees remitted. However, these veterans are still eligible for tuition and fee reimbursement from DVA (the UW-Madison resident undergraduate tuition and fee rate would still apply as a maximum reimbursement rate).

Part-time students may be reimbursed by DVA for courses taken at out-of-state institutions, if the course is not offered within 50 miles of the veteran's residence, and the course is taught at an institution within 50 miles of the state boundary, or a correspondence course is not offered in this state.

Veteran students must file a form with DVA within 30 days of the beginning of any semester in which reimbursement will be sought that identifies the name of the student, the educational institution that the veteran is attending, whether the veteran is attending full- or part-time, and an estimate of the amount of reimbursement that will be requested at the end of the academic term.

Tuition reimbursement credit limitations are based on the length of active duty service for the veteran. Veterans that were on active duty for at least 90 days but no more than 180 days may be reimbursed for up to 30 credits or two semesters. Veterans with at least 181 days of active duty service but no more than 730 days are eligible for reimbursement of up to 60 credits or four semesters. And veterans with more than 730 days of active duty service may be reimbursed for up to 120 credits or eight semesters of study.

A veteran may not be reimbursed by the

Department if they have an undergraduate degree.

Veterans may receive tuition and fee reimbursement only for credits begun prior to the 10-year anniversary of their separation from active duty. However, up to 60 credits of part-time study may be reimbursed with no time limitations. Eligibility for DVA reimbursement is restricted to veterans with incomes of \$50,000 or less (plus \$1,000 for each dependent in excess of two). The veteran may not be reimbursed in any semester in which the veteran failed to achieve at least a 2.0 grade point average, or a "C" average.

All applications for the veteran education grant program must be received by DVA within 60 days following the end of the semester for which reimbursement is sought.

Spouses, unremarried spouses, widows and dependents are not eligible for tuition and fee reimbursement, unless they also qualify as veterans. However, certain spouses and dependants of disabled or deceased veterans may be eligible for tuition remission - see the Legislative Fiscal Bureau's "Student Financial Aid" paper for more information.

No grants can be made to any otherwise eligible and qualified person if the Department of Workforce Development certifies that the veteran is delinquent in the payment of child support or maintenance obligations, unless the veteran has entered into an accepted agreement to repay owed child support and has been current on payments for the six months preceding the reimbursement request.

In 2007-08, 1,823 veterans education grants were awarded, totaling \$2,645,600 SEG. The average grant amount was \$1,451.

In 2007-08, the UW System provided tuition and fee remissions totaling \$13.1 million to 2,782 veteran students. Of this amount \$1.9 million was remitted to veterans enrolled as graduate and

professional students. The technical colleges also provided remissions totaling \$4.0 million to 2,455 veteran students under this provision.

Retraining Grant Program. This program was established by 1989 Wisconsin Act 31. The program provides grants based on financial need of up to \$3,000 in any one-year period. Veterans may not receive more than two retraining grants and lifetime grants may not exceed \$6,000.

A retraining grant may be made if the veteran: (a) is enrolled in a state technical college or an in-state proprietary school that is approved by the Education Approval Board, other than a proprietary school offering a four-year degree or a four-year program, or is engaged in a structured on-the-job training program that meets program requirements promulgated by DVA; (b) meets financial assistance criteria established by DVA; (c) has become unemployed, underemployed or received a notice of termination of employment in the year prior to submitting the grant application; (d) proposes to participate in a retraining program that could enable the veteran to find gainful employment; and (e) has not received a DVA tuition reimbursement grant for the same period.

In 2007-08, 26 retraining grants were awarded, totaling \$64,700. The average grant amount was \$2,490. Since the program's inception, 1,517 retraining grants have been awarded, totaling \$3,900,500.

Emergency Assistance Grants

In addition to education grants, DVA administers a grant program that provides limited emergency financial assistance to eligible veterans called assistance to needy veterans (ANV). This program includes both the health care aid grant and the subsistence aid grant programs that operated prior to 2005 Wisconsin Act 25.

Under 2007 Wisconsin Act 20, the lifetime maximum for ANV grants was increased from

\$5,000 to \$7,500. Under current DVA rules, an applicant must earn less than 130% of the federal poverty level to be eligible for these grants.

Unremarried spouses and dependants of veterans that died while on active duty (including training) are also eligible to receive either of these grants if they meet the income requirements.

The ANV program still provides two distinct types of service: (a) assistance for health care costs; and (b) subsistence aid.

The health care component provides emergency assistance to financially needy veterans to help pay for medical treatment and hospitalization. This program can only be used to cover costs related to dental care, hearing aids and eyeglass costs. Under 2007 Wisconsin Act 20, the yearly cap for dental, hearing, and eye care was eliminated. The veteran's household may not have liquid assets in excess of \$1,000 without losing eligibility for this program.

The Department may not provide health care aid unless the health care provider agrees to accept the following as payment in full: (a) the amount of the DVA grant payment; (b) any available insurance payment; and (c) a payment by the veteran in the amount the Department determines the veteran is able to pay.

The subsistence aid portion of the program provides temporary emergency aid to veterans in the event of an illness, injury or natural disaster that causes a loss of income. The Department may grant subsistence aid to veterans whose loss of income is the result of abuse of alcohol or other drugs if the veteran is participating in an alcohol and other drug abuse treatment program approved by DVA.

The subsistence aids are provided on a month-to-month basis or for a three-month period. Payments cannot exceed \$3,000 over any consecutive

12-month period. Subsistence aid is limited to the difference between the amount of income earned before the loss of income and the amount of income earned after the loss of income.

The spouse and dependant children of an active member of the U.S. armed forces or the Wisconsin National Guard (whom is activated or deployed) are eligible for ANV if they meet the following qualifications: (a) they are a Wisconsin resident; (b) they have suffered a loss of income due to the activation or deployment; and (c) they experience an economic emergency during the period of the activation or deployment. Income eligibility standards [no more than 130% of the federal poverty level] apply for spouses or dependant children.

In 2005-06, a total of 675 assistance to needy veterans grants were awarded, totaling \$1,154,000. The average grant was \$1,710 in 2007-08.

Assistance to Veterans Organizations

In addition to grant programs that provide benefits directly to individual veterans, the Department administers three grant programs that provide monies to organizations or entities that assist Wisconsin veterans: the county veterans service office grants program; the grants to veterans organizations program; and a transportation services grant program.

County Veterans Service Office Grant Program.

Under this program, DVA awards grants to counties that maintain and operate a county veterans service office consistent with standards developed by the Department. Under s. 45.80 of the statutes, each county must have a county veterans service officer (CVSO) and must provide the CVSO with office space and clerical assistance.

A CVSO must be a Wisconsin resident who qualifies as a veteran and served under honorable

conditions. The CVSO is appointed for a two-year term by the county board. In counties with a county executive or county administrator, the county executive or county administrator appoints the officer, subject to the county board's approval.

The primary duties of a CVSO are: (a) to advise veterans of any benefits to which they may be entitled and to provide assistance regarding any complaint or problem arising from such services; (b) make reports to their county board; (c) cooperate with federal and state officials that provide aids or benefits to veterans; and (d) furnish information about burial benefits within the county. These duties are required to be performed separately and distinctly from any other county department.

A county's grant to support these activities is based on whether the CVSO is full-time or part-time and on the county's population. For counties with full-time CVSOs, the statutory grant amounts are as follows:

- \$8,500 for a county with a population under 20,000 (Ashland, Bayfield, Buffalo, Burnett, Crawford, Forest, Green Lake, Iron, Lafayette, Marquette, Menominee, Pepin, Price, Richland, Rusk, Sawyer, and Washburn);
- \$10,000 for a county with a population from 20,000 to 45,499 (Adams, Clark, Door, Douglas, Dunn, Iowa, Jackson, Juneau, Kewaunee, Langlade, Lincoln, Marinette, Monroe, Oconto, Oneida, Pierce, Shawano, Taylor, Trempealeau, Vernon, Vilas and Waushara);
- \$11,500 for a county with a population from 45,500 to 74,999 (Barron, Calumet, Chippewa, Columbia, Grant, Polk, Portage, Sauk, and Waupaca); and
- \$13,000 for a county with a population of 75,000 or more (Brown, Dane, Dodge, Eau Claire, Fond du Lac, Jefferson, Kenosha, La Crosse, Manitowoc, Marathon, Milwaukee, Outagamie, Ozaukee, Racine, Rock, St. Croix, Sheboygan, Walworth,

Washington, Waukesha, Winnebago, and Wood).

Counties with a part-time CVSO are eligible for a grant of \$500 annually. Currently, only two counties have part-time CVSOs (Florence and Green).

