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⇒ Designates that this item is a change item

Agency Purpose

The Minnesota Department of Veterans Affairs (MDVA) is “Dedicated to serving Minnesota Veterans and their families.” MDVA strives to enhance the lives of those it serves through the development and implementation of services that are tailored to meet the current and ongoing needs of veterans and their families.

At a Glance

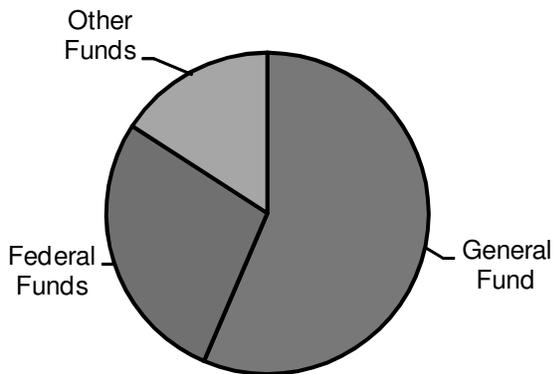
Veterans Health Care

- Total Operating Beds 794
 - Fergus Falls – 85 skilled nursing beds
 - Hastings – 200 domiciliary beds
 - Luverne – 85 skilled nursing beds
 - Minneapolis – 200 skilled nursing, 50 domiciliary, 91 special care unit beds
 - Silver Bay – 83 skilled nursing beds
- Statewide occupancy rate = 95 percent

Veterans Programs and Services

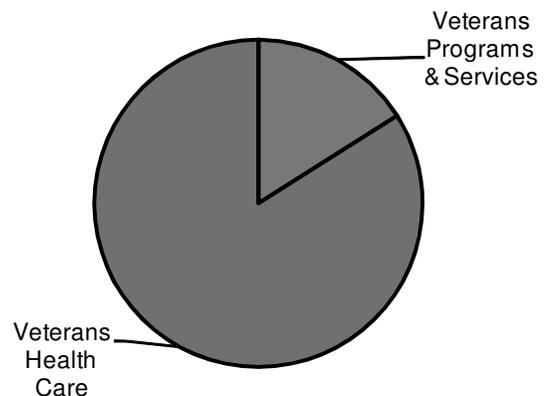
- In FY 2010, the State Soldiers Assistance Program (SSAP) received 3,579 new applications for assistance, and paid out over \$6 million in direct, emergency funds to veterans.
- 59 Veterans Assistance Offices on college campuses throughout the state, serving over 5,110 new visitors in 2009.
- In FY 2009, the Claims & Outreach Division staffed more than 900 events, performed 3,000+ hours of training, and received 19,786 rating decisions on claims it submitted to the U.S. Department of Veterans Affairs (VA).

Est. FY 2010-11 Expenditures by Fund



Source: Consolidated Fund Balance (FY11 modified)

Est. FY 2010-11 Expenditures by Program



Source: Veterans Affairs Dept

Strategies

MDVA accomplishes its mission by:

- Promoting self-sufficiency and personal responsibility through a temporary safety net of benefits and services;
- Supplying representation to clients pursuing federal veterans benefit claims;
- Ensuring a smooth transition for veterans from active military service to civilian life;
- Providing the highest quality programs for housing, health care, and supportive services to residents of the five state veterans homes; and
- Utilizing proven business practices to ensure the most timely, cost-effective delivery of benefits and services.

Operations

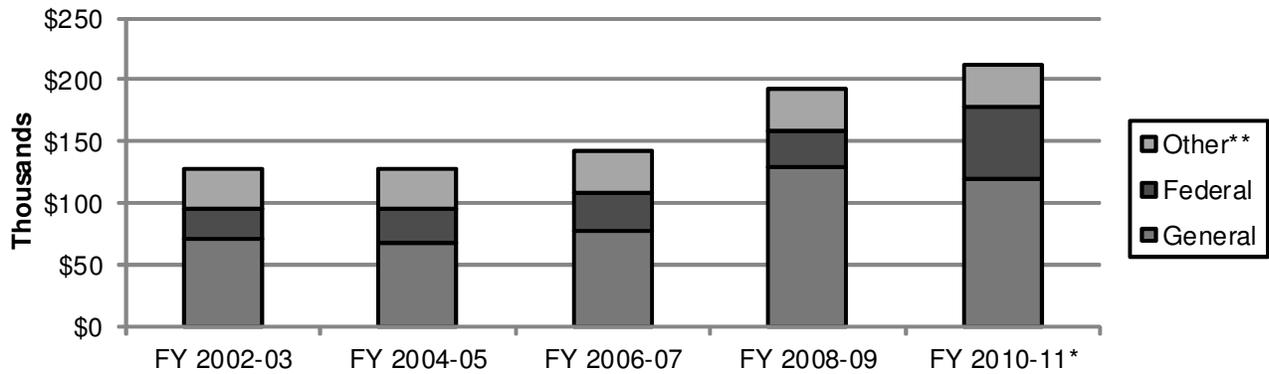
Programs and Services is responsible for overseeing and implementing direct-service programs to veterans and their families, providing federal claims assistance, conducting outreach to veterans, and operating the state veterans' cemetery.

Veterans Health Care oversees and operates of the five state veterans homes (Fergus Falls, Hastings, Luverne, Minneapolis, and Silver Bay).

Central Office provides department-wide services, including overall leadership, policy development, fiscal management, information technology, human resources, affirmative action, communications, veterans preference and state approving agency activities.

