Veterans Affairs

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10	Veterans Outreach and Recovery Program (Paper #832)
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LFB Summary Item Addressed in Standard Budget Adjustments (Paper #105)

Item #	Title
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LFB Summary Items Addressed in Sum Sufficient Estimates (Paper #106)

Item #	Title
2	Veterans Trust Fund -- GPR Supplement
8	Debt Service Reestimate

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May 23, 2023 Joint Committee on Finance Paper #830

Veterans Trust Fund (Miscellaneous Appropriations and Veterans Affairs)

[LFB 2023-25 Budget Summary: Page 423, #1 and Page 675, #2]

CURRENT LAW

The veterans trust fund (VTF) is a segregated fund that supports most of the grant and benefits programs administered by the Department of Veterans Affairs (DVA). For much of its early history, the main sources of revenues to the VTF had been transfers from other funds, including the general fund, the veterans mortgage loan repayment fund (now defunct), and the deposit of net proceeds from the sale of mortgage loan assets.

In the 1990s and early 2000s, the VTF received significant revenue from repayments of loans under the veterans personal loan program, which is no longer operating. As these loan repayments decreased due to reduced loan activity, the fund became increasingly dependent on revenue transfers from other sources. Between 2007 and 2019, the fund received a series of transfers, totaling $56.1 million, from program revenues DVA collected from operating the state veterans homes, and $10.3 million from the state's general fund.

2019 Wisconsin Act 9 (the 2019-21 biennial budget act) established an ongoing, sum sufficient GPR appropriation to make transfers to the VTF and authorized the Department of Administration to makes such transfers as necessary to support appropriations funded from the segregated trust fund, beginning in 2019-20.

DISCUSSION POINTS

1. The current method of funding grant and benefits programs administered by DVA is unnecessarily complex because the VTF is supported almost entirely from GPR supplements. Unlike other segregated funds, such as the transportation or conservation funds, DVA does not assess license fees or other user fees to support its programs. For this reason, nearly all SEG expenditures from the VTF are, in practice, GPR-supported expenditures.

2. Further, all changes in appropriations for DVA's SEG-funded programs affect the amount of the GPR supplements DOA must transfer to the VTF in order to maintain positive balances in the trust fund. For example, an increase in funding for DVA's funeral and cemetery programs requires not only an increase in the SEG appropriation that funds these programs, but also requires a corresponding increase in the GPR supplements appropriation to ensure that there is sufficient revenue to support the SEG funding increase. Consequently, nearly all SEG-supported expenditures are double-counted in the appropriation schedule in each budget act.

3. The current funding mechanism requires the Administration to estimate the amount of the annual GPR supplemental payments that will be transferred annually as part of the biennial budget act. This requires tracking DVA's SEG spending authority and estimating annual lapses from the SEG appropriations.

4. DVA routinely lapses funding from several of its SEG appropriations at the end of each fiscal year. For example, in 2021-22, DVA was budgeted $8,424,500 SEG and 69.67 positions to support the administration of its grant and aids programs. In that year, DVA carried forward $105,800 from the previous year, expended $6,546,300 from the appropriation, encumbered $253,300, and lapsed $1,730,700, or 20.5% of the 2021-22 appropriation amount. In 2021-22, DVA was budgeted $820,000 to fund health benefits under DVA's assistance to needy veterans program, but expended only $56,000 from the appropriation, or less than 7% of the amount budgeted.

5. Table 1 summarizes the Administration's estimates of revenue, expenditures and balances in the VTF for the 2023-25 biennium under AB 43/SB 70.

TABLE 1

Veterans Trust Fund Revenue, Expenditures and Balances
AB 43/SB 70

	2023-24	2024-25	2023-25	2023-25 Percent of Total
Opening Balance	$1,744,300	$1,211,700		
Revenue				
VTF	$350,000	$350,000	$700,000	1.9%
GPR Transfer	18,250,000	18,000,000	36,250,000	98.1
Total	$18,600,000	$18,350,000	$36,950,000	100.0%
Total Available	$20,344,300	$19,561,700		
Expenditures				
DVA Appropriations	$24,632,600	$24,991,500	$49,624,100	128.5%
Lapse	-5,500,000	-5,500,000	-11,000,000	-28.5
Net Expenditures	$19,132,600	$19,491,500	$38,624,100	100.0%
Year End Balance	$1,211,700	$70,200		

6. Table 1 shows that:

- In the 2023-25 biennium, the Administration estimates that GPR supplements will account for more than 98% of the total revenue to the VTF.

- In the 2023-25 biennium, DVA is budgeted $49.6 million SEG from the VTF, but DOA estimates that DVA will lapse an estimated $11.0 million, approximately 28% of the funding budgeted in its appropriations.

7. Budgeting amounts that significantly exceed actual program costs and estimating lapses from these appropriations misrepresents actual program activity, and provides the Department greater flexibility to fund unbudgeted costs than the agency would otherwise have.

8. In order to budget DVA's programs in a manner more similar to other state agencies, the Committee could simplify DVA's appropriation structure by repealing the veterans trust fund and modifying SEG-supported appropriations as follows:

(a) Converting 21 of DVA's SEG appropriations to GPR appropriations, and converting the SEG positions authorized in these appropriations to GPR positions;

(b) Repealing the GPR appropriation that provides supplements to the VTF;

(c) Converting three SEG appropriations that receive dedicated revenues to PR appropriations that DVA would use to fund these appropriations' current purposes;

(d) Repealing one obsolete SEG appropriation;

(e) Retitling and converting two SEG-FED appropriations to FED appropriations;

(f) Transferring any balances in the affected appropriations to the new appropriations; and

(g) Crediting all revenues that are currently deposited in the VTF, including fees collected for veteran-themed special vehicle registration plates, to the program revenue account for the veterans homes.

9. Attachment 1 lists the SEG DVA appropriations currently supported by the VTF, the amounts expended from each of these appropriations in 2021-22, the adjusted base funding for these appropriations, and standard budget adjustments for these appropriations for the 2023-25 biennium. Note that the appropriation that funds the assistance to needy veterans program under s. 20.485(2)(vm) supports two programs that DVA budgets separately--subsistence payments and health care services provided to veterans--so the attachment lists each of these programs separately. Under Alternative 1, these appropriations would be converted from SEG to GPR appropriations.

10. Attachment 2 indicates other changes that would be made to each of these appropriations under the option outlined in Discussion Point 8.

