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## Minnesota Department of Veterans Affairs

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[mn.gov/mdva/](http://mn.gov/mdva/)

**AT A GLANCE**

- Provide six major program areas under two divisions, each with numerous Veteran services including:
  - Long-term, Skilled nursing and Domiciliary care
  - Adult Day Center and resources for caregivers
  - Education and employment services
  - Federal Veterans Affairs (VA) claims and outreach services
  - Homeless Veteran prevention and assistance services
  - State benefits (State Soldiers Assistance Program)
- Operate 5 State Veterans Homes and 3 State Veterans Cemeteries
- Serve more than 322,000 Veterans in Minnesota
- Employ approximately 1,400 staff statewide

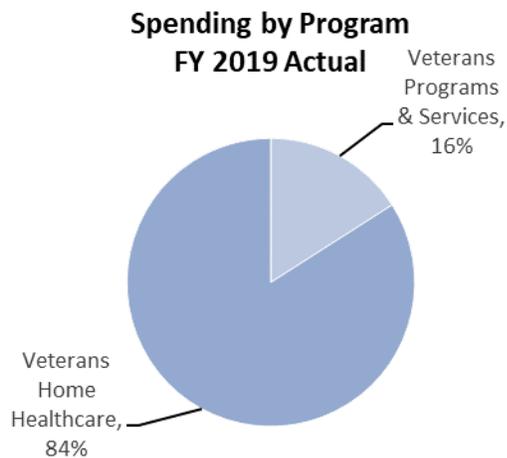
**PURPOSE**

The mission of Minnesota Department of Veterans Affairs (MDVA) is “Serving Minnesota Veterans, their dependents and survivors by connecting them with the federal and state care and benefits they have earned.” MDVA is a “post wartime agency” and was created by the 1943 state Legislature to consolidate the services provided to service members; since 2007, MDVA has operated the Minnesota Veterans Homes. Today, there are more than 322,000 Veterans in Minnesota (about 6 percent of the state’s population).

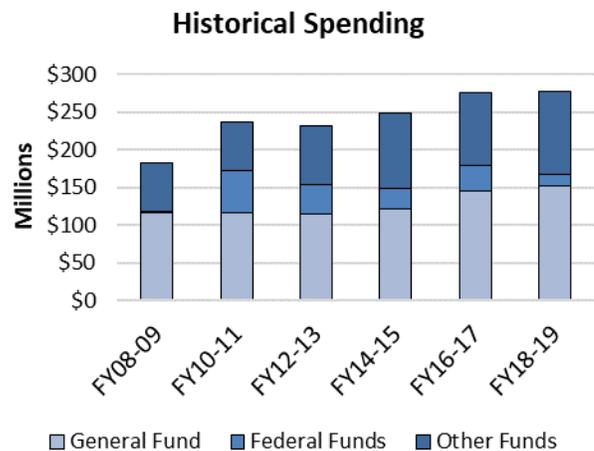
Since 9/11, approximately 77,000 Minnesotans have been discharged from active duty and more than 45,000 have served in a combat zone. Veterans face many challenges including translating their military skills and experiences to civilian occupations, unemployment and underemployment, and short- and long-term medical issues resulting from their military duty. In addition, many Veterans and their families experience both mental fatigue and physical injuries associated with military deployments. Finally, approximately 23 percent of the state’s population aged 65 and older are Veterans, many with unique long-term care needs.

MDVA exists to fulfill the needs of these Veterans and their families by providing innovative programs and services to maximize their quality of life, while monitoring and adapting to emerging needs such as high Veteran suicide rates, homelessness, and Veteran issues that have been exacerbated by the COVID-19 pandemic.

**BUDGET**



Source: Budget Planning & Analysis System (BPAS)



Source: Consolidated Fund Statement

MDVA activities were funded approximately 55% from the general fund, 5% from federal funds, and 40% from special revenue funds in the FY2018-19 biennium.

The Programs & Services program receives nearly all its funding from the general fund. Program-specific federal funding is also received for Veteran burials in MDVA's State cemeteries to cover maintenance and development costs, and the work the agency does for approving higher educational institutions and the programs they offer to Veterans.

The Veterans Healthcare division is funded through general fund appropriations, resident maintenance fees, VA per diem, Medicare, and other reimbursements. The historical spending graph reflects the following breakdown:

- A general fund appropriation of \$115.7 million in the FY2018-19 biennium was received and transferred to the special revenue or other fund as permitted in the appropriations bill. The graph above reflects the expenditure of these funds out of the general fund in order to show its source of funding.
- An additional \$105.6 million of receipts was received from the Federal VA Administration for Veteran full and partial per diem; Medicare reimbursements for Medicare Part A, B, & D; and receipts from Resident maintenance fees and other reimbursements. The graph above reflects the expenditure of these funds in the Other Funds category.

## STRATEGIES

MDVA strives to enhance the lives of those it serves through the development and implementation of services that are tailored to meet the current, ongoing and future needs of Veterans and their families. MDVA does this through two divisions: **Programs & Services** and **Veterans Healthcare** (Minnesota State Veterans Homes).

Many Veterans are not aware of the benefits that they have earned through their military service. **The Programs & Services Division** collaborates with its partners in the Veterans services community to assist Veterans in obtaining these benefits. Examples include securing or assisting in the provision of financial, educational and medical benefits. Additionally, there are an estimated 275 Veterans without safe, stable, or affordable housing on any given night in Minnesota (<https://www.hudexchange.info/resource/3031/pit-and-hic-data-since-2007/>). By working with partners and stakeholders through its Homeless Veteran Registry (<https://mn.gov/mdva/resources/homelessnessandprevention/homelessveteranregistry.jsp>), MDVA works to identify and develop housing plans for Veterans who are homeless or at risk of homelessness. Finally, the Programs & Services Division and partners provide resources for financial, family and mental health counseling, as well as operating three Veterans cemeteries and coordinating funeral honors benefits.

For more information, visit: <https://mn.gov/mdva/resources/>

**The Veterans Healthcare Division** currently operates five Minnesota Veterans Homes located in Fergus Falls, Hastings, Luverne, Minneapolis, and Silver Bay. MDVA works to ensure that Veterans and their families have options for meeting their long-term care needs while providing the highest-quality care. The homes offer multiple long-term care options including 24-hour skilled nursing, domiciliary, and adult day care. The homes also offer specialty care units for Alzheimer's and dementia, as well as dental care, physical rehabilitation, work therapy, transportation, chemical dependency, psychological, spiritual, and recreational services to improve the health and quality of life of its Residents. Most recently the Healthcare Division has endeavored to reduce Veteran suicide rates in MN by taking a prominent position in the "Governor's Challenge to Reduce Veteran Suicide." <https://mn.gov/mdva/news/pressroom/?id=1066-421871>. MDVA is currently working with community partners in the development of plans for three new Minnesota Veterans Homes to expand the Department's capacity and geographic presence.

For more information, visit: <https://mn.gov/mdva/homes/>

For more information, see the 2019 Annual Report for the Minnesota Department of Veterans Affairs ([https://mn.gov/mdva/assets/2019-mdva-annual-report\\_tcm1066-423253.pdf](https://mn.gov/mdva/assets/2019-mdva-annual-report_tcm1066-423253.pdf) ).

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Minnesota Department of Veterans Affairs legal authority comes from:

- Minn. Stat. 196 (<https://www.revisor.mn.gov/statutes/cite/196>),
- Minn. Stat. 197 (<https://www.revisor.mn.gov/statutes/cite/197>), and
- Minn. Stat. 198 (<https://www.revisor.mn.gov/statutes/cite/198>).

# Veterans Affairs

# Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
<b><i>Expenditures by Fund</i></b>								
1000 - General	16,857	18,275	22,444	25,935	21,135	21,135	26,030	25,310
2000 - Restrict Misc Special Revenue	2,468	1,973	2,588	1,832	2,024	2,004	2,024	2,004
2001 - Other Misc Special Revenue	107,992	112,505	118,007	121,709	119,839	122,112	123,198	126,387
2403 - Gift	503	742	686	774	761	761	761	761
3000 - Federal	14,267	1,645	24		4,000	1,990	4,000	1,990
3010 - Coronavirus Relief			2,149	4,610				
6000 - Miscellaneous Agency	1,579	1,438	1,276	1,457	1,423	1,423	1,423	1,423
<b>Total</b>	<b>143,666</b>	<b>136,580</b>	<b>147,173</b>	<b>156,317</b>	<b>149,182</b>	<b>149,425</b>	<b>157,436</b>	<b>157,875</b>
Biennial Change				23,244		(4,883)		11,821
Biennial % Change				8		(2)		4
Governor's Change from Base								16,704
Governor's % Change from Base								6

## ***Expenditures by Program***

Veterans Programs and Services	22,859	21,800	25,182	28,111	27,021	24,991	30,916	28,516
Veterans Health Care	120,807	114,780	121,991	128,206	122,161	124,434	126,520	129,359
<b>Total</b>	<b>143,666</b>	<b>136,580</b>	<b>147,173</b>	<b>156,317</b>	<b>149,182</b>	<b>149,425</b>	<b>157,436</b>	<b>157,875</b>

## ***Expenditures by Category***

Compensation	95,280	100,046	105,922	108,498	107,184	109,302	110,776	113,954
Operating Expenses	35,093	27,031	28,479	32,694	27,648	27,778	32,110	31,576
Grants, Aids and Subsidies	9,204	8,482	12,378	13,993	9,775	9,775	9,775	9,775
Capital Outlay-Real Property	3,834	608	206	783	4,229	2,184	4,329	2,184
Other Financial Transaction	255	413	188	349	346	386	446	386
<b>Total</b>	<b>143,666</b>	<b>136,580</b>	<b>147,173</b>	<b>156,317</b>	<b>149,182</b>	<b>149,425</b>	<b>157,436</b>	<b>157,875</b>

Total Agency Expenditures	143,666	136,580	147,173	156,317	149,182	149,425	157,436	157,875
Internal Billing Expenditures	0							
<b>Expenditures Less Internal Billing</b>	<b>143,666</b>	<b>136,580</b>	<b>147,173</b>	<b>156,317</b>	<b>149,182</b>	<b>149,425</b>	<b>157,436</b>	<b>157,875</b>