Budget Trends

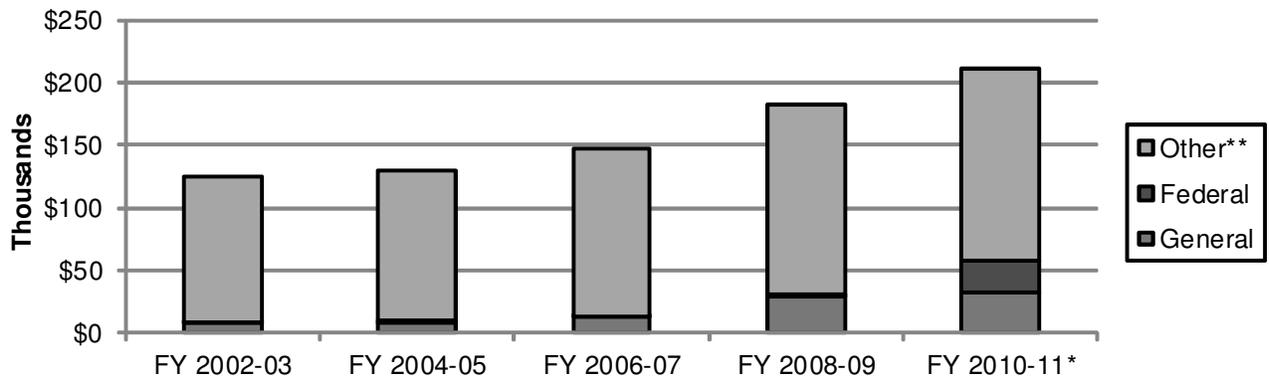
Total Revenues by Fund



* FY 2010-11 is estimated, not actual.

The agency has the authority to combine revenue sources and expend them from a separate fund in order to provide the necessary funding to individual veterans homes. Thus, the following chart illustrates these expenditures in the "Other" expenditures category, which includes revenue from the veterans health care fund, general fund and federal VA per diem.

Total Expenditures by Fund



* FY 2010-11 is estimated, not actual.

** Other expenditures category includes Veterans Health Care, General Fund and federal VA per diem.

Source data for the previous chart is the Minnesota Accounting and Procurement System (MAPS) as of September 2010.

There are many external factors affecting the department's operations, some include:

- An increased demand for services due to a weak economy and a large number of recently returning veterans from Iraq and Afghanistan who need assistance in securing benefits from the state and/or federal government;
- An overall aging veteran population. In the next 20 years, the number of veterans over the age 75 is expected to increase by approximately 9 percent.

Contact

Minnesota Department of Veterans Affairs
Office of the Commissioner
Veterans Service Building
20 West 12th Street
Saint Paul, MN 55155
Phone: (651) 296-2562
Fax (651) 296-3954

Web site: <http://www.mdva.state.mn.us>

Departments Results web page:
<http://www.accountability.state.mn.us/Departments/VetAffairs/index.htm>

Dollars in Thousands

	Current		Governor Recomm.		Biennium 2012-13
	FY2010	FY2011	FY2012	FY2013	
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	58,325	58,768	58,768	58,768	117,536
Recommended	58,325	58,768	57,695	58,595	116,290
Change		0	(1,073)	(173)	(1,246)
% Biennial Change from 2010-11					-0.7%
Miscellaneous Special Revenue					
Current Appropriation	0	0	0	0	0
Recommended	0	0	551	801	1,352
Change		0	551	801	1,352
% Biennial Change from 2010-11					n.m.
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	14,839	16,156	14,179	15,079	29,258
Statutory Appropriations					
Miscellaneous Special Revenue	75,220	80,795	81,229	80,252	161,481
Federal	7,217	12,958	14,820	9,928	24,748
Federal Stimulus	1,614	4,563	0	0	0
Miscellaneous Agency	1,722	1,810	1,816	1,816	3,632
Gift	496	660	637	634	1,271
Total	101,108	116,942	112,681	107,709	220,390
<u>Expenditures by Category</u>					
Total Compensation	67,363	71,216	73,093	73,156	146,249
Other Operating Expenses	16,830	20,039	22,049	26,616	48,665
Capital Outlay & Real Property	7,769	16,327	9,531	0	9,531
Payments To Individuals	7,167	7,451	6,963	6,892	13,855
Local Assistance	1,979	1,909	1,045	1,045	2,090
Total	101,108	116,942	112,681	107,709	220,390
<u>Expenditures by Program</u>					
Veterans Programs And Services	15,336	16,971	14,675	14,650	29,325
Veterans Health Care	85,772	99,971	98,006	93,059	191,065
Total	101,108	116,942	112,681	107,709	220,390
Full-Time Equivalent (FTE)	1,089.3	1,102.3	1,128.8	1,092.5	

VETERANS AFFAIRS DEPT

Change Summary

<i>Dollars in Thousands</i>				
	FY2011	Governor's Recomm.		Biennium
		FY2012	FY2013	2012-13
Fund: GENERAL				
FY 2011 Appropriations	58,768	58,768	58,768	117,536
Technical Adjustments				
One-time Appropriations		(950)	(950)	(1,900)
Operating Budget Reduction		(18)	(18)	(36)
Program/agency Sunset		(1,050)	(1,050)	(2,100)
Subtotal - Forecast Base	58,768	56,750	56,750	113,500
Change Items				
Higher Education Veterans Program	0	945	945	1,890
21-Bed Specialty Care/Alzheimer's Unit	0	0	738	738
Adult Day Care Operational Funding	0	0	162	162
Total Governor's Recommendations	58,768	57,695	58,595	116,290
Fund: MISCELLANEOUS SPECIAL REVENUE				
FY 2011 Appropriations	0	0	0	0
Subtotal - Forecast Base	0	0	0	0
Change Items				
Veterans Homes Service Redesign	0	551	801	1,352
Total Governor's Recommendations	0	551	801	1,352
Fund: MISCELLANEOUS SPECIAL REVENUE				
Planned Statutory Spending	80,795	81,229	80,252	161,481
Total Governor's Recommendations	80,795	81,229	80,252	161,481
Fund: FEDERAL				
Planned Statutory Spending	12,958	14,820	9,928	24,748
Total Governor's Recommendations	12,958	14,820	9,928	24,748
Fund: FEDERAL STIMULUS				
Planned Statutory Spending	4,563	0	0	0
Total Governor's Recommendations	4,563	0	0	0
Fund: MISCELLANEOUS AGENCY				
Planned Statutory Spending	1,810	1,816	1,816	3,632
Total Governor's Recommendations	1,810	1,816	1,816	3,632
Fund: GIFT				
Planned Statutory Spending	660	637	634	1,271
Total Governor's Recommendations	660	637	634	1,271
Revenue Change Items				
Fund: MISCELLANEOUS SPECIAL REVENUE				
Change Items				
Veterans Homes Service Redesign	0	551	801	1,352

