



OFFICE OF THE LEGISLATIVE AUDITOR
STATE OF MINNESOTA

EVALUATION REPORT

County Veterans Service Offices

JANUARY 2008

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OFFICE OF THE LEGISLATIVE AUDITOR

STATE OF MINNESOTA • James Nobles, Legislative Auditor

January 2008

Members of the Legislative Audit Commission:

At the close of World War II, the Legislature created county veterans service offices to help veterans and their families obtain the federal and state benefits they earned because of their military service. State law requires counties to fund and staff the service offices and gives the Minnesota Department of Veterans Affairs general supervisory authority over their activities.

Although we think the current county-state system is generally working well, state oversight and technical support needs improvement. Currently, the department has few supervisory tools to monitor service officers' activities, and there is wide variation among counties in the percentage of veterans receiving benefits and the amounts received. We recommend that the Legislature require county veterans service offices to collect and submit key performance data to the department on a regular basis, and that the department include data on outcome measures in its annual report to the Legislature. It should also send these data to county boards, which would improve counties' ability to oversee their individual offices. The Legislature should also require county boards to consult with the department when hiring or reappointing their service officers.

This report was researched and written by Jo Vos (project manager) and David Chein. The Minnesota Department of Veterans Affairs and county veterans service offices statewide cooperated fully with our evaluation, and we thank them for their assistance.

Sincerely,

James Nobles
Legislative Auditor

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Addendum

After this report was released on January 23, 2008, we were informed that many veterans living in Houston and Winona counties receive services at medical facilities in southwestern Wisconsin. While exact numbers on how many veterans obtain services across the border are not available, we want to acknowledge that the data used in our evaluation did not account for medical services provided in southwestern Wisconsin. This undoubtedly affected the rankings we gave Houston and Winona counties, and we have added explanatory notes to Table 2.7 (p. 32), Table 2.8 (p. 33), and Appendix A3 (p. 64).

Summary

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

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 (pp. 10-11).
- 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 (pp. 8, 40).
- However, state law gives the department few tools to help it oversee the county service offices (p. 40).
- About 40 percent of counties have less than one full-time service officer, and most do not have full-time support staff (pp. 18-20).
- 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 (pp. 17-18).
- 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 (pp. 29-31).
- 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 (pp. 32-33).

- 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 (pp. 33-37).

Recommendations:

- The Legislature should require county veterans service offices to collect and report key performance information to the Minnesota Department of Veterans Affairs (p. 53).
- The department should include data on outcome measures in its annual report to the Legislature and also report such data to county boards annually (p. 53).
- The department should implement a user-friendly statewide management information system; service offices should implement and use the same system (p. 54).
- The Legislature should require counties to consult with the Department of Veterans Affairs when hiring or reappointing their veterans service officers (p. 52-53).

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

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

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 vary widely in the percentage of veterans receiving benefits.

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.

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

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.

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 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.

Introduction

Legislators were concerned about the quality and availability of services provided by county veterans service offices statewide.

The United States has a long history of providing benefits and programs to its veterans. As early as 1636—long before the Revolutionary War—American colonies made payments for life to any soldier disabled during battle.¹ Since that time, the number and complexity of the nation’s benefit programs for veterans have increased significantly. Recognizing this, in 1945 the Minnesota Legislature allowed counties to appoint local veterans service officers to help veterans and their families obtain the federal and state benefits due them because of their military service.² In 1978, 33 years later, the Legislature required counties to provide the services.³

Over the last few years, some policy makers have expressed concern about the quality and availability of services provided by the service offices. Anecdotal data suggest that services vary widely throughout the state and that differences in service levels may not be related to need. Another frequently heard complaint is that the service offices lack public accountability. In April 2007, the Legislative Audit Commission directed the Office of the Legislative Auditor to evaluate how well county veterans service offices are working and whether greater state oversight is needed. Our evaluation focused on the following questions:

- **What types of activities do county veterans service offices engage in, how many veterans are served, and how do services vary? How well do county offices coordinate with other state and federal offices as well as service-related organizations?**
- **How do service offices measure their effectiveness? To what extent do they measure veterans’ satisfaction with the quality and timeliness of the services that they provide?**
- **To what extent have the Minnesota Department of Veterans Affairs’ certification and grants programs been effective in increasing the availability and quality of services provided by county veterans service offices?**
- **Are veterans service offices adequately funded and overseen? Would greater state involvement improve the availability and quality of services statewide?**

¹ Public Broadcasting System, “Coming Home,” <http://www.pbs.org/now/society/vetbenefits.html>, accessed October 26, 2007.

² *Laws of Minnesota* 1945, chapter 96.

³ *Laws of Minnesota* 1978, chapter 625.

We used a variety of research methods to answer these questions. We reviewed the literature and analyzed data compiled by the U.S. Department of Veterans Affairs and the Minnesota Department of Veterans Affairs. We also sent questionnaires regarding service office funding, staffing, supervision, and activities to 91 county veterans service officers and 87 county administrators, and we visited service offices in 17 counties statewide. Finally, we interviewed various state, federal, and local officials as well as interest group representatives.

Our evaluation focused on the services that county veterans service offices provide and not the different benefit programs that are available to veterans. For example, we did not evaluate whether state or federal benefits paid to veterans are adequate. Nor did we examine how efficiently claims for benefits are processed or how fairly eligibility criteria are applied for programs. For the most part, these are processes or decisions that occur at the federal rather than county level.

This report is divided into three chapters. Chapter 1 discusses the different types of benefits available to veterans and their families; the number and characteristics of veterans in Minnesota; and the extent to which Minnesota veterans participate in major state and federal benefit programs. Chapter 2 analyzes county differences in funding, staffing, and supervision of service offices and differences in the percentage of veterans receiving benefits and the amounts received. Chapter 3 examines state oversight of the county veterans service offices and presents our overall conclusions and recommendations.

Background

SUMMARY

The Minnesota Legislature created county veterans service offices in 1945 to help veterans and their families obtain federal and state benefits due them because of their military service. Since that time, benefit programs have grown in both number and complexity, and the need for effective “go-betweens” to help veterans understand and access benefits has likewise grown. Currently, Minnesota has about 402,000 veterans living within its borders, but no one knows how many are actually eligible for benefits. In 2005, about 12 percent of the state’s veterans received disability compensation or pension benefits and about 22 percent received medical benefits. Veterans receiving disability compensation or pensions averaged about \$9,900 in benefits, and those receiving health care averaged about \$6,100 in benefits. For the most part, the percentage of Minnesota’s veterans receiving these benefits and the amounts received are close to national averages.

