

	PAGE
Transmittal Letter	2
Agency Profile	3
Agency Fiscal Page (Gov Rec).....	5
Change Summary.....	6
Agency Change Items	
↻ Maintain Current Services At Homes	7
↻ Veterans Homes Repairs & Betterments	8
↻ Hastings Mental Health Program	9
↻ It Merger.....	10
↻ Higher Education Campus Reps Program	12
Programs	
Veterans Services	13
Program Summary.....	14
Budget Activities	
Veterans Services Admin.....	15
Budget Activity Summary	17
Benefits & Services.....	18
Budget Activity Summary.....	21
Claims & Outreach.....	22
Budget Activity Summary	26
Veterans Homes	27
Program Summary.....	29
Appendix	
Agency Revenue Summary Fiscal Page.....	30
Federal Funds Summary.....	31

↻ Designates that this item is a change item



STATE OF MINNESOTA DEPARTMENT OF VETERANS AFFAIRS



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January 17, 2009

To the 2009 Minnesota Legislature:

On behalf of Governor Pawlenty, I am pleased to submit the Department of Veterans Affairs recommendation for the FY 2010-11 budget. This budget consists of \$133 million from the state's general fund and \$69.8 million from other funds for a total of \$202.8 million. The recommendation represents a 3.1% increase from the FY 2008-2009 forecast base.

To better serve our veterans, including those who will soon return from combat in the War on Terror, the Governor recommends the following:

- ◆ Increase to the Veterans Homes program to ensure that all five state run veterans homes maintain existing service levels.
- ◆ Ongoing funding of a repairs and betterments appropriation to maintain five separate campuses across Minnesota - including 44 separate buildings and totaling over 800,000 square feet. Of the five veterans homes campuses, three of the homes are located in aging buildings which require special repairs and modifications to sustain their integrity and comply with standards of care for elderly residents.
- ◆ Increase to Hastings Veterans Home allocation to expand their mental health program to meet the increase need for psychiatric care.
- ◆ Increase to the Department to upgrade its IT infrastructure, enhance information systems integrity, ensure confidentiality of information, and increase system availability.
- ◆ Repeal of the June 30, 2011 sunset date for the Higher Education Veterans Assistance Program. The recommendation for the repeal of the sunset date will allow the Department to keep the program operating at an efficient, high quality level. Additionally, the program has a numerical sunset date. Should the number of veterans enrolled at Minnesota's public higher education institutions drop below 4,000, the program is disbanded.

Our 2010-11 budget is also based on priorities that focus on the Department's mission to serve Minnesota veterans and their families. The Department fulfills its mission by providing:

- ◆ proven and innovative programs and services to maximize quality of life;
- ◆ collaboration with service providers whose efforts are coordinated by the department;
- ◆ timely, cost effective delivery of benefits and services;
- ◆ high-quality health care to those in its care;
- ◆ continuous evaluation of care and services to be responsive to changing needs;
- ◆ representation to clients pursuing claims for federal veterans benefits;
- ◆ dignified and compassionate committal services at the Minnesota State Veterans Cemetery and
- ◆ effective communication and management of people, technology, business processes, and financial resources.

On behalf of the staff of the Department of Veterans Affairs, we look forward to working with you in the coming months to achieve this mission.

Sincerely,

A handwritten signature in blue ink that reads "Clark Dyrud".

Clark Dyrud
Commissioner

An Equal Opportunity Employer

Agency Purpose

The Department of Veterans Affairs mission and purpose is to serve the veterans of Minnesota. Since its creation in 1943 (M.S. Chapter 196), the department accomplishes its mission by focusing on the needs of veterans and functioning as a single comprehensive provider of seamless service to the men and women who have served in the military.

Core Functions

The Department of Veterans Affairs provides overall leadership and direction to the veteran community through collaboration with public and private service providers. The core functions of the Department of Veterans Affairs are to:

- ◆ Promote self-sufficiency and personal responsibility through a temporary safety net of benefits and services;
- ◆ Supply representation to clients pursuing claims for federal veterans benefits;
- ◆ Ensure a smooth transition for veterans from active military service to civilian life;
- ◆ Provide dignified and compassionate committal services at the Minnesota State Veterans Cemetery;
- ◆ Provide the highest quality program for housing, health care, and supportive services to residents of the five state run veterans homes;
- ◆ Revise and build upon proven business practices to ensure the most timely, cost-effective delivery of benefits and services; and
- ◆ Manage all budgets, accounts financial transactions, information technology, and human resources to meet departmental needs.

Operations

The department offers services to over 420,000 Minnesota veterans as well as their dependents and survivors with assistance from the 87 County Veteran Service Officers (CVSOs) and representatives from Minnesota's Congressionally Chartered Veterans' Service Organizations. The department budget activities are divided between Programs and Services and Veteran Health Care.

The Programs and Services division includes Veterans Administrative Services, Benefits and Services, and Claims and Outreach. The Veteran Health Care division includes Veteran Health Care Administration and the operation of the five state run veterans homes (Fergus Falls, Hastings, Luverne, Minneapolis, and Silver Bay).

Budget

The Minnesota Department of Veterans Affairs FY 2008-09 budget is comprised of various funding sources. Of the total budget for the biennium, roughly 65.5% comes from the general fund, 14.9% from skilled nursing care and domiciliary maintenance charges, and 15.4% from federal per diem payments for the skilled nursing and domiciliary care. The remaining 4.2% comes from donations, resident trust funds and other sources.

At A Glance

- ◆ In FY2008, Minnesota veterans received more than \$226 million in federal veterans' benefits as a direct result of the department's claims and outreach offices.
- ◆ Over 2,000 veterans and their families receive State Soldiers Assistance Benefits annually.
- ◆ Veterans Assistance Offices on Campus have 53 operational sites and have served over 3,500 veterans (unduplicated count) at Minnesota's higher education institutions in FY2008.
- ◆ Support Our Troops license plates have generated more than \$436,000 for veterans programs in FY2008.
- ◆ In calendar year 2008, MDVA Claims and Outreach offices have served as Power of Attorney for approximately 24,000 veterans.
- ◆ The five state run veterans homes have 859 operational beds (598 skilled nursing beds; 261 domiciliary beds).
- ◆ The veterans homes occupancy rate is 98%, statewide.
- ◆ A centralized one-stop website is operational to provide information on veterans' benefits and services offered by state and federal government.
- ◆ The "LinkVet" toll-free telephone line provides information on veterans' benefits, healthcare, education, and reintegration services.
- ◆ In partnership with Crisis Connection, "LinkVet" is available 24-hours, seven days a week (including holidays) for immediate crisis intervention and psychological counseling.

