

State Administration and Veterans' Affairs
Interim committee

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HJ 23 -VETERAN SERVICE OFFICER PROGRAMS: STRUCTURE & FUNDING IN OTHER STATES

First DRAFT- 1/16/20



INTRODUCTION

PURPOSE

The HJ 23 (2019) study resolution requests an examination of the structure and funding of the Montana Veterans' Affairs Division (MVAD) with respect to its benefit claims services provided by state-employed veteran service officers (VSOs) and of other models for service delivery, including county veteran service officers (CVSOs).

The 2019 Legislature also passed HB 172, which established a four-year grant program administered by the MVAD with grant funding to be provided to counties with CVSO offices. The bill provided \$30,000 in each fiscal year of this biennium ending June 30, 2021. Grants may only be provided to counties that have established county-funded CVSO offices. The grant program terminates June 30, 2023. The funding and policy question for the legislature is whether to continue the program and if so, whether to revise the funding and/or grant amount.

At its Oct. 29, 2019, meeting, the State Administration and Veteran's Affairs Interim Committee (SAVA) selected the following six states for further research as part of its examination of other models of service delivery:

- **Alaska** - direct grants to Veteran Service Organizations who employ their own VSOs
- **Michigan** - state grants to service organizations, network of independent county VSOs
- **Minnesota** - no state VSOs, only county VSOs with a statewide CVSO association
- **Nebraska** - state and county VSOs, no state funding
- **South Dakota** - state trains the county VSOs and provides some supplemental funding
- **Washington** - state VSOs and state contracts for county VSOs

This paper is the "first cut" of this examination and presents what staff has been able to collect to date on three of these states: Alaska, Nebraska, and Washington. Additional information about these states at the other three states will be added as staff is able to collect it.

SOURCES AND METHODOLOGY

The information presented in this paper is compiled from:

- U.S. Department of Veterans' Affairs, State Summaries, available at <https://www.va.gov/vetdata/stateSummaries.asp>, based on data collected by the VA Office of Data Governance and Analytics and the U.S. Census Bureau
- Official websites maintained by the organizations referenced in this report
- Interviews and email correspondence between legislative staff and the veteran service offices within each state

The state maps and veteran population statistics were taken from the 2017 VA State Summaries for 2017 mentioned above, which are the most recent summaries available.

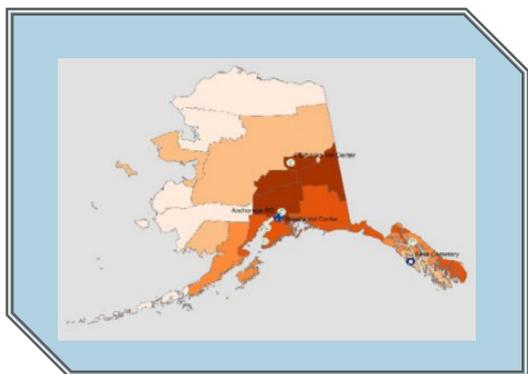
BY THE NUMBER COMPARISONS

In the "By the Numbers" sections, the calculation of the number of veterans receiving disability as percent of the state's total veterans receiving disability compensation is offered as some way to measure how many veterans are being reached by VSOs and submitting successful claims. This state number may then be compared to the national average, as is done in the following summary table.

	Total Vet Pop	Vets receiving disability	Percent of total veteran pop
Nationally	19,998,799	4,552,819	23%
Alaska	68,719	19,772	29%
Nebraska	130,126	43,465	33%
*Washington	560,200	136,809	24%
Montana	91,336	22,192	24%

*Washington's director of veterans' services stated that his most recent statistical report comparison was that the national average is 25% and his state's percentage is 27%.

Although this type of comparison is used in some national evaluations of state program, it cannot tell the whole story, especially because many VSOs work as volunteers and may not be accounted for within the state. Also, veterans may file claims independently of a VSO or directly with a nationally accredited service organization. As this HJ 23 study progresses, staff will conduct a further examination of ways a better baseline comparison of effective VSO services.