## ***Full-Time Equivalent***

	<b>1,242.54</b>	<b>1,273.58</b>	<b>1,284.92</b>	<b>1,286.61</b>	<b>1,250.05</b>	<b>1,249.37</b>	<b>1,288.15</b>	<b>1,287.47</b>
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# Veterans Affairs

# Agency Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
<b>1000 - General</b>								
Balance Forward In		1,242		4,800				
Direct Appropriation	74,910	75,621	82,141	75,914	75,914	75,914	84,168	84,364
Open Appropriation	2,807	3,350	3,028	3,000	3,000	3,000	3,000	3,000
Transfers In	14,827	16,675	13,639	13,054	12,978	12,978	13,208	13,338
Transfers Out	74,133	78,010	71,562	70,833	70,757	70,757	74,346	75,392
Cancellations	350	602						
Balance Forward Out	1,204		4,802					
<b>Expenditures</b>	<b>16,857</b>	<b>18,275</b>	<b>22,444</b>	<b>25,935</b>	<b>21,135</b>	<b>21,135</b>	<b>26,030</b>	<b>25,310</b>
Biennial Change in Expenditures				13,248		(6,109)		2,961
Biennial % Change in Expenditures				38		(13)		6
Governor's Change from Base								9,070
Governor's % Change from Base								21
Full-Time Equivalents	95.97	97.53	104.29	105.77	103.60	102.92	108.10	107.42

## 2000 - Restrict Misc Special Revenue

Balance Forward In	2,366	2,687	2,551	1,676	1,736	1,633	1,736	1,633
Receipts	1,249	973	1,142	1,343	1,372	1,420	1,372	1,420
Transfers In	1,193	619	631	549	549	549	549	549
Transfers Out	150	50	60					
Balance Forward Out	2,191	2,256	1,676	1,736	1,633	1,598	1,633	1,598
<b>Expenditures</b>	<b>2,468</b>	<b>1,973</b>	<b>2,588</b>	<b>1,832</b>	<b>2,024</b>	<b>2,004</b>	<b>2,024</b>	<b>2,004</b>
Biennial Change in Expenditures				(22)		(392)		(392)
Biennial % Change in Expenditures				(0)		(9)		(9)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	4.39	4.26	4.53	4.74	4.24	4.24	4.24	4.24

## 2001 - Other Misc Special Revenue

Balance Forward In	12,359	13,669	13,896	12,389	1,600	1,300	1,600	1,300
Receipts	51,361	54,192	58,773	53,195	61,814	64,087	61,814	64,087
Transfers In	119,875	127,559	131,225	133,408	115,881	115,972	122,599	124,522
Transfers Out	62,332	69,416	73,501	75,683	58,156	58,247	61,515	62,522
Balance Forward Out	13,271	13,499	12,387	1,600	1,300	1,000	1,300	1,000

# Veterans Affairs

# Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
<b>Expenditures</b>	<b>107,992</b>	<b>112,505</b>	<b>118,007</b>	<b>121,709</b>	<b>119,839</b>	<b>122,112</b>	<b>123,198</b>	<b>126,387</b>
Biennial Change in Expenditures				19,218		2,235		9,869
Biennial % Change in Expenditures				9		1		4
Governor's Change from Base								7,634
Governor's % Change from Base								3
Full-Time Equivalents	1,141.12	1,170.98	1,175.09	1,175.09	1,141.20	1,141.20	1,174.80	1,174.80

## 2403 - Gift

Balance Forward In	1,676	1,866	2,065	2,097	2,047	2,011	2,047	2,011
Receipts	706	909	763	703	704	704	704	704
Transfers In	22	37	24	21	21	21	21	21
Transfers Out	50	12	69					
Balance Forward Out	1,851	2,058	2,097	2,047	2,011	1,975	2,011	1,975
<b>Expenditures</b>	<b>503</b>	<b>742</b>	<b>686</b>	<b>774</b>	<b>761</b>	<b>761</b>	<b>761</b>	<b>761</b>
Biennial Change in Expenditures				214		62		62
Biennial % Change in Expenditures				17		4		4
Governor's Change from Base								0
Governor's % Change from Base								0

## 3000 - Federal

Balance Forward In	485							
Receipts	14,267	1,645	24		4,000	1,990	4,000	1,990
Transfers Out	485							
<b>Expenditures</b>	<b>14,267</b>	<b>1,645</b>	<b>24</b>		<b>4,000</b>	<b>1,990</b>	<b>4,000</b>	<b>1,990</b>
Biennial Change in Expenditures				(15,889)		5,966		5,966
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								0

## 3010 - Coronavirus Relief

Direct Appropriation			2,149	4,610	0	0	0	0
<b>Expenditures</b>			<b>2,149</b>	<b>4,610</b>				
Biennial Change in Expenditures				6,759		(6,759)		(6,759)

# Veterans Affairs

# Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

## 6000 - Miscellaneous Agency

Balance Forward In	284	315	338	501	467	467	467	467
Receipts	1,607	1,460	1,440	1,423	1,423	1,423	1,423	1,423
Balance Forward Out	311	336	503	467	467	467	467	467
<b>Expenditures</b>	<b>1,579</b>	<b>1,438</b>	<b>1,276</b>	<b>1,457</b>	<b>1,423</b>	<b>1,423</b>	<b>1,423</b>	<b>1,423</b>
Biennial Change in Expenditures				(285)		113		113
Biennial % Change in Expenditures				(9)		4		4
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.06	0.81	1.01	1.01	1.01	1.01	1.01	1.01

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
<b>Direct</b>				
<b>Fund: 1000 - General</b>				
FY2021 Appropriations	75,914	75,914	75,914	151,828
Forecast Base	75,914	75,914	75,914	151,828
<b>Change Items</b>				
Operating Adjustment		3,589	4,635	8,224
Preventing Veteran Suicide		1,000	650	1,650
Prevent and End Veteran Homelessness		3,165	3,165	6,330
9/11 Task Force		500		500
<b>Total Governor's Recommendations</b>	<b>75,914</b>	<b>84,168</b>	<b>84,364</b>	<b>168,532</b>
<b>Fund: 3010 - Coronavirus Relief</b>				
FY2021 Appropriations	4,610	4,610	4,610	9,220
<b>Base Adjustments</b>				
All Other One-Time Appropriations		(4,610)	(4,610)	(9,220)
Forecast Base	4,610	0	0	0
<b>Total Governor's Recommendations</b>	<b>4,610</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Open</b>				
<b>Fund: 1000 - General</b>				
FY2021 Appropriations	3,100	3,100	3,100	6,200
<b>Base Adjustments</b>				
November Forecast Adjustment	(100)	(100)	(100)	(200)
Forecast Base	3,000	3,000	3,000	6,000
<b>Total Governor's Recommendations</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>6,000</b>
<b>Dedicated</b>				
<b>Fund: 2000 - Restrict Misc Special Revenue</b>				
Planned Spending	1,832	2,024	2,004	4,028
Forecast Base	1,832	2,024	2,004	4,028
<b>Total Governor's Recommendations</b>	<b>1,832</b>	<b>2,024</b>	<b>2,004</b>	<b>4,028</b>
<b>Fund: 2001 - Other Misc Special Revenue</b>				
Planned Spending	121,709	119,839	122,112	241,951
Forecast Base	121,709	119,839	122,112	241,951
<b>Change Items</b>				
Operating Adjustment		3,359	4,275	7,634
<b>Total Governor's Recommendations</b>	<b>121,709</b>	<b>123,198</b>	<b>126,387</b>	<b>249,585</b>

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
<b>Fund: 2403 - Gift</b>				
Planned Spending	774	761	761	1,522
Forecast Base	774	761	761	1,522
<b>Total Governor's Recommendations</b>	<b>774</b>	<b>761</b>	<b>761</b>	<b>1,522</b>
<b>Fund: 3000 - Federal</b>				
Planned Spending		4,000	1,990	5,990
Forecast Base		4,000	1,990	5,990
<b>Total Governor's Recommendations</b>		<b>4,000</b>	<b>1,990</b>	<b>5,990</b>
<b>Fund: 6000 - Miscellaneous Agency</b>				
Planned Spending	1,457	1,423	1,423	2,846
Forecast Base	1,457	1,423	1,423	2,846
<b>Total Governor's Recommendations</b>	<b>1,457</b>	<b>1,423</b>	<b>1,423</b>	<b>2,846</b>
<b>Revenue Change Summary</b>				
<b>Dedicated</b>				
<b>Fund: 2000 - Restrict Misc Special Revenue</b>				
Forecast Revenues	1,343	1,372	1,420	2,792
<b>Total Governor's Recommendations</b>	<b>1,343</b>	<b>1,372</b>	<b>1,420</b>	<b>2,792</b>
<b>Fund: 2001 - Other Misc Special Revenue</b>				
Forecast Revenues	53,195	61,814	64,087	125,901
<b>Total Governor's Recommendations</b>	<b>53,195</b>	<b>61,814</b>	<b>64,087</b>	<b>125,901</b>
<b>Fund: 2403 - Gift</b>				
Forecast Revenues	703	704	704	1,408
<b>Total Governor's Recommendations</b>	<b>703</b>	<b>704</b>	<b>704</b>	<b>1,408</b>
<b>Fund: 3000 - Federal</b>				
Forecast Revenues		4,000	1,990	5,990
<b>Total Governor's Recommendations</b>		<b>4,000</b>	<b>1,990</b>	<b>5,990</b>
<b>Fund: 6000 - Miscellaneous Agency</b>				
Forecast Revenues	1,423	1,423	1,423	2,846
<b>Total Governor's Recommendations</b>	<b>1,423</b>	<b>1,423</b>	<b>1,423</b>	<b>2,846</b>
<b>Non-Dedicated</b>				
<b>Fund: 1000 - General</b>				

*(Dollars in Thousands)*

	FY21	FY22	FY23	Biennium 2022-23
Forecast Revenues	1	1	1	2
<b>Total Governor's Recommendations</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>

# Minnesota Department of Veterans Affairs

## FY 2022-23 Biennial Budget Change Item

### Change Item Title: Operating Adjustment

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	3,589	4,635	4,635	4,635
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	3,589	4,635	4,635	4,635
<b>FTEs</b>	<b>36.10</b>	<b>36.10</b>	<b>36.10</b>	<b>36.10</b>

### Recommendation:

The Governor recommends additional funding of \$8.224 million in the FY 2022-2023 biennium to maintain the current level of service delivery at the Minnesota Department of Veterans Affairs (MDVA), which includes five Minnesota State Veterans Homes, three State Veterans Cemeteries, and various other programs and services that assist Veterans.

