

Approved: 01-21-2010

Date

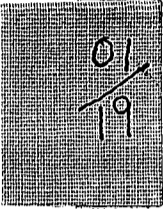
MINUTES OF THE HOUSE VETERANS, MILITARY AND HOMELAND SECURITY COMMITTEE

The meeting was called to order by Chairman Don Myers at 1:30 p.m. on January 19, 2010, in Room 785 of the Docking State Office Building.

All members were present.

Committee staff present:

Art Griggs, Office of the Revisor of Statutes
Doug Taylor, Office of the Revisor of Statutes
Corey Carnahan, Kansas Legislative Research Department
Lauren Douglass, Kansas Legislative Research Department
Barbara Lewerenz, Committee Assistant



Conferees appearing before the Committee:

Jack Fowler, Executive Director of Kansas Commission on Veterans' Affairs
Corey Carnahan, Kansas Legislative Research Dept.

Others attending:

See attached list.

Chairman Myers welcomed new Committee Members: Representatives Barbara Bollier and Deena Horst and new staff members Lauren Douglass, Legislative Research and Doug Taylor, Office the Revisor of Statutes. The Chairman thanked Representative Don Navinsky for his service while Representative Melanie Meier was deployed to Iraq.

There were no bill introductions.

The Chairman introduced Jack Fowler, Executive Director of the Kansas Commission on Veterans' Affairs (Attachment 1) and acknowledged the large group of interested veterans attending the meeting. Mr. Fowler recognized Jim Hays, Kansas Veterans' Home, Winfield; Steve Duncan, Kansas Soldier's Home, Ft Dodge and Veteran Barnett, a recipient of the Distinguished Service Cross.

Mr. Fowler said that budget cuts are making it more difficult to administer the services needed to Kansas veterans. Kansas ranks last in service to veterans compared to the other 49 States. While the FY 2010 Federal Budget for veterans is increasing by 10 per cent, the Kansas budget is ramping down. Major challenges will be faced in the months ahead. He encouraged consideration of the KCVA budget in legislative deliberations.

Chairman Myers introduced Corey Carnahan, Kansas Legislative Researach Department, who reported on legislation passed during the 2009 Session (Attachment 2). **HB 2171** creates, within the KCVA, the Vietnam War Era Medallion Program and grants the administrative authority to the KCVA. In addition, the bill clarifies which employees of the KCVA need to be cross-accredited and clarifies the composition of the Veterans Claims Assistance Advisory Board and requires appointees to have received an honorable discharge from military service.

The Chairman asked the Committee to review the Committee Rules found in the Bill Books and announced that a hearing will be held on **SB 201** - Display of the flag of the United States at half-staff, on January 21.

The next meeting is scheduled for January 21, 2010.

The meeting was adjourned at 2:15 P.M..

**HOUSE COMMITTEE ON VETERANS, MILITARY AND
HOMELAND SECURITY**

GUEST LIST

DATE 1-19-2010

Your Name	Representing
HANK SIPPLE	LAWRENCE AMLEG POST 14
Hanson, Jerome	" " "
Jim Hays	Kansas Veterans Home - Winfield
DEWID ISAKOVA	LAWRENCE KS AMLEG POST 14
JACK FOWLER	KS COM ON VETS AFFAIRS
STEVE DUNKIN	KANSAS SOLDIERS' HOME - FT. IRVING
JOHN STUPPARD	AMERICAN LEGION #4 - LAWRENCE KS
DAVE HAZELWOOD	AMERICAN LEGION POST #76
DAMON CHRISTENSEN	AMERICAN LEGION POST 76
Bill Hunt	KS VFW
Kevin Anderson	KS VFW
Wayne Ballig	KCVVA
Robert Henry	AGIF - WICHITA
John a Nalik	AMERICAN GI Forum - Wichita
Bob Edmiston	Emporia Post 5 Am. Legion
Bob Stalpus	" " "
Norman Fields	" " "
George Thompson	Topeka Post - 319
CHRISTIAN KRAMER	DAV Disabled American Veterans
BILL OSBORNE	AMERICAN LEGION POST 65 - WHITEWATER
Harvey Nicholson	Vietnam Veterans of America
Jennifer Light	Intern for Rep Huest
Robert E. Taylor	TOPEKA POST 319
Marshall Kennedy	KS Comm. on Veterans Affairs
Kafer Peels	KCVVA
Tom BERTSCH	KCVVA - AMERICAN POST 10 (WINDSOR)
Ray JACKMAN	HOLTON VFW 1367
Max Allen	7th Dist Command Little River
Dave Thomas	DEPT OF KS COMMISSIONER AM LEGION
Ralph Myler	AM. Legion Junction City

