

# 2009 Legislative Wrap-Up



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## MDVA Funding for 2010-2011

When the 2009 Legislature began in January, it faced a forecasted budget shortfall of \$4.6 billion for the 2010-2011 biennium.

In the Governor's biennial budget proposal, Veterans and Military Affairs were named as top priorities, along with K-12 Education and Public Safety.

The Minnesota Department of Veterans Affairs (MDVA) remained a priority not only for the Governor, but for Legislators as well.

MDVA was very fortunate to not only retain its base budget level of funding, but the Department received additional monies for Programs and Services, Veterans

Homes, and MACV. The Agriculture and Veterans Affairs Omnibus Finance Bill (HF1122) appropriated money for the Department of Agriculture, the Board of Animal Health, Agriculture Utilization Research Institute, Rural Finance Authority, Department of Veterans Affairs, and Department of Military Affairs.

Total General Fund spending for MDVA for FY10-11 is \$116.893 million.

The Programs and Services General Fund base budget for FY10-11 is \$29.304 million.

The Veteran Health Care General Fund base budget for FY10-FY11 is \$87.589 million.

Minnesota GI bill funding is changed from a direct appropriation to an open appropriation with a \$6 million spending cap, which is the level of funding currently appropriated to the program.

The change from a direct to open appropriation does not impact eligibility or award levels. Those students who qualify for the Minnesota GI bill will still receive assistance.

To read HF1122 in its entirety, log onto [www.leg.state.mn.us](http://www.leg.state.mn.us) and search under House bills. Once on the status page, click on Chapter 94.

A chart highlighting new funding can be found on page 2.

The following chart breaks down new spending for MDVA as contained in HF1122, the Omnibus Agriculture and Veterans Affairs Finance Bill.

	Fiscal Year 10	Fiscal Year 11	Total FY10-11 Funding
MDVA Information Technology	\$500,000	\$500,000	\$1.0M This is on-going base funding
Maintain Current Service Levels	\$656,000 \$92,000 food cost increases \$287,000 pharmacy cost increases \$277,000 utility cost increases	\$1.399M \$189,000 food cost increases \$617,000 pharmacy cost increases \$593,000 utility cost increases	\$2.055M \$1.399M in each year is on-going base funding \$189,000 food cost increases \$617,000 pharmacy cost increases \$593,000 utility cost increases
Veterans Homes Repairs & Betterments	\$1.0M	\$500,000	\$1.5M \$500,000 in each year is on-going base funding
Hastings Mental Health	\$220,000	\$220,000	\$440,000 This is on-going base funding
Higher Education Campus Rep Program	\$0	\$0	No funding was needed in FY10-11. The request was a sunset date repeal with fiscal impact in FY12-13
MACV – Homeless Veteran Program	\$250,000	\$250,000	\$500,000 This is on-going base funding
Medicare Part D	\$141,000	\$141,000	\$282,000 This is on-going base funding
GI Bill Reduction	(-\$5.9M)	(-\$5.9M)	(-\$11.8M)
GI Bill Spending	\$1.268M	\$1.394M	\$2.662M This amount will be adjusted each year to reflect actual usage

## Veterans Preference Law Strengthened

The Agriculture and Veterans Affairs Omnibus Bill contains several policy provisions that will impact Minnesota veterans.

One of the provisions strengthens Minnesota's Veteran Preference law.

The bill imposes several additional requirements on the state employment of veterans, including:

(1) Directs that, when hiring into state service, state agencies must grant an interview to the top five recently separated veterans, provided the veteran is qualified for the position, and has been honorably discharged from the military.

(2) Applies the special employment termination procedural requirements for veterans who are employees of local units of government to state government employees who are veterans.

(3) Creates new reporting requirements for the executive branch intended to capture more comprehensive information concerning the recruitment and employment of veterans.

Lastly, in a separate provision, veterans preference in hiring and dismissal from state and local government employment is expanded by applying current veterans preference law to teachers.



In the legislation, “recently separated veteran” is defined as those veterans meeting the definition of veteran in Minnesota Statutes 197.447 and anyone who served at any time on or after September 11, 2001.

HF1122, Art. 3, Sec. 6, 14, 22

## 2009 Capital Investment Funding

MDVA will receive \$1M in asset preservation for the Veterans Homes, of which \$600,000 is designated for Minneapolis Building 4 for HVAC replacement and foundation waterproofing, and \$350,000 is designated for roof replacement projects at the Hastings Veterans Home.

The Veterans Cemeteries will receive \$1.5 million. Of this amount, up to \$500,000 is to acquire land located in Redwood County and northeastern Minnesota. MDVA, however, must attempt to seek donations of land for the cemeteries. The balance of the appropriation is for pre-design and design of the cemeteries. The federal reimbursement of the design costs will go for asset preservation for the Veterans Homes statewide.

