



STATE OF MINNESOTA DEPARTMENT OF VETERANS AFFAIRS



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March 27, 2017

TO: House State Government Finance Committee

RE: Minnesota Department of Veterans Affairs – Regarding H.F. 691 DE-Amendment


H.F. 691 DE-Amendment (Article 1, Section 38, Subdivision 1) appropriates to the Minnesota Department of Veterans Affairs (MDVA) a total of \$148,058,000 for the FY2018-19 biennium. MDVA is aware that this amount represents a \$700,000 increase over the base. We are appreciative of the House's efforts to help us maintain the highest levels of service and quality of care to Minnesota's Veteran community.

However, it is with concern that I write today to note that the amount you have allocated for appropriation is well below Governor Dayton's recommendation of \$152,623,000 for the biennium. The additional \$4,565,000 is intended to be used to support MDVA operations, operational funding for the new Minnesota State Veterans Cemetery – Duluth and essential maintenance & repairs at our skilled nursing facilities and State Veterans Cemeteries. I wanted to highlight a few of these important initiatives which you have chosen not to fund.

Due in part to the limited - or complete absence of - Capital Investment funding over the past few years, the Minnesota Department of Veterans Affairs included a request for a one-time appropriation of \$2,000,000 for agency-wide Repair & Betterment funding. MDVA is responsible for more than 50 buildings statewide, with a total replacement value of more than \$265 million. Beyond the key health and safety needs of our residents, MDVA takes seriously our obligation to be responsible stewards of state assets. Lack of proper repair and betterment funding can have serious and long term effects on the overall successful operations of these homes.

Yet the most conspicuous item left unfunded by this bill is a request for \$500,000 annually for the staffing and operations of the new Minnesota State Veterans Cemetery near Duluth. This location will provide access for an additional 31,000 Minnesota Veterans who reside within 75 miles of the new location. Federal grant funding in the amount of \$8.34 million for the construction of the new cemetery has been awarded by the National Cemetery Administration, U.S. Department of Veterans Affairs (VA). Grant awards include a Memorandum of Agreement between the VA and the State of Minnesota which requires the State to provide adequate financial support to operate and maintain State Veterans Cemeteries. Leaving the new cemetery operations unfunded will put serious strain on other important programs and services currently provided by MDVA to our state's Veterans. In addition, it could jeopardize future federal cemetery development grants. As you know, the Legislature previously authorized construction of one additional State Veterans Cemetery in Southwest Minnesota.

Thank you for the work you have done so far this legislative session. I know that you take seriously your role in crafting our agency budgets, and I appreciate your willingness to assist the Minnesota Department of Veterans Affairs in doing the same. I ask that you reconsider your funding decisions on these important agency concerns.


Larry Shellito, Commissioner
Minnesota Department of Veterans Affairs

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