The CVSO grant program is funded 40% from the veterans trust fund and 60% from the primary mortgage loan program. In 2007-08, \$786,300 was awarded in grants to counties (\$316,500 from the veterans trust fund and \$469,800 from the veterans mortgage loan program).

The Department also provides \$8,500 grants to federally recognized Indian tribes and bands that appoint a tribal veterans service officer. The service officer must be a veteran and must serve as a full-time employee. The tribal veterans service officer is responsible for the same duties as a CVSO, but at the tribe or band level. Before the grants are provided, a tribe or band must agree to meet minimum budget and operating standards established by the Department. Funding for the tribal service officers comes from tribal gaming revenues. In 2007-08, six tribal grants totaling \$51,000 were awarded to the Ho-Chunk, Lac Courte Oreilles, Lac du Flambeau, Oneida, Red Cliff, and Sokoagon (Mole Lake) tribes.

Grants to Veterans Organizations. This program provides grants to any state or national veterans organization that has maintained a claims service office at the USDVA regional office in Milwaukee for the purpose of assisting Wisconsin veterans with obtaining federal veteran's benefits. To qualify for the state grant, the veterans organization must have maintained the office for at least five out of the 10 years preceding the date of application for the grant.

Grant amounts are based in the total amount of salaries and travel expenses incurred by a qualifying service organization as follows: (a) for organizations with costs ranging from \$1 to \$2,499, DVA reimburses the entire amount; (b) for organizations

with costs ranging from \$2,500 to \$9,999, DVA reimburses \$2,500; (c) for organizations with costs ranging from \$10,000 to \$119,999, DVA reimburses 25% of the costs; and (d) for organizations with costs of at least \$120,000, DVA reimburses \$30,000.

In 2007-08, a total of \$99,900 was granted under the program to the following four organizations: American Legion, Disabled American Veterans, Military Order of the Purple Heart, and Veterans of Foreign Wars.

Transportation Services Grant Program. Provisions of 2001 Wisconsin Act 16 established a program to provide grants to counties and to veterans service organizations for the transportation of veterans to medical facilities. A total of \$200,000 is appropriated annually from the veterans trust fund for the program.

DVA provides \$100,000 annually to the Wisconsin Chapter of the Disabled American Veterans to provide free transportation for veterans to community-based outpatient clinics and medical centers.

An additional \$100,000 annually is available for grants to counties that are not served by the transportation network developed by the Wisconsin Chapter of the Disabled American Veterans. Counties may use these grant funds to develop, maintain, and expand transportation services to veterans, including the development of multi-county cooperative transportation services.

Counties may not allocate any portion of a transportation services grant for use by another county department or reduce funding to a county veterans service office as a result of receiving a transportation services grant.

In most cases, the grant is divided among the eligible counties based upon the total number of miles that eligible veterans were transported in that particular county compared to the total number of eligible miles that were driven in all coun-

ties. Counties that are starting a new transportation program, or are expecting to significantly increase the number of miles that veterans will be transported may submit an application based on estimated costs.

Other Programs

In addition to loan and grant programs for veterans and veterans organizations, DVA administers several other programs that provide services to veterans: the veterans assistance program; veterans memorial grants; Mission Welcome Home; state veterans cemeteries; military funeral honors; and the state veterans museum.

Veterans Assistance Program

The veterans assistance program (VAP) was created by 1993 Wisconsin Act 16 to provide assistance to homeless, incarcerated, and other groups of needy veterans. The purpose of the program is to establish regional centers to provide transitional housing for veterans and to assist needy veterans in receiving medical and dental care, educational support and employment services. Services provided include: (a) providing transitional housing; (b) referrals to service providers; (c) financial assistance to veterans that are eligible for residency at a veterans home but lacks financial resources; and (d) assistance in seeking vocational opportunities.

All veterans who have served in the U.S. armed forces with other than a dishonorable discharge are eligible to participate in the VAP. There is no state residency requirement for this program. An assistance center may not provide services to the veteran's spouses (unless the spouse is a veteran) or to his or her children. However, the VAP administrators will help the veteran's family obtain adequate housing while the veteran is in the program.

Since 1993 Wisconsin Act 16, veterans rehabilitation and assistance centers have operated through DVA support and independently. Some rehabilitation and assistance centers have been viable without supplemental funding from the veterans trust fund (mainly through federal grants and per diems).

Six centers have been established in Wisconsin at the following locations: Milwaukee; Fort McCoy; Tomah; King; Union Grove; and Chippewa Falls. The facilities are operated in three different ways: (a) independent operation; (b) facilities that are owned by the Department but contracted to private vendors; and (c) facilities that are owned and operated by the Department.

The facility in Milwaukee is independently operated by the Center for Veterans Issues and the facility in Tomah is independently operated by the Veterans Assistance Foundation. The Department does not oversee these programs nor does it provide any financial assistance.

The Department has entered into contracts with the Center for Veterans Issues to operate facilities at King and Union Grove. The Department, currently, does not provide any supplements for operation of these facilities.

Finally, DVA owns and operates facilities at Fort McCoy and Chippewa Falls. The facility at Fort McCoy currently does not receive supplements from the veterans trust fund.

In November, 1994, the center at Fort McCoy opened, making it the only military installation with a facility designed specifically to help homeless veterans. The veterans at the Fort McCoy facility received job training and other services through the nearby USDVA Medical Center in Tomah. In 1997, this facility was moved to Tomah, but in 2003, a new facility was again opened at Fort McCoy, which can house 14 residents.

In 1995 the VAP facility on the campus of the

Wisconsin Veterans Home at King was opened. This assistance center can house 26 residents. In 1998 a VAP facility was opened at the Southern Wisconsin Center in Union Grove and can house 30 residents. Finally, in December, 2007, a VAP site opened in Chippewa Falls and the first residents were admitted in January, 2008. This site can house 30 residents.

Through the 2007-08 fiscal year, a total of 5,656 veterans had received transitional housing services under the program since its inception. Of those served, 63% left the program with a job and housing or were referred for long-term treatment, and 37% left the program without a job or housing.

In 2007-08, \$530,000 from the veteran's trust fund was expended for the veterans assistance program.

Under 2007 Wisconsin Act 20, the VAP program was expanded to include one-time funding for post-traumatic stress disorder (PTSD). The Department is required to provide outreach services to veterans that may be experiencing PTSD as well as information on available PTSD medical services.

Under Act 20, the Legislature provided one-time funding of \$75,000 GPR in 2007-08 and \$50,000 GPR in 2008-09 for assistance to veterans with PTSD. Act 20, specifies that \$15,000 annually of these amounts must be provided to the Center for Veterans Issues for PTSD outreach services in Milwaukee.

The Department has collaborated with the University of Wisconsin System to provide mental health services for veterans on campuses. The Department has established an outreach facility at UW-Platteville, which provides services through the Veterans Medical Center in Madison. The Department also plans to open facilities at Whitewater, Parkside and Oshkosh.

The Department provides outreach and counseling

services at the Chippewa Falls VAP site through the Veterans Medical Center in Minneapolis. Finally, DVA has provided a grant to the Center for Veterans Issues to provide PTSD outreach services to homeless veterans in Milwaukee.

Veterans Memorial Grant Program

From time-to-time, the Department has provided assistance for the support of veterans memorials. As part of 1987 Wisconsin Act 399, \$600,000 SEG from the transportation fund was appropriated for the construction of two memorials; one honors state veterans who served in the Vietnam conflict and the other honors state veterans who served in the Korean conflict. Each memorial was funded at \$300,000, and DVA released \$2 in state funds for every \$1 raised from the public in cash contributions or in-kind donations. The Department provided administrative supervision of the construction grants.

The Vietnam Veterans memorial was dedicated on September 18, 1988. The monument is located at the Highground memorial site near Neillsville in Clark County. The site is operated and maintained by the Wisconsin Vietnam Veterans Memorial Project (a private, non-profit corporation).

The Korean memorial was dedicated June 19, 1994, at a site near Plover in Portage County. It is operated by the Korean War Veterans Memorial Association of Wisconsin, Inc., also a private, non-profit corporation. Under 2007 Wisconsin Act 20, the Legislature provided a one-time grant of \$165,000 GPR in 2007-08 for the refurbishment of the Korean War Memorial.

Under 1991 Wisconsin Act 44, \$190,000 general purpose revenue (GPR) was provided in a continuing appropriation for construction of World War I, World War II and Persian Gulf War memorials at the Highground site. The World War I memorial was dedicated on September 19, 1992, and the World War II memorial was dedicated on

September 18, 1993. Through 2007-08, a total of \$136,200 GPR had been released for construction of the World War I and II memorials. Construction has not started on the Persian Gulf War memorial. As of September, 2008, the Department has requested design proposals from several artists.

