

Minnesota Department of Veterans Affairs Annual Report Fiscal Year 2006

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Minnesota Department of Veterans Affairs (MDVA)

Annual Report Fiscal Year 2006

The Minnesota Department of Veterans Affairs (MDVA) has seen substantial growth during Fiscal Year 2006 in program start-ups, expansion and the number of veterans served. This report will review the history of the MDVA and address the latest information on services and programs, which will be divided into three major areas: Operations, Benefits and Services.

Agency Purpose

The Department of Veterans Affairs' mission and purpose is to serve the veterans of Minnesota as well as their dependents and survivors in securing state and federal benefits for which they are eligible. Since its creation in 1943 (M.S. Chapter 196), the department has accomplished its mission by focusing on the needs of veterans and functioning as a single, comprehensive provider of seamless services to men and women who have served in the military.

The Minnesota Department Veterans Affairs (MDVA) is a state agency and is a separate organization from the United States Department of Veterans Affairs (USDVA), more commonly known as the VA, which is a federal agency. The department partners with the VA Medical Centers, VA Regional Offices, County Veterans Service Officers (CVSOs) and Veterans Service Organizations to meet the needs of Minnesota veterans, their dependents and survivors.

Minnesota Veterans

Since the Civil War, Minnesotans have served honorably in all of our nation's conflicts. With an increased reliance upon the use of the National Guard and Military Reserve personnel to complement active duty troop strength, today like never before, finds many Minnesota Guard members and Reservists joining their active-duty brethren serving in conflicts overseas. This trend has greatly increased Minnesota's veteran population as well as the number of dependents and families members who may need services.

The total amount of income received by Minnesota's veterans, their dependents and survivors including military retirees, exceeded **\$1.14 billion** in FFY 2005. Data for FFY 2006 is not yet available for the state of Minnesota.

**Distribution of VA Expenditures in Minnesota for FFY 2005
(Dollars in Thousands)**

Minnesota Veteran Population	418
Compensation and Pension Benefits	501
Medical Services and Treatments	561
Insurance Dividend Payments	37,363
Vocational Rehabilitation and Education	38,041
Construction	5,390
TOTAL: USDVA Payments	1,142,723

Core Functions

The Minnesota Department of Veterans Affairs provides overall leadership and direction to the veterans community through collaboration with public and private service providers. The core functions of MDVA are of:

- Promoting self-sufficiency and personal responsibility through a temporary safety net of benefits and services;
- Supplying representation to clients pursuing claims for federal veterans benefits;
- Ensuring a smooth transition for veterans from active military service to civilian life;
- Providing dignified and compassionate committal services at the Minnesota State Veterans Cemetery;
- Revising and building upon proven business practices to ensure the most timely, cost-effective delivery of benefits and services; and
- Managing all budget, accounts, financial transactions, information technology, and human resources to meet departmental needs.

Operations

The Commissioner's office is responsible for the overall operations of the agency. The current commissioner is Clark Dyrud, and Michael Pugliese is deputy commissioner. The Commissioner's office works closely with the County Veterans Service Officers Association; the United Veterans Legislative Council; the Commanders Task Force comprised of the commanders of the Congressionally Chartered Veterans Organizations; other agencies; the legislature; private and non-profit organizations.

All budgeting, financial transactions, human resource management, affirmative action, and MAPS and SEMA4 transactions are processed within the Commissioner's office.

Other functions of the Commissioner's office include:

- Oversight of the Minnesota State Veterans Cemetery
- Veterans' Outreach Services
- The Minnesota State Approving Agency
- Information Technology
- WWII Memorial

Minnesota State Veterans Cemetery

The Minnesota State Cemetery is located seven miles north of Little Falls, MN. This resting place for Minnesota's heroes and their dependents was the result of a grass roots veterans initiative lead by private individuals and veterans organizations. The cemetery opened in 1994, and is operated by MDVA. This beautiful facility provides a dignified final resting place for the 2253 Minnesota veterans who have been interred there to date.

- Burial in the Minnesota State Veterans Cemetery is available to veterans and their dependents who separated from active duty military service with a discharge (DD214) issued under honorable conditions

The Minnesota State Approving Agency

The State Approving Agency (SAA) was established by an Act of Congress in 1947, to insure that veterans and eligible dependents can use their GI Bill educational entitlement in approved educational programs. SAA is federally funded through a contract with the USDVA. It is important to note that the USDVA will not pay veteran education benefits unless the individual is enrolled in a program that has been approved by SAA.

