



Maryland Department of Veterans Affairs

Office of the Secretary

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Maryland Department of Veterans Affairs

FY 2024 Capital Budget

Response to Department of Legislative Services Analysis

SENATE BUDGET AND TAXATION COMMITTEE

CAPITAL BUDGET SUBCOMMITTEE

Senator Craig Zucker

February 21, 2023

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HOUSE APPROPRIATIONS COMMITTEE

CAPITAL BUDGET SUBCOMMITTEE

Delegate Mark Chang

February 22, 2023

Introduction

The Maryland Department of Veterans Affairs (MDVA) appreciates this 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 welcome this chance to respond to the Department of Legislative Services' (DLS) analysis of the FY 2024 Governor's Allowance.

This document contains the following information:

- The Secretary's responses to questions and recommendations from the Department of Legislative Services.
- A summary of PAYGO, GO Bond and capital funding in the Department's Cemeteries Program since FY 2006.
- A profile of the Maryland Department of Veterans Affairs.
- A summary of services provided by the Department in the Service, Cemetery, and Veterans Home Programs.
- A brief history of the Department.
- Demographic trends among Maryland's veterans.

MDVA concurs with the Governor's Allowance for FY 2024.

DLS Questions / MDVA Responses

1. Maryland is currently allotted 1,100 veteran facility beds based on the veteran population of the State. Due to the USDVA's Small Home Concept leading the design and construction of any future veterans homes in the State, only 128 beds will be allotted to the Sykesville facility, with another 444 currently being utilized at CHVH. This will leave an allotment balance of 528 beds. **MDVA should comment on whether there are plans for additional veterans homes to utilize the federal allotment of veterans homes slots.**

Response:

In a word, yes. We are considering plans for additional veterans homes in the State.

As noted, Maryland will still have an unmet bed need after Sykesville is built. The Sykesville Veterans Home is not a silver bullet to fix that need; but Sykesville is the first of what we hope will be more “small house concept” veterans homes in other regions of the State. The exact number of beds Maryland needs may not necessarily be equal to the USDVA allotment. As we have seen with Charlotte Hall Veterans Home, just because there is a bed available does not mean it will be filled; we do not anticipate a return to past census levels at CHVH.

Both the guidance from the VA and our own commitment to serving our veterans and “leaving no veteran behind” inform MDVA’s strategic intent to bring skilled nursing care—in resident-friendly, smaller veterans homes—to our veterans in the regions where they already live, rather than continuing to expect veterans to leave their families and loved ones to travel to a single corner of the State for long-term care.

The Department of Public Safety and Correctional Services (DPSCS) is already partnering with MDVA to make existing State property available in Sykesville for the construction of our new Home there. We hope that this partnership or others like it will be able to replicate that success in the future.

Sykesville will be an important first step for future veterans homes in Maryland. Future homes will benefit from our experience with Sykesville, as much of the design work and many of the lessons learned can be reapplied anywhere a new veterans home is built in the future.

2. The current timeline includes the Department of General Services awarding the architecture and engineering design contract on February 15, 2023. By April 15, 2023, it is expected that USDVA will then make funding offers based on their priority list. The Department of Legislative Services has some concerns as to whether the current project schedule will meet various USDVA deadlines and what impact that might have on the forthcoming funding offer from USDVA. For instance, while the design contract has yet to be awarded, USDVA requires that by July 15, 2023, the State will have completed all environmental surveys and assessments and be 35% through design deliverables. Moreover, the design schedule indicates a 16-month design through July 2024, yet the USDVA timeline requires Maryland submit 100% design deliverables by the end of January 2024. **MDVA should be prepared to brief the committees concerning the capacity to meet USDVA project deliverables within the established timeframes, and if behind schedule what ramifications this might have on receiving final USDVA funding award.**

Response

MDVA acknowledges that the timeline is very tight, and our success in meeting it depends on numerous variables, some under our control, some not.

The good news is that even if we do not meet it, there is no penalty from the USDVA. The practical negative impact of delay would be simply the delay itself, along with any resulting escalation of costs.

The USDVA has already accepted MDVA's application in March 2022. Acceptance and funding are related but separate processes, with funding following acceptance. Funding of an accepted project is based at least in part on certain State deliverables, the appropriation/guaranteed allocation by the State of the State's 35% share of the cost, and the order of submission of projects to the USDVA.

Finally, the USDVA can only fund projects nationwide up to the level of its own Federal appropriation.

State Deliverables

The Phase I of the National Environmental Protection Act (NEPA) has been completed and the Phase II is underway. We are going to begin work on the National Historic Preservation Act (NHPA) Section 106 soon. To be considered for a conditional award, these studies must be complete, along with 35% drawings. Full design drawings would need to be submitted within 180 days of the conditional award.

Appropriation/Guaranteed Allocation by State of State's 35% Cost Match

Maryland has positioned itself well due to the actions of the Governor and Legislature last year to set aside \$63 million in the Dedicated Purpose Account in FY 2023, a number to which Governor Moore is proposing an addition of \$6.3 million in FY 2024 to cover escalation.

Order of Submission of Projects (Nationwide) to USDVA

We are still waiting for USDVA to release their State Home Construction Grants Priority List for Federal FY 2023. There are many moving parts and dates to hit funding for FY 2023.

Another critical consideration is where Sykesville ranks on the priority list when it is released. The FY 2022 Priority List was released on April 19, 2022. Projects are funded in order of submission, with Life Safety Projects ranked before new construction. The USDVA goes down the list in rank order and makes a funding offer; if that project is not ready, they move to the next project on the list until the funding is gone. Projects not yet ready will go on the following year's Priority List—again behind Life Safety Projects.

