



Maryland Department of Veterans Affairs

Office of the Secretary

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Maryland Department of Veterans Affairs

FY 2022 Operating Budget

Response to Department of Legislative Services Analysis

HOUSE APPROPRIATIONS COMMITTEE

PUBLIC SAFETY AND ADMINISTRATION SUBCOMMITTEE

Delegate Maggie McIntosh

February 12, 2021

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SENATE BUDGET AND TAXATION COMMITTEE

PUBLIC SAFETY, TRANSPORTATION, AND ENVIRONMENT SUBCOMMITTEE

Senator Guy Guzzone

February 12, 2021

Introduction

The Maryland Department of Veterans Affairs (MDVA) welcomes the opportunity to update the Committee on the activities of the Department over the past year as we fulfill our mission: to deliver services and programs to assist veterans, their families and survivors in obtaining Federal, State, and local benefits provided by law in recognition of their service to state and country. We also value this chance to respond to the Department of Legislative Services' (DLS) analysis of the FY 2022 Governor's Allowance for MDVA.

This document contains the Department's response to recommendations or questions formally presented in DLS's analysis. It also contains the following information:

- A profile of the Maryland Department of Veterans Affairs.
- A brief history of the Department.
- A summary of services provided by the Department.
- Demographic trends among Maryland's veterans.

MDVA concurs with the Governor's Allowance for FY 2022.

***Budget Reconciliation and Financing Act Recommended Actions:
Agency Response***

The Maryland Department of Veterans Affairs wishes to thank Andrew Garrison for his analysis of our agency's FY 2022 budget request.

The legislative analysis contains a single recommendation, which is related to Charlotte Hall Veterans Home (CHVH). The recommendation is presented in the context of a \$4.245 million CARES Act grant made to the CHVH management contractor in FY 2021 to offset COVID-related revenue losses, and with reference to the existing Charlotte Hall Veterans Home Fund (aka bed lease fund), a special fund established in State Government Article §9-912.2.

DLS Recommendation: *Transfer \$1 million from the Charlotte Hall Veterans Home Fund to the General Fund in fiscal 2022.*

The Secretary of the Maryland Department of Veterans Affairs (MDVA) objects to this recommendation for the reasons enumerated below.

State Government Article §9-912.2 is clear as to the conditions under which Charlotte Hall Veterans Home Fund (bed lease) funds are currently required to be reverted to the general fund. The balance of \$1.5 million cited by DLS as the FY 2020 closing balance is nowhere near the approximately \$2.6 million dollar balance that would have triggered the reversion requirement for FY 2020. An excerpt from the statute is here provided for reference:

SG §9-912.2:

- (e)(1) (i) The Fund is a special, nonlapsing fund that is not subject to § 7-302 of the State Finance and Procurement Article.**
- (ii) Except as provided in subparagraph (iii) of this paragraph, any unspent portions of the Fund may not be transferred to or revert to the General Fund of the State.**
- (iii) If, after deducting all expenses authorized under subsection (g) of this section, the remaining balance of the revenue to the Department from bed lease payments at the end of a fiscal year is greater than 10% of the total budget of the Charlotte Hall Veterans Home for that fiscal year, the amount of the remaining balance that is in excess of 10% of the total budget shall revert to the General Fund of the State.**
- (2) The State Treasurer shall hold the Fund separately, and the Comptroller shall account for the Fund.**
- (f) Composition. -- The Fund consists of bed lease payments.**
- (g) Use. -- The Fund may be used only for:**

- (1) the salaries and benefits of the departmental staff of the Charlotte Hall Veterans Home;
- (2) improvements to the Charlotte Hall Veterans Home; and
- (3) any other operating expenses of the Charlotte Hall Veterans Home.

Further, the CARES grant made to the CHVH management contractor was authorized by the Department of Budget and Management (DBM), in coordination with the Office of the Governor, on an urgent basis to offset losses resulting from a declining patient census. Three State agencies (DBM, the Department of Health, and MDVA) collaborated in the provision of this grant.