VETERANS AFFAIRS DEPT

Program: VETERANS HEALTH CARE

Change Item: 21-Bed Specialty Care/Alzheimer's Unit

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
General Fund				
Expenditures	\$0	\$0	\$0	\$0
Transfer Out	0	738	842	842
Other Misc. Special Revenue Fund				
Transfer In	0	738	842	842
Expenditures	0	738	842	842
Net Fiscal Impact	\$0	\$738	\$842	\$842

Recommendation

The Governor recommends a General Fund base increase of \$738,000 in FY2013 and \$842,000 ongoing beginning FY 2014, for operations of a new 21-bed specialty care/Alzheimer's unit at the Minnesota Veterans home – Fergus Falls (MVH – Fergus Falls).

Rationale

The MVH—Fergus Falls opened in 1998 and, within a year, it reached capacity (85 beds). Currently the average waiting list time is four to six months. As a result of the waiting list, and desire to better serve the special needs population of dementia and Alzheimer residents, legislative support was sought for a 21-bed special care addition. Legislative support was received in 2008, which provided the required 35 percent federal match. With the addition of ARRA stimulus, full funding for the project was approved by the federal Veterans Administration (VA) in the spring of 2009.

The \$9.7 million, 33,000 square-foot project has multiple elements, the core of which is the 21-bed "Special Care Unit." Each resident room is designed to look like a distinct home with a porch and window. The units contain street lamps and as visitors or residents walk along the way they see park benches, other "buildings" such as the Family Inn, a nursing station designed like a depot, a small physical therapy gym and outdoor wandering spaces.

The addition contains enough space to allow for dining to occur in one seating for all residents, and to accommodate large gatherings for multiple veterans' events. Also included is a 2,400 square-foot space for a VA Community Based Outpatient Clinic with its own entrance area, which will allow it to significantly expand services to Minnesota veterans.

The 21-bed addition is expected to be completed in February, 2011. After completion, a phase up with training of groups of new staff will occur, and then admission of residents in groups of approximately five occurs until full census is reached in the spring of 2011. The FTE component required for phase up in FY 2011 is 15.6 FTEs. When full veteran census and compliment of staff is reached, the FTE component will be 31.8 FTEs and the total census of the facility will be 106 residents.

The additional funding, as part of the Veterans Homes Program general fund appropriation, would be transferred to and expended from the miscellaneous special revenue fund. The agency has the authority to combine revenue sources and expend them from this separate fund in order to provide the necessary funding to individual veterans homes.

Key Goals and Measures

This increase in funding for the operation of the new addition will help the Fergus Falls veterans home achieve the agency's goals of:

- Providing high quality care;
- Meeting the needs of the veterans community by providing innovative customer services; and
- Fostering employee morale and strong partnerships with stakeholders.

Statutory Change: Not Applicable

VETERANS AFFAIRS DEPT

Program: VETERANS HEALTH CARE

Change Item: Adult Day Care Operational Funding

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
General Fund				
Expenditures	\$0	\$0	\$0	\$0
Transfer Out	0	162	232	232
Other Misc. Special Revenue Fund				
Transfer In	0	162	232	232
Expenditures	0	162	232	232
Net Fiscal Impact	\$0	\$162	\$232	\$232

Recommendation

The Governor recommends a General Fund base increase of \$162,000 in FY 2013 and \$232,000 ongoing beginning in FY 2014, for operations of a new Adult Day Care at the Minnesota Veterans Home – Minneapolis (MVH – Minneapolis).

Rationale

- The legislature appropriated funding for construction of an Adult Day Care at MVH – Minneapolis in 2002. The US Dept. of Veterans Affairs provided a 65% funding match in May, 2010, and construction is expected to be completed by February, 2011.
- The facility will provide adult day care services to eligible veterans and their families from Minneapolis and surrounding communities.
- Minnesota Statutes describes adult day service as that which “provides functionally impaired adults with an individualized and coordinated set of services including health services, social services, and nutritional services that are directed at maintaining or improving the participants’ capabilities for self-care...”
- In addition, the Adult Day Care will strive to enhance the health and well-being of each participant through life-enriching programs for the whole person, increase socialization, improve physical capabilities, enhance intellectual and emotional functioning and improve physical health. Programs and infrastructure will be designed to accommodate the wide range of needs of today’s, and future, veterans.
- The Adult Day Care will provide respite for home-based caregivers, as well as a wide range of services to its clients including rehabilitation services (such as physical therapy and occupational therapy), dietetic and nutritional services, fitness/restorative care, social services, transportation, spiritual care, medical services, mental health services and recreational activities.
- The Adult Day Care will accommodate approximately 35 clients per day, five days per week, 8-10 hours per day.
- Nutritional services support, including snacks and required meals, will be obtained from the Building 17 central food service. A new kitchen in Building 4 will provide supplemental snacks and the ability to provide training in cooking, baking and nutrition, in addition to related socialization.
- This program will also include transportation to and from home for those adult day care clients who need or want it.
- Caregiver staff assigned directly to this program will be supplemented by special expertise staff, who will provide services to adult day care clients who are transported to other campus locations to receive those services. This staffing model will significantly increase the number of services that can be provided to clients with minimal additional infrastructure or transportation costs.
- The Adult Day Care will support 13.5 FTEs.
- The additional funding, as part of the Veterans Homes Program general fund appropriation, would be transferred to and expended from the miscellaneous special revenue fund. The agency has the authority to combine revenue sources and expend them from this separate fund in order to provide the necessary funding to individual veterans homes.