Provisions of 1995 Wisconsin Act 254 provided one-time grants of \$10,000 GPR each for the state's contribution to the creation and maintenance of two women's war memorials in Washington, D.C.

One grant was for the Vietnam Women's Memorial depicting women's role in that war. This memorial is located at the site of the Vietnam Veterans Memorial Wall and was dedicated in November, 1993.

The second grant was for the Women in Military Service for America Memorial to honor women who served from the American Revolution to the present, as well as to those who will serve in the future. This memorial is located at the grand entrance of the Arlington National Cemetery in Arlington, Virginia, and was dedicated in October, 1997.

Provisions of 1999 Wisconsin Act 2 appropriated \$166,100 GPR in a continuing appropriation to support the construction of a World War II Memorial in Washington, D. C. This memorial was dedicated on May 29, 2004.

Provisions of 2001 Wisconsin Act 16 appropriated one-time funding of \$3,000 GPR under a continuing appropriation for additional flags at the Wisconsin Veterans Tribute Memorial in Chippewa County. Act 16 also provided one-time funding of \$50,000 GPR in 2001-02 for the restoration of the Civil War-related Victorious Charge Monument in Milwaukee.

Mission Welcome Home

Provisions of 2005 Wisconsin Act 25, provided one-time funding of \$25,000 GPR in each year of the 2005-07 biennium for grants to individuals that

administer a program to identify, train, and place community volunteers who assist National Guard members, members of the U.S. armed forces, and members incorporated in the U.S. armed forces and their spouses and dependants who return to Wisconsin after serving on active duty. This appropriation was extended for another two years [2007-08 and 2008-09] under 2007 Act 20 and \$17,000 GPR annually was provided for that purpose.

Under the program, veterans and their families are sent information on state and federal benefits and services for veterans. During the 2006-07 and 2007-08 fiscal years, 412 volunteers have been trained. These volunteers include current and former service members and civilian personnel.

Wisconsin Veterans Cemeteries

Currently, there are four veterans cemeteries located in Wisconsin. These are the Wood National Cemetery in Milwaukee and three state-run cemeteries: the Central Wisconsin Veterans Memorial Cemetery located at the Veterans Home in King; the Southern Wisconsin Veterans Memorial Cemetery located near Union Grove in Racine County; and the Northern Wisconsin Veterans Cemetery, located near Spooner in Washburn County. The Northern Wisconsin facility is the newest cemetery. Interments began there in December, 2000, and the cemetery was officially dedicated in June, 2001.

Only three of the cemeteries are currently performing casket interments. Wood National Cemetery reached capacity on September 30, 1996, at which time the Southern Wisconsin Cemetery performed its first interment. All three of the state veteran's cemeteries provide burials for veterans, spouses and dependent children. Each of the cemeteries provide casket and cremation internments.

Veterans whose military service and state residency meet specific requirements are eligible for burial at a Wisconsin veterans cemetery. The veteran must have been discharged or released from

active duty service (except service on active duty for training purposes) or died while on active duty. In addition, the veteran must meet one of the following residency and service release requirements: (a) military service was entered from Wisconsin and the person was discharged or released under conditions other than dishonorable; (b) service was entered from another state but the veteran was a Wisconsin resident at the time of death and the person was discharged or released under conditions other than dishonorable; or (c) military service was entered from another state but was a Wisconsin resident for at least 12 months preceding his or her death and the person was discharged or released under honorable conditions.

Further, a Wisconsin resident who was a member of the National Guard or a reserve component of the U. S. armed forces at the time of that service or who was a resident of the state for at least 12 consecutive months immediately preceding death, is eligible for burial at a Wisconsin veterans cemetery, provided the individual is also eligible for burial in a national cemetery.

Under 2007 Wisconsin Act 20 an exception was created for residency rules, which allows non-resident service members that were killed in the line of duty to be buried in a state veteran's cemetery. For nonresident burials, interment costs that are not covered by the federal government must be covered by either the estate of the decedent or the family member that requests the burial.

The Department has established rules setting the fee charged for burials at the veterans cemeteries. Currently, there is no fee charged for the state interment of an eligible veteran, guard or reserve member. The Department may also waive the fees for any veteran's spouse or unremarried surviving spouse who resides at a Wisconsin Veterans Home at the time of death. The Department basis the fee waiver on the spouse's or unremarried surviving spouse's ability to pay. The Department assesses a fee of \$550 for the interment of a dependent child or a veteran's spouse who either has the ability to

pay or who does not reside at a Wisconsin Veterans Home at the time of death.

The Department also charges a \$650 fee for veterans, spouses, and dependant children who chose to purchase their own vault from a funeral director rather than using the preplaced liner provided by the cemetery. This fee applies at the Southern Wisconsin Veterans Memorial Cemetery and the Northern Wisconsin Veterans Cemetery. The Department also charges \$550 for the disinterment of cremated remains and \$900 for the disinterment of a casket.

The total number of interments through the 2007-08 fiscal year at each state cemetery is as follows: the Southern Wisconsin Veterans Memorial Cemetery (7,348); the Northern Wisconsin Veterans Memorial Cemetery (1,054); and the Central Wisconsin Veterans Memorial Cemetery (5,537). The internments during 2007-08 are as follows: the Southern Wisconsin Veterans Memorial Cemetery (840); the Northern Wisconsin Veterans Memorial Cemetery (205); and the Central Wisconsin Veterans Memorial Cemetery (130).

Military Funeral Honors

Provisions of 1999 Wisconsin Act 136 require DVA to administer a program that coordinates the provision of military honors details at funerals of deceased veterans. The Department provides these services either by performing the honors with DVA's Military Funeral Honors Teams or by coordinating the performance of such honors by members of veterans groups and the military services.

The Department has also created a funeral honors training program to certify veterans organizations and their members for the performance of these duties. DVA must provide reimbursement of up to \$50 to the local veterans groups that provide such services. Under 2005 Wisconsin Act 25, the source of these stipends changed from the veterans trust fund to the general fund.

Since the inception of this program through the 2007-08 fiscal year, DVA has coordinated 38,730 funerals, has staffed 7,254 of those funerals with the agency's Military Funeral Honors Teams, and has paid 28,747 reimbursement grants to local organizations, totaling \$1,304,200. In 2007-08, DVA coordinated 5,939 funerals, staffed 1,063 of these funerals with Military Funeral Honors Teams and paid 4,314 reimbursement grants, totaling \$180,500. In 2007-08, the Wisconsin National Guard paid an additional \$30,000 in stipends for an additional 600 burials.

Wisconsin Veterans Museum

In 1993, a new Wisconsin Veterans Museum was opened in Madison, located in the same building that houses the Department's central offices. The museum had been located inside the State Capitol since 1901 along with the Grand Army of the Republic headquarters. In 1989, funds were provided to relocate the museum outside the Capitol.

The museum contains exhibits, displays and other presentations related to Wisconsin's participation in U.S. military actions from the Civil War to the Iraq War. The museum features dioramas depicting important historical events in which Wisconsin veterans participated. Another museum attraction is a computer containing the military records of more than 90,000 Wisconsin Civil War veterans. In addition to the exhibits provided at the museum, many noted historians and public figures, along with the staff at the museum, present programs to the public on military history, world events and the experiences of Wisconsin veterans.

Over the last decade funding for the museum has shifted between the veterans trust fund (SEG) and the general fund (GPR). Under 1995 Wisconsin Act 27, beginning January 1, 1997, a portion of the museum's costs was funded with GPR. Provisions of 2001 Wisconsin Act 16 for the first time supported a portion of museum operations with program revenue (PR) funds from tribal gaming reve-

nues. Under 2003 Wisconsin Act 33, all GPR and PR support for the museum was deleted, thereby returning all funding support for museum operations to the veterans trust fund. Under 2005 Wisconsin Act 25 a portion of the museum costs were again shifted to GPR, while the remaining costs continue to be supported by the veterans trust fund.

A total of \$300,000 GPR and \$1,550,700 SEG annually was appropriated in the 2007-09 biennium for museum operations, including 11.45 SEG staff positions. The Legislature approved one-time funding of \$143,000 GPR in 2007-08 for audio and lighting upgrades of the museum and \$150,000 GPR in 2008-09 for new Iraq War exhibits.

The Veterans Museum Foundation also provided \$164,200 in 2007-08 for museum operations. The Foundation has provided over \$1.4 million to the Museum since its incorporation in 1994.

Funding for the Loan and Grant Programs

Home Loan Programs

The state issues general obligation bonds to finance veterans mortgage home loans and home improvement loans. The veterans trust fund finances the personal loan program and most of the grant and other programs operated by DVA.