This program currently monitors over 205 approved schools and over 7000 approved education programs. SAA responsibilities under federal law include:

- Evaluate, approve (or disapprove) and supervise schools;
- Inspect the academic records of MGIB participants;
- Promote and safeguard quality education and training programs for veterans;

- Ensure greater educational and training opportunities to meet the challenging needs of veterans; and
- Assist the VA in preventing fraud, waste and abuse in the administration of the GI Bill.

Information Technology

While MDVA serves Minnesota's 460,000 veterans and their dependents, our information technology staff extends information to veterans worldwide. Our centralized "One-stop Web-site" contains information on benefits and services available to veterans by federal, state and local units of government, as well as private and non-profit organizations. This website is continually being updated with new information on benefits and services for military members, veterans and their dependents regarding medical, education, employment, retirement, and legislation. This site includes a calendar of events and links to other sources of veterans' information. Visit this new website at: www.minnesotaveteran.org.

World War II Memorial

World War II Veterans Memorial private donations received to date total \$540,000. A projected completion date of the Memorial is spring 2007.

Departmental Operations	FY 2006 (Dollars in Thousands)
<u>Expenditures by Fund</u>	
Direct Appropriations	
General	1,594
Miscellaneous Special Revenue	64
Federal	307
Gift	1
Total	1,966
<u>Expenditures by Category</u>	
Total Compensation	1,313
Other Operating Expenses	480
Local Assistance	193
Total	1,966
<u>Expenditures by Activity</u>	
State Approving Agency Operations	328
Administrative Services	1,321
Cemetery Development & Maintenance Account	43
Cemetery Operations State	273
Total	1,966

Full-Time Equivalents (FTE) 19.3

Agency Revenue Summary

Agency Revenue Summary	FY 2006 (Dollars in Thousands)
<u>Non-Dedicated Revenue</u>	
Departmental Earnings:	
General	19
Other Revenues:	
General	0
Total Non-Dedicated Receipts	19
<u>Dedicated Receipts</u>	
Departmental Earnings	
Miscellaneous Special Revenue	41
Grants	
Miscellaneous Special Revenue	84
Federal	233
Miscellaneous Special Revenue	19
Miscellaneous Agency	49
Gift	11
Other Sources:	
Miscellaneous Agency	588
Total Dedicated Receipts	1,025
Agency Total Revenue	1,044

Agency Overview	FY 2006 (Dollars in Thousands)
<u>Direct Appropriations by Fund</u>	
General	
Current Appropriation	4,744
Forecast Base	4,774
Misc special Revenue	
Current Appropriation	337
Forecast Base	337
<u>Expenditures by Fund</u>	
Direct Appropriations	
General	4,059
Miscellaneous Special Revenue	75
Statutory Appropriations	
Miscellaneous Special Revenue	64
Federal	307
Miscellaneous Agency	2,370
Gift	1
Total	6,876
<u>Expenditures by Category</u>	
Total Compensation	2,286
Other Operating Expenses	503
Payments to Individuals	3,156
Local Assistance	931
Total	6,876
<u>Expenditures by Program</u>	
Benefits	1,915
Services	2,995
Departmental Operations	1,966
Total	6,876

Full-Time Equivalents (FTE) 38.2

Benefits

The Veterans Benefits Program provides assistance through the State Soldiers Assistance Program, Veteran's Preference Act enforcement, and rehabilitation services to Minnesota veterans in need.

Benefits	FY 2006 (Dollars in Thousands)
<u>Expenditures by Fund</u>	
Direct Appropriations	
General	1,915
Total	1,915
<u>Expenditures by Category</u>	
Total Compensation	444
Other Operating Expenses	22
Payments to Individuals	786
Local Assistance	663
Total	1,915
<u>Expenditures by Activity</u>	
Veterans Benefits	305
Veterans Services	82
Dedication Accounts	1,405
Vinland Grants	121
Total	1,915

Full-Time Equivalent (FTE) 6.9

State Soldiers Assistance Program

Since 1944 the State Soldiers Assistance Program (SSAP) has been helping Minnesota veterans receive the care and benefits for which they are eligible. With the funding increase from the 2005 legislature, a special needs grant will be added to the program. Applications should start being taken August 1, 2006, and grants awarded by October.

The veterans requests addressed by this fund include: housing for veterans, washer and dryer replacement, outstanding medical bills, vehicle repairs, dental work, well repair, wheel chair ramp installation, home flooring for handicapped veterans, hot water heater replacement, furnace replacement, funeral expenses, refrigerator for insulin storage and help with educational expenses.

