

**CHAPTER 54--S.F.No. 4233**

*An act relating to state government; appropriating money for veterans and military affairs; creating a Veterans Service Office grant program; requiring a report; amending Minnesota Statutes 2020, sections 43A.183, subdivision 1; 197.608, subdivisions 4, 6; 197.79, subdivisions 1, 2, 3, 5, 10; proposing coding for new law in Minnesota Statutes, chapter 197.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

**ARTICLE 1****VETERANS AND MILITARY AFFAIRS APPROPRIATIONS**Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2021, First Special Session chapter 12, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is the fiscal year ending June 30, 2022. "The second year" is the fiscal year ending June 30, 2023. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2022, are effective the day following final enactment.

<b><u>APPROPRIATIONS</u></b>	
<b><u>Available for the Year</u></b>	
<b><u>Ending June 30</u></b>	
<b><u>2022</u></b>	<b><u>2023</u></b>

Sec. 2. **MILITARY AFFAIRS**

Subdivision 1. <b><u>Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$</u></b>	<b><u>2,200,000</u></b>
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The base is increased \$1,000,000 in fiscal year 2024 and each year thereafter.

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. <b><u>General Support</u></b>		<b><u>-0-</u></b>		<b><u>200,000</u></b>
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\$200,000 in fiscal year 2023 is for a grant to the Minnesota Navy League to support activities related to the commissioning of the USS Minneapolis-St. Paul. This is a onetime appropriation.

Subd. 3. **Enlistment Incentives** -0- 2,000,000

\$2,000,000 in fiscal year 2023 is for enlistment incentives. The base for this appropriation is increased by \$1,000,000 in fiscal year 2024 and each fiscal year thereafter.

Sec. 3. **VETERANS AFFAIRS**

Subdivision 1. **Total Appropriation** \$ -0- \$ 52,351,000

The base is increased \$4,091,000 in fiscal year 2024 and each fiscal year thereafter.

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Veterans Programs and Services** -0- 52,351,000

(a) **Base Adjustment.** The base is increased \$4,091,000 in fiscal year 2024 and each fiscal year thereafter.

(b) **Veterans Homes.** \$16,544,000 is for transfer to the commissioner of administration for the design, construction, and equipping of site and building improvements at the Bemidji, Montevideo, and Preston state veterans home building projects. This appropriation may also be utilized for furniture, fixtures, and equipment. Of this amount, \$4,351,000 is for the Bemidji state veterans home, \$5,269,000 is for the Montevideo state veterans home, and \$6,924,000 is for the Preston state veterans home. This is a onetime appropriation and is available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642.

(c) **Veterans Bonus Program.** \$24,880,000 in fiscal year 2023 is for service bonuses to Post-9/11 Veterans and Gold Star families under Minnesota Statutes, section 197.79. This is a onetime appropriation and is available until June 30, 2025.

(d) **Veterans Service Organizations Grant Program.** \$147,000 in fiscal year 2023 is for grants to congressionally chartered veterans service organizations meeting eligibility requirements under Minnesota Statutes, section 197.61, subdivision 3, as designated by the commissioner.

(e) **County Veterans Service Office Grant Program.** \$450,000 in fiscal year 2023 is for funding the County Veterans Service Office grant program under Minnesota Statutes, section 197.608.

(f) **Fisher House.** \$500,000 in fiscal year 2023 is for the purpose of supporting the creation of a new Fisher House near the Fargo Veterans Affairs (VA) Medical Center campus. The facility will provide temporary accommodations at no charge to families and caregivers of veterans receiving care at the Fargo VA Health Care System. This is a onetime appropriation and is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

(g) **Redwood Falls State Veterans Cemetery.** \$830,000 in fiscal year 2023 is for operations of the state's veterans cemeteries, including operations in Redwood County.

(h) **Minnesota Assistance Council for Veterans.** \$5,412,000 in fiscal year 2023 is for a grant to the Minnesota Assistance Council for Veterans to provide assistance throughout Minnesota to veterans and former service members and their families who are homeless or in danger of homelessness, including assistance with the following:

- (1) supportive services to maintain housing;
- (2) employment;
- (3) legal issues;
- (4) housing and housing-related costs; and
- (5) transportation.

The assistance authorized under this paragraph must be made only to veterans or former service members who have resided in Minnesota for 30 days prior to application for assistance and according to other guidelines established by the commissioner. In order to avoid duplication of services, the commissioner must ensure that this assistance is coordinated with all other available programs for veterans.