BY THE NUMBERS

Area: 663,268 square miles
Total population: 739,786
Total veterans: 68,719 - 13.12% of total
Disability comp. & pensions paid: \$281,733,000
Vets receiving disability: 19,772 - 29% of total
Vets enrolled in VA health care: 33,843 - 49%
Counties: 19 organized boroughs
Total VSOs (under service organizations): 17

BASIC STRUCTURE

- The Office of Veterans' Affairs is governed under the Department of Military and Veterans Affairs, which has a veterans' advisory council.
- The state office administers a grant/reimbursement program to four veteran service organizations who employ a total of 17 VSOs among them.
 - AmLegion, DAV, and VVA each have 4 VSOs, VFW has 5 VSOs
- The office adopts regulations and forms and uses detailed Memorandums of Understanding to execute the grant agreement. The MOU includes performance criteria and the process to be used to obtain the grant funding, which is really a reimbursement program.
- Veteran service organizations hire, fire, train, and accredit their own VSOs and must meet all requirements of the MOUs.

FUNDING

- The state provides \$62,000 annually for each service organization VSO - \$60,000 for direct VSO services, \$2,250 for administrative support.
- Service organizations must submit monthly claim forms and are reimbursed for salary, employer costs, and travel expenses
- State payments are made primarily by Electronic Funds Transfers after claim forms and documentation is reviewed
- The total state budget for VSOs in FY 19 was \$1,058,250

PERFORMANCE CRITERIA - QUALITY CONTROL MEASURES

- The MOU between the state and service organizations includes a detailed outline covering selection, training, and certification criteria for VSOs, operational requirements including the location of offices, office hours, a very detailed list of duties and reporting requirements, the obligations of the state, and funding arrangements.
- Each month, the state office receives a report from each veteran service organization detailing the number of:
 - Veterans served (i.e., direct contacts either personal or by email or phone)
 - New claims filed
 - New Powers of Attorney received
 - Total Powers of Attorney held
 - Transition assistance program briefings provided or supported
 - Appeals initiated
 - Rural site visits - these must comply with locations listed in the MOU
 - Brief detail must be provided on the impact of the visit (e.g., how many new veterans were signed up) as well as problems encountered (e.g., lack of turnout, high cost lodging, etc.)
 - Needs or suggested improvements are also to be briefly listed

Based on these monthly reports, the department and office director provide an annual report to the legislature, which is then used to justify continued funding or funding modifications (i.e., increases or decreases) to the grant/reimbursement program.

STATUTORY LANGUAGE

Sec. 26.10.040. Training in rehabilitation and service work.

The Department of Military and Veterans' Affairs may approve expenditures by veterans' organizations and may reimburse them for their expenditures in employing full time service officers, for necessary travel expenses, including travel by service officers outside of the state not more than once each year for purposes of training in veterans' rehabilitation and service work, and for per diem not exceeding that allowed state employees. The department shall limit payments to veterans' organizations to an amount that will fairly compensate them for salaries and expenses paid to their full time service officers in performing rehabilitation work for veterans, including the prosecution of their claims and solution of their problems arising out of military service. This service and assistance shall be given to all veterans and their dependents and to all beneficiaries of any military claim and shall include but not be limited to those services now given by the service departments of the respective organizations.

ADDITIONAL COMMENTS

Staff note: Program administrator said he would send comments about strengths and challenges. They will be incorporated when available.

NEBRASKA



BY THE NUMBERS

Area: 77,358 square miles
Total Population: 1,918,000
Total Veterans: 130,000 - 9.5% of total
Compensation & Pensions: \$582,542,000
Vets Receiving Disability: 43,465 - 33%
Vets Enrolled in VA Health Care: 68,879 - 52%
Number of Counties: 93
Number of VSOs: 8 state VSOs, 73 county VSOs

BASIC STRUCTURE

- Department of Veterans' Affairs. The director is appointed by the governor and is a cabinet-level official.
 - State VSOs hired by the division administrator must be approved by the Veterans' Advisory Commission
- State Service Office:
 - Employs 8 state VSOs with 3 support staff
 - Is accredited with the VA and 8 veteran service organizations
 - Provides certification and training of CVSOs, but no direct supervision or control
- At county level:
 - 73 CVSOs serving 93 counties (some counties share offices)
 - Each county board/commission appoints a county Veterans Service Committee of five members, who are veterans nominated by VA recognized veteran service organizations
 - The Veteran Service Committee appoints CVSOs, subject to confirmation by the county board/commission
 - The state office also confirms that the appointed CVSOs meet the required training and certification criteria

