



**Bernie Melter**  
Commissioner

**State of Minnesota**  
**DEPARTMENT OF VETERANS AFFAIRS**  
VETERANS SERVICE BUILDING  
ST. PAUL, MINNESOTA 55155-2079  
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SEP 15 1995

September 14, 1995

Legislative Commission to Review  
Administrative Rules  
55 State Office Building  
100 Constitution Avenue  
St. Paul, Minnesota 55155

Attn: Maryanne Hrubby, Executive Director

Dear Ms. Hrubby:

Enclosed are copies of proposed rules prepared by the Department of Veterans Affairs, as approved for publication by the Office of the Revisor of Statutes and the supporting Statements of Need and Reasonableness.

I am anticipating publication of these rules during the month of October, 1995.

Should you have any questions, please contact me.

Sincerely,

Handwritten signature of Terrence A. Logan in cursive script.

Terrence A. Logan  
Director, Veterans Programs  
Minnesota Department Of Veterans Affairs  
Phone: (612)296-6728

**STATE OF MINNESOTA**

**MINNESOTA DEPARTMENT OF VETERANS AFFAIRS**

**STATEMENTS OF NEED AND REASONABLENESS OF PROPOSED RULES, PARTS 9055.0015 TO 9055.0580, GOVERNING THE ADMINISTRATION AND OPERATION OF THE DEPARTMENT OF VETERANS AFFAIRS, AS MANDATED BY MINNESOTA STATUTES 196 AND 197.**

**I. INTRODUCTION**

The intent of these proposed changes to rules, Parts 9055.0015 to 9055.0580 is to amend existing department rules governing the internal functioning and operation of the Minnesota Department of Veterans Affairs.

These rule changes were developed through analysis of current and past practices, existing department rules, policies and procedures of the department, consultations with department staff, and with the Association of Minnesota County Veterans Service Officers Rules Committee.

Numerous drafts of these proposed rule changes were written and were reviewed by staff. The final draft of these proposed rules was forwarded for review and comment to each of Minnesota's County Veterans Service Officers, representatives of the United Veterans Legislative Council and the Commanders of the Congressionally Chartered Veterans Organizations, ie; the American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, the Military Order of the Purple Heart, the Jewish War Veterans, the Marine Corps League, the Paralyzed Veterans of America and AmVets.

**A. Background:**

The original rules governing the operation of the Department of Veterans Affairs were adopted in 1991; the amendments to these rules are necessary to clarify and simplify existing department rules.

## **II. STATEMENT OF COMMISSIONER'S AUTHORITY**

The Commissioner's authority to adopt these proposed rules is found in Minnesota Statutes at 196.04, which states that the "commissioner shall adopt reasonable and proper rules to govern the procedure of the divisions of the department and to regulate and provide for the nature and extent of the proofs and evidence and the method of taking and furnishing the same, in order to establish the right to benefits provided for by the law." Specific Legislative direction to promulgate rules governing the County Veterans Service Officer Operational Improvement Grant Program is contained in the enabling legislation, Minnesota Statutes 197.608. These statutes give the commissioner the authority to adopt these rules.

## **III. IMPACT ON SMALL BUSINESS**

The impact of these rules on small business has been considered. These rules will not have an impact on small business as contemplated by Minnesota Statutes, section 14.115.

## **IV. STATEMENT OF NEED**

Minnesota Statutes, chapter 14.23 (The Administrative Procedures Act) and Minnesota Rules 1400.0500 govern the promulgation and adoption of rules. This statute also requires the commissioner to demonstrate the need for, and the reasonableness of, the proposed rules. To the extent that need and reasonableness are separate issues, need has come to mean that a problem exists which is addressed by the proposed rules and reasonableness has come to mean that the proposed rules are appropriate and are more reasonable than the other alternatives considered.

## **V. STATEMENT OF REASONABLENESS**

The commissioner is required by Minnesota Statutes, chapter 14.23 to make an affirmative presentation of the facts which establish the reasonableness of the proposed rules. Reasonableness means that the proposed rules are neither arbitrary nor capricious; that there is a rational basis for the commissioner's proposed rules. The reasonableness of the proposed rules is discussed below.

The proposed change to the rule governing Inpatient Chemical Dependency Treatment are intended to make this rule conform more closely with established practices in the chemical dependency treatment field.

The rules proposed by the department to administer the County Veterans Service Officer Operational Improvement Grant Program are unique to the County Veterans Service Officer system. The rules as proposed will not place an unreasonable burden on county veterans service officers who seek a grant, while still meeting the legislative intent of the rules. To maintain consistency and order with regard to the broad range of persons served and services offered, these rules, whenever possible, use definitions and standards already in use. The proposed changes to existing rules are intended to clarify and simplify existing rules.