Since our nation’s beginning, Americans have interrupted their personal lives to serve our country. In gratitude, the nation has, in the words of Abraham Lincoln, agreed “to care for him who shall have borne the battle, and for his widow and his orphan.”¹ This care can take many forms, including disability compensation, pensions, medical services, home loans, and education benefits. This chapter describes how benefits can be accessed, the federal and state benefits available to veterans and their dependents, and the state’s veteran population. More specifically, it asks the following questions:

- **What types of federal and state benefit programs are available to Minnesota veterans?**
- **What is the role of county veterans service offices?**
- **How many veterans live in Minnesota, and how many receive benefits? How much, on average, do veterans receive in benefits?**

To answer these questions, we reviewed the literature on veterans programs, including federal and state laws and rules, informational brochures, and state and national studies and reports on veterans’ issues. We analyzed data compiled by the U.S. Department of Veterans Affairs on the veteran population, program participation rates, and benefits paid in Minnesota and across the nation. Finally, we interviewed federal, state, and local officials and representatives from various interest groups about county veterans service offices.

¹ U.S. Department of Veterans Affairs, *Federal Benefits for Veterans and Dependents* (Washington, D.C., 2007), v.

BENEFIT PROGRAMS

Veterans injured in battle have been eligible to receive some form of benefits for hundreds of years. Today, depending on a variety of factors, Minnesota veterans may be eligible for a broad range of federal and state benefits, regardless of whether they served in or were injured during a time of war. As shown in Table 1.1, the U.S. Department of Veterans Affairs administers numerous benefit programs for veterans and their families, including disability compensation, pensions, medical care, education, home loans, vocational rehabilitation, insurance, and death and burial benefits. Medical care and disability compensation or pensions are the most frequently used programs—each represented about 45 percent of total federal benefits received by Minnesota veterans in 2006.²

Minnesota veterans may be eligible for a broad range of federal and state benefits.

The Minnesota Department of Veterans Affairs also administers benefit programs for veterans and their families—generally designed to fill needs not adequately addressed by federal programs. These programs, listed in Table 1.2, are small in comparison with federal programs, both in terms of the number of Minnesota veterans receiving benefits and benefit amounts.

In addition, other federal and state agencies, as well as local organizations, administer programs specifically for veterans and their families. For example, the U.S. Department of Agriculture provides loans and guarantees for veterans to buy, improve, or operate farms. The U.S. Small Business Administration provides business counseling, training, and various loans and guarantees to veterans who own or are considering starting small businesses. At the state level, the Minnesota Department of Employment and Economic Development has veterans employment representatives throughout the state to help veterans with their employment needs. Likewise, some Minnesota colleges and universities have established veterans centers to assist veterans in applying for education benefits and integrating into college life.³

Nonprofit organizations also offer benefits to veterans. For example, the Minnesota Assistance Council for Veterans is a private nonprofit organization that provides housing, employment, and legal services to veterans statewide. The Minnesota Military Appreciation Funds, founded by state business and community leaders, provides cash grants to combat veterans and the families of soldiers killed in combat since September 11, 2001. On the local level, some veterans organizations and auxiliaries also offer assistance to veterans in need.

² U.S. Department of Veterans Affairs, *Geographic Distribution of VA Expenditures*, <http://www1.va.gov/vetdata/page.cfm?pg=3>, accessed December 4, 2007. Because disabled veterans cannot receive both disability compensation and pensions, the two categories are often combined for reporting purposes.

³ In addition, legislation passed in 2006 set up regional veterans assistance offices on various Minnesota public college and university campuses. These centers are staffed by the Minnesota Department of Veterans Affairs and are designed to help veterans access state and federal education benefits. *Laws of Minnesota* 2006, chapter 282, art. 15, subd. 5.

Table 1.1: Major Federal Benefit Programs for Veterans

Disability Compensation	Monthly compensation paid to veterans who are at least 10 percent disabled as a result of a service-connected injury or illness
Pensions	Monthly compensation paid to low-income, wartime veterans who are permanently and totally disabled or at least 65 years old
Health Care	Various health services, including hospital and outpatient medical, dental, pharmacy, and prosthetic services; domiciliary, nursing home, and community-based residential care; sexual trauma counseling; specialized health care for female veterans; health and rehabilitation programs for homeless veterans; readjustment counseling; and alcohol and drug dependency treatment
Vocational Rehabilitation and Employment	Assistance for veterans with service-connected disabilities, including job search, vocational evaluation, career exploration, vocational training, education training, rehabilitation services, and independent living skills; veterans generally have 12 years to access services
Education and Training	Assistance for tuition and living expenses paid to veterans in an approved education or training program; depending on their military service, veterans have 10 to 14 years to use the benefits
Home Loans	Guarantees for private home loans, refinancing of home loans at lower interest rates, and special grants to help disabled veterans adapt or acquire housing suitable for their needs
Life Insurance	Various insurance programs, including renewable term life insurance and service-disabled insurance for veterans with a service-connected disability
Dependents and Survivors	Compensation paid to certain survivors of veterans who died from service-connected disabilities and survivors of certain veterans receiving 100 percent disability compensation at their time of death
Burials	Provides headstones and markers, Presidential Memorial Certificates, burial flags, burial allowances for veterans dying of service-connected illnesses; and reimbursement of funeral and burial expenses

NOTE: The table only lists benefit programs offered through the U.S. Department of Veterans Affairs. Each program generally consists of various subprograms, each with its own set of eligibility criteria. Some programs are only available to veterans for a specific length of time.

SOURCES: U.S. Department of Veterans Affairs, *Federal Benefits for Veterans and Dependents* (Washington, D.C., 2007); and U.S. Department of Veterans Affairs, *A Summary of VA Benefits* (Washington, D.C., 2006).

Table 1.2: Major State Benefit Programs for Veterans

Statewide Soldiers Assistance	Temporary, emergency assistance to qualified veterans and their dependents and survivors in five areas:
Dental	Up to \$1,000 per year for dental services for low-income veterans and each of their dependents and a one-time grant of \$5,000 to cover dentures and related work
Optical	Up to \$400 a year for eye exams and prescription eyewear for low-income veterans and each of their dependents
Education	A one-time grant to veterans who have exhausted their federal education benefits and to children of veterans who died as a result of a service-connected illness or disease
Subsistence	Financial assistance to cover rent and mortgage payments, utilities, personal needs, and some health care premiums
Special Needs	One-time benefit for special circumstances, determined on a case-by-case basis
Veterans Preference	Gives veterans preference over equally qualified nonveterans in hiring and promoting in state public sector jobs
Nursing Homes ^a	State-operated domiciliary and nursing home services in five Minnesota cities
Burials	Burial sites in the Minnesota State Veterans Cemetery to veterans and their eligible dependents and survivors
Bronze Markers	Bronze stars to mark the grave site of any veteran buried in the state, where permitted

NOTE: The table only lists benefit programs offered through the Minnesota Department of Veterans Affairs. Programs may consist of subprograms, each with its own set of eligibility criteria. Some programs are only available to veterans for a specific length of time.