This appropriation must be used for the establishment and management of permanent supportive housing options for homeless veterans and former service members.

This is a onetime appropriation. Any unencumbered balance remaining in this subdivision in fiscal year 2023 is available in fiscal years 2024 and 2025.

**(i) Increase Engagement and Outreach Activities; Support Temporary Housing Options.** \$1,714,000 in fiscal year 2023 is for temporary alternative housing options for homeless veterans and former service members and for staff to increase outreach activities to end homelessness. The commissioner of veterans affairs may use funds for personnel, research, marketing, and professional or technical contracts.

**(j) Tenancy Supports and Landlord Engagement.** \$1,100,000 in fiscal year 2023 is for incentives for landlords to assist in housing homeless veterans and former service members, staff, and funding to remove barriers to permanent housing. The commissioner of veterans affairs may use funds for financial assistance, personnel, research, marketing, and professional or technical contracts. The base in fiscal year 2024 and each year thereafter is \$950,000.

**(k) Veterans Campground Wastewater System Upgrades.** \$774,000 in fiscal year 2023 is for one or more grants to the Veterans Campground on Big Marine Lake, a 501(c)(3) nonprofit organization, to design, engineer, permit, and construct wastewater systems on campground property to increase the capacity of wastewater systems. This is a onetime appropriation.

#### **Sec. 4. NEW VETERANS HOMES; BEMIDJI, MONTEVIDEO, AND PRESTON; APPROPRIATION.**

**(a)** \$10,329,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of administration for new veterans homes in Bemidji, Montevideo, and Preston. This appropriation is in addition to the appropriation for the same purposes in Laws 2018, chapter 214, article 1, section 19, subdivision 3, and is available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642.

**(b)** \$2,389,000 of this appropriation is to design, construct, furnish, and equip the veterans home in Bemidji.

**(c)** \$6,955,000 of this appropriation is to design, construct, furnish, and equip the veterans home in Montevideo.

**(d)** \$985,000 of this appropriation is to design, construct, furnish, and equip the veterans home in Preston.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 5. APPROPRIATIONS GIVEN EFFECT ONCE.

If an appropriation in this act is enacted more than once during the 2022 regular session, the appropriation is to be given effect only once.

EFFECTIVE DATE. This section is effective the day following final enactment.

ARTICLE 2

VETERANS AND MILITARY AFFAIRS POLICY

Section 1. Minnesota Statutes 2020, section 43A.183, subdivision 1, is amended to read:

Subdivision 1. **Payment required.** Each agency head shall pay to each eligible member an amount equal to the person's salary differential for each month or portion of month that the person is ordered to serve in active service.

This payment may be made only to a person for whom the amount in subdivision 2, paragraph (b), clause (1), is greater than the amount in subdivision 2, paragraph (b), clause (2). Payments must be made at the intervals at which the member received pay as a state employee, except that any back pay due under this section may be paid as a lump sum. Payment under this section must not extend beyond four years from the date the employee reported for active service, plus any additional time the employee may be legally required to serve. An eligible member may apply for the salary differential benefits authorized under this section prior to, during, or following the person's active service on or after May 29, 2003 no later than two years after completion of active service. The eligible member must be provided with notice as described in subdivision 4 of the two-year deadline. A copy of military orders showing active service must be provided prior to payment.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 2. Minnesota Statutes 2020, section 197.608, subdivision 4, is amended to read:

Subd. 4. **Grant process.** (a) The commissioner shall determine the process for awarding grants. A grant may be used only for the purpose of enhancing the operations of the County Veterans Service Office.

(b) The commissioner shall provide a list of qualifying uses for grant expenditures as developed in subdivision 5 and shall approve a grant under subdivision 6 only for a qualifying use and if there are sufficient funds remaining in the grant program to cover the full amount of the grant.

(c) The commissioner is authorized to use any unexpended funding for this program ~~to provide training and education for county veterans service officers.~~ for the following purposes:

(1) to provide training and education for county veterans service officers; and

(2) to provide additional grants on a competitive basis to any county that proposes to provide programs and services that the commissioner determines to be new and innovative in serving veterans and their families.