Also included in the Omnibus bill was a provision approving \$1.0 million for a grant to the city of Minneapolis to better the Veterans of WWI Victory Memorial Parkway.

HF855, Art. 1, Sec. 14

## Department of Military Affairs Funding for 2010-2011

The Department of Military Affairs retained their full level of base funding, plus an additional \$3 million in one-time funding for the National Guard Tuition Reimbursement Program, which provides National Guard members with higher education funding assistance.

The Department of Military Affairs total General Fund base budget for FY11 is \$22.374 million and FY12 \$19.374 million. Of this amount, \$6.660 million in each year is for maintenance of training facilities and \$2.366 million each year is for general support.

The policy provisions in the bill include:

*Uncompensated and voluntary services.* The bill authorizes the Adjutant General to accept uncompensated voluntary services as may be practical from time to time, and to compensate travel expenses at the same rate as state employees.

*Post-deployment health assessments.* The bill directs the Adjutant General to establish a program to assess the health and wellness of National Guard soldiers returning from deployment outside the U.S. between 6 months and one year following their return.

*Power of Attorney; short form authorized.* The bill authorizes a new short form for use



by National Guard members to designate one or more powers of attorney to selected trustees on a temporary basis during their deployment to active military service.

HF1122, Art. 4

## Pay Differential for National Guard & Reserve Members

This bill clarifies a provision in current statute that requires payment of a pay differential to certain employees of public school districts when, as members of the Minnesota National Guard or other military reserves, they are ordered into active military service. The bill clarifies that payment of the differential may be made only to a person whose daily rate of active duty base pay is less than the

person's daily rate of pay as an active school district employee. The clarification, in certain instances, results in payment of a differential to an employee who otherwise was deemed ineligible by the school district. However, a district remains protected under the law by being limited in the total amount of differential that it may pay to an employee. Any school district employee who happens to earn more during military deployment would remain ineligible under the law for a pay differential. This bill was effective on May 17, 2009.



SF1794

## Veterans Peace Officer Licensing Reciprocity Exam

This bill provides a veteran wishing to take the statewide peace officer licensing exam with some alternative means for qualifying to do so.

The bill broadens eligibility for the exam by providing the following three alternative definitions of “relevant military experience”:

1) five years active service experience in a military law enforcement occupational specialty (which is equivalent to current law);

2) three years of such active service experience, and completion of a two-or-more year degree from a regionally accredited post-secondary education institution; or

3) five years cumulative experience as a full-time peace officer in another state and/or such active service experience.

Unchanged by the bill is the requirement that the person must have been honorably discharged from the military before being eligible to take the exam.



HF1122, Art.2, Sec. 20

## Veteran-Owned Small Business Preference

This bill provides small businesses owned by recently separated veterans and veterans with service-connected disabilities with up to a six percent preference in the amount bid on state contracts for certain goods and services being procured by state agencies as well as for certain contracts set aside for small businesses by MnDOT, the Metropolitan Council and the University of Minnesota.

The bill defines the term of recently separated veteran as “a veteran as defined in Minnesota Statutes 197.447, who has served in active military service, at any time on or after September 11, 2001, and who has been discharged under honorable conditions from active service, as indicated by the person’s United States Department of Defense form DD-214 or by the Commissioner of Veterans Affairs”.

Veterans with service-connected disabilities are defined as “veterans who are veterans as defined in section 197.447, with service-connected disabilities, as determined at any time by the United States Department of Veterans Affairs”. Service-connected disability has the meaning given in United States Code, title 38, section 101(16), as determined by the United States Department of Veterans Affairs. Ownership of 51 percent or more by one or more veterans or service disabled veterans is considered a veteran-owned business.



SF2082, Art. 2, Sec. 56 - 58, 69, & 93

## Higher Education—Course Equivalency Guides

This bill requires the Board of Regents of the University of Minnesota and the Board of Trustees of the Minnesota State Colleges and Universities to develop and maintain course equivalency guides for use between institutions that have a high frequency of transfer.

The course equivalency guides must include information on the course equivalency and awarding of credit for learning acquired as a result of the successful completion of formal military courses and occupational training.

Course equivalency guides are not required for vocational technical programs that have not been divided into identifiable courses. Private institutions that grant associate and baccalaureate degrees and that have a high frequency of transfer students are requested to participate in developing these guides.



SF2083, Art. 2, Sec. 1 Subd. 1

## State Employee Group Insurance Plan Dependent Enrollment

Contained in the Agriculture & Veterans Affairs Omnibus Bill is a provision permitting a dependent of a state employee to enroll in the State Employee Group Insur-

ance Plan (SEGIP) even though the dependent is over age 19 and not a full-time student, if the dependent has recently completed military service and was a full-time

student immediately before entering military service.

The bill permits the enrollment to continue until the dependent's 25th birth-

day, which is the same age limit that regularly applies to full-time students.

