



**ARIZONA STATE SENATE**  
*Forty-ninth Legislature, First Regular Session*

**PROGRAM PRESENTATIONS**

- I. Department of Veterans' Services State Veteran Home
- II. Veterans Benefit Counseling
- III. Military Family Relief Fund

**I. Department of Veterans' Services State Veteran Home**

Background

*Arizona Department of Veterans' Services*

The Arizona Department of Veterans Services (Department) was established to assist veterans and their families and dependants in presenting, providing and establishing claims, privileges, rights and benefits that veterans have under federal, state or local law.

The Department may act as guardian or conservator of an incapacitated veteran, the incapacitated spouse of a veteran or minor child of a veteran. The Department may also act in all fiduciary matters of a veteran and as the personal representative of the estate of a deceased veteran.

The Department is also required to provide long-term care services and skilled nursing care to veterans and their spouses in a veteran's home, which must be operated and maintained as a self-sustaining facility.

*State Veteran Home*

Established in 1995, the Arizona State Veteran Home (Home) is a 200-bed facility located at 4141 North Third Street in Phoenix. The Home is funded by the State Home for Veterans' Trust Fund, which consists of monies from private insurance, Veterans' Administration per diem, Medicaid and Medicare. As a result of deficiencies found within the Home in 2007, the Legislature has appropriated state General Fund monies for the Home. In FY 2008-2009, the Home received an appropriation of \$2,855,000 in state General Fund monies.

Fiscal Information

The FY 2008-2009 budget provides the Department of Veterans' Services \$16,588,800 and 247 FTEs. These amounts consist of:

- |  |               |
|--|---------------|
| 1) State General Fund                  | \$2,855,000   |
| 2) State Home for Veterans' Trust Fund | \$13,733,8000 |

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### **II. Veterans Benefit Counseling**

#### Background

In 1925, the Legislature created the Veterans' Service Office and, in 1951, replaced the Veterans' Service Office with the Arizona Veterans' Service Commission. The Legislature integrated the Commission into the Department of Economic Security (DES) in 1973. In 1982, the Governor separated the Commission from DES and, in 1999, the Legislature made an advisory body and created a separate Department headed by a Governor-appointed director.

The Department of Veterans' Services provides services to Arizona's veterans, their dependents and their survivors. Veterans' benefit assistance provides a network of veterans' benefit counselors. As of January 2008, there were 60 benefit counselors. Veterans' benefit counselors aid veterans by:

- 1) providing information.
- 2) giving counsel.
- 3) interacting with the Department of Veterans' Affairs (VA) to aid veterans with benefit claims and the appeals process through the VA.
- 4) providing assistance related to federal and state disability, pension, insurance, burial education, home loan, social security and other social service benefits.

#### Fiscal Information

According to the Joint Legislative Budget Committee, the FY 2008-2009 budget provides \$3,129,200 and 67 FTE positions from the state General Fund for veterans' benefit counselors.

### **III. Military Family Relief Fund**

#### Background

The Military Family Relief Fund (Fund) provides financial assistance to families of military personnel who are injured or killed in the line of duty. The Fund was created in 2007 and is set to expire January 1, 2014. Families must demonstrate financial need to obtain qualified assistance, which includes:

- 1) A stipend for living expenses for up to six months after the cessation of military pay and death benefits for widows or widowers of military personnel killed in the line of duty. Living expenses include residential mortgage, rent, utilities and other basic living expenses.
- 2) A stipend for spouses and minor children of military personnel receiving treatment for injuries obtained in the line of duty to cover living expenses, including travel and housing, for up to six months near the military or veterans hospital or rehabilitation facility.

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The Military Family Relief Advisory Committee (Committee) is comprised of 13 members: the Director, or the Director's designee, of the Department of Veterans' Services and 12 Governor-appointed members, including widows and widowers of military personnel, military retirees, veterans with a service-related disability and their family members and Arizona army and National Guard unit commanders. The Committee is responsible for:

- 1) Determining the appropriate usage of the monies in the Fund.
- 2) Creating and revising the financial assistance application process.
- 3) Reviewing and evaluating applications.
- 4) Making other recommendations, as necessary.

A tax credit was established for donations made to the Fund and is available for the tax years 2008-2012. Tax credits are only available for donations made to the Fund that do not exceed a combined total of \$1 million. Restrictions and eligibility for the tax credits are outlined by the Department of Revenue:

- 1) Credits are only available for individuals. Corporations are unable to claim a tax credit for a donation. Partnerships and S corporations may not pass through the credit to their respective partners or shareholders.
- 2) Taxpayers cannot claim both a tax credit and an itemized deduction for the donation.
- 3) The credit cannot be carried forward. The credit must be used on the tax return filed for the taxable year in which the donation was made.
- 4) The amount of the credit will be the lowest of the following:
  - a) The donation amount.
  - b) \$200, for single taxpayers or heads of household.
  - c) \$400, for married taxpayers filing a joint return. If married but filing separate returns, each party may claim only one-half of the credit that would have been allowed on a joint return.
  - d) Any tax liability for the taxable year.

### Fiscal Information

The FY 2007-2008 budget appropriated a one-time funding amount of \$100,000 for the Military Family Relief Fund. The FY 2008-2009 budget eliminates the one-time funding and provides no further funding for the Military Family Relief Fund.

### FY 2008-2009 Budget Action

#### ***General Fund***

Salary Lump Sum Reduction	\$218,000
Rollback FY 2007-2008 benefit counselors increase	\$224,000

#### ***Fund Reductions and Transfers and Excess Balance Transfers***

Military Installation Fund (FRAT)	\$1,729,100
State Veterans Cemetery (EBT)	\$243,200

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### Committee Activity

#### ***Department of Veterans' Services State Veteran Home***

- 1) Discussed the current status of the State Veteran Home.
- 2) Discussed the \$10,000,000 appropriation for the Southern Arizona Veteran Home.
- 3) Discussed a veteran's eligibility requirements.
- 4) Discussed statewide needs regarding veterans' care.
- 5) Discussed the special needs of women veterans and homeless veterans.
- 6) Discussed the state's need for additional veteran homes.

#### ***Veterans Benefit Counseling***

- 1) Discussed the need for veterans benefit counselors in Arizona.
- 2) Discussed veterans benefit counselors' pay structure and management issues.

#### ***Military Family Relief Fund***

- 1) Discussed the origin and intent of the Fund.

### Attachments

- 1) Excerpt from the JLBC FY 2010 Baseline Book.
- 2) Excerpt from the JLBC Fiscal Year 2009 Appropriations Report
- 3) Slideshow presentation.

Prepared by Senate Research

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BB/jas