

Minnesota Department Of Veterans Affairs

Annual Report Fiscal Year 1992

**Presented To:
Governor Arne H. Carlson
And
The Minnesota Legislature**

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**Bernie Melter
Commissioner**

**Jeff Olson
Deputy Commissioner**

The attached Annual Report summarizes the activities of the Minnesota Department of Veterans Affairs during Fiscal Year 1992. The Department has continued its' efforts to strengthen its' ties to the veterans community, both on the State and the National levels.

Since its' creation by the Minnesota Legislature in 1943, the Department of Veterans Affairs has seen three more generations of warriors--those from the Korean War, the Vietnam War, Lebanon, Grenada, and now those from the Persian Gulf War or the Southwest Asia Campaign--enter the veterans community in Minnesota.

The past decade has seen the Department of Veterans Affairs maintain its' commitment to the veterans of Minnesota, and their families, through dedicated benefits programs and enhanced advocacy services, which are designed to meet the changing and varied needs of a divergent veterans community.

Veterans of World War I, World War II and the Korean War have distinct needs that differ greatly from those of younger veterans who served in Vietnam, the Persian Gulf War and the various hostilities and conflicts in between major periods of conflict.

The Department of Veterans Affairs is supported and assisted in its' efforts to meet the needs of Minnesota's veterans and their dependents by the dedicated men and women who comprise the Minnesota County Veterans Service Officer system. Located in each of Minnesota's counties, these Veterans Service Officers provide the initial point of contact for veterans and their dependents in their quests for benefits and services.

The Department continues its' past efforts to strengthen its' ties to the Veterans Service Officers through personal contacts, meetings, training and educational opportunities and mutual cooperation on issues of mutual importance.

As an example, the Department and the County Veterans Service Officers, working in cooperation, have made access to the United States Department of Veterans Affairs Medical Center system a possibility for many Minnesota veterans. This has resulted in a direct savings of millions of dollars annually to the State and the Counties of Minnesota. If these veterans had received care locally they would have been eligible for Medicaid, a costly program partially funded by the State and Counties.

Challenges facing the Department of Veterans Affairs include those presented by the disproportionate numbers of unemployed veterans and those still suffering the effects of Post Traumatic Stress Disorder (PTSD), a sad legacy of exposure to the horrors of war, especially as experienced in Vietnam and Southwest Asia.

OFFICE OF THE COMMISSIONER

The Office of the Commissioner is responsible for the overall management of the Department of Veterans Affairs. The Commissioner is ably assisted in the discharge of his duties by the Deputy Commissioner, the Director of Veterans Programs, the Director of Veterans Benefits and a secretarial position.

The Commissioner's Office fosters and maintains a close working relationship with the Legislature, the United States Department of Veterans Affairs, the men and women of the Minnesota County Veterans Service Officers Association and the Commanders Task Force, which is comprised of the Commanders of the Congressionally Chartered Veterans Organizations active in Minnesota. These mutual efforts ensure that Minnesota's veterans and their dependents are fully informed of, and receive every benefit to which they are entitled.

ADMINISTRATIVE MANAGEMENT DIVISION

The Administrative Management Division of the department is comprised of six areas of responsibility: Information Systems; Personnel; Purchasing/Inventory; Accounts Payable; Fiscal Reporting (for the Guardianship Division); and Budget and Reports.

The Administrative Management Division, while meeting its' required obligations in the functions highlighted above, processed over 52,248 total transactions during F.Y. 1992 and maintained a 100% prompt payment record. This is ample testimony to the quality and capability of the Administrative Management Division personnel involved. The graphics on the next page provide detail of the number and distribution of these transactions:

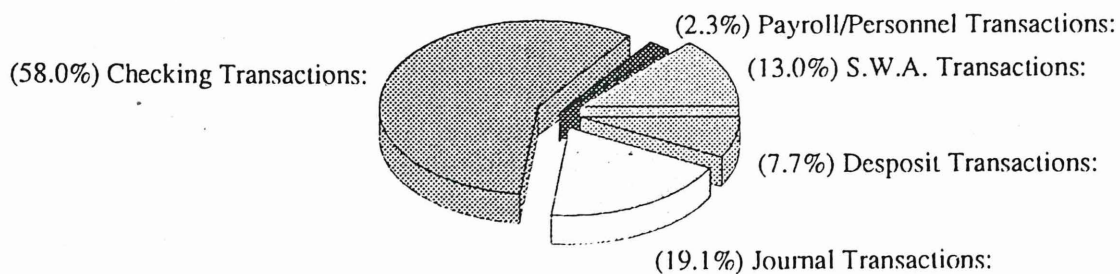
Minnesota Department Of Veterans Affairs

