

State Programs for Veterans



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According to United States Department of Veterans Affairs (USDVA) estimates, there are approximately 400,000 United States veterans living in Wisconsin. Although many benefits received by U.S. veterans, including healthcare, pension, and educational benefits, are provided through USDVA, the state has created other benefit programs for Wisconsin veterans and organizations that serve veterans. The Wisconsin Department of Veterans Affairs (DVA) administers most of these programs and assists Wisconsin veterans and eligible family members in receiving federal benefits. DVA also operates three state veterans homes, three cemeteries for veterans, and the Wisconsin Veterans Museum.

This paper provides an overview of the state's veterans benefit programs and other functions of the Department, and describes the funding sources used for these programs. The first section provides a brief introduction to the history of Wisconsin veterans benefit programs and the Department of Veterans Affairs. The second section discusses DVA-operated veterans homes, while subsequent sections summarize DVA's education and training programs, other grant and assistance programs for individuals, grant programs to veterans organizations, and DVA programs to honor and memorialize veterans' contributions. The final section describes the veterans trust fund, which is the primary funding source for most DVA programs, other than the veterans homes.

For the purposes of the programs discussed in this paper, state statutes define a "veteran" to include a person who served on active duty in the United States armed forces or in forces incorporated as part of the U.S. armed forces under honorable conditions and who: (a) served for two continuous years or more, or for the full period of his or her initial service obligation, whichever is less; (b) served for 90 days or more during a war-

time period; or (c) received an expeditionary or equivalent service medal. Individuals discharged early for reasons of hardship, service-connected disability, or a reduction in military personnel are also considered veterans, as are individuals that died while on active duty, are missing in action, died as a result of a service-connected disability, or died while training.

The Department of Veterans Affairs

The Wisconsin Department of Veterans Affairs (DVA) was created by Chapter 580, Laws of 1945, to administer the state's veterans programs and to assist the state's veterans in securing federal veterans benefits. Some state veterans programs, however, existed many years before DVA was created. The Grand Army Home at King (Waupaca County) was established in 1887 by the Grand Army of the Republic, an organization of Civil War veterans. Similarly, the Grand Army of the Republic Memorial Hall, a museum for Civil War veterans, was established in the State Capitol in 1901.

Two segregated funds had also been established prior to the creation of the Department to fund benefits for veterans. The first was the soldiers rehabilitation fund, which was established in 1919 to provide cash bonuses for World War I veterans. The second was the post-war rehabilitation fund, which was established in 1943 to meet the medical, educational, and economic needs of World War II veterans.

Many of the veterans programs that existed when DVA was created continue in some form today. The Grand Army Home at King has since been renamed the Wisconsin Veterans Home at

King and two additional veterans homes, one at Union Grove (Racine County) and one at Chippewa Falls (Chippewa County), have been opened. The Wisconsin Veterans Museum honoring all veterans was opened in 1993 and includes the Memorial Hall exhibits that were relocated from the State Capitol.

A third segregated fund, the veterans housing trust fund, was created in 1947 to make second mortgages to qualified veterans. In 1961 the soldiers rehabilitation fund, the post-war rehabilitation fund, and the veterans housing trust fund were combined to form the veterans trust fund, which supports many of DVA's current programs. Another fund, the veterans mortgage loan repayment fund, was created in 1974, to collect loan repayments and pay debt service on the bonds issued to make loans.

As a cabinet agency, DVA is headed by a Secretary appointed by the Governor. State statutes require that the Secretary be a veteran and that the Governor consult with the presiding officers of at least six Wisconsin veterans organizations prior to making the appointment.

The statutes also establish the Board of Veterans Affairs to oversee various activities of the Department. The Board consists of nine members, appointed by the Governor to four-year, staggered terms. All members must be veterans and there must be at least one member from each of the state's Congressional districts. All proposed changes or additions to the Department's administrative rules must be provided to the Board prior to submission and any written comments or opinions submitted by the Board must be included with the proposed rule when it is published or distributed.

Wisconsin Veterans Homes

The Department operates or contracts for the operation of three homes to provide nursing home or intermediate care for veterans and certain qualifying relatives. This section provides information on the services and financing of these homes.

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. Currently, the campus includes four separate facilities with a total of 721 licensed skilled nursing care beds. Other buildings on the King campus provide recreational opportunities and other community services for members.

The Wisconsin Veterans Home at Union Grove opened in 2001. It consists of a 40-bed community-based residential facility providing assisted living care, and 158 skilled nursing home beds in a separate facility. The Union Grove campus also includes a USDVA community-based outpatient clinic, a state veterans cemetery, and a veterans assistance center for homeless veterans. The Union Grove Home is adjacent to the Southern Wisconsin Center for the Developmentally Disabled and the Robert E. Ellsworth Correctional Center operated by the Department of Health Services and the Department of Corrections, respectively.

The Wisconsin Veterans Home at Chippewa Falls opened in 2013, providing 72 skilled nursing care beds. Unlike the King and Union Grove veterans homes, which are directly operated by DVA, the Department contracts for most of the operations at the Chippewa Falls veterans home. Under the current three-year contract, DVA pays

Health Dimensions Group \$270 per resident per day to provide services. Separate from this contract, DVA pays certain other costs associated with operating the facility, such as administration, maintenance, municipal service fees, and debt service costs.

The skilled nursing home facilities at all three locations are licensed and regulated by the Department of Health Services and the USDVA and 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.