11. As shown in Table 1, the Administration estimates that, in total, $5.5 million will lapse from the SEG appropriations in each year of the 2023-25 biennium, which is approximately

$1,343,800 greater than the underspending from VTF appropriations in 2021-22 ($4,156,200). On May 2, 2023, the Committee adopted Motion 106 that included a reestimate of the sum sufficient GPR supplemental appropriation transfer to the VTF in each year of the 2023-25 biennium to be $15,100,000 in 2023-24 and $14,400,000 in 2024-25. If the Committee chooses to simplify budgeting for DVA's SEG-supported appropriations, as described in the Discussion Point 8 and the Attachment, the sum sufficient appropriation would be repealed, which would partially offset the GPR cost of converting the current SEG appropriations to GPR appropriations.

12. The GPR increase shown in the box for Alternative 1 reflects that the new GPR appropriations for DVA would be funded at the same (base) budgeted levels as the current SEG appropriations. Also, based on the 2021-22 actual lapses and underspending from these appropriations ($4.2 million), it can be estimated the $3.5 million in 2023-24 and $4.0 million in 2024-25 would lapse from the new GPR appropriations. In summary, under Alternative 1, there would be a slight effect on the general fund ($53,800), an increase of $572,800 PR and a SEG decrease of $37,626,600.

ALTERNATIVES

1. Repeal the veterans trust fund and the GPR appropriation that funds transfers from the general fund to the VTF (-$15,100,000 GPR in 2023-24 and -$14,400,000 GPR in 2024-25).

Modify DVA SEG appropriations funded from the VTF, as shown in Attachments 1 and 2, by: (a) converting 21 SEG appropriations to GPR appropriations, beginning in 2023-24 ($18,512,500 GPR and -$18,512,500 SEG in 2023-24 and $18,541,300 GPR and -$18,541,300 SEG and in 2024-25) and converting 98.12 SEG positions to GPR positions, beginning in 2023-24; (b) converting 3.0 SEG appropriations to PR appropriations, beginning in 2023-24 ($286,400 PR and -$286,400 SEG annually); (c) repealing an unfunded appropriation; and (d) re-designating two SEG-F positions to FED positions, beginning in 2023-24. Increase estimates of GPR lapses by $3.5 million in 2023-24 and by $4.0 million in 2024-25.

ALT 1	**Change to Base**	
	Funding	Positions
GPR	$7,553,800	98.12
PR	572,800	00.00
SEG	- 37,626,600	- 98.12
Total	- $29,500,000	00.00
GPR-Lapse	$7,500,000	

2. Take no action.

Prepared by: Charles Morgan
Attachments

ATTACHMENT 1

DVA SEG Appropriations

Convert to GPR under Alternative 1

Appropriation	Title	2021-22 Expenditures	2023-24 Base	2023-24 Standard Budget Adjustments	2023-24 Total	2023-24 Base Positions	2024-25 Standard Budget Adjustments	2024-25 Total	2024-25 Base Positions	2021-22 Underspending
(2)(qm)	Veterans employment and entrepreneurship grants	$432,016	$500,000	$0	$500,000	0.00	$0	$500,000	0.00	$67,984
(2)(qs)	Veterans outreach and recovery program	1,278,990	1,609,500	-28,600	1,580,900	14.75	-28,600	1,580,900	14.75	280,357
(2)(rm)	Veterans assistance program	612,750	662,900	-5,400	657,500	1.25	-5,400	657,500	1.25	39,861
(2)(rn)	Fish and game vouchers	344	15,000	0	15,000	0.00	0	15,000	0.00	14,656
(2)(s)	Transportation payment	300,000	300,000	0	300,000	0.00	0	300,000	0.00	0
(2)(sm)	Military funeral honors	342,750	304,500	0	304,500	0.00	0	304,500	0.00	11,750
(2)(tf)	Veterans tuition reimbursement	11,044	486,800	0	486,800	0.00	0	486,800	0.00	592,356
(2)(tj)	Retraining assistance program grants	21,000	210,000	0	210,000	0.00	0	210,000	0.00	189,000
(2)(u)	Administration of loans and aids to veterans	6,546,274	8,837,700	-173,700	8,664,000	69.67	-144,900	8,692,800	69.67	1,730,716
(2)(vm)*	Assistance to needy veterans -- subsistence grants	15,971	100,000	0	100,000	0.00	0	100,000	0.00	84,029
(2)(vs)	Grant to Camp American Legion	75,000	75,000	0	75,000	0.00	0	75,000	0.00	0
(2)(vu)	Grants for tribal veterans service officers	48,800	48,800	0	48,800	0.00	0	48,800	0.00	0
(2)(vw)	Payments to veterans organizations for claim services	248,119	348,000	0	348,000	0.00	0	348,000	0.00	99,881
(2)(vx)	County veterans service office grants	832,150	837,200	0	837,200	0.00	0	837,200	0.00	5,050
(2)(yn)	Veterans trust fund loans and expenses	5,852	50,000	0	50,000	0.00	0	50,000	0.00	44,148
(2)(yo)	Debt payment on bonds issued for veterans loans	0	0	0	0	0.00	0	0	0.00	0
(2)(vm)*	Assistance to needy veterans -- health care	56,015	720,000	0	720,000	0.00	0	720,000	0.00	663,985
(4)(qm)	Repayment of principal and interest -- cemeteries	753	200	0	200	0.00	0	200	0.00	47
(4)(r)	Cemetery energy costs	70,836	106,300	0	106,300	0.00	0	106,300	0.00	35,464
(5)(tm)*	Museum facilities -- facility improvements	0	52,800	0	52,800	0.00	0	52,800	0.00	0
(5)(vo)	Veterans of World War I -- educational materials	495	2,500	0	2,500	0.00	0	2,500	0.00	2,005
(5)(wd)	Operation of the Wisconsin Veterans Museum	3,419,900	3,452,400	600	3,453,000	12.45	600	3,453,000	12.45	294,932
Total		$14,319,058	$18,719,600	-$207,100	$18,512,500	98.12	-$178,300	$18,541,300	98.12	$4,156,223

*The veterans assistance program under s. 45.40 of the statutes and funded from the appropriation under s. 20.485(2)(vm) has two components that are budgeted separately -- subsistence aid and health care.

** This appropriation is a continuing appropriation, and does not lapse money at the end of each fiscal year. At the end of 2021-22, the appropriation balance was $365,908.

