



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

---

June 1, 2001

Joint Committee on Finance

Paper #987

### **Transportation Services Grant for Disabled Veterans (Veterans Affairs -- Trust Fund Programs and Veterans Benefits)**

[LFB 2001-03 Budget Summary: Page 704, #5]

---

#### **CURRENT LAW**

No provision.

#### **GOVERNOR**

Provide \$100,000 SEG annually and create an annual appropriation funded from the Veterans Trust Fund to support grants to the Wisconsin Chapter of the Disabled American Veterans (DAV) to provide transportation services to veterans. Direct the Department to make an annual grant in the amount of \$100,000 to the organization.

#### **DISCUSSION POINTS**

1. The Wisconsin Chapter of the DAV has been operating a Disabled American Veterans Transportation Network program since 1987. Using volunteer drivers, the program provides regularly scheduled, free transportation services for disabled veterans from various localities to the U. S. Veterans Administration medical centers in Milwaukee, Madison, and Tomah and to their outpatient clinics in Appleton and Tomah.

2. Currently, there are 17 vans in operation. They are located in Milwaukee (4), Appleton (2), Green Bay (2), Superior (2), and one each in Kenosha, La Crosse, Madison, Rhinelander, Stevens Point, Tomah and Waukesha. During 1999, the last year for which complete data is available, the DAV program transported 16,062 veterans over 605,981 miles. A total of 31,826 volunteer hours were logged in providing this effort.

3. The DAV has a small paid coordinating staff to operate its transportation network and pays volunteer drivers \$0.20 per mile, subject to a \$60 per trip maximum. The program purchases the vans used to transport the veterans and then donates the vans to the USDVA medical center with the understanding that the vehicles will be for the exclusive use of the Disabled American Veterans Transportation Network program. Under this arrangement the USDVA funds the fuel, maintenance and insurance expenses of the donated vehicles.

4. The DAV has funded the operation of its transportation network through a combination of donations and contributions from its parent national organization, local fundraising and proceeds from the DAV's thrift shop operations. The thrift stores have been the major source of support for the program since its inception but have become unprofitable and are no longer producing an income stream capable of fully supporting the DAV's transportation programs.

5. The DAV's projected annual funding needs for operating the transportation program as follows:

<u>Cost Item</u>	<u>Amount</u>
Program Salaries and Fringe Benefits	\$82,000
Annual Van Purchases (2 Vans)	50,000
Travel Expense Reimbursements	32,000
Miscellaneous Supplies and Services	<u>13,600</u>
Total	\$177,600

6. The DAV currently anticipates that it can maintain a reasonably reliable revenue stream from contributions and donations of at least \$72,100 annually, leaving a projected annual program deficit of \$105,500. The state DAV has indicated to the Department that it has sought additional revenue from other outside sources but has not secured enough commitments to fund the full amount of the deficit.

7. In lieu of curtailing its transportation services operation to bring expenses in line with projected revenues, the DAV has now turned to the state for funding for a significant portion of this projected deficit in its Disabled American Veterans Transportation Network program. The Governor has recommended providing \$100,000 SEG annually from the Veterans Trust Fund for this purpose.

8. The Department has now indicated that it wishes to provide a total of \$80,000 SEG annually to the DAV program to enable it to continue services in the 26 counties currently served by the organizations transportation network. The agency would like to utilize the remaining \$20,000 SEG annually for grants to county veterans service organizations in the other 46 counties of the state not served by the DAV program to offset these organizations' costs of providing veterans transportation services.

9. In order to accomplish the Department's intended use of the funding, the Governor's recommendations would have to be modified to direct the Department to make an annual grant of \$80,000 SEG to the DAV program and to shift \$20,000 SEG annually to the existing payments to veterans organizations appropriation [s. 20.485(2)(vw)]. This appropriation would also have to be amended to permit its use to provide transportation services to veterans.

10. Funding for the proposed transportation services program would represent a new, additional draw on the Veterans Trust Fund. The program would be established on a permanent basis, and future cost increases associated with this type of program could well occur. The Department has projected that the Veterans Trust Fund balance will be approximately \$27.8 million at the conclusion of the current fiscal year. However, under the bill, this balance is projected to fall to approximately \$5.9 million by the end of the 2001-03 biennium.

11. If the Committee concludes that the state should assume a portion of the costs of the Disabled American Veterans Transportation Network program that the DAV can no longer support and that these on-going costs should be funded from the Veterans Trust Fund, then it could approve the Governor's recommendation.

12. However, if the Committee chooses to fund the Governor's recommendation, it may wish to consider whether any of the funding provided by the state should be used to purchase vans for transportation that would then be donated to the federal government for use by the DAV program. If the Committee believes that this would be an undesirable use of state Veterans Trust Fund monies, it could place a limitation on the use of the grant funds to provide that they may be used only to support the general operational expenses of the program and may not be used for vehicle purchases.

13. Alternatively, if the Committee has concerns that the establishment of a new veterans transportation program will result in future, on-going commitments from a diminished Veterans Trust Fund or concludes that a more modest DAV program should be continued by that organization within the limitations of the current income stream of private contributions and donations, it could delete the Governor's recommendation.

## **ALTERNATIVES TO BILL**

1. Approve the Governor's recommendation.
2. Modify the Governor's recommendation by adopting *either or both* of the following alternatives:
  - a. Allocate \$80,000 SEG annually for the Disabled American Veterans Transportation Network program and direct the Department to make an annual grant for that purpose. Allocate \$20,000 SEG annually under the existing payment to veterans organizations appropriation [s. 20.485(2)(vw)] to permit DVA to make transportation services grants to organizations in counties that are not served by the Disabled American Veterans Transportation Network program. Modify

both the agency's existing s. 20.485(2)(vw) appropriation and its new authority to make transportation services grants to reflect the payment of such grants to county veterans service organizations.

b. Provide that the transportation services grants may be used only to support the general operational expenses of the program and may not be used for vehicle purchases.

3. Delete the Governor's recommendation.

<b>Alternative 3</b>	<b>SEG</b>
<b>2001-03 FUNDING</b> (Change to Bill)	- \$200,000

Prepared by: Darin Renner