Chapter 208, Laws of 1973, authorized the issuance of bonds to provide low-interest home mortgages to qualified veterans. Lending activities under the program began in 1974. The program is designed to be self-supporting. This means that the veteran mortgage loan repayments (principal and interest) are intended to be sufficient to repay the funds borrowed, plus interest costs, as well as the administrative costs of the home loan program.

The state, through the Building Commission and the Capital Finance Office in the Department

of Administration, issues general obligation bonds as needed by DVA for the primary mortgage and home improvement loans to veterans. The amount of bonds that may be issued is limited by the bonding authority granted to DVA by the Legislature. The general obligation bonds are backed by the full faith and credit of the state. Proceeds from the sale of bonds are then deposited in the state capital improvement fund and used by DVA to make veteran home loans.

To obtain a primary mortgage loan, a veteran applies through a financial institution approved by DVA. The financial institution reviews a veteran's loan application for creditworthiness. DVA also reviews the loan application to ensure that a veteran is qualified for the loan program. If the application is approved, the local lending institution originates the loan with funds supplied by DVA from the capital improvement fund and acts as the collection agent for DVA. Throughout the life of the loan, the local financial institution acts as the loan servicer. Veterans receiving primary mortgage loans make payments to the local financial institution, which in turn deposits the funds into the state treasury to the credit of the veterans mortgage loan repayment fund. The Department then makes payments from the veteran mortgage loan repayment fund to the capital improvement fund to pay the debt service on the bonds.

The home improvement loan programs (HILP) is also required to be self-supporting, so interest rates must be charged to veterans sufficient to redeem the bonds, pay DVA administrative costs, pay local financial institution costs, and capitalize a loan loss reserve. Retained earnings are also used to fund additional loans.

Home improvement loans are originated through either county veterans service offices or directly from the Department via on-line applications. The home improvement loans are serviced in-house by the Department.

The federal Tax Reform Act of 1986 eliminated

the use of federally tax-exempt general obligation bonds, called qualified veterans mortgage bonds, for home loans for veterans that entered active duty after December 31, 1976, or apply for a loan more than 30 years after leaving active service (referred to as "disenfranchised" veterans). In 2006, federal tax law was amended to expand eligibility for qualified veterans mortgage bonds used to fund mortgage loans by removing the requirement that active duty military service must have begun prior to 1977. Qualified veterans are eligible for loans funded from tax-exempt bonds, regardless of when they entered service. However, the new law specifies that the use of tax-exempt bonds is limited to veterans that are within 25 years of their date of separation from active duty.

The federal government has established maximum bonding levels for the tax-exempt bonds. The Department is currently authorized to bond for up to \$80 million in 2009 and \$100 million annually beginning in 2010.

The Department may issue taxable bonds for disenfranchised veterans. However, one effect of issuing taxable bonds is to increase the financing costs of loans to the state, and subsequently the cost of the loan to veterans. Because a majority of veteran home buyers are currently eligible home loans from tax-exempt bonds, coupled with the cost increased financing rate of issuing taxable bonds, the Department has discontinued the issuance of taxable bonds for disenfranchised veterans.

Table 2 shows the date and amount of bonds issued for the most recent ten-year period. In the last decade, the state has issued \$480,710,000 in general obligation bonds for home loans for veterans. Of this amount, \$357,300,000 was issued as taxable bonds. It must be noted that during this period the use of taxable bonds created situations where the programs interest rate exceeded the existing market rate.

Appendix III summarizes all bond issues for the mortgage loan program and loan activity since

Table 2: Recent Bond Issues for the Mortgage Loan Program (1998-2008)

Bond Issue	Amount
May, 1998	\$30,565,000
May, 1998*	34,005,000
October, 1998	6,155,000
October, 1998*	55,000,000
May, 1999*	40,000,000
November, 1999*	65,000,000
July, 2000*	35,000,000
February, 2001*	15,000,000
June, 2001*	20,000,000
October, 2001*	20,000,000
March, 2002*	15,000,000
June, 2002*	20,000,000
September, 2002*	13,000,000
December, 2002*	15,000,000
July, 2003*	30,000,000
August, 2004*	20,000,000
April, 2005*	5,000,000
August, 2006	61,685,000
October, 2007	20,570,000
May, 2008*	4,445,000
June, 2008	<u>19,855,000</u>
Total Bond Issues (1998-2008)	\$545,280,000

* Taxable bonds.

the program's inception. The veterans home loan program is one of the largest revenue-supported loan programs run by the state. The program is limited by the amount of bonding authorized by the Legislature. Through the 2007-09 biennium, the Legislature had authorized \$2,205,840,000 in state borrowing for this purpose. Additional loans have been issued from proceeds from payments and prepayments of prior loans as well as lending of some insurance reserves.

In addition to making veteran home loans and home improvement loans, some veterans mortgage loan repayment fund assets have been transferred to the veterans trust fund for various programs. Most recently, a loan portfolio and cash totaling \$68 million was transferred to the veterans trust fund in December, 1997, to provide revenues to the veterans trust fund for the personal loan program. Further, Appendix IV shows the amounts of

refunded bond issues (bonds that are issued at lower rates to refund higher interest bonds) since 1985.

In addition to the transfer of assets, 1997 Wisconsin Act 27 authorized the Department to borrow from the mortgage loan repayment fund to provide additional funding in the veterans trust fund for the personal loan program. Provisions of 2003 Wisconsin Act 83 authorized the Department to borrow from the veterans trust fund to support the mortgage loan repayment fund.

Veterans Trust Fund

Background. The veterans trust fund was created in 1961 through the consolidation of three predecessor funds: the soldiers rehabilitation fund; the post-war rehabilitation fund; and the veterans housing trust fund.

The soldiers rehabilitation fund was created in 1919 through a special surtax on income and a tax on property. The fund provided World War I veterans with either a one-time cash bonus of \$10 per month of service (with a minimum bonus of \$50) or an education bonus of \$30 per month of service (with a maximum bonus of \$1,080).

The post-war rehabilitation fund was created in 1943 to meet the medical, educational and economic needs of World War II veterans. This fund derived its revenue from a 60% surtax on individual income taxes collected for income earned in 1942. Supervision and administration of this fund became the responsibility of the Veterans Recognition Board formed in 1943 (renamed the Board of Veterans Affairs in 1945) and the Wisconsin Department of Veterans Affairs created in 1945.

The veterans housing trust fund was created in 1947 to make second mortgage loans to qualified veterans for home purchases, construction and improvement. Initially, the revenue source for the fund was a tax on liquor. However, the use of these funds to support veterans housing programs was invalidated by the Wisconsin Supreme Court in

1948. As an outgrowth of this decision, the Wisconsin Constitution was amended to include veteran housing activities as a purpose to which the state could contract for debt under Article VIII Section 10. As of July 1, 1951, liquor tax receipts were no longer used to support the veterans housing program. Subsequently, all loan repayments by veterans and all interest on these loans were deposited in this trust fund.

In 1961, the veterans trust fund was created by consolidating the assets and liabilities of the three predecessor funds. From 1961 until the creation of the veterans mortgage loan repayment fund in 1974, the veterans trust fund was the only segregated fund for receipt of loan repayments and the disbursement of grants, loans and administrative expenses. Table 3 summarizes the source of veterans trust fund revenues since 1943 through a combination of special taxes, general fund appropriations, and other funding sources.

As indicated in Table 3, the principal revenue source for the veterans trust fund prior to 1991 was the general fund, which provided \$25.9 million in general tax collection receipts, \$25.2 million in direct appropriations, and \$37.3 million in loans. The loans to the trust fund, totaling \$18.8 million from the general fund and \$18.5 million from the Investment Board have subsequently been fully repaid.

By the early 1990's, ongoing revenue sources for the trust fund were interest payments by veterans on outstanding second mortgage loans, economic assistance loans, and investment earnings on the cash and investment balances of the fund. In recent years, the annual expenditures from the fund have typically exceeded annual revenues. Declining interest rates have also affected the ability of the fund to generate additional revenues on loan repayments.