ATTACHMENT 2

Other Appropriation Changes

Under Alternative 1

Appropriation	Title	2021-22 Expenditures	2023-24 Base	2023-24 Standard Budget Adjustments	2023-24 Total	2023-24 Base Positions	2024-25 Standard Budget Adjustments	2024-25 Total	2024-25 Base Positions
1. Convert the following appropriations from SEG to PR									
(2)(rp)	Veterans assistance program receipts	$146,000	$115,500	$0	$115,500	0.00	$0	$115,500	0.00
(2)(z)	Gifts	163	0	0	0	0.00	0	0	0.00
(5)(v)	Museum sales receipts	170,900	170,900	0	170,900	0.00	0	170,900	0.00
Total		$317,063	$286,400	$0	$286,400	0.00	$0	$286,400	0.00
2. Repeal the following (unfunded) appropriation									
(2)(tm)	Facilities (other than the Veterans Museum)	$0	$0	$0	$0	0.00	$0	$0	0.00
3. Convert the following SEG-F appropriations to FED									
(2)(x)	Federal per diem payments	$1,834,055	$1,343,600	$0	$1,343,600	0.00	$0	$1,343,600	0.00
(2)(m)	Federal payments; federal assistance	0	434,700	10,000	444,700	3.00	10,000	444,700	3.00
Total		$1,834,055	$1,778,300	$10,000	$1,788,300	3.00	$10,000	$1,788,300	3.00

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May 23, 2023 | Joint Committee on Finance | Paper #831

General Fund Transfer to the State Veterans Homes and Master Plan for King (Veterans Affairs)

[LFB 2023-25 Budget Summary: Page 676, #3 and Page 677, #7]

CURRENT LAW

The Department of Veterans Affairs operates three state veterans homes to provide skilled nursing care for eligible veterans and their spouses or surviving spouses. The Wisconsin Veterans Home at King, in Waupaca County, has 397 licensed beds, the Wisconsin Veterans Home at Union Grove, in Racine County, has 158 licensed beds, and the Wisconsin Veterans Home at Chippewa Falls, has 72 licensed beds.

The operations of the state veterans homes are supported from five primary sources: (a) Medical Assistance program payments; (b) USDVA per diem payments; (c) USDVA service-connected disability payments; (d) member payments; and (e) Medicare payments.

The base budget and authorized position count for the principal operations for each of the homes is, as follows: (a) $8,215,600 PR and 2.0 PR positions for Chippewa Falls; (b) $79,569,900 PR and 895.8 PR positions for King; and (c) $19,891,400 PR and 216.0 PR positions for Union Grove. The Department contracts for the operations of the Chippewa Falls home, so the staff, other than the home administrator and an accountant, are not state positions.

DISCUSSION POINTS

1. AB 43/SB 70 would transfer $10,000,000 in 2023-24 from the general fund to the PR appropriation account for the state veterans homes, which the Administration indicates is intended to avoid revenue shortfalls caused by declining census at the homes. To determine the amount of this transfer, the Administration developed projections of revenues and expenditures in 2022-23 through 2024-25, which show a $10.0 million revenue shortfall by the end of the biennium without a transfer

or other adjustments. Table 1 shows the Administration's projections, as well as the 2021-22 actuals. The final row shows the difference between projected revenues and expenditures on an annual basis.

TABLE 1

Administration's Projection of State Veterans Homes Program Revenue Balances ($ in Millions)

	Actual	Estimates		
	2021-22	2022-23	2023-24	2024-25
Opening Balance	$41.5	$29.1	$16.0	$4.0
Projected Annual Revenue	87.7*	80.9	80.0	78.0
Total Available	$129.2	$110.0	$96.0	$82.0
Projected Annual Expenditures	$100.3*	$94.0	$92.0	$92.0
Ending Balance	$28.9	$16.0	$4.0	-$10.0
Annual Revenue Minus Expenditure	-$12.6*	-$13.1	-$12.0	-$14.0

* Because of the impact of federal COVID-19 relief funding, expenditures for "surge staffing" and other pandemic-related expenses, and a higher than normal transfer to the capital improvement fund for capital maintenance projects, the amounts shown for 2021-22 for annual revenues, annual expenditures, and the difference are not strictly comparable to the projected figures for the other years.

2. The revenues and expenditures for each of the three state veterans homes are maintained separately, but since all three are funded from a single PR appropriation, a revenue surplus in one of the home's accounts can be used to offset a shortfall at another home. Table 1 combines revenues and expenditures for all three homes, but the imbalance between annual revenues and expenditures is largely the result of revenue shortfalls at the King home, the largest of the three. The Union Grove home revenues have declined in the last two years, but still had a positive balance in 2021-22. The Chippewa Falls home revenues have been stable or growing.

3. Table 2 shows revenues and expenditures for each of the three veterans homes separately since 2017-18, as well as the annual surplus or deficit for each. The table excludes certain expenses that are unrelated to daily operations, such as debt service and transfers to the capital improvement fund for maintenance project expenses. Also excluded are pandemic-related expenses, such as for "surge staffing" that was used to address critical staffing shortages during the past three fiscal years. These expenses that were largely funded with federal grants that the state received under COVID-19 relief legislation.

TABLE 2

Revenues and Expenditures by Veterans Home
($ in Millions)

	2017-18	2018-19	2019-20	2020-21	2021-22
King					
Revenue	$79.9	$75.5	$69.3	$64.1	$56.5
Expenditures	75.0	74.3	68.8	66.1	62.4
Annual Surplus/Deficit	$4.9	$1.2	$0.5	-$2.0	-$5.9
Union Grove					
Revenue	$22.7	$24.3	$24.0	$22.6	$18.3
Expenditures	21.8	22.0	20.3	19.6	16.6
Annual Surplus/Deficit	$0.9	$2.3	$3.7	$3.0	$1.7
Chippewa Falls					
Revenue	$9.7	$10.0	$10.6	$11.1	$12.1
Expenditures	7.7	7.9	8.0	8.6	9.0
Annual Surplus/Deficit	$2.0	$2.1	$2.6	$2.5	$3.1
Total					
Revenue	$112.3	$109.7	$103.9	$97.8	$86.9
Expenditures	104.4	104.1	97.1	94.3	88.1
Annual Surplus/Deficit	$7.9	$5.6	$6.8	$3.5	-$1.2

4. Revenues have declined at the King and Union Grove homes due to a decreasing resident census in recent years. The Chippewa Falls home census has been stable, and thus revenues have also been growing in line with costs. Table 3 shows average annual census at each of the homes since 2018, including for 2023 through mid-April.

TABLE 3

State Veterans Home Average Annual Census by Calendar Year

Year	King	Union Grove	Chippewa Falls
2018	598.7	155.9	71.5
2019	541.7	152.8	71.3
2020	460.9	146.0	71.4
2021	375.9	130.4	70.4
2022	312.2	83.9	71.3
2023*	294.0	71.5	68.4

* Averages through April 16, 2023.