Key Goals and Measures

This increase in funding for the operation of the new addition will help the Minneapolis veterans home achieve the agency’s goals of: Providing high quality care; meeting the needs of the veterans community by providing innovative customer services; and fostering employee morale and strong partnerships with stakeholders.

VETERANS AFFAIRS DEPT**Program: VETERANS HEALTH CARE****Change Item: Change Earmarks for Homes Operations**

Fiscal Impact (\$000s)	FY 2011	FY 2012	FY 2013	FY 2014
General Fund				
Expenditures	\$0	\$0	\$0	\$0
Revenues	0	0	0	0
Other Misc. Special Revenue Fund				
Expenditures	(200)	0	0	0
Expenditures	200	0	0	0
Net Fiscal Impact	\$0	\$0	\$0	\$0

Recommendation

The Governor recommends changing the “earmarks” established under the Laws of 2010, Chapter 215, Article 6, Section 4. The change would repeal \$200,000 of the earmarked dollars for the Fergus Falls home to be available for the start-up costs of the Minneapolis adult day care in FY2011.

Rationale

This initiative proposes changing the provisions attached to the MDVA’s Veterans Homes program appropriations as outlined in the Laws of 2010, Chapter 215, Article 6, Section 4, related to funds carried forward from fiscal year 2009: (1) \$1,000,000 in fiscal year 2011 is for operational expenses related to the 21-bed addition at the Fergus Falls Veterans Home; and (2) \$113,000 in fiscal year 2011 is for start-up expenses related to the opening of an adult daycare facility at the Minneapolis Veterans Home.

The MDVA has carry-forward authority that allows the department to allocate its resources by providing flexibility within the veterans homes program to fund high priorities at appropriate funding levels. The MDVA will redirect \$200,000 of money allocated for the start-up costs associated with the Fergus Falls Veterans Home 21-bed special care/Alzheimer’s unit to meet the increased need for funding at the Minneapolis Adult Day Care Center. This funding will allow the home to fulfill the U.S. Department of Veterans Affairs medical model standards in FY2011. The provision would be changed to: (1) \$800,000 in fiscal year 2011 is for operational expenses related to the 21-bed addition at the Fergus Falls Veterans Home; and (2) \$313,000 in fiscal year 2011 is for start-up expenses related to the opening of an adult daycare facility at the Minneapolis Veterans Home.

With these two construction projects delayed, changing the rider language will allow the agency to cover the start-up costs associated with each home.

Statutory Change: Not Applicable

VETERANS AFFAIRS DEPT

Program: **VETERANS HEALTH CARE**

Change Item: **Veterans Homes Service Redesign**

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
General Fund				
Expenditures	\$0	\$0	\$0	\$0
Revenues	0	0	0	0
Other Misc. Special Revenue Fund				
Expenditures (as a result of redesign)	(321)	(321)	(321)	(321)
Expenditures (redirected to fund homes operations)	872	1,122	1,122	1,122
Revenues	551	801	801	801
Net Fiscal Impact	\$0	\$0	\$0	\$0

Recommendation

The Governor recommends the Minnesota Department of Veterans Affairs (MDVA) implement a service redesign initiative. The Veterans Homes program will create operating efficiencies and explore alternative revenue sources to provide sufficient funding to support the operational needs of the five state veterans homes.

Rationale

The MDVA Veterans Homes program total general fund base operating budget is \$43.916 million per year for FY 2012-2013 and includes amounts budgeted for the operation of Veterans Homes located in Minneapolis, Hastings, Silver Bay, Luverne, and Fergus Falls. In order to cover the costs of providing quality care 24 hours per day, 7 days per week, the MDVA is proposing the following operational changes to generate revenue and cut costs.

Adjust operating costs to non-general fund resources – \$551,000 in FY2012 and \$801,000 in FY2013.

- Billing Medicare and private insurance for eligible residents who have voluntarily provided consent to enroll in Medicare Part D prescription drug program. For more information on Medicare Part D, visit the website <http://www.medicare.gov/navigation/medicare-basics/medicare-benefits/part-d.aspx>.
- Renegotiating physician services professional/technical contracts at the Homes requiring that the successful contractor will bill Medicare and third party insurance for resident qualifying examination costs. The Home will continue to pay the non-reimbursed services.
- Developing a standard practice related to resident maintenance fee adjustments.
- Reviewing resident records to determine eligibility for the higher per diem rate. A veteran who is 70% or more service-connected or who requires nursing home care because of a compensable service-connected disability of less than 70% is eligible for the lesser of the daily cost of care or prevailing rate for the Home's geographical area. Currently, residents pay based on the ability to pay and many of our residents pay nothing.

Recognize salary and operating expenditures reductions – \$321,000 in each year.

- Utilizing multi-function devices (MFD) purchased under the State contract. The MDFs replace less efficient equipment such as individual desktop printers and fax machines. The machines also allow users to scan document to email reducing the need to print on paper.
- Renegotiating contracts to reduce laundry and medical supply costs.
- Using web or video conferencing capabilities in lieu of in person training and meetings to reduce associated travel costs.

The additional revenue from the non-general fund resources, and cost savings from the expenditure reductions, will be used to cover the operational costs of the Veterans Homes in the FY2012-13 biennium.

Statutory Change: Not Applicable.

VETERANS AFFAIRS DEPT

Program: VETERANS PROGRAMS AND SERVICES

Change Item: Higher Education Veterans Program

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
General Fund				
Expenditures	\$945	\$945	\$945	\$945
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$945	\$945	\$945	\$945

Recommendation

The Governor recommends a general fund base increase of \$945,000 per year for the Higher Education Veterans Program.