Testimony to the House Veterans, Military and Homeland Security Committee
Jack Fowler
Executive Director, Kansas Commission on Veterans' Affairs
January 19, 2010

Chairman Myers, distinguished members of the House Veterans, Military and Homeland Security Committee.

Thank you for giving me the opportunity to comment on the current budgets of the Kansas Commission on Veterans' Affairs. I have been its Executive Director for the past 14 months.

These are difficult times for Kansas. And no group is more sensitive to these times – and what a diminishing budget means – than Kansas veterans.

You see here today a representation of 234,000 Kansas veterans, whose service extends back over 50 years.

I realize that Governor Parkinson has been forced by necessity to spread the budgetary pain by cutting the Executive Branch budgets substantially. I admire his ability to make those tough decisions.

However, the net result of these cuts diminishes considerably our ability to provide the benefits and services – benefits and services that were earned as a result of military service by our veterans. This condition is unprecedented – and needs to change.

It is ironic that, in the midst of a long war, as the federal budget for veterans is ramping up, a 10% budget increase for FY 2010 – our Kansas budget is ramping down. We have passed the point of budget cutting into the bone. We are now cutting into the marrow.

Let me explain.

Originally, the FY 2009 approved budget for KCVA was roughly \$9.4 million of the state general fund. That amount was reduced by \$900K after conclusion of the 2009 Legislature. KCVA has since undergone a further reduction of \$216K, as a result of the allotment of 11/23/09.

But there is more.

We are in the process of certifying the Soldiers' Home at Ft. Dodge and the Veterans' Home at Winfield for Medicare and Medicaid. The additional revenues from these new sources would provide needed dollars for operational costs and improvements at those facilities.

Although the first dollars from Medicare and Medicaid has yet to be realized, we were asked to estimate in our budget submission how much money would be received in FY 2010 and FY 2011. Otherwise, if it wasn't in the budget, we wouldn't be able to spend the money.

We estimated receiving \$368K at Fort Dodge and \$90K at Winfield during FY 2010. That aggregate amount, \$458K, is being lapsed of state general fund dollars from the KCVA programs at Ft. Dodge and Winfield.

The estimates were made with expectations that each facility would become Medicare/Medicaid certified in FY 2010. That goal may not be reached at Winfield. The Veterans' Home anticipated a January, 2010 inspection by the Kansas Department of Aging, one of the steps in becoming certified. As of today, that inspection has not occurred. Nor is it scheduled. KDOA may be mired down.

As it turns out, KCVA was in a lose – lose situation. If we didn't provide a revenue estimate, we couldn't spend any Medicare/Medicaid dollars. We provided the estimates, with the resultant lapsing of state general funds in the amount of the estimates.

The Director of Budget's recommendation for FY 2011 mirrors its approach for FY 2010, except that the lapsed state general funds will be \$1.1 million.

Becoming Medicare/Medicaid certified will, therefore, benefit neither Kansas veterans, nor the Soldiers' Home or the Veterans' Home.

Another major KCVA program is likewise affected, that of Veterans Services. Veterans Services representatives are in the Kansas front lines. They are usually the first person approached by a veteran inquiring about benefits. KCVA has recently closed offices in Pittsburg and Hutchinson. A third office – Marysville – will close February 19th.

That leaves Kansas with 11 veterans service offices, plus offices staffed by service organizations (AL, VFW, etc.).

In comparison with the other 49 states, Kansas ranks last, with one veterans service representative for approximately 11,000 veterans.

This condition may worsen in FY 2011. Here's why.

KSA 74-8724 established the funding for a veterans enhanced service delivery program. A veterans enhanced service delivery envisioned a number of mobile office vans that would permit a veterans service representative be more efficient in reaching veterans in western Kansas.