FUNDING

- The Dept. of Veterans' Affairs received a \$1.3 million appropriation from the state general fund for the FY 2016-17 biennium and ??? for the FY 2018-19 biennium.
- No state funding is provided for CVSOs.
- Counties are authorized to impose a special mill levy to support the CVS0 offices. [need to double check this]

PERFORMANCE CRITERIA - QUALITY CONTROL MEASURES

- The State Office offers the CVS0s the option of using the state system to upload claim documents and the state system will provide an electronic review of the CVS0 claim products.
- The State Office tracks the following data for its annual statistical report - statewide:
 - Number of Powers of Attorney held
 - Number of hearings held
 - Number of VA rating determinations received
- But, there is no statewide tracking of individual CVS0 productivity or performance.

STATUTORY LANGUAGE

80-401.02. Department of Veterans' Affairs; creation; director; qualifications; salary; bond or insurance; service officers and assistants; appointment.

There is hereby created a department of government to be known as the Department of Veterans' Affairs. The chief administrative officer of the department shall be the director to be known as the Director of Veterans' Affairs. He or she shall be appointed by the Governor, subject to confirmation by the Legislature. No person shall be eligible to receive appointment as director unless such person has the following qualifications: (1) Resident of the State of Nebraska for at least five years immediately prior to his or her appointment; (2) citizen of the United States; and (3) served in the armed forces of the United States during any of the periods identified in section 80-401.01 and discharged or otherwise separated with a characterization of honorable from such service. The director shall serve until a new director to succeed him or her is appointed and has qualified. If a vacancy occurs in the office of director when the Legislature is not in session, the Governor shall make a temporary appointment until the next meeting of the Legislature, when the Governor shall present to the Legislature a recommendation for the office. The director shall receive an annual salary to be fixed by the Governor, payable in equal monthly installments. He or she shall be entitled to the necessary and actual expenses involved in the performance of his or her official duties as provided in sections 81-1174 to 81-1177. He or she shall be bonded or insured as required by section 11-201. The director shall appoint state service officers and assistants, whose appointments shall be approved by the Veterans' Advisory Commission.

80-407. County veterans service committee; duties; appointment of county veterans service officer; member of committee ineligible.

Each county veterans service committee shall cooperate with and assist the Department of Veterans' Affairs in the performance and discharge of its duties and functions. Each such county veterans service committee shall appoint, subject to confirmation by the county board, a county veterans service officer for its county after the applicant has been certified as eligible according to section 80-410 by the Director of Veterans' Affairs. Service officers appointed prior to March 27, 1969, shall also be certified as eligible. The county veterans service committee, in cooperation with the Department of Veterans' Affairs, shall issue a certificate of appointment, and establish a service center for the assistance of veterans, and is authorized to accept, for the purpose of carrying out its program of assistance to veterans, grants of funds from the county, municipalities, veterans, civic, religious, and fraternal organizations and groups, and private citizens. The county boards of the counties involved, after meeting with the affected veterans service committees, are authorized to join two or more counties in the appointment of a county veterans service officer for a given area with the expenses to be shared by the counties involved. The county board and the county veterans service committee shall be authorized to appoint or place any veterans service officer on a part-time basis if such officer's service shall not require forty hours per week. Members of the county veterans service committee shall be ineligible to serve as county veterans service officers or assistant county veterans service officers.

80-407. County veterans service committee; duties; appointment of county veterans service officer; member of committee ineligible.