Total Number Of Transaction For Fiscal Year 1992

	Monthly Average		Yearly Total
S.W.A. Transactions:	566	X 12 =	6,792
Payroll/Personnel Transactions:	98	X 12 =	1,176
	Monthly Average		Yearly Total
Guardianship Transactions:			
Checking Transactions:	2,524	X 12 =	30,288
Journal Transactions:	830	X 12 =	9,960
Desposit Transactions:	336	X 12 =	4,032
Grand Total:			52,248

Distribution Of Transactions

Fiscal Year 1992



VETERANS BENEFITS DIVISION

The Veterans Benefits Division is responsible for five major department benefits programs: the State Soldier's Assistance Program; the Military Discharge Records and Bonus Records Division; the Veterans and War Orphans Education Programs; the Late Bonus Claims certification program and Prisoner of War License Plate Certification program.

STATE SOLDIERS ASSISTANCE PROGRAM

Funds appropriated by the Legislature for this program are expended to provide temporary emergency financial assistance to veterans and their dependents. Veteran applicants must be temporarily disabled to the extent that they cannot pursue their normal occupation in order to qualify for assistance under this program. Further, veteran applicants and their families must meet stringent income guidelines, as directed by department rules.

Under the provisions of the State Soldiers Assistance Program, eligible veterans and their dependents receive subsistence level financial benefits until the veteran is able to return to normal employment, to a maximum of six months of assistance.

Those veterans who are disabled to the extent that they are unable to return to employment are assisted with applications for long term financial assistance, such as disability compensation or pension benefits from the United States Department of Veterans Affairs, Social Security Administration disability or retirement benefits or such other disability or retirement benefits to which they might be entitled.

Assistance under the provisions of the rules governing the State Soldiers Assistance Program are limited to six months except in those rare instances wherein long term benefits have been applied for and approved, but have not yet been paid to the veteran applicant. Minnesota Statutes require that veterans receiving assistance beyond six months be certified as ineligible for any other type of financial assistance.

The State Soldiers Assistance Program also provides limited financial assistance for eligible veterans for emergency hospitalizations, dental and optical benefits on a very limited basis. All assistance issued under this program for health care services conforms to the State Department of Human Services Fee Schedules and procedural codes for all services provided.

Minnesota Department Of Veterans Affairs

Benefits Division Statistics (July 1, 1991 through June 30, 1992)

	<u>Optical-\$</u>	<u>Optical-#</u>	<u>Dental-\$</u>	<u>Dental-#</u>	<u>Medical-\$</u>	<u>Medical-#</u>	<u>Ambul-\$</u>	<u>Ambul-#</u>
Actually Paid	\$69,796.67	641	\$128,340.91	736	\$97,219.27	365	\$12,145.92	51
Award Letters Sent		988		1,239				
Total Authorized		717		828				
Authorized - Not paid	\$8,544.81	76	\$30,320.80	92				
Cancels & Voids		234		326				
Not Authorized Yet		60		65				
% Cancelled Or Voided		23.68%		26.31%				
Vendor Orders Printed	\$470,717.14	3,632						
Cash Grants Printed	\$484,703.00	2,025						
Vets On The System	4,215							
Number Eligible	3,567							