Contact

Department of Veterans Affairs
Veterans Service Building
20 West 12th Street
Saint Paul, Minnesota 55155

Home Page: www.mdva.state.mn.us
Department Results Page: www.departmentresults.state.mn.us/vets/index.html

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Dollars in Thousands

	Current		Governor Recomm.		Biennium 2010-11
	FY2008	FY2009	FY2010	FY2011	
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	62,351	66,684	66,684	66,684	133,368
Recommended	62,351	66,684	65,708	67,308	133,016
Change		0	(976)	624	(352)
% Biennial Change from 2008-09					3.1%
<u>Expenditures by Fund</u>					
Carry Forward					
Miscellaneous Special Revenue	0	26	0	0	0
Direct Appropriations					
General	12,110	16,816	24,052	25,652	49,704
Statutory Appropriations					
General	105	0	0	0	0
Miscellaneous Special Revenue	75,490	77,793	73,632	73,765	147,397
Federal	340	360	360	360	720
Miscellaneous Agency	1,754	1,852	1,852	1,851	3,703
Gift	1,017	648	621	630	1,251
Total	90,816	97,495	100,517	102,258	202,775
<u>Expenditures by Category</u>					
Total Compensation	60,960	65,194	66,799	68,043	134,842
Other Operating Expenses	21,152	20,526	18,798	19,331	38,129
Capital Outlay & Real Property	68	1,181	0	0	0
Payments To Individuals	6,500	7,595	7,122	7,086	14,208
Local Assistance	2,136	2,999	1,798	1,798	3,596
Transfers	0	0	6,000	6,000	12,000
Total	90,816	97,495	100,517	102,258	202,775
<u>Expenditures by Program</u>					
Veterans Services	13,204	17,943	21,764	21,765	43,529
Veterans Homes	77,612	79,552	78,753	80,493	159,246
Total	90,816	97,495	100,517	102,258	202,775
Full-Time Equivalent (FTE)	1,037.3	1,030.4	1,015.9	990.6	

<i>Dollars in Thousands</i>				
	FY2009	Governor's Recomm.		Biennium
		FY2010	FY2011	2010-11
Fund: GENERAL				
FY 2009 Appropriations	66,684	66,684	66,684	133,368
Technical Adjustments				
One-time Appropriations		(5,225)	(5,225)	(10,450)
Pt Contract Base Reduction		(1)	(1)	(2)
Subtotal - Forecast Base	66,684	61,458	61,458	122,916
Change Items				
Maintain Current Services at Homes	0	1,800	3,400	5,200
Veterans Homes Repairs & Betterments	0	1,250	1,250	2,500
Hastings Mental Health Program	0	220	220	440
IT Merger	0	980	980	1,960
Higher Education Campus Reps Program	0	0	0	0
Total Governor's Recommendations	66,684	65,708	67,308	133,016
Fund: MISCELLANEOUS SPECIAL REVENUE				
Planned Statutory Spending	77,819	73,632	73,765	147,397
Total Governor's Recommendations	77,819	73,632	73,765	147,397
Fund: FEDERAL				
Planned Statutory Spending	360	360	360	720
Total Governor's Recommendations	360	360	360	720
Fund: MISCELLANEOUS AGENCY				
Planned Statutory Spending	1,852	1,852	1,851	3,703
Total Governor's Recommendations	1,852	1,852	1,851	3,703
Fund: GIFT				
Planned Statutory Spending	648	621	630	1,251
Total Governor's Recommendations	648	621	630	1,251

VETERANS AFFAIRS DEPT

Change Item: Maintain Current Services at Homes

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	\$1,800	\$3,400	\$3,400	\$3,400
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$1,800	\$3,400	\$3,400	\$3,400

Recommendation

The Governor recommends an increase of \$1.8 million in FY 2010 and \$3.4 million in FY 2011 to the Department of Veterans Affairs, Veterans Homes program to maintain current service levels.

Background

Not unlike other long-term care facilities in Minnesota, the operational cost for providing nursing care has continued to increase from one year to the next. Expenses such as compensation, fuel, utilities, pharmaceuticals, and food have increased each year. Before its dissolution, the Veterans Homes Board did not seek operational cost increases which have led to the Department's dramatic funding request for FY 2010-11. The Department continues to review contracts and explore more cost effective ways to obtain goods and services, but it is no longer possible to absorb cost increases without reducing the quality of life and standard of care for residents of the Department's facilities. The Veterans Homes face additional difficulty in absorbing increases because the Department is required to meet multiple standards of care for the residents – from the state Department of Health and the federal Veterans Affairs Administration. Due to these requirements, the Department has limited ability to reduce staffing, operations, and services provided to residents.

Relationship to Base Budget

The general fund base for the Veterans Homes budget activity is \$41.656 million per year. This request increases the Veterans Homes general fund base to \$43.456 million (4.1%) in FY 2010 and \$45.056 million (3.6%) in FY 2011.

Key Goals and Measures

The Department developed a strategic plan. As a part of the strategic plan, the Department of Veterans Affairs will ensure financial integrity and viability through the development of an attainable financial base that includes resources supplemental to and independent of state appropriated funds. To achieve this goal, the Financial officer will identify current and potential revenue sources to support program initiatives department-wide by June 30, 2009. The chief operating officer will facilitate a cost benefit analysis of any potential revenue source identified to make prudent fiscal decisions to support current and future services by January 2010. The financial officer will ensure generally accepted accounting principles (GAAP) are followed to maintain fiscal integrity.

Statutory Change: Not Applicable

VETERANS AFFAIRS DEPT

Change Item: Veterans Homes Repair & Betterment

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	\$1,250	\$1,250	\$1,250	\$1,250
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$1,250	\$1,250	\$1,250	\$1,250

Recommendation

The Governor recommends a general fund appropriation to the Department of Veterans Affairs of \$2.5 million in FY 2010-2011 for repair and betterment projects at the five state run Veterans Homes.

Background

The Veterans Homes program operates five separate campuses across Minnesota - including 44 separate buildings and totaling over 800,000 square feet. Of the five Veterans Homes campuses, three of the homes are located in aging buildings which require special repairs and modifications to maintain their integrity and comply with standards of care for elderly residents.

Any funding received to facilitate repairs will be spent on projects by priority of need. The requested funding will be used for the repair of interior building deficiencies; provide updates for life/safety compliance; fund replacement of ongoing wear-related items like floors and ceilings; and provide routine mechanical repairs.

Relationship to Base Budget

This recommendation represents about a 3% increase to the Veterans Homes program general fund base.

Key Goals and Measures

The administrators at each home will develop a project management system to streamline the use of program funding based on each home's priorities by 7/01/2009.

The Veterans Homes' goal and portion of the strategic plan is to ensure fiscal integrity. To achieve the Veterans Homes' goal, the administrators will develop a project management system to streamline the use of program funding (which includes R&B funding) based on the Veterans Homes' priorities by July 2009. The deputy commissioner for Veterans Health Care has developed a five year maintenance, repair and equipment replacement spreadsheet that identifies priorities, life safety, equipment shelf life and regulatory/statutory requirements.

Statutory Change: Not Applicable.

VETERANS AFFAIRS DEPT

Change Item: Hastings Mental Health Program

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	\$220	\$220	\$220	\$220
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$220	\$220	\$220	\$220

Recommendation

The Governor recommends an increase of \$220,000 in each year to the Veterans Health Care Program direct appropriation for the Mental Health Program at the Hastings Veterans Homes. These funds will allow the Hastings Veterans Home to expand their mental health program to meet the increase need for psychiatric care by providing annual mental health training for staff and hiring one licensed psychiatrist and one psychiatric nurse practitioner.