Rationale

- The 2006 Legislature allocated funding through June 30, 2011 to the Minnesota Department of Veterans Affairs (MDVA) for the creation of the Higher Education Veterans Assistance Program, commonly referred to as the "Higher Education Veterans Program." The 2010 Legislature extended the program for one year, without funding, to June 30, 2012.
- The Post 9/11 GI Bill (Chapter 33) is a new federal benefit which allows for a much more generous education financing option for many recent veterans. The Post 9/11 GI Bill added a new layer of complexity to benefits that can be difficult to understand and access.
- The number of combat veterans returning to Minnesota is sizeable. In 2008, the number was 2,864 and, in 2009, it was 3,000. In 2010, 5,195 combat veterans returned to the state. And, in 2011, it is anticipated that 3,000 members of the National Guard will be deployed.
- The Higher Education Veterans Program is designed to serve the needs of Minnesota's students and prospective students that are impacted by military service, including current military members, veterans and military families. The program has helped thousands of returning Minnesota veterans transition to college, and has also worked to forge innovative partnerships and outreach efforts to develop comprehensive solutions to aid in the difficult transition from military to college.
- To reach the goal of a seamless transition to college, the MDVA actively collaborates with many agencies and organizations throughout the state. These organizations include: all branches of the military reserve and Minnesota National Guard, Minnesota State Colleges and Universities System, the University of Minnesota, private colleges and universities, the Office of Higher Education, the Department of Employment and Economic Development, County Veterans Service Officers, non-profit veterans service organizations, and the United States Department of Veterans Affairs.
- One statewide director and twelve regional coordinators serve colleges and veterans at 59 centers on "host campuses" throughout the state. Coordinators provide one-on-one assistance for veterans, military members and their families, as well as work with campus officials to address the needs of student veterans and create Veterans Resource Centers. Coordinators also work with service providers from other agencies and provide training at numerous military, campus and community events throughout the year.
- Coordinators served 5,110 new individuals in 2009, and thousands of more individuals who returned for continued assistance. Overall, the program had a total of 56,245 contacts in 2009, which represents a 44.7 percent increase over 2008.

Key Goals and Measures

Funding for the Higher Education Veterans Program will help the MDVA achieve the agency's goal of increasing the utilization of benefits and services by veterans through increased education, advocacy and outreach. MDVA expects the program to continue to increase the number of individuals served on an annual basis. The Department currently collects data on the persons served by this program. Data collection would continue and results would be conveyed in the annual report to the legislature, as required by Minnesota Statute 197.585, subd. 4.

Statutory Change: Minnesota Statutes 197.585. Repeal sunset (Subd. 5).

Program at a Glance

- In FY 2010, the State Soldiers Assistance Program (SSAP) received 3,579 new applications for assistance, and provided \$6 million in direct, emergency funds to veterans.
- In FY 2009, the Claims & Outreach Division received 19,786 rating decisions on veteran's claims submitted to the VA.
- In 2009, Higher Education Veterans Program coordinators served 56,000 individuals at campus service centers throughout the state, a 44 percent increase over 2008.

Program Description

The Minnesota Department of Veterans Affairs (MDVA) provides numerous services to Minnesota veterans and their families, including: assistance in securing federal veterans' benefits, outreach to underserved veteran populations, veterans assistance officers at institutions of higher education, emergency financial assistance, and burial services at the state cemetery.

Population Served

Minnesota veterans, their dependents and survivors.

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.

Claims and Outreach staff and Tribal Veteran Service Officers represent veterans and their family members by acting as their advocate in matters pertaining to federal Veterans Affairs (VA) benefits and entitlements. As a veteran's representative, the Claims and Outreach office staff help identify what evidence is needed to support a rating decision 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 (CVSOs) to facilitate important services, such as: disability compensation, pension, vocational rehabilitation, and education and health care benefits.

The **Higher Education Veterans program** serves the unique higher education needs of students who are veterans, military members or family members of military men and women. Coordinators work with colleges to enhance or develop "veteran friendly" policies and procedures, such as:

- Payment deferments while awaiting properly applied for educational benefits;
- Military transfer credit; veteran resident status;
- Registration flexibility and withdrawals due to deployments;
- Information about services and resources, as well as referrals to appropriate service providers; and
- Facilitation of communication between departments and staff who regularly interact with veterans (i.e. admissions, financial aid, counseling, disability services, and career services).

MDVA also supports on-campus Veterans Resource Centers, which provide an environment where veterans, military members and their families feel welcome, can interact, support, and encourage others with similar backgrounds, experiences, and circumstances.

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 benefits are awarded after existing or expected federal military benefits, or other need-based grant programs offered by the state or federal government, have been awarded. The Minnesota GI Bill program benefits are available for undergraduate and graduate studies that lead to a certificate, diploma, or degree.

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 discharge. Spouses, minor children and, under certain conditions, unmarried adult children are also eligible for burial. Members of the reserve components of the Armed Forces, the Army and National Guard, and the Reserve Officer Training Corps are eligible as well.

Additional programs and activities within Veterans Programs and Services include:

- **LinkVet** – A toll-free, one-stop customer service line for all Minnesota veterans.
- **County Veterans Service Officer Grants** – Assists CVSOs in providing additional services to veterans.
- **Minnesota Service C.O.R.E.** – Works in partnership with Lutheran Social Services to bring essential, community-based services directly to veterans, military members and their families across Minnesota at no cost to them.
- **Grants to the Minnesota Assistance Council for Veterans (MACV)** – A non-profit organization, which provides assistance throughout Minnesota to positively motivated veterans and their families who are homeless or experiencing other life crises.
- **Minnesota State Approving Agency (SAA)** – Authorized by Title 38 of the United States Code, SAA is responsible for approving education and training programs that are utilized by veterans and paid for with GI Bill funds.
- **Veterans Preference Act enforcement**
- **Grants to veteran service organizations**
- **Military funeral honors**

Key Activity Goals & Measures

MDVA Programs and Services will:

- Meet the needs of eligible veterans, their dependents, and survivors by providing innovative customer service; and
- Increase the utilization of benefits and services by veterans through increased education, advocacy and outreach.
- Foster a culture of continuous improvement to increase efficiencies and streamline operations.