Sec. 3. Minnesota Statutes 2020, section 197.608, subdivision 6, is amended to read:

Subd. 6. **Grant amount.** (a) Each county is eligible to receive an annual grant of \$7,500 for the following purposes:

- (1) to provide outreach to the county's veterans;
- (2) to assist in the reintegration of combat veterans into society;
- (3) to collaborate with other social service agencies, educational institutions, and other community organizations for the purposes of enhancing services offered to veterans;
- (4) to reduce homelessness among veterans; and
- (5) to enhance the operations of the county veterans service office.

(b) In addition to the grant amount in paragraph (a), each county is eligible to receive an additional annual grant under this paragraph. The amount of each additional annual grant must be determined by the commissioner and may not exceed:

- (1) \$0, if the county's veteran population is less than 1,000;
- (2) \$2,500, if the county's veteran population is 1,000 or more but less than 3,000;
- (3) \$5,000, if the county's veteran population is 3,000 or more but less than ~~4,999~~ 5,000;
- (4) \$7,500, if the county's veteran population is 5,000 or more but less than ~~9,999~~ 10,000;
- (5) \$10,000, if the county's veteran population is 10,000 or more but less than ~~19,999~~ 20,000;
- (6) \$15,000, if the county's veteran population is 20,000 or more but less than ~~29,999~~ 30,000; or
- (7) \$20,000, if the county's veteran population is 30,000 or more.

(c) The Minnesota Association of County Veterans Service Officers is eligible to receive an annual grant of ~~\$50,000~~ \$100,000. The grant shall be used for administrative costs of the association, certification of mandated county veterans service officer training and accreditation, and costs associated with reintegration services.

The veteran population of each county shall be determined by the figure supplied by the United States Department of Veterans Affairs, as adopted by the commissioner.

#### Sec. 4. [197.61] VETERANS SERVICE ORGANIZATIONS GRANT PROGRAM.

Subdivision 1. **Grant program.** A veterans service organization grant program is established to provide grants to congressionally chartered veterans service organizations (VSO) to enhance the effectiveness of veterans services. The program shall be administered by the commissioner of veterans affairs.

Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Accredited representation" means providing representation under the authority granted by the VA to representatives, agents, and attorneys to assist claimants in the preparation, presentation, and prosecution of claims for VA benefits.

(c) "Commissioner" means the commissioner of veterans affairs or a designee.

(d) "Congressionally chartered veterans service organizations" are organizations that have been granted charters by Congress through the enactment of public laws. Each congressionally chartered VSO is listed in United States Code, title 36, subtitle II: Patriotic and National Organizations.

(e) "Department" means the Department of Veterans Affairs.

(f) "Full member" means a veteran who meets the requirements for membership in a congressionally chartered veterans service organization and is entitled to all of the rights and privileges thereof. Full member does not include an associate or auxiliary member.

(g) "VA" means the United States Department of Veterans Affairs.

Subd. 3. **Eligibility.** To be eligible for a grant under subdivision 6, a veterans service organization must provide:

(1) accredited representation for the preparation and presentation of veteran claims to the United States government for compensation and other benefits to which a veteran is entitled as a result of the veteran's military service;

(2) a state or department level veterans service officer to provide programs and services to veterans; or

(3) statewide transportation services to veterans.

Subd. 4. **Grant process.** (a) A grant may be used only for the purpose of enhancing the operations of congressionally chartered veterans service organizations.

(b) The commissioner shall provide a list of qualifying uses for grant expenditures as required in subdivision 5 and shall approve a grant for a qualifying use if there is sufficient grant money remaining in the grant program to cover the full amount of the grant.

Subd. 5. **Qualifying uses.** The commissioner shall develop a list of qualifying uses for grants awarded under this section.

Subd. 6. **Grant amount.** (a) Each congressionally chartered veterans service organization is eligible to receive an annual grant determined by the commissioner as follows:

(1) a dollar amount per full member for each organization member to be established by the commissioner. The dollar amount may be adjusted every biennium, subject to available funding; and

(2) a dollar amount for each organization, established by the commissioner, based on the organization's share of the VA claims workload for veterans and their dependents who reside in Minnesota. The VA claims workload must be reported as a percentage of the state's total VA workload.

(b) The VA claims workload for each congressionally chartered veterans service organization must be determined by a report supplied by the VA, as adopted by the commissioner.