Periodically, in order to sustain program funding, additional sources of revenue have had to be found. For example, in the 1991-93 biennium, a

Table 3: Sources of Veterans Trust Fund Revenues

Revenues Sources	Amount
Pre-World War II balance	\$32,900
1943 Surtax on Income	7,636,400
1947-51 Liquor Tax Proceeds	<u>18,190,100</u>
Subtotal-Dedicated Revenue	\$25,859,400
1947 General Fund Appropriation	5,000,000
1951 General Fund Appropriation	4,000,000
1971 General Fund Appropriation	6,000,000
1972 General Fund Appropriation	5,900,000
1973 General Fund Appropriation	667,000
1974 General Fund Appropriation	1,033,000
1985 General Fund Appropriation	1,000,000
1986 General Fund Appropriation	400,000
1987 General Fund Appropriation	942,800
1988 General Fund Appropriation	<u>261,900</u>
Subtotal-GPR Appropriations	\$25,204,700
1969 Investment Board Loan	\$6,500,000
1973 General Fund Loan	13,500,000
1974 General Fund Loan	5,300,000
1974 Investment Board Loan	6,000,000
1975 Investment Board Loan	<u>6,000,000</u>
Subtotal-Loans	\$37,300,000
1991 WHEDA Loan Portfolio Proceeds	\$11,231,900
1993 Mortgage Loan Repayment Fund Transfer	20,000,000
1994 Asset Sale Proceeds	15,591,900
1997 Mortgage Loan Repayment Fund Transfer	5,627,200 *
2007 Veterans Homes	<u>1,131,200</u>
Subtotal--Other	\$53,582,200
Total revenues	\$141,946,300

*In addition to this cash transfer, a portfolio of \$54.6 million in outstanding mortgage loans and \$7.9 million in home improvement loans were transferred to the veterans trust fund and the repayments may be used to support fund programs.

veterans mortgage loan portfolio held by the Wisconsin Housing and Economic Development Authority (WHEDA) was sold. This sale generated \$11.2 million for the trust fund.

In the 1993-95 biennial budget, funds totaling \$20.0 million were transferred from the excess reserves of the veterans mortgage loan repayment fund to the veterans trust fund to create a one-time consumer loan program. The goal of the loan program (called the veteran trust fund stabilization

loan program) was to create a high-demand program so that the funds would be lent quickly, with the repayments providing a flow of new revenue to the veterans trust fund. Because of high demand for the veterans consumer loan program, the original \$20 million was fully committed by October, 1993. Subsequent legislation (1993 Wisconsin Act 254) provided an additional \$15.6 million from the proceeds remaining after the sale of revenue bond mortgages and the retirement of the associated outstanding debt. These latter funds, also utilized for additional consumer loans, were largely depleted by December 31, 1994.

In the 1997-99 budget, a \$68.0 million portfolio of primary mortgage loans, home improvement loans and excess cash reserves was transferred from the veterans mortgage loan repayment fund to the veterans trust fund to provide start-up funding for the new personal loan program (PLP). The transferred portfolio consisted of \$54.6 million in primary mortgage loans, \$7.9 million in home improvement loans and \$5.6 million in excess cash reserves. A purpose of creating the PLP was to generate an on-going revenue source for the veterans trust fund from personal loan interest payments.

Appendix V provides a summary of the total amounts of loans and grants made, including programs paid from the veterans trust fund.

Current Status of the Veterans Trust Fund. The financial condition of the veterans trust fund, as of June 30, 2008, is presented in Table 4.

The fund's assets include cash on hand, investments, outstanding loans, pre-paid insurance and the depreciated value of its capital assets. The fund's liabilities include outstanding vouchers payable, debt service payable, and employee payroll deductions and payroll taxes payable. The bonds payable represents the principle balance of outstanding bonds. Fund equity is the difference

Table 4: Veterans Trust Fund Balance Sheet –As of June 30, 2008

Assets	Amount
Cash and Investments	\$23,793,500
<i>Trust Fund Loans Receivable</i>	
Personal Loans	26,031,900
Revenue Bond Loans Receivable	172,900
Economic Assistance Loans	23,600
Consumer Loans	<u>3,800</u>
Subtotal	\$26,232,200
<i>Mortgage Loans Receivable</i>	
Disenfranchised Loans	3,888,100
Second Mortgage Loans	92,400
Acquired Revenue Bond Loans	15,800
Home Improvement Loans	<u>172,100</u>
Subtotal	\$4,168,300
Other Accounts Receivable	424,600
Prepaid Insurance	69,100
Property and Equipment*	<u>9,099,000</u>
Total Assets	\$63,786,700
Liabilities	
Compensation and Postemployment Benefits	\$428,700
Accounts Payable and Accrued Liabilities	1,075,500
Bonds Payable	726,600
Notes Payable	<u>1,600</u>
Total Liabilities	\$2,232,400
Fund Equity	
Fund Equity Invested in Capital Assets**	\$8,370,800
Unrestricted Capital	<u>53,183,500</u>
Total Fund Equity	\$61,554,300
Total Liabilities and Fund Equity	\$63,786,700

*Depreciated value.

**Net of related debt.

between total assets and total liabilities, and is categorized as amounts that are invested and capital assets net of related debt and unrestricted capital (includes cash balances from Table 5, as well as remaining principal from veterans trust fund loan programs for which there are no restrictions placed on fund use).

Table 5 summarizes the fund's revenues and expenditures and opening and closing cash balances for the 2007-08 fiscal year. As detailed in the table, total annual revenues to the veterans trust fund (\$15,428,500) consisted primarily of loan repayment amounts (\$10,411,800) and interest payments on outstanding loans and cash balances (\$3,106,300).

Total annual fund disbursements in 2007-08 (\$18,866,600) consisted of agency operating activities (\$9,637,900), grants and aids to veterans (\$4,107,900), and new loans and related expenses (\$5,120,800).

For the 2007-08 fiscal year, expenditures from the veterans trust fund exceeded revenues by \$3,438,100. This structural imbalance resulted in a drawdown of the fund's July 1, 2007, opening cash balance of \$27,231,600 to \$23,793,500 by June 30, 2008.

In recent years, the condition of the fund has been affected by declining interest rates, the continuing expansion of existing programs, and the creation of new programs. Low investment returns have reduced the annual earnings of the fund at the same time various program expansions increased the draw on the fund. Among the program expansions in the 2003-05 biennium were: (a) increasing educational grant reimbursements from 85% to 100% of the UW-Madison resident undergraduate tuition and fees; (b) funding all museum operations from the veterans trust fund rather than from a mix of the general fund, tribal gaming revenues, and trust fund revenues; (c) partially supporting the Veterans Home Nurses Education Stipend Program from the fund; and (d) increasing the maximum amount of a personal loan program loan from \$15,000 to \$25,000.

The Department proposed a number of initiatives during the 2005-07, biennial budget [2005 Wisconsin Act 25] deliberations in an attempt to reduce the amount of outlays and increase the

Table 5: Veterans Trust Fund Cash Flow -- As of June 30, 2008

Beginning Cash Balance, July 1, 2007	\$27,231,600
REVENUES	
<i>Receipts from Customers</i>	
Loan Servicing Fees	\$53,500
General Sales	76,700
Other Receipts from Customers	<u>2,000</u>
Subtotal	\$132,200
<i>Interest Income</i>	
Loan Interest	\$2,090,400
Investment and Interests on Cash	<u>1,016,000</u>
Subtotal	\$3,106,400
<i>Loan Repayments</i>	
Economic Assistance Loans	\$12,000
Consumer Loans	4,600
Second Mortgage Loans	32,100
Acquired Revenue Bonds	2,700
HILP Loans	109,000
Mortgage Loans	906,300
Personal Loans	9,273,400
Revenues from SWIB Portfolio	<u>71,700</u>
Subtotal	\$10,411,800
<i>Other Income</i>	
Federal Grants	\$800,300
Federal Payments for Building Construction	590,600
Refund of Prior Year Expenditures	1,200
Tax-Check-Off Donations	102,500
Veterans License Plates	120,900
Other Gifts and Donations	26,400
Miscellaneous Revenues	<u>136,200</u>
Subtotal	\$1,778,100
Total Revenues	\$15,428,500
EXPENSES	
<i>Operating Activities</i>	
Employee Payments	\$5,283,700
Cash Payments to Suppliers	3,564,300
Capital Assets	680,000
Repayment of Long-Term Debt	60,700
Building Fund Transfers and Municipal Services	<u>49,200</u>
Subtotal	\$9,637,900
<i>Grants Disbursed</i>	
Education Grants	\$2,276,500
Retraining Grants	89,200
Health Care Aid Grants	908,900
Subsistence Aid Grants	119,800
Transportation Grants	200,000
County Veterans Service Officers	315,900
Grants to Veterans Service Organizations	99,900
Aid to Indigent Veterans	87,700
Home for Needy Veterans	<u>10,000</u>
Subtotal	\$4,107,900
<i>Loan Activity</i>	
Personal Loan Program Originations	\$4,993,900
Other Operating Expenses	89,000
Interest Payments	<u>37,900</u>
Subtotal	\$5,120,800
Total Expenditures	\$18,866,600
Net Change for 2007-08	-\$3,438,100
Closing Cash Balance, June 30, 2008	\$23,793,500

Note: This table represents the actual flow of cash for 2007-08 and does not reconcile with the appropriation data that is shown in the program descriptions.

amount of revenues for the veterans trust fund. Most of the major program changes relating to reducing costs previously were discussed in this paper under the sections entitled *education grant programs, emergency assistance grants, and other programs*.