This represents a 5.4 percent increase over MDVA’s FY 2022-2023 biennial direct appropriated general fund base budget.

### Rationale/Background:

Each year, the cost of doing business rises— including growing costs for employer-paid health care contributions and other salary and compensation-related costs. Other operating costs, like rent and lease, fuel and utilities, information technology and legal services also grow. This cost growth puts pressure on agency operating budgets that remain flat from year to year without enacted increases.

MDVA faces challenging decisions to manage these costs within existing budgets, while maintaining the services Minnesotans expect. From year to year, MDVA has found ways to become more efficient with existing resources. As an example, MDVA has made progress in sustainability efforts to reduce fossil fuel, utility, water, and food consumption at the five Veterans Homes and three State Veterans Cemeteries. However, cost growth has typically outstripped efficiencies, and without additional funding to the agency’s budget, service delivery may unfortunately erode.

### MDVA Healthcare Division/Veterans Homes

For the MDVA Healthcare division, COVID-19 has had a significant negative impact on the FY 2020-2021 budget. The agency has experienced a reduction in revenues and has had to use a substantial portion of available reserve funds to cover COVID-related costs in order to continue to operate all five Veterans Homes during this difficult time. In order to maintain the agency’s pre-COVID level of service delivery at the five Veterans Homes and to avoid layoffs and reduced direct care for veterans and spouses, an increase to the general fund base budget is required. The department assumes that the budgetary impacts of COVID-19 will subside after FY 2021.

For the MDVA Healthcare division, the cost of maintaining required services in the five Veterans Homes will likely continue to rise annually; costs are driven by compensation growth as well as increases in healthcare supply costs and the other costs of maintaining several structures in five different locations around the state. MDVA Healthcare continues to increase revenues (aside from in FY 2021), but many efficiencies have already been

realized and revenue growth rates are projected to slow. U.S. Department of Veterans Affairs (VA) per diem increases have only been rising on average about 1 to 2 percent per year for the past few years. MDVA has increased its ability to capture Medicare Parts A, B, and D payments and some co-insurances. However, operating cost growth is expected to outstrip revenue growth.

#### MDVA Programs and Services Division

For the MDVA Programs and Services division, delivery of statutorily required services will likely be diminished in the absence of additional funding, including VA disability and pension claims development. There may also be fewer opportunities for engagement with Veterans in challenging geographic areas – such as areas away from population centers and VA hospitals/regional offices – and for those Veterans in demographic groups that are statistically underserved per the VA, such as women, American Indians, and people of color. Absent this funding, Programs and Services will need to scale back to primarily support statutory, core functions such as the State Soldier’s Assistance Program, VA claims assistance, MN GI Bill, and State Veterans Cemetery operations. Non-statutorily required areas of special emphasis would likely need to be reduced or eliminated, such as special outreach to Women Veterans and Tribal Veterans. This funding will help maintain a Claims and Outreach Division Women Veterans Coordinator position (1 FTE) and Veteran Field Operations positions (1.5 FTE) that would otherwise be eliminated.

#### **Proposal:**

##### MDVA Healthcare Division/Veterans Homes

This recommendation is for additional operating funds to maintain the current level of health care services to Minnesota Veterans and their families in the State Veterans Homes. Current and future compensation and other cost growth has created the need for additional funding to support the FTEs and services that the agency currently provides. The department has initially supported compensation cost growth for these FTEs using the Healthcare reserve fund in FY 2020 and FY 2021, but this reserve is substantially diminished. Absent this recommended funding, the agency will need to reduce staff (33.6 FTE), which will affect the quality of care for Veteran residents and spouses. Note that this funding is intended to maintain current service levels and is not intended to replenish reserves.

##### MDVA Programs and Services Division

This recommendation is for additional operating funds to maintain the current level of service to Minnesota Veterans and their families. Current and future compensation and other cost growth has created the need for additional funding to support the FTEs and services that the agency currently provides. If MDVA does not receive this additional funding, the agency will need to reduce 2.5 FTEs in FY 2022-2023 in the Claims and Field Operations programs, which will reduce the level of service the agency currently provides to Veterans and their families.

#### **Results:**

This proposal is intended to allow MDVA to continue to provide current levels of service and information to the public. Program narratives contain performance measures for each program.

# Minnesota Department of Veterans Affairs

## FY 2022-23 Biennial Budget Change Item

### Change Item Title: Preventing Veteran Suicide

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	1,000	650	550	550
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,000	650	550	550
<b>FTEs</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

### Recommendation:

The Governor recommends additional funding of \$1.65 million in FY 2022-2023 and \$1.1 million in FY 2024-2025 for a statewide Veteran Suicide Prevention initiative at the Minnesota Department of Veterans Affairs (MDVA).

The biennial request represents a 0.67 percent increase over the Veterans Healthcare program total base budget, and 1.4 percent increase over the program’s general fund base budget.

### Rationale/Background:

More than 100 Minnesota Veterans die by suicide each year; preventing Veteran death by suicide is a priority for the State of Minnesota. The State is participating in the Governor’s Challenge – sponsored by the U.S. Department of Veterans Affairs (VA) and the Substance Abuse and Mental Health Service Administration – which calls for collaboration of VA, State, local, non-profit, service, and military partners to reduce Veteran death by suicide by 20 percent by 2025 and further towards zero by 2035.

The Veteran Suicide Prevention initiative aligns with the current VA, Minnesota Department of Health (MDH) and Minnesota Department of Agriculture’s suicide prevention efforts, as well as with the Minnesota Suicide Prevention Task Force and other local Veteran suicide prevention coalitions across the State of Minnesota. This program will connect the Governor’s Challenge, VA, and the Minnesota Suicide Prevention Plan. The MDVA Suicide Prevention Initiative’s goal is to connect Minnesota Veterans and their families with the needed resources to prevent these tragedies.

### Proposal:

This funding is for a combined statewide initiative and continued efforts for Veteran Suicide Prevention. Veteran suicide prevention efforts in Minnesota and nationally need to be more successful in reducing the number of Veteran deaths by suicide. As the overall number of Veterans declines, the number of Veteran suicides has not. The MDVA Veteran Suicide Prevention Initiative started in 2019. The effort coordinates and aligns educational and outreach efforts for Minnesota. The focus is on aligning current resources and efforts -- as well as increasing resources -- into a collaborative enterprise initiative with VA partners, MDH, other state agencies, as well as local community efforts. This coordination and alignment will ensure that regardless of who desires suicide prevention assistance and where they are located, that access will be available when and as requested. Suicide not only affects the person, but also family, friends, community, the military community, and military readiness.

*Resources needed for the proposal include:*

1. Two FTEs dedicated to suicide prevention and awareness will be added to further develop and lead this initiative: Veteran Suicide Prevention Coordinator position (\$120,000 for salary and benefits) and a Veteran Liaison position (\$110,000 for salary and benefits). Early implementation has occurred with current MDVA staff performing stretch duties. The goal will be to hire these new positions as soon as possible.
  - The Veteran Suicide Prevention Coordinator will collaborate with state, federal, military, and local agencies and non-profits to ensure prevention efforts are efficient and effective. They will provide strategic leadership and advise state leader stakeholders on progress of the Governor’s Challenge. They will work to reduce barriers and stigma related to requesting assistance with suicide prevention. This position will also work to enhance monitoring for at risk individuals and coordination between systems for Veterans, Service Members, and their families.
  - The Veteran Liaison will work locally throughout the state to educate, review resource effectiveness, and ensure that resources are adequately and correctly utilized. They will utilize metrics such as: number and type of contacts made with the VA; where resources are available in the state; adequacy of resources; and effectiveness of resources. Effective efforts will include an increase in contacts requesting suicide prevention of any type, but of specific interest are those in crisis or near crisis.
  - These positions will require extensive in-state travel and some out-of-state travel to national conferences, symposiums, educational events, and other events as needed.
  - These positions will require computers, office supplies, and production of educational materials.
2. Research/Data mining (\$100,000).
  - Collaboration between the VA, MDVA, and MDH to do intensive reviews of Veterans that have died by suicide to look for trends and early warning signs; conduct interviews with surviving family members. VA currently has access to only 30 percent of Veteran death by suicide records.
3. Resource development and marketing, professional and technical contracts (\$495,000).
  - Developing suicide prevention advertising materials; marketing the campaign.
  - Develop a repository site for all Veteran groups and connect it to existing LinkVet site.
4. Training and education (\$150,000).
  - Provide education to MDVA employees and collaborate with VA to host community education sessions.
5. Hardware and Software purchases (\$25,000): computers, cellular devices, and software to house catalog of Veteran groups.

<b>Costs by category (\$000s)</b>	<b>FY 2022</b>	<b>FY 2023</b>		<b>FY 2024</b>	<b>FY 2025</b>
Payroll	\$230	\$244		\$249	\$249
Professional/Technical Contracts	\$200	\$100		\$50	\$50
Hardware	\$10	\$1		\$1	\$1
Software	\$15	\$5		\$5	\$5
Training	\$150	\$50		\$20	\$20
Marketing	\$295	\$200		\$200	\$200
Research/Data Mining	\$100	\$50		\$25	\$25
<b>Total</b>	<b>\$1,000</b>	<b>\$650</b>		<b>\$550</b>	<b>\$550</b>
Agency FTE	2.0	2.0		2.0	2.0

**Impact on Children and Families:**

This initiative is focused on prevention of Veteran death by suicide. Veteran death by suicide impacts all MN families, workforces, communities, and tribal communities. The program’s end goal is designed to prevent Veterans from entering suicide crisis, but should Veterans enter crisis, that timely, easily accessed, and effective interventions will reduce and eventually eliminate Veteran suicide. It will connect Veterans and families to resources that support housing, employment, mental health services, and a sense of purpose in the communities. Prevention of Veteran death by suicide supports the families of Minnesota by removing potential trauma and loss of the family structure.