#### **A. NEED AND REASONABLENESS OF THE RULES AS A WHOLE**

The rules as proposed require decisions and determinations based upon identifiable, objective criteria. Adherence to identifiable criteria is required to eliminate arbitrary decision making and abuse of discretion. All decisions are subject to an appeals process, as defined in Minnesota Rules 9055.0540.

To the extent possible, these proposed rules follow definitions already contained in statute or used by other agencies in their rule text and utilize, either wholly or as a modified to fit the particular needs of the department, rules previously implemented by other agencies.

#### **B. NEED AND REASONABLENESS OF INDIVIDUAL RULES DETAIL BY SECTION**

##### **9055.0015. DEFINITIONS.**

**Subp. 22. Under Honorable Conditions.** This rule change is necessary to bring state practice into conformity with federal practice. Only the United States Department of Veterans Affairs has the authority to make an administrative decision to grant benefits to veterans based upon a review of the veteran's character of active duty military service. This rule change is needed to ensure that veterans are treated equitably, based upon an administrative determination of the character of their military service.

This proposed rule change is reasonable because it ensures that veterans will be provided equal access to state benefits and entitlements, once a determination has been made that federal benefits will be granted.

**9055.0020. State Soldier's Assistance Fund.**

**Subp. 7. Inpatient Chemical Dependency Treatment; Eligibility.**

Written verification of successful completion of the treatment plan is necessary to ensure that applicants meet the requirement of successful completion in order to receive the benefit. This requirement will also ensure that funds are only provided to eligible applicants.

The requirement that applicants provide written verification of successful completion of a treatment plan is reasonable because it provides the department with verification of successful completion and does not place an added burden on the applicant, all of whom receive a certificate of successful completion if they successfully complete treatment.

Health care providers have come to rely more upon a combination of inpatient and outpatient treatment for chemical dependency. Many individuals complete a shorter inpatient treatment regimen, followed up by outpatient treatment for the remainder of the regimen. The outpatient treatment is an integral portion of the entire treatment regimen.

It is reasonable and necessary that the department require written verification of the completion of the entire treatment regimen prior to authorizing expenditure of state funds to assist veterans following treatment. The requirement that written verification be provided places no burden upon the veteran, as all individuals who successfully complete treatment are provided written verification of their successful completion.

**9055.0080. Appeal Procedure, Denial of Assistance.**

**Subp. 6. Determination.**

This rule is necessary to allow the commissioner the ability to consider additional information presented or issues not raised during the initial application, during an appeal of a prior decision to deny the benefit(s) sought.

This rule change is reasonable because it allows the applicant to present, and the commissioner to consider, evidence or issues during an appeal that were not presented or raised during the initial application that might have a substantive impact upon the decision of the commissioner to grant or deny the benefit(s) sought on appeal. Without this change, appeals are decided only upon the evidence provided in the initial application.

**9055.0150. Education.**

This rule is being deleted, as it is not necessary. The rule was identical in meaning to the statutory provision at Minn. Stat. 197.75, Subd. 6, and therefore is not necessary as a rule.

**9055.0510 Notice.**

This rule change is necessary to allow the department to publish the notice more frequently than on an annual basis. The rule is reasonable as it imposes no hardship on applicants; rather it would allow the department to distribute any additional funds available more frequently than annually.

The proposed change which would provide County Veterans Service Officers with a forty-five day advance notification of the publication of the Notice of Grant Availability is necessary to allow potential applicants ample time to prepare information necessary for the grant application.

This proposed change is reasonable because it provides potential applicants with advance notice that grants are to be awarded. This advance notice should assist all applicants, on an equal basis, with submitting grant applications as early in the process as possible.

**9055.0520 Eligibility.**

**Subp. 3. Ineligible Projects.** This rule is necessary to clearly define those projects that are not eligible to be considered for funding under the grant program. The rule is reasonable as it provides applicants with information regarding types of projects for which funding will be approved. The acquisition of capital equipment can often enhance the effectiveness of the county veterans service office.

**9055.0530 APPLICATION**

**Subpart 1. Required elements.** This rule is necessary to notify applicants of the information which must be provided in the application process and to provide the department with all information necessary to complete the grant process.

The rule is reasonable because it does not require that unnecessary information be provided by the applicant; it requires only the information necessary to complete the contract between the county and the department.

**Subp. 2. Format of applications.** The proposed changes will eliminate the requirement that applicants provide information that is not needed to determine eligibility for a grant, while eliminating the requirement that applicants duplicate information that is provided elsewhere in the grant application. This information is needed to establish the priorities by which applications will be ranked.