5. The King home census has been declining for several years, whereas the decrease in resident population at the Union Grove home is more recent. The King census had fallen to around

290 to 300 by the summer of 2022, but has remained relatively stable since that time. The Union Grove census fell to approximately 70 around the beginning of 2023, but has remained at or near that level since then. The Chippewa Falls census has been relatively stable throughout the period, although has declined slightly in recent months.

6. There are likely many factors contributing to the declining census at King and Union Grove, some of which are common to all skilled nursing facilities in the state, and some of which are unique to the veterans homes.

7. One factor affecting all nursing homes, including the veterans homes, is a decrease in demand for care provided by nursing homes, as options to access home- and community-based long-term care services has increased. Although this has been a long-standing trend, the decrease in nursing home bed use was particularly rapid during the COVID-19 pandemic. The total number of filled nursing home beds in the state decreased from 19,900 in July of 2020 to 17,600 in April of 2023, a 12% decrease.

8. The falling demand for beds at the state veterans homes is likely made more acute by a decrease in the population of elderly veterans. The 12% decrease in total nursing home utilization over the past three years has occurred despite the fact that the population of elderly Wisconsin residents is increasing by 1.0% to 2.0% per year. By contrast, according to the U.S. Department of Veterans Affairs' estimates of the veteran population, the number of Wisconsin veterans over the age of 65 is decreasing by 2.0% to 2.5% each year.

9. In addition to the growth of community-based long term care alternatives, more veterans may be choosing to live in privately operated nursing homes instead of the state veterans homes. The U.S. Department of Veterans Affairs contracts with private nursing homes to provide skilled nursing services for certain eligible veterans. USDVA currently has contracts with over 70 of these nursing homes in Wisconsin, which is an increase from 16 a decade earlier. The growth in these alternative opportunities may have also contributed to the declining census at King and Union Grove, particularly among the veterans whose families live a greater distance from one of the state homes.

10. As the census at King and Union Grove has declined, expenditures have declined as well, as would be expected with fewer residents to care for. In particular, salary and fringe benefit costs have declined as more positions have gone unfilled. The overall vacancy rate for permanent positions is 52% at King and 55% at Union Grove, reflecting each facility's high bed vacancy rate.

11. In addition to a decrease in filled positions, the King home has looked to reduce expenditures in other areas. For instance, some specialized services that could be economically provided by in-house staff at a home with over 600 residents, can no longer be provided efficiently at a home with fewer than 300 residents. This includes, for instance, laboratory and radiology services, which are now outsourced. In addition, the King home phased out its own fire and law enforcement services, which are now provided instead by the City of Waupaca. The Department indicates that both the King and Union Grove homes are continuing to evaluate services to determine whether additional expenditure reductions are warranted.

12. Despite these measures, expenditures have not decreased as rapidly as revenues. There

may be several reasons for this. First, the state veterans homes, like any facility operation, have some fixed costs or costs that are not directly proportionate to the number of residents they serve. As the number of filled beds decreases, these costs remain the same or decrease more slowly. Second, with the relatively rapid decrease in filled beds, there may be a lag in the corresponding decrease in expenditures as the homes take some time to adjust their operations accordingly. Third, the homes, like all skilled nursing facilities, have had difficulty recruiting for and retaining staff and, in response, have faced increased costs to provide wage increases, sign-on bonuses, and to bring in contract staff to fill critical vacancies.

13. The payment methodologies used for the state veterans homes differ from the payments used under Medicaid for private nursing homes, and are more favorable. The Medicaid reimbursement rate applicable to the state veterans homes is set equal to the amount that would be paid by Medicare for rehabilitative services in a skilled nursing facility. In addition to the Medicare-based reimbursement provided under MA, USDVA makes a per diem payment, currently $127, on behalf of each veteran in skilled nursing care at the state veterans homes (with the exception of veterans who have a service-connected disability rating of 70% or more, which are paid on a different basis). Since this "basic" per diem payment is in addition to the Medicaid payment, the state veterans homes are receiving a combined payment for Medicaid-eligible veterans that is in excess of what either Medicare or Medicaid would pay for a non-veteran resident in another nursing home. Together the Medicaid and per diem payments account for about 45% to 50% of total revenues.

14. For veterans who have a qualifying service-connected disability, USDVA pays a daily rate that is generally based on the prevailing Medicare payment rate for the location and case mix. Currently this "prevailing" daily rate for these veterans is $458.22 for King, $467.89 for Union Grove, and $495.18 for Chippewa Falls. This payment constitutes the sole payment for these residents' care, and so the home may not also receive the basic per diem payment or a Medicaid reimbursement. The service-connected disability payment is the largest revenue category for the state veterans homes, accounting for about one-third of the total.

15. Some costs for the state veterans homes are higher than many private nursing homes. In particular, fringe benefits received by state employees are typically more costly. However, since the bulk of payments received by the state veterans homes are based on relatively favorable terms in comparison to other nursing homes, the state homes have historically been able to maintain a favorable balance between revenues and expenditures. Nevertheless, when facing unusually high costs, they may experience a revenue shortfall. Over the past two to three years, the King and Union Grove homes experienced challenging conditions, including a rapidly falling census and unusually high costs for staffing, which have contributed to their current imbalance.

16. The Administration's projections of the PR appropriation balance for the 2023-25 biennium are generally based on the assumption that both revenues and expenditures will remain at or near their current levels during the biennium. Under this assumption, therefore, the imbalance experienced in 2021-22 would be compounded over the following three years (including the current fiscal year), leading to the projected $10 million shortfall.

17. The need for outside revenues to maintain a positive balance in the state veterans homes PR appropriation is premised on the assumption that the conditions affecting revenues and

expenditures will not change appreciably over the next two to three years, and that the homes will not be able to keep expenditures in line with revenues. Certainly some of the challenging conditions facing all nursing homes are likely to be ongoing, but there are some changes that are occurring or have occurred already that could improve the balance. As noted earlier, both King and Union Grove have recently been able to phase out the use of surge staffing procured from nationwide staffing agencies, and the Department projects that total expenditures for agency staffing will be lower in 2022-23 than in 2021-22. In addition, the census at both homes has been relatively stable for the past several months, although it may be too soon to know if this will continue.

18. In addition to these factors, the facilities costs at the King home could improve with the opening of a newly-constructed facility, the John R. Moses Hall, in October of 2022. This new facility has allowed that home to close the older MacArthur Hall, and since late January, all King residents have been consolidated into two newer buildings--the Moses Hall and the Ainsworth Hall, built in 1993.