DLS asserts that “[bed lease] funding could have been used to reduce the extent of CARES funds provided to the contractor.” The financial relationship between MDVA and its management contractor is governed by a contract between the two parties that predates the COVID-19 pandemic. This complex, multi-million dollar contractual agreement was the result of a two-year competitive procurement; and any deviation from the contract, including providing additional funds to the contractor, would have required a contract amendment, a lengthy undertaking including approval by the Board of Public Works. Absent such an amendment, MDVA could not have legally provided any financial assistance to the contractor beyond what the contract stipulated.

The management contract award in FY 2018 survived multiple protests from one of the other bidders on the procurement. Any discretionary relief provided by MDVA to the contractor outside the contract provisions might readily have prompted additional, if unjustified, protests of favorable treatment to the existing contractor. The CARES grant was possible because it was completely independent of the contract itself. The grant was provided on the same basis used to rationalize COVID-related relief to other affected businesses in the State.

Finally, and perhaps most importantly, MDVA needs the bed lease funds. The bed lease provides the funds for the majority of operating budget lines, including salaries and compensation, at CHVH. The unspent balance in the fund is available for major facility repairs and improvements. A current list of facility projects in process or under discussion with the Department of General Services (DGS) includes the following. DGS may or may not fund a portion of these as their budget allows; if it does not, CHVH would have to fund.

Project	Estimated Cost
Update signage: C Wing and Exterior	\$ 200,000
Parking lot lighting	\$ 50,000
Replace HVAC Units: A/B/C/D/E Wing	\$ 850,000
Remove/replace floor covering: A/B/C/D/E Wing	\$ 2,650,000
Elevator replacement: Maintenance/VSO Building	\$ 300,000
Cooling tower replacement	\$ 375,000
Remove/replace hand rails: A/B/C/D/E Wing	\$ 350,000

In conclusion, this recommendation by DLS does not well serve MDVA or the residents at CHVH with whose care we are charged. The Secretary of the Maryland Department of Veterans Affairs urges the Legislature not to accept this recommendation.

Agency Profile

Purpose

The mission and purpose of the Maryland Department of Veterans Affairs is to assist veterans, active duty service members, and their families and dependents in securing benefits earned through military service. The agency fulfills this mission through **veterans benefits services**, a robust **veterans cemetery program**, maintenance of the **State's veteran memorials**, provision of **skilled nursing and assisted living care** for veterans and eligible spouses at the State's veterans home, **outreach and advocacy**, and administration of the **Maryland Veterans Trust Fund**, all while exercising responsible management of available resources.

Core Functions

- Provide the most effective possible **statewide benefits services** to veterans, their dependents and survivors; assist in the preparation, development, and submission of claims for adjudication to the U.S. Department of Veterans Affairs.
- Honor the memory of Maryland veterans through providing interment in **State veterans cemeteries** that will come to be considered as national shrines.
- Maintain and protect the **State's veteran memorials**.
- Provide the finest assisted living and skilled nursing residential care to qualified Maryland veterans and eligible spouses at the **Charlotte Hall Veterans Home**.
- Ensure through effective **outreach and advocacy** that veterans and their dependents are increasingly informed and educated about the various benefits and services to which they are entitled as a result of their service.
- Provide **non-emergency, temporary monetary assistance** to veterans facing financial hardship, through the Maryland Veterans Trust Fund.

At A Glance

Maryland Veteran Population (2020 projection): 385,000*

- In FY 2020, Veterans Affairs' Service Program filed 4,170 claims, **despite COVID still 85% of the FY 2019 total**.
- In FY 2020, Maryland veterans received \$32.4 million in Federal veterans' benefits as a direct result of the efforts of the Department's veterans service offices, **down just 3.5% from the FY 2019 total**.
- In FY 2020, Veterans Affairs provided 3,228 State Veterans Cemetery interments: 2,010 veterans and 1,218 dependents: **despite COVID, approximately equal to FY 2019's total interments**.
- In FY 2020, average Veterans Home occupancy rate was 85%; average census 387 of 444 available beds, **a decline attributable directly to COVID and temporary inability to admit new residents starting in March 2020**.