^a In November 2007, the Governor moved control of the state's five veterans homes from the Minnesota Veterans Home Board to the Minnesota Department of Veterans Affairs, as recommended by the Governor's Veterans Long-Term Care Advisory Commission. See: Minnesota Governor's Veterans Long-Term Care Advisory Commission, *Minnesota Governor's Veterans Long-Term Care Advisory Commission Report* (St. Paul, November 19, 2007).

SOURCE: Minnesota Department of Veterans Affairs, 2007.

Finally, veterans and their families may be eligible for benefits from a broad range of federal, state, and local programs directed at the general population, such as medical assistance, food stamps, and social security.

Veterans do not automatically receive benefits—they generally must file a claim or application for benefits after leaving the military. We found that:

- **The complexity of the claims process and “bureaucratic red-tape” can pose problems for veterans attempting to secure benefits.**

Veterans must generally file a claim to receive benefits—which can be a long and complex process.

Each benefit program has its own eligibility requirements—simply being a veteran is generally not enough to qualify for most benefit programs. Some programs require veterans to have wartime service while others require them to have a service-connected disability.⁴ Some benefit programs have income limits and some benefits expire after a certain length of time. For example, all combat veterans of Operation Iraqi Freedom and Operation Enduring Freedom have special access to federal health care services for two years after discharge, including those with no service-connected disabilities. On the other hand, veterans with service-connected injuries or illnesses can always receive treatment for their injuries at federal health care facilities, as can low-income veterans.

In addition, eligibility for benefits may change over time. For example, Vietnam era veterans with certain health issues, such as diabetes, no longer have to medically prove that their disabilities are “service-connected.” Instead they can establish exposure to Agent Orange by simply showing that they served in Vietnam.

Finally, claims forms for benefits are generally long and complex, and they require a significant amount of attached information, such as discharge papers, marriage licenses and divorce decrees (when appropriate), birth certificates, medical records, and military records regarding assignment locations and duties performed. A 2004 study of the federal government’s pension program for veterans found that 94 percent of new enrollees said they needed help with the application process.⁵ In another study of the federal government’s disability compensation program, 70 percent of claims representatives nationwide reported that most veterans do not understand the federal claims process; 84 percent said that the process was not easy for most veterans to navigate.⁶

Various studies have shown that the federal claims process has several problems that can create significant delays between veterans’ filing for benefits and actually receiving them.⁷ These problems include: (1) huge backlogs of

⁴ A service-connected disability is an injury or disease that was incurred or aggravated during active military service.

⁵ ORC Macro, *Evaluation of VA Pension and Parents’ DIC Programs* (Washington, D.C., December 22, 2004), 22.

⁶ Veterans Disability Benefits Commission, *Honoring the Call to Duty: Veterans Disability Benefits in the 21st Century* (Washington, D.C., October 2007), Appendix H, 120. As we discuss later, claims representatives submit veterans’ applications for benefits to the federal government and act on veterans’ behalf when dealing with the federal government.

⁷ Benefits are retroactive to the beginning of the month in which the federal government receives an application from a claims representative or, if a claims representative is not used, from a veteran. For example, once processed and approved, veterans with claims submitted to the federal government on October 31 would receive full benefits for the entire month of October.

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

applications, (2) inaccurate disability ratings, and (3) lengthy appeals.⁸ According to the U.S. Department of Veterans Affairs, a variety of reasons help explain claims processing problems.⁹ First, a higher proportion of soldiers are returning home with injuries than ever before.¹⁰ Second, new and complex disabilities related to combat and overseas assignments are being documented, including those related to environmental factors, infectious diseases, and brain injuries. Third, more claims are being filed for post-traumatic stress disorder, which is generally harder than other types of disorders to evaluate and document. Finally, claims are becoming more complex, with some veterans citing multiple disabilities in their claims. Such claims can take longer to process because the federal government evaluates each disability separately.

ROLE OF VETERANS SERVICE OFFICES

As a result of the complexity and length of the claims process:

- **Most veterans use “go-betweens,” such as county veterans service officers, to help them understand and file for federal and state benefits.**

The Minnesota Legislature created county veterans service offices in 1945 to help veterans and their families obtain federal and state benefits due them because of their military service.¹¹ State law requires that each county board appoint a veterans service officer and provide the necessary clerical help, office space, equipment, supplies, and travel reimbursement to carry out their responsibilities.¹² Service officers must be: (1) state residents, (2) U.S. citizens, (3) veterans, (4) educated and trained for their duties, and (5) knowledgeable of

⁸ U.S. Government Accountability Office, *Veterans' Disability Benefits: Claims Processing Problems Persist and Major Performance Improvements May Be Difficult* (Washington, D.C., May 26, 2005); U.S. Government Accountability Office, *Veterans' Disability Benefits: Claims Processing Challenges and Opportunities for Improvements* (Washington, D.C., December 7, 2005); U.S. Department of Veterans Affairs, *Review of State Variances in VA Disability Compensation Payments* (Washington, D.C., May 19, 2005), vi; and U.S. Government Accountability Office, *Veterans' Disability Benefits: Processing of Claims Continues to Present Challenges* (Washington, D.C., March 13, 2007).

⁹ U.S. Government Accountability Office, *Processing of Claims Continues to Present Challenges*, 5-8.

¹⁰ *CQ Researcher*, “Wounded Veterans,” August 31, 2007, vol. 17, no. 30, p. 700. For example, for every American soldier killed in the wars in Iraq and Afghanistan, 16 soldiers return home wounded. This is a much higher ratio than for all other United States conflicts, which previously ranged from 0.7 for the Revolutionary War to 2.8 for the Korean conflict.

¹¹ *Laws of Minnesota* 1945, chapter 96.

¹² *Minnesota Statutes* 2007, 197.60, subd. 1. State law specifically exempts Clay County from this requirement because the U.S. Department of Veterans Affairs has an office in Fargo, North Dakota, which is across the border from Moorhead, the Clay County seat. However, Clay County has voluntarily established a veterans service office. State law also permits two or more counties to jointly employ a veterans service officer, and two counties (Pope and Stevens) currently do so.