The rule is reasonable because it simplifies the grant application process by eliminating the requirement that applicants provide information which is not necessary to establish eligibility to receive a grant. This simplified application process will result in an application which is easier and less time consuming to complete, while still meeting all requirements to receive a grant.

#### **9055.0540 APPLICATIONS; REVIEW, APPROVAL, REJECTION, MODIFICATION.**

**Subpart 1. Review.** This rule change is necessary to eliminate redundant language in the original rules. The rule is reasonable because it eliminates the need for applicants to provide information that is not necessary and not used.

**Subp. 3. Rejection.** The rule is necessary to define the process by which applications which are not approved will be returned to the applicant county. The requirement that the department provide a written statement of the reason(s) for rejection is necessary to ensure that applicants are made aware of the reason(s) for the rejection.

The rule is reasonable in that it requires that the reason(s) for the rejection be specified, which should suggest possible remedies to the applicant to be followed when resubmitting applications.

**Subp. 4. Modifications.** This rule change is necessary to allow the commissioner to return an application which contains some elements that are eligible for funding as well as some elements that are not eligible for funding. Without this change, the commissioner will be required to reject an application entirely which contains some elements that cannot be funded. The change is needed to allow applicants the opportunity to modify applications to meet grant rules.

The rule change is reasonable in that it allows the applicant to modify their application to meet grant requirements, while retaining their priority position on the funding list. Without this change applicants would be forced to submit a new application which might not result in a grant, based upon the position of the newly submitted grant application on the priority funding list.

The change requiring a specific date for the return of the modified application is reasonable as it puts both the department and the applicant on notice that the modified application must be received by the time specified to retain its' position on the priority funding list.

The change is reasonable as it allows the applicant a reasonable time period to modify their application while retaining their position on the funding list. It is also reasonable in that it allows the commissioner to reallocate committed funds if the application is not returned within the time period specified.

#### **9055.0560 GRANT SPENDING PLAN.**

**Subpart 1. Final Step.** The rule is necessary to put applicant counties and the department on notice that a spending plan for the grant must be executed between the department and the applicant county. The rule is reasonable in that it will ensure that both parties to the spending plan will be provided written documentation of their obligations under the grant.

**Subp. 2. Spending Plan.** The rule is needed to clearly establish the required elements, rights and obligations contained in the spending plan between the department and the applicant county. The rule is reasonable because it protects the rights of both parties to the spending plan equally.

The only change is one of terminology; it changes the term contract to spending plan, as suggested by the department of administration. This change in terminology, from contract to spending plan, is necessary because the department uses a spending plan, rather than a contract, to distribute grant funds. This procedure has been approved by the departments of administration, finance and the attorney general.

If the department entered into separate contracts with each applicant, each contract (original and six (6) copies) would have to be approved by each of the required state agencies, which would create a burdensome process for all parties. Use of a spending plan allows the department to distribute grant funds as expeditiously as possible, while meeting all legislative mandates, as well as those imposed by other agencies.



**Subp. 3. Amendments.** The rule is necessary to establish the fact that amendments to the spending plan must be in writing and approved by both parties to the spending plan. The rule is reasonable because it protects the rights of both parties to the spending plan equally by allowing either party to make changes to the spending plan by the mutual consent of both parties.

The proposed change is reasonable because it allows the department to make changes to the spending plan, with the full consent of the applicant. This change will speed up the spending plan process because it would not require that both parties agree to the change in writing. A copy of the amended spending plan would be provided to both parties.

**Subp. 4. Resolution of Support.** This rule is necessary because it establishes the requirement that a spending plan will be executed between the department and the applicant county if the grant application is supported by the county board of the applicant county. The rule is reasonable in that it is the least restrictive method to obtain this needed evidence of support.

#### **9055.0580. REPORT REQUIRED.**

These proposed changes are necessary to eliminate the requirement that applicants provide information that is not required to complete the application process. The proposed changes are reasonable because they reduce the amount of information required of the applicant, information that is superfluous. The proposed changes are reasonable because the department will still receive all information necessary to enter into a spending plan with the applicant.

The proposed change to allow applicants to provide either paid receipts or paid invoices is necessary because in some instances, purchasing is done in batches by centralized purchasing facilities at the county level and individual copies of receipts are not always available.

Allowing the applicant to submit copies of paid invoices or receipts, rather than requiring original paid receipts or invoices is needed to allow the applicant to provide alternate evidence that the spending plan funds were expended appropriately.

This proposed change is reasonable because it allows the department to accept, and the applicant to provide alternate evidence of the expenditure of spending plan funds, while still meeting all accounting procedures and requirements as imposed by the department of finance.