



County Veterans Service Offices

Major Findings:

- Veterans make up about 8 percent of the state's population; federal benefits for Minnesota veterans totaled about \$1.2 billion in 2006.
- State law requires counties to fund and staff veterans service offices and gives the Minnesota Department of Veterans Affairs general supervisory authority over the offices.
- However, state law gives the department few tools to help it oversee the county service offices.
- About 40 percent of counties have less than one full-time service officer, and most do not have full-time support staff.
- County veterans service office spending per veteran ranged from about \$5 to \$125 in 2006; veterans per full-time staff member ranged from about 350 to over 11,000 in 2007.
- In 2005, the percentage of veterans receiving federal disability compensation or pensions by county ranged from 9 to 21 percent; average annual benefits ranged from about \$6,250 to \$18,310.
- The percentage of veterans receiving federal medical services by county ranged from 7 to 50 percent; average 2005 benefits ranged from \$3,050 to \$10,380.

- Although service office staffing ratios are related to the percentage of veterans receiving benefits, county demographics—factors outside the control of service offices—are also important.

Recommendations:

- The Legislature should require county veterans service offices to collect and report key performance information to the Minnesota Department of Veterans Affairs.
- The department should include data on outcome measures in its annual report to the Legislature and also report such data to county boards annually.
- The department should implement a user-friendly statewide management information system; service offices should implement and use the same system.
- The Legislature should require counties to consult with the Department of Veterans Affairs when hiring or reappointing their veterans service officers.

Veterans service offices should remain a county function, but state oversight should be strengthened.

County veterans service offices help veterans access the benefits they have earned.

Report Summary

The Legislature created county veterans service offices in 1945 to help Minnesota veterans and their families obtain state and federal benefits due them because of their military service. Depending on a variety of factors, veterans may be eligible for a broad range of benefits, including disability compensation, pensions, medical services, home loans, emergency assistance, and education benefits. However, the application process, especially for federal benefits, is complex and can pose problems. Consequently, most veterans use “go-betweens,” such as county veterans service offices, to help them understand and apply for benefits.

In 2007, veterans made up about 8 percent of Minnesota’s population.

An estimated 402,000 veterans lived in Minnesota in 2007. The vast majority were male (94 percent), and most were between the ages of 45-64 (43 percent) or 65-84 (34 percent). About 73 percent served in a time of war—35 percent during the Vietnam era, 17 percent during the Gulf War, 12 percent during the Korean Conflict, and 11 percent during World War II.

Despite a 13 percent drop in the number of veterans living in Minnesota between 1999 and 2006, federal payments to state veterans increased 78 percent during the same time period. In 2006, Minnesota veterans received about \$1.2 billion in federal benefits and nearly \$1.0 million in state benefits.

Counties vary widely in how well they fund and staff their veterans service offices.

State law requires that counties appoint veterans service officers and provide

them with the necessary office space and support staff to do their job. Most county service offices are “small operations.” Offices are generally located in a county courthouse or another public building. A few counties do not provide any office space for their service officers and, subsequently, officers in these counties work out of their residences.

As might be expected, service offices in large urban counties spend more overall than do offices in rural counties.

According to a recent survey, county veterans service office spending ranged from \$11,000 to over \$600,000 in 2006. Median spending for service offices was \$106,000.

When comparing spending, it is important to consider the number of veterans each county has to serve. Spending per veteran tended to be greater in sparsely-populated rural counties than in highly-populated urban counties. The five counties spending the most per veteran in 2006 were all primarily rural counties from the western half of the state. In contrast, four of the five counties spending the least per veteran were large metropolitan area counties.

About 40 percent of counties had less than one full-time service officer in 2007, and most offices did not have full-time support staff. Large urban counties generally reported more staff than rural counties.

Counties with more veterans tended to have disproportionately higher veterans-to-staff ratios than did counties with fewer veterans, which may adversely affect their ability to serve their veteran population. In 2007, the number of veterans per full-time staff ranged from about 350 to 11,000, with a median of about 1,450 veterans per staff.

Although the number of veterans has declined, federal payments have increased.