Most veterans that file claims for federal and state benefits use county veterans service offices.

applicable laws, regulations, and rulings.¹³ They serve four-year terms; county boards that do not intend to reappoint their service officers must provide them with written notice at least 90 days prior to their appointment expiration date.¹⁴

Service officers' primary clientele are those veterans living within their county boundaries who have been discharged from the armed services.¹⁵ The federal government defines a veteran as a person who served in the active military, naval, or air service, and who was discharged or released under conditions other than dishonorable.¹⁶ State law, though, requires that service officers help veterans, regardless of the nature of their discharge, obtain chemical dependency counseling or treatment.¹⁷ Former National Guard members are considered veterans if they were called into service by the President of the United States.

Although veterans can file for federal benefits directly with the U.S. Department of Veterans Affairs, about three-fourths of the disability compensation or pension claims filed by Minnesota veterans in 2005 were filed through "go-betweens" rather than directly with the federal government.¹⁸ The first "go-between" in Minnesota is generally the county veterans service officer. When a veteran contacts a service officer, it is the service officer's job to identify and explain all federal and state benefits for which a veteran might qualify. Based on their interview (which can, at times, last hours), a service officer and veteran will generally complete an application for various benefit programs. Depending on the complexity of the claim, the process can take several hours or days, as veterans and service officers gather all supporting documentation.

Once reasonably complete, the service officer forwards the claim to another "go-between"—a claims representative chosen by the veteran.¹⁹ In Minnesota, veterans or service officers typically make the Minnesota Department of Veterans Affairs or a local service organization, such as the Veterans of Foreign Wars, their designated representative by giving the department or organization their power of attorney.²⁰ Once claims are submitted to a claims representative,

¹³ *Minnesota Statutes* 2007, 197.601.

¹⁴ *Minnesota Statutes* 2007, 197.60, subd. 2.

¹⁵ Service offices can assist any veteran, regardless of where she or he lives.

¹⁶ USC Title 38, Part 1, Chapter 1, section 101(2). Veterans with dishonorable and bad conduct discharges, as well as veterans in prison or on parole, may be barred from receiving federal benefits.

¹⁷ *Minnesota Statutes* 2007, 197.603, subd. 1.

¹⁸ U.S. Department of Veterans Affairs, *Review of State Variances*, 107.

¹⁹ County veterans service officers choose which claims representative to use whenever veterans do not have a preference.

²⁰ Power of attorney allows the claims representative to act as a veteran's legal representative in all actions before the federal government. Local service organizations that veterans can designate as their power of attorney include the American Legion, Disabled American Veterans, Military Order of the Purple Heart, Paralyzed Veterans of America, Vietnam Veterans of America, and the Veterans of Foreign Wars. The American Legion uses the Minnesota Department of Veterans Affairs to process the claims filed with it.

county service officers generally have little control over the claims process. The claims representative reviews it for completeness and formally submits it to the U.S. Department of Veterans Affairs. The department then reviews the claim and approves (with or without modification) or denies it. If denied or modified, the veteran has the option of working with his/her claims representative to appeal the decision.

VETERAN POPULATION

According to the U.S. Department of Veterans Affairs most recent estimates:

- **In 2007, veterans made up approximately 8 percent of Minnesota's population—comprising about 402,000 residents.**

The veteran population in Minnesota decreased 14 percent between 2000-2006.

For the most part, Minnesota's veteran population is similar to the veteran population nationwide in terms of the percentages of residents who are veterans and their age, sex, and period of service. As Table 1.3 shows, the vast majority of veterans are male, and most are between the ages of 45-64 or 65-84. In addition, 93 percent of the state's veterans are white. About 73 percent of the state's veterans have 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.

Overall, the number of veterans living in Minnesota decreased 14 percent between April 2000 and September 2007, from about 466,000 to 402,000 veterans.²¹ This is slightly more than the decrease in the veteran population nationwide, which experienced a 12 percent decline over the same time period. The federal government estimates that Minnesota's veteran population will continue to decrease, dropping to under 300,000 by 2020.

²¹ U.S. Department of Veterans Affairs, *Table 1L: Veterans by State, Age Group, Period, Gender, 2000-2033*, <http://www1.va.gov/vetdata/docs/1l.xls>, accessed October 22, 2007.

Table 1.3: Selected Characteristics of Veterans, 2007

	Minnesota		United States	
	Number	Percentage	Number	Percentage
Sex				
Male	378,000	94%	21,567,000	93%
Female	23,000	6	1,728,000	7
Age				
24 and below	4,000	1	335,000	1
25-44	68,000	17	4,332,000	19
45-64	173,000	43	9,612,000	41
65-84	137,000	34	7,883,000	34
85 and over	19,000	5	1,132,000	5
Race				
White	375,000	93	18,718,000	80
Hispanic	6,000	1	1,204,000	5
Black	10,000	2	2,552,000	11
American Indian	4,000	1	180,000	1
Asian	3,000	1	272,000	1
Other	4,000	1	367,000	2
Period of Service ^a				
World War II	45,000	11	2,769,000	12
Korean War	49,000	12	2,874,000	12
Vietnam War	141,000	35	7,775,000	33
Gulf War	67,000	17	4,834,000	21
Peacetime	108,000	27	5,985,000	26
Total	402,000		23,294,000	

NOTE: Totals and percentages may not total due to rounding.

^a Individual totals and percentages do not total because veterans who served in more than one war are counted in multiple categories.

SOURCE: U.S. Department of Veterans Affairs, Table 2L: *Veterans by State, Period, Age Group, Gender, September 30, 2007*, <http://www1.va.gov/vetdata/docs/VP2004B.htm>, accessed October 22, 2007.

Although the number of veterans living in Minnesota has decreased, total federal benefit payments to veterans have increased. According to the most recent data available:

- **Federal benefits for Minnesota veterans totaled \$1.2 billion in 2006, about \$2,969 per veteran statewide.**

In contrast, federal payments were \$683 million in federal fiscal year 1999—about \$1,456 per veteran statewide.²² From 1999 through 2006, total federal

²² U.S. Department of Veterans Affairs, *Geographic Distribution of VA Expenditures*, <http://www1.va.gov/vetdata/page.cfm?pg=3>, accessed October 10, 2007.

payments increased 78 percent, despite a 13 percent drop in the number of veterans living in the state. As a result, total benefits per veteran statewide more than doubled—rising 104 percent. In contrast, the Consumer Price Index for all items increased 21 percent and the Consumer Price Index for all medical care increased 34 percent during the same time period.²³

Overall average federal benefits in Minnesota compare favorably to average benefits in nearby states. In 2006, Minnesota's average benefit per veteran statewide was \$2,969; the national average was \$3,030.²⁴ While Minnesota's average benefit was below those of South Dakota and North Dakota, it was above those of other nearby states, including Wisconsin, Iowa, Illinois, and Michigan.