Background

The Hastings Veterans Home provides 200 domiciliary beds for veterans meeting the requirements for care. Domiciliary care is a residential rehabilitation program that provides rehabilitative and long-term psychosocial care for veterans having a medical need for care at the board and care level. The Hastings resident population often requires ongoing treatment and therapy for mental health and/or substance abuse disorders. Dual diagnosis (mental health and substance abuse) services are available to veterans with the goal of reintegration into society.

The Hastings Veterans Home provides the following health care services: 24-hour on campus medical services, dental and eye emergent care, pharmacy services, a licensed psychologist, dietetic and nutritional services, social services, therapeutic recreation, and corrective therapy. The Hastings Veterans Home also provides the following special services: sobriety maintenance, vocational rehabilitation services, mental health services, educational services, and transportation provided to medical appointments.

Relationship to Base Budget

The general fund base for the Veterans Homes budget activity is \$41.656 million per year. This request would increase the Veterans Homes general fund base by 0.5%.

Key Goals and Measures

As a result of the November 2007 merge between the Minnesota Department of Veterans Affairs and the Veterans Homes Board, the agency has developed a strategic plan. As a part of the strategic plan, the Hastings Veterans Home will formalize a procedure to identify the needs of the residents and their families to assist in the development of new strategies to address unmet needs. The Department will formalize a process to define quality standards for the Department to assist in providing the highest level of care and services to our stakeholders/clientele/customers/constituents.

Statutory Change: Not Applicable

VETERANS AFFAIRS DEPT

Change Item: IT Merger

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	\$980	\$980	\$980	\$980
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$980	\$980	\$980	\$980

Recommendation

The Governor recommends an increase of \$980,000 in each year to support the information technology needs of the Department. This recommendation will allow the Department of Veterans Affairs to upgrade its IT infrastructure, enhance information systems integrity, ensure confidentiality of information, and increase system availability.

Background

In November 2007, the Veterans Homes Board merged with the Department of Veterans Affairs. As a result of the merger, the Department has realized the compelling need to combine the IT platforms of two independent agencies into one seamless platform. The lack of updated technology for the Veterans Homes has impaired the Department's ability to interact technologically as one agency.

The Department of Veterans Affairs needs a solid foundation from which to move forward and this budget request will enable the Department to implement a data mart and repository; develop an active directory help desk; become compliant with the Governor's mandate for electronic health records; develop a security analyzing program; become fully Health Insurance Portability and Accountability Act (HIPPA) compliant; develop a disaster recovery plan; and supply ongoing field support inclusive of residential facilities, outreach workers, tribal veterans services officers, benefits/claims, and campus representatives.

The recommendation is seeking to hire additional IT staff. The most pressing of positions is for an information systems manager who can make recommendations for evaluation of all wiring; determine the advisability of installing Voice Over Internet Protocol (VOIP) at all work sites; evaluate work site wireless capabilities; develop a system for central purchasing, inventory control and licensing for IT needs; and develop a computer replacement system since 80% of the computers within the Department have not been replaced within the past three years.

A crucial component to integrating the information system needs of the previous Veterans Homes Board and the Department of Veterans Affairs is a power vault and SQL server enterprise for the development of a data mart and repository as well as the creation of a "hot site" for disaster recovery, which will allow the Office of Enterprise Technology (OET) to set up a virtual environment for the Department of Veterans Affairs to provide a foundation ensuring information is secure and business experiences minimal interruptions.

Relationship to Base Budget

The Department's current information technology appropriation is \$200,000 in each year of the biennium. This recommendation represents a 1.6% increase to the Department's general fund base budget of \$122.9 million in each biennium.

Key Goals and Measures

The Department has developed a strategic plan. As a part of the strategic plan, the chief operating officer will facilitate the development of integrated service lines to promote program delivery. The Department will formalize a process to define quality standards for the IT program to assist in providing the highest level service to Department employees/stakeholders/clientele/customers/constituents.

The Department has not considered alternatives for this request.

VETERANS AFFAIRS DEPT

Change Item: IT Merger

Technology Funding Detail

Funding Distribution	FY 2010-11 Biennium		FY 2012-13 Biennium		FY 2014-15 Biennium	
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Personnel	\$826	\$851	\$851	\$851	\$851	\$851
Supplies	0	0	0	0	0	0
Hardware	74	49	49	49	49	49
Software	80	80	80	80	80	80
Facilities	0	0	0	0	0	0
Services	0	0	0	0	0	0
Training	0	0	0	0	0	0
Grants	0	0	0	0	0	0
TOTAL	\$980	\$980	\$980	\$980	\$980	\$980

Statutory Change: Not Applicable.

VETERANS AFFAIRS DEPT

Change Item: Higher Education Campus Rep Program

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	\$0	\$0	\$1,050	\$1,050
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$0	\$0	\$1,050	\$1,050

Recommendation

The Governor recommends a repeal of the 6/30/2011 sunset date for the Higher Education Veterans Assistance Program. The recommendation for the repeal of the sunset date will allow the Department to keep the program operating at an efficient, high quality level. Additionally, the program has a numerical sunset date. Should the number of veterans enrolled at Minnesota's public higher education institutions drop below 4,000, the program is disbanded.

Background

In May 2006 the legislature provided funding for the Minnesota Department of Veterans Affairs to establish an on-campus Higher Education Veterans Assistance Program. The Higher Education Veterans Assistance Program's mission is to serve the unique higher education needs of students who are veterans, military members or family members of military men and women, and to assist Minnesota's colleges and universities address the unique and often complex needs of students who are veterans.

This program consists of a director and regional coordinators located throughout the state. Specifically, the coordinators work with colleges to enhance or develop "veteran friendly" policies and procedures which may include: payment deferments while awaiting properly applied for educational benefits; military transfer credit; veteran resident status; registration – flexibility and withdrawals due to deployments; provide information about services and resources, as well as referrals to appropriate service providers; and, facilitate communication between departments and staff who regularly interact with veterans – admissions, financial aid, counseling, disability services, career services.

The Higher Education Veterans Programs assists Minnesota's higher education campuses create on-campus Veterans Resource Centers for the purpose of providing an environment where veterans, military members and their families feel welcome; they interact with other students who are veterans, military members and/or their family members in order to gain support and encouragement from others with similar backgrounds, experiences, and circumstances. In FY 2008, the Higher Education Veterans Assistance Offices have 56 operational sites and have served over 4,300 veterans (unduplicated count) at Minnesota's higher education institutions.

Relationship to Base Budget

The base budget funding for this program is \$2.1 million in FY 2010-2011. This recommendation will provide ongoing funding to the Higher Education Veterans Assistance Program at the same level in FY 2012-13.

Key Goals and Measures

As a result of the November 2007 merge between the Minnesota Department of Veterans Affairs and the Veterans Homes Board, the Department has developed a strategic plan. As a part of the strategic plan, the Higher Education Veterans Program will formalize a process to identify the needs of veteran and military students. The Department will formalize a process to define quality standards for the program to assist in providing the highest level service to our stakeholders/clientele/customers/constituents.

Statutory Change: M.S. 197.585

Program Description

The purpose of the Veterans Services program is to provide assistance to veterans, their dependents and survivors through three divisions: veterans services administration, benefits and services, and claims and outreach. Through a variety of participatory planning processes, agency needs are identified and prioritized with the overall goals of providing high quality, cost-effective services to Minnesota's veterans, their dependents and survivors.