SSAP used funds appropriated by the legislature to provide temporary, subsistence level emergency financial assistance to more than 2,000 veterans and their families. During the 2006 fiscal year SSAP provided:

- 887 Cash grants
- 856 Dental grants
- 477 Optical grants
- 558 Shelter grants
- 142 Room and Board grants

SSAP also manages veterans and war orphan education programs. The veteran education benefit is a one-time state grant of \$750. Veterans are eligible only after they have exhausted the federal educational entitlement. To be eligible to receive this benefit veterans must have met state residency requirements prior to enlistment in the military.

War orphans are dependent children whose veteran parent died while serving on active military duty or as the result of wounds or injuries incurred while serving on active duty. War orphans are provided a yearly grant of \$750 to help defray the costs of books, fees, supplies and room and board at a post-secondary school until they attain a bachelor's degree or the equivalent.

Veterans' Preference Enforcement

The department also provides direct enforcement of the Veterans' Preference Act. The Minnesota Veterans' Preference Act (VPA) is a term that refers to a collective group of MN Statutes that grant veterans, as defined/limited by MN Statute 197.447, specific veterans' preference public employment, benefits and termination hearing rights. The MN VPA Statutes are: 43A.11, 197.455, 197.46, 197.48, and 197.481.

MDVA helps veterans pursue relief when their veterans' preference rights have been violated. During FY 2006, MDVA experienced continued demand for enforcement of veterans' employment rights under the provisions of the Veterans' Preference Act. Continuing educational efforts by MDVA ensures that Minnesota veterans are aware of their employment rights and protections. In addition, County Veterans Service Officers and veterans frequently contact MDVA to obtain information about and clarification of the various Minnesota Statutes that constitute the Minnesota Veterans' Preference Act. In FY 2006 the department closed 15 petitions for enforcement, and had five active petitions awaiting resolution.

The department has also increased efforts to inform political subdivisions of their responsibilities and rights under the Veterans Preference Act to avoid the expense and delay of administrative and judicial relief. It is hoped that this preventive action will reduce the number of petitions filed by veterans whose rights have been violated by political subdivisions.

Other MDVA functions:

- A partnership with the **Minnesota Assistance Council for Veterans and Vinland Center**. These programs rehabilitate veterans with disabilities/work injuries and vocational obstacles to secure employment and live independently.
- Certification of 105 County Veterans Service Officers and assistants.

Services

In FY 2006 Minnesotans received more than \$162 million in federal veterans' benefits as a direct result of the department's claims and outreach offices. Claims representatives were successful in obtaining \$16 million in retroactive monetary awards, and represented 14,836 claims before the U.S. Department of Veterans Affairs. MDVA outreach staff has served approximately 1,500 veterans since 2004.

The Services Program provides claims representation for veterans, their dependents and survivors when applying for federal veterans' benefits, such as compensation and pension benefits, home loans, educational benefits and medical treatment. The outreach program reaches into the community to find and help underserved veterans' populations including minorities, females and homeless veterans. Also, under the services program area are the Veterans Service Organizations and the Support Our Troops license plate revenue.

Services	FY 2006 (Dollars in Thousands)
<u>Expenditures by Fund</u>	
Direct Appropriations	550
General	75
Miscellaneous Special Revenue	
Statutory Appropriations	
Miscellaneous Agency	2,370
Total	2,995
<u>Expenditures by Category</u>	
Total Compensation	529
Other Operating Expenses	21
Payments to Individuals	2,370
Local Assistance	75
Total	2,995
<u>Expenditures by Activity</u>	
Veterans Organization	0
Guardianship Administration	34
Claims-Fargo Administration	82
Claims-Fort Snelling Administration	434
Guardianship Client Accounts	2,370
Veterans Outreach Program	0
Support Our Troops	75
Total	2,995

Full-Time Equivalents (FTE) 12

Claims and Outreach

The claims and outreach offices, located at Fort Snelling and Fargo/Moorhead, provide direct claims representation before the U.S. Department of Veterans Affairs (VA) and the Board of Veterans Appeals to help Minnesota veterans and their families obtain federal benefits and services. A claims representative explains and clarifies VA procedures and regulations to veterans, then helps the veteran gather the evidence needed to support his/her claim. Outreach staff continues to monitor the progress of the claim as it moves through the adjudication process and will intercede on the claimant's behalf when necessary. Claims office services are free of charge.