Minnesota also pays state benefits to veterans—albeit on a much smaller scale than federal programs. The largest program that offers direct aid to veterans is the Statewide Soldiers Assistance program administered by the Minnesota Department of Veterans Affairs. As with federal spending, total payments to veterans through the Statewide Soldiers Assistance program have increased dramatically—going from \$760,000 in fiscal year 2004 to over \$2.4 million in 2007—an increase of about 216 percent.²⁵

Despite the increase in total benefits:

- **Only a small proportion of veterans actually receive federal benefits, and a much smaller proportion receive state benefits.**

There are no accurate estimates regarding the percentage of veterans who are eligible for federal or state benefits. According to the most recent data available from the federal government, about 12 percent of Minnesota veterans received disability compensation or pension benefits and about 22 percent received medical benefits in 2005.²⁶ Minnesota veterans that received disability compensation or pension benefits averaged \$9,926, and those receiving medical care averaged \$6,088 in benefits. Minnesota is close to the national average in both the percentage of veterans receiving these benefits and the amounts received.²⁷

In 2005, 12 percent of the state's veterans received federal compensation or pension benefits and 22 percent received medical benefits.

²³ U.S. Department of Labor, Bureau of Labor Statistics, *Consumer Price Index-All Urban Consumers*, <http://data.bls.gov/cgi-bin/surveymost>, accessed October 10, 2007.

²⁴ See Appendix A1 for a state-by-state breakdown of federal benefits per veteran for federal fiscal year 2006.

²⁵ Minnesota Department of Veterans Affairs, *SSAP County Report, Fiscal Years 2004 through 2007* (St. Paul, 2007).

²⁶ U.S. Department of Veterans Affairs, *Geographic Distribution of VA Expenditures*, <http://www1.va.gov/vetdata/docs/11.xls>, accessed October 10, 2007.

²⁷ In 2005, 12 percent of veterans nationwide received compensation or pension benefits, with an average benefit of \$10,833; 20 percent of veterans nationwide received medical benefits in 2004, with an average benefit of \$5,665. Office of the Legislative Auditor, analysis of data obtained from the U.S. Department of Veterans Affairs, 2007.

Relatively few veterans receive assistance through the Statewide Soldiers Assistance program. Only 1,583 veterans—less than 1 percent of the state’s veteran population—received these benefits in 2007.²⁸ There are three major reasons for this. First, the Legislature appropriates program funding as part of the biennial budget process and, once appropriated funds are spent, additional claims cannot be filed. Second, most of the program’s benefits are designed as emergency assistance—to be used when other programs have been exhausted—while others have income limits. Third, as we discuss in Chapter 2, some county veterans service offices have not used the program even though it is likely that some veterans in their counties would qualify.²⁹

²⁸ Minnesota Department of Veterans Affairs, *SSAP County Report*, 2007.

²⁹ Unlike federal benefit programs where veterans can apply on their own, veterans must apply through county veterans service officers to receive benefits under the Statewide Soldiers Assistance program. In this way, service officers can also explore other benefit programs for which veterans may be eligible.

County Variation

SUMMARY

Counties vary widely in the percentage of veterans that receive federal and state benefits and the average amount of benefits received. The extent to which these differences reflect the efforts and effectiveness of county veterans service officers and how much they are due to other factors is unclear. On the one hand, veterans are more likely to receive benefits if they are from counties with below average personal incomes, high percentages of veterans over age 65, and high numbers of veterans per square mile—factors outside the control of veterans service offices. On the other hand, veterans from counties with well-staffed offices relative to their veteran populations are more likely to receive benefits than are veterans from counties that devote less staff time to veterans services. 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.

As noted in Chapter 1, county veterans service officers are responsible for informing veterans about federal and state benefits and helping them submit claims to collect benefits they have earned. This chapter looks at differences among service offices in the way they go about accomplishing these tasks, including their funding, staffing, activities, and supervision by county governments. It also looks at differences among counties in the percentage of veterans receiving benefits and the average benefit received. More specifically, it asks the following research questions:

- **How do county veterans service offices differ in terms of funding and staffing, and to what extent do service officers have additional responsibilities?**
- **What types of activities do county veteran service officers engage in, and how do they inform veterans about available benefits?**
- **To what extent do counties differ in the percentage of veterans receiving benefits and the average amount received? What factors account for the differences?**
- **Where are veterans service offices located within county government, and how are the offices supervised?**

We used several sources of data to answer these questions. First, we surveyed all county veterans service offices about various aspects of their operations.¹ We also surveyed county administrators in all 87 Minnesota counties to ascertain their perspective on the appointment, oversight, supervision, and effectiveness of their service offices.² Second, we analyzed county-level data from the U.S. Department of Veterans Affairs on the number of veterans receiving benefits and the total benefits received by those veterans in federal fiscal year 2005.³ Third, we conducted site visits and interviews at 17 service offices around the state.⁴ Finally, we interviewed officials from the Minnesota Department of Veterans Affairs and other state agencies, the U.S. Department of Veterans Affairs, military service organizations, and other interested parties.

This chapter is divided into four major sections. First, we examined county differences in the resources devoted to veterans service offices. Second, we looked at service office activities and reporting systems. Third, we discussed county-level oversight of veterans service offices. Finally, we analyzed variations among counties in the percentage of veterans receiving benefits and the amount of benefits received.

SPENDING AND STAFFING

State law requires counties to have veterans service officers.

As noted in Chapter 1, state law requires that county boards provide service officers with necessary clerical help, office space, equipment and supplies, and reimbursement for mileage and necessary travel expenses. Counties may also appoint one or more assistant veterans service officers.⁵ However, the law does not define what is “necessary” and, as we discuss in Chapter 3, the state provides little ongoing financial support to help counties defray the costs of operating their service offices. Thus, it is left up to each county to determine how much to spend and how many staff to devote to its service office.

¹ We sent questionnaires to 91 veterans service offices because three counties operated more than one office (St. Louis, Marshall, and Otter Tail) at the time of our survey. We received responses from 88 offices, which represented 84 of the state’s 87 counties. We did not receive responses from Aitkin, McLeod, and Sherburne counties.

² For counties without administrators, we sent the questionnaire to the county coordinator or auditor. We received completed surveys from 72 county officials (83 percent).