During 2013-14, all three veterans homes were filled to capacity or nearly filled. Approximately 84% of the residents were veterans, while 16% were spouses of veterans. Approximately 37% of the veterans were veterans of World War II, 23% were veterans of the Korean Conflict, 29% were veterans of the Vietnam War, and the rest were peacetime veterans or veterans of other conflicts.

Eligibility

Membership at any of the veterans homes is open to veterans, spouses of eligible veterans (including surviving spouses), and parents of veterans. However, admission of surviving spouses and parents of veterans is allowed only if overall occupancy falls below an optimal level, as determined by the Board of Veterans Affairs.

In previous years, membership required state residency at the time of application, but 2013 Act 20 eliminated this requirement, opening membership to nonresidents. However, DVA is required to maintain priority system that provides first priority to Wisconsin residents over nonresidents. Furthermore, persons who had been residents for more than six months prior to application are given priority over those who had been

residents for six months or less.

Priority for membership also depends upon eligibility group. Veterans are given first priority, followed by spouses of living veterans, followed by surviving spouses of deceased veterans, and then by parents of veterans. Within each of these categories, the residency priority rules described above are applied. Exceptions to these priorities may be made to avoid the separation of husbands and wives.

In addition to membership eligibility, an applicant for admission must demonstrate that he or she: (a) is permanently incapacitated due to physical disability or age from any substantial occupation; (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 that the home or facility can meet.

Funding

The Department's residential care facilities are supported from five primary sources: (a) medical assistance program payments; (b) member payments; (c) USDVA per diem payments; (d) USDVA service-connected disability payments; and (e) Medicare payments. Each of these sources is described in more detail below.

Medical Assistance Payments. DVA's nursing homes are certified to participate in the medical assistance (MA) program and receive reimbursement under the program for the costs of services they provide to MA-eligible residents. Most MA costs, including payments to nursing homes for the care they provide to MA recipients, are funded on an approximately 58% federal/42% state cost-sharing basis. The veterans homes are able to claim all allowable MA costs as long as the total claim is less than the amount that would have been paid under Medicare payment princi-

ples (the "Medicare upper limit"). Allowable costs under MA also include the interest portion of debt service costs and depreciation associated with the nursing home facilities.

Under the MA program, any income received by a beneficiary in nursing home care, including income from veterans pension and social security benefits, must be used to offset the cost of care (minus certain allowances for personal expenses, health insurance premiums, and other costs). The MA program is billed only for the net cost after this assignment of income.

Medical assistance funds currently account for the primary revenue source for approximately 70% of all residents in nursing home care at the veterans homes.

Payments by Residents. Veterans home members who are not MA beneficiaries pay for care according to a daily private pay rate, which varies by home and by the level of care. Private pay rates are recalculated annually based on the projected cost of care for the year, including all facility and personnel costs. Rates go into effect in January and may be adjusted in July to account for any changes in costs. In 2014, private pay rates for veterans in skilled nursing care were \$197 at King, \$241 at Union Grove, and \$235 at Chippewa Falls. Rates differ for higher or lower levels of care. These rates reflect a discount to account for USDVA per diem payments made to the homes on behalf of veteran members (described below). Since the homes do not receive per diem payments on behalf of veterans' spouses, the spouses pay a higher, undiscounted private pay rate.

Currently, payments by residents is the primary source of revenue for approximately 14% of residents in skilled nursing home care at the veterans homes.

USDVA Per Diem Payments. The Department receives USDVA per diem payments for its

member veterans, which vary depending on the level of care provided. In federal fiscal year 2014, USDVA paid \$100.37 per day for each veteran who received nursing home care and \$43.32 per day for each veteran in an assisted living unit. For veterans who pay for the cost of care under the private pay rate, the per diem payments reduce the amount owed.

USDVA Service-Connected Disability Payments. USDVA provides monthly cash benefits to veterans who have a service-connected disability and who were discharged under other than dishonorable conditions. This amount is paid directly to the home where the veteran is living to reduce his or her out-of-pocket costs.

To be eligible for disability compensation, a veteran must have: (a) a medical diagnosis of the impairment; (b) evidence the condition occurred or worsened in-service; and (c) medical proof of a connection between the in-service injury or illness and the current disability. Service-connected disability payments are the primary revenue source for approximately 15% of veterans home members in skilled nursing home care.

Medicare. Medicare pays for some care for members who receive care at a veterans home. Since the costs associated with long-term care or assisted living are not eligible for Medicare reimbursement, most Medicare payments are associated with short-term rehabilitative care provided at the homes. Medicare is the primary source of revenue for approximately 1% of veterans home members.

Table 1 shows total revenues and expenditures, by category, for veterans homes operations for the six-year period from 2008-09 to 2013-14. In some years, the expenditures exceed revenues received in that year. The Department uses uncommitted surplus revenues from previous years' operations to support costs that exceed revenues in those years. Contract costs for the operations of the veterans home at Chippewa Falls are in-

Table 1: Combined Operating Revenues (Fiscal Years 2008-09 through 2013-14)