*Source: United States Department of Veterans Affairs

Our **Service Program** requires knowledge of relevant US Department of Veterans Affairs (USDVA) rules and operating policies and procedures. Employees must have the skills to apply the required knowledge within USDVA systems to successfully provide veterans and their families with all of the services needed to obtain their benefits and entitlements. Each veterans benefits specialist must be certified as a veterans' services counselor by the United States Department of Veterans Affairs.

Our **Cemetery Program** requires knowledge of relevant U.S. Department of Veterans Affairs National Cemetery Administration policies and procedures regarding capital construction, land management, and building and equipment maintenance and procurement. These increasingly demanding standards provide direction for the Program's operations and the pursuit of national shrine status for Maryland's veterans' cemeteries.

Our **Memorials Program** requires the skills necessary to maintain such landmarks as reverent symbols of the sacrifices made by veterans.

Our **Veterans Home Program**, which provides assisted living and skilled nursing residential care program for veterans and eligible spouses, requires knowledge of relevant U.S. Department of Veterans Affairs and State of Maryland laws, operating policies and procedures, and facility management standards to ensure safe and proper health care to an aging, predominantly male, veteran resident population.

Our **Outreach and Advocacy Program** requires not only a constantly growing understanding of the needs of veterans but also the communication skills and tools to reach Maryland's nearly 400,000 veterans and to advocate for them.

The **Maryland Veterans Trust Fund** exists to help meet non-emergency, temporary financial needs of veterans in hardship situations, with the goal of helping veterans in need to achieve self-reliance.

The Maryland Department of Veterans Affairs strives daily to fulfill its mission to a veteran constituency comprising 6% of the total population of our State, as well as to the eligible dependents and survivors of those veterans. We are proud to honor Maryland's veterans by bringing our best to their service every day.

History

The Maryland Veterans Commission was created by the General Assembly in 1924. Initially it was charged with the responsibility of providing financial relief to indigent veterans and widows. The Commission's objective remained essentially the same until the beginning of World War II. At that time the Veterans Administration began to recognize the need for providing adequate counsel for veterans in claims before the Veterans Administration. To assist in providing this service, the Veterans Administration provided the Maryland Veterans Commission with free office space in their principal offices.

In 1946, the Veterans Administration eliminated all of their offices serving Maryland except for the regional offices located in Washington D.C. (which housed the claims files for Prince George' and Montgomery Counties) and the Baltimore Regional Office which serviced the veterans' claims for all other counties in Maryland. To fill the void created by the consolidation, increased service had to be provided by the Commission. Today Veterans Affairs maintains 12 service offices across the State.

In 1973, the Legislature authorized the beginning of the State Veterans Cemetery Program.

In 1999, the Legislature created the Maryland Department of Veterans Affairs as an executive agency with the mission of assisting veterans, active duty service members, their families and dependents, in securing benefits earned through military service.

In 2006, the Legislature authorized the beginning of the State Veterans Outreach and Advocacy program.

How We Serve Veterans

Service Program

The MDVA Service Program assists veterans and their eligible dependents in acquiring benefits rightfully earned through military service to their country. The Service Program provides general information to veterans seeking assistance, regardless of representation, in all matters pertaining to veterans' disability benefits and rights. Veterans Affairs is the designated agency of the State of Maryland to represent the State and its veterans before the U.S. Department of Veterans Affairs (USDVA). The agency represents veterans in filing USDVA disability claims and during USDVA appeals processes, and assists dependents with survivor benefits.

The Maryland Department of Veterans Affairs is tasked with helping veterans obtain the most benefits they are entitled to. The agency employs Veterans Benefits Specialists accredited by the USDVA to represent veterans with disability claims and appeals. Veterans Affairs enjoys established relationships with other accredited individuals outside the agency, who submit claims to the USDVA through Veterans Affairs. The agency's Veterans Benefits Specialists also help veterans and their families with questions regarding benefits, survivor and dependent needs, USDVA paperwork, and medical issues.

The Service Program currently has Veterans Benefits Specialists located in veterans' service centers throughout Maryland to aid and serve veterans and their eligible dependents. In addition, Veterans Affairs has itinerant offices throughout our State to bring services closer to veterans and their dependents.