Budget Activities

This program includes the following budget activities:

- ⇒ Veterans Services Administration
- ⇒ Benefits and Services
- ⇒ Claims and Outreach

VETERANS AFFAIRS DEPT
 Program: VETERANS SERVICES

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	19,167	21,578	21,578	21,578	43,156
Technical Adjustments					
One-time Appropriations			(1,775)	(1,775)	(3,550)
Pt Contract Base Reduction			(1)	(1)	(2)
Subtotal - Forecast Base	19,167	21,578	19,802	19,802	39,604
Governor's Recommendations					
IT Merger		0	980	980	1,960
Total	19,167	21,578	20,782	20,782	41,564
<u>Expenditures by Fund</u>					
Carry Forward					
Miscellaneous Special Revenue	0	26	0	0	0
Direct Appropriations					
General	12,110	16,616	20,782	20,782	41,564
Statutory Appropriations					
General	105	0	0	0	0
Miscellaneous Special Revenue	617	873	594	595	1,189
Federal	340	360	360	360	720
Gift	32	68	28	28	56
Total	13,204	17,943	21,764	21,765	43,529
<u>Expenditures by Category</u>					
Total Compensation	4,197	5,207	6,263	6,506	12,769
Other Operating Expenses	1,861	3,886	2,325	2,119	4,444
Capital Outlay & Real Property	22	0	0	0	0
Payments To Individuals	4,988	5,851	5,378	5,342	10,720
Local Assistance	2,136	2,999	1,798	1,798	3,596
Transfers	0	0	6,000	6,000	12,000
Total	13,204	17,943	21,764	21,765	43,529
<u>Expenditures by Activity</u>					
Veterans Services Admin	1,987	2,256	2,875	2,875	5,750
Benefits & Services	6,290	8,083	13,500	13,501	27,001
Claims & Outreach	4,927	7,604	5,389	5,389	10,778
Total	13,204	17,943	21,764	21,765	43,529
Full-Time Equivalents (FTE)	71.2	80.4	90.4	90.1	

Activity Description

The core functions within the Veterans Services Administration division include the financial management of the department, human resource functions, information technology needs, communications/public affairs, legislative affairs, and the Recently Separated Veterans Program.

Population Served

Through the commissioner's office the Veterans Services Administration division offers services to the 420,000 Minnesota veterans plus the over 1,000 employees of the department. Our Information Technology unit serves an undetermined number of veterans and their families throughout the world by providing web access to benefits and services.

Services Provided

The commissioner's office provides overall leadership and direction for the department. All budgeting, financial transactions, human resource management, affirmative action, and MAPS and SEMA4 transactions are processed within the Veterans Services Administration division.

Staff in this area provide information technology, including internal and external web applications. CVSOs are able to access veterans' DD214's (discharge papers), which are utilized to secure veterans benefits, online. Additionally, the division has established a web site creating a centralized, one-stop point of information for Minnesota veterans. The web site provides a directory of all available public and private veteran programs, benefits and/or services offered by all levels of government or private organizations.

The Communications/Public Affairs Office and Legislative Affairs Office works closely with the County Veteran Services Officers (CVSOs), Congressionally Chartered Veterans Services Organizations, the Commanders Task Force, and the United Veterans Legislative Council to assist in the dissemination of information alerting veterans to changes in state and/or federal laws that impact veterans, their families, and active military men and women.

In collaboration with the Department of Employment and Economic Development (DEED), the department operates the **Recently Separated Veterans Program (RSVP)**. When veterans separate from active duty, if they identify Minnesota as their home of record, the Minnesota Department of Veterans Affairs will receive their discharge papers (DD214). Within seven working days, a "Welcome Home" letter and relevant transitional information is mailed. In addition to thanking these men and women for their dedicated service to our nation and welcoming them home to Minnesota, the department provides them with helpful information on veteran's benefits and services, as well as DEEDs programs and services. Additionally, the letter directs them to their local County Veteran's Service Officer (CVSO), where they can obtain information on available additional services.

In calendar year 2007, the governance of the five state run veterans homes was transferred to the department. With the addition of the veterans homes, the department is redefining and redeveloping its vision statement, mission statement and strategic plan. The new strategic plan identifies five goals for the department:

- ◆ MDVA will develop integrated service lines to promote program delivery to the Minnesota veterans community;
- ◆ MDVA will ensure financial integrity and viability through the development of an attainable financial base that includes resources supplemental to and independent of state appropriated funds;
- ◆ MDVA will formalize and implement organizational systems to support department operations;
- ◆ MDVA will develop strategies to foster employee morale and strong partnerships with stakeholders; and
- ◆ MDVA will meet the needs of the veteran community by providing innovative customer service.

Activity at a Glance

- ◆ Secures veteran discharge information (DD214).
- ◆ A centralized one-stop web-site provides information on benefits and services available to veterans offered by all levels of government and private organizations.
- ◆ The Recently Separated Veterans Program (RSVP) sends Welcome Home letters containing relevant transitional information to all returning Minnesota veterans who were honorably separated.
- ◆ Hosts the state-sponsored Veterans Day Program.

VETERANS AFFAIRS DEPT

Program: VETERANS SERVICES

Activity: VETERANS SERVICES ADMINISTRATION

Narrative

The merger between MDVA and Veterans Homes Board was completed successfully. The department also had the responsibility of hosting the WWII memorial dedication and ensuring that every WWII veteran who wished to attend the dedication had state-provided transportation.

Key Activity Goals

MDVA's Veterans Services Administration will:

- ◆ develop integrated service lines to promote program delivery to the Minnesota veterans community.

Key Activity Measures

As a result of the November 2007 merge of the Minnesota Department of Veterans Affairs and the Veterans Homes Board, the agency is developing a strategic plan. As a part of the strategic planning process underway at the agency, the Veteran Services Administration will facilitate the conversion of the IT platform to Microsoft to share data and enhance communication. The Veterans Services Administration will develop and maintain a financial structure to support the delivery of integrated services. The Veterans Services Administration will also develop a human resource system to consolidate and integrate human resource management.

Accomplishments include:

- ◆ Development of a department strategic plan.
- ◆ Transition of the powers and duties of the Veterans Homes Board to MDVA.
- ◆ Successful dedication of the WW II Memorial on June 9, 2007 with over 22,000 people in attendance.

Activity Funding

The Veterans Services Administration activity is funded by a direct appropriation from the general fund.

Contact

For further information, contact Office of the Commissioner, Department of Veterans Affairs, Veterans Service Building, 20 West 12th Street, Saint Paul, Minnesota 55155 or call (651) 296-2562 or Fax (651) 296-3954.

You may also visit the department's web site at www.mdva.state.mn.us and our Department Result's page at www.departmentresults.state.mn.us/vets/index.html

VETERANS AFFAIRS DEPT
 Program: VETERANS SERVICES
 Activity: VETERANS SERVICES ADMIN

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Expenditures by Fund</u>					
Carry Forward					
Miscellaneous Special Revenue	0	26	0	0	0
Direct Appropriations					
General	1,850	2,163	2,848	2,848	5,696
Statutory Appropriations					
General	105	0	0	0	0
Gift	32	67	27	27	54
Total	1,987	2,256	2,875	2,875	5,750
<u>Expenditures by Category</u>					
Total Compensation	1,300	1,285	2,201	2,269	4,470
Other Operating Expenses	687	971	674	606	1,280
Total	1,987	2,256	2,875	2,875	5,750
Full-Time Equivalent (FTE)	16.6	15.0	24.3	24.3	

Activity Description

The Veterans Benefits and Services division provides assistance through the State Soldiers Assistance Program, Minnesota State Veterans Cemetery, the Minnesota State Approving Agency, LinkVet, War Survivors Educational Benefits, Veteran's Preference Act Enforcement, and Case Management Services.

