



FY26-27 Governor's Budget Recommendations

Maintaining Historic Investments in Minnesota's Veterans

Brad Lindsay | Commissioner

Presentation Overview

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Introduction – Maintaining Historic Investments in Minnesota's Veterans

- Minnesota has made historic investments in serving Minnesota's Veterans over the last six years.
 - 3 New State Veterans Homes
 - 1 New State Veterans Cemetery
 - Statutory authorization for another State Veterans Cemetery near Bemidji
 - Post-9/11 Service Bonus paid to 26,077 Veterans and survivors totaling \$27.3M
 - Over \$20M appropriated to functionally end Veteran homelessness



Preston Veteran Home Dedication Ceremony June 2024

Introduction – Maintaining Historic Investments in Minnesota's Veterans (continued)

- Through the collaboration of the Legislature and the administration, the long-sought-after goal of opening four new facilities has come to fruition.
- Minnesota Veterans Homes are open in Bemidji, Montevideo and Preston.
- Minnesota State Veterans Cemetery - Redwood Falls is open.



Introduction – Maintaining Historic Investments in Minnesota’s Veterans (continued)

Funding and support from the legislature helped the department support work that led to five additional Continuums of Care in Minnesota declaring a functional end to Veteran homelessness (four were declared previously):

- July 2019 – Southeast
- November 2020 – Suburban Metro Area
- November 2021 – Central
- June 2022 – St. Louis County
- October 2024 – Hennepin

As of March 17, 2025, 4,182 Veterans have been housed off the Homeless Veteran Registry since it was created in 2014.

Minnesota is poised to become the 4th state in the country to have achieved “functional zero” for Veterans experiencing Homelessness.



MDVA General Fund Base Budgets FY24-FY27

Veterans Programs & Services	FY24	FY25	FY24/25	FY26	FY27	FY26/27
Operational Budget	\$ 20,672	\$ 20,232	\$ 40,904	\$ 20,208	\$ 20,208	\$ 40,416
Veterans State Cemeteries	\$ 4,282	\$ 4,282	\$ 8,564	\$ 3,782	\$ 3,782	\$ 7,564
Veterans Homeless Initiative	\$ 14,685	\$ 5,335	\$ 20,020	\$ 5,644	\$ 5,644	\$ 11,288
Veteran Bonus	\$ 15,000	\$ -	\$ 15,000	\$ -	\$ -	\$ -
Grants to Non-Profits	\$ 1,884	\$ 1,365	\$ 3,249	\$ 650	\$ 650	\$ 1,300
Veterans P&S Division Totals	\$ 56,523	\$ 31,214	\$ 87,737	\$ 30,284	\$ 30,284	\$ 60,568
Veterans Healthcare/Homes	FY24	FY25	FY24/25	FY26	FY27	FY26/27
Operational Budget	\$ 89,075	\$ 99,787	\$ 188,862	\$ 92,377	\$ 93,425	\$ 185,802
Healthcare Navigators Program	\$ 400	\$ 400	\$ 800	\$ 400	\$ 400	\$ 800
Suicide Prevention Program	\$ 550	\$ 550	\$ 1,100	\$ 550	\$ 550	\$ 1,100
Veterans Homes Totals	\$ 90,025	\$ 100,737	\$ 190,762	\$ 93,327	\$ 94,375	\$ 187,702
MDVA FY24-FY27 Base Budget	\$ 146,548	\$ 131,951	\$ 278,499	\$ 123,611	\$ 124,659	\$ 248,270

FY26-27 Proposed Change Items

20.7% increase to the base budget for the Healthcare Division

- Requesting resources to gradually move toward fully staffing and filling three new Veterans Homes.
- Funds will allow completion of this mission, avoiding empty beds and reductions in revenue and levels of service for Minnesota's Veterans under our care.
- Funds will ensure State requirements are met under federal funding agreements for the new Veterans Homes.

2% increase to the base budget for the Programs & Services Division

- Requesting resources to both meet operating costs while working toward the goal of achieving "Functional Zero" statewide with Homeless Veterans, continuing the progress made toward Veterans Suicide Prevention and other critical initiatives.
- Funding will prevent the State from going backwards, losing progress made during the most recent biennium as well as during the last six years of the Walz - Flanagan Administration.

State Veterans Homes – Maintaining Current Services

To address operating cost increases in the Healthcare Division, General Fund requests include:

- \$17.93 million in FY 2026
- \$21.25 million in FY2027
- \$25.68 million in each subsequent year
- Support continued operations of the eight Minnesota State Veterans Homes in Bemidji, Fergus Falls, Hastings, Luverne, Minneapolis, Montevideo, Preston and Silver Bay.
- Help cover expected growth in employee compensation & benefits and other operating costs, including a 10% increase in MNIT services in FY25 and an additional 12.5% in FY26/27.
- Ensure that an additional \$29 million in Federal VA Per Diems, Resident Maintenance Fees and Medicare Reimbursements will continue to be collected to support the operation of State Veterans Homes in the FY 26-27 biennium.