**Equity and Inclusion:**

The Veteran Suicide Prevention Initiative will focus on the prevention of Veteran death by suicide. It touches all aspects of Minnesota Veterans in all communities; race, gender, age, and other protected classes.

**Results:**

Suicide is a public health issue that is best described in a narrative context versus numerically. Initially, efforts will be focused on assessing and bringing together those agencies that are working on suicide prevention and Veteran suicide prevention. Success will be measured in amount of outreach efforts and increasing the access points for Veterans, families, and communities for those Veterans in crisis and reducing risk factors.

Metrics will include tracking the number of outreach, education, and collaboration events. MDVA will continue to use MDH’s epidemiology data for Veteran deaths by suicide during this initiative.

MDVA will partner with the MDH’s epidemiology department on any identified Veteran or service member unnatural deaths to track and identify trends in deaths.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Number of outreach and education events per month.	0	4-8	ongoing
Quality	Development of a repository/catalog of Veteran resources and add to LinkVet.	Not available	Not available	
Quantity	Number of Veteran/Service Member deaths by suicide.	See below	102	See below

*Deaths by Suicide:*

<b>Year</b>	<b>Minnesota</b>		<b>U.S.</b>	
	<b>Total</b>	<b>Veteran</b>	<b>Total</b>	<b>Veteran</b>
2014	686	113	~40,000	~6,200
2015	726	102	~41,000	~6,200
2016	745	116	~43,000	~6,000
2017	783	115	45,390	6,139
2018	TBD	102	TBD	TBD

# Minnesota Department of Veterans Affairs

## FY 2022-23 Biennial Budget Change Item

### Change Item Title: Prevent and End Veteran Homelessness

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	3,165	3,165	1,311	1,311
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	3,165	3,165	1,311	1,311
<b>FTEs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Recommendation:

The Governor recommends additional funding of \$6.3 million in FY 2022-2023 and \$2.6 million in FY 2024-2025 to maintain and build additional programming within the Minnesota Department of Veterans Affairs (MDVA) for the purpose of providing safe and stable housing for Minnesota Veterans experiencing homelessness.

This represents a 17.4 percent increase to the MDVA Programs and Services program FY 2022-2023 biennial direct appropriated general fund base budget.

### Rationale/Background:

MDVA is committed to ending homelessness among Veterans in Minnesota. Specifically, it is dedicated to becoming the fourth state in the nation to reach functional zero statewide. MDVA has partners (50-plus), staffing (four talented FTEs), and an IT tool (Homeless Veteran Registry 2.0) to begin to address the problem. But to achieve the goal of functional zero for Veteran homelessness it needs housing vouchers and wrap around services for non-VA healthcare Veterans. COVID-19 has made the issue more urgent.

Homelessness is an area that cannot be ignored. Every Minnesotan – especially those who have served our country – should have a safe and stable place to call home. Targeted efforts to find housing for individuals experiencing homelessness have been a priority for many state agencies, including those on the Minnesota Interagency Council on Homelessness (MICH), within which the MDVA plays an active role. This additional funding will provide those Veterans who are not eligible for U.S. Department of Veterans Affairs (VA) services housing vouchers to secure a housing unit and the wrap around services needed to ensure that the Veteran has the ability to live independently.

MDVA will continue to work with key partners across state, local, and federal agencies such as the Minnesota Assistance Council for Veterans, the Minneapolis VA Healthcare system, the Department of Human Services, Minnesota Housing, county social service agencies, County Veteran Service Officers (CVSO), and many others to effectively implement this program.

### Proposal:

The funding will be used to support the MDVA Homeless Program Initiative to house Veterans from Minnesota’s Homeless Veteran Registry. The funding will allow for direct assistance and services to be provided to Veterans experiencing homelessness. These services would be administered through outside means (an RFP would be released), as the capacity for administration by MDVA’s Homeless Programs Team is not available to support the funding at this time. If funding is not allocated to the homeless initiatives team, no additional resources can be

utilized to provide direct assistance for housing, navigation services, or for any additional services needed (i.e. mental health, waived services, or other direct supportive services for individuals experiencing homelessness). In addition, this funding is imperative to meeting the goal of being the fourth state to end Veteran homelessness statewide. Without such funding, locating and aiding the state’s most vulnerable Veterans in order to end Veteran homelessness will remain increasingly challenging.

Currently in Minnesota, all Veterans experiencing homelessness are case-conferenced bi-weekly through the MDVA Homeless Veteran Registry. Thirty percent of Veterans identified are not eligible to receive care through the VA Healthcare System. An additional 24 percent are not eligible to receive housing services through the VA Healthcare System. As a result, these individuals may not receive housing vouchers through the U.S. Department of Housing and Urban Development-Veterans Administration Supportive Housing (HUD-VASH) program, or receive crucial health care services provided by the VA. This means over half of the Veterans experiencing homelessness in the state do not have an identified way to pay for housing or services that accompany a voucher.

In order to truly create a sustainable system for providing housing assistance to homeless Veterans, 100 percent of Veterans identified in Minnesota – regardless of Veteran eligibility or statutory definition related to discharge status – must be served. The standards set forth by the United States Interagency Council on Homelessness (USICH) further challenge states and communities to end Veteran homelessness for any person who served in the armed forces, regardless of how long they served or the discharge they received. For this reason, MDVA seeks funding to serve Veterans who are not eligible to receive services through the VA Healthcare system. Two primary services will be provided with this funding: direct assistance for housing (housing vouchers), and the additional cost of wrap around services needed to ensure that the Veteran gains the skills needed to live independently. As of September 2020, there were 283 Veterans experiencing homelessness in Minnesota. Focusing on those that are *not* eligible for VA housing services, a calculation of rental assistance cost at \$915/mo. for 150 individuals results in \$3,294,000 over the biennium for rental assistance. Support services that will be paired with the rental assistance will add an estimated \$2,324,000 over the biennium. This calculation includes 150 vouchers supported by services at the Medicare reimbursement rate (\$68.68/hr for 2.169 hours a week). The supplemental funding would allow for 150 individuals to secure housing and services for FY 2022-2023. The biennial funding request will also include \$561,810 for administrative costs and a Vacancy Reserve Fund of \$150,000 that will allow case managers to hold units in the tight rental market and allow for housing inspections to be performed. The total funding request for FY 2022-2023 is \$6,330,000.

FY 2024-2025 projections assume that functional zero has been reached but that housing vouchers will be needed to maintain steady housing for Veterans experiencing homelessness. For this calculation, average monthly inflow and outflow for FY20 (56 and 46, respectively) was observed. The difference (and the remainder of Veterans as a net-addition to the Homeless Veteran Registry) is 10 Veterans per month. Based on eligibility criteria and averages for the current registry, Veterans added to the Registry will utilize MDVA housing vouchers at a 50 percent rate. This calculation leads to utilization of 5 vouchers/month for 12 months, totaling 60 vouchers. These 60 vouchers are the basis for the dollar amounts calculated for FY 2024-2025. See Table 1.

<b>Table 1. Fiscal Impact (\$000s)</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
# of Vouchers/Services	150	150	60	60
Rental Assistance Vouchers*	\$1,647	\$1,647	\$659	\$659
Supportive Services**	\$1,162	\$1,162	\$465	\$465
Administrative Costs***	\$281	\$281	\$112	\$112
Vacancy Reserve Fund	\$75	\$75	\$75	\$75
<b>Total Cost =</b>	<b>\$3,165</b>	<b>\$3,165</b>	<b>\$1,311</b>	<b>\$1,311</b>

\*Cost per voucher per year: Minneapolis Public Housing Authority HUD monthly payment standard for a 1-bedroom unit (\$915.00) x 12 months = \$10,980

\*\*Service Cost per Veteran per year: \$68.68 (Medicaid reimbursement rate) x 2.169 hours/week x 52 weeks = \$7,746

\*\*\*Administrative Costs = 10 percent of vouchers and service costs

There is no current plan to add FTEs or build capacity at MDVA with this funding, but rather to focus effort on collaboration with other agencies and organizations through RFPs for administration of the program. MDVA works closely with Minnesota Housing and the Department of Human Services and will continue to do so. Existing programs, such as the Long Term Homeless (LTH) voucher program through Minnesota Housing and the Housing Support program through DHS are limited in their ability to directly assist Veterans experiencing homelessness, and additional funding of this programming would allow for MDVA to bridge the current gap that exists.

This funding will provide direct assistance to Veterans who have served our nation and have no place to call home. While the housing market can be volatile, this funding can provide aid for those Veterans who need it most and set them up for success in stable housing as units become available. MDVA has worked diligently with community partners and the homeless response system to ensure Veterans are prioritized wherever possible. It is our responsibility to serve those who have served our nation, and no Veteran should be unsheltered or unable to find housing in Minnesota. These funds will allow MDVA to help these Veterans find and maintain stability and security in housing, with the appropriate matched services to help them heal and stabilize.

### **Impact on Children and Families:**

The intention of this program is to improve access to resources and services within all Minnesota communities. Homelessness affects children, youth, and families alike. This funding will address gaps within the current system of serving Veterans who are experiencing homelessness, including families and children.

### **Equity and Inclusion:**

This program will impact a variety of individuals in many protected classes – especially important given that people of color are disproportionately affected by homelessness across the state of Minnesota. The data on the disparity that exists in homelessness is overwhelmingly clear that people of color and Native Americans are experiencing homelessness at an alarming rate as compared to the general population in Minnesota. Veterans are a unique cross-section of all populations that experience homelessness. This funding will address the inequities of the homeless response system head-on, and will potentially positively impact the response to those groups because of their overrepresentation in homelessness. Veterans, specifically, would see tremendous benefit from the requested funding.

### **Results:**

Performance measures are tracked through the recently revised and improved Homeless Veteran Registry – which tracks a myriad of different data elements – and reporting has been made available through the Tableau software program.