Population Served

Veterans Benefits and Services program serves all Minnesota veterans, their dependents and survivors. The Benefits and Services Program provides emergency cash assistance in the form of shelter payments (rent and mortgage), utilities, and personal needs grants to veterans who are unable to work as a result of temporary disability. Like all divisions within the department, the Benefits and Service Program works in close collaboration with all 87 County Veterans Service Officers.

Services Provided

The **State Soldiers Assistance Program (SSAP)** provides direct, emergency financial assistance to veterans, their dependents and survivors. This program makes provisions for shelter and utilities, optical and dental benefits, and cash grants for food and personal needs. Within this activity, the homeless veterans' initiative and rehabilitation services assist veterans and their families in attempts to regain self-sufficiency by providing incentives for desirable behavior and by assisting them in taking personal responsibility for their lives. Educational benefits are provided in the form of one-time grants to veterans who have exhausted their federal benefits.

The **Minnesota State Veterans Cemetery** in Little Falls provides dignified burial services to Minnesota veterans as well as their eligible dependents and survivors. Burial is open to all veterans discharged from active military service under conditions other than dishonorable. Their spouses, minor children, and under certain conditions, unmarried adult children are also eligible for burial. Eligible spouses may be buried, even if they predecease the veteran. Also eligible for burial are members of the reserve components of the Armed Forces, the Army and National Guard, and the Reserve Officer Training Corps who die while on active duty for training or performing service, or who have 20 years of service in reserve components of the Armed Forces creditable for retired pay.

The Minnesota **State Approving Agency's (SAA)** mission is to provide administrative oversight of the G.I. Bill's Minnesota Education and Training Programs on behalf of our veterans and other eligible persons. The SAA is responsible for the approval of education and training programs to ensure that each program meets the necessary requirements prescribed in federal law. For veterans to receive payments for their G.I. Bill's Education benefits, the education or training program in which they intend to enroll must be pre-approved by the SAA. The duties of the On-the-Job Training program and Apprenticeship program were transferred from the Department of Labor and Industry to MDVA effective October 1, 2008.

The Benefits and Services division offers the **LinkVet** call center provided by trained staff. During business hours, MDVA staff will provide information on veterans' benefits, healthcare, education, and reintegration services. The line will roll to Crisis Connection counselors for 24-hour, seven days a week coverage (including holidays) for immediate crisis intervention and psychological counseling.

The Benefits and Services division also oversees the **Surviving Spouse/Dependent Education Benefit Program**. This benefit is completely state funded and can only be used by a Minnesota resident who is the child/spouse of a deceased veteran. The deceased veteran must have been a Minnesota resident within six

Activity at a Glance

- ◆ Over 2,000 veterans and their families receive State Soldiers Assistance Program (SSAP) benefits annually.
- ◆ In FY08, SSAP paid out over \$5.25M in direct, emergency funds to veterans.
- ◆ Over 2,500 veterans and their family members are laid to rest in the Minnesota State Veterans Cemetery in Little Falls.
- ◆ The "LinkVet" toll-free telephone line provides information on veterans' benefits, healthcare, education, and reintegration services.
- ◆ In partnership with Crisis Connection, "LinkVet" is available 24-hours, seven days a week (including holidays) for immediate crisis intervention and psychological counseling.
- ◆ Over 5,500 veterans and their families have received hope and support through "LinkVet".

months of the time of the person's entry into the United States Armed Forces, and the veteran must have died while on active duty, or as a result of a service-connected condition.

The **Minnesota GI Bill program** provides postsecondary educational assistance to eligible Minnesota veterans, and to the children and spouses of deceased or severely disabled Minnesota veterans. The Minnesota GI Bill program is awarded after existing or expected federal military benefits or other need-based grant programs offered by the state or federal government. The Minnesota GI Bill program benefits are available for undergraduate and graduate studies that lead to a certificate, diploma, or degree.

This division also provides direct enforcement of the **Veterans Preference Act**. We represent veterans in pursuing relief when their veterans' preference rights have been violated. In addition, we also provide educational direction to political subdivisions to prevent future veterans' preference claims.

Another program under the Benefits and Services division is the **State-Wide Case Manager** program. This program is available for veterans and/or their immediate family members. The program provides a single case manager to help veterans and/or their families coordinate and find services available in their local communities.

Key Activity Goals

MDVA's Benefits and Services division will:

- ◆ meet the needs of the veteran community by providing innovative customer service;
- ◆ ensure financial integrity and viability through the development of an attainable financial base that includes resources supplemental to and independent of state appropriated funds.

Key Activity Measures

As a result of the November 2007 merge of the Minnesota Department of Veterans Affairs and the Veterans Homes Board, the agency is developing a strategic plan. As a part of the strategic planning process underway at the agency, the Benefits and Services division will formalize a process to identify the need of veterans and their families to assist with the development of new strategies to address unmet needs. The department will formalize a process to define quality standards to assist in providing highest level of services to the veterans as well as stakeholders. The Benefits and Services division will implement a streamlined and standardized financial reporting procedure to provide managers with financial reports to allow for timely financial decisions.

In FY2008, the Benefits and Services division was handed the task of developing and implementing several new programs. The goal was to have the new programs functioning and have the expansion of existing programs completed within six months of the date of enactment. On all accounts MDVA surpassed the self-imposed time lines. FY2008 accomplishments include:

- ◆ Increased the usage of the SSAP program by almost 19 percent.
- ◆ LinkVet line was live by August 1, 2007.
- ◆ Applied to the federal government for an additional state operated cemetery.
- ◆ Distributed the first funds to veterans under the Minnesota GI Bill.

The Benefits and Services division also went through the Lean process, which is a process of eliminating waste with the goal of creating value for enterprise stakeholders. Lean helped the division staff to identify strategies within the State Soldiers Assistance Program that reduced the application processing time by 50%, while increasing accuracy in a veteran's application for assistance.

Activity Funding

This activity is funded through general fund appropriations, but also uses some special revenue funds and federal funds. The source of the special revenue funds is burial fees at the MN State Veterans Cemetery. The source of federal funds is the State Approving Agency contract and the cemetery burial federal reimbursement.