VA acceptance rates of initial claims filed by the MDVA Service Program have been trending upward, reaching 91% in FY 2020. This success rate reflects the focus the Service Program has placed on training and quality control.

MDVA is excited to be further expanding into a partnership with the Motor Vehicle Administration (MVA) that started with placing the new Anne Arundel County service officer at the MVA facility in Glen Burnie. This collaboration provides veterans with easy access to benefits services while they are already at the MVA to take care of other business. In the past 12 months, this partnership has grown to include MDVA's service offices in Salisbury, Bel Air, Gaithersburg, and Hagerstown, where our offices are now co-located at the respective local MVA branch. MDVA is currently initiating a similar transition in Cumberland.

Cemetery Program

The State of Maryland, through the Cemetery Program of the Maryland Department of Veterans Affairs, offers Maryland veterans and their eligible dependents a final resting place at one of five state veterans cemeteries located throughout Maryland. The program, one of the largest of its kind in the nation, bases its standard of excellence on striving to ensure that our state cemeteries are maintained as national shrines to those who have gone before.

A Pre-Interment Program is available, through which veterans may indicate their desire to be buried in one of the state's cemeteries and verify their eligibility for such burial on a pre-need basis. Veterans Affairs' cemeteries provide interment services Monday through Friday year round and are open to the public 365 days each year.

There are five State Veterans Cemeteries located across our State:

Cheltenham State Veterans Cemetery is located on U.S. Route 301, approximately 8 miles south of Upper Marlboro, Maryland. The site was formerly used for agricultural purposes. In FY 2020, the Cheltenham Veterans Cemetery laid 959 veterans and eligible dependents to rest, bringing its total through FY 2020 to 28,503 since opening in July 1978. The Chapel at the cemetery was dedicated to the memory of Senator Edward T. Conroy, who was instrumental in the passage of legislation enabling the development of Maryland's State Veterans Cemeteries.

Crownsville State Veterans Cemetery at Crownsville is located off State Route 178 on Sunrise Beach Road. The site, originally used for farming, is surrounded by a peaceful Severn River residential community. Near the center of the state cemetery is a one-acre old family cemetery dating back to 1875, retained by the heirs and assigns of the Carter family in perpetuity. The Crownsville Veterans Cemetery, which opened in 1980, provides a final resting place for 25,389 Maryland veterans and eligible dependents through FY 2020. In FY 2020, the Crownsville Veterans Cemetery laid 764 veterans and eligible dependents to rest.

Eastern Shore Veterans Cemetery in Hurlock, Maryland, is located two miles south of Preston and about five miles northwest of Hurlock on State Route 331. Eastern Shore Veterans Cemetery, which opened for operation in December 1976, is the final resting place for 7,749 veterans and eligible dependents through FY 2020. In FY 2020, the Eastern Shore Veterans Cemetery laid 228 veterans and eligible dependents to rest. Donated by the citizens of Dorchester County, the site was formerly a 35-acre wheat field and has since expanded. The design of this cemetery is unique. The layout of the burial sites is based on a system of radials and concentric circles centered on the American flag in the plaza area at the Chapel.

Garrison Forest Veterans Cemetery was again the most active of Maryland's five Veterans Cemeteries in FY 2020, laying 1,095 veterans and eligible dependents to rest, bringing its cumulative total through FY 2020 to 43,212 since its opening in December 1983. The Garrison Forest Veterans Cemetery is located on Garrison Forest Road, near the former Rosewood State Hospital, in Owings Mills, Maryland. Formerly used for agricultural purposes, the site is bounded by woodlands.

Rocky Gap Veterans Cemetery is located within the Rocky Gap State Park, just off State Route 68 in Allegany County. The Rocky Gap Veterans Cemetery is approximately 10 miles east of Cumberland and is arguably the most beautiful of the five State Veterans' Cemeteries. Approaching the cemetery, visitors are treated to views of the park's lake and mountainous backdrop. In FY 2020, the Rocky Gap Veterans Cemetery laid 182 veterans and eligible dependents to rest. Through FY 2020, a total of 5,131 veterans and their dependents have been laid to rest at the cemetery.