19. Most revenues received by the state veterans homes are based, directly or indirectly, on Medicare rate methodologies. Since Medicare nursing home rates are increased annually using a national nursing home cost index, and that index is reflective of the higher staffing costs prevalent across the industry, the payment rates for the state veterans homes should increase in line with those higher costs. That actual rates paid to a particular facility are dependent upon other factors, including the resident case mix, but the revenues received by the homes will increase to at least partially offset the higher costs that they are experiencing.

20. Although there may be some basis for concluding that the current annual imbalance between revenues and expenditures at King and Union Grove could improve, there is also cause for uncertainty. Achieving a stable balance between revenues and expenditures may require the homes to reduce expenditures for life amenities that distinguish the state veterans homes from other nursing facilities and that have come to be a part of the culture that residents have come to expect. In addition, some residents, families of residents, and legislators have recently raised concerns about the quality of care at the homes. The Department maintains that issues with the care are due to staffing shortages and related challenges that are currently common to all nursing homes. However, regardless of the underlying cause of these issues, any measure that the homes may take to bring expenditures down to avoid a PR account imbalance may place additional stress on the resources available for direct care services. The proposed $10,000,000 transfer from the general fund to the PR account could help avoid or lessen the pressures to reduce spending for life amenities or any services that might affect the quality of care. [Alternative A1]

21. Because of the uncertainty of both revenues and expenditures at the King and Union Grove home, the Committee could decide to delay the decision on whether a general fund supplement is needed to maintain a positive balance in the PR account. In this case, the Committee could place $10,000,000 in the program supplements appropriation in 2023-24. In this case, the Committee could approve a transfer during the biennium upon request of the Department under s. 13.10 of the statutes, if it appears that a supplement is necessary to avoid a revenue shortfall. [Alternative A2]

22. Although program revenue-funded programs, like the state veterans homes, may face an imbalance between revenues and expenditures from time to time, in general they are expected to

eventually generate revenues sufficient to support expenditures over time. The Committee could determine that DVA has the responsibility to bring PR appropriation revenues and expenditures into alignment, and that, therefore, no supplement should be required. [Alternative A3]

23. In order to address some of the uncertainties facing the state veterans homes, and in particular the King home, AB 43/SB 70 would provide $150,000 SEG to allow the Department to contract with a vendor to conduct a study of the King campus during the 2023-25 biennium. The Department indicates that part of the rationale for conducting the study would be to achieve a sustainable balance between revenues and expenditures, in light of the changing veteran population and utilization of nursing homes. If the Committee believes that having an independent evaluation of the issues facing the state veterans homes, it could approve this proposal. [Alternative B1]

24. Since the segregated veterans trust fund (VTF) is funded primarily by a GPR sum sufficient appropriation that supplements other VTF segregated revenues, any increase in SEG spending from the veterans trust fund will increase the amount expended from the GPR supplemental appropriation by a corresponding amount. Consequently, Alternative B1, which would provide additional funding for the study would increase estimates of the amount of these supplements to reflect these spending increases from the VTF. [No total is shown in the funding box for this alternative to avoid presenting the funding change as a double-counted total.]

25. As an alternative to approving a funding increase for the proposed study, the Committee could direct the Department to contract for the study, using base funding in the Department's appropriation for general administration. For each of the past five years, the Department's appropriation for general administration has exceeded actual expenditures by at least $1.0 million, suggesting that the study could be funded with existing budget authority. [Alternative B2]

26. The Committee could also decide that a study of the issues facing the King home is not warranted and decline to approve funding or require the study to be completed. [Alternative B3]

ALTERNATIVES

A. State Veterans Homes Program Revenue Appropriation Account

1. Approve the proposal in AB 43/SB 70 to transfer $10,000,000 in 2023-24 from the general fund to the program revenue appropriation account of the state veterans homes and modify the statutory authorization for the PR appropriation to reflect the receipt of this transfer.

ALT A1	Change to Base
GPR-Transfer	$10,000,000

2. Provide $10,000,000 GPR in 2023-24 in the Committee's program supplements appropriation and authorize the Committee to provide a supplement for the PR appropriation account for the state veterans homes during the 2023-25 biennium if needed to address any unsupported overdraft in that appropriation account. Modify the statutory authorization for the PR appropriation

to reflect the receipt of this supplement.

ALT A2	Change to Base
GPR	$10,000,000

3. Take no action.

B. Master Plan for King State Veterans Home

1. Provide $150,000 SEG in 2023-24 in DVA's appropriation for general administration and require DVA to contract with a vendor to study the King campus during the 2023-25 biennium, to be completed by June 1, 2025. Increase funding transferred from the general fund to the veterans trust fund by $150,000 GPR in 2023-24.

ALT B1	Change to Base
GPR	$150,000
SEG	150,000

2. Require DVA to contract with a vendor to study the King campus during the 2023-25 biennium, funded from the Department's general administration appropriation, to be completed by June 1, 2025. The cost of the study would be supported from the base funding in the appropriation.

3. Take no action.

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May 23, 2023 Joint Committee on Finance Paper #832

Veterans Outreach and Recovery Program (Veterans Affairs)

[LFB 2023-25 Budget Summary: Page 678, #10]

CURRENT LAW

The veterans outreach and recovery program (VORP) provides outreach, mental health services, and support to veterans that may have mental health or substance use conditions. VORP is primarily a case management program that works with participants to identity issues and barriers that may prevent them from achieving their goals. VORP field staff work with community partners and professionals to assist participants with accessing mental health services, substance use treatment, financial assistance, housing and utilities, claims and benefits assistance, and employment and education. VORP has 14.75 authorized SEG positions and base funding of $1,609,500 SEG, from the veterans trust fund.

DISCUSSION POINTS

1. The veterans outreach and recovery program currently has 11 outreach and recovery regional coordinators, three clinical coordinators, who are licensed clinical social workers, and two program supervisors. (Of the three clinical social workers, one is split-funded, with 0.75 SEG and 0.25 FED.) All of the programs positions are currently filled.

2. The program's outreach and recovery regional coordinators work with county and tribal veterans service offices and nonprofit organizations to identify veterans who may have mental health and substance abuse disorders that are not adequately addressed through existing resources. In addition, outreach specialists conduct "street outreach" to locate veterans who do not have permanent housing. Once the veterans are identified, the outreach coordinators provide case management and referral services, connecting the veterans to services that meet their individual needs, such as emergency shelter, utility assistance, rental assistance, transportation, food or household needs, employment or education programs, and health services. The clinical coordinators provide assessment

and diagnosis, review individual treatment plans, provide direct treatment for some veterans who need behavioral health services, and coordinate with residential treatment or detoxification services, VA health care providers, and other providers to arrange ongoing treatment and supportive services.