VETERANS AFFAIRS DEPT

Program: VETERANS SERVICES

Activity: BENEFITS & SERVICES

Narrative

Contact

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VETERANS AFFAIRS DEPT
 Program: VETERANS SERVICES
 Activity: BENEFITS & SERVICES

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	5,671	7,539	12,945	12,945	25,890
Statutory Appropriations					
Miscellaneous Special Revenue	279	183	194	195	389
Federal	340	360	360	360	720
Gift	0	1	1	1	2
Total	6,290	8,083	13,500	13,501	27,001
<u>Expenditures by Category</u>					
Total Compensation	1,064	1,282	1,306	1,347	2,653
Other Operating Expenses	463	1,305	916	912	1,828
Capital Outlay & Real Property	22	0	0	0	0
Payments To Individuals	4,741	5,496	5,278	5,242	10,520
Transfers	0	0	6,000	6,000	12,000
Total	6,290	8,083	13,500	13,501	27,001
Full-Time Equivalent (FTE)	21.6	20.3	20.3	20.3	

Activity Description

The Claims and Outreach division provides claims representation to veterans as well as their dependents and survivors. The Claims side of the division helps individuals secure federal veterans' benefits, such as compensation and pension benefits, home loans, educational benefits, and medical treatment. The Outreach side of the division actively engages in outreach efforts to find and help veterans from underserved populations (minorities, women, homeless).

The Claims and Outreach division also oversees the County Veteran Service Officer (CVSOs) grant programs as well as the on-going training, educational opportunities and annual certification of all CVSOs.

Two relatively new functions of the Claims and Outreach division are the Tribal Veteran Service Officers (TVSO) program and the Higher Education Veterans Assistance Offices on Campus program. The TVSO program has representation on all seven of northern Minnesota's Indian Reservations. The TVSO program helps individuals' secure state and federal veterans' benefits. The Higher Education Veterans Assistance Offices on Campus Program has a presence on 53 higher education institutions to support the success of veterans, current military members, and their families at Minnesota's colleges and universities by providing on-site comprehensive information about benefits and resources as well as by creating institutional readiness in support of the unique needs of the veteran student.

This program area is also responsible for the Minnesota GI Bill. The Minnesota GI Bill program provides postsecondary educational assistance to eligible Minnesota veterans, and to the children and spouses of deceased or severely disabled Minnesota veterans. The Minnesota Department of Veterans Affairs (MDVA) has an interagency agreement with the Office of Higher Education for the administration of this program.

The budget activity also houses the activities and grants that are funded by the proceeds from the sale of the **Support Our Troops license plates**. Support Our Troops (SOT) license plates feature a bald eagle in the foreground against the American flag as a backdrop. The proceeds from the plate sales are split between the Department of Military Affairs for financial support of military families and MDVA. MDVA uses the Support Our Troops money for two purposes: outreach and assistance initiative programs for underserved veterans and for grants to veterans services provided by Congressionally Charter Veterans Services Organizations located in Minnesota and those with claims office representation.

Population Served

The claims offices serve all Minnesota veterans, their dependents and survivors. The outreach offices concentrate their efforts on homeless, minority, women, and other underserved veterans in the state of Minnesota. In addition, the claims and outreach officers work in collaboration with all 87 County Veteran Service Offices (CVSOs).

Services Provided

The **Claims and Outreach offices**, located at Fort Snelling and Fargo/Moorhead, provide direct claims representation before the U.S. Department of Veterans Affairs (VA) and the Board of Veterans Appeals to help Minnesota veterans and their families obtain federal benefits and services. The Claims office at Fort Snelling also

Activity at a Glance

- ◆ In FY2008, Minnesota veterans received more than \$226 million in federal veterans' benefits as a direct result of the department's claims and outreach offices.
- ◆ In calendar year 2008, MDVA Claims and Outreach offices have served as Power of Attorney for approximately 24,000 veterans.
- ◆ Since 2006, the Claims and Outreach offices have participated in all 30, 60, 90 reintegration events.
- ◆ Female Veterans Coordinator was added to outreach office in 2008.
- ◆ Two grant programs, Operational Grant and Enhancement Grant, are available for CVSOs.
- ◆ MDVA certifies 105 CVSOs and their assistants annually.
- ◆ Veterans Assistance Offices on Campus have 53 operational sites and have served over 3,500 veterans (unduplicated count) at Minnesota's higher education institutions in FY2008.
- ◆ Support Our Troops license plates have generated more than \$436,000 for veterans programs in FY2008.

VETERANS AFFAIRS DEPT

Program: VETERANS SERVICES

Activity: CLAIMS & OUTREACH

Narrative

provides environmental hazards information and assistance. Claims office services are free of charge. The Claims and Outreach staff represent veterans and their family members by acting as their advocate in matters pertaining to federal VA benefits and entitlements. As a veteran's representative, the Claims and Outreach office staff help identify what evidence is needed to support the claim, monitor the progress of the claim through the adjudication process, intercede on the claimant's behalf if problems arise, and explain and clarify federal VA procedures and regulations that apply to the claim. The Claims and Outreach offices work closely with County Veterans Service officers to facilitate important services, such as:

- ◆ disability compensation – payments to veterans who are disabled by injury or disease incurred or aggravated during military service;
- ◆ pension – assist veterans with pension benefits;
- ◆ vocational rehabilitation – employment assistance, training and education for veterans with service-connected disabilities who have an employment handicap due to their service-connected disability;
- ◆ health care benefits – medical treatment and hospital care for veterans with service-connected disabilities and others who meet VA eligibility criteria;
- ◆ education benefits – federal Montgomery G.I. Bill benefits for former active-duty service members and eligible members of the reserve components; and
- ◆ burial benefits – burial in state or federal veterans cemeteries. Headstones and markers may be provided for burials in private cemeteries. Burial allowances may help pay for burial services and a burial plot.

The focus of the Outreach office is to be a visible presence in communities throughout the state. Outreach staff attend veteran-specific gatherings such as the annual homeless veterans stand-down events in Minneapolis, St. Cloud, Mankato, International Falls, and Duluth.

The Claims and Outreach office host town-hall meetings throughout the state and sponsor a State Fair booth. Additional outreach efforts are aimed at reintegration of newly returning veterans to inform them of their eligibility for benefits, programs, and services. The program also provides leadership and coordination for community-based efforts that support Minnesota's newest veterans and encourage them to become fully integrated into their communities upon return from active military service.

The **County Veterans Service Officer Operational and Enhancement grant programs** are also provided through the veterans program and services division. The two grant programs are the Operational Improvement Grant or the Enhancement of Services Grant. The Operational Improvement Grant is award on a rotating three-year cycle. The Operational Grant is not a competitive grant. The Enhancement of Services grant is competitive grant; its purpose is to enhance benefits, programs, and services provided to Minnesota veterans by CVSOs. Before receiving either grant the lead CVSO in each county must go through a certification process and continuing education courses that ensure that they are trained and proficient in their duties.

The **Higher Education Veterans Assistance Offices on Campus program** mission is to serve the unique higher education needs of students who are veterans, military members or family members of military men and women. To assist Minnesota's colleges and universities address the unique and often complex needs of students who are veterans, the department established the Higher Education Veterans Program. This program consists of a director and regional coordinators located throughout the state. Specifically, the coordinators work with colleges to enhance or develop "veteran friendly" policies and procedures which may include: payment deferments while awaiting properly applied for educational benefits; military transfer credit; veteran resident status; registration – flexibility and withdrawals due to deployments; provide information about services and resources, as well as referrals to appropriate service providers; and facilitate communication between departments and staff who regularly interact with veterans - admissions, financial aid, counseling, disability services, career services.

On-campus Veterans Resource Centers provide an environment where veterans, military members and their families feel welcome, and where they can interact with other students who are veterans, military members and/or their family members in order to gain support and encouragement from others with similar backgrounds, experiences, and circumstances.