The overarching framework for measuring agency-wide goals and measures is contained in the department's five-year strategic plan. Goals are measured by compiling data on the numbers of individuals served and type of service received, and through the number of dollars distributed or generated by specific activities. Examples of 2009 results include:

- In FY 2010, the State Soldiers Assistance Program (SSAP) received 3,579 new applications for assistance, and paid out over \$6 million in direct, emergency funds to veterans.
- In FY 2009, the Claims & Outreach Division received 19,786 rating decisions on veteran's claims submitted to the VA, and served as Power of Attorney on 10,537 new claims.
- In 2009, Higher Education Veterans Program coordinators served 5,110 new individuals at campus service centers throughout the state. In total, the program had more than 56,000 contacts, a 44 percent increase over 2008.
- During the FY 2009 grant cycle, MDVA received 145 grant applications from 63 individual counties and applications for three joint county projects for a total dollar amount of \$2.7 million. MDVA awarded 121 grants, totaling \$1.45 million.

Program Funding

During the FY2010-11 biennium the Veterans Programs and Services activities are primarily funded through General Fund appropriations (96 percent). Some activities are funded through special revenue funds, federal funds, and gifts (six percent).

Contact

Minnesota Department of Veterans Affairs
Office of the Commissioner
Veterans Service Building
20 West 12th Street
Saint Paul, Minnesota 55155
Phone: (651) 296-2562
Fax: (651) 296-3954
Web site: <http://www.mdva.state.mn.us>

Departments Results web page: <http://www.accountability.state.mn.us/Departments/VetAffairs/index.htm>

VETERANS AFFAIRS DEPT

Program: VETERANS PROGRAMS AND SERVICES

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	14,652	14,852	14,852	14,852	29,704
Technical Adjustments					
One-time Appropriations			(950)	(950)	(1,900)
Operating Budget Reduction			(18)	(18)	(36)
Program/agency Sunset			(1,050)	(1,050)	(2,100)
Subtotal - Forecast Base	14,652	14,852	12,834	12,834	25,668
Governor's Recommendations					
Higher Education Veterans Program		0	945	945	1,890
Total	14,652	14,852	13,779	13,779	27,558
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	14,157	15,338	13,679	13,679	27,358
Statutory Appropriations					
Miscellaneous Special Revenue	816	1,234	620	598	1,218
Federal	355	355	355	355	710
Gift	8	44	21	18	39
Total	15,336	16,971	14,675	14,650	29,325
<u>Expenditures by Category</u>					
Total Compensation	5,246	6,299	6,259	6,401	12,660
Other Operating Expenses	2,506	2,993	2,095	1,999	4,094
Payments To Individuals	5,605	5,770	5,276	5,205	10,481
Local Assistance	1,979	1,909	1,045	1,045	2,090
Total	15,336	16,971	14,675	14,650	29,325
<u>Expenditures by Activity</u>					
Veterans Services	2,006	2,622	2,597	2,594	5,191
Programs & Services	7,988	7,937	7,502	7,502	15,004
Claims & Outreach	5,342	6,412	4,576	4,554	9,130
Total	15,336	16,971	14,675	14,650	29,325
Full-Time Equivalent (FTE)	83.4	89.5	87.5	87.3	

Program at a Glance

- Total Operating Beds 859 (FY 2008)
 - Fergus Falls – 85 skilled nursing beds
 - Hastings – 200 domiciliary beds
 - Luverne – 85 skilled nursing beds
 - Minneapolis – 200 skilled nursing beds, 50 domiciliary beds, 91 special care unit beds.
 - Silver Bay – 83 skilled nursing beds
- Statewide occupancy rate = 98 percent

Program Description

The Minnesota Department of Veterans Affairs (MDVA) provides skilled nursing care, special care units for the treatment of dementia, and domiciliary (boarding) care. Facilities are 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 that is staffed by well-qualified personnel. Care is designed and delivered according to the individual needs of 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 the country.

Domiciliary care is a residential rehabilitation program that provides long-term psychosocial care for veterans. 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 400,000 veterans reside in Minnesota and it is predicted this population will decrease by approximately 35 percent over the next twenty years, largely due to the passing of WWII veterans. While the overall veteran population is expected to decrease, the number of veterans aged 75 and older is expected to grow by approximately 9 percent. Fifty percent of the patients cared for in Minnesota's veterans homes are between the ages of 75-84, and 21 percent are over the age of 85. This is compared to private sector long-term care where approximately 31 percent are between the ages of 75-84, and 52 percent are over 85. In addition, the veterans homes resident population is 86 percent male, as compared to 27 percent in the private sector. The 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 primary diagnoses are alcohol dependence/abuse, chronic obstructive pulmonary disease, hypertension, and diabetes.

Services Provided

The following services are provided at the veterans homes:

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

Key Program Goals & Measures

MDVA's veterans homes:

- Provide high quality of care;
- Meet the needs of the veteran community by providing innovative customer service; and
- Foster employee morale and strong partnerships with stakeholders.