Performance is primarily evaluated by housing outcomes per month. In FY 2020 fiscal, 583 individual Veterans were able to secure safe and stable homes. This is an average of 49 housing outcomes per month. MDVA began tracking housing outcomes in December of 2014 with the inception of the Homeless Veteran Registry. While there has been continuous improvement since 2015, FY 2020 far outpaces preceding years by an additional 18 housing outcomes per month, on average.

Despite this trend of continuous improvement in housing outcomes, the number of Veterans experiencing homeless across Minnesota – identified through the Homeless Veteran Registry – continues to increase. On average, 56 Veterans were identified per month in FY 2020, up from 43 in FY 2019.

Fifty-four percent of Veterans housed in FY 2020 were considered to have ‘No Housing Plan’, while 46 percent were considered to have a ‘Housing Plan.’ This equates to 27 and 22 housing outcomes per month, respectively. A Housing Plan indicates that the Veteran has a voucher, often obtained through HUD-VASH, available to those whom are VA healthcare eligible.

If these trends continue it is assumed that Veterans will continue to secure stable housing at the same rate of FY 2020, or 49 housing outcomes per month. With increased resource capacity, it is estimated that there will be an additional seven housing outcomes per month, for a total of 56 housing outcomes per month. This is a 50 percent increase of housing outcomes for those that hold a voucher.

MDVA will continue to measure performance success primarily through housing outcomes per month and the total number of Veterans on the statewide Homeless Veteran Registry.

# Minnesota Department of Veterans Affairs

## FY 2022-23 Biennial Budget Change Item

### Change Item Title: 9/11 Task Force

Fiscal Impact (\$000s)	FY 2022	FY 2023	FY 2024	FY 2025
General Fund				
Expenditures	500	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	500	0	0	0
<b>FTEs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Recommendation:

The Governor recommends a one-time general fund appropriation of \$500,000 in FY 2022 to fund the 9/11 Task Force.

### Rationale/Background:

The Global War on Terror is America’s longest war and a conflict that has evolved over the last 20 years. The State of Minnesota is home to more than 40,000 post-9/11 Veterans. Unlike prior conflicts, the families of many of these Veterans have endured multiple deployments.

The Minnesota Department of Veteran Affairs (MDVA) has convened an Advisory Task Force on 9/11 and Global War on Terrorism Remembrance (9/11 Task Force). Over a two-year term, this group of statewide stakeholders will better address the needs of post-9/11 Veterans, their families, and the general public. 9/11 Task Force member and former State Senator Roger Reinert defined the problem for post-9/11 Veterans this way:

*One of the really challenging things for those of us who have served post-9/11 in the War on Terror is, there isn’t a thing to point to. There’s no end. There’s no ‘this is over’ and ‘here is the monument, and here is your peer group’. Our peer group spans almost four generations now. Completely different experiences, wildly different experiences in both Iraq and Afghanistan.*

*This effort to collect stories and tell stories and somehow put that together in a way that makes sense, and ideally in a way that is physical and has a home, and maybe in a way that can move around the state, is super important because now you have a thing that all of us, no matter when we went and what our experience was, can take the people that are important in our lives, who appreciate and support but don’t understand and can’t understand because they weren’t there.*

In anticipation of the 20th anniversary of the September 11 terror attacks, the Task Force will use funds to: 1) publish a definitive history of the Global War on Terror; 2) develop a traveling exhibition to share these stories statewide; and 3) host a remembrance program on Saturday, September 11, 2021.

These elements will be developed in partnership with the Minnesota Military Museum and Library at Camp Ripley. The intended results are to create greater connectedness among post-9/11 Veterans; provide a context for individual service of Minnesotans in the Global War on Terror; enable families, friends, and the general public to better understand their service and sacrifice; and to preserve the stories of Minnesotans in the Global War on Terror in a manner similar to legislative actions after the Civil War and World War I.

The Advisory Task Force has been and will continue to be instrumental in defining needs and the means to effectively address them.

**Proposal:**

This is a new initiative and a request for additional onetime funding beyond the current MDVA budget in anticipation of the 20th anniversary of the September 11 terror attacks. Specifically, the task force is seeking administrative, operational, equipment, and supply funding to:

1. Publish a definitive history of Minnesotans service in the Global War on Terror (\$100,000).
  - Drawing on the existing research and writing of the Minnesota Military Museum and Library, the Task Force will publish and promote a definitive history of the Minnesota experience since 9/11. This work is inspired by the much earlier efforts of Minnesotans to document the state’s role in the Civil War and the Great War. These earlier works are of enormous value to historians, descendants, and service members today.
  - Complimentary copies will be provided to schools and libraries. Publication will be completed by June 30, 2022.
2. Develop a traveling exhibition to share these stories statewide (\$250,000).
  - A 5,000 sq. ft. exhibition featuring first-hand accounts of Minnesotans on 9/11 and in the resulting Global War on Terror will provide an opportunity for Minnesotans statewide to explore the service of their fellow Minnesotans in America’s longest war. The exhibit will also offer an abundance of Veteran resources and the opportunity for Veterans to share their stories.
  - The tour will include five locations and take place the fall of 2021. Exhibit admission is free.
  - At each tour stop, area post-9/11 Veterans will have the opportunity to share their stories every evening.
  - An Indian Gaming facility will serve as one of these five venues. National Guard Armories may also be utilized.
  - Needed COVID-19 precautions and considerations will be in place.
  - After the State tour, the exhibit will be placed at the Military Museum in Little Falls for public viewing and preservation.
3. Host a remembrance program on Saturday, September 11, 2021 (\$150,000).
  - As the nation mourned in 2001, Minnesotans came together on our State Capitol grounds on Sunday, September 16, 2001 for “A Memorial from the Heartland”. Twenty years later, the Task Force seeks to develop a similar program on Saturday, September 11, 2021 to remember the attacks in New York, Washington D.C., and Pennsylvania. This program will be broadcast statewide via Twin Cities Public Television.

**Impact on Children and Families:**

There will be a chapter dedicated to the Impact on Children and Families in the published history. A dedicated ‘Family Day’ will be part of each of the five exhibition tour stops.

**Equity and Inclusion:**

A Native American Gaming facility will serve as one of five venues for the traveling exhibition. U.S. Department of Veterans Affairs data shows that Native Americans serve in the military at a higher per capita rate than any other population. Additionally, Veterans are comprised of all populations, genders, ethnicities, and ages (17+).

**Results:**

This is a new initiative with three district purposes as discussed above, all of which are designed to assist Minnesotans involved directly or peripherally in the Global War on Terrorism with a deeper understanding sacrifices at all levels involved in waging war.

Measurable desirable outcomes of this new budget activity are:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Number of events executed (to include 9/11/2021 Commemoration at the Capitol).	N/A	0	Completion in FY 2022
Quantity	Copies of definitive histories published and distributed.	N/A	0	Completion in FY 2022
Quantity	Communities visited with traveling exhibits.	N/A	0	Completion in FY 2022
Quantity	Speaking engagements achieved to enhance the aforementioned.	N/A	0	Completion in FY 2022
Results	It is the desire of the task force that through the efforts listed above, numerous stakeholders (Veterans/military families, Gold Star families, etc.) gain a better understanding of and take pride in the sacrifice the state and its citizens have endured since 9/11/2001. This is a qualitative measure.	N/A	N/A	

**Program: Programs & Services**[mn.gov/mdva/](http://mn.gov/mdva/)**AT A GLANCE**

- Serve Veterans of all ages and wartime service periods by:
  - Acting as the agent of a resident of the state having a claim against the United States for benefits arising out of or by reason of service in the armed forces
  - Administering the State Soldiers Assistance Fund
  - Working to provide Veterans with a seamless transition from their military service through approved education and training programs, resulting in a career with permanent, full-time employment
  - Providing outreach and state-wide benefits advocacy to include services on tribal reservations
  - Providing burial and perpetual care for Veterans and their eligible dependents in three state Veterans cemeteries
  - Preventing and ending Veteran homelessness
- Work closely with community, state, and federal partners
- Approximately 100 employees throughout the state

**PURPOSE AND CONTEXT**

The mission of the Programs & Services Division (PSD) is to meet the needs of Minnesota Veterans and their families by providing proven and innovative programs and services, helping to maximize their quality of life, and providing final resting places that commemorate their service and honor their sacrifice to our Nation.

Minnesota is experiencing an increased demand for services due to both the aging of the Veteran population and as a result of 19 years of continuous conflict and ongoing military operations worldwide. For example, in FY 2018 the Minnesota Department of Veterans Affairs (MDVA) filed 3,076 state and federal benefits claims, while in FY 2019, MDVA filed 3,311 of the same benefits claims. Burials at our State Veterans Cemeteries were 616 in 2018, 776 in 2019, and 726 in 2020. The State Soldiers Assistance Program assisted 4,169 Veterans and family members in 2018 and 5,110 in 2019. The Minnesota GI Bill provided education funding to 1,411 Veterans and family members in 2019 and 1,876 in 2020. Additionally, the state and federal goal of bringing an end to Veteran homelessness is an area of special emphasis and increased activity within MDVA. It should be noted that the Veteran population in the state of Minnesota dropped from about 327,000 in 2018 to 322,000 in 2019. There is no foreseeable change to the military situation, so it is expected that demand for services will continue to increase in the coming months and years.

MDVA stands ready to meet Veterans' needs when they return to Minnesota. Many Veterans return with visible combat injuries such as amputated limbs, while many more carry invisible wounds such as traumatic brain injury and post-traumatic stress disorder. MDVA helps them meet their needs by providing assistance and support in accessing their higher education, medical, and financial assistance benefits.

The division also works to identify gaps in programming and services which may exist in the Veterans services community and addresses those shortcomings by providing innovative, Veteran-focused services to Minnesota Veterans, their dependents and survivors.

