



BRIEFING ON HIGH-PRIORITY LEGISLATIVE ITEMS

Legislative & Program Review Committee

December 9, 2010

Committee Discussion on Legislative Priorities

- At the 10-14-2010 meeting of the Legislative & Program Review Committee, the Committee discussed and recommended legislative action on **7 high-priority items**
- Mr. Boetcher asked the Department to give a briefing on the 7 items – i.e. provide basic talking points, info as to proposed changes, possible courses of action, etc.





#1

**Develop a source of
ongoing funding for WDVA
operations**

WDVA Funding: Major Talking Points

- Department is exploring a wide range of options to:
 - Allocate resources more efficiently and more effectively (i.e. Reorg Plan)
 - Identify sustainable funding sources for essential programs and basic operations
- From a legislative point of view, we're focusing on funding sources that could be granted by the state (GPR) to support fundamental WDVA operations (Veterans Trust Fund, Veterans Museum, etc.)



WDVA Funding: Veterans Trust Fund

- VTF will experience negative cash flow in FY 2012
 - We have reached a decisive moment, and while it unfortunately coincides with the larger economic downturn, the VTF will no longer be able to support current programming without an infusion
- Historically, VTF has required GPR infusions/legislative action to maintain programming:
 - 1947-1951: \$18.2 million in Liquor Tax Proceeds
 - 1947-1988: \$25.2 million in 10 different one-time GPR infusions
 - 1993-present: Legislature approved transfers from Mortgage Loan Repayment Fund and Veterans Homes Fund to decrease burden on VTF



WDVA Funding: Strategies for the VTF

- In addition to identifying efficiencies, work with Legislature to decrease burden on VTF:
 - **Vets Museum** – Transfer Veterans Museum funding from VTF to GPR (WDVA budget request totaling \$3.7 million)
 - **Vets Cemeteries** – Transfer Veterans Cemetery funding from VTF to GPR (WDVA budget request totaling \$2.2 million)
 - **GPR infusion** or loan (WDVA budget request for \$2.9 million GPR supplement)
 - Examine new ongoing revenue source(s)
 - Explore with Legislature





#2

Full restoration of Wisconsin GI Bill benefits to students using the Post-9/11 GI Bill at state universities and colleges

Restore WI GI Bill Benefits: Background

- **2009-2011 State Budget** – New provisions require veterans who have entitlement to the Post-9/11 GI Bill to:
 - **Exhaust federal benefits first**
 - Then their WI GI Bill benefits are reduced based on a **credit-for-credit offset**
- Use of Post-9/11 benefits reduces WI GI Bill benefits, whether the veteran is using the WI GI Bill or not
- Contradictory to original intent of WI GI Bill – intended to be a **supplemental benefit** used in conjunction with existing federal benefits



Restore WI GI Bill Benefits: Proposed Change

- Assembly Bill 781 (Rep. Hilgenberg) and Assembly Bill 804 (Rep. Petersen) – Introduced last session to restore access to the state program *after* a veteran exhausts their federal benefits.
- Points in favor:
 - **Restore original intent** of the WI GI Bill
 - **Increase access to education**, which is critical in (1) helping veterans reintegrate and (2) revitalizing Wisconsin's long-term economic prospects
 - **Continue to maximize capture of federal dollars** for state universities and colleges
 - LFB estimates that over the next biennium, usage of the **Post-9/11 GI Bill will bring in federal revenue totaling \$15.8 million for the UW and \$4.6 million for Tech Colleges.**



Restore WI GI Bill Benefits: Proposed Change

- Point of Contention:
 - Because no GPR attached, LFB estimates increased costs to universities/colleges of \$4-7 million annually
- AB 781 passed the Assembly without a dissenting vote, but it failed to pass the Senate.



Restore WI GI Bill Benefits: Possible Course of Action

- Organize a stakeholder coalition to advocate for the full restoration
- Work with Governor Elect and legislators to introduce legislation that restores access





#3

**Provide Wisconsin retirement
credit for veterans serving
after 1974**

Retirement Credit: Background

- Under current law, members of the Wisconsin Retirement System (WRS) having active duty service *prior to 1974* may receive WRS creditable service at the time of retirement for up to 4 years of active military service.
- This service increases WRS benefits for calculations in which years of creditable service are a factor, such as retirement or disability benefits and certain death benefits.



Retirement Credit: Proposed Change #1

- 2007 Assembly Bill 43 / Senate Bill 19 (Rep. Musser / Sen. Jauch) – Allow members having active duty military service ***for time served at any time*** to receive up to 4 years of creditable service
- Point of Contention: Unfunded Liability
 - 2008 actuarial study indicated that this bill could increase benefit payouts by \$148.2 million
 - WI Dept. of Employee Trust Funds and WI Retired Educators' Association: “could increase employer contributions or decrease payouts to current users”
- Passed Vets Committees, but did not pass Joint Survey Committee on Retirement Systems



Retirement Credit: Proposed Change #2

- Alternative Proposal: 2009 Assembly Bill 126 / Senate Bill 88 (Sen. Leibham / Rep. Petersen)
- Create a new program that would allow participating employees in WRS to purchase creditable service for all years of active military service if the employees (1) were not dishonorably discharged, (2) are not participating in the current military service program, and (3) limit themselves to four years of purchasable time.
- Compared to 2007 AB 43 / SB 19, users have to buy in, which generates revenue for WETF