The Cemetery Program has gratefully received new PINS in the past two budget cycles but has faced stubborn vacancy challenges. MDVA has addressed hiring and retention issues in the Cemetery Program through a variety of creative means:

- A bonus eligibility program, effective for workers hired through December 31, 2020, that provides up to \$2,000 in retention bonuses to Veterans Cemetery Caretakers, Veterans Cemetery Equipment Operators, and Motor Equipment Operators who remain employed for up to two years.
- Working with the Department of Budget and Management (DBM) to provide ongoing/continuous recruitment and streamline the process of interviewing Veterans Cemetery Caretaker candidates
- Working with DBM to obtain bulk hiring freeze approval for cemetery laborer positions
- Using Tribune Publishing (parent of the Baltimore Sun Company) and Craigslist for recruitment
- Standardizing above-base salaries for initial appointments of cemetery laborers.

We are pleased to report gains in both recruitment and retention. From January to December 2020, MDVA's census of caretakers and equipment operators increased 13%, from 39 to 44. The average elapsed time since hire for these personnel increased nearly 18%, from 4 years to 4.7 years.

Memorials Program

The Maryland Department of Veterans Affairs manages three veteran memorials and the Gold Star Family Monument. The Maryland World War II Memorial is in Annapolis, and the Vietnam War and Korean War Memorials are in Baltimore. The Gold Star Family Monument is in Annapolis, adjacent to the Maryland World War II Memorial. Additionally, the Department shares joint responsibility with the City of Baltimore for the War Memorial Building in Baltimore. The memorials recognize the contributions of the men and women who fought for the principles of freedom, both abroad and at home. They also serve to educate present and future generations about the sacrifices made by members of the Uniformed Services of the United States.

Veterans Home Program

The Charlotte Hall Veterans Home (CHVH) provides assisted living and skilled nursing residential care for honorably discharged veterans and eligible spouses of veterans.

The Home is situated on 126 beautiful acres in St. Mary's County, and offers a continuum of care from the 168-bed assisted living program to the 286-bed skilled nursing program. Charlotte Hall Veterans Home also offers memory care in secure units. The Home is Medicare/Medicaid certified, and all veterans receive a per diem subsidy from the U.S. Department of Veterans Affairs that reduces their cost of care. The Home is inspected annually, as required by the Office of Health Care Quality of the Maryland Department of Health & Mental Hygiene, and by the U.S. Department of Veterans Affairs.

The State of Maryland, through Veterans Affairs, contracts with a private healthcare management contractor to operate the Home. Veterans Affairs works closely with the management contractor's staff to ensure our veterans receive the best possible care in a clean, caring environment. The staff understands and respects the sacrifices veterans have made and the privilege of living out the Home's motto: "Serving Those Who Served".

CHVH was forced to halt new admissions temporarily on March 27, 2020, as a result of the COVID-19 pandemic and saw its resident census fall approximately 25% to below 300 by August 2020, the month that admissions were reauthorized by the St. Mary's County Health Department.

On a separate front: MDVA is delighted to report that, in collaboration with the Department of General Services (DGS) and the Department of Public Safety and Correctional Services (DPSCS), we have identified and chosen a suitable site in Sykesville for a second State veterans home. DGS is assisting MDVA with procurement of contractual services to develop the required facility plans for the new veterans home. These plans will pave the way toward design and construction of the new home, anticipated in the near future.

Outreach & Advocacy Program

The Outreach & Advocacy Program's mission is to develop innovative ways to seek out Maryland's veterans; to educate them regarding benefits and services that are available from federal, state, and local organizations; and to solicit feedback from veterans regarding their needs for additional services.

Prior to the COVID-19 pandemic, Outreach & Advocacy provided briefings and staffed tables at various community events to provide education and outreach materials pertaining to Maryland benefits and MDVA programs. As a result of the pandemic, in-person events have been halted; but the Outreach & Advocacy staff have doubled down in their efforts with a massive increase in the number of virtual meetings held.