Each county veterans service committee shall cooperate with and assist the Department of Veterans' Affairs in the performance and discharge of its duties and functions. Each such county veterans service committee shall appoint, subject to confirmation by the county board, a county veterans service officer for its county after the applicant has been certified as eligible according to section 80-410 by the Director of Veterans' Affairs. Service officers appointed prior to March 27, 1969, shall also be certified as eligible. The county veterans service committee, in cooperation with the Department of Veterans' Affairs, shall issue a certificate of appointment, and establish a service center for the assistance of veterans, and is authorized to accept, for the purpose of carrying out its program of assistance to veterans, grants of funds from the county, municipalities, veterans, civic, religious, and fraternal organizations and groups, and private citizens. The county boards of the counties involved, after meeting with the affected veterans service committees, are authorized to join two or more counties in the appointment of a county veterans service officer for a given area with the expenses to be shared by the counties involved. The county board and the county veterans service committee shall be authorized to appoint or place any veterans service officer on a part-time basis if such officer's service shall not require forty hours per week. Members of the county veterans service committee shall be ineligible to serve as county veterans service officers or assistant county veterans service officers.

80-409. County service committee; offices; tax; levy.

The county board of each county in this state shall provide, by special levy or out of the general fund of the county, such amount as is necessary for the use of the county service committee to aid and enable such county service committee to carry out and execute its functions, powers, and duties as defined in sections 80-401 to 80-401.11, 80-403, 80-404, 80-404.04, and 80-406 to 80-410 and to pay its expenses. The county board shall provide offices for the county veterans service officer in a location determined by the board.

80-410. Director; deputy director; Veterans' Advisory Commission; state and county veterans service officers; qualifications.

(1) The Director of Veterans' Affairs, the deputy director, all members of the Veterans' Advisory Commission, and all state service officers shall have served in the armed forces of the United States during the dates set forth in section 80-401.01 and shall have been discharged or otherwise separated with a characterization of honorable from such service. A state service officer shall have been a bona fide resident of the State of Nebraska continuously for at least one year immediately prior to assuming his or her position.

(2) All county veterans service officers shall have served on active duty in the armed forces of the United States, other than active duty for training, shall have been discharged or otherwise separated with a characterization of honorable from the service, and shall have been bona fide residents of the State of Nebraska continuously for at least one year immediately prior to assuming any such position, except that if there is no applicant for county veterans service officer in a county who will have been a bona fide resident of the State of Nebraska continuously for at least one year prior to assuming such position, the one-year residency requirement may be waived.

(3) All members of the county veterans service committees and all personnel, except certain special and clerical help, of the county veterans service offices shall have all of the qualifications described in subsection (2) of this section, except that such persons may have been discharged or otherwise separated with a characterization of general (under honorable conditions).

ADDITIONAL COMMENTS

Staff has requested more information on perceived strengths and challenges and has been told those comments will be forthcoming.



BY THE NUMBERS

Area: 71,362 square miles

Total Population: 7.4 million

Total Veterans: 560,200 - 10.58% of total

Compensation & Pensions: \$2,321,741,000

Vets Receiving Disability: 136,809 - 24%*

**However, the state's director reports his data is that WA's percentage receiving disability is really 27%.*

Vets Enrolled in VA Health Care: 219,229 - 40%

Number of Counties: 39

Number of VSOs: see basic structure estimates

BASIC STRUCTURE

- The state veteran service office is a division within the Department of Veterans' Affairs.
- They use three models for providing VSO services to their veterans:
 - State-level: 4 VSOs working exclusively at veterans' nursing homes (1 VSO at each)
 - Contracts with Veteran Service Organizations: The state contracts with six veteran service organizations: AmLegion, VFW, AMVETS, VVA, African Amer PTSD Assoc., and Nat'l Assoc of Black Veterans.
 - Each organization is responsible for hiring, training, and certification/accreditation of their VSOs. They may also employ more VSOs than the state contract amount and/or have additional volunteer VSOs. Each organization has its own information management system to file claims.
 - Estimate: 25 paid VSOs among the six organizations, 25 more who are volunteers for total of 50.
 - See funding section - contracts are by claims filed, not VSOs employed. Funding depends on service area type: urban, rural, special under-served population of veterans (i.e., African Americans)
 - Grant program for counties to hire CVSOS: This is a pilot program just being implemented. The state issued an RFP, 15 counties applied, 3 counties were awarded a grant. The state is in the process of providing training and certification and will provide some administrative support services to the counties.

