

Minnesota Department of Veterans Affairs



FY2024-2025 Biennial Budget
Recommendations



MDVA Base Budget Overview



MDVA FY2024-25 General Fund Base Budget

In Thousands (000)

Veterans Programs & Services	FY24	FY25	FY24/25
Operational Budget	\$ 17,438	\$ 17,438	\$ 34,876
Veterans State Cemeteries	\$ 2,502	\$ 2,502	\$ 5,004
Veterans Homeless Initiative	\$ 3,975	\$ 3,975	\$ 7,950
Grants to Non-Profits	\$ 275	\$ 275	\$ 550
Veterans P&S Division Totals	\$ 24,190	\$ 24,190	\$ 48,380
Veterans Healthcare/Homes	FY24	FY25	FY24/25
Operational Budget	\$ 62,036	\$ 62,036	\$ 124,072
Three New Homes Funding	\$ 7,500	\$ 7,500	\$ 15,000
Suicide Prevention Initiative	\$ 550	\$ 550	\$ 1,100
Veterans Homes Totals	\$ 70,086	\$ 70,086	\$ 140,172
MDVA FY24/25 Base Budget	\$ 94,276	\$ 94,276	\$ 188,552



Governor's Recommendations



Priority 1. Establish Three New Veterans Homes - Operational Funding

- **General Fund increase of \$5,554,000 in FY24 and \$14,513,000 in FY25 to adequately fund three new State Veterans Homes.**

Justification

- Startup Costs
 - Hiring and training new staff while building census
 - Limited revenue initially due to census limits awaiting passing VA Survey
 - Healthcare support staff needed for the new Homes

Result

- Ability to successfully startup and continue operations for three new State Veterans Homes



Priority 2. Maintain Current Service Levels

- **General Fund increase of \$14,693,000 in FY24 and \$18,538,000 in FY25 to provide additional funds to cover compensation growth, non-salary costs and MN.IT services.**

Justification

- Loss of revenues due to COVID in the Veterans Homes
- Increase in compensation and non-salary costs per year
- MNIT technology cost increase due to increased usage, rates, and projects
- Offset State Soldiers Assistance Program short fall

Result

- MDVA will be able to continue to fund 146 staff in our State Veterans Homes along with supporting increased MNIT costs and other non-salary inflationary pressures.



Priority 3. Homeless Veterans and SOAR Programs

- **General Fund increase of \$1,400,000 each year to operate the homeless veteran registry, homeless programs, and assist veterans, former service members, and their dependents with attaining federal benefits through the Social Security Administration**

Justification

- Permanent funding needed to end and prevent veteran homelessness
- Veteran SOAR is an important resource in preventing veteran homelessness
- Positions are currently being funded from the State Soldiers Assistance Program—pulling resources from that program

Result

- This request will permanently fund the work of the MDVA Homeless Veterans and SOAR Program teams which are critical to achieving Minnesota's goal of being the fourth state in the country to declare an end to Veteran homelessness statewide



Priority 4. State Veterans Cemeteries – Funding Adjustment

- **General Fund increase of \$1,780,000 in FY24 and \$1,780,000 in FY25 to cover compensation growth and non-salary costs.**

Justification

- Operational costs are 57% higher than our Appropriation
- Cemetery Maintenance & Development (CMD) accounts will be exhausted in FY24
- 9.6 FTEs are unfunded by GF dollars

Result

- This request will bring the base funding up to the required levels to support salary and operational costs, allowing the CMD accounts to be dedicated to other ongoing costs related to capital improvement of cemetery sites, facilities, and equipment.



Priority 5. MACV Supportive Housing Grant Funding

- **General Fund increase of \$7,900,000 in FY24 and \$750,000 in FY25 to help create permanent supportive housing for homeless Veterans**

Justification

- Additional units are needed to meet the demand
- Operational costs (tails) for permanent supportive housing units not funded
- Supports federal criteria to declare an end to veteran homelessness in Hennepin and Ramsey Counties, which will lead us to a statewide declaration.