Subd. 7. **Recapture.** If a congressionally chartered veterans service organization fails to use the grant for a qualified use approved by the commissioner or does not spend the allocated grant money, the commissioner shall seek recovery of the grant from the organization and the organization must repay the grant amount or any unused grant money.

Sec. 5. Minnesota Statutes 2020, section 197.79, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of this section, the following terms have the meanings given them.

(a) "Applicant" means a veteran or a veteran's guardian, conservator, or personal representative or a beneficiary or a beneficiary's guardian, conservator, or personal representative who has filed an application with the commissioner for a bonus under this section.

(b) "Application" means a request for a bonus payment by a veteran, a veteran's beneficiary, or a veteran's guardian, conservator, or personal representative through submission of written information on a form designed by the commissioner for this purpose.

(c) "Beneficiary" means in relation to a deceased veteran and in the order named:

- (1) the surviving spouse, if not remarried;
- (2) the children of the veteran, if there is no surviving spouse or the surviving spouse has remarried;
- (3) the veteran's surviving parent or parents;
- (4) the veteran's surviving sibling or siblings; or
- (5) the veteran's estate.

(d) "Commissioner" means the commissioner of the Department of Veterans Affairs.

(e) "Department" means the Department of Veterans Affairs.

(f) "Eligibility period for the bonus" means the period from ~~August 2, 1990, to July 31, 1991~~ September 11, 2001, to August 30, 2021.

(g) "Guardian" or "conservator" means the legally appointed representative of a minor or incapacitated beneficiary or ~~incompetent~~ veteran, the chief officer of a hospital or institution in which the ~~incompetent~~ incapacitated veteran is placed if the officer is authorized to accept money for the benefit of the minor or ~~incompetent~~ incapacitated, the person determined by the commissioner to be the person who is legally charged with the responsibility for the care of the minor or incapacitated beneficiary or ~~incompetent~~ veteran, or the person determined by the commissioner to be the person who has assumed the responsibility for the care of the minor or incapacitated beneficiary or ~~incompetent~~ veteran.

(h) "Honorable service" means honorable federal service in the United States armed forces, as evidenced by:

- (1) an honorable discharge;
- (2) a general discharge under honorable conditions;
- (3) in the case of an officer, a certificate of honorable service; or

(4) in the case of an applicant who is currently serving in active duty in the United States armed forces, a certificate from an appropriate service authority that the applicant's service to date has been honorable.

(i) "Incapacitated person" means an individual who, for reasons other than being a minor, lacks sufficient understanding or the capacity to make personal decisions and who is unable to meet the individual's own personal needs for medical care, nutrition, clothing, shelter, or safety even when assisted by appropriate technology or supported decision making.

~~(j)~~ (j) "Resident veteran" means a veteran who served in active duty in the United States armed forces at any time during the eligibility period for the bonus, and who also:

(1) has been separated or discharged from the United States armed forces, and whose home of record at the time of entry into active duty in the United States armed forces, as indicated on the person's form DD-214 or other documents the commissioner may authorize, is the state of Minnesota and who resides in Minnesota at the time of application with the intention of residing in the state and not for any temporary purpose. An applicant may verify a residence address by presenting a valid state driver's license; a state identification card; a voter registration card; a rent receipt; a statement by the landlord, apartment manager, or homeowner verifying that the individual is residing at the address; or other form of verification approved by the commissioner; or

(2) is currently serving in the United States armed forces, and has a certificate from an appropriate service authority stating that the person: (i) served in active duty in the United States armed forces at any time during the eligibility period for the bonus; and (ii) ~~had~~ has Minnesota listed as the veteran's home of record at the time of entry into active duty in the United States armed forces in the veteran's official military personnel file.

~~(j)~~ (k) "Service connected" means caused by an injury or disease incurred or aggravated while on active duty, as determined by the United States Department of Veterans Affairs.