VETERANS AFFAIRS DEPT

Program: VETERANS SERVICES

Activity: CLAIMS & OUTREACH

Narrative

This budget activity also administers the pass-through grant to the Veterans Service Organizations; specifically, Disabled American Veterans (DAV), Military Order of the Purple Heart (MOPH), Veterans of Foreign Wars (VFW), Vietnam Veterans Association (VVA), Paralyzed Veterans of America (PVA), and American Legion. The Congressionally Chartered Veterans' Organizations are authorized to represent veterans, dependents, widows, and orphans before local, state, and federal government. These offices serve as representatives for veterans and their families in obtaining benefits to which they are entitled. They provide informational seminars and publish articles to bring about an awareness concerning potential entitlements to benefits and services available through Minnesota and U.S. Department of Veterans Affairs (VA).

The **Tribal Veterans Service Officers (TVSOs)** help individuals' secure state and federal veterans' benefits. Thirty percent of Minnesota's Native Americans are veterans; however cultural differences and geographic distance make it difficult for this population to seek assistance from the County Veteran Service Offices located in their county seat. The Tribal Veterans Service Officers have assisted members of Northern Minnesota tribes in obtaining the benefits to which they are entitled. The Tribal Veteran Service Officers have an office located on each of northern Minnesota's Indian reservations.

The nonprofit **Minnesota Assistance Council for Veterans (MACV)** assists veterans and their families affected by homelessness. In its 13-year history, the organization has helped more than 3,000 veterans with transitional housing. MACV provides or coordinates clean, safe, drug-free, supportive housing; transitional homes for use during extended medical care; job skills training; assistance finding permanent housing; assistance finding resources for food; mortgage assistance; health care; chemical dependency treatment and sobriety aftercare; job search assistance; and counseling and legal assistance. Several organizations that advocate for veterans and people who experience homelessness recognize MACV's transitional and permanent housing programs as a model for the nation.

Key Activity Goals

MDVA's Claims and Outreach division will:

- ◆ develop strategies to foster employee morale and strong partnerships with stakeholders;
- ◆ meet the needs of the veteran community by providing innovative customer service; and
- ◆ develop integrated service lines to promote program delivery to the veterans community.

Key Activity Measures

As a result of the November 2007 merge of the Minnesota Department of Veterans Affairs and the Veterans Homes Board, the agency is developing a strategic plan. As a part of the strategic planning process underway at the agency, the Claims and Outreach division will formalize a process to identify the need of veterans and their families to assist with the development of new strategies to address unmet needs of underserved veterans. The department will formalize a process to define quality standards for the department to assist in providing the highest level of care and services to our stakeholders/clientele/customers/constituents. The Claims and Outreach division will define, streamline and coordinate veterans services at the community level to ensure the unique needs of veterans and their families are met. The Claims and Outreach division will also oversee the conversion of the claims platform to Virtual Veteran, which is a web-based program that stores a complete veteran file that can be shared among the federal VA, MDVA and CVSOs. This data-sharing will enhance communication with County Veteran Service Offices.

VETERANS AFFAIRS DEPT

Program: VETERANS SERVICES

Activity: CLAIMS & OUTREACH

Narrative

In FY2008, the Claims and Outreach division was handed the task of developing and implementing several new programs. The goal was to have the new programs functioning and have the expansion of existing programs completed within six months of the date of enactment. On all accounts MDVA surpassed the self-imposed time lines. FY2008 accomplishments include:

- ◆ Established seven northern Minnesota Tribal Veteran Services Offices.
- ◆ Increased the number of Powers of Attorney by five percent.
- ◆ Increased the amount of federal monies coming to veterans by \$45.5 million.
- ◆ Increased the number of Higher Education Veterans Assistance offices on campus by 25 offices.
- ◆ Participated in all 30, 60, 90 day reintegration events.
- ◆ Added a Women Veterans Coordinator to the Outreach office.

Activity Funding

Claims and outreach activity is funded primarily by appropriations from the general fund, but also consists of special revenue funds. The source of special revenue funds is the Support Our Troops license plate donation.

Contact

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VETERANS AFFAIRS DEPT
 Program: VETERANS SERVICES
 Activity: CLAIMS & OUTREACH

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	4,589	6,914	4,989	4,989	9,978
Statutory Appropriations					
Miscellaneous Special Revenue	338	690	400	400	800
Total	4,927	7,604	5,389	5,389	10,778
<u>Expenditures by Category</u>					
Total Compensation	1,833	2,640	2,756	2,890	5,646
Other Operating Expenses	711	1,610	735	601	1,336
Payments To Individuals	247	355	100	100	200
Local Assistance	2,136	2,999	1,798	1,798	3,596
Total	4,927	7,604	5,389	5,389	10,778
Full-Time Equivalents (FTE)	33.0	45.1	45.8	45.5	

Program Description

The Minnesota Department of Veterans Affairs' veteran's homes provide skilled nursing care, special care units for the treatment of dementia, domiciliary (boarding) care, and residential programs for homeless veterans. These services are provided in facilities located in Fergus Falls, Hastings, Minneapolis, Luverne, and Silver Bay. A centralized management team lead by the Deputy Commissioner of Veteran Health Care supports each home.

Nursing home care consists of compassionate medical, rehabilitative, and end-of-life care in a residential setting staffed by well-qualified personnel. Care is designed and delivered by integrating the components required by each resident. The goal is to restore, optimize, and/or maintain each resident's level of function, personal autonomy, and dignity while recognizing the individual's service to country in a variety of ways with the assistance of veterans' service organizations.

Domiciliary care is a residential rehabilitation program that provides rehabilitative and long-term psychosocial care for veterans having a medical need for care at the board and care level. This resident population may require ongoing treatment and therapy for their mental health and/or substance abuse disorder. Dual diagnosis (mental health and substance abuse) services are available to veterans with the goal of reintegration back into society.

Population Served

Approximately 420,000 veterans reside in Minnesota and it is predicted this population will decrease by approximately 35% over the next twenty years. While the veteran population is expected to decrease over the next twenty years, the number of veterans 75 and older is expected to grow by approximately 9%. Fifty percent of the patients cared for in veteran's homes are between the ages of 75-84 and 21% are over the age of 85. This is compared to private sector long-term care where approximately 31% are between the ages of 75-84 and 52% are over 85. In addition, the veteran home resident population is 86% male as compared to 27% in the private sector. Case mix (a standard measure of level of care requirements) in the state averages 2.51 while in the veterans homes it ranges from 2.58 to 2.72. The top five primary diagnoses for skilled care in the veterans homes system are dementia, Alzheimer's, coronary vascular disease, diabetes, and chronic obstructive pulmonary disease. For domiciliary care, the top primary diagnoses are alcohol dependence/abuse, chronic obstructive pulmonary disease, hypertension, and diabetes.