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Revenues						
Medical Assistance	\$34,729,100	\$35,441,700	\$31,309,400	\$46,791,200	\$37,414,500	\$45,803,200
Payments by Residents	24,412,800	24,441,700	23,980,500	25,101,700	23,950,600	26,353,800
Federal per Diem Payments	18,604,200	15,720,100	21,597,900	21,591,100	20,572,800	24,273,400
Service-Connected Disability	354,300	7,869,900	5,074,100	7,414,100	9,768,000	16,726,700
Medicare	2,893,600	2,260,800	2,661,800	2,315,500	1,699,600	2,885,900
Other Revenues	491,700	553,300	573,100	355,200	346,000	301,900
Transfers for Debt Service*	<u>-1,407,800</u>	<u>-1,447,800</u>	<u>-1,436,300</u>	<u>-1,407,600</u>	<u>-371,800</u>	<u>-533,200</u>
Total	\$80,077,900	\$84,839,700	\$83,760,500	\$102,161,200	\$93,379,700	\$115,811,700
Expenditures						
Salaries	\$42,973,500	\$43,528,900	\$44,423,700	\$46,093,600	\$45,836,100	\$50,508,500
Fringe Benefits	22,686,900	25,259,000	28,490,500	24,387,100	23,391,800	26,037,900
Supplies and Services	9,394,400	9,739,400	10,721,300	8,962,300	14,112,900	17,067,800
Transfers	7,050,800	2,229,700	1,495,600	1,757,400	1,181,200	2,133,400
Utilities	2,809,100	2,425,400	2,539,900	4,869,500	2,241,500	2,537,300
Administration	1,761,700	1,207,400	1,306,900	1,342,600	1,393,100	1,363,600
Other	<u>3,033,300</u>	<u>2,826,900</u>	<u>3,131,700</u>	<u>3,185,500</u>	<u>3,312,100</u>	<u>3,747,100</u>
Total	\$89,709,700	\$87,216,700	\$92,109,600	\$90,598,000	\$91,468,700	\$103,395,600

*DVA counts transfers to the general fund for debt service on facilities as negative revenue.

cluded in the "Supplies and Services" category.

Veterans Education and Training Programs

Wisconsin veterans and certain dependents are eligible to receive higher education tuition and fee assistance provided by the federal government, as well as assistance provided by the State of Wisconsin. The state programs are administered by DVA, the University of Wisconsin System (UW System), the Wisconsin Technical College System (WTCS), and the Higher Education Aids Board (HEAB). Because of the importance of federal education assistance for veterans and the interaction of this assistance with state programs, this section first describes the Post-9/11 G.I. Bill, which is currently the primary source for education assistance for veterans. Following this description, this section provides an outline of state education and training programs for veterans.

Federal Post-9/11 G.I. Bill

There are several federal programs to assist veterans with education and vocational training costs, although currently most federal higher education assistance for veterans is provided under the Post-9/11 Veterans Assistance Act of 2008 (commonly known as the Post-9/11 G.I. Bill). The benefits include the direct payment of all or a portion of tuition and fees, a monthly housing allowance, and an annual books and supplies stipend. The amount of the benefit varies depending upon the amount of time the eligible veteran spent on active duty after September 10, 2001, with a maximum cap that differs for public and private schools. For public institutions, the maximum benefit is 100% of resident tuition. For students attending private institutions (nonprofit or for-profit schools), the annual cap was established initially at \$17,500 for the 2011-12 academic year, but is adjusted annually at the rate of inflation for undergraduate tuition. For the 2014-15 academic year, the private school maximum was adjusted to \$20,235.

A veteran who served at least 36 months on active duty following September 10, 2010, receives 100% of the maximum benefit. Veterans who served for shorter periods receive a lower percentage, with a minimum of 40% for those who were on active duty for at least 90 days. Veterans who were on active duty for at least 30 days, but who were discharged due to a service-connected disability are eligible for the 100% benefit. The benefit is available for a total of 36 months of schooling.

Although the Post-9/11 GI Bill pays full tuition and fees for many Wisconsin veterans, for others the federal benefit covers only part of the cost of higher education. State tuition remission and refund programs may pay all or part of the remaining costs in many cases. In this context, a remission means that the college or university deducts some amount from the net tuition and fees owed, reducing or eliminating the cost to the program beneficiary. By contrast, a tuition reimbursement occurs when the state program makes a payment to the student at the end of a semester equal to the amount the student paid to the college or university, or some fraction of that amount if the student is not eligible for full reimbursement.

University of Wisconsin and Wisconsin Technical College Tuition Remission Programs for Veterans

The state's veterans tuition remission programs require the UW System and Wisconsin technical college boards to remit 100% of tuition and fees, less any amount paid under the federal Post-9/11 G.I. Bill, for up to 128 credits or eight semesters, whichever is longer, to eligible veterans. To qualify for this remission, a student must: (a) be a resident of Wisconsin at the time of application (unless on active duty); (b) have been a Wisconsin resident at the time of entry into the armed services or have been a resident of Wisconsin for at least five consecutive years immediately preceding the beginning of the semester;

and (c) meet the active duty service requirements to qualify as a veteran under state statutes. Credits that are wholly paid for with Post-9/11 G.I. Bill benefits do not count against the 128 credit limit on state remissions. In cases where Post-9/11 G.I. Bill benefits pay for a fraction of a credit and the remainder is remitted under state law, only the portion of the credit that is remitted is counted against the 128 credit limit.

A surviving spouse or child of a veteran who died while in the line of duty or as a result of a service-connected disability or a spouse or child of a veteran who received at least a 30% service-connected disability is also eligible, with certain restrictions, for tuition remission under this program.

In 2013-14, the UW System provided tuition and fee remissions totaling \$9.2 million to 2,079 veterans enrolled as undergraduate, graduate, or professional students. The Wisconsin technical colleges provided remissions totaling \$3.5 million to 1,968 veterans.

