

EXECUTIVE APPROPRIATIONS COMMITTEE
STAFF: BRIAN FAY

DEPARTMENT OF VETERANS' AFFAIRS

FEDERAL FUNDS AUTHORIZATION

ISSUE BRIEF

SUMMARY

Utah Code Annotated, Section 63J-5-201 states, "The Legislative Fiscal Analyst shall submit a federal funds request summary for each agency to the legislative appropriations subcommittee responsible for that agency's budget for review during each annual general session. Each legislative appropriations subcommittee shall review the federal funds request summary and may recommend that the agency accept the federal funds or participate in the federal program for the fiscal year under consideration or recommend that the agency not accept the federal funds or participate in the federal program for the fiscal year under consideration."

The Utah Department of Veterans' Affairs (UDVA) anticipates federal funds to exceed the \$189,300 appropriated by the Legislature for FY 2013. Current federal fund projections for FY 2013 are \$3,354,100 and include \$2,893,000 that has already been received for cemetery improvements, \$121,800 that has already been received for the Veterans Tracking System, and \$150,000 for veterans' funeral expenses. UDVA is requesting \$3,164,800 in supplemental appropriations of federal funds for FY 2013.

The UDVA FY 2014 federal funds budget request includes \$141,000 for operating as the state approving agency for Veterans' Administration, \$150,000 for veterans' funerals, and \$642,200 for a remodel at the Salt Lake Veterans Nursing Home. The total estimate of \$933,200 in federal funds is subject to actions taken by the Legislature.

ONGOING FEDERAL FUNDS

There are two federal fund programs that allocate money to UDVA on an annual basis. The State Approving Agency (SSA) is a program within UDVA that oversees the administrative end of the GI Bill. This program evaluates, approves, reviews, and audits schools wishing to participate in the GI Bill. This program is designed to be 100% funded by quarterly reimbursement of federal funds. If the anticipated federal funds are exceeded, UDVA applies for supplemental federal funds from the VA. The request for FY 2014 appropriated federal funds for SAA is \$141,000.

The Veteran's Cemetery receives federal funds annually but not in a set amount. These funds are based on the number of veteran funerals performed each month. Prior to FY 2012, these federal refunds were counted as dedicated credits. The request for FY 2013 supplemental and FY 2014 appropriated federal funds for Veteran Funeral Reimbursement is \$150,000 per year.

ONE-TIME FEDERALLY FUNDED PROJECTS

UDVA is in the process of developing a system designed to capture data that will help the agency better assist Utah veterans. This project has already received \$221,800 in federal funds, \$110,000 in FY 2012 and \$121,800 in FY 2013.

The Utah State Veterans' Cemetery and Memorial Park has received nearly \$6.4 million in federal funds from the National Cemetery Grants Administration over the past two years. These funds have been for the construction of new buildings and the updating of water lines. The UDVA did request supplemental appropriation authority for federal funds totaling \$4,902,700 for the cemetery project for FY 2012, but the request was not reflected in the final appropriations bill. In FY 2013, UDVA has received \$2,893,000 in federal funds for the cemetery construction project.

The Utah Department of Veterans' Affairs is seeking a federal matching grant of \$642,200 to assist in remodeling the Salt Lake Veterans' Nursing Home (SLVNH). This grant provides 65% of the funding for the \$988,000 project. Due to the efforts by the UDVA State Officer, SLVNH was awarded \$175,000 from Home Depot, reducing the state portion to \$170,800. Utah Code 63J-7-203 requires approval of the Home Depot award by the Governor and the Executive Appropriations Committee. UDVA would like to use money from the Utah Veterans' Nursing Home fund to cover the \$170,800.

UDVA, THE FEDERAL FUNDS PROCEDURES ACT UCA 63J-5, AND THE 25% EXCESS REQUIREMENT

The Federal Funds Procedures Act governs the initial authorization or re-authorization of federal grants. 63J-5-205 (Federal funds awards that exceed approved appropriations) states:

Each agency that receives federal funds greater than the amount approved through the process provided for in this chapter may, using those excess funds, expend up to 25% in excess of the amount approved if:

- (1) receipt or use of the excess federal funds will not require the addition of one or more permanent full-time employees or permanent part-time employees;
- (2) no new state money will be required to match the excess federal funds; and
- (3) receipt or use of the excess federal funds will not require the state to comply with new requirements or conditions in order to receive the federal funds or to participate in the federal program.

In FY 2012, UDVA received authorization to spend \$121,600 in federal funds. The actual federal funds spent in FY 2012 equaled \$3,791,300. This was primarily due to construction and expenses at the Veterans Cemetery which was funded entirely through a federal grant. An additional \$110,000 grant was received for implementation of a Veterans Tracking System (VTS) database and \$7,000 for a Stand Down grant. The UDVA did request supplemental appropriation authority for federal funds totaling \$4,902,700 for the cemetery project for FY 2012, but the request was not reflected in the final appropriations bill.

FY 2013 SUPPLEMENTAL FEDERAL FUNDS REQUEST FOR AUTHORIZATION

As of January 18, 2013, the UDVA has already received \$3,116,500 in federal funds. The authorized federal funds appropriation for FY 2013 is \$189,300. The supplemental federal funds request for FY 2013 is listed in Table 1.

Grant Title	CFDA Number	Federal Award	State Match	% Pass-Through
Veterans Tracking System	n/a	\$121,800	\$0	0%
Veteran Funerals	n/a	\$150,000	\$0	0%
Cemetery Construction Grant	n/a	\$2,893,000	\$0	0%
Total		\$3,164,800	\$0	0%

Table 1

FY 2014 FEDERAL FUNDS REQUEST FOR AUTHORIZATION

Table 2 shows the federal funds request for FY 2014 for the Utah Department of Veterans' Affairs.

Grant Title	CFDA Number	Federal Award	State Match	% Pass-Through
State Approving Agency	n/a	\$141,000	\$0	0%
Veteran Funerals	n/a	\$150,000	\$0	0%
SLVNH Nursing Home Remodel	n/a	\$642,200	\$345,800	0%
Total		\$933,200	\$345,800	0%

Table 2

LEGISLATIVE ACTION

The Analyst recommends:

1. authorization to receive the \$175,000 Home Depot award.