Retirement Credit: Proposed Change #2

- Concern with 2009 AB 126 / SB 88:
 - Actuarial study needed: WETF and WREA commented that this change could increase employer contribution rates or decrease benefits for current users
 - Higher Administrative Costs: Because this is a new program, it would require a new calculation in the WRS benefit payment system to track which members purchased military service credits. Consequently, administrative costs are \$234,800, which WETF says they cannot absorb.
 - FYI: administrative costs for 2007 AB 43 / SB 19 are estimated at \$25,600



Retirement Credit: Possible Course of Action

- Come to a decision on these two different proposals
- Identify legislators and stakeholder groups to join advocacy efforts and pursue legislation





#4

Clarify which veterans' documents can be recorded with county register of deeds; who has access to recorded documents

Recorded Documents; Access: Background

- Under current law, County Register of Deeds could limit recording to only military discharge documents.
- There are other vital military records, such as a Report of Casualty for someone killed in action and military retirement documents that are important to record as well.
- In practice, most Registers of Deeds are honoring recording requests for these other documents, but it may be best to have this practice codified.



Recorded Documents; Access: Proposed Change

- 2009 Assembly Bill 522 (Rep. Lothian)
 - Expands what can be recorded in the Register of Deeds office to include documents that “CVSOs consider necessary and appropriate for establishing military service for benefit purposes.”
 - AB 522 also limits a dependent’s access to the veteran’s records to allow that access only if the veteran has given written authorization or is deceased. This complies with federal privacy regulations.



Recorded Documents; Access: Proposed Change

- AB 522 failed to pass out of committee because of technical issues identified by Legislative Council.
- Identified inconsistencies between this bill and other WI statutes relating to the definition of dependents and “duly authorized representatives.”
- To the Department’s knowledge, those inconsistencies were never clarified and written into the bill.



Recorded Documents; Access: Possible Course of Action

- Work with legislators (last author was Rep. Tom Lothian) to reintroduce the bill
- Encourage bill author to task Legislative Council and the Legislative Reference Bureau to clarify the technical inconsistencies and move forward with the legislation





#5

Nursing Home Bed Tax Exemption

Bed Tax Exemption: Background

- Last state budget: Nursing Home Bed Assessment (bed tax) increased from \$75 to \$150 per licensed bed in 2009-10 and \$20 to \$170 per licensed bed in 2010-11
- Bed tax is applied to licensed beds at Veterans Homes
- Vets community successfully lobbied the Joint Finance Committee to grant the Vets Homes an exemption for the 2009-2011 biennium
 - This was largely due to the fact that the Veterans Homes – unlike private facilities – are not eligible for any rate increases or payback of the tax increase, since these facilities are already at the Medicaid upper limit.



Bed Tax Exemption: Proposed Change

- The Department is requesting for the continuation of the exemption as a part of its 2011-13 budget request.
- Without the exemption, the tax will divert \$3.5 million over the biennium.
- The Governor Elect is in the process of being briefed on the Department's budget requests, and come late January-early February, the Governor Elect will introduce his budget.



Bed Tax Exemption: Possible Course of Action

- Monitor and advocate for the continuation of the bed tax exemption
- Communicate priority to Governor Elect and State Legislature





#6

Disabled Veterans License Plates – Denoting Branch of Service

Disabled Vets Plates – Background

- Wisconsin Department of Transportation (WisDOT) offers veterans Military License Plates with more than 50 medal, period, and branch of service designations
- Cost \$15 for special plate issuance/reissuance fee that is a tax-deductible contribution to the VTF in addition to the customary registration fees
- WisDOT offers a Disabled Veteran License Plate that provides disabled parking privileges to veterans who qualify at no additional cost beyond the customary registration fees



Disabled Vets Plates – Preferred Change

- Allow for disabled veterans to obtain a license plate from WisDOT showing authorization for disability parking privileges along with any of the full range of military medal, period, or branch of service designations available on DMV's Military License Plates.



Disabled Vet Plate – Examples



Military Plate w/Branch of Service



Military Plate w/Medal



Disabled Plate w/Branch of Service



Disabled Plate w/Branch Logo

****WisDOT can assist with formatting**



Disabled Vets Plates – Possible Course of Action

- Open up a dialogue with DOT to discuss plate design and possible concerns (i.e. design preference, cost)
- Identify legislators to introduce legislation and form a stakeholder group to advocate on behalf of the change





#7

**Simplify Definition of
“Veteran” in WI Statutes**

Definition of Veteran: Background

- There are numerous, divergent definitions of “veteran” that have been tailored for specific benefit programs (i.e. WI GI Bill, DNR licenses, DOR property tax credit, etc.)
- This creates confusion for veterans and organizations working to identify available benefits and services for veterans.



Definition of Veteran: Update

- The Office of Legal Counsel compiled and submitted a chart detailing the majority of uses of the word “veteran” in the Wisconsin Statutes.
- Legal Counsel identified 59 relevant provisions in 27 different Wisconsin Law Chapters.



Definition of Veteran: Update

- The Department has worked to simplify the definition of “veteran” in Chapter 45 relating to veterans’ affairs, benefits, and memorials.
- There are challenges when it comes to simplifying the definition across all WI statutes:
 - WDVA cannot change statutes in other agencies’ chapters (requires legislative approval and expense of political capital)
 - Changing terms in other agencies’ chapters could drastically alter the programs they oversee, thus creating antagonism that could be detrimental
 - Could cause logistical, administrative and financial consequences (i.e. unfunded mandates, redefinition or reinterpretation that reduces available benefits)



Definition of Veteran: Possible Course of Action

- Continue to review definitions and investigate practical simplifications
- Explore an effort to create a one-stop portal where WI veterans can enter information related to their service and in return they receive a comprehensive list of available state benefits



Conclusion

- Questions or comments