University of Wisconsin System and Wisconsin Technical College Education Cost Reimbursement for Non-Tuition Costs

In the years prior to the passage of the Post-9/11 G.I. Bill, most federal education assistance was provided through the Montgomery G.I. Bill. Under that program, qualifying veterans (as well as current reservists and certain survivors and dependents of veterans) who are enrolled as students receive a fixed monthly allowance that can be used for educational expenses. Although some veterans may be eligible under both the Post-9/11 G.I. Bill and the Montgomery G.I. Bill, federal law does not allow a student to collect assistance under both programs, requiring the dual-eligible veteran to choose between the two programs. The Post-9/11 G.I. Bill provides more generous benefits for tuition costs (provided directly to the institution), but that program's non-tuition benefits for housing and supplies may be less than the monthly living allowance

provided under the Montgomery G.I. Bill.

To make up this difference in non-tuition benefits, 2009 Act 20 created a program to provide additional assistance for dual-eligible veterans who attend a UW System campus or Wisconsin technical college. Under this program, a veteran who receives benefits under the Post-9/11 G.I. Bill, but whose stipend under the Montgomery G.I. Bill or certain other federal education programs (excluding any amounts for tuition) would have exceeded the amount of the non-tuition assistance received under the Post-9/11 G.I. Bill is reimbursed by the institution attended for the difference in these benefits.

As with the tuition remission programs, a surviving spouse or children of a veteran who died while in the line of duty or as a result of a service-connected disability or a spouse or child of a veteran who received at least a 30% service-connected disability is also eligible, with certain restrictions, for reimbursement under this program.

In 2013-14, the UW System provided reimbursement payments under this program totaling \$1.9 million to 884 veterans and the Wisconsin technical colleges provided \$1.0 million to 462 veterans.

Higher Educational Aids Board Reimbursement of Higher Education Institutions

The Higher Educational Aids Board reimburses the UW System and the Wisconsin technical college district boards for remissions and reimbursements provided to veterans and dependents under the programs described above. (For more information on tuition and fee remissions for children and spouses of certain veterans, please see the Legislative Fiscal Bureau's Informational Paper "Student Financial Aid.") In 2013-14, the HEAB appropriation for this reimbursement was \$6,496,700 GPR (general purpose revenue). Since this amount was insufficient to

fully-fund the total amount due to those institutions, the HEAB payments to the institutions are prorated in proportion to the amounts owed (veterans and dependents receive the full amount to which they are entitled). In 2013-14, HEAB paid \$4.7 million to UW System campuses and \$1.7 million to Wisconsin Technical Colleges.

Department of Veterans Affairs Tuition Reimbursement Program

Eligible veterans who attend qualifying institutions other than the UWS and WTCS or did not enter service from Wisconsin or otherwise do not meet the tuition remission residency requirements cannot have tuition or fees remitted. However, certain veterans may still be eligible for tuition reimbursement under the Department of Veterans Affairs tuition reimbursement program.

The program reimburses up to 100% of the cost of undergraduate tuition and fees or high school tuition or program costs, minus any other grants or scholarships received by the veteran, with a maximum reimbursement based on the costs of a UW-Madison resident undergraduate tuition. Veterans that are eligible for National Guard tuition reimbursement or tuition assistance from the U.S. Department of Defense may not receive DVA veterans education grants.

Eligibility for DVA reimbursement is restricted to veterans with an annual income 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.

Under the program, tuition and fee 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.

Tuition reimbursement credit limitations are based on the length of active duty service for the veteran. Veterans who 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. Veterans with more than 730 days of active duty service may be reimbursed for up to 120 credits or eight semesters of study. If the courses begin more than 10 years following separation from service, the reimbursement is limited to 60 credits in total and 11 credits per semester (although the service length-based limits described above still apply).

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. A veteran may not be reimbursed by the Department if he or she has an undergraduate degree.

Part-time students may be reimbursed by DVA for courses taken at out-of-state institutions, if the course is not otherwise 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 if a correspondence course is not offered in this state.

In 2013-14, DVA awarded reimbursement grants totaling \$456,000 to 114 veterans. Grants are funded with an appropriation from the veterans trust fund.

Tribal College Reimbursement Program

The 2013-15 biennial budget act created the tribal college reimbursement program to provide education assistance to veterans who attend either the College of the Menominee Nation or Lac Courte Oreilles Ojibwa Community College. The program has similar eligibility and benefits as the DVA tuition reimbursement program described

above. Grants are funded with an appropriation of tribal gaming funds. In the 2013-15 biennium, the program is funded at \$405,000 annually, although the Department did not make any grants in 2013-14, the first year of the program.

Retraining Assistance Program

DVA awards grants to veterans who participate in retraining programs to enable them to obtain gainful employment. The grant amounts are limited to \$3,000 in any 12-month period and \$6,000 during his or her lifetime.

These grants are available to any veteran who: (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) will receive adequate employment skills and is in an occupation for which favorable employment opportunities are anticipated, as determined by DVA; and (e) has not received a DVA tuition reimbursement grant for the same period.

In 2013-14, DVA awarded 47 retraining grants, totaling \$107,100.

Other Programs to Assist Individual Veterans and Their Families

The state has several other programs that provide grants, loans, or direct assistance to veterans and their families. This section describes those programs.