## SERVICES PROVIDED

- **Claims and Field Operations** staff represent Veterans and their family members by acting as their advocate in matters pertaining to the U.S. Department of Veterans Affairs (VA) benefits and entitlements. This division consists of the St. Paul and Fargo Claims offices, the Gold Star Families and Women’s Program, Tribal Veterans Service Officers, and Veterans Outreach. (<http://mn.gov/mdva/resources/healthdisability/>)
- **Veterans Employment and Education Division** helps Veterans and eligible family members navigate the complicated higher educational benefits system and promotes employment and self-sufficiency for those individuals. This division includes the Higher Education Veterans Program (Veterans Campus Representatives) and the State Approving Agency, and it also administers the Minnesota GI Bill and Veterans Employment Preference. (<http://mn.gov/mdva/resources/education/>)
- **State Veterans Cemeteries and Memorial Affairs** assures that Veterans and their families are honored with final resting places that have national significance and lasting tributes that commemorate their service and sacrifice to our nation. The division operates three Veterans cemeteries: one in Little Falls, one in Preston, and one in Duluth. It also manages the Military Funeral Honors Stipend Program and the Bronze Star Marker Program. (<http://mn.gov/mdva/memorials/>)
- **State Veterans Benefits Division** provides programs and services unique to Minnesota’s Veterans, leads the implementation of the goal in the state plan to End Veteran Homelessness, and supplements certain federal programs. The division manages the State Soldiers Assistance Program, Veterans homelessness initiatives, Minnesota Veteran S.O.A.R., LinkVet, Minnesota Service C.O.R.E., and the Minnesota Operation for Veterans Empowerment (M.O.V.E.). (<http://mn.gov/mdva/resources/familyassistance/>)
- **MDVA Grant Programs** provide needed funding to our partners who assist us in our goals of serving Veterans.
  - **Veterans Service Organizations (VSO) Grants** are provided to Congressionally Chartered Veterans Service Organizations in Minnesota to assist Veterans and their families receive all the federal, state and local benefits they are entitled to.
  - **County Veterans Service Officers (CVSO) Grants** are provided to all 87 counties to provide outreach for the reintegration of combat veterans into society; to collaborate with social service agencies, educational institutions, and other community organizations to enhance services offered to Veterans; to reduce homelessness; and to enhance the operations of the County Veterans Service Office. (<http://www.macvso.org/>)
  - **Minnesota Assistance Council for Veterans (MACV)**, funded through a grant from MDVA, provides assistance throughout Minnesota to Veterans and their families who are homeless or in danger of homelessness. (<http://www.mac-v.org/>)
  - **Support Our Troops (SOT) Grants** are competitive grants provided to eligible foundations and other organizations approved by the Commissioner, whose purpose is supporting and improving the lives of Veterans and their families. These grants are funded through the Support Our Troops License Plate Account. (<http://mn.gov/mdva/resources/federalresources/grants/>)

**Partners** – MDVA partners with the U.S. Department of Veterans Affairs (VA), Veterans Services Organizations (VSOs), County Veterans Service Officers (CVSOs), the Minnesota Assistance Council for Veterans (MACV) and other organizations to provide benefits and services to Veterans. Additionally, MDVA partners with a number of state agencies to accomplish its work.

## RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Per capita average of federal VA dollars being expended on benefits and services provided to Minnesota Veterans, their dependents, and survivors.	\$8,735	\$9,874	Federal FY18 & FY19
Quantity	Number of Veterans and their survivors who have MDVA staff acting as their accredited representative to the federal VA.	49,735	53,864	3/21/19 & 7/26/20
Quantity	Number of Minnesota GI Bill participants approved for Higher Education programs or OJT/Apprenticeship programs.	1,411	1,876	FY19 & FY20
Quantity	Number of interments and inurnments at the Minnesota State Veterans Cemeteries.	776	726	FY19 & FY20
Quantity	Number of Veterans and their dependents who were provided statewide, community-based counseling through C.O.R.E. program participation.	659	737	FY19 & FY20
Quality	Percent of C.O.R.E. program participants that were satisfied with the services received and indicated that the services met their needs	99%	100%	FY19 & FY20
Results	Number of Homeless Veterans identified in MN during HUD's annual Point in Time (PIT) Count.	644	315	Jan. 2010 & Jan. 2020

Minnesota Department of Veterans Affairs Programs & Services legal authority comes from:

- Minn. Stat. 197 (<https://www.revisor.mn.gov/statutes/cite/197>)

# Veterans Programs and Services

# Program Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
<b><u>Expenditures by Fund</u></b>								
1000 - General	16,857	18,275	22,444	25,935	21,135	21,135	25,030	24,660
2000 - Restrict Misc Special Revenue	1,954	1,808	2,418	1,633	1,853	1,833	1,853	1,833
2403 - Gift	18	80	27	33	33	33	33	33
3000 - Federal	4,030	1,636	24		4,000	1,990	4,000	1,990
3010 - Coronavirus Relief			269	510				
<b>Total</b>	<b>22,859</b>	<b>21,800</b>	<b>25,182</b>	<b>28,111</b>	<b>27,021</b>	<b>24,991</b>	<b>30,916</b>	<b>28,516</b>
Biennial Change				8,634		(1,281)		6,139
Biennial % Change				19		(2)		12
Governor's Change from Base								7,420
Governor's % Change from Base								14
<b><u>Expenditures by Activity</u></b>								
Veterans Services	2,462	2,679	2,882	3,084	3,073	3,073	3,573	3,073
Programs and Services	13,841	12,338	15,119	18,058	17,027	14,997	20,292	18,362
Claims and Outreach	6,556	6,783	7,181	6,969	6,921	6,921	7,051	7,081
<b>Total</b>	<b>22,859</b>	<b>21,800</b>	<b>25,182</b>	<b>28,111</b>	<b>27,021</b>	<b>24,991</b>	<b>30,916</b>	<b>28,516</b>
<b><u>Expenditures by Category</u></b>								
Compensation	7,990	8,473	9,476	9,777	9,576	9,593	9,706	9,853
Operating Expenses	3,518	5,646	4,642	5,341	4,810	4,819	8,375	8,084
Grants, Aids and Subsidies	7,537	6,996	10,992	12,565	8,384	8,384	8,384	8,384
Capital Outlay-Real Property	3,809	443	9	367	4,229	2,184	4,329	2,184
Other Financial Transaction	4	242	63	61	22	11	122	11
<b>Total</b>	<b>22,859</b>	<b>21,800</b>	<b>25,182</b>	<b>28,111</b>	<b>27,021</b>	<b>24,991</b>	<b>30,916</b>	<b>28,516</b>
Total Agency Expenditures	22,859	21,800	25,182	28,111	27,021	24,991	30,916	28,516
Internal Billing Expenditures	0							
<b>Expenditures Less Internal Billing</b>	<b>22,859</b>	<b>21,800</b>	<b>25,182</b>	<b>28,111</b>	<b>27,021</b>	<b>24,991</b>	<b>30,916</b>	<b>28,516</b>
<b><u>Full-Time Equivalent</u></b>	<b>100.36</b>	<b>101.79</b>	<b>108.82</b>	<b>110.51</b>	<b>107.84</b>	<b>107.16</b>	<b>110.34</b>	<b>109.66</b>

# Veterans Programs and Services

# Program Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
<b>1000 - General</b>								
Balance Forward In		1,242		4,800				
Direct Appropriation	17,335	17,448	24,380	18,153	18,153	18,153	22,048	21,678
Open Appropriation	2,807	3,350	3,028	3,000	3,000	3,000	3,000	3,000
Transfers In	14,767	16,675	13,639	13,054	12,978	12,978	13,208	13,338
Transfers Out	16,498	19,837	13,801	13,072	12,996	12,996	13,226	13,356
Cancellations	350	602						
Balance Forward Out	1,204		4,802					
<b>Expenditures</b>	<b>16,857</b>	<b>18,275</b>	<b>22,444</b>	<b>25,935</b>	<b>21,135</b>	<b>21,135</b>	<b>25,030</b>	<b>24,660</b>
Biennial Change in Expenditures				13,248		(6,109)		1,311
Biennial % Change in Expenditures				38		(13)		3
Governor's Change from Base								7,420
Governor's % Change from Base								18
Full-Time Equivalents	95.97	97.53	104.29	105.77	103.60	102.92	106.10	105.42

## 2000 - Restrict Misc Special Revenue

Balance Forward In	2,104	2,522	2,424	1,546	1,608	1,505	1,608	1,505
Receipts	843	846	969	1,146	1,201	1,249	1,201	1,249
Transfers In	1,193	619	631	549	549	549	549	549
Transfers Out	150	50	60					
Balance Forward Out	2,035	2,129	1,545	1,608	1,505	1,470	1,505	1,470
<b>Expenditures</b>	<b>1,954</b>	<b>1,808</b>	<b>2,418</b>	<b>1,633</b>	<b>1,853</b>	<b>1,833</b>	<b>1,853</b>	<b>1,833</b>
Biennial Change in Expenditures				289		(365)		(365)
Biennial % Change in Expenditures				8		(9)		(9)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	4.39	4.26	4.53	4.74	4.24	4.24	4.24	4.24

## 2403 - Gift

Balance Forward In	167	129	144	77	77	78	77	78
Receipts	8	71	6	12	13	13	13	13
Transfers In	22	37	24	21	21	21	21	21
Transfers Out	50	12	69					
Balance Forward Out	129	144	77	77	78	79	78	79

# Veterans Programs and Services

# Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
<b>Expenditures</b>	<b>18</b>	<b>80</b>	<b>27</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>
Biennial Change in Expenditures				(39)		6		6
Biennial % Change in Expenditures				(39)		10		10
Governor's Change from Base								0
Governor's % Change from Base								0

## 3000 - Federal

Balance Forward In	485							
Receipts	4,030	1,636	24		4,000	1,990	4,000	1,990
Transfers Out	485							
<b>Expenditures</b>	<b>4,030</b>	<b>1,636</b>	<b>24</b>		<b>4,000</b>	<b>1,990</b>	<b>4,000</b>	<b>1,990</b>
Biennial Change in Expenditures				(5,642)		5,966		5,966
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								0

## 3010 - Coronavirus Relief

Direct Appropriation			269	510	0	0	0	0
<b>Expenditures</b>			<b>269</b>	<b>510</b>				
Biennial Change in Expenditures				779		(779)		(779)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

## Program: Veterans Healthcare

[mn.gov/mdva/](http://mn.gov/mdva/)

### AT A GLANCE

- Five State Veterans Homes in Fergus Falls, Hastings, Luverne, Minneapolis, and Silver Bay
  - Provide 24/7 Skilled Nursing and Domiciliary Care
  - Centers for Medicare and Medicaid Services (CMS) Certification achieved at all four skilled homes
  - One of only three Adult Day Healthcare Programs (Medical Model) in the country
- Approximately 1,300 employees providing care to Veterans
- Work closely with state, federal, and community partners

### PURPOSE AND CONTEXT

The first Veterans Home was established in 1887 in Minneapolis as the Minnesota Soldiers Home to “reward the brave and deserving.” This Soldiers Home in Minneapolis was not primarily designed as a medical facility, but as the needs of Veterans changed, so too have the Veterans Homes. In the 1960s, Minnesota started shifting its primary focus to meet the healthcare needs of Veteran Residents in the State Veterans Homes. Today, MDVA operates five Veterans Homes located in Fergus Falls, Hastings, Luverne, Minneapolis, and Silver Bay, and one Adult Day Care program in Minneapolis.