Counties vary widely in the percentage of veterans receiving benefits.**Only a small proportion of veterans actually receive federal benefits—and those percentages vary widely among counties.**

One measure of a service office's performance is the number of veterans in the county who receive benefits. Although 12 percent of veterans statewide received federal disability compensation or pension benefits in 2005, percentages ranged from 9 percent in Carver County to 21 percent in Morrison County. The annual amount of their benefits also ranged widely—from about \$6,250 in Watonwan County to \$18,300 in Le Sueur County, with a median of \$10,280.

About 22 percent of the state's veterans received medical benefits in 2005. Percentages ranged from 7 percent in Houston County to 50 percent in Yellow Medicine County, with a median of 29 percent. Veterans' average annual medical benefits ranged from about \$3,050 in Houston County to \$10,380 in Rock County, with a median of about \$5,370.

Staffing ratios are related to the percentage of veterans receiving benefits.

The extent to which the percentage of veterans receiving benefits reflects the efforts of county veterans service officers and how much it is due to other factors is not clear. For example, in 2005, veterans from counties with well-staffed offices relative to their veteran populations (low veterans-to-staff ratios) were more likely to receive benefits than were veterans from counties with more veterans per staff.

On the other hand, veterans were more likely to receive benefits if they were from counties with below average personal incomes, high percentages of

veterans over age 65, or low numbers of veterans per square mile—factors outside the control of service offices. But because service offices do not collect or report data on their activities in a uniform manner, it is not possible to directly measure the effectiveness of their activities.

The Minnesota Department of Veterans Affairs does not have the tools to oversee county veterans service offices.

Although statutes give the department general supervisory authority over county veterans service offices' methods of operation, they provide few tools to help the department exercise its authority. For example, statutes do not explicitly define terms such as "methods of operation" or "efficient uniform administration" when setting forth the department's supervisory role. Also, statutes do not require service offices to collect or report data on their activities, services, or outcomes to the state, nor do they require the department to routinely collect such data from the offices. Furthermore, the state provides little ongoing funding for the offices, which weakens the department's ability to address performance problems at the county level.

Service offices should report key performance data to the state.

Although service offices should remain a county function, state oversight needs to improve. To help ensure effective oversight, the Legislature should require county veterans service offices to report key performance information to the Minnesota Department of Veterans Affairs.

The department could use this information to help ensure that veterans are receiving the benefits they deserve, including groups that may be

State laws that define the Minnesota Department of Veterans Affairs' oversight role are vague.

The state needs to collect uniform information from service offices to adequately supervise their activities.

Better performance data would also help counties oversee their individual offices.

underserved such as minorities, women, and the homeless. The information could also be used to help identify county veterans service offices falling significantly below state averages. In these cases, the department could investigate whether particular offices need additional attention and report the results back to their county boards.

The department should include activity and outcome data for service offices in its annual report to the Legislature. It should also annually report statewide and county-specific performance information to county boards. This would give counties the data necessary to supervise their individual offices and gauge their offices' effectiveness in relation to other counties.

A statewide management information system should be implemented.

To help ensure that performance information is accurate, service offices will have to collect and report basic

information in a consistent manner. For this to happen, a statewide management information system needs to be in place, and service offices need to use it. The Department of Veterans Affairs should seek the necessary funding from the Legislature to enable service offices to implement a management information system that would provide such data.

The department should be consulted during the appointment of county veterans service officers.

Although some counties have begun to seek the department's help when hiring their service officers, others have not. Furthermore, the department is not involved in the reappointment process. Because the department supervises service officers' activities and knows the qualities needed to do the job, the department should have formal input into the hiring process, with county boards retaining final appointment authority.

Summary of Responses

We received written responses to the report from Commissioner of Veterans Affairs Clark Dyrud; Mr. Duane Krueger, representing the Minnesota Association of County Veterans Service Officers; and Mr. James Mulder, Association of Minnesota Counties. All agreed with the report's findings and generally with its recommendations. From the county perspective, both Mr. Krueger and Mr. Mulder recognized that there is room for improvement; however, they expressed some concern about too much involvement and oversight by the state. For example, Mr. Mulder said that counties are concerned that requiring them to consult with the Department of Veterans Affairs when hiring or reappointing their service officers would "eliminate the clear line of authority and accountability that currently exists between VSOs and the County Board."

The full evaluation report, *County Veterans Service Offices*, is available at 651-296-4708 or:
www.auditor.leg.state.mn.us/ped/2008/veterans.htm