MDVA's claims offices partner with County Veterans Service Officers to provide:

- Disability compensation – a payment to veterans who are disabled by injury or disease incurred or aggravated during military service;
- Pension – assist veterans with pension benefits;
- Vocational rehabilitation – employment assistance, training and education for veterans with service-connected disabilities who have an employment handicap due to their service-connected disability;
- Health-care benefits – medical treatment and hospital care for veterans with service-connected disabilities and others who meet VA eligibility criteria;
- Education benefits – Montgomery GI Bill benefits for former active-duty service members and eligible members of the reserve components;
- Burial benefits – burial in state or federal veterans cemeteries. Headstones and markers may be provided for burials in private cemeteries. Burial allowances may help pay for burial services and a burial plots; and
- Discharge review.

MDVA outreach staff has played major roles in veterans Stand-Downs, increased their presence in the metro area by visiting shelters, community centers and churches, partnered with community agencies for referrals and services, expanded their efforts in outstate Minnesota and on tribal reservations, worked with correctional agencies to assist reintegration of incarcerated veterans back into the community and have attended town hall meetings throughout the state.

Support Our Troops License Plates

Support Our Troops license plates feature a bald eagle in the foreground against a background of an American flag. The proceeds from the plate sales are divided among the Department of Military Affairs for financial support of military families and veterans services provided by Disabled American Veterans (DAV), Military Order of the Purple Heart (MOPH), and Veterans of Foreign Wars (VFW); grants for services to veterans by Vinland Center and Minnesota Assistance Council for Veterans; and outreach and assistance initiative programs for underserved veterans. Support Our Troops Plates have generated \$209,400 in sales.

Commissioner's Recommendations

While much work has been accomplished, there are many challenges to meet in 2007, especially with 3000 Minnesota soldiers being deployed to active duty. We will also be working closely with legislators to help pass Governor Pawlenty's \$74.8 million Military and Veterans Support Package.

This legislative package contains over 22 initiatives, including the expansion of education benefits, the reintegration program, the State Soldiers Assistance Program, Communication and Outreach initiatives, and the Higher Education Campus Veterans Offices program. There are also proposed increases for the State Veterans Cemetery and Veterans Service Organizations. Other department 2007 initiatives include:

- establishing a 1-800 benefits hotline
- hosting a Women's Veterans Summit
- developing a monthly newsletter

The 2006 Minnesota state legislature also provided funding for the department to create a Grant to Counties program. The purpose of the Grants to Counties program is to help enhance benefits, programs, and services provided to veterans.

Currently, there is \$200,000 available for the "Grants to Counties" program in each of the fiscal years 07, 08, and 09 for a total of \$600,000. The grants may be for a term of up to two years and all counties in Minnesota are eligible to participate. CVSO's interested in participating in the grant process must apply by submitting an application before January 31, 2007. The awarded grant monies must be then be spent by June 30, 2009.

The department is planning two future grant cycles with an additional \$200,000 allotted for each. The department will have one grant cycle in each fiscal year; again, the grant recipients have until the end of Fiscal Year 2009 to use the grant money they are awarded.

MDVA plans to host two major veterans outreach events in FY 2007. On September 21, 2006, MDVA will be hosting an opportunity for veterans to interface with each other and over 70 businesses, state and federal agencies, non-profit and private sector service providers, and veterans service organizations at the first Governor's Military and Veterans Support Cabinet's Minnesota Veterans Summit. In June the department, in conjunction with the World War II Advisory Board, will hold a dedication event for the World War II Memorial. This event will honor World War II veterans and be planned as an outreach opportunity.

MDVA's Outreach Division will be hiring at least two additional staffers. This division will continue to play a major role in veterans stand-downs, will increase their presence in the metro area by visiting shelters, community centers and churches, partnering with community agencies for referrals and services, expanding their efforts in out-state Minnesota and on tribal reservations and working with correctional agencies to assist reintegration of incarcerated veterans back into the community.

The Higher Education Veterans Assistance Program will be aggressively implemented during the first six months of FY 2007 ensuring that regional offices are open the first day of fall classes. Furthermore, MDVA looks forward to fully implementing the State Soldiers Assistance Special Needs Program, and doing the outreach necessary to find those veterans who would benefit most from that effort.

These exciting times for the Minnesota Department of Veterans Affairs, not only are we working hard to meet the needs of our current veterans, but we will be partnering with the Department of Military Affairs to provide a smooth and comprehensive reintegration program for our state's returning soldiers. I hope the information I have provided is helpful. Should you have questions or comments about our current or future veterans programming, please let me know. I look forward to continuing to work to make Minnesota the most veteran friendly state in our nation.

Sincerely,



Clark Dyrud, Commissioner
Minnesota Department of Veterans Affairs

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