Result

- MACV will be able to continue to leverage state dollars for additional philanthropic funds to add additional units to provide truly affordable permanent supportive housing units for veterans facing extremely high barriers to housing that the private market isn't producing



Priority 6. Extend Spending authority for MNVEST FY23 Funds to FY24

➤ **No General Fund increase**

Justification

- 10 months lost due to RFP/Contracting delays
- Contractor difficulties in hiring staff to implement contract
- Supports federal criteria to declare an end to homelessness in Hennepin and Ramsey Counties

Result

- This funding provides aid for those Veterans who need it most by providing housing subsidies for Veterans experiencing homelessness or are in danger of experiencing homelessness and *are not* eligible for federal HUD-VASH housing subsidies



Priority 7. Direct Veteran Assistance

- **General Fund increase of \$530,000 in FY24 and \$530,000 in FY25 to increase the Direct Veteran Assistance line of the MACV grant to allow MACV to provide additional prevention resources to Veterans who are at risk of homelessness**

Justification

- Increase in need of prevention resources due to end of COVID-19 protections and resources
- Eviction courts catching up on their backlog leading to current increase in need
- Supports federal criteria to declare an end to homelessness in Hennepin and Ramsey Counties, which will lead us to a statewide declaration.

Result

- This funding will allow MACV to assist more veterans in preventing an episode of homelessness, decreasing the inflow of veterans onto the Homeless Veteran Registry and will aid in our goal of ending veteran homelessness in Minnesota



Priority 8. Veterans Community Health Program Established

- **General Fund increase of \$658,000 in FY24 and \$633,000 in FY25 for staff salaries and operating expenses**

Justification

- Establishment of a statewide community-based Veteran / Family outreach program
- Connecting non or under connected Veterans and Family members with needed services (VA or community based)
- Greater Minnesota Veterans and Family members are less likely connected to VA or community-based services

Result

- In a healthier statewide Veteran / family population that increase quality of life
- Reduce mortality and morbidity in Veteran / family population
- Reduce Veteran death by suicide



Priority 9. Minnesota Service CORE – Funding Adjustment

- **Governor recommends additional funding of \$525,000 in FY 2024 and \$525,000 in each subsequent year from the general fund to maintain service delivery through the MN Service CORE program.**

Justification

- Contracted costs have increased due to demand
- Current appropriation does not fund MDVA management of contracted services
- Caregiver Support demand increasing: MN Veterans Homes waiting lists & Hidden Heroes.

Result

- MDVA will be able to continue to provide caregiver services for elderly veterans through the MN Service CORE contract which have been critical in addressing the needs of Veterans and dependents who are on waiting lists for our MN State Veterans Homes. These waiting lists have grown with staffing challenges and new waiting lists for our three new Veterans Homes.



Priority 10. LinkVet – Funding Adjustment

- **Governor recommends additional funding of \$280,000 in FY 2024 and \$280,000 in each subsequent year from the general fund to maintain current service delivery through the LinkVet Call Center.**

Justification

- 2008 Appropriation has remained flat
- Cost-share for call center has increased
- Costs have exceeded the appropriation since the beginning

Result

- LinkVet call center operations will be able to remain open 7 days a week providing critical customer service support and operations during non-regular business hours to Veterans across Minnesota.



Priority 11. Post 9/11 Veteran Service Bonus

- **General Fund increase of \$22,000,000 in FY24 for direct payments to Veterans.**

Justification:

- Final bill excluded many Minnesota Post 9/11 Veterans
- Final bill excluded some who served in a combat zone from receiving the higher bonus amount

Result

- The request will expand eligibility to all current Minnesota Post 9/11 Veterans, including those who did not enter service from Minnesota, but are Minnesota residents now.
- The request will ensure that those who received the Inherent Resolve Campaign Medal will be eligible for the \$1200 bonus level.