In addition, the Legislature also approved three initiatives aimed at increasing revenues for the trust fund. Two of the initiatives were approved under 2005 Wisconsin Act 25, and include: (a) a veterans trust fund check-off for individual and corporate income tax and franchise tax forms, which allows individuals to make donations to the trust fund when filing their taxes; and (b) shifting the revenues generated by the issuance and reissuance of veteran and military special group license plates from the transportation fund to the veterans trust fund.

Under 2005 Wisconsin Act 468, DVA was authorized to transfer up to \$16 million in 2006-07 from the agency's PR appropriation that supports the institutional operations of the Veterans Home at King and Union Grove to the veteran's trust fund, provided that the PR balance in the appropriation account is in excess of the amount needed to fund the operations of the veterans homes and the nurse stipend payments during the 2006-07 fiscal year. Under this provision, Department transferred a total of \$1,131,150 from the Veterans Homes account to the veterans trust fund in 2006-07.

The 2005 tax forms were the first year in which the check-off box was included. In 2007-08, the Department received \$102,500 from tax check-offs. The Department received \$120,900 in 2007-08 from license plate sales.

In the 2007-09 biennium there were several statutory changes that effect the trust fund status. Beginning with the 2007-08 school year, UW System and Wisconsin Technical College System institutions are required to remit 100% of tuition and fees for veterans that entered service from Wisconsin for up to 128 credits. These changes

were approved under 2005 Wisconsin Acts 25 and 468, but had initially been established at 50% remittance. This change has the effect of reducing veterans education reimbursements through DVA.

Under 2007 Wisconsin Act 20, the Legislature provided one-time funding for the Wisconsin Veterans Museum from general purpose revenues, but on-going costs continue to be supported from the veterans trust fund. Additionally, under Act 20 the Legislature increased lifetime maximums and ended some yearly restrictions for the assistance to needy veterans program, which will increase costs to the fund.

More information about each of these changes can be found in the program descriptions.

Wisconsin Veterans Home and Care Facilities

History and Description

Since 1887, the Wisconsin Veterans Home at King has provided residential care, nursing and medical services, food services, and social and counseling opportunities to its resident veterans and dependents. The campus, operated by DVA, currently includes four separately licensed nursing homes, with a total of 721 licensed skilled nursing care beds, cottages for married couples that provide 28 domiciliary beds, a chapel, and an activity center containing a post office, theater, bowling alley, museum and library.

A second veterans care facility, the Wisconsin Veterans Home at Union Grove, opened in 2001. The campus includes a 42-bed residential care apartment complex (Gates Hall) and two community-based residential facilities that provide a total of 86 beds (Shemanske and Fairchild Halls), and a 120-bed skilled nursing facility (Boland Hall). These facilities are part of the Southern Wisconsin Center campus that includes a USDVA community-based outpatient clinic, a state veterans ceme-

tery, a veterans assistance center for homeless veterans, the Southern Wisconsin Center for the Developmentally Disabled, the Southern Oaks Girls School, and the Robert E. Ellsworth minimum security correctional facility.

Both the Wisconsin Veterans Home at King, as well as Boland Hall on the Union Grove campus are licensed and regulated by the Department of Health Services (DHS) and, as such, are subject to state and federal rules that govern the maintenance, operation and construction of nursing homes. These rules specify staffing requirements, program and service standards and various sanitary and physical plant regulations.

Under 2003 Wisconsin Act 102, DVA was authorized to develop and operate residential, treatment and nursing care facilities and programs on the campus of the Northern Wisconsin Center for the Developmentally Disabled in Chippewa Falls, that could include an assisted living facility, a skilled nursing facility, a medical clinic, an adult day health care center, an activities center, and a veterans assistance program. Total construction costs of the project are estimated to be \$24.5 million, with a 35% state 65% federal split in funding. State funding will be supplied by program revenue supported borrowing. While the necessary funds have been enumerated in the 2005-07 state capital budget, the project has not yet been enumerated in the federal budget. Federal approval is expected in October, 2009, and construction is planned to begin in April, 2011.

Nurse Education Stipend Program. DVA provides stipends to individuals to attend school and receive the necessary credentials to become employed at the Veterans Home at King or the Southern Wisconsin Veterans Retirement Center at Union Grove. Recipients are required to work for DVA for one year for each year they receive a stipend. From the program's origination in 2003-04 through fiscal year 2007-08, 73 grants have been awarded for a total of \$243,360.

Eligibility

Any individual who wishes to be admitted as a member of either veterans home must meet all of the service and residency criteria that he or she would be required to meet to receive other DVA benefits. In addition, an applicant must demonstrate that he or she: (a) is permanently incapacitated due to disability or age; (b) has not been convicted of a felony or other crime involving moral turpitude; (c) has not been diagnosed with certain chronic ailments unless the facility is able to provide care for the individual; (d) provides a financial statement for evaluation purposes; and (e) has care needs which the home or southeastern facility can meet. Spouses, surviving spouses, and parents may also qualify for admittance based on the veterans' eligibility. The order of priority for admissions to the facilities is as follows: (a) veterans; (b) spouses of eligible veterans; (c) surviving spouses of eligible veterans; and (d) parents of eligible veterans. Exceptions to these priorities may be made to avoid the separation of husbands and wives.

As of July 1, 2008, the membership at Wisconsin Veterans Home at King totaled 694, including 566 veterans and 128 dependents (primarily spouses). The veteran members as of that date included 281 World War II veterans, 148 Korean War veterans, 85 Vietnam-era veterans and 52 other qualifying veterans.

The membership at the Wisconsin Veterans Home at Union Grove totaled 202 individuals, including 179 veterans and 23 dependents. There were 123 World War II veterans, 34 Korean War veterans, 14 Vietnam-era veterans, and eight other qualifying veterans.

Funding

The Department's residential care facilities are supported from three primary sources: (a) member contributions; (b) MA payments; and (c) USDVA per diem payments. A brief explanation of these revenue sources is provided below.

Member Contributions. Member contributions include VA pension amounts that are paid directly to the member, as well as other individual sources of revenue. Each member is billed monthly for the cost of his or her care. Any adjustments in the actual cost of care provided are made on the next billing. Members, or their personal representatives, have 30 days after the receipt of the statement to pay the bill. An interest assessment of one percent per month or fraction of a month is applied to overdue bills. If the member's income is insufficient to cover the monthly cost of care, revenues derived from the other funding sources may be used to cover the member's cost of care.

USDVA Per Diem Payments. The Department receives USDVA per diem payments for its member veterans, which vary depending on the level of care provided. As of October 1, 2008, USDVA paid \$34.40 per day for each member who received domiciliary care and \$74.42 per day for each member who received nursing care. In the 2007-08 federal fiscal year, USDVA paid DVA \$33.01 per day for each member who received domiciliary care and \$71.42 per day for each member who received nursing care.

Medical Assistance Payments. The Veterans Home at King is certified to participate in the MA program and receives MA reimbursement for the costs of services it provides to MA eligible residents. The state's MA program is currently funded on a 59% federal/41% state cost-sharing basis. The Veterans Home at King is able to claim all allowable MA costs under the MA program, as long as the total claim is less than the Medicare upper limit, the amount that the state estimates would have been paid under Medicare payment principles. Allowable costs under MA include the interest portion of debt service costs and depreciation. Since debt service costs are funded by a GPR appropriation, MA reimbursement of interest costs

Example of Payment Sources to Support Care at Veterans Home at Union Grove -- Assisted Living Facility

Monthly Cost (June 30, 2008)	\$2,800
VA Per Diem Payments*	\$1,001
Aid and Attendance Benefit**	<u>1,555</u>
Subtotal	\$2,556
Remaining Costs of Care (Paid by the Member's Own Funds)	\$244

*The VA per diem payment for domiciliary care is \$33.01 per day in federal fiscal year 2007-08. In this example, the monthly total has been adjusted to reflect payment for one hour per week of skilled nursing care at the rate of \$63.40 per day.

**In calendar year 2008, the maximum annual pension for a veteran with no income, no dependents and who qualified for aid and attendance benefits was \$18,654 per year (approximately \$1,555 per month).

and depreciation are required to lapse to the general fund at the end of each fiscal year. At the end of 2007-08, approximately \$456,200 lapsed to the general fund as a result of MA reimbursement for interest and depreciation costs related to the Veterans Home at King and Union Grove.

