

Testimony
House Appropriations Committee
February 19, 2020

Department of Military and Veterans Affairs
Major General Anthony J. Carrelli
The Adjutant General

Good Afternoon, Representatives Saylor and Bradford, and members of the House Appropriations Committee. Thank you for inviting us here today to discuss the Department of Military and Veterans Affairs' 2020-21 budget.

The Department of Military and Veterans Affairs' (DMVA) Fiscal Year (FY) 2020-21 budget will help the Department embody our Vision Statement. "*We are Pennsylvania, dedicated to becoming the number one destination for military, veterans, and their families.*" We strive to achieve our vision by providing the Pennsylvania National Guard (PNG) with resources, training, and support veterans with the vital programs that assist them and their families. To achieve our vision, we have updated our mission statement to: *The Department of Military and Veterans Affairs is a diverse team of professionals who strengthen our commonwealth by serving our veterans and partners while preparing military personnel to safeguard our way of life.* DMVA works in close partnership with several federal agencies, including the Department of Defense (DoD) and the Department of Veterans Affairs (VA), and other State Agencies, and community partners to achieve our mission.

The updates to the Departments' Vision, Mission, Values, and Goals are part of the Governor's lean process, which DMVA is implementing with the support of the Governor's Office of Performance Improvements. To link all DMVA employees, we will digitally connect two buildings at Fort Indiantown Gap and all six Veterans Homes (. DMVA will be able to reach 80% of its employees who have limited access to computers, phones, and social media through messaging. The messages will reinforce the DMVA's vision, mission, values, and goals while encouraging teamwork and providing information through videos, greetings, announcements, special events, and statewide emergencies.

DMVA is one of Pennsylvania's top ten employers with approximately 2,600 commonwealth employees and 22,000 National Guard members/federal employees located in more than 90 communities statewide. The Governor's Executive Budget proposes a DMVA budget of \$396 million comprised of \$160 million in state-appropriated funds, \$201 million in Federally allocated funds, \$31 million in augmentations, and \$4 million in special funds.

We are pleased that our 2020-21 budget request continues to support our priorities which are to provide superior care for veterans, increase veteran's outreach activities, and support the readiness and training of our National Guard. We contained costs by reallocating funds within DMVA, achieving this through the recent reorganization of the Office of Facilities and Engineering (OF&E), and our success in maximizing federal funds in our Veterans Homes. The reorganization has enabled five positions for reallocation from OF&E to the Office of Veteran's Affairs outreach initiative. Through diligent efforts of the Office of Veterans Affairs' Bureau of Veterans Homes (BVH) and Bureau of Veterans Programs, Initiatives, Reintegration, and Outreach (PIRO) we increased federal benefits by prioritizing the claim review process, assessing and assisting residents in and helping veterans applying for admittance into our Veterans Homes to submit federal claims. Our Enhanced Veterans Reimbursement (EVR) program with the Department of Human Services maximizes revenue for resident care and averages approximately \$28 million per year. DMVA continues to focus its efforts on increasing participation in the program, which is currently at 26% resident participation. Improving the VA compensation and benefits amongst our residents allows them to contribute more to their cost-of-care. This allows us to decrease the costs from the state appropriation by maximizing federal reimbursements in the Veterans Homes, and this enables sustainment and new investments in Veteran programs.

Support Pennsylvania Veterans

DMVA oversees and manages programs to provide benefits and assistance to an estimated 768,000 Pennsylvania veterans. Veterans make up approximately 6% of the commonwealth's total population. Roughly 44% of our veteran population is age 70 or older; about 34% is between the ages of 50 and 69, and the remaining 21% is between the ages of 18 and 49. Women veterans make up just over 6% of the total veteran population of the commonwealth. This budget proposes federal and state funds of \$192 million for our six Veterans Homes: the Delaware Valley Veterans' Home (DVVH), the Southeastern Veterans' Center (SEVC), the Gino J. Merli Veterans' Center (GMVC), the Hollidaysburg Veterans' Home (HVH), the PA Soldier and Sailors Home (PSSH) and the Southwestern Veterans' Center (SWVC). Each home efficiently provides skilled nursing, memory care, and personal care to our most vulnerable

veterans. This budget enables us to staff and pilot a medical supervision model for Adult Day Health Care (ADHC) at SEVC. We project the renovations and staffing to be completed and for the ADHC program at SEVC to commence operation in early 2021. Providing an ADHC option allows veterans to reside at home for as long as possible and, subsequently, provides for a natural transition into one of our Veterans Homes if resident care is necessary.

This also to funds five additional Regional Program Outreach Coordinators (RPOC) who will support DMVA's PAVETCONNECT initiative, which is focused on building community-based outreach and information and referral networks throughout the commonwealth. Our RPOCS play a critical role in building and maintaining partnerships with federal, state and local government agencies, Veteran Service Organizations, and non-profit organization partners. Their efforts are intended to identify resource providers and to capture and categorize this information in an Information and Referral Resource Database that will facilitate the delivery of services to veterans and their families. We have found that we can often fill gaps in service using this tool. Our early success is reflected in the more than 1,000 resource providers that we have been able to catalog in the past year. These providers cover more than 13 program areas and 76 service delivery areas. We have completed our Proof of Concept Phase and have shared the tool with a limited number of direct support advocates. These advocates continue to test the tool and provide specific feedback that allows us to implement continuous process improvement techniques. Our network continues to grow, and we expect to make a number of improvements over the next 12 months. Our goal is to announce a full public-facing version of the PAVETCONNECT Tool in early 2021.

