

HF656 - 0 - Eligibility for Post-9/11 Veterans Bonus Program

Chief Author: **Brian Pfarr**
 Committee: **Veterans & Military Affairs Finance & Policy**
 Date Completed: **2/3/2023 2:29:23 PM**
 Agency: **Veterans Affairs Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium	
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026
General Fund	120	22,208	-	-	-
Total	120	22,208	-	-	-
Biennial Total			22,208		-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Chloe Burns **Date:** 2/3/2023 2:29:23 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
General Fund		120	22,208	-	-	-
Total		120	22,208	-	-	-
		Biennial Total			22,208	-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund		120	22,208	-	-	-
Total		120	22,208	-	-	-
		Biennial Total			22,208	-
2 - Revenues, Transfers In*						
General Fund		-	-	-	-	-
Total		-	-	-	-	-
		Biennial Total			-	-

Bill Description

This bill amends Minnesota Statute 197.79, subdivision 1 and 2. The statute is expanding the eligibility for the post 9/11 veterans bonus program.

Subdivision 1, this bill is changing language removing the home of record as Minnesota, which opens this opportunity for more Minnesota Veterans to be eligible for the bonus program.

Subdivision 2 is amending the bonus amount to include the Inherent Resolve Campaign, and Kosovo Campaign Medal, where the bonus amount would be:

- 1) \$600 if the veteran did not receive the added new campaign medals in addition to the already existing list.
- 2) \$1200 if the veteran did receive the medal
- 3) \$2000 if the veteran was eligible during the eligibel period for the bonus and died during that time period as a direct result of a service connected injury, disease, or condition.

Assumptions

MDVA seeks an additional \$22 million to fulfill the fiscal obligations to expand the eligibility for Minnesota's Post 9/11 Veterans. The original request of \$44 million used the US Department of Veterans Affairs (USDVA) Affairs data showing 47,000 post 9/11 Veterans in Minnesota.

The USDVA recently updated their estimate of Post 9/11 Veterans in Minnesota to 49,199. The average award as of September 2022 with 15,204 claims approved is \$1126. MDVA estimates we will reach 41,819 of the estimated eligible Veterans in Minnesota. This number represents 85% of the eligible Veterans. The total amount required to fulfil the proposal is \$46.963 million. MDVA received an initial appropriation of \$24.880 million. The residual \$22 million is required.

The Kosovo Campaign Medal was issued for military service between March 1999 - December 2013. The USDVA does not track individuals by awards, however individuals who received the Kosovo Campaign Medal are part of the USDVA estimation of 49,199 Post 9/11 Veterans living in Minnesota. It is unknown how many individuals earned and received the \$600 bonus already but may now be eligible for the \$1200 bonus.

The success of this program occurs when MDVA has reached 85% of the Federal VA estimate of Post 9/11 Veterans in Minnesota.

MDVA seeks to reach 41,819 Veterans.

MDVA received \$24,880,000

Expenditure and/or Revenue Formula

MNIT costs to update MDVA system software application to process applications will be approximately \$120,000, this is a one-time cost. Software application updates would take 4 sprints, with \$30,000 per sprint. This would need to be completed prior to any additional funds as a result of the changes in this bill language.

MDVA seeks to reach 41,819 Veterans.

The average Service Bonus claim is \$1,126.

$41,819 \times \$1,126 = \$47,088,194$

MDVA received \$24,880,000

$\$47,088,194 - \$24,880,000 = \$22,208,194$

Long-Term Fiscal Considerations

This proposal is a one-time request ending on June 30, 2024.

Local Fiscal Impact

N/A

References/Sources

Minnesota Statute 197.79

US Department of Veterans Affairs: VETPOP202 Living Veterans by state, period of service, gender, 2020-2050

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