3. In 2021-22, the program provided direct or referral services to 1,329 individuals, an increase from 1,046 in 2020-21.

4. In February of 2022, the Governor signed Executive Order #157, creating the Blue Ribbon Commission on Veteran Opportunity to study issues facing veterans in Wisconsin, including employment, education, housing, and healthcare. The Commission, which was composed of veterans representing various organizations, representatives of several state agencies, and members of the Legislature, released its report in September, containing findings and recommendations. To address unmet needs for veterans facing mental health and substance use issues, the report recommended that more funding be provided for the veterans outreach and recovery program.

5. The Commission's report asserts that the 11 outreach coordinators and two clinical social workers that the program currently has is not sufficient to adequately cover all areas of the state. In particular, the report notes that since many behavioral health clinics and other social service providers are currently unable to provide prompt services, due in part to staffing shortages, this places greater pressure on VORP staff to ensure that their veteran clients' needs are addressed while waiting for appointments. Thus, the Commission recommended that the state provide "additional funding to significantly expand VORP staffing for the purposes of decreasing geographic barriers to access, increasing outreach capacity, building additional partnerships, improving capacity for direct response, and providing staff recovery time needed to continue providing high-quality services."

6. Following the release of the Blue Ribbon Commission report, the Governor announced an allocation of $10.0 million of state and local fiscal recovery funds, provided under the American Rescue Act, for various initiatives to assist veterans. Among these initiatives is an allocation of $1.5 million for an additional 7.0 project positions for VORP. The additional positions would consist of 5.0 outreach specialists and 2.0 clinical social workers. The Department has filled some of these positions and is in the process of filling the others.

7. The Department indicates that the additional outreach specialist project positions will allow the program to reduce the geographic area that each outreach specialist covers. This is expected to reduce travel times and allow staff to respond more rapidly to veterans in need. In addition, outreach specialists will be able to conduct more outreach to locate veterans who are not served by existing resources. The two additional clinical social workers will also reduce the geographic area of responsibility for the clinical coordinator positions, allowing the program to provide more timely treatment and connections with mental health and substance abuse providers.

8. AB 43/SB 70 would provide an additional 7.0 SEG positions, and associated funding of $272,300 SEG in 2023-24 and $684,900 SEG in 2024-25, for the veterans outreach and recovery program. If approved, this would increase the total number of authorized permanent positions for VORP to 22.0. The positions would include 5.0 outreach and recovery regional coordinators and 2.0 clinical coordinators, who are licensed clinical social workers.

9. The Administration indicates that the intent of the budget proposal would be to provide ongoing state funding for the VORP expansion and to convert the federally-funded project positions to permanent positions when those project positions expire. Since the project positions expire on December 31, 2024, with six months remaining in the biennium, the Administration's intent could be accomplished with a smaller funding increase than the amount included in the bill. Specifically, the positions could be created in 2024-25, supported with funding of $342,500 SEG in that year. [Alternative 1]

10. If the additional positions are not approved, the project positions would expire at the end of 2024 and the program would return to previous staffing and service levels. The Committee could determine that the project positions will have met an objective of temporarily increasing outreach and treatment capacity, but that the ongoing needs can adequately be served with the current permanent positions. In this case, the Committee could decide that additional VORP positions are not warranted. [Alternative 2]

11. Since the segregated veterans trust fund (VTF) is funded primarily by a GPR sum sufficient appropriation that supplements other VTF segregated revenues, any increase in SEG spending from the veterans trust fund will increase the amount expended from the GPR supplemental appropriation by a corresponding amount. Consequently, Alternative 1, which would provide additional funding for VORP would increase estimates of the amount of these supplements to reflect these spending increases from the VTF. [No total is shown in the funding box for this alternative to avoid presenting the funding change as a double-counted total.]

ALTERNATIVES

1. Provide 7.0 SEG positions, beginning in 2024-25, and a funding increase of $342,500 SEG in 2024-25 to support the conversion of federally-funded project positions to permanent positions for the veterans outreach and recovery program. Increase the GPR appropriation that transfers funding to the veterans trust fund by $342,500 in 2024-25 to reflect this SEG spending increase.

ALT 1	**Change to Base**	
	Funding	**Positions**
GPR	$342,500	0.00
SEG	342,500	7.00

2. Take no action.

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May 23, 2023 | Joint Committee on Finance | Paper #833

Veterans Service Office Grants (Veterans Affairs)

[LFB 2023-25 Budget Summary: Page 678, #11]

CURRENT LAW

State law requires each county to have a county veterans service officer (CVSO) and provide the CVSO with office space and clerical assistance. Each CVSO must be a Wisconsin resident and a veteran who served on active duty under honorable conditions.

CVSOs are required to: (a) advise veterans of any benefits to which they may be entitled and to provide assistance regarding any complaint or problem arising from such services; (b) make reports to their county board, as the board requires; (c) cooperate with federal and state agencies that serve or grant aid or benefits to former military personnel and their dependents; and (d) furnish information about veterans burial places within the county.

The Department of Veterans Affairs (DVA) administers state grants to provide partial support for CVSOs. For counties with full-time CVSOs, the annual grant amounts are as follows: (a) $14,300 for counties with a population of 75,000 or more; (b) $12,650 for counties with a population of 45,500 to 74,999; (c) $11,000 for counties with a population of 20,000 to 45,499; and (d) $9,350 for counties with a population of less than 20,000. Counties with a part-time CVSO receive a grant of $550 annually.

In addition to financial assistance to CVSOs, the Department provides grants to federally-recognized Indian tribes and bands that appoint a tribal veterans service officer (TVSO) and that meet minimum budget and operating standards. Grants are limited by statute to $15,000 per year per Indian tribe or band. However, because the funding budgeted for TVSO grants is not sufficient to provide that amount to every tribe that applies, DVA has had to limit grants to $11,000 for each applicant.

Base funding for CVSO grants is $837,200 SEG from the veterans trust fund, a segregated trust fund that is almost entirely supported by annual GPR transfers. Base funding for TVSO grants is $110,000, funded from a tribal gaming revenue PR appropriation ($61,200) and the veterans trust fund ($48,800).

DISCUSSION POINTS

1. County and tribal veterans service offices serve as a resource for veterans in their communities. One of the principal functions of these offices is to assist veterans in determining eligibility for federal and state veterans benefits and in completing applications for those benefits.

2. There are currently approximately 325,000 veterans in Wisconsin. According to demographic projections prepared by the U.S. Department of Veterans Affairs, the number of veterans in Wisconsin is declining by about 2.4% per year. Despite this decrease in the total veteran population, there are indications that the overall need for veterans services has increased, particularly among younger veterans. For instance, according to surveys of veterans conducted by the Bureau of Labor Statistics, 41% of Gulf War II era veterans and 30% of Gulf War I era veterans report having a service-connected disability, whereas just 13% of veterans of other eras have a service-connected disability rating.