DMVA's Veterans' Service Officer Grant Programs is one of our most successful grant programs. It allocates funds that allow Veteran Service Organizations to hire accredited veteran service officers. These Veteran Service Officers are veterans assisting veterans in applying for and receiving federal and state benefits. Since 2008, DMVA estimates a cumulative financial impact of over \$12 billion to the Commonwealth. The 2019 return on investment (ROI) was \$57 to each \$1, or a total of \$164,325,655, the overall programmatic ROI is \$83 to each \$1, or a total of \$1,918,480,790 based on yearly federal awards. During the past year, DMVA completed a caseload-capability model study that was based on a federal standard. Our goal was to determine an optimal number of veteran service officers required by veteran population density to properly

serve veterans within the five designated regions of the PAVETCONNECT initiative. Based on this study, we believe that we need to better manage the assets we currently have in this grant program and that we will need to increase the number of veteran service officers funded by this grant program over the next several years in order to provide adequate assistance to our veterans. DMVA will implement measured change in this grant program through the guidelines that we publish to the Veteran Service Organizations that apply for funding through this valuable program.

Pennsylvania National Guard (PNG)

Pennsylvania has the second-largest National Guard in the country with 18,117 total PNG members and authorization for up to 19,077 members. The Army National Guard currently has 14,000 soldiers with approval for up to 14,944 soldiers. The Air National Guard has 4,117 airmen assigned with authority for up to 4,133 airmen. In addition to manning, PNG is responsible for federal military equipment valued at \$8.75 billion and real estate valued at over \$2.89 billion. When evaluating funding support for PNG, only 5.5 percent comes from the state, with 94.5 percent coming directly from the National Guard Bureau. A combination of both state- and federally funded, full-time personnel maintain the facilities, structures, and infrastructure used to store and maintain combat-ready equipment and provide state-of-the-art training to our National Guard members. PNG trains and conducts domestic operations under the command of the governor and control of DMVA, when it is not in an activated into federal service.

The most significant increase in the Governor's Executive Budget 2020-21 for DMVA is an increase of \$1.9M in the Armory Maintenance and Repair appropriation to replenish the revenue of the State Treasury Armory Fund (STAF). Over the past several years, the STAF needed minimal allocations because of the income added to the fund by selling Armory and Readiness Centers that were no longer needed. DMVA no longer has an inventory of facilities to sell and can no longer rely on this revenue. We anticipate requiring additional increases for this appropriation. An increase of our Armory Maintenance and Repair appropriation allocates maintenance to facilities without degradation to the state and federal missions and safeguards our ability to spend federal share dollars to cover all maintenance and repair costs.

The PNG Educational Assistance Program Fund (EAP) provides a tremendous benefit to our Soldiers and Airmen. It is one of the most significant state enlistment recruiting and retention tools and allows us to maintain the strength/manning goals established by the Department of Defense. EAP provides our Soldiers and Airmen a unique educational benefit, assists DMVA in meeting force structure to support our federal and state missions, and, in return, those soldiers and airmen agree to a six-year commitment in the PNG. This year the Military Family Education Program (MFEP) was created. It enables PNG members, who commit to a second service obligation of six years in the PNG, to earn educational benefits for their spouse or children who attend educational institutions in Pennsylvania. The Governor's Executive Budget 2020-2021 delivers on this promise by including \$3.083 million and administrative funding to support the staff and operational costs of the MFEP program. Since December 2019, the program has approved 558 applications, 465 Army and 93 Air, providing 591 family members educational opportunities. Both educational programs continue to increase recruiting and retention in the PNG, contributing to an overall increase in our personnel strength. This increase allows the PNG to be prepared to assume additional military missions and opportunities in the future.

Last year, by enacting Act 51 of 2018, the commonwealth committed to establishing a National Guard Youth Challenge Program with DoD. The program requires a 25% state funding share to match the 75% federal funding share from the Office of the Secretary of Defense, Deputy of Reserve Affairs. The proposed budget includes funding to support creating the Keystone State Challenge Academy. Over the next year, DMVA will continue to increase staffing as the program requires, and the facilities renovations will continue to ensure that the KSCA will be able to begin its inaugural class in early 2022.

The Governor's Executive Budget 2020-2021 provides funding to upgrade the commonwealth's 800Mhz radio system to a hybrid VHF/800Mhz P25 trunked radio system, which will allow for enhanced interoperability between state, county, and federal agencies. The Fort Indiantown Gap Police and Fire Departments, DMVA Environmental/Training Divisions, Veterans Homes, and the PNG during SAD missions, will utilize these radios routinely for internal and external support coordination.

Conclusion

I thank the Committee for the opportunity to present this written report on the fiscal and operational issues affecting DMVA. The leadership of Governor Wolf and the support of his administration has enabled DMVA to take steps to refine our vision and redraft our mission statement. Through this process, we recognize the strength of our diverse team of dedicated professionals who strengthen our commonwealth by serving our veterans and partners while preparing military personnel to safeguard our way of life.