STATE OF MINNESOTA
VETERANS RELIEF EXPENDITURES
FISCAL YEAR 1992 - BY MONTH

COUNTY NAME	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	FX2S SPENT IN FY3	TOTAL
AITKIN			60			508	803	1,135	970	581	432	250	404	5,143
ANOKA	1,787	2,824	3,413	4,031	3,358	2,949	1,687	2,203	3,057	2,995	1,287	635	14	28,353
BECKER	914	1,752	939	1,552	320	1,124	1,298	2,269	2,015	2,518	2,077	1,988	686	18,538
BELTRAMI	41	486	297	1,286	498	2,359	1,007	2,175	1,632	960	950	1,285	1740	14,675
BENTON				1,373	1,514	3,867	2,878	1,927	3,673	3,124	1,542	74	0	19,972
BIG STONE	110	500	252	177			609	505					135	2,178
BLUE EARTH	165	450			430	453	285				785	687	0	3,110
BROWN	125	396	538	322	1,380	896	1,120	173	605	765	285	247	0	6,727
CARLTON	432	530	378	698	1,022	452	722	42	785		828	1,156	135	6,748
CARVER							881	122					800	1,803
CASS	3,221	3,409	4,317	6,997	2,477	6,389	5,129	4,455	4,864	5,544	3,410	2,225	2792	52,008
CHIPPEWA			622	914	408	610		771	60	960		212	318	5,028
CHISAGO	231	866	527	793	931	1,584	643	1,092	738		859		0	8,053
CLAY		285		1,065		289	330	220	443	46		570	0	3,248
CLEARWATER	491	1,209	1,476	2,158	646	1,301	988	1,448	1,376	564	2,047	1,414	832	15,459
COOK													0	0
COTTONWOOD		638	950	575		570	202	401	311		143	177	80	4,047
CROW WING	644	660	485	2,152	150	1,007	419	783	578	2,595	715	1,555	850	11,949
DAKOTA	5,278	6,056	3,887	3,430	2,988	3,383	3,562	1,946	2,149	5,426	3,677	2,102	2321	40,927
DODGE		120	420	390						192			0	1,122
DOUGLAS	1,273	1,528	2,485	1,623	2,191	1,340	1,312	215	2,479	1,390	1,033	224	610	16,430
FARIBAUT	272	133	405	497	814	38	663	988	620	616	222		0	4,996
FILLMORE						326	417	486	580	98	652		0	2,559
FREEBORN		1,140	713	328	302		436	190	540	190			0	3,839
GOODHUE		47	285			314		1,718	1,117	293	827	178	0	4,779
GRANT													0	0
HENNEPIN	10,713	9,081	9,334	14,096	11,778	14,916	12,461	12,382	11,423	10,786	11,923	10,134	2489	130,803
HOUSTON													0	0
HUBBARD		36	217	1,024	2,622	739	876	832	2,602	1,384	361	800	2066	13,559
ISANTI		1,085	623	439	376	626		332	330			121	0	3,937
ITASCA	113	1,748	710	96	123	899	1,324	961	929	1,085	2,311	850	2790	13,826
JACKSON	980	386	1,084	111							63		0	1,644
KANABEC			658		677	1,029	892	801	1,056	43	1,408	945	604	8,113
KANDIYOHI	422	289	306	27		40	622	887	134	134	624	775	0	3,838
KITSON					307	265	305	274					0	1,151
KOOCHICHIING								127				237	38	402
LAC QUI PARLE		227	101	478	1,307	1,174	1,064	422	92	233	197		70	5,563
LAKE						172	320	324	535	410	274		0	2,035
LAKE OF WOODS													0	0
LESUER		120	9						120	247		285	81	862
LINCOLN													0	0
LYON	490	438	672	1,306	897	676		250					0	4,239
CLEOD		511	14	139	75	240	165	140					0	1,284
MAHONOMEY				490		500	300	320					0	1,610
MARSHALL					794		258				500		0	1,552
MARTIN	236	134	121	172	530	831							0	1,788
MEeker		137	369	378	1,248	686	1,685	1,568	3,443	1,425	262	232	38	11,971
MILLE LACS		254	280	1,493	224	797	286	209	479	410	1,374	733	220	6,759
MORRISON	1,638	2,120	1,559	3,224	824	1,301	2,444	2,063	3,949	615	2,247	108	847	21,301
MOWER	490	1,601	1,175	928	501	540	742	798	1,410	1,047	646	711	0	10,099
MURRAY						280		596	306	301	269		0	1,752
NICOLLET	437	759	537	1,247		114		77	166				61	2,961
NOBLES	120	444	106	153	163	122	57			733	1,551	742	998	5,069
NORMAN	960	52				861	1,534		504		1,101	547	106	4,705
OLMSTED		864	235	1,136	1,235	480	1,127	620	685	472		120	0	6,974
OTTERTAIL	583	293	1,458	979	39	648	120	954	1,826	1,418	1,266	1,489	280	10,770
PENNINGTON													0	0
PINE		707	630	446	696	455	3,461	1,216	1,301	3,149	2,322	635	907	15,925
PIPESTONE			230		178								0	408
POLK	350	147	120	551	632	1,130	882	2,337	1,350	604	1,880	1,893	366	11,892
POPE					192			296	1,218		886		1061	3,653
RAMSEY	5,921	8,176	8,408	11,472	9,290	12,046	8,593	11,343	12,534	7,823	6,795	6,266	2019	104,765
RED LAKE													310	310
REDWOOD		1,000	641	244	1,031	605	521	285	137		123	817	710	6,114
RENVILLE	120	1,193	1,539	1,102	575	573	2,225	342	1,949	912	346	205	206	11,217
RICE	293	203	285	1,129	195	535	173	744	741		32	262	42	4,341
ROCK						630	462	424					0	1,516
ROSEAU		570						37					0	607
SAINT LOUIS	498	1,441	566	215	294	884	1,141	1,566	654	127	188	677	560	8,313
SCOTT	747	433		570			285	285	570	450	285	285	276	3,439
SHERBURNE	2,265	1,488	2,108	2,891	1,804	3,898	4,410	3,365	5,412	5,373	3,174	2,046	1267	37,236
SIBLEY			109							1,214	82	307	110	1,822
STEARNS	1,713	1,604	1,434	4,263	1,627	1,996	773	1,624	710	1,121	2,342	1,623	1180	20,297
STEELE			77									285	1300	1,662
STEVENS													0	0
SWIFT	110	110	500				625	92	1,497	907	110	881	134	4,856
TODD	570	361	448	315	405	704	628	1,135	1,171	665	954	192	1153	8,331
TRAVERSE			1,026						500				401	2,067
WABASHA													0	324
ADENA				140			207	620	677	439			0	2,083
ASECA			236										0	236
WASHINGTON	2,093	1,098	999	1,535	1,332	956	1,102	762	1,769	1,052	609	676	46	11,936
WATONWAN		642	295	1,351		246			1,565	273	157	790	227	5,546
WILKIN		42											0	42
WINONA	154			45			800		557	120	920		0	2,442
WRIGHT	842	552	551	253	404	189	307	202	408	582	1,406	183	163	5,200
YELLOW MED.				1,324	270	270	155					63	0	2,082
F.Y. 92 TOTAL	47,847	63,375	62,165	86,932	62,294	82,712	78,723	76,876	93,321	74,411	71,376	52,204	34,530	886,766