Healthcare initiatives are reviewed annually both centrally and locally by all homes to ensure that both quality care and operational excellence are achieved. The following healthcare initiatives were developed with staff and stakeholder input, including agency-level policy and procedures to maintain consistent statewide outcomes. The MDVA healthcare program’s goal is to ensure that all facilities are working as one agency providing the highest level of care. Calendar year 2020 includes the following initiatives:

1. Infection Prevention (IP) –
  - a. **Goal:** Under the guidance of MDVA Healthcare senior leaders, each facility developed and continues to refine an IP strategy which includes the latest information from both the Centers for Disease Control & Prevention and the Minnesota Department of Health. This will allow all facilities to minimize the effects of COVID-19.
2. Hospice/Palliative Care
  - a. **Goal:** Develop staff competencies in the areas of palliative care, advance care planning, and hospice in all Veterans Homes to further enhance the clinical care provided to Residents and ensure dignity at end of life.
3. Resident Visits (Person Centered Care Approach and Telehealth)
  - a. **Goal:** During the pandemic, it has been challenging to provide meaningful visits, both social and healthcare. All MN Veterans Homes have adopted iPad visits between Residents and loved ones. All Homes have also added window visits, outdoor visits, and Essential Care Giver appointments. Telehealth visits have been widely used by the Homes. The goal is to maximize telehealth visits to minimize potential community virus exposure and ensure necessary specialty care consultation is offered.
4. Business Office Operations
  - a. **Goal:** Maximize revenues available through federal reimbursement. Medicare D has been and will be maximized through continuous reviews of medications and plans. Patient Drive Payment Model (PDPM) started in October 2019 as the new form of Centers for Medicare & Medicaid

Services (CMS) reimbursement. Staff at all facilities are adapting to capture maximum reimbursement.

5. Oral Healthcare

- a. **Goal:** The Healthcare division will implement an integrated oral health care strategy within all of the homes that includes education for direct care staff on daily oral care, applying for grants to provide dental care services, use of the federal VA dental benefits for those Veterans eligible to receive them, and evaluating the possibility of expanding advanced dental clinics at the other Minnesota Veterans Homes beyond Minneapolis.

6. Veteran Suicide Reduction

- a. **Goal:** The Healthcare division has taken on a new initiative and priority of the Administration which is to reduce Veteran suicide rates in Minnesota. Current data shows that more than 100 Veterans die by suicide annually in Minnesota. Minnesota has joined a national effort to reduce those rates by becoming active members in the “Governor’s Challenge to Reduce Veteran Suicide.” MDVA has actively partnered with Minnesota Department of Health, the Federal VA, County Veteran Service Officers, Veterans Service Organizations, and other entities on this effort.

### SERVICES PROVIDED

MDVA provides care that is designed and delivered according to the individual needs of the Resident. MDVA homes have the goal of restoring, optimizing, and/or maintaining each Resident’s level of function, personal autonomy, and dignity while recognizing the individual’s service to the country.

The following programs and services are offered in each Veterans Home:

- Specialty care units for those diagnosed with dementia
- Rehabilitation services – including occupational and physical therapy – and physical fitness
- Social services, recreational therapy, and behavioral services
- Coordination of appointments with the closest federal VA Medical Center, including transportation and clinical coordination
- Volunteer programs
- Drug and alcohol supportive services
- Vocational rehabilitation
- On-site specialty services – dental, ophthalmology, audiology, podiatry
- Primary medical care

In recent years, a stable senior leadership team committed to Veteran-centric care has developed uniform changes to improve operations and experience across the system that include:

- Implementation of Resident-centered care and family centered-care models at all of the Veterans Homes to meet the unique individualized care of Veterans and their families.
- Development of three paths to Domiciliary Care designed to meet the Veteran where they are in life and determine together how to overcome challenges to maximize goals.
- Clinical care advancements to include innovative programming that cares for Veterans with dementia diagnoses, addressing complex medical needs and diagnosis by implementing enhancements in clinical record documentation modules, and involving students in the day-to-day operations at all homes.
- Implementation of a standardized scheduling and timekeeping software system utilized by all MN Veterans Homes for staff ease in scheduling and timekeeping functions, and to allow for future analysis regarding employee costs to guide operational decisions in the future.
- Asset preservation and repair and betterment funding as an ongoing necessity to extend the useful life and maintain aging facilities at all locations.
- The four skilled nursing facilities continue to make facility refinements for the long-term health of the facilities. Hastings is developing a 25-year plan for much needed updates to the extensive tunnel network and all 12 buildings on campus.

- Compliance with CMS standards for the purpose of enhancing the level of care provided at the Veterans Homes and generating an opportunity to bill services to the federal government under the Medicare insurance programs.

## RESULTS

The MN Veterans Homes provide a community environment for Veterans and families that promotes respect, dignity, and mental, physical and spiritual well-being. Providing enhanced mental health and chemical dependency training as dedicated professionals, our staff can promote and support transition of domiciliary residents back to their communities. The key measures include customer satisfaction, staff turnover, and the prevalence of citations or recommendations from the Minnesota Department of Health, the Federal Department of Veteran Affairs, and CMS.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quality	Resident Satisfaction Survey. Customer satisfaction surveys are conducted at all five Veterans Homes by Pinnacle Quality Insight on a monthly basis, dating back to 2009, and comparative results are calculated quarterly and annually. The company surveys Residents and families on a number of key indicators which include nursing, response to individual needs, therapy, safety and cleanliness. The results are then compared to other Veterans Homes and nursing homes across the country. Minnesota Veterans Homes have earned "Best in Class" certificates for their scores.	4.72 (low = 1, high = 5)	4.82 (low = 1, high = 5)	2017 & 2019
Quality	The annual CMS 5 Star Staffing Report continues to score at the higher end of the rating. MDVA's goal is to maintain a 4 or 5-star overall staffing ratio at the Skilled Veterans Homes, and this goal has been met for the past two years.	4 or 5- Star	4 or 5- Star	2017 & 2019

In addition to Resident and staff surveys, over the past several years Minnesota Veterans Homes have had several citation-free federal VA surveys, surveys with very few recommendations by the Minnesota Department of Health, and good certification surveys by the Centers for Medicare and Medicaid Services (CMS).

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Minnesota Department of Veterans Affairs legal authority comes from M.S. 198.01  
<https://www.revisor.mn.gov/statutes/?id=198.01>

# Veterans Health Care

# Program Expenditure Overview

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
<b><i>Expenditures by Fund</i></b>								
1000 - General							1,000	650
2000 - Restrict Misc Special Revenue	514	165	170	199	171	171	171	171
2001 - Other Misc Special Revenue	107,992	112,505	118,007	121,709	119,839	122,112	123,198	126,387
2403 - Gift	485	662	659	741	728	728	728	728
3000 - Federal	10,237	9						
3010 - Coronavirus Relief			1,880	4,100				
6000 - Miscellaneous Agency	1,579	1,438	1,276	1,457	1,423	1,423	1,423	1,423
<b>Total</b>	<b>120,807</b>	<b>114,780</b>	<b>121,991</b>	<b>128,206</b>	<b>122,161</b>	<b>124,434</b>	<b>126,520</b>	<b>129,359</b>
Biennial Change				14,610		(3,602)		5,682
Biennial % Change				6		(1)		2
Governor's Change from Base								9,284
Governor's % Change from Base								4

## ***Expenditures by Activity***

Veterans Health Care	6,349	6,640	9,504	12,262	7,914	8,045	9,232	9,067
Minneapolis Veterans Homes	63,733	56,160	59,023	60,655	59,649	60,792	61,293	62,901
Hastings Veterans Home	10,399	10,341	11,121	11,408	11,360	11,536	11,605	11,852
Silver Bay Veterans Homes	13,992	14,480	14,155	14,653	14,557	14,830	14,939	15,320
Luverne Veterans Home	11,671	11,875	12,469	12,967	12,673	12,917	13,014	13,354
Fergus Falls Veterans Home	14,663	15,285	15,719	16,261	16,008	16,314	16,437	16,865
<b>Total</b>	<b>120,807</b>	<b>114,780</b>	<b>121,991</b>	<b>128,206</b>	<b>122,161</b>	<b>124,434</b>	<b>126,520</b>	<b>129,359</b>

## ***Expenditures by Category***

Compensation	87,290	91,573	96,445	98,721	97,608	99,709	101,070	104,101
Operating Expenses	31,575	21,385	23,837	27,353	22,838	22,959	23,735	23,492
Grants, Aids and Subsidies	1,666	1,486	1,386	1,428	1,391	1,391	1,391	1,391
Capital Outlay-Real Property	25	165	198	416				
Other Financial Transaction	251	171	125	288	324	375	324	375
<b>Total</b>	<b>120,807</b>	<b>114,780</b>	<b>121,991</b>	<b>128,206</b>	<b>122,161</b>	<b>124,434</b>	<b>126,520</b>	<b>129,359</b>