The Program is also responsible for:

- The Department's Public Information Officer (PIO) function and point of contact for all public information requests
- The Department's electronic newsletter, a bi-weekly publication comprised of notable veteran and military related events across Maryland
- The Department's website, veterans.maryland.gov
- Welcome Home Maryland Veterans mailings, an informational packet sent to all veterans returning to Maryland
- The Department's social media presence
- Communications and public relations
- Participation in Commissions and Councils, including
 - Maryland Veterans Commission
 - Maryland College Collaboration for Student Veterans Commission
 - Governor's Commission on Suicide Prevention
 - Interagency Council on Homelessness (ICH)
- Leading and/or participation, including drafting regulations, in other initiatives and mandated programs, including
 - Governor's Challenge to prevent service member, veteran and families suicide/PREVENTS
 - Comprehensive Statewide Veterans Suicide Prevention Plan
 - Governor's Customer Service Initiative
 - Maryland Veterans Service Animal Program
 - Veterans Services Specialist Program
 - Joint County Veterans Commission meetings

Maryland Veterans Trust

The Maryland Veterans Trust (the Trust) has been designated as an organization exempt from Federal income tax under section 501 (c) (3) of the Internal Revenue Code. The Trust provides non-emergency, temporary financial assistance program to veterans facing short-term financial crises such as rent assistance following the loss of a job. The program aims to assist those that will be self-reliant after receiving the assistance and cannot address chronic issues.

A Board of Trustees governs the organization, and the Secretary of the Maryland Department of Veterans Affairs serves as chair of the Board. One staff member, the Grant Administrator, manages the Trust and the associated Maryland Veterans Trust Fund (the Trust Fund).

An application review committee approves or denies all qualified applications. The committee meets, on average, once every 4-6 weeks, though during the COVID-19 pandemic it has been meeting much more frequently, almost weekly. The Trust is funded by private donations but now also has more permanent funding sources through donations collected at Maryland casinos and slot revenue received from Veteran Service Organizations under the State Lottery.

The Trust Fund is mostly used for assistance with rent/mortgage and utilities. The trust does not assist with taxes, child support, speeding tickets, legal fees, payday and interpersonal loans, credit card debt, home repairs, food, appliances, and vehicle purchases. Additionally the Trust does not find housing for veterans.

All applicants must be Maryland residents for at least 24 months at the time of application. Applicants must be eligible for burial in a Maryland State Veterans Cemetery and must have an honorable discharge or general discharge under honorable conditions. Applicant income may not exceed 200% of the federal poverty guidelines (though during the COVID-19 pandemic, this threshold has been increased to 250%). Benefits from the U.S. Department of Veterans Affairs, Social Security, and Social Security Disability count as income.

Widows and widowers may apply as long as they have both the discharge papers and a certificate of death from the deceased veteran.

All awarded grant money goes to the vendors in payment of the veteran's liabilities, and none goes directly to the veteran.

Demographic Trends

A projected 385,000 veterans live in Maryland as of 2020, according to the U.S. Department of Veterans Affairs. Two segments of the veteran population have grown at high rates:

1. Veterans over age 75 (accounting for the aging Korea and Vietnam Era Veterans, as well as those of the World War II Era); and
2. Returning veterans

Veterans over age 75

Several unique characteristics affect service needs for these veterans:

- Increase in number of veterans needing long-term assisted living care;
- Presence of wartime disabilities, both physical and mental; and
- Increase in veterans considered medically indigent.

Returning Veterans

Veterans returning from the recent conflicts in Iraq and Afghanistan have unique needs and characteristics. Maryland has experienced one of the largest mobilizations of "citizen soldiers", those individuals serving in our State National Guard or Armed Forces Reserve Units, in our nation's history. Along with some of Maryland's returning citizen soldiers, a number of veterans of the active duty component will face challenges, including the following:

- Combat wounds;
- Head injuries / Traumatic Brain Injury;
- Post Traumatic Stress Disorder (PTSD);
- Reintegration and transition;
- Employment or re-employment challenges;
- Risk of becoming homeless;
- Significant family readjustment issues following active duty; or
- Long-term care needs.

As service members transition following overseas deployments, many will need assistance with ongoing medical, mental health or reintegration issues. Some may require assistance with re-employment, education or emergency help to overcome a financial crisis. Along with other State agencies committed to veterans' assistance programs, the Maryland Department of Veterans Affairs is helping veterans to meet these challenges.