MILITARY DISCHARGE AND BONUS RECORDS

The Military Discharge and Bonus Records section of the Department maintains hundreds of thousands of discharge records on Minnesota's veterans. These discharge records are received primarily through applications for adjusted compensation or bonus payments.

The department also receives discharge records of veterans who have requested at the time of their separation from active duty military service that the Commissioner serve as custodian of their discharge records. These discharges are forwarded to the department by the various branches of the Department of Defense. During fiscal year 1992 the department received in excess of 1,000 discharge records per month.

During fiscal year 1992 the department was able to furnish more than 2,500 certified copies of discharge records to veterans or eligible dependents of veterans.

Discharge records are vitally important documents which are needed to verify veterans status, the primary requirement used to determine eligibility for all veterans benefits and services. The department is able to provide certified copies of discharge records within two working days of a request; a similar request made to the National Personnel Records Center, the sole federal repository for all military records nationwide, often takes a number of months to be process.

WAR ORPHANS EDUCATIONAL ASSISTANCE

The War Orphan Education program provides eligible dependents of veterans who died on active duty military service, or as the result of service connected injuries or disease incurred while on active duty military service, free tuition at State Universities, Community Colleges or Vocational Colleges. In addition to the free tuition benefit, eligible War Orphans are entitled to receive up to \$350.00 per year to defray the costs of books, fees and other school related expenses.

VETERANS EDUCATIONAL ASSISTANCE

The Veterans Educational Assistance program provides eligible veterans with a one time grant of up to \$350.00 to defray tuition expenses. In addition to other statutory requirements, a veteran applicant must have exhausted through use, all United States Department of Veterans Affairs educational benefits to which the veteran was entitled. Further, the veteran must have continued eligibility to benefits under federal educational program guidelines.

During fiscal year 1992 a total of \$22,307.33 was expended for educational programs to benefit Minnesota War Orphans and Veterans.

LATE BONUS CLAIMS

The State of Minnesota has a tradition of paying adjusted compensation benefits, also known as a bonus, to resident veterans who served on active military duty during a period of declared war. This tradition dates to the United States Civil War.