3. The federal Promise to Address Comprehensive Toxics (PACT) Act, enacted in August of 2022, expands eligibility for federal VA health care and compensation benefits for veterans by establishing a presumption that a veteran's diagnosis involving one or more of 23 medical conditions is related to a toxic substance exposure during military service and, therefore, any resulting disability is considered to be service-connected. As with any change in federal veterans benefits, the PACT Act has already, or is likely to increase inquiries to county and tribal veterans service offices. Some veterans service offices may need to increase staffing or make other adjustments to address this increased workload.

4. In 2022, the Governor formed the Blue Ribbon Commission on Veteran Opportunity to examine issues facing veterans in Wisconsin and to make recommendations for program or budget changes to meet the needs of veterans. The Commission's report cites the increasing needs of veterans for services, and in particular in accessing treatment and support for physical and behavioral health challenges. Among the Commission's recommendations to address these issues was a proposal to increase funding for CVSO and TVSO grants.

5. AB 43/SB 70 would provide $1,096,600 SEG annually to increase funding for grants to county and tribal veterans service offices and would modify the statutory distribution formulas as follows: (a) double the amounts provided in CVSO grants in each of the population tiers; (b) repeal a provision that specifies that the grant for a county with a part-time CVSO is $550, so that the grant for any such county would be determined in the same manner as counties with a full-time CVSO; and (c) double the maximum annual grant made to TVSOs, from $16,500 to $33,000. Of the funding increase, $843,600 annually would be budgeted for CVSO grants, increasing the total from $837,200 to $1,680,800, the amount needed to fund the formula increase for all counties. The remaining $253,000 would be budgeted for TVSO grants, increasing the total from $110,000 to $363,000. This amount is what would be needed to fully-fund the proposed $33,000 maximum grant to the 11 federally-recognized tribes in the state.

6. Following the release of the report of the Blue Ribbon Commission on Veteran Opportunity, the Governor announced an allocation of $10 million from the state's share of funds received under the federal American Rescue Plan Act for veterans initiatives that were the subject of the Commission's recommendations. Among these initiatives was an allocation of $1.5 million to increase to CVSO and TVSO grants in 2022-23. The funding included in the budget would provide state funding to increase grants on an ongoing basis, although at a slightly lower level.

7. Although the state provides assistance to counties and tribes through the veterans service office grant programs, the cost of maintaining a veterans service office remains primarily the county's or tribe's responsibility. At current levels of aid, the grants generally support 5% or less of the cost of the veterans service office. As an example, Crawford County, with a population of approximately 16,000 and a veteran population of around 1,100, budgeted $189,500 in 2023 for its county veterans service office. Under the current CVSO formula, the state grant of $9,350 supports 4.9% of that cost. Outagamie County, with a total population of 192,000 and a veteran population of about 10,000, budgeted $514,400 for its county veterans service office in 2023, and under the current CVSO formula, the grant of $14,300 covers 2.8% of that cost.

8. Under AB 43/SB 70, the state assistance for veterans service offices would be doubled, but the impact that this increase would have is unclear. Counties and tribes would likely have varying responses to the additional state support. Some may increase services offered, while for others the increase would offset county revenues going for the same level of veterans service office expenses. In many cases, the increase in state aid, although large in percentage terms, would still be too small to lead to readily apparent changes in service offerings. In any case, the cost of operating these services would continue to be overwhelmingly a county or tribal expense.

9. In some cases, an increase in funding for a program that provides targeted aid to a particular local government function is accompanied by some form of local maintenance of effort provision, to ensure that the increased state support is used to increase the level of targeted local services. However, in the case of a relatively small aid program like the veterans service office grants, this may be impractical. A provision of the 2015-17 biennial budget attempted to increase accountability for the veterans service office grants by requiring the assistance to be provided only on a reimbursement basis. However, because of the additional administrative burdens that this change created, some counties did not apply for assistance, and the 2017-19 budget restored the previous method of distributing grants.

10. Regardless of the particular impact on veterans service office operations, the proposed increase could be seen as accomplishing the goal of expressing the state's commitment to supporting veterans and to the county and tribal offices. If the Committee determines that this funding increase is warranted, it could adopt the proposal in AB 43/SB 70. [Alternative 1]

11. The Committee could decide to provide an increase for veterans service office aid, but at a lower level. Providing a 50% increase to the formula grants would require an annual funding increase of $585,700 SEG. [Alternative 2]

12. The Committee could determine, however, that because of the small role that the program plays in funding veterans service offices, even an increase in funding of 50% or 100% would

have little impact on veterans services, and so an increase is not warranted. [Alternative 3]

13. Since the segregated veterans trust fund (VTF) is funded primarily by a GPR sum sufficient appropriation that supplements other VTF segregated revenues, any increase in SEG spending from the veterans trust fund will increase the amount expended from the GPR supplemental appropriation by a corresponding amount. Consequently, Alternative 1 or Alternative 2, which would provide additional funding for CVSO and TVSO grants, would increase estimates of the amount of these supplements to reflect these spending increases from the VTF. [No total is shown in the funding box for these alternatives to avoid presenting the funding change as a double-counted total.]

ALTERNATIVES

1. Provide $1,096,600 SEG annually to increase funding for grants to county and tribal veterans service offices and modify the statutory distribution formulas as follows: (a) double the amounts provided in CVSO grants in each of the population tiers; (b) repeal a provision that specifies that the grant for a county with a part-time CVSO is $550, so that the grant for any such county would be determined in the same manner as counties with a full-time CVSO; and (c) double the maximum annual grant made to TVSOs, from $16,500 to $33,000. Increase estimates of the amount of funding transferred from the general fund to the veterans trust fund by $1,096,600 GPR annually.

ALT 1	Change to Base
GPR	$2,193,200
SEG	2,193,200

2. Provide $585,700 SEG annually to increase funding for grants to county and tribal veterans service offices by 50% and modify the statutory distribution formulas accordingly. Increase estimates of the amount of funding transferred from the general fund to the veterans trust fund by $585,700 GPR annually.

ALT 2	Change to Base
GPR	$1,171,400
SEG	1,171,400

3. Take no action.

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May 23, 2023 Joint Committee on Finance Paper #834

Wisconsin Veterans Museum Operations and Position for Veterans Museum Maintenance (Veterans Affairs and Administration -- Facilities)

[LFB 2023-25 Budget Summary: Page 681, #18 and Page 45, #6]

CURRENT LAW

The Wisconsin Veterans Museum contains exhibits, displays and other presentations related to Wisconsin's participation in U.S. military actions from the Civil War to the present. The museum, located on the Capitol Square in Madison, features dioramas depicting important historical events in which Wisconsin veterans participated. In addition, the museum offers presentations by historians, authors, and museum staff on military history, world events, and the experiences of Wisconsin veterans.