³ Federal fiscal year 2005 ran from October 1, 2004, through September 30, 2005. Most of the analysis in this chapter of federal benefits received was based on federal fiscal year 2005, the most recent year available with county level data.

⁴ We selected counties from different parts of the state that varied in the number of veterans living in the county, the number of full-time equivalent staff working in the veterans service office, the percentage of veterans that received benefits, and the average amount of benefits they received. We visited service offices in: Anoka, Becker, Cass, Dakota, Freeborn, Hennepin, Kandiyohi, Lyon, Morrison, Olmsted, Ramsey, St. Louis, Stearns, Swift, Wadena, Washington, and Yellow Medicine counties.

⁵ *Minnesota Statutes* 2007, 197.60, subd. 1.

In 2006, median spending by county veterans service offices was \$106,000.

Spending

In our survey, we asked service officers to provide total office expenditures for calendar year 2006. The 80 counties that responded to this question reported spending a total of \$9.4 million, with an overall median spending figure of \$106,000. However:

- **County veterans service office expenditures for 2006 varied widely—from \$11,000 to over \$600,000.**

As might be expected, service offices in large urban counties generally reported spending more overall than did offices in rural counties.

When comparing financial resources devoted to veterans service offices, it is important to consider the number of veterans each county has to serve. Overall, we found that:

- **In 2006, county veterans service office spending per veteran ranged from about \$5 to \$125 and was generally greater in sparsely-populated rural counties than in highly-populated urban counties.**

The five counties spending the most per veteran 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. As shown in Table 2.1, the less populated counties reported spending, on average, \$56 to \$67 per veteran, compared with \$24 to \$33 for the more populated counties.⁶ Overall, spending per veteran ranged from \$5.40 to \$125 per veteran, with a median county expenditure of \$41 per veteran.

Spending differences likely reflect more than simply differences in the size of counties' veteran population. Some spending differences may reflect differences in what counties included in their budgets, such as one-time capital expenditures, as well as differences in the services provided. For example, some service offices had to pay rent for office space in privately-owned buildings while other offices had space in the courthouse or another government building where upkeep and maintenance might have come out of other accounts. Also, as we discuss later, some service offices had vehicles for transporting veterans to medical appointments while other offices did not provide this service themselves.

⁶ For the 80 counties that provided us with spending data, the correlation between the number of veterans in a county and county veterans service office spending per veteran was -.39. Correlations measure the degree of relationship between two variables, with 1 being a perfect positive relationship and 0 being no relationship. Negative correlations between 0 and -1 occur when an increase in one variable is associated with a decrease in the other variable.

Table 2.1: County Veterans Service Office Spending per Veteran, 2006

	Number of Counties	Average Veteran Population	Average Service Office Expenditures	Average Expenditures per Veteran
Veteran Population				
Less than 860	16	586	\$32,630	\$56.29
860-1,489	16	1,160	75,840	66.73
1,490-2,729	16	2,012	102,750	51.64
2,730-4,179	16	3,356	110,870	33.38
4,180 or more	16	16,932	263,260	24.31
Statewide Total	80	384,715	\$9,365,685	\$24.34
Median		1,952	\$106,168	\$40.79

SOURCES: Office of the Legislative Auditor, analysis of data from survey of county veterans service officers, 2007; and U.S. Department of Veterans Affairs, *County-Level Veteran Population by State, 2000-2030*, <http://www1.va.gov/vetdata/page.cfm?pg=2>, accessed August 15, 2007.

Staffing

Our survey asked county veterans service officers about their length of tenure in their current position, the location of their offices, the number of hours they worked per week, and the number of hours worked by other office personnel. We found that:

- **In 2007, 40 percent of Minnesota counties had less than one full-time veterans service officer.**

As shown in Table 2.2, 33 respondents reported less than one full-time equivalent (FTE) service officer working on veterans' issues; service officers in nine counties reported working less than 20 hours per week. For example, one county veterans service officer had office hours Monday mornings and Friday afternoons, for a total of eight hours per week—the fewest hours among survey respondents reporting office hours.

Table 2.2: Full-Time Equivalent Professional Staff in County Veterans Service Offices, 2007

Number of FTE Professional Staff	Number of Counties	Percentage of Counties
Less than 0.5	9	11%
0.5–0.9	24	29
1.0	36	43
More than 1.0	<u>15</u>	<u>18</u>
Total	84	101%

NOTE: One full-time equivalent (FTE) staff equals 40 hours per week. Professional staff are county veterans service officers, assistant veterans service officers, or staff with similar responsibilities, excluding clerical and support staff. Percentages do not sum to 100 due to rounding. The number of useable responses totaled 84.

SOURCE: Office of the Legislative Auditor, analysis of data from survey of county veterans service officers, 2007.

Some county veterans service officers also have other job responsibilities, such as emergency management.

Forty-three percent of counties had one full-time service officer and 18 percent had more than one full-time officer, with large metropolitan area counties generally reporting more staff than rural counties. Two counties, Pope and Stevens, shared a service officer who worked 20 hours per week for each county.

Some of the service officers who worked less than full time reported other unrelated job responsibilities in county government. In all, 27 percent of respondents held another county position, most often emergency management director. Veterans service officers in three counties were full-time county employees with other job titles and responsibilities that accounted for a majority of their time.

Service offices also vary in terms of clerical support. According to our survey:

- **Most county veterans service offices did not have full-time support staff in 2007.**

As shown in Table 2.3, about one-third of the service offices reported having no clerical or support staff, although state law requires counties to provide clerical help, if necessary.⁷ About another one-third reported less than one FTE, and about one-third reported at least one FTE clerical staff member.

⁷ *Minnesota Statutes* 2007, 197.60, subd. 1.

Table 2.3: Full-Time Equivalent Clerical and Support Staff in County Veterans Service Offices, 2007

Number of FTE Professional Staff	Number of Counties	Percentage of Counties
None	29	35%
Less than 0.5	8	10
0.5–0.9	17	20
1.0	25	30
More than 1.0	<u>5</u>	<u>6</u>
Total	84	101%

NOTE: One full-time equivalent (FTE) staff equals 40 hours per week. Percentages do not sum to 100 due to rounding. The number of useable responses totaled 84.

SOURCE: Office of the Legislative Auditor, analysis of data from survey of county veterans service officers, 2007.

We also looked at staffing relative to the number of veterans each county has to serve. In general, counties with high veterans-to-staff ratios must serve many veterans with relatively few staff, whereas counties with low veterans-to-staff ratios do not. A higher veterans-to-staff ratio might make it more difficult for service officers in those counties to contact and assist the same proportion of veterans that service officers from less populous counties can assist.