Veterans Assistance Program

The veterans assistance program (VAP) provides transitional housing and support services to homeless veterans and veterans who are at risk of becoming homeless. By rule, a veteran is eligible for the program if the veteran's need for services is based on any of the following circumstances: (a) homelessness or conditions that indicate that the veteran is at risk of becoming homeless; (b) incarceration; (c) unemployment or underemployment that significantly limits the veteran's ability to be self-supporting; (d) an affliction with acute or chronic physical or mental health problems that significantly limits the veteran's ability to be self-supporting; and (e) insufficient monthly income and resources to pay for the cost of care provided at an assisted living facility operated at a state veterans home. DVA funds VAP residential services on the campuses of the three state veterans homes.

Services provided in the VAP include: (a) transitional housing; (b) referrals to service providers; (c) financial assistance to veterans who are eligible for residency at a veterans home but lack financial resources; (d) assistance in seeking vocational opportunities; and (e) single occupancy rooms at reduced rent for working veterans.

The veterans assistance program is funded from a combination of federal per diem payments, an appropriation from the veterans trust fund, and payments by program participants. Veterans who receive transitional housing or single-occupancy housing assistance may be charged a program fee, which is generally capped at 30% of monthly income. In 2013-14, expenditures totaled \$1,746,200, including federal per diem payments (\$1,156,600), an appropriation from the veterans trust fund (\$314,200), and revenue contributed by veterans who received VAP services (\$275,400).

Veterans Property Tax Credit

Since tax year 2005, Wisconsin has provided a refundable credit against the individual income tax for property taxes paid by certain disabled veterans and unremarried surviving spouses of veterans. Currently, the tax credit is equal to real and personal property taxes paid on a principal dwelling by an eligible veteran or by an eligible unremarried surviving spouse.

An eligible veteran is defined as a person who meets all of the following criteria: (a) has a service-connected disability of 100% or a 100% disability rating based on individual employability; (b) served on active duty in the U.S. armed forces; (c) was a resident of this state at the time of entry into that service or had been a Wisconsin resident for any consecutive five-year period after entry; and (d) is a resident of the state for purposes of receiving veterans benefits.

An unremarried surviving spouse includes a person whose deceased spouse meets any of the following criteria: (a) died while on active duty in the U.S. armed forces, was a Wisconsin resident at the time of entry into service or for any subsequent, consecutive five-year period, and was a Wisconsin resident at the time of death; (b) served on active duty in the U.S. armed forces, was a Wisconsin resident at the time of entry into active service or for any subsequent, consecutive five-year period, was a resident of Wisconsin at the time of death, and had a service-connected disability of 100% or a 100% disability rating based on individual employability; (c) served in the National Guard or U.S. armed forces reserves, was a Wisconsin resident at the time of entry into active service or for any subsequent, consecutive five-year period, and died in the line of duty while on active or inactive duty while a Wisconsin resident; or (d) served on active duty, was a resident of Wisconsin at the time of entry into active service or who had been a resident of Wisconsin for any consecutive five-year period after entry into that active duty service, was a res-

ident of Wisconsin at the time of his or her death, and following the individual's death, his or her spouse began to receive, and continues to receive, dependency and indemnity compensation under federal law.

In tax year 2013, 7,110 veterans or spouses claimed the credit. Because the veterans property tax credit is a refundable credit, it is treated as an appropriation, and \$23.2 million was expended from the appropriation in 2013-14.

Assistance to Needy Veterans

DVA provides limited emergency financial assistance to eligible veterans and their families under the assistance to needy veterans (ANV) program.

The ANV program provides two types of service: (a) assistance with health care costs associated with dental care, vision care, and hearing care, which includes costs for denture, eyeglasses, and hearing aids; and (b) subsistence aid.

By rule, eligibility for these grants is limited to veterans in families with income less than 180% of the federal poverty level (\$21,006 for an individual and \$35,622 for a family of three in 2014). In addition, assistance under the health care component is limited to veterans whose liquid assets, excluding the first \$50,000 of cash surrender value of any life insurance policy, is below \$1,000. Each grant applicant must submit a declaration that he or she has applied for all aid offered through or administered by county, state or federal governments, and must list all assets that are available to the applicant or the applicant's family.

An individual may receive aid under both components, but may not receive a combined total of more than \$7,500 in grants during his or her lifetime, and may not receive more than \$3,000 in subsistence aid during any 12-month period.

Under the health care costs component, the Department pays the portion of the cost of dental, vision, or hearing care that is not covered by private insurance (if any). However, the Department limits the amount of assistance provided for each type of assistance by administrative rule. If the provider does not accept as full payment the maximum aid plus insurance payment (if any), then the Department may require the veteran to also make a payment for the service if it is determined that the veteran has sufficient liquid assets.

The subsistence aid component 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 amount an individual receives 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. Subsistence aid is provided for 30-day periods for a maximum of 90 days. 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.

In addition to veterans, the spouse and dependents of a member of the U.S. armed forces or of the Wisconsin National Guard are also eligible for assistance grants if the following apply: (a) the service member has been deployed or activated; (b) due to the activation or deployment, a loss of income has occurred; (c) an economic emergency has occurred during the activation or deployment; and (d) the spouse and dependents are residents of the state. The 180% of poverty level income threshold established for other program beneficiaries does not apply to aid provided to spouses and dependents of activated or deployed members.

The unremarried spouse and dependents of veterans who died while on active duty (including training) are also eligible to receive assis-

tance under the program, although the income limits apply in these circumstances.

In 2013-14, DVA awarded 160 grants for a total of \$266,700 under the health care assistance component and 25 grants for a total of \$55,200 under the subsistence aid component.