The operations of the museum are supported with GPR and veterans trust fund appropriations. The museum has 12.45 permanent positions and base funding of $3,507,700 SEG and $248,500 GPR.

DISCUSSION POINTS

1. The state has leased space in 30 West Mifflin Street for the State Veterans Museum since 1993, when the museum was moved out of the Capitol Building. Initially, the state leased 5,800 square feet for the museum, but subsequent contract amendments added to the space, bringing the total to its current 28,300 square feet. The Museum occupies the first floor in the building, but the Department also rents space in the basement and on the second and third floors for offices, meeting rooms, and exhibit lab space.

2. The state's current lease for the museum space extends to November 30, 2025. For the annual period from December 1, 2022, to November 30, 2023, the Department will pay rent totaling $911,629, an amount billed to the Museum's SEG appropriation.

3. 30 West Mifflin is a ten-story building, with 84% of the space leased to tenants, including the State Veterans Museum, as of October of 2022.

4. Under the terms of the museum's lease agreement, the state has the option to purchase the full building from the owner prior to the end of the current lease.

5. In 2021, the Department of Administration, in cooperation with the Department of Veterans Affairs, contracted with an architectural design firm for a study related to the future of the State Veterans Museum, and in particular to explore the feasibility of establishing a new and expanded museum. The contractor, SmithGroup, conducted workshops and meetings with museum staff and interested groups to define the goals and develop alternatives. With this input, SmithGroup developed proposals for a new museum building, examined the feasibility of several alternative sites, and developed capital and operating cost estimates for planning purposes.

6. The concept developed by SmithGroup envisions a new museum building with 40,000 square feet of exhibit space, nearly four times larger than the current museum. In addition to providing capacity to display more artifacts, the larger area would be intended to improve the flow of visitors between exhibits, allow for a more open display of exhibits than is possible in the existing museum, and to create space to host traveling and rotating exhibits. Also, the exhibit space is proposed to allow for the gift shop to be separated from the entrance area.

7. In addition to a larger exhibit space, the proposed museum facility would have expanded collections and handling areas for storage and preparing exhibits, archives and reading room, and a larger visitor services area, including larger space to host public events. In total, the proposed museum would have over 63,000 square feet of assignable space, which is nearly three times larger than the current museum's assignable space.

8. SmithGroup evaluated several potential locations for the new museum, mostly sites in close proximity to the Capitol Square. The current building site was recommended as the preferred alternative based on its location near the Capitol building and other cultural sites, as well as for other factors, such as the opportunity for the state to own the building.

9. Establishing a new museum at 30 West Mifflin would require the state to purchase and demolish the existing building prior to constructing the new building. SmithGroup estimates the total cost of this alternative, including acquisition and demolition costs, at $140 million. The estimate includes design, contingencies, exhibit costs, and construction inflation for an anticipated bid date in 2025.

10. Of the total estimated cost, $9 million is for building acquisition. As noted earlier, the Department's lease includes the option to purchase the building prior to the end of the lease period in November of 2025. The Department's capital budget request included $9,000,000 in general obligation bond authority for the purchase, while the Governor's capital budget recommendation was that the purchase be funded with cash.

11. The Committee may decide whether or not to approve funding for the purchase of the building when it considers the state building program. But AB 43/SB 70 includes two other budget items related to the museum proposal that can be considered. First, the bill would provide $700,000

SEG annually for costs related to maintaining the building following the purchase, such as utilities and maintenance. Second, the bill would provide 1.0 PR position in DOA for building maintenance, in addition to associated funding of $45,100 PR in 2023-24 and $60,100 PR in 2024-25. The amount of funding that would be provided for building costs was based on estimates contained in a building appraisal conducted for DOA's Division of Facilities and Transportation Services.

12. The Committee could approve the funding in DVA and the position and funding in DOA to prepare for the purchase of the building at 30 West Mifflin. [Alternative 1] However, the timing and need for this funding is uncertain. Although the state would likely incur some building-related costs in the 2023-25 biennium in the event of the purchase of the building, the Department of Veterans Affairs would also no longer pay rent to the current building owner. Since the current annual rent payment is in excess of the estimated building-related costs, any building-related costs could be paid from the base budget for rent. Furthermore, the timing of the purchase is uncertain. The Department indicates that negotiations for the purchase would begin during the 2023-25 biennium if the funding for the purchase is approved, but the actual purchase may not occur until later in the biennium. In the event that DOA needs a position for maintenance, the Department could request approval at that time under s. 16.505 of the statutes. Consequently, the Committee could decide that the proposed funding and position increases in DVA and DOA are not necessary. [Alternative 2]

13. Since the segregated veterans trust fund (VTF) is funded primarily by a GPR sum sufficient appropriation that supplements other VTF segregated revenues, any increase in SEG spending from the veterans trust fund will increase the amount expended from the GPR supplemental appropriation by a corresponding amount. Consequently, Alternative 1, which would provide additional funding in DVA for building costs would increase estimates of the amount of these supplements to reflect these spending increases from the VTF. [No total is shown in the funding box for this alternative to avoid presenting the funding change as a double-counted total.]

ALTERNATIVES

1. Approve the AB 43/SB 70 proposal to provide $700,000 SEG annually in DVA's appropriation for general administration and $45,100 PR in 2023-24 and $60,100 PR in 2024-25 and 1.0 PR position in DOA for building costs at 30 West Mifflin following purchase of the building. Increase estimates of GPR revenue that will be transferred to the veterans trust fund by $700,000 GPR in 2023-24 and $700,000 GPR in 2024-25.

ALT 1	**Change to Base**	
	Funding	**Positions**
Veterans Affairs		
GPR	$1,400,000	0.00
SEG	1,400,000	0.00
Administration		
PR	$105,200	1.00

2. Take no action.

Prepared by: Jon Dyck

VETERANS AFFAIRS

LFB Summary Items for Which No Issue Paper Has Been Prepared

Item #	Title
5	Chippewa Falls Operations Contract
6	Union Grove State Veterans Home Supplies and Services
12	Veterans Housing and Recovery Program
15	State Veterans Cemetery Operations

LFB Summary Item to be Addressed in a Separate Paper

Item #	Title
4	Salary Add-On for Nursing Care Staff (Budget Management and Compensation Reserves)