In 2007, veterans-to-staff ratios ranged from around 350 to 11,000, with a median of about 1,450. One-fourth of responding counties had fewer than 1,000 veterans per FTE staff and 13 percent had more than 3,000 veterans per staff. As shown in Table 2.4:

- **County veterans service offices with more veterans to serve tended to have disproportionately higher veterans-to-staff ratios than service offices with fewer veterans.**

For example, the counties with the most veterans averaged about 17,000 veterans each, nearly 30 times more than the 600 veterans per county that the counties with the fewest veterans averaged. However, service offices in the counties with the most veterans averaged 3.9 FTEs, almost six times the average for the counties with the fewest veterans, which was 0.7 FTEs.

Table 2.4: County Veterans Service Office Staffing per Veteran, 2007

	Number of Counties	Average Veteran Population	Average Full-Time Equivalent Staff	Average Veterans-to- Staff Ratio
Veteran Population				
Less than 800	17	567	0.7	1,065
800-1,479	17	1,152	1.4	919
1,480-2,699	17	2,029	0.7	1,864
2,701-4,199	17	3,441	2.0	2,142
4,200 or more	16	16,755	2.5	4,079
Statewide Total	84	390,300	150.0	2,578
Median		1,930	1.5	1,454

NOTE: For the 84 counties that provided us with staffing data, the correlation between the number of veterans in a county and county veterans service office staffing per veteran was .84.

SOURCES: Office of the Legislative Auditor, analysis of data from survey of county veterans service officers, 2007; and U.S. Department of Veterans Affairs, *County-Level Veteran Population by State, 2000-2030*, <http://www1.va.gov/vetdata/page.cfm?pg=2>, accessed August 15, 2007.

We also looked at how accessible service offices are for veterans seeking assistance and found that:

- **Although most county veterans service offices are located in public buildings, a few counties did not provide office space for their service officers.**

According to our survey, 86 percent of service offices were located in a courthouse or other government building and 10 percent were located in leased space from a nongovernment building accessible to the public. However, service officers in three counties used their residences as their offices and a fourth officer worked out of a private business.

Finally, officials with the Minnesota Association of County Veterans Service Officers and the Minnesota Department of Veterans Affairs told us that there has been considerable turnover of service officers in recent years. According to our survey:

- **Nearly one-fifth of county veterans service officers have been in their positions for two years or less.**

At the time of our survey, over one-half of respondents had been in their current position less than ten years, including 17 officers who reported being hired within the last two years.

MAJOR ACTIVITIES

As a first step in evaluating the effectiveness of county veterans service offices, we identified their major activities. Based on our survey and interviews, we learned that service officers spent most of their time: (1) conducting various “outreach” activities to inform veterans about benefit programs and encouraging them to apply for the benefits they have earned, (2) answering questions, either in-person or over the telephone, from veterans, family members, or survivors about their eligibility for benefits and helping them file benefit claims, and (3) helping to transport veterans to federal medical facilities and clinics for health care. We discuss each of these activities in greater detail below.

Outreach

Almost all county veterans service offices give presentations to local veterans groups and make home visits.

In our survey, we asked county veterans service offices about their efforts to inform veterans about the availability of federal and state benefits. We found that:

- **Most county veterans service offices reported engaging in a wide variety of outreach activities tailored to meet local needs.**

According to our survey, activities most frequently performed during the first six months of 2007 were: presentations at local service organizations such as the American Legion or Veterans of Foreign Wars (undertaken by 97 percent of survey respondents), home visits (89 percent), nursing home visits (86 percent), newspaper articles (79 percent), other community presentations (78 percent), newspaper, radio, and TV ads (68 percent), and funeral home visits (62 percent). Most service offices reported using multiple outreach methods, with 40 percent saying they engaged in at least four of the above activities.

Many service officers reported taking part in a 2007 statewide initiative coordinated by the Minnesota Association of County Veterans Service Officers. The association received a \$100,000 enhancement grant from the Minnesota Department of Veterans Affairs to help reintegrate veterans from reserve units in Minnesota and nearby states who were returning from Iraq.⁸ Service officers traveled to Fort McCoy in Wisconsin where they met briefly with each returning veteran and provided them with information on benefit programs. Furthermore, returning veterans were instructed to contact their county veterans service officers within 90 days.

Although service officers participated in many activities, there was little consensus regarding which outreach activities were most effective. When asked to choose the most effective outreach method, 24 percent of respondents cited local service organization presentations, 18 percent cited newspaper articles, and 13 percent cited newspaper, radio, and television ads.

⁸ We discuss the department’s enhancement grants program in Chapter 3.

Several outstate counties operate satellite veterans service offices.

To a large extent, the specific outreach strategies undertaken by individual service offices reflect differences in county characteristics. For example, many of the service offices we visited outside the Twin Cities metropolitan area operated satellite offices in the belief that greater accessibility would result in more veterans seeking assistance and applying for benefits. Stearns County recently created a new full-time staff position and established an office in Melrose in the northwest part of the county to complement its St. Cloud office in the southeast corner of the county. Although the Cass County service office is in Walker, the service officer also visits Pine River weekly, Cass Lake twice a month, and Bremer and Pillager once a month. Likewise, the Lyon County service office is in Marshall, but the service officer also “sets up temporary shop” in Balaton, Cottonwood, Minneota, and Tracy twice a month.

In contrast, service offices in some of the large metropolitan counties have closed satellite offices and cut back on some of their outreach activities because it has been difficult for them to adequately serve the veterans that they now see. For example, Anoka County tried setting up a satellite office in Columbia Heights in the late 1990s but it did not get enough business to justify its operation. Now, the office’s three professional staff have enough work filing claims and providing information that they do not have time to engage in outreach activities and would not be able to handle the additional workload that an effective outreach program would generate.

Hennepin County had a satellite office in the Southdale government center, but the county closed the office in 2005 because staff turnover resulted in a shortage of qualified staff. Although the county has increased staffing for the veterans service office since then, it has not reopened the Southdale office. The county has focused much of its outreach efforts on hard-to-reach populations, such as homeless veterans. The office has sponsored several “stand downs” where it has helped homeless veterans file claims. The office also has assisted chemically dependent homeless veterans by providing transportation for them to the treatment program at the St. Cloud Veterans Center.

Only one-third of county veterans service offices have comprehensive web sites.

