



2011 LEGISLATIVE REPORT

**MINNESOTA DEPARTMENT VETERANS AFFAIRS
ALTERNATIVE FUNDING SOURCES, HIGHER EDUCATION
VETERANS PROGRAM**

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Legislative Charge

2010 Minn. Law, Ch. 333, Article 2

Sec. 25. ALTERNATIVE FUNDING SOURCES.

By January 15, 2011, the commissioner of Veterans affairs shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance regarding alternative funding sources for the higher education veterans assistance program under Minnesota Statutes, section 197.585.

Estimated Cost of Preparing this Report (*as required by Minn. Stat. § 3.197*)

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Summary

Beginning in 2006 the Minnesota Department of Veterans Affairs (MDVA) has worked to forge innovative partnerships and outreach efforts to develop comprehensive solutions to aid in the very difficult transition from military life to college student. To reach the goal of a seamless transition to college, the MDVA has partnered with Minnesota State Colleges and Universities (MnSCU) and other entities to accomplish that goal. The 2006 legislative allocation for the program was \$2.1M per biennium through June 30, 2011. During the 2010 legislative session, the program was extended for one year, without funding, to June 30, 2012. By mandate of the 86th legislative session, MDVA was required to seek alternative funding sources for the program. MDVA developed the following alternatives:

1. Reallocate the open appropriation for the Minnesota GI Bill funding to the HEVP.
2. Seek federal funding to assist in the program.
3. Request additional funding from MnSCU and other involved entities.

The best option reached by the MDVA is to work towards the reallocation of the Minnesota GI Bill because the funding is relatively the same, the Minnesota GI Bill is a “last dollar in” program, and lastly the new federal Chapter 33 GI Bill is significantly more than in the past thereby reducing the need for the Minnesota GI Bill. Further discussion is contained in the following pages.

Program Background

The 2006 Legislature allocated funding through June 30, 2011 to the Minnesota Department of Veterans Affairs (MDVA) for the creation of the Higher Education Veterans Assistance Program (commonly referred to as the “Higher Education Veterans Program”). The program is uniquely designed to serve the needs of Minnesota’s students and prospective students that are impacted by military service, including current military members, military veterans, and military families.

The Higher Education Veterans Program (HEVP) has helped thousands of returning Minnesota veterans transition to college. The program has also worked to forge innovative partnerships and outreach efforts to develop comprehensive solutions to aid in the very difficult transition from military to college. To reach the goal of a seamless transition to college, the Minnesota Department of Veterans Affairs (MDVA) actively collaborates with many agencies and organizations throughout the state, including all branches of the military reserve and Minnesota National Guard, Minnesota State Colleges and Universities System, the University of Minnesota, private colleges and universities, the Office of Higher Education, the Department of Employment and Economic Development, County Veterans Service Officers, non-profit veterans service organizations, and the United States Department of Veterans Affairs.

One statewide director and twelve regional coordinators serve colleges and veterans in all areas of the state. Based out of a “host campus,” coordinators work with colleges and universities throughout their defined region. Coordinators provide one-on-one assistance for veterans, military members, and their families, as well as work with campus officials to address the needs of student veterans and create Veterans Resource Centers. Working with service providers from other agencies, coordinators attempt to provide coordinated and comprehensive services through their regional offices and campus Veterans Resource Centers. Finally, the director and coordinators provide training at numerous military, campus and community events throughout the year.

Sunset Date

The 2006 legislative allocation for this program was \$2.1M per biennium through June 30, 2011. During the 2010 legislative session, the program was extended for one year, without funding, to June 30, 2012. With staffing adjustments and work hour reductions, MDVA estimates that the Higher Education Veterans Program can be maintained at its current level with ongoing funding of \$945,000 per year.

Alternative Funding Sources

With the sizeable number of combat veterans returning to Minnesota and utilizing their education benefits, it is imperative MDVA continue to provide services through the Higher Education Veterans Program to assist veterans in understanding the complex federal education

benefits and to aid in the transition from military to student life. As a result, MDVA, as directed by the 2010 Legislature, has actively pursued alternative funding sources in an effort to maintain this highly successful and productive veterans program.

- The first funding option identified is the \$1.3M open appropriation for the Minnesota GI Bill. This program was established through 2007 legislation to provide postsecondary educational assistance to eligible Minnesota veterans and to the children and spouses of deceased or severely disabled Minnesota veterans. It is a “last dollar in” program which means the amount of educational assistance in any semester or term is determined by subtracting the amount it takes to attend the school from monies received from the federal Pell Grant program, the state grant program or any federal military or veterans educational benefits. With the recent introduction of the Post 9/11 GI Bill (Chapter 33), which is a very generous education financing option for many returning veterans, the need for the Minnesota GI Bill has waned.

Although 366 applicants have been awarded benefits under this program this past summer/fall, we believe the \$1.3M currently designated for the Minnesota GI Bill will better serve the more than 12,000 veterans currently using the Veterans Resource Centers if re-directed to the Higher Education Veterans Program. That being said, MDVA would prefer continued support for both programs.

- The second funding option is to seek federal funds to maintain the Higher Education Veterans Program. MDVA has initiated discussions with members of our Congressional delegation to this end. Possible avenues for funding would be either earmarks, or designated appropriations for a particular program, or the development of a federal pilot program based on the parameters of MDVA’s existing Higher Education Veterans Program. This approach would result in VA oversight with mandatory reporting requirements. Although there is support by members of Minnesota’s Congressional delegation in acquiring federal funds, the timeline to secure such funding extends beyond the current financed life of HEVP. Although the sunset for the program has been extended to June 30, 2012, the appropriation is only available until June 30, 2011. Without additional resources, MDVA will find it necessary to initiate procedures to terminate 13 permanent staff members and discontinue a highly successful Veterans service beginning as early as February 2011 with an estimated shut down cost of \$364K.
- The final funding option considered was a request to MnSCU to increase their financial support of the program beyond providing office space and equipment at their higher education institutions. However, with the projected \$6.2B state budget shortfall and the resulting cuts in appropriations to MnSCU and the University of Minnesota, additional sustained support from MnSCU is highly unlikely. Since the creation of the Higher Education Veterans Program in 2006, MnSCU estimates it has provided \$1.5M in staffing, equipment and facilities.

Although MDVA has actively pursued these options, none of them successfully address the immediate concern the Department has in securing sustainable funding for this highly successful

Higher Education Veterans Program. In 2010, almost 12,000 Minnesota students used VA educational benefits, bringing into the state \$100M in combined state and federal veterans educational benefits. With an estimated 5200 combat veterans returning to Minnesota in 2010 and an anticipated deployment of 3000 this spring, the need for this program is evident.

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