After July 1, 2010, an amount equal to 30% of net profits from an instant lottery scratch-off game, called the veterans benefit game, would fund the enhanced delivery program.

From July 1, 2008 to June 30, 2010, those funds supported an expansion of the Kansas National Guard Museum.

The estimated annual dollars moving into the enhanced delivery program was \$488K. The budget recommendation would lapse \$488K from state general funds allocated to the Veterans' Service Program.

Again, KCVA finds itself in another lose – lose posture.

If the \$488K is used for its intended purpose, Veterans Services will have to make up that \$488K stripped from the Veterans Service Program. We can only recover that amount through another closure of offices. This time we would be forced to close seven of our offices. That would leave Kansas with four to provide needed -- earned – services to our more than 200K Kansas veterans.

Rather than forcing such dramatic action, Governor has recommended using the \$488K to offset the Veterans Service operating expenses. We are, therefore, forced to shelve the enhanced delivery program, hopefully, temporarily.

However, veterans benefit lottery game was changed by unanimous vote of the House and Senate in the 2008 legislative session. The statute specifically states, “an amount equal to 30% of such net profits from and after July 1, 2010, shall be appropriated for a veterans enhanced service delivery program.” This was done for the express purpose of starting a Veterans Enhanced Delivery Program in fiscal year 2011. To deviate from the intent of K.S.A. 74-8724, we request that the legislature pass an exception to K.S.A. 74-8724. Since this is the express intent of the legislature, veterans should be assured the cut to SGF is temporary i.e. for fiscal year 2011 only, not intended to permanently divert funding from the Veterans Services Program. An exception to K.S.A 74-8724 would serve that purpose.

In FY 2011, the Governor has added \$54,906 to the SGF for the Veterans Services Program.

I would like to re-emphasize that Kansas, currently with 11 offices, ranks last among the states in its service reps—to—veterans ratios. Kansas currently staffs one veterans service rep for each 11,000 veterans. The national average is one rep per every 3,500 veterans.

One final note on veterans benefits and claims. The 2006 Legislature established the Veterans Claims Assistance Program to do just that. It is codified in K.S.A. 2008 Supp. 1235. Two service organizations participate: American Legion and the Veterans of Foreign Wars. The program began with funding of \$500K. Despite increasing costs, the VCAP has had adjustments to its funding, and now operates at less dollars than its initial funding of \$500K.

We face major challenges in the months ahead. I urge you to consider the state of the KCVA budget in your deliberations.

Thank you.

VETERANS AND MILITARY

Vietnam War Era Medallion Program and Changes to the KCVA

HB 2171 creates, within the Kansas Commission on Veterans' Affairs (KCVA), the Vietnam War Era Medallion Program and grants the agency the authority to develop any necessary rules and regulations to administer the Program. Under the Medallion Program, eligible veterans may receive a medallion, medal, and a certificate of appreciation.

To be eligible for participation in the Medallion Program, the veteran must:

- Have served on active duty in the United States Military Service at any time beginning February 28, 1961, and ending May 7, 1975;
- Be a legal resident of Kansas, or have been a legal resident of Kansas, at the time the veteran entered or was discharged from military service or at the time of the veteran's death; and
- Have been honorably separated or discharged from the military or still be on active service in an honorable status, or was in active service at the time of the veteran's death.

The Program is open to veterans meeting the above criteria regardless of whether the veteran served within the United States or in a foreign country, and regardless of whether the veteran was under 18 years of age at the time of enlistment.

The bill creates a fund within the State Treasury consisting of all gifts, donations, and bequests to the fund. The fund will be administered by the KCVA.

HB 2171 adds language into existing law clarifying which employees of the KCVA need to be cross-accredited by veterans service organizations that receive grants under the Veterans Claims Assistance Program (VCAP). The bill also clarifies the continuing education requirements for the employees being cross-accredited.

Additionally, the bill changes the membership composition of the Veterans Claims Assistance Advisory Board from three members appointed by veterans service organizations to a requirement that any veterans' service organization participating in VCAP must appoint one member.

Finally, the bill requires appointees to the Kansas Commission on Veterans' Affairs to have received an honorable discharge from military service via their military discharge papers (Form DD 214).