An example of the payment sources used to support care at an assisted living facility at the Veterans Home at Union Grove is shown above. The average cost of residency in an assisted living facility at Union Grove for an individual requiring less than one hour per week of skilled nursing facility care was \$2,800 per month, as of June 30, 2008. The costs of care to the individual is reduced by any VA per diem payments and aid and attendance benefits for those members who qualify (in this case, \$1,001 and \$1,555, respectively). If an individual resides in a Union Grove facility for the entire month, requires one hour per week of skilled nursing facility care, and is eligible for the maximum aid and attendance benefit, the cost of residency would decrease to approximately \$244 per month.

Table 6 indicates the amount of revenue the Department received from each of the revenue sources for the operation of the Veterans Home at King and the Wisconsin Veterans Home at Union Grove in 2007-08 and the total expenses for the operation of these facilities. The table also identifies revenue transfers DVA made from these sources in

2007-08. The table shows that, in 2007-08, DVA transferred approximately \$3.3 million of revenue

it collected through its operations at King to support its operations at Union Grove.

Table 6: Revenues and Expenditures for DVA's Institutional Operations --Fiscal Year 2007-2008

	King	Union Grove	Total
Opening Balance	\$20,504,500	-\$539,900	\$19,964,600
Revenue			
Medical Assistance	\$29,785,000	\$3,698,300	\$33,483,300
Member Contributions	18,370,700	4,823,200	23,193,900
USDVA Per Diem Payments	14,436,400	3,188,200	17,624,600
Medicare	1,344,700	863,200	2,207,900
Miscellaneous	<u>447,100</u>	<u>53,900</u>	<u>501,000</u>
Subtotal	\$64,383,900	\$12,626,800	\$77,010,700
Revenue Transfers			
Fuel and Utilities Appropriation	-\$2,048,700	-\$753,600	-\$2,802,300
Union Grove Operations	-3,329,000	3,329,000	0
Debt Service Appropriation	-163,700	-768,100	-931,800
Food Services Appropriation	0	-1,453,500	-1,453,500
Student Nurse Program	-39,000	0	-39,000
General Fund	<u>-456,100</u>	<u>-100</u>	<u>-456,200</u>
Subtotal	-\$6,036,500	\$353,700	-\$5,682,800
Total Available Revenues	\$78,851,900	\$12,440,600	\$91,292,500
Expenditures	\$58,312,500	\$13,868,400	\$72,180,900
Balance	\$20,539,400	-\$1,427,800	\$19,111,600

APPENDIX I

Changes to DVA Programs in 2007-09

Economic Assistance Grants. Under 2007 Wisconsin Act 20 the following changes were made to the subsistence aid grant and health care aid grant programs: (a) increase the lifetime maximum from \$5,000 to \$7,500 for the combined grants; (b) increase the maximum amount that can be awarded to a veteran during any 12-month span from \$2,000 to \$3,000; and (c) delete statutory maximums for dental, vision, and hearing care.

Post-Traumatic Stress Disorder. Under Act 20, the Legislature provided one-time funding of \$75,000 GPR in 2007-08 and \$50,000 GPR in 2008-09 for assistance to veterans with post-traumatic stress disorder (PTSD). Act 20, specifies that \$15,000 annually of these amounts must be provided to the Center for Veterans Issues for PTSD outreach services in Milwaukee. The Department must provide outreach to service members and veterans who may be experiencing PTSD and information on the availability of PTSD

medical services and referrals to those services.

Korean War Memorial. Under Act 20, the Legislature provided \$165,000 GPR in 2007-08 as a matching grant for refurbishment of the Korean War Memorial.

Burial Eligibility. Under Act 20, the Legislature changed the eligibility standards for the burial at a state veterans cemetery. Formerly, the veteran had to have been released under *honorable conditions*. Act 20 changed the requirement to specify that the release must have been under *conditions other than dishonorable*.

Under Act 20, the Legislature also newly permitted non-resident veterans to be buried in the state veterans cemeteries. Non-resident burial costs that are not covered by the federal government must be paid by either the estate of the decedent or by the family member making the burial request.

APPENDIX II

Military Service Requirements for Eligibility for State Veterans Programs

The definitions of Peacetime Veteran, Statutorily Designated War Periods and Other Designated Conflicts are as follows:

Peacetime Veterans

Veterans who served on active duty for two continuous years or more or the full period of the initial service obligation, whichever is less, except that an individual discharged for hardship, a service-connected disability, or released due to a reduction in armed forces prior to the completion of service would still qualify.

Statutorily Designated War/Conflict Periods

War Periods^a

1. Indian War: 1860-1898
2. Spanish American War: 4/21/1898 to 4/11/1899
3. Philippine Insurrection: 4/12/1899 to 7/4/1902^b
4. Boxer Rebellion: 6/16/1900 to 5/12/1901
5. Mexican Border Service: 6/19/16 to 4/5/17
6. World War I: 4/6/17 to 11/11/18^c
7. World War II: 8/27/40 to 7/25/47
8. Korean Conflict: 6/27/50 to 1/31/55
9. Vietnam War: 8/5/64 to 1/1/77
10. Persian Gulf War: 8/1/90 to present^d
11. Afghanistan War: 9/11/01 to present^e
12. Iraq War: 3/19/03 to present^f
12. Other periods designated by DVA rule

Other Eligible Conflicts^g

1. Lebanon^h: 8/1/82 to 8/1/84
2. Grenada^h: 10/23/83 to 11/21/83
3. Panama: 12/20/89 to 1/31/90
4. Middle East Crisis (Includes Iraq and Afghanistan conflicts): Seeⁱ below.
5. Somalia: See^j below.
6. Bosnia: See^k below.

^aActive duty service anywhere under honorable conditions in the U.S. armed forces or in forces incorporated as part of the U.S. armed forces for 90 days or more during one or more of these war periods, or is entitlement to receive an armed forces, navy or marine corps expeditionary medal or the Vietnam Service medal, qualifies a person for veteran status. Persons who were honorably discharged for service-connected disability or for disabilities subsequently adjudicated to have been service-connected or who died in service during any of these periods also qualify as veterans. A person that was released from active duty, under honorable conditions, due to a reduction in the U.S. armed forces, is also classified as a veteran.

^bExtended to July 15, 1903, if engaged in Moro Province hostilities.

^cExtended to April 1, 1920, if service was in Russia.

^dAn ending date to the Persian Gulf War (Operation Desert Storm or Operation Desert Shield) has not been set by the Department.

^eBetween September 11, 2001, and the ending date of Operation Enduring Freedom, or successor operation as set by DOA rule.

^fAn ending date to the Iraq War (Operation Iraqi Freedom) has not been set by the Department.

^gActive duty service in these statutorily-designated conflicts areas during the defined conflict time period under honorable conditions in the U.S. armed forces or in forces incorporated as part of the U.S. armed forces, except service on active duty for training purposes, qualifies a person for veteran status

^hService in Lebanon or Grenada is also defined by: (1) receipt of an armed forces expeditionary medal; (2) a marine corps or navy expeditionary medal; or (3) have not received a medal but submit other satisfactory proof of service to the Department.

ⁱService in a Middle East Crisis is defined in s. 45.01(11)(b) as active duty in the U.S. armed forces or forces incorporated as a part of U.S. armed forces for which any of the following apply: (1) award of the humanitarian service medal for participating in the attempted rescue of American hostages in Iran; (2) award of the valor ribbon bar by the U.S. State Department for having been a hostage in Iran in 1980 and 1981; (3) participation in the April 14, 1986, military action against Libya; (4) service on the U.S.S. Stark on May 17, 1987; (5) service in support of Operation Desert Shield or Operation Desert Storm under an active duty order, a unit assignment order or an involuntary extension of an active duty order or in the Middle East or in territorial or international waters adjacent to the Middle East, under honorable conditions, between August 1, 1990, and the ending date of Operation Desert Shield or Operation Desert Storm, as established by DVA by rule; and (6) the person served for 90 days or more in support of Operation Enduring Freedom or an operation that is a successor to Operation Enduring Freedom or served in the Operation Enduring Freedom theater of operation under an active duty order, a unit assignment order, or an involuntary extension of an active duty order, under honorable conditions, between September 11, 2001, and the ending date of Operation Enduring Freedom or an operation that is a successor to Operation Enduring Freedom, as established by the department by rule.

^jService in Somalia or in territorial waters adjacent to Somalia under honorable conditions between December 9, 1992, and the end of Operation Restore Hope, as established by the Department.

^kActive duty service in Bosnia is defined in s. 45.01(11)(e) as service for 90 days or more in support of Operation Balkan Endeavor or service for 90 days or more in Austria, Bosnia, and Herzegovina, Czech Republic, Croatia, Hungary, Macedonia, Montenegro, Serbia including the autonomous provinces of Kosovo and Vojvodina, Slovakia or Slovenia, or in territorial waters adjacent to any of those countries, between December 1, 1995 and the ending date of Operation Balkan Endeavor or a successor operation, as established by the Department, under honorable conditions.