## ***Full-Time Equivalent***

<b>1,142.18</b>	<b>1,171.79</b>	<b>1,176.10</b>	<b>1,176.10</b>	<b>1,142.21</b>	<b>1,142.21</b>	<b>1,177.81</b>	<b>1,177.81</b>
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# Veterans Health Care

# Program Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
<b>1000 - General</b>								
Direct Appropriation	57,575	58,173	57,761	57,761	57,761	57,761	62,120	62,686
Transfers In	60							
Transfers Out	57,635	58,173	57,761	57,761	57,761	57,761	61,120	62,036
<b>Expenditures</b>							<b>1,000</b>	<b>650</b>
Biennial Change in Expenditures				0		0		1,650
Biennial % Change in Expenditures								
Governor's Change from Base								1,650
Governor's % Change from Base								
Full-Time Equivalents							2.00	2.00

## 2000 - Restrict Misc Special Revenue

Balance Forward In	263	165	127	130	128	128	128	128
Receipts	407	127	173	197	171	171	171	171
Balance Forward Out	156	127	130	128	128	128	128	128
<b>Expenditures</b>	<b>514</b>	<b>165</b>	<b>170</b>	<b>199</b>	<b>171</b>	<b>171</b>	<b>171</b>	<b>171</b>
Biennial Change in Expenditures				(310)		(27)		(27)
Biennial % Change in Expenditures				(46)		(7)		(7)
Governor's Change from Base								0
Governor's % Change from Base								0

## 2001 - Other Misc Special Revenue

Balance Forward In	12,359	13,669	13,896	12,389	1,600	1,300	1,600	1,300
Receipts	51,361	54,192	58,773	53,195	61,814	64,087	61,814	64,087
Transfers In	119,875	127,559	131,225	133,408	115,881	115,972	122,599	124,522
Transfers Out	62,332	69,416	73,501	75,683	58,156	58,247	61,515	62,522
Balance Forward Out	13,271	13,499	12,387	1,600	1,300	1,000	1,300	1,000
<b>Expenditures</b>	<b>107,992</b>	<b>112,505</b>	<b>118,007</b>	<b>121,709</b>	<b>119,839</b>	<b>122,112</b>	<b>123,198</b>	<b>126,387</b>
Biennial Change in Expenditures				19,218		2,235		9,869
Biennial % Change in Expenditures				9		1		4
Governor's Change from Base								7,634
Governor's % Change from Base								3
Full-Time Equivalents	1,141.12	1,170.98	1,175.09	1,175.09	1,141.20	1,141.20	1,174.80	1,174.80

# Veterans Health Care

# Program Financing by Fund

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23

## 2403 - Gift

Balance Forward In	1,509	1,738	1,922	2,020	1,970	1,933	1,970	1,933
Receipts	698	838	757	691	691	691	691	691
Balance Forward Out	1,723	1,914	2,020	1,970	1,933	1,896	1,933	1,896
<b>Expenditures</b>	<b>485</b>	<b>662</b>	<b>659</b>	<b>741</b>	<b>728</b>	<b>728</b>	<b>728</b>	<b>728</b>
Biennial Change in Expenditures				253		56		56
Biennial % Change in Expenditures				22		4		4
Governor's Change from Base								0
Governor's % Change from Base								0

## 3000 - Federal

Receipts	10,237	9						
<b>Expenditures</b>	<b>10,237</b>	<b>9</b>						
Biennial Change in Expenditures				(10,246)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								

## 3010 - Coronavirus Relief

Direct Appropriation			1,880	4,100	0	0	0	0
<b>Expenditures</b>			<b>1,880</b>	<b>4,100</b>				
Biennial Change in Expenditures				5,980		(5,980)		(5,980)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

## 6000 - Miscellaneous Agency

Balance Forward In	284	315	338	501	467	467	467	467
Receipts	1,607	1,460	1,440	1,423	1,423	1,423	1,423	1,423
Balance Forward Out	311	336	503	467	467	467	467	467
<b>Expenditures</b>	<b>1,579</b>	<b>1,438</b>	<b>1,276</b>	<b>1,457</b>	<b>1,423</b>	<b>1,423</b>	<b>1,423</b>	<b>1,423</b>
Biennial Change in Expenditures				(285)		113		113

# Veterans Health Care

# Program Financing by Fund

*(Dollars in Thousands)*

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY18	FY19	FY20	FY21	FY22	FY23	FY22	FY23
Biennial % Change in Expenditures				(9)		4		4
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.06	0.81	1.01	1.01	1.01	1.01	1.01	1.01

## Veterans Affairs

## Federal Funds Summary

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	New Grant	FY 2020 Actuals	FY 2021 Budget	FY 2022 Base	FY 2023 Base	Required State Match or MOE?	FTEs
U.S Department of Veterans Affairs 64.203	<b>Redwood Falls Cemetery</b> FAI: MN-09-04. New state Veterans Cemetery in southwestern MN provides burial space for the estimated 22,000 Veterans that reside with a 75-mile radius of Redwood Falls.	New			\$ 4,000	\$ 1,990	MOE	
U.S Department of Veterans Affairs 64.203	<b>Duluth Cemetery</b> FAI: MN-08-03. Completion of State cemetery in northeastern MN which provides burial space for the nearly 32,000 veterans that reside within the 75-mile radius of the Duluth area.	On-Going	\$ 24				MOE	
	<b>Veterans Programs and Services Program Total</b>		\$ 24	\$ -	\$ 4,000	\$ 1,990		0
	<b>Federal Fund – Agency Total</b>		\$ 24	\$ -	\$ 4,000	\$ 1,990		0

## Federal Funds Summary Narrative

Federal Funds have played a significant role in years past to help fund capital construction projects for new Veterans Homes and State Cemeteries at the Minnesota Department of Veterans Affairs. On Oct 1, 2020 MDVA was notified of a federal funding opportunity to construct the departments fourth State Veterans Cemetery to be located near Redwood Falls in Redwood County. This federal funding opportunity is for \$5.99M. The federal funds will be used to design and construct this new cemetery. Property for this project is being donated to the State of MN by Redwood County. In addition, federal funds were received in FY20 to complete the cemetery in Duluth.

### VA Construction Grants for State Cemeteries

The VA's construction grant program for State Veterans Cemeteries requires the State to provide 100% of the funding for the base design of a cemetery project whether new construction or expansion of phased gravesite development. The State must certify the availability of these funds before a project can be considered for federal grant funding. Once a project is awarded a federal grant, the grant does reimburse the State for the base design costs and all construction costs as there is no state match requirement other than on-going State funds to operate the cemetery. A memorandum of understanding signed by the State is required prior to federal grant funding which requires a maintenance of effort provision that states that the State will operate and maintain the cemetery according to standards and measures as defined by the National Cemetery Administration. The State of Minnesota will also be required to provide operating funds for this new cemetery which require an annual State General Fund appropriation to support seven FTE's and one-time equipment costs. The State is also required to follow the eligibility criteria for burials as defined in federal law. The VA's construction grant program for State Veterans Cemeteries also has a recapture provision allowing the federal government to recapture 100% of the grant dollars awarded if the State doesn't abide by the signed memorandum of understanding.

### VA Construction Grants for State Veterans Homes

The VA's construction grant program for State Veterans Homes requires the State to provide 35% of the funding for the predesign, design and construction of a new Home or remodel of an existing one. The State must certify the availability of these funds before a project can be considered for federal grant funding. Once a project is awarded a federal grant, the grant reimburses 65% of the construction costs within the parameters of the Memorandum of Agreement. A memorandum of agreement signed by the State is required prior to federal grant funding which requires a maintenance of effort provision that states that the State will operate and maintain the Home according to standards and measures as defined by the Federal Department of Veterans Affairs, as well as other State (MDH) and Federal regulatory agencies (CMS). The VA's construction grant program for State Veterans Homes also has a recapture provision allowing the federal government to recapture 100% of the grant dollars awarded if the State doesn't abide by the signed memorandum of agreement. These additional funds are not recognized in this summary due to the uncertainty of when and if these funds will be received.

MDVA submitted a request for a VA construction program grant in April of 2019 to provide federal funds for the construction of three new State Veterans Homes which received State funding approval in the 2018 legislative session, MDVA is now in the Priority 1 category and waiting on approval of federal matching funds.

The following language is contained in 2018 Minnesota session law, Chapter 214.

#### Subd. 3. Bemidji, Montevideo, and Preston-New Veterans Homes \$32,000,000

(a) \$12,400,000 of this appropriation is to predesign, design, construct, furnish, and equip a veterans home in Bemidji. \$9,400,000 of this appropriation is to predesign, design, construct, furnish, and equip a veterans home in Montevideo. \$10,200,000 of this appropriation is to predesign, design, construct, furnish, and equip a veterans home in Preston.

(b) These veterans homes are subject to the requirements of the People's Veterans Homes Act in article 2.

#### Sec. 44. VETERANS HOMES CONSTRUCTION

Subdivision 1. Short title. This section may be cited as the "People's Veterans Homes Act."

Subd. 2. Veterans homes established. (a) The commissioner of veteran's affairs may apply for federal funding and establish veterans homes with up to 72 beds per facility available to provide a continuum of care, including skilled nursing care, for eligible veterans and their spouses in the following locations:

- (1) Preston
- (2) Montevideo
- (3) Bemidji

- (a) The state shall provide the necessary operating costs for the veterans homes in excess of any revenue and federal funding for the homes that may be required to continue the operation of the homes and care for Minnesota Veterans.

Subd. 3. Nonstate contribution. The commissioner of administration may accept contributions of land or money from private individuals, businesses, local governments, veterans service organizations, and other nonstate sources for the purpose of providing matching funding when soliciting federal funding for the development of the homes authorized by this section.

**Other Federal Funds**

The department also received operational funding reimbursements from the U.S. Department of Veterans Affairs (VA) for the following programs in FY20 that were not reported above.

- 1) State Approving Agency Program for the Federal GI Bill educational institution reviews = \$379,000
- 2) State Veterans Homes Program- Medicare A, B, D and Aid & Attendance for care of Veterans = \$2,878,000
- 3) State Cemetery Program for - Veteran burial reimbursements = \$397,000
- 4) State Veterans Homes Program - Per diem reimbursements for Veterans healthcare = \$36,974,000