Services Provided

There are five veterans homes operating in Minnesota. These include skilled nursing facilities at Fergus Falls (85 beds), Minneapolis (341 beds including domiciliary beds), Luverne (85 beds), and Silver Bay (87 beds), and a domiciliary-only facility at Hastings (200 beds). The Minneapolis facility also operates a 16-bed inpatient program for homeless veterans with a mental health and substance abuse history. Hastings has a transitional housing program for veterans who have been previously homeless and have completed their inpatient treatment. Both of these programs are funded jointly by the U.S. Department of Housing and Urban Development (HUD) and Minnesota Department of Veterans Affairs. Services provided by the veterans homes are listed below:

- ◆ skilled nursing
- ◆ hospice
- ◆ occupational therapy
- ◆ drug and alcohol treatment
- ◆ chiropractic (with doctor's order)
- ◆ volunteer programs
- ◆ optometry exams
- ◆ domiciliary (board and care)
- ◆ physical therapy
- ◆ work therapy
- ◆ recreational therapy
- ◆ spiritual care
- ◆ podiatry
- ◆ outpatient services (Fergus Falls)
- ◆ special care units – dementia and Alzheimer's
- ◆ social services
- ◆ speech therapy
- ◆ transitional care
- ◆ dental
- ◆ mental health

Program at a Glance

- ◆ FY2008 Total Operating Beds 859
 - ⇒ Fergus Falls – 85 skilled nursing beds
 - ⇒ Hastings – 200 domiciliary beds
 - ⇒ Luverne – 85 skilled nursing beds
 - ⇒ Minneapolis – 341 budgeted beds: 200 skilled nursing beds, 50 domiciliary beds, 91 special care unit beds.
 - ⇒ Silver Bay – 87 skilled nursing beds
- ◆ Statewide occupancy rate = 98%
- ◆ 965 FTE

Key Program Goals

MDVA's veterans homes program will:

- ◆ provide high quality of care;
- ◆ meet the needs of the veteran community by providing innovative customer service; and
- ◆ develop strategies to foster employee morale and strong partnerships with stakeholders.

Key Program Measures

Quality of Care – The primary measurement of service is quality of care. A minimum data set (MDS) is completed on each resident upon admission, quarterly, annually and when there is a significant change in health status. The data is collected through the EQUIP system, which compares twenty-four quality indicators which have been adopted by the federal Center for Medicare and Medicaid Service as the primary quality monitoring tool for skilled nursing care. The Center looks at issues such as: hydration, new fractures, falls, weight loss, medication usage, functionality, and pressure ulcers. The facility's quality indicators are compared to peer group averages. Any measurement above or below the peer group averages are reviewed, with the goal of developing an action plan to eliminate negative variances or accepting the variance and understanding why it exists. The quality of care reports are also used by surveyors in the quality monitoring process.

Bed occupancy – Occupancy rates are 98% statewide with significant waiting lists for admission at Fergus Falls, Luverne, and Minneapolis. Hastings and Silver Bay operate at a high occupancy level. Since the agency retains resident maintenance payments and the Veterans Affairs (VA) per diem, high occupancy maximizes revenues for the agency.

As a result of the November 2007 merge of the Minnesota Department of Veterans Affairs and the Veterans Homes Board, the agency is developing a strategic plan. As a part of the strategic planning process underway at the agency, the veterans homes program will formalize a process to identify the need of the residents and their families to assist with the development of new strategies to address unmet needs. The department will formalize a process to define quality standards for the department to assist in providing the highest level of care and services to our stakeholders/clientele/customers/constituents. The department will also develop an education needs assessment and training plan to provide learning and development opportunities to recruit and retain the best skilled employees.

The Minneapolis Veterans Home recently began using the Lean process to identify ways to improve the facility's medication distribution system. Lean is a process of eliminating waste and duplication with the goal of creating value for enterprise stakeholders.

Program Funding

Funding for this program is from the general fund (57.3%), resident maintenance charges (19.0%), federal VA per diems (19.7%), and other sources (4.0%). The revenue from the resident maintenance charges and per diem payments, when combined with the general fund appropriation, finance the operations of the program's facilities.

Contact

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VETERANS AFFAIRS DEPT
 Program: VETERANS HOMES

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	43,184	45,106	45,106	45,106	90,212
Technical Adjustments					
One-time Appropriations			(3,450)	(3,450)	(6,900)
Subtotal - Forecast Base	43,184	45,106	41,656	41,656	83,312
Governor's Recommendations					
Maintain Current Services at Homes		0	1,800	3,400	5,200
Veterans Homes Repairs & Betterments		0	1,250	1,250	2,500
Hastings Mental Health Program		0	220	220	440
Total	43,184	45,106	44,926	46,526	91,452
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	0	200	3,270	4,870	8,140
Statutory Appropriations					
Miscellaneous Special Revenue	74,873	76,920	73,038	73,170	146,208
Miscellaneous Agency	1,754	1,852	1,852	1,851	3,703
Gift	985	580	593	602	1,195
Total	77,612	79,552	78,753	80,493	159,246
<u>Expenditures by Category</u>					
Total Compensation	56,763	59,987	60,536	61,537	122,073
Other Operating Expenses	19,291	16,640	16,473	17,212	33,685
Capital Outlay & Real Property	46	1,181	0	0	0
Payments To Individuals	1,512	1,744	1,744	1,744	3,488
Total	77,612	79,552	78,753	80,493	159,246
<u>Expenditures by Activity</u>					
Veterans Health Care	1,893	2,290	2,090	2,090	4,180
Mpls Veterans Homes	39,820	41,527	40,338	41,292	81,630
Hastings Veterans Home	9,632	9,654	9,693	9,867	19,560
Silver Bay Veterans Homes	8,752	8,793	9,172	9,370	18,542
Luverne Veterans Home	8,851	8,632	8,691	8,900	17,591
Fergus Falls Veterans Home	8,664	8,656	8,769	8,974	17,743
Total	77,612	79,552	78,753	80,493	159,246
Full-Time Equivalents (FTE)	966.1	950.0	925.5	900.5	

VETERANS AFFAIRS DEPT

Agency Revenue Summary

Dollars in Thousands

	Actual FY2008	Budgeted FY2009	Governor's Recomm. FY2010 FY2011		Biennium 2010-11
<u>Non Dedicated Revenue:</u>					
Taxes:					
General	60	46	46	46	92
Total Non-Dedicated Receipts	60	46	46	46	92
<u>Dedicated Receipts:</u>					
Departmental Earnings:					
Miscellaneous Special Revenue	29,515	31,632	31,467	31,599	63,066
Grants:					
Miscellaneous Special Revenue	118	118	118	118	236
Federal	340	360	360	360	720
Other Revenues:					
Miscellaneous Special Revenue	161	23	23	23	46
Miscellaneous Agency	242	277	277	277	554
Gift	494	618	618	618	1,236
Other Sources:					
Miscellaneous Agency	1,394	1,587	1,587	1,587	3,174
Total Dedicated Receipts	32,264	34,615	34,450	34,582	69,032
Agency Total Revenue	32,324	34,661	34,496	34,628	69,124

Federal Funds Summary

Federal Program (\$ in Thousands)	Related SFY 2007 Spending	Primary Purpose	SFY 2008 Revenues	SFY 2009 Revenues	Estimated SFY 2010 Revenues	Estimated SFY 2011 Revenues
State Approving Agency	307	SO	340	360	360	360
Agency Total	307	SO	340	360	360	360

Key:

Primary Purpose

SO = State Operations

GPS = Grants to Political Subdivision

GI = Grants to Individuals

GCBO = Grants to Community Based Organizations