Applications for bonus payments are accepted from veterans of World War I, World War II, the Korean War, the Vietnam War and former members of the Merchant Marine who served on ocean-going service during that war period. A determination by the Secretary of Defense, as authorized by Public Law 95-202, has conferred veterans status on these individuals. Subsequently, they are eligible to apply for a World War II bonus, provided they meet all established criteria.

Although the eligibility periods for all adjusted compensation payments have expired, the Legislature continues to entertain applications for payment of adjusted compensation each year from eligible veterans who did not make application during the initial bonus period.

Applications are collected by the department over the course of a year. Eligible applications are certified and are forwarded to the Joint Claims Committee of the Legislature for consideration and possible payment. During fiscal year 1992, 79 claims for a total of \$19,342.50 were approved by the Legislature.

PRISONER OF WAR LICENSE PLATES CERTIFICATIONS

Certified former Prisoners of War are eligible to obtain special license plates for their personal vehicles. The department is charged with the responsibility of certifying that the applicant was in fact detained by a foreign power during a period of war.

VETERANS PREFERENCE ENFORCEMENT

During Fiscal Year 1992, the Department of Veterans Affairs experienced a sharp increase in requests for assistance under the provisions of the Veterans Preference Act. This was probably due not only to the prevailing employment factors, but also to increased layoffs among the political subdivisions of the state. This sharp increase is illustrated by the number of active veterans preference petitions that have been filed: as of February 1, 1991, there were 13 active cases; as of June 30, 1992, there were 35 active cases awaiting a determination.

Telephone inquiries on veterans preference issues from veterans, political subdivisions, attorneys, personnel officers, county veterans service officers and others were received at an average rate of 5 calls per day. Typical of the information sent out in response to these calls were general information packets consisting of a blank petition form with instructions and appropriate statutory citations, copies of court decisions, and responses to specific issues raised by the caller.

Increased efforts have been made in the area of informing political subdivisions of their responsibilities under the Veterans Preference Act so as to avoid the expense and delay of administrative and judicial relief. For example, the Veterans Preference Officer has spoken before professional associations of personnel officers to inform them of their responsibilities to grant veterans preference in hiring and dismissal. It is hoped that this preventative action will reduce the number of petitions that must be filed by veterans whose rights have been violated by political subdivisions.

Activity in veterans preference will certainly increase in Fiscal Year 1992 due to recent court decisions expanding the scope of veterans preference protections in the areas of hiring and layoffs.

AGENT ORANGE INFORMATION

Action by the United States Department of Veterans Affairs in granting service connected disability compensation for certain cancers associated with service in Vietnam, and potential exposure to defoliants, has resulted in increased contact by the Agent Orange Program with Vietnam veterans, their families and survivors. The main source of contact for these veterans and others is, of course, the statewide network of County Veterans Service Officers. Significant compensation awards have been granted as a result of outreach done by the service officers.

Securing compensation payments to the survivors of Vietnam veterans (e.g. their spouses and children) who died of these selected cancers is made difficult by the lack of a suitable data base. For example, the spouse and children of a deceased veteran might have changed residences or names and might be unaware of such potential benefits as educational assistance and Dependency and Indemnity Compensation. The Agent Orange Program is in the process of developing such a data base with the assistance of the Minnesota Departments of Health and Administration.

The former agency is searching through its computerized list of death certificates and providing a list of all Minnesotans who died of the specified cancers. This list will be compared against a list of Vietnam Veterans who received the Minnesota Vietnam Veterans Bonus. When a match is made between these lists, the county Veterans Service Officers of the county in which the veteran resided at time of death will use his or her local contacts and knowledge to find survivors of the veteran. Additional outreach efforts are conducted using traditional media outlets.

The Agent Orange Information Program also provided information and referral services to veterans who have questions and health concerns as a result of their possible exposure to ionizing radiation during military service. Many veterans were exposed to ionizing radiation during the testing of nuclear weapons following World War II.

Veterans of Operations Desert Shield and Desert Storm are experiencing as yet unexplained health problems which they feel are a result of their service during the Persian Gulf War. Whether these conditions are a result of exposure to toxic fumes created by the many burning oil wells or some other unidentified cause has yet to be determined. The Agent Orange Information Program is assisting these veterans with such information and referral programs as are currently available.

CLAIMS DIVISION

The Claims Division of the Department of Veterans Affairs exists to provide the best qualified representation and service to Minnesota veterans and their dependents, who have a claim for benefits against the United States government. These claims for benefits and services arise out of service in the Armed Forces of the United States and are mandated by Minnesota Statutes 196.05, subd. 1.