~~(k)~~ (l) "Veteran" has the meaning given in section 197.447; and does not include a member of the National Guard or the reserve components of the United States armed forces ordered to active duty for the sole purpose of training. Veteran also includes:

~~(1)~~ (1) a person who is providing honorable service on active duty in the United States armed forces and has not been separated or discharged; ~~or,~~

~~(2) a member of a reserve component of the armed forces of the United States, including the National Guard, who was ordered to active duty under United States Code, title 10, section 673b, during the eligibility period for the bonus and who was deployed to a duty station outside the state of Minnesota, as verified by the appropriate service authority. An applicant's DD-214 form showing eligibility for or award of the Southwest Asia service medal during the eligibility period for the bonus will suffice as verification.~~

~~"Veteran" does not include a member of the National Guard or the reserve components of the United States armed forces ordered to active duty for the sole purpose of training.~~

Sec. 6. Minnesota Statutes 2020, section 197.79, subdivision 2, is amended to read:

Subd. 2. **Bonus amount.** (a) For a resident veteran who provided honorable service in the United States armed forces at any time during the eligibility period for the bonus, the bonus amount is:

(1) ~~\$300~~ \$600, if the veteran did not receive the ~~Southwest Asia service medal~~ Armed Forces Expeditionary Medal, Global War on Terrorism Expeditionary Medal, Iraq Campaign Medal, or Afghanistan Campaign Medal during the eligibility period for the bonus;

(2) ~~\$600~~ \$1200, if the veteran received the ~~Southwest Asia service medal~~ Armed Forces Expeditionary Medal, Global War on Terrorism Expeditionary Medal, Iraq Campaign Medal, or Afghanistan Campaign Medal during the eligibility period for the bonus; or

(3) \$2,000, if the veteran was eligible for the ~~Southwest Asia service medal~~ Armed Forces Expeditionary Medal, Global War on Terrorism Expeditionary Medal, Iraq Campaign Medal, or Afghanistan Campaign Medal during the eligibility period for the bonus, and died during that time period as a direct result of a service connected injury, disease, or condition.

(b) In the case of a deceased veteran, the commissioner shall pay the bonus to the veteran's beneficiary.

~~(c) No payment may be made to a veteran or beneficiary who has received a similar bonus payment from another state.~~

Sec. 7. Minnesota Statutes 2020, section 197.79, subdivision 3, is amended to read:

Subd. 3. **Application process.** A veteran, or the beneficiary of a veteran, entitled to a bonus may make application for a bonus to the department ~~on a form~~ as prescribed by the commissioner and verified by the applicant. If the veteran is ~~incompetent~~ incapacitated or the veteran's beneficiary is a minor or ~~incompetent~~ incapacitated, the application must be made by the person's guardian or conservator. An application must be accompanied by evidence of residency, honorable service, active duty service during the eligibility period for the bonus, and any other information the commissioner requires. The applicant must indicate on the application form the bonus amount for which the applicant expects to be eligible.

If the information provided in the application is incomplete, the department must notify the applicant in writing of that fact and must identify the items of information needed to make a determination. After notifying an applicant that the person's application is incomplete, the department shall hold the application open for up to 120 days while awaiting further information from the applicant, and the applicant may submit that information within the 120-day period without filing an appeal and request for review.

Sec. 8. Minnesota Statutes 2020, section 197.79, subdivision 5, is amended to read:

Subd. 5. **Notices.** Notices and correspondence to an applicant must be directed to the applicant by mail at the address listed in the application or electronically. Notices and correspondence to the commissioner must be addressed to the commissioner's office ~~in St. Paul~~ or the designated department system.

Sec. 9. Minnesota Statutes 2020, section 197.79, subdivision 10, is amended to read:

Subd. 10. **Deadline for applications.** The application period for the bonus program established in this section shall be ~~November 1, 1997, to June 30, 2001~~ July 1, 2022, to June 30, 2024. The department may not receive or accept new applications after June 30, ~~2001~~ 2024.

#### **Sec. 10. CANCELLATION OF DEBT RELATED TO MILITARY SALARY DIFFERENTIAL OVERPAYMENTS.**

Notwithstanding any other law to the contrary, any debt incurred prior to the effective date of this section by a current or former state employee on account of overpayment of military salary differential under Minnesota Statutes, section 43A.183, is canceled.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

#### **Sec. 11. VETERANS HOMES; REPORT.**

By February 15, 2023, the commissioner of administration must report to the legislative committees with jurisdiction over veterans affairs on the use of the money appropriated under article 1, section 3, subdivision 2, paragraph (b), and section 4, including information on the status of the Bemidji, Montevideo, and Preston state veterans homes building projects. By February 15, 2026, the commissioner of administration must submit a final report to the legislative committees with jurisdiction over veterans affairs on how the total appropriations were spent.

Presented to the governor May 9, 2022

Signed by the governor May 10, 2022, 9:13 a.m.