Priority 12. Recently Separated Veterans Programs Funding

- **Governor recommends \$402,000 in FY 2024 and \$327,000 in each subsequent year to operate the Recently Separated Veterans Program.**

Justification

- MDVA requires improved systems to strategically engage with MN Veterans
- This program has never received a dedicated appropriation
- Veteran verifications are changing from DD-214s to digital systems

Result

- Funding this request will allow the MDVA to update its technology systems to continue to provide the critical service of validating veteran statuses while also strategically communicating with our Veteran population on new benefits that they may be eligible for (i.e. PACT Act Benefits)



Priority 13. MN GI Bill Funding Change

➤ **No General Fund increase**

- **MDVA receives an annual \$6 million open appropriation**
 - Increase lifetime benefit from \$10k to \$15k
 - Increase FY benefit from \$3k to \$6k

➤ **Justification**

- The Minnesota GI Bill (197.791) was established in 2007
- MDVA has not requested a policy changes addressing the continued increase in tuition, fees, and housing at Minnesota's higher education institutions.
- Data from Minnesota State from 2007 to 2022, the cost of tuition, fees, and housing has increased 52% on colleges and 88% on universities.
- The increased cost of attendance has led Veterans to alternative funding sources such as student loans, creating a long-term economic burden on their livelihood and families.

➤ **Result**

- Reduction in the student loan debt to Minnesota's Veterans and their families



MDVA FY2024-25 Change Item Request Summary

In Thousands (000)

Division	Base Budget	Chg Items	Chg Items	Chg Total	% Base	Gov Rec
Veterans Programs & Services	FY24/25	FY24	FY25	FY24/25	Change	FY24/25
Operational Budget	\$ 41,876	\$ 1,819	\$ 1,819	\$ 3,638	8.7%	\$ 45,514
Homeless & SOAR Program	\$ -	\$ 1,400	\$ 1,400	\$ 2,800	100.0%	\$ 2,800
Veterans State Cemeteries	\$ 5,004	\$ 1,780	\$ 1,780	\$ 3,560	71.1%	\$ 8,564
MACV Supportive Housing	\$ -	\$ 7,900	\$ 1,280	\$ 9,180	100.0%	\$ 9,180
Direct Veterans Assistance	\$ -	\$ 530	\$ 530	\$ 1,060	100.0%	\$ 1,060
MN Service CORE	\$ 1,500	\$ 525	\$ 525	\$ 1,050	70.0%	\$ 2,550
LinkVet	\$ -	\$ 280	\$ 280	\$ 560	100.0%	\$ 560
9/11 Service Bonus	\$ -	\$ 22,000		\$ 22,000	100.0%	\$ 22,000
Recently Separated Veteran	\$ -	\$ 402	\$ 327	\$ 729	100.0%	\$ 729
Veterans P&S Division Totals	\$ 48,380	\$ 36,636	\$ 7,941	\$ 44,577	92.1%	\$ 92,957

Division	Base Budget	Chg Items	Chg Items	Chg Total	% Base	Gov Rec
Veterans Healthcare/Homes	FY24/25	FY24	FY25	FY24/25	Change	FY24/25
Operational Budget	\$ 124,072	\$ 12,874	\$ 16,719	\$ 29,593	23.9%	\$153,665
Three New Homes Funding	\$ 15,000	\$ 5,554	\$ 14,513	\$ 20,067	133.8%	\$ 35,067
Suicide Prev & Community Health	\$ 1,100	\$ 658	\$ 633	\$ 1,291	117.4%	\$ 2,391
Veterans Homes Totals	\$ 140,172	\$ 19,086	\$ 31,865	\$ 50,951	36.3%	\$191,123

MDVA FY24/25 Totals	\$ 188,552	\$ 55,722	\$ 39,806	\$ 95,528	50.7%	\$284,080
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Questions?