The active caseload of the Department's Claims Office continues to remain relatively constant. An average of 7,000 separate claims are filed through the Claims Office yearly; 2,000 of these are new claims from individuals who had not previously sought representation. At any given time during the past fiscal year there were an average of two thousand claims for benefits and services pending.

The World War I, World War II and to a lesser extent, the Korean veteran population are decreasing in overall numbers; every indication points out that the special needs of an aging veteran population will continue to present unique demands for representation. These special needs indicate that the reduction in the number of claims will not occur in a direct relationship to the overall decline in the number of older veterans.

Vietnam veterans, as a class, continue to present an increasing number of claims for benefits and services. As this population of veterans ages, many Vietnam veteran are seeking assistance with initial claims for benefits, as well as assistance for re-opened claims.

Veterans of the Southwest Asia Campaign are presenting unique claims for benefits and services. Only recently the federal government, through the United States Department of Veterans Affairs, has agreed to establish a medical protocol designed to identify the special health problems which may have resulted from military service in Southwest Asia. Of particular concern to these veterans are the long term effects of exposure to intense combat, as evidenced by Post Traumatic Stress Disorder and the newly identified health risks, known as "petroleum poisoning", which might result from exposure to fumes from thousands of burning oil wells in Kuwait.

The general down-sizing currently underway in our Nation's military forces has resulted in an increased number of newly separated veterans, many of whom are making initial claims for benefits, such as the Montgomery G.I. bill, a participatory educational program.

To meet the increasing demands for claims representation with a decreased work force necessitated by budget reductions, the Claims Office has incorporated a newly designed database, to streamline operations and increase the accuracy and efficiency of claims preparation and presentation.

MOORHEAD BRANCH CLAIMS OFFICE

This office serves the Minnesota veterans and their dependents of Northwest Minnesota by providing claims representation to individuals pursuing benefits from the United States Department of Veterans Affairs (USDVA). This office is provided rent free facilities in the Federal Building in Fargo, North Dakota; in the same facility that houses the United States Department of Veterans Affairs Regional Office.

The Moorhead Branch Claims Office has two full time staff persons who provide assistance to the nearly 26,000 Minnesota veterans in those 25 Minnesota counties whose claims for benefits are adjudicated by the USDVA Fargo Regional Office.

The Moorhead Branch Claims Office also provides training and assistance to the 25 Minnesota County Veterans Service Officers in the USDVA Fargo Regional Office catchment area.

DULUTH BRANCH OFFICE

This office was closed during fiscal year 1992 due to budget reductions.

FINANCIAL GUARDIANSHIP DIVISION

The Commissioner of the Department of Veterans Affairs provides guardianship services to Minnesota veterans and their dependents, who have been adjudicated incompetent to handle their own financial affairs, as mandated by Minnesota Statute 196.05, subd. 8. The Financial Guardianship Division provides services to approximately 150 veterans, under assignment by the various probate courts or the United States Department of Veterans Affairs.

Services provided by the division include receipt of the incompetent individual's income and such assets as real property, and personal property as the veteran might possess.

The major percentage of clients served by the Financial Guardianship Division have been diagnosed as having mental illnesses or behavioral problems. These disabilities require that division staff possess extraordinary interpersonal and communication skills, in addition to expertise in the area of financial management. The severity and complexity of problems presented by this group of clients, as well as their limited income and assets effectively preclude their being served by a comparable program in the private sector.

Financial Guardianship Division clients who enjoy an income adequate to meet their normal living expenses are charged a monthly fee of 5% of their monthly income, exclusive of earned interest, and retroactive awards of Social Security, United States Department of Veterans Affairs or other windfalls such as an inheritance, for services provided. At the present time, 40% of division clients are charged a fee. In fiscal year 1992, a total of \$40,000.00 in fees was collected and paid into the general fund. Services are provided free of charge to those individuals who are not financially able to bear the cost of paying the fee for service.

The Financial Guardianship Division controls nearly \$1,500,000.00 annually in client income, as well as approximately \$2,400,000.00 in client assets. All accounts are subject to audit by the Office of the Legislative Auditor, the United States Department of Veterans Affairs and all transactions on these accounts are processed through the State Wide Accounting system. A yearly accounting of all transactions made on behalf of clients, client assets and income is made annually to the United States Department of Veterans Affairs and the probate court of competent jurisdiction.