Veterans Programs & Services - Maintaining Current Services

To address operating cost increases in the Programs & Services Division, General Fund requests include:

- \$393,000 in FY 2026
- \$796,000 in each subsequent year
- Help cover expected growth in employee compensation & benefits and other operating costs, including a 10% increase in MNIT services in FY25 and an additional 12.5% in FY26/27.
- Not funding this request would result in a detrimental impact on operations that serve Minnesota's Veterans and their families and potential staff reductions.

Protecting Minnesota Veterans from Claims Predators

- Identical to bill language supported by CTF and MACVSO
- Original Veterans Benefits Services; Disclosure Requirement law passed in 2017 (Minn. Stat. 197.6091)
 - Requires private and for-profit Benefit Application Service providers to show a written disclosure statement to each client, noting that the service is available at no cost from VSOs, CVSOs and MDVA.
 - Failure to disclose would incur a civil penalty up to \$1,000 for each violation.
- Since enactment, the number of for-profit providers has increased without adherence to the requirements mandated by state law.
- Many for-profit providers lack accreditation by the USDVA Office of General Counsel.
- Changes include adding USDVA accreditation requirement, written fee agreement for for-profit providers, prohibition of guarantee of benefits, and increased penalties under consumer protection statutes with enforcement by the MN Attorney General's Office.

Gold Star & Blue Star Family Memorial Plaque Authorization

- Governor recommends the authorization of a new memorial plaque to the Court of Honor located at the Minnesota State Capitol Complex, recognizing the sacrifices of Gold Star and Blue Star families.
- Funding for the design development, solicitation, and eventual production of an approved plaque utilizing community contributions and existing MDVA resources.
- A Gold Star Families and Blue Star Families plaque would be appropriate within the context of the plaques already in the Court

Being a 'Gold Star Family' is a title no family wants.

- Initiated during World War I, it distinguished a family who lost a loved one in military service. Today, immediate family members (parent, sibling, spouse, or child) receive a Gold Star from the Department of Defense to honor those who made the ultimate sacrifice.

The Blue Star Family tradition is rich in history.

- Also dates to World War I, when an individual enters uniformed service and joins the military community, some military families choose to display a Blue Star service banner or flag in a window of their home. The 'Blue Star' signifies that a loved one is an active-duty service member.
- This special flag, typically displayed only by military families, is the genesis of "Blue Star Family," referring to the immediate family of an active-duty service member.

MDVA FY26-27 Change Item Summary

Division	Base Budget	Gov Rec	Gov Rec	Chg Total	% Base	Gov Rec
Veterans Programs & Services	FY26/27	FY26	FY27	FY26/27	Change	FY26/27
Operational Budget	\$ 60,568	\$ 393	\$ 796	\$ 1,189	2.0%	\$ 61,757
Division	Base Budget	Gov Rec	Gov Rec	Chg Total	% Base	Gov Rec
Veterans Healthcare/Homes	FY26/27	FY26	FY27	FY26/27	Change	FY26/27
Operational Budget	\$ 187,702	\$ 17,925	\$ 21,245	\$ 39,170	20.9%	\$226,872
Healthcare Navigators Program	\$ 800	\$ -	\$ -	\$ -	0.0%	\$ 800
Suicide Prevention Program	\$ 1,100	\$ -	\$ -	\$ -	0.0%	\$ 1,100
Veterans Homes Totals	\$ 189,602	\$ 17,925	\$ 21,245	\$ 39,170	20.7%	\$228,772
MDVA FY26/27 Totals	\$ 250,170	\$ 18,318	\$ 22,041	\$ 40,359	16.1%	\$290,529

FY26-27 Change Item Summary

		FY 2026	FY 2027	FY 2028	FY 2029
Veterans Affairs					
<u>Operating Adjustment - State Veterans Homes</u>					
General	Expenditures	\$17,925	\$21,245	\$25,675	\$25,675
<u>Operating Adjustment - Veterans Programs & Services</u>					
General	Expenditures	\$393	\$796	\$796	\$796
<u>Creation of a Gold Star/Blue Star Memorial</u>					
General	Expenditures	\$0	\$0	\$0	\$0
<u>Honor Disabled Veterans with Reduced Cost Angling and Hunting Licenses</u>					
Game and Fish (Operations)	Revenues	(\$66)	(\$320)	(\$320)	(\$320)
<u>Veterans Benefits Services; Disclosure Requirement Amendment</u>					
General	Expenditures	\$0	\$0	\$0	\$0
General		\$18,318	\$22,041	\$26,471	\$26,471
Game and Fish (Operations)		\$66	\$320	\$320	\$320
Veterans Affairs Cost (Savings)		\$18,384	\$22,361	\$26,791	\$26,791



**MINNESOTA DEPARTMENT
OF VETERANS AFFAIRS**

Thank You!