APPENDIX III

Primary Mortgage Loan Program Activity (as of June 30, 2008) -- Loans Committed

Date of Bond Issue	Amount of Bonds Issued	Mortgage Rate	Number of Loans
Wisconsin Housing Finance Authority Issues			
September, 1974	\$37,615,000	8.43%	1,324
May, 1975	<u>24,330,000</u>	7.85	<u>748</u>
Subtotal	\$61,945,000		2,072
State of Wisconsin Revenue Bond Issues			
May, 1980	\$80,000,000	9.83%	1,700
August, 1981	<u>10,055,000</u>	12.31	<u>268</u>
Subtotal	\$90,055,000		1,968
General Obligation Issues			
August, 1975	\$50,000,000	7.00%	1,844
December, 1975	50,000,000	6.75	1,833
March, 1976	100,000,000	7.00	3,543
July, 1976	100,000,000	7.00	3,655
November, 1976	40,000,000	6.35	1,413
February, 1977	40,000,000	6.23	1,384
May, 1977	110,000,000	6.11	3,698
October, 1977	36,000,000	6.03	1,161
February, 1978	100,000,000	6.44	3,171
June, 1978	80,000,000	6.58	2,367
November, 1978	49,000,000	6.25	1,378
February, 1979	75,000,000	6.88	2,021
May, 1979	70,000,000	6.70	1,908
October, 1979	70,000,000	6.91	1,824
January, 1980	30,000,000	7.31	758
September, 1982	30,000,000	10.20	758
May, 1983	20,000,000	9.20	496
December, 1983	30,000,000	9.90	721
April, 1984	50,000,000	10.30/10.60/8.55	1,310
April, 1985	18,551,000	10.60	472
May, 1986	38,185,500	8.55	843
July, 1988	15,000,000	8.55	319
January, 1989	20,000,000	8.55/7.85	420
August, 1989	20,000,000	7.85	404
March, 1990	20,000,000	8.25	383
October, 1990	20,000,000	8.25	382
April, 1991	30,000,000	8.10/7.40	575
June, 1992	30,000,000	7.40	181
October, 1993	20,000,000	5.25	328
September, 1994	45,000,000	7.25	499
February, 1995	29,625,000	7.45	313
October, 1995	42,850,000	6.55	440
May, 1996	45,000,000	7.00	447
October 1996	30,000,000	6.90	286
March, 1997	21,360,000	6.90	207
March, 1997	23,640,000	6.90	244
September, 1997	45,000,000	6.40	410
September, 1997	45,000,000	6.40	523
May, 1998	30,565,000	6.65/6.50	394
May, 1998	34,005,000	6.65	381
October, 1998	6,155,000	6.50	57

APPENDIX III (continued)

**Primary Mortgage Loan Program Activity
(as of June 30, 2008) -- Loans Committed**

Date of Bond Issue	Amount of Bonds Issued	Mortgage Rate	Number of Loans
General Obligation Issues (continued)			
October, 1998	\$55,000,000	6.50/6.85	649
May, 1999	40,000,000	6.85	478
November, 1999	65,000,000	7.80	638
July, 2000	35,000,000	7.90	311
February, 2001	15,000,000	6.80	171
June, 2001	20,000,000	7.00	190
October, 2001	20,000,000	6.80	177
March, 2002	15,000,000	6.50	130
June, 2002	20,000,000	6.50	156
September, 2002	13,000,000	5.65	96
December, 2002	15,000,000	5.75	104
July, 2003	30,000,000	5.35/5.75/5.30	209
August, 2004	20,000,000	6.15	45
April, 2005	5,000,000	5.99	30
August, 2006	61,685,000	6.00	364
October, 2007	20,570,000	6.00/5.65	124
May, 2008	4,445,000	6.00	26
June, 2008	<u>19,855,000</u>	5.75	<u>8*</u>
Subtotal	\$2,234,491,500		47,658
Lending of Prepayments from Prior General Obligation Issues March, 1980; April, 1980; June, 2008	-0-	6.67/7.31/6.00%	1,561
Lending of Prepayments for Disenfranchised Veterans Loans August, 1989; July, 1990; July 1991; June, 1992; November, 1993; June, 1994 July, 1995; October, 1995; and July, 1996	-0-	7.85/8.25/8.10% 7.40/5.25/6.00 7.45/6.55/7.00	1,134
Lending of Prepayments from Refunded General Obligation Bonds June, 1994; April, 1993; October, 2003 December, 2003; March, 2004	-0-	6.00/5.75/5.30% 5.30/5.75	659
Lending of Equity or Insurance Reserve Funds for Veterans Loans December, 2002; March, 2003; May, 2004; July, 2004; March 2005 -- May 2006; October, 2007 -- January, 2008	-0-	5.65/5.75/5.70% 6.40/5.99 to 7.50 6.00	272
Total	\$2,386,491,500		55,324

NA = Not available.

* = As Of June 30, 2008

Note: This appendix shows the total number of loans committed under each bond issuance, which is slightly higher than the number of loans disbursed (which is shown in Appendix V). Committed loans would include loans that have been committed to a veteran, but in which no loan amount has yet been paid to the seller or house contractor. Disbursed loans would include only loans in which some amount of the funds approved have been paid. The total amount lent by DVA (\$2,626,911,900 through June 30, 2008) is higher than the amount shown in this appendix because of the issuance of loans from profits, prepayments, refunded bonds, and insurance reserves, which are categorized on the bottom of this appendix.

APPENDIX IV

Primary Mortgage Loan Refund Bonds (1985 to Present)

<u>Date of Bond Issue</u>	<u>Amount of Bonds Issued*</u>
April, 1985	\$223,088,000
May, 1986	38,185,000
October, 1993	20,000,000
December, 1993	133,660,000
April, 1994	103,830,000
October, 1994	10,400,000
March, 1995	15,735,000
October, 1995	42,850,000
April, 1997	23,640,000
April, 1998	6,155,000
June, 1999	15,790,000
April, 2003	7,000,000
April, 2003	13,740,000
November, 2003	9,555,000
December, 2003	58,335,000
October, 2007	20,570,000
June, 2008	<u>36,855,000</u>
Total	\$779,388,000

*Face value of bond issue.

APPENDIX V

Summary of State Grants and Loans to Individual Veterans

	2007-08 Loans ¹	2007-08 Total Loan Amount ¹	2007-08 Average Amount	Total Loans thru 2007-08	Total Loan Amount thru 2007-08
DVA Loan Programs					
Primary Mortgage Loan Program	320	\$51,001,000	\$159,400	55,308	\$2,626,911,900
Home Improvement Loan Program	46	1,190,000	25,870	2,333	31,674,900
Economic Assistance Loan Program ²	0	0	0	94,154	161,229,800
Personal Loan Program	310	4,898,100	15,800	9,248	92,985,400
Consumer Loan Program ³	0	0	0	2,634	35,478,600

	2007-08 Grants ⁴	2007-08 Total Grant Amount ⁵	2007-08 Average Amount	Total Grants thru 2007-08	Total Grant Amount thru 2007-08
DVA Grant Programs					
Tuition and Fee and Reimbursement Grants ⁶	NA	NA	NA	15,555	\$16,488,200
Part-Time Study Grants ⁶	NA	NA	NA	246,100	29,953,400
Veterans Education Grants ⁶	1,823	\$2,645,600	\$1,451	6,659	10,528,700
Retraining Grants	26	64,746	2,490	1,517	3,900,500
Health Care Aid Grants ⁷	NA	NA	NA	25,087	18,567,800
Subsistence Aid Grants ⁷	NA	NA	NA	31,569	9,108,300
Assistance to Needy Veterans ⁷	675	1,154,000	1,710	1,622	3,230,900
Military Funeral Honors	4,314	180,500	42	28,747	1,304,200
Nurse's Stipend	8	39,000	4,875	73	243,400

¹Number and amount of loans based on loans disbursed.

²Funding for this program was depleted in 1997-98.

³Funding for this program was depleted in 1994-95.

⁴Number may include multiple grants to individuals.

⁵Grant expenditures represent grants approvals in fiscal year 2005-06. The disbursement of the funds may occur in subsequent fiscal years.

⁶The Tuition and Fee Reimbursement Grant and Part-Time Study Grant programs were combined in 2005-06, under the Veterans Education Grant program.

⁷The Health Care Aid Grant and Subsistence Aid Grant programs were combined in 2005-06, under the Assistance to Needy Veterans program.