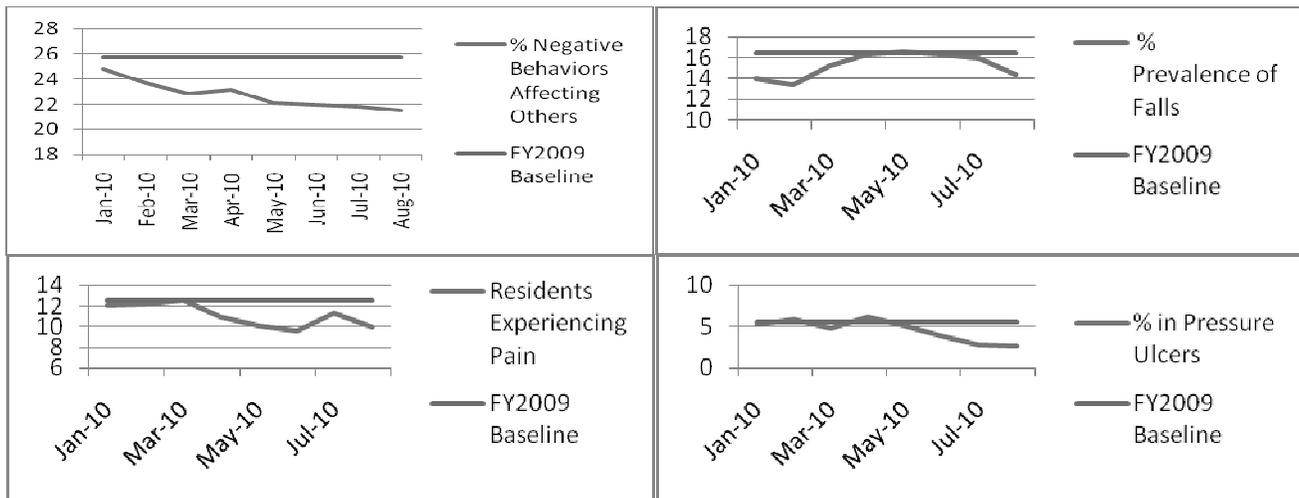
Quality of care measurement:

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 that have been adopted by the federal Center for Medicare and Medicaid Service as the primary quality monitoring tools 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 United States Department of Veterans Affairs (USDVA) requires state veterans homes to submit the MDS for its review on a monthly basis. The quality indicator reports are also used by the Minnesota Department of Health and USDVA surveyors during their annual surveys and in the quality monitoring process.

Quality Management indicators
Source: EQUIP for Quality Database



The quality management indicators above measure FY2010 performance against the average performance recorded in the Veterans Homes in FY2009.

Innovative customer service, fostering employee satisfaction and partnerships with stakeholders:

As a result of the November 2007 merge of MDVA and the Veterans Homes Board, the department developed a five year strategic plan. MDVA created a process to identify the critical needs of the residents and their families, and developed new strategies to address unmet needs. The department has a formalized procedure to define quality standards for each home, which assists in providing the highest level of care and services to its residents. The department is in the process of developing an educational needs assessment and training plan, to provide learning and development opportunities in order to recruit and retain the most highly-skilled employees.

All of the Minnesota Veterans Homes have embraced the Lean process to identify ways to improve the facility's operations, become more efficient and reduce waste. Lean is a process of eliminating waste and duplication with the goal of creating value for enterprise stakeholders.

The Veterans Homes have also developed an Interdisciplinary Quality Council which is represented by various members of all the Veterans Homes. The purpose of the Quality Council is to monitor the critical quality indicators identified by the MDS and Equip for Quality. The Quality Council is currently monitoring 10 quality indicators to develop best practices in the industry.

Program Funding

Funding for this program is from the general fund (57 percent), federal VA per diems (21 percent), resident maintenance charges (19 percent), and other sources (three percent). 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. During the FY2010-11 biennium, the department also anticipates receiving approximately \$24.2 million in federal VA construction grant dollars.

Contact

Minnesota Department of Veterans Affairs
Office of the Commissioner
Veterans Service Building
20 West 12th Street
Saint Paul, Minnesota 55155
Phone: (651) 296-2562
Fax (651) 296-3954

Web site: <http://www.mdva.state.mn.us>.

Departments Results web page: <http://www.accountability.state.mn.us/Departments/VetAffairs/index.htm>.

VETERANS AFFAIRS DEPT

Program: VETERANS HEALTH CARE

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	43,673	43,916	43,916	43,916	87,832
Subtotal - Forecast Base	43,673	43,916	43,916	43,916	87,832
Governor's Recommendations					
21-Bed Specialty Care/Alzheimer's Unit		0	0	738	738
Adult Day Care Operational Funding		0	0	162	162
Total	43,673	43,916	43,916	44,816	88,732
Miscellaneous Special Revenue					
Current Appropriation	0	0	0	0	0
Subtotal - Forecast Base	0	0	0	0	0
Governor's Recommendations					
Veterans Homes Service Redesign		0	551	801	1,352
Total	0	0	551	801	1,352
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	682	818	500	1,400	1,900
Statutory Appropriations					
Miscellaneous Special Revenue	74,404	79,561	80,609	79,654	160,263
Federal	6,862	12,603	14,465	9,573	24,038
Federal Stimulus	1,614	4,563	0	0	0
Miscellaneous Agency	1,722	1,810	1,816	1,816	3,632
Gift	488	616	616	616	1,232
Total	85,772	99,971	98,006	93,059	191,065
<u>Expenditures by Category</u>					
Total Compensation	62,117	64,917	66,834	66,755	133,589
Other Operating Expenses	14,324	17,046	19,954	24,617	44,571
Capital Outlay & Real Property	7,769	16,327	9,531	0	9,531
Payments To Individuals	1,562	1,681	1,687	1,687	3,374
Total	85,772	99,971	98,006	93,059	191,065
<u>Expenditures by Activity</u>					
Veterans Health Care	1,862	2,382	2,280	2,280	4,560
Mpls Veterans Homes	44,280	53,003	56,711	51,809	108,520
Hastings Veterans Home	9,333	10,507	9,673	9,658	19,331
Silver Bay Veterans Homes	11,970	10,161	9,294	9,284	18,578
Luverne Veterans Home	8,507	9,657	8,979	8,969	17,948
Fergus Falls Veterans Home	9,820	14,261	11,069	11,059	22,128
Total	85,772	99,971	98,006	93,059	191,065
Full-Time Equivalentents (FTE)	1,005.9	1,012.8	1,041.3	1,005.2	