HF1122, Art. 3, Sec. 7

## Gold Star License Plate & Veteran Designation on Drivers License



Beginning on October 1, 2009, Gold Star License Plates will be available at no cost for the surviving spouse or parent of a person who died while serving honorably on active service.

HF1122, Art. 3, Sec. 9

Effective August 1, 2009, a veteran may request the designation of veteran on his or her Minnesota Drivers License & ID card. In order to obtain the designation, the applicant must request the designation; pay the required license or identification card fee; and provide a certified copy of discharge papers.

HF1122, Art. 3, Sec. 10 - 12



## Other Bills of Veteran Interest

**Free Entrance to State Parks.** The Environment and Natural Resources Omnibus Finance Bill includes a provision allowing free entrance to state parks to any veteran from any state with a total and permanent service-connected disability. Previously, free entrance was only available to Minnesota residents.

HF2123

**Museum Funding.**

The Economic Development Omnibus Finance Bill contains an appropriation to the Minnesota Historical Society in FY10 for \$16,000 to the Minnesota Air National Guard Museum, and

\$100,000 in FY10 to the Minnesota Military Museum.

HF2088

**Sick Leave for Veterans.** The State Government Omnibus Finance Bill allows a state employee who is a veteran with a service-related disability to apply for additional sick leave to receive treatment for the disability. The employee may be granted up to 40 hours of additional sick leave each fiscal year.

SF2082

**Honoring All Vietnam Era Veterans Day.** The bill designates June 13, 2009 as Honoring All Vietnam Era Veterans Day in Minnesota. This date

coincides with the official celebration event on the Capitol grounds on June 13, 2009.

SF1142

**CVSO Working Group Extension.**

The Agriculture and Veterans Affairs Omnibus Bill extends the CVSO working group to June 30, 2010. The working group was set to expire on June 30, 2009.

HF1122

**Veterans Paramedic Apprenticeship Program.** The Health and Human Service Omnibus Technical Bill contains \$200,000 in FY10 for a Veterans Paramedic Apprenticeship Program. The grant is

to the Minnesota Ambulance Association to implement a veterans paramedic apprenticeship program to reintegrate returning military medics into Minnesota's workforce in the field of paramedic and emergency services.

HF1988

**Automatic Dialing Device Exemption.**

The Omnibus Commerce Bill has a provision exempting a Congressionally Chartered Disabled Veterans Organization in this state from the prohibition on use of an automatic dialing device when used for collecting donations.

HF1853

## Medal of Honor Day

Minnesota will recognize March 25 of each year as Medal of Honor Day.

The Governor will issue a proclamation in honor of the indi-

viduals from Minnesota who have served in the military or naval forces of the United States and have received the Medal of Honor. The date coincides

with the National Congressional Medal of Honor Day. Effective date: April 2, 2009.

SF236



**Clearwater County Veterans Memorial Highway.** Trunk Highways 200 and 92 in Clearwater County, from the town of Zerkel to Clearbrook, will be designated as the "Clearwater County Veterans Memorial Highway."

SF451



**Irvin N. Anderson Memorial Highway .** This bill designated Trunk Highway 53, from the junction of the northern city limits of Virginia to the intersection with marked Trunk Highway 11 in the city of International Falls, as the "Speaker Irvin N. Anderson Memorial Highway".

SF335

**Transportation Omnibus Finance Bill.** Public transit providers receiving aid from MnDOT are to provide free public transit for disabled veterans. To qualify as a disabled veteran, the veteran must be certified in writing by the United States VA or the state Commissioner of Veterans Affairs as having a permanent service-connected disability.

HF1309

With the conclusion of the 2009 Legislative Session, I want to take the opportunity to acknowledge the difficult decisions the Governor and legislators had to make this past session regarding how our state will be funded for the next biennium. In these trying financial times, Minnesota's political leaders kept our veterans and our military men and women a priority. Words cannot express the gratitude I feel as I write this Thank You note. As commissioner, I will personally guarantee this Department will continue to fulfill the needs of Minnesota's veterans and their families by providing proven and innovative programs and services to maximize their quality of life.

*Sincerely, Clark Dyrud*

## The Heroes Earnings Assistance & Relief Tax Act

April 3, 2009 marked Minnesota's compliance with The Heroes Earnings Assistance and Relief Tax Act, which was enacted by Congress on June 17, 2008.

The compliance made several changes to tax law relating to military personnel.

Provisions include:

- making permanent the ability of military

personnel to count tax-exempt combat pay as earned income for the purpose of qualifying for the earned income tax credit effective in tax year 2008;

- modifying requirements and limitations relating to contributions to and distributions from tax advantaged accounts (IRAs, 401Ks, etc.) for members of the military; and

- imposing income tax on unrealized gain on property as if the property had been sold for fair market value on individuals with net worth over \$2 million and over \$600,000 of

unrealized gains who relinquish their U.S. citizenship or terminate long-term residency on or after June 17, 2008.

HF392, Art. 1, Sec. 2