Veterans Outreach Efforts

The Department conducts outreach events to inform and assist veterans in receiving state and federal veterans benefits. DVA, in collaboration with the Wisconsin Department of Workforce Development (DWD), conducts periodic career and benefit fairs throughout the state. The fairs feature employers providing job search assistance to veterans seeking employment, along with local, state, and federal veterans advocates offering benefits and services information to state veterans.

In addition, the Department has a Veterans Benefits Resource Center (VBRC) that provides veterans improved access to information about the Department's programs, benefits, and services via phone, chat (through DVA's website), walk-in, and e-mail communications. The goal of the VBRC is to ensure that veterans who contact DVA during business hours will be able to immediately speak to VBRC support staff trained to provide the most frequently requested information about the Department's programs, benefits, and services.

The Department's outreach staff also coordinate and attend re-integrations, demobilizations and other veterans events. The Recently Separated Veterans Program provides monthly informational mailings to veterans recently separated or discharged from active duty and returning to Wisconsin.

Veterans Loan Programs

The Department has three loan programs for

veterans: the primary mortgage loan program, the home improvement loan program, and the personal loan program. On December 1, 2011, DVA placed an indefinite moratorium on the issuance of new loans for all three programs, citing its inability to compete with low conventional market interest rates, a decreased demand for loans, and the need to maintain the solvency of the veterans trust fund (the funding source for the personal loan program). Despite this moratorium, the programs have historically been an important benefit for veterans and they remain in state statutes. Consequently, this section briefly describes the principal provisions of the programs and the funding mechanism for the loans, as they operated prior to the moratorium.

For all three loan programs, eligibility is generally limited to veterans or unremarried spouses or children of deceased veterans. The programs also have other limitations designed to limit excessive indebtedness for qualifying applicants.

Primary Mortgage Loan Program and Home Improvement Loan Program. The primary mortgage loan program provides mortgage loans to allow veterans to purchase or construct a home, while the home improvement loan program provides loans for improvements to an existing home.

The Department approves financial institutions to originate loans under both programs. The Department reviews applications to determine eligibility while the financial institution is responsible for determining the creditworthiness of applicants. The financial institution usually acts as the loan servicer in the case of primary mortgage loans, while the Department services home improvement loans.

Funding for the primary mortgage loan program and the home improvement loan program is derived primarily from the proceeds from the is-

suance of state general obligation bonds, although the Legislature has also authorized revenue bonds for this purpose. Bonds were last issued for loans in 2008.

Money received from loan repayments, minus fees retained by the loan servicer, is deposited in the veterans mortgage loan repayment fund. That fund, in turn, is used for bond debt service, payment of losses arising from default, administrative costs, and, if additional, unrestricted balances are available, for making additional loans. Interest rates for these loan programs are set by the Board of Veterans Affairs, and must be at a level necessary to make the program self-supporting. That is, anticipated loan repayments must be sufficient to fund all projected bond debt service and administrative costs.

Prior to the moratorium, DVA had made 55,598 loans for nearly \$2.7 billion under the primary mortgage loan program and 2,406 loans for \$33.4 million under the home improvement loan program.

Personal Loan Program. The personal loan program provides loans to eligible persons for any purpose. Unlike the other two loan programs, personal loans are traditionally funded from the veterans 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 interest fees) are then repaid to these funds.

Eligible applicants are allowed to borrow up to \$25,000, for a term of up to 10 years. Loans over \$5,000 must be secured by a mortgage on real estate located in Wisconsin, whereas loans under \$5,000 must be secured by cosigner. The Department establishes variable interest rates, depending on the securitization of the loan. Per-

sonal loan repayment monies and loan expenses charged to the borrower are deposited in the veterans trust fund.

Prior to the moratorium, DVA had made 10,178 loans for a total of \$101.9 million under the personal loan program.

Assistance to Veterans Organizations

The Department administers four grant programs that provide funding to organizations or entities that assist Wisconsin veterans, which are described in this section. In addition, this section describes two provisions enacted during the 2013-15 biennium that authorized the Department to make one-time grants to organizations that provide financial assistance to veterans and their dependents.

Grants to Support County Veterans Service Offices

Each county is required to have a county veterans service officer (CVSO) and to provide the CVSO with office space and clerical assistance. Each CVSO must be a Wisconsin resident and a veteran who served on active duty under honorable conditions.

CVSOs are required to: (a) 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, as the board requires; (c) cooperate with federal and state agencies that serve or grant aid or benefits to former military personnel and their dependents; and (d) furnish information about veterans burial places within the county. These duties are required to be performed separately and distinctly from any other county department.

DVA awards grants to counties that maintain and operate a county veterans service office consistent with standards developed by the 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: (a) \$13,000 for counties with a population of 75,000 or more; (b) \$11,500 for counties with a population of 45,500 to 74,999; (c) \$10,000 for counties with a population of 20,000 to 45,499; and (d) \$8,500 for counties with a population of less than 20,000. Counties with a part-time CVSO are eligible for a grant of \$500 annually.

In the 2013-15 biennium, the CVSO grant program is funded with appropriations from the veterans trust fund (45%) and from the veterans mortgage loan repayment fund (45%), and from a transfer of revenues from the veterans homes operations (10%). On an annual basis, a total of \$761,000 was provided for these grants, with \$342,400 each from the veterans trust fund and the veterans mortgage loan repayment fund, and \$76,200 from veterans homes operations.