Narrative

In the FY2010-2011 biennium, the MDVA anticipates receiving approximately \$26 million in federal funding. The Veterans Programs and Services receive \$792,000 biennially through federal contract to manage the ongoing operational needs of the State Approving Agency. The Veterans Homes program has received US Department of Veterans Affairs (VA) construction grant awards totaling \$25 million during FY2010-11 and \$24 million during FY2012-13. The construction grant program requires a 35% state match. If a facility ceases to be operated as a State home for the purpose for which the grant was made, the United States shall be entitled to recover from the State of Minnesota as follows:

- (a) If less than 20 years has lapsed since the grant was awarded, and VA provided 65 percent of the estimated cost to construct, acquire or renovate a State home facility principally for furnishing domiciliary care, nursing home care, or adult day health care, VA shall be entitled to recover 65 percent of the current value of such facility (but in no event an amount greater than the amount of assistance provided.), as determined by agreement of the parties or by action brought in the district court of the United States for the district in which the facility is situated.
- (b) Based on the time periods for grant amounts set forth below, VA shall be entitled to recover the amount of the grant as determined by agreement of the parties or by action brought in the district court of the United States for the district in which the facility is situated:

Grant amount (dollars in thousands)	Recovery period (in years)
0-250.....	7
251-500.....	8
501-750.....	9
751-1,000.....	10
1,001-1,250.....	11
1,251-1,500.....	12
1,501-1,750.....	13
1,751-2,000.....	14
2,001-2,250.....	15
2,251-2,500.....	16
2,501-2,750.....	17
2,751-3,000.....	18
Over 3,000.....	20

Federal Funds Summary Table

Federal Award Name + Brief Purpose	New grant	Required state match/MOE? Yes/No		SFY 2010 Revenues	SFY 2011 Revenues	Estimated SFY 2012 Revenues	Estimated SFY 2013 Revenues
		Match	MOE				
VETERANS PROGRAMS AND SERVICES:							
State Approving Agency: Promotes and safeguards quality education and training programs for veterans; ensures greater educational training opportunities to meet the changing needs of veterans; and assists the US Department of Veterans Affairs in preventing fraud, waste and abuse in the administration of the federal GI Bill.	N	N	N	396	396	396	396
VETERANS HOMES PROGRAM:							
Mpls Veterans Home Life Safety: This project provided a new fire sprinkler system for the warehouse, building 15 and 18. This project also created a fire egress path through the buildings, a resident ramp and fire egress ramp from the building 15 auditorium.	Y	Y	Y	1,235	123	0	0
Mpls Building 4 Remodel: Renovation of this Richardson-Romanesque three story building to accommodate Adult Day Care program. This building will provide services to 35 Veteran clients daily.	Y	Y	Y	1,158	2,057	0	0
Mpls Building 9 Replacement Project: This new replacement building will provide 100 single occupancy nursing care rooms on three upper floors with the interior design of (2) Neighborhoods of 16 residents each divided by a nursing care support services work center.	Y	Y	Y	20	9,478	9,658	0
Mpls Building Generator: New generator	Y	Y	Y	0	100	1,715	0
Mpls Building 16-17: Phase 2 of nursing unit replacement renovations.	Y	Y	Y	0	0	3,191	9,573
Silver Bay Veterans Home Renovation: Renovation of interior of Home with additions to include four new single occupancy resident rooms, dining room expansions, and addition to rear of building to accommodate pharmacy, training and storage space.	Y	Y	Y	3,155	748	0	0

		Required state match/MOE? Yes/No					
Fergus Falls Alzheimer's/Dementia Nursing Care Addition: This project will create 21 new single occupancy resident rooms. The addition also includes a self contained Federal Clinic Based Outpatient Clinic (CBOC) used for extended outpatient medical care for Veterans in the Fergus Falls vicinity.	Y	Y	Y	1,614	4,563	0	0
Hastings Veterans Home City Water Main Construction: Well replacement	Y	Y	Y	0	742	0	0
Luverne Veterans Home Alzheimer's/Dementia Day Room: 1,500 square foot day room complete with a kitchenette, activity room, and fireplace.	Y	Y	Y	0	548	0	0
Total				7,578	18,755	14,960	9,969

VETERANS AFFAIRS DEPT

Agency Revenue Summary

Dollars in Thousands

	Actual FY2010	Budgeted FY2011	Governor's Recomm. FY2012 FY2013		Biennium 2012-13
<u>Non Dedicated Revenue:</u>					
Taxes:					
General	18	21	21	21	42
Total Non-Dedicated Receipts	18	21	21	21	42
<u>Dedicated Receipts:</u>					
Departmental Earnings:					
Miscellaneous Special Revenue	32,617	34,323	35,282	35,282	70,564
Grants:					
Miscellaneous Special Revenue	121	121	131	131	262
Federal	7,217	12,958	14,820	9,928	24,748
Federal Stimulus	1,614	4,563	0	0	0
Other Revenues:					
Miscellaneous Special Revenue	656	4	4	4	8
Miscellaneous Agency	237	257	257	257	514
Gift	630	627	627	627	1,254
Other Sources:					
Miscellaneous Special Revenue	20	104	777	777	1,554
Miscellaneous Agency	1,512	1,553	1,559	1,559	3,118
Total Dedicated Receipts	44,624	54,510	53,457	48,565	102,022
Agency Total Revenue	44,642	54,531	53,478	48,586	102,064