- One of the 3 counties receiving the grant will be a regional office serving veterans in the bordering counties as well.

FUNDING

- For State VSO at nursing homes: state has not yet provided this information.
- For contracts with the veteran service organizations: \$1.6 million GF per year.
 - \$1.2 million is allocated between AmerLegion and VFW. Each organization has an office at each of the state's VA medical centers, which are in urban areas. Each receives an allocation based on a \$200 per claim formula. For example, if the AmerLegion received \$500,000, that amount is then divided by the number of claims they actually filed. The result must at least equal \$200 per claim. In other words, the organization must have submitted at least 2,500 claims that year to have met the terms of the contract.
 - \$400,000 is split between the other three service organizations:
 - The VVA, which serves a more rural area and conducts outreach across a larger geographical territory, must meet a \$400 per claim threshold.
 - The African-American PTSD Association and the National Association of Black Vets must meet a \$600 per claim threshold.
- For the grant program to counties for CVSOs: The legislature appropriated \$600,000 for the biennium, of which \$150,000 is used to cover state administration costs, the remaining \$450,000 is allocated to the counties based on what they requested in their RFP responses, so each county received a different amount and further details were not provided for this report.

PERFORMANCE CRITERIA - QUALITY CONTROL MEASURES

- State-level program: VSOs submit quarterly reports and their benchmark performance standard is that 80% of claims submitted be granted. If a VSO is not performing at this level, the state examines potential reasons and takes remedial action if necessary.
- Contract program with veteran service organizations: Each service organization submits a quarterly report, which is then rolled into an annual report about how many claims have been filed and how many claims granted. The VSOs are only identified as "VSO 1" or "VSO 2". As specified in the contract, the organization's total claims filed for a year must meet the cost-per-claim threshold set in the contract. They have a 10% margin before their funding is affected (i.e., before a penalty is imposed for lack of performance).

Also, each VSO's "batting average" must be at least 80%, but again, they are granted a 10% margin before a monetary penalty is imposed.

- County grant/CVSO pilot program: The performance measures will be similar to the contract program.

STATUTORY LANGUAGE

RCW 43.60A.230

Veterans service officer program.

(1) There is created in the department the veterans service officer program. The purpose of the veterans service officer program is to provide funding to underserved eligible counties to establish and maintain a veterans service officer within the county. "Eligible counties," for the purposes of this section, means counties with a population of one hundred thousand or less.

(2) Subject to the availability of amounts appropriated in the veterans service officer fund under RCW 43.60A.235 for the specific purposes provided in this section, the department must:

(a) Establish a process to educate local governments, veterans, and those still serving in the national guard or armed forces reserve of the veterans service officer program;

(b) Develop partnerships with local governments to assist in establishing and maintaining local veterans service officers in eligible counties who elect to have a veterans service officer; and

(c) Provide funding to support eligible counties in establishing and maintaining local accredited veterans service officers. Funding is provided on a first-come, first-served basis. Funding may only be provided to support the equivalent of one full-time veterans service officer per eligible county.

(3) The application process for the veterans service officer program must be prescribed as to manner and form by the department.

[2019 c 223 § 1.]

ADDITIONAL COMMENTS

The director of the veterans' service officer program explained there are 12 other counties (in addition to the 3 who were award state grants) that employ CVSOs. These counties do not receive state funding or support, nor do they report statistics or performance to the state. However, he said the counties are very committed to their CVS0 programs because they are seeing a big return on their investment in the form of millions of dollars in VA disability and compensation payments being made to veterans in their counties. He said this was the reason the state began its county grant program, because some counties simply did not have the financial ability to support their own CVS0s without state assistance. The state legislature strongly supported the CVS0 grant program to counties because of the information they received from the counties that did have CVS0s that showed the great returns on their investments.

The director also said he felt the three different models of VSO services that the state uses is a strength because it makes the outreach to veterans multidimensional and the various types of VSOs allows them to meet veterans where they are at.

State Administration and Veteran Affairs
January 16, 2020
Rm 102, Capitol Building, Helena MT
HJ 23 - Veteran Service Officer Programs: Structure & Funding in Other States
Exhibit 7