American Indian Veterans Service Grants

The Department provides grants of up to \$15,000 to federally recognized Indian tribes and bands that appoint a tribal veterans service officer and that meet minimum budget and operating standards. The service officer must be a veteran and must serve as a full-time employee. The tribal veterans service officer provides the same services as CVSOs provide, but provide these services to tribal members. These grants are funded with tribal gaming revenues. In 2013-14, nine tribal grants totaling \$110,000 were awarded to the Bad River Band, Ho-Chunk, Lac Courte Oreilles, Lac du Flambeau, Menominee Nation, Oneida, Red Cliff, Sokaogon Chippewa, and Stockbridge-Munsee Tribes.

Grants to Veterans Organizations for Providing Federal Benefits Assistance

The Department provides grants to state and national veterans organizations that maintain a claims service office at the USDVA regional office in Milwaukee for the purpose of assisting Wisconsin veterans with obtaining federal veterans benefits. To qualify for the state grant, the veterans organization must have maintained the office for at least five out of the ten years preceding the date of application for the grant.

Grant amounts are based on the total amount of salaries and travel expenses incurred by a qualifying service organization. For organizations with annual salary and travel expenses of \$120,000 or more, the grant equals \$70,000, while the grant equals 50% of expenses incurred for organizations with annual expenses below \$120,000.

In 2013-14, DVA provided grants totaling \$253,000 to four organizations -- the American Legion, Disabled American Veterans, the Military Order of the Purple Heart, and Veterans of Foreign Wars. Grants are funded with an appropriation from the veterans trust fund.

Transportation Services Grant Program

DVA is required to provide \$120,000 annually to the Disabled American Veterans for the provision of transportation services to medical facilities for veterans. In addition, the Department provides grants to counties in which Disabled American Veterans does not provide transportation services for the provision of transportation services. In 2013-14, DVA provided \$100,000 to 36 counties under this provision.

One-Time Grants in the 2013-15 Biennium

VETransfer, Inc. The 2013-15 biennial budget act, Act 20, contains a provision requiring DVA to make a grant of \$500,000 in 2013-14 to *VETransfer, Inc.*, an organization that provides

training and other assistance to Wisconsin veterans who own or would like to start a business. Of that amount, DVA is required to provide at least \$300,000 to pay for costs associated with the start-up of a business located in Wisconsin that a veteran owns. Up to \$200,000 may be used to provide entrepreneurial training and related services to veterans who are state residents. The grant is provided from the veterans trust fund.

Grants to Nonprofit Organizations that Provide Assistance to Veterans. 2013 Act 190 authorizes DVA to make grants during the 2013-15 biennium to nonprofit organizations that provide financial assistance or other services to veterans. The total amount of grants that may be provided may not exceed \$250,000 during the biennium and grants to individual nonprofit organizations may not exceed \$25,000 per fiscal year. Grants are made from the SEG appropriation for veterans tuition reimbursement program.

Programs to Honor and Memorialize Veterans' Contributions

In addition to grant programs for veterans and veterans organizations, the state has several other programs to honor and memorialize veterans' contributions. These programs include veterans memorial grants, state veterans cemeteries, military funeral honors, and the state Veterans Museum.

Veterans Memorial Grants

The Department has provided funding and administrative support for the construction of several veterans memorials.

The Vietnam Veterans Tribute was dedicated in September, 1988. The monument is located near Neillsville in Clark County at the Highground Memorial Park, which includes a

number of tributes and trails, and provides educational and social programs. The Highground Memorial Park is operated and maintained by the Wisconsin Vietnam Veterans Memorial Project, a private, non-profit corporation. The state has contributed funding for the construction of tributes at Highground.

The Wisconsin Korean War Veterans Memorial was dedicated in June, 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.

The state has also made contributions 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 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.

1999 Wisconsin Act 2 provided \$166,100 GPR in one-time funding to support the construction of a World War II Memorial in Washington, D.C. This memorial was dedicated in May, 2004.

Wisconsin Veterans Cemeteries

There are four veterans cemeteries located in Wisconsin. The Wood National Cemetery, operated by USDVA, is co-located with the VA Regional Office and VA Medical Center in the City of Milwaukee and is closed to new interments. DVA operates three state veterans cemeteries -- the Central Wisconsin Veterans Memorial Cemetery at the Veterans Home in King, the Southern Wisconsin Veterans Memorial Cemetery at the Veterans Home at Union Grove, and the North-

ern Wisconsin Veterans Cemetery near Spooner in Washburn County. The state veterans cemeteries provide burials for veterans, spouses and dependent children. Each of the state 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 the veteran was a Wisconsin resident for at least 12 months preceding his or her death and the person was discharged or released under honorable conditions. In addition, any member of a state veterans home is eligible for burial in a state veterans cemetery, even without meeting the other state residency requirements. DVA is required, however, to give priority to state residents in processing applications for burial plots.

DVA receives a plot interment allowance from the federal government for each veteran interred in a state veterans cemetery. The current plot allowance is \$700.

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.

Non-resident service members that were killed in the line of duty can also be buried in a state veterans 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.

While the statutes authorize DVA to charge fees for burials at the state veterans cemeteries and permits DVA to promulgate rules for the assessment of these fees, the Department's current rules prohibit the agency from assessing fees for the interment of a veteran, or guard or reserve member. These rules permit DVA to assess fees for the interment of a dependent child or a veteran's spouse or surviving spouse in the cemetery, or the disinterment of any individual. These fees may not exceed the average costs associated with the interments or disinterments, as determined by DVA.

