

MINNESOTA DEPARTMENT OF VETERANS AFFAIRS

ANNUAL REPORT

FISCAL YEAR 1993

Presented to:

GOVERNOR CARLSON
and
THE MINNESOTA LEGISLATURE

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Jeffrey Olson
Deputy Commissioner

The attached Annual Report summarizes the activities of the Minnesota Department of Veterans Affairs during Fiscal Year 1993. The Department has continued its' efforts to strengthen its' ties to the veteran 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 and now those from the Persian Gulf War or the Southwest Asia Campaign--enter the veteran 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 veteran community.

Older 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; as had these veterans 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.

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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 53,568 total transactions during F.Y. 1993 and maintained a 100% prompt payment record. This is ample testimony to the quality and capability of the Administrative Management Division personnel involved. The following graphics provide detail of the number and distribution of these transactions:

MINNESOTA DEPARTMENT OF VETERANS AFFAIRS

Total Number of Transactions For Fiscal Year 1993

	<u>Monthly Average</u>	<u>Yearly Total</u>
S.W.A. Transactions:	500	6,000
Payroll/Personnel Transactions:	96	1,152
Guardianship Transactions:	3,068	38,816
Checking/Journal Transactions:	800	9,600
TOTAL TRANSACTIONS:		53,568

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 in any twelve month period, 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, 1992 through June 30, 1993)

	<u>Optical-\$</u>	<u>Optical-#</u>	<u>Dental-\$</u>	<u>Dental-#</u>	<u>Medical-\$</u>	<u>Medical-#</u>	<u>Ambul-\$</u>	<u>Ambul-#</u>
ally Paid	\$82,854.84	755	\$163,997.41	834	\$127,629.55	454	\$14,527.17	54
Award Letters Sent		1,147		1,163				
Total Authorized	\$80,581.44	672	\$149,717.86	455				
Authorized - Not paid	\$8,549.18	73	\$60,516.25	135				
Cancels & Voids		312		392				
Not Authorized Yet		156		173				
% Cancelled Or Voided		27.20%		33.71%				

Totals For All Vendor Orders And Cash Grants

Vendor Orders Printed	\$505,704.88	3,439
Cash Grants Printed	\$481,211.14	1,899
Total	\$986,916.02	5,338

Vets On The System	5,678
Number Eligible	8,387
New Vets This Fiscal Year	1,644
Number Eligible This Fiscal Year	2,177

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 1993 the department received in excess of 1,000 discharge records per month.

During fiscal year 1993 the department was able to furnish more than 2,600 certified copies of discharge records to veterans or eligible dependents of veterans.

Discharge records are vitally important documents which are needed to verify veteran 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 processed.

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 1993 a total of \$23,778.06 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.

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 1993, 98 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.

During fiscal year 1993 the department certified the eligibility of 14 individuals who requested former Prisoner of War license plates. Since inception in 1982, a total of 246 former Prisoners of War have taken advantage of this program.

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 veterans 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.

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 196.051. 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 individuals 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 1993, a total of \$38,000.00 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 \$1,800,000.00 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. An annual accounting of all transactions made on behalf of clients, client assets and income is made yearly to the United States Department of Veterans Affairs and the probate court of competent jurisdiction.

VETERANS PREFERENCE ENFORCEMENT

During Fiscal Year 1993, the Department of Veterans Affairs experienced continued growth in the number of requests for assistance under the provisions of the Veterans Preference Act. This increase is attributable in part to prevailing employment factors and also to downsizing and restructuring among the political subdivisions of the State. At the close of Fiscal Year 1993 there were 50 Veterans Preference petitions in various stages of process.

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

Increased efforts have been directed to the area of educating and informing the political subdivisions of their responsibilities and rights under the Veterans Preference Act, so as to avoid the expense and delay of administrative and judicial relief. The Veterans Preference Officer frequently addresses professional associations of personnel officers to inform them of their responsibility to follow the provisions of the Veterans Preference Act in hiring and dismissal actions.

It is hoped that by taking a proactive role in educating both veterans and the political subdivisions of the State, a reduction in the number of petitions will be realized, at a savings of both time and money.

1992-93 SESSION SUMMARY

The 1992-93 Legislative Session witnessed the passage of four items of special interest to veterans and their dependents. These were the Persian Gulf Veterans tuition assistance program, the County Veterans Service Officers improvement grant program, funding for the Vinland National Center program and free license plates for former prisoners of war.

The Persian Gulf Veterans tuition assistance program provides a one time grant of up to a maximum of \$1,000.00. To be eligible a veteran must have served on active duty in the Persian Gulf theater and must attend a vocational technical college in Minnesota.

The County Veterans Service Officer Improvement grant program provides financial assistance grants to County Veterans Service Officers; the amount of these grants is based upon the veteran population of the county. These grants are to be used to provide technological improvements which will in turn, increase the productivity of the CVSO operation.

The Vinland National Center program was again funded by the Legislature. This program is designed to provide services to veterans who face impediments to full, productive employment.

Free license plates are provided to certified former Prisoners of War for their personal vehicles. However, they do pay a filing fee and the emissions check fee.