In conclusion, the timeline is tight and impacted by several factors. We will best position ourselves by pressing forward as expeditiously as possible. If not funded in FY 2023, the Sykesville home most likely would be funded in Federal FY 2024. We will have a much better idea when the VA's Priority List is released this spring.

Ramifications of Delay

If a delay from the existing timeline is caused by the State's inability to submit the preliminary studies or architectural design drawings on schedule, the anticipated USDVA funding would be pushed out an additional year. The State would have the option of starting the project out of the 35% State cost share already allocated, prior to award of Federal funding. All eligible costs incurred since the project was first accepted in March 2022 can be submitted for the 65% USDVA reimbursement once the project is funded by the USDVA.

The State has already set aside its 35% cost match, so no delay will result from its not having done so.

If the project is delayed because other projects take precedence for funding, and/or because the USDVA expends its full appropriation on other projects, Maryland's project would very likely be funded in the following Federal fiscal year.

**CEMETERY PROGRAM CAPITAL BUDGET
(000)**

FY	Project	PAYGO or GO Bond	FF	TF
2024	Garrison Forest Veterans Cemetery–Expansion (Phase VI)	1,111		1,111
2021	Cheltenham Veterans Cemetery–Expansion		1,227	1,227
2020	Cheltenham Veterans Cemetery–Expansion		11,538	11,538
2019	Cheltenham Veterans Cemetery–Expansion		2,000	2,000
2018	Garrison Forest Veterans Cemetery–Expansion		7,720	7,720
2017	Cheltenham Veterans Cemetery–Burial Expansions and Improvements	1,360		
	Garrison Forest Veterans Cemetery–Expansion	820		
	Eastern Shore Veterans Cemetery–Columbaria and Gravesite Expansion		259	2,439
2016	Rocky Gap Veterans Cemetery–Columbaria and Gravesite Expansion	80	3,811	
	Crownsville Veterans Cemetery burial grounds expansion Phase III		484	
	Eastern Shore Veterans Cemetery–Columbaria and Gravesite Expansion	26		4,401
2015	Rocky Gap Veterans Cemetery–Columbaria and Gravesite Expansion	400		
	Crownsville Veterans Cemetery burial grounds expansion Phase III		930	
	Eastern Shore Veterans Cemetery–Columbaria and Gravesite Expansion	45	2,980	4,355
2014	Eastern Shore-Cemetery Columbaria Installation	414		
	Crownsville Veterans Cemetery burial grounds expansion Phase III		5,983	6,397
2013	Crownsville Veterans Cemetery burial grounds expansion Phase III	700		700

2010	Eastern Shore-Cemetery Columbaria Installation	Canceled		
	Rocky Gap-Cemetery Columbaria Installation	Canceled		
2009	Garrison Forest-Administration and Alterations to Administration / Maintenance Complex		6,912	6,912
2008	Garrison Forest-Administration and Alterations to Administration / Maintenance Complex	210		
	Garrison Forest Cemetery burial grounds expansion		3,488	3,698
2007	Cheltenham Veterans Cemetery burial grounds expansion		3,743	
	Crownsville Veterans Cemetery burial grounds expansion		1,009	
	Garrison Forest Veterans Cemetery burial grounds expansion	575		5,327
2006	Cheltenham Veterans Cemetery burial grounds expansion	379		
	Crownsville Veterans Cemetery burial grounds expansion	252		631
TOTAL Funds				58,456

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; **communications, 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 **communication, outreach and advocacy** that veterans and their dependents, including Maryland's **women, minority, and underserved veteran populations**, 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.

FY 2022 At A Glance

Maryland Veteran Population (2022 projection): 371,000*

- The Service Program *filed 3,715 claims on behalf of Maryland veterans (a 32% increase from FY 2021) and achieved a record \$37.2 million in veterans benefits awards (a 21% increase from FY 2021).*
- The Cemetery Program performed a *near-record 3,562 interments: 2,174 veterans and 1,388 dependents*. The Memorials Program continued its *100% satisfactory record* with events held at the State's veterans memorials.
- The *average Charlotte Hall Veterans Home occupancy rate was 63%, an average census of 278*. This continued decline was attributable to COVID, to heightened hesitancy by families of eligible veterans to place loved ones in a nursing home, to ongoing staffing challenges, and to resident deaths.
- MDVA's small Communication, Outreach and Advocacy team *set new records with 3.7 million client contacts, 2.06 million newsletters distributed, and 859,000 social media views*.
- MDVA continued *progress toward the longstanding goal of establishing a second State veterans home in Sykesville*.
- MDVA hired its *first full-time Employee Relations Manager, leading to the creation in FY 2023 of an Office of Fair Practices within the agency*. We also welcomed a *new Women Veterans/Inclusion Manager* and a *second Procurement Officer*.

*Source: United States Department of Veterans Affairs

Summary of Services Provided

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 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. The challenge of providing this care has increased exponentially during the COVID pandemic.

Our **Communications, Outreach and Advocacy (COA) Program** requires not only a constantly growing understanding of the needs of veterans but also the communication skills and tools to reach Maryland's estimated 365,000 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 7.6% of the total adult population of our State⁽¹⁾, 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.

⁽¹⁾ Source: U.S. Department of Veterans Affairs (veteran population); www.census.gov (accessed 2/6/2023) (adult population).

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.

In 2021, Governor Hogan created the Women/Veterans Inclusion Program within MDVA. This initiative aims to raise awareness of the needs of Maryland's women, minority, and underserved veteran populations. Also, in 2021, MDVA identified the site of the State's second veterans home and developed facility plans for this vital capital addition, which will expand our ability to serve those who served.

Demographic Trends Among Veterans

A projected 365,000 veterans live in Maryland as of 2023, according to the U.S. Department of Veterans Affairs (USDVA). According to the USDVA, two segments of the veteran population are growing at annual rates of 3-5%:

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.