Military Funeral Honors

DVA administers a program that coordinates the provision of military honors details at funerals of deceased veterans and to deceased persons who have served under honorable conditions in any national guard or in a reserve component of the U.S. armed forces. 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 also administers 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. These stipends are funded from the veterans trust fund. In addition, DVA distributes tuition vouchers to funeral directors to distribute to students who sound "Taps" on a bugle, trumpet or cornet during fu-

nerals with military honors. These \$25 vouchers may be used by the student at any University of Wisconsin system school or technical college. DVA encourages private institutions of higher learning to accept these vouchers.

In 2013-14, DVA coordinated 6,937 funerals, staffed 552 of these funerals with military funeral honors teams and paid 6,201 reimbursement grants, totaling \$306,900.

Wisconsin Veterans Museum

The Wisconsin Veterans Museum contains exhibits, displays and other presentations related to Wisconsin's participation in U.S. military actions from the Civil War to the present. The museum, located on the Capitol Square in Madison, features dioramas depicting important historical events in which Wisconsin veterans participated. The museum maintains a computer database containing the military records of more than 90,000 Wisconsin Civil War veterans. The museum offers presentations by historians, authors, and museum staff on military history, world events, and the experiences of Wisconsin veterans.

In 2013-14, \$2,805,700 (\$248,500 GPR and \$2,557,200 SEG from the veterans trust fund) was budgeted to support the operations of the museum. In addition, the Veterans Museum Foundation provides additional support for the museum.

Veterans Trust Fund

The veterans trust fund supports most of the grant and other programs operated by DVA, other than the state veterans homes.

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.

Initially, the predecessors to the veterans trust fund were reliant on dedicated special taxes, as well as loan repayments for revenues. Since the expiration of those dedicated taxes, the veterans trust fund (as well as its predecessors) has been principally reliant on a series of transfers or one-time appropriations from other funds. The main sources of these revenues have been transfers or appropriations from the state's general fund, transfers from the mortgage loan repayment fund, and the deposit of net proceeds from the sale of loan assets. The fund has also received loans from the general fund and the state's investment fund, although these loans have been subsequently repaid. Table 2 summarizes the one-time veterans trust fund revenues since the World War II era.

Currently, the trust fund has several sources of ongoing revenues, including loan repayments, federal grants, museum sales receipts, and interest earnings. Over the past decade, the most significant source of ongoing revenue has been loan repayments. The 1997-99 budget transferred a portfolio of \$54.6 million in primary mortgage loans and \$7.9 million in home improvement loans, as well as \$5.6 million in excess cash reserves, from the veterans mortgage loan repayment fund to the veterans trust fund. The cash and net proceeds of this transferred portfolio provided start-up funding for the personal loan program. Repayments on the mortgage loans and, subsequently, on personal loans, generated an ongoing revenue source for the trust fund. However, those payments have declined substantially in recent years as outstanding mortgage loan principal has declined. To illustrate, loan principal repayments to the trust fund averaged \$9.7 million annually between 2005-06 through 2009-10, but had declined to just \$1.9 million in 2013-14.

Declining ongoing revenues has necessitated additional one-time transfers from other sources.

Table 2: One-Time 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	261,900
2012 General Fund Appropriation	5,000,000
2014 General Fund Appropriation	<u>5,300,000</u>
Subtotal-GPR Appropriations	\$35,504,700
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	1,131,200
2009 Veterans Homes	<u>7,000,000</u>
Subtotal--Other	\$60,582,200
Total	\$159,246,300

*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.

Over the past decade, two transfers were made to the veterans trust fund from veterans homes operating revenues (\$1.1 million in 2006-07 and \$7.0 million in 2008-09) and two were made from the general fund (\$5.0 million in 2011-12 and \$5.3 million in 2013-14).

The 2011-13 budget authorized the Department to make transfers during that biennium from the veterans homes appropriations to the veterans trust fund, with the approval of the Joint Committee on Finance under a 14-day passive review process. In passing the 2013-15 budget, the Legislature made that authority permanent, although in signing the bill the Governor vetoed the requirement that the Department receive approval of the Joint Committee on Finance prior to the transfer. As of the end of 2013-14, the Department had not exercised this authority.

Table 3 shows the cash flow statement for 2013-14 for the veterans trust fund.

Table 3: 2013-14 Veterans Trust Fund Cash Flow Statement

Beginning Cash Balance	\$15,898,000
Revenues	
Loan Principal and Interest Payments	\$1,913,500
Federal Per Diem Payments	1,167,800
Museum and Other Sales of Goods and Services	300,500
Investment Earnings	271,800
Gifts and Donations	176,000
Other Revenues	<u>189,100</u>
Subtotal, Ongoing Revenues	\$4,018,700
Transfer from the General Fund	\$5,300,000
Total Revenues	\$9,318,700
Expenditures	
Administration of Grants and Aids	\$4,553,400
Education and Training Grants	575,200
Veterans Assistance Program	1,746,400
Assistance to Needy Veterans	324,500
County Veteran Service Office Grants	323,600
Veterans Transportation Grants	220,000
Grant to VETransfer, Inc.	500,000
Payments to Veterans Organizations	351,800
Wisconsin Veterans Museum	2,191,900
Veterans Funerals and Cemetery Programs	847,500
Other Programs and Expenses	<u>133,200</u>
Total Expenditures	\$11,767,400
Change in Receivables/ Payables	-\$301,900
Ending Cash Balance	\$13,147,500