Finally, because the Internet can also be an important resource for reaching veterans—especially young veterans—we reviewed service office web sites. We found that:

- **Most county veterans service offices have not made optimal use of the Internet to reach veterans in their counties.**

We found that about one-third of the service offices had comprehensive web sites. These web sites: (1) described how to contact the service office, (2) discussed federal and state benefits available to veterans, and (3) provided links to other sites where veterans could obtain additional information and download forms. Another one-third of service offices had web sites with some, but not all, of these features. For example, some web sites had links to other web sites, and some had a paragraph or two that provided a general description of services rather than a description of specific programs and benefits. Most of the remaining service offices had web sites that simply listed service officers’ names

and addresses but little else. Finally, we could not find a web site for nine service offices.

Networking with other government and local programs can also be an appropriate tool to help educate the public—including veterans—about benefits. It is difficult, however, to ascertain whether service offices make appropriate use of such resources. There are no formal arrangements to refer veterans to other agency programs that might benefit some veterans. However, most of the service officers that we visited with said that they had good working relationships with other government agencies and local organizations and referred veterans to them, when appropriate. Service officers do not normally keep track of the number of veterans referred to other agencies or the number of veterans that other agencies refer to them—much less the outcomes of those referrals.

Filing Claims

County veterans service officers' second major responsibility is to help veterans file claims for benefits. To measure claims-related activities, we asked county veterans service officers to tell us: (1) how many individual veterans they assisted in the first six months of 2007, including giving advice in person or over the telephone, and (2) how many benefit claims they filed during the same time period. We further asked them to indicate whether their answers were estimates or actual counts. Overall, we found that:

- **County veterans service offices do not collect or report important claims-related data in a uniform manner, which makes it difficult to quantify their activities and examine overall effectiveness.**

For example, 59 percent of service offices were only able to estimate the number of veterans provided with benefit-related information and 77 percent could only estimate the number of claims filed on behalf of veterans.

County veterans service offices do not routinely submit data on their activities to the Minnesota Department of Veterans Affairs.

Almost all service offices have access to a management information system designed to help prepare applications for federal benefits, maintain veteran information, track follow-up, and create office reports. Many of the service officers that we talked with, however, said the system had limited report-producing capabilities, was incompatible with common word-processing packages, or took too much time to use. Furthermore, because most county boards and the Minnesota Department of Veterans Affairs do not require veterans service offices to file detailed activity reports, there is little incentive for service offices to use the information system.

Simply having access to a computerized information system does not guarantee its consistent use. For example, 63 percent of survey respondents said they used a computerized system to track the number of veterans assisted or served. However, 27 percent of these service officers also said they did not systematically record the number of veterans provided information, either in person or over the telephone, and 17 percent of them did not systematically track the number of benefit claims filed on behalf of veterans. On the other hand, 50 percent of the

service offices that did not use a computerized tracking system reported using a handwritten log to keep track of the number of veterans assisted and 47 percent reported using a manual filing system to track the number of claims filed.

Claims representatives from the various service organizations and the Minnesota Department of Veterans Affairs, who actually submit the claims prepared by county veterans service officers to the U.S. Department of Veterans Affairs for processing, do not keep track of the number of claims they receive from individual service offices. The failure to track claims according to the service office that submitted them limits our ability, as well as the ability of most county boards and the Minnesota Department of Veterans Affairs, to assess the effectiveness of county veterans service offices.

Transportation Services

Because getting to and from federal medical facilities for health care services can be problematic for many veterans, we asked service officers whether they provided transportation services to veterans. Results showed that:

- **Most county veterans service offices provided or arranged for the transportation of veterans to federal medical centers or clinics in 2007.**

According to our survey, 75 percent of service offices transported veterans to federal medical facilities or clinics for health care. Many of these offices provided transportation services on a regular basis along scheduled routes (depending on the county, from once every two weeks to two or three times per week). For the most part, service offices used volunteer drivers, although offices generally paid a stipend to drivers or reimbursed them for expenses incurred.

Some of the service offices not directly providing transportation services help veterans access transportation services provided by other government entities or local organizations. A survey conducted by the Minnesota Association of County Veterans Service Officers in fall 2006 found only eight counties where no transportation services were available to area veterans.⁹

COUNTY OVERSIGHT

In our surveys, we asked service officers and county administrators about the organizational placement of veterans service offices within county government and the amount of supervision that service officers receive from their counties. We found that:

⁹ Minnesota Association of County Veterans Service Officers, *CVSO Quick Reference Guide to Veterans Transportation Programs* (April, 2007).

Most veterans service officers say they are supervised directly by their county boards or administrators.

- **About two-thirds of the county veterans service offices were autonomous units within county government that reported directly to the county administrator or board.**

Of the 84 county veterans service officers who responded to our survey, 65 percent said they were autonomous units and 35 percent said their office was part of another department—either administration, human services, or emergency services. However, when asked who supervised them, 79 percent of service officers said the county administrator or county board, 13 percent said a department head or supervisor, and 6 percent said no one.¹⁰ Although 35 percent of service offices were located structurally within another county department, only 11 of these 29 officers were supervised by someone from that department.

According to state law, county veterans service officers serve four-year terms, and county boards must provide service officers with written notice at least 90 days prior to the expiration of their term if they do not intend to reappoint them.¹¹ During our site visits, several service officers told us that their county boards held no hearings and took no formal action to reappoint them, which resulted in service officers' automatic reappointment.

We also asked service officers how often their job performance was reviewed. Their responses, as well as more in-depth discussions during our site visits, indicated that:

- **Although most county veterans service officers reported having their job performance reviewed at least once a year, the reviews were not rigorous.**

Some county boards conduct service officers' performance reviews only in the context of budget hearings.

Eighty-six percent of service officers told us that their job performance was reviewed at least yearly, generally by either the county administrator or a department head or supervisor (or both). Fourteen percent of the respondents said they did not have job performance reviews at least once per year, including 8 percent who said they never had their performance reviewed, 4 percent who said their job performance was reviewed every four years, and 2 percent who said every other year.

Through our surveys and interviews, we learned that performance reviews were often conducted in the course of budget hearings and sometimes involved going over annual reports and discussing future plans. However, as discussed earlier, there is no statewide management information system to measure office activities and most counties do not use outcome-based performance measures to evaluate the job performances of county veterans service officers.

Although most county veterans service officers reported annually to their county boards, the form and contents of those reports varied widely. According to our

¹⁰ One respondent checked "other" but did not specify what that entailed.

¹¹ [Minnesota Statutes](#) 2007, 197.60, subd. 2.

survey results, 70 percent of service officers submitted a report to the county board or county administrator at least annually. However, when we asked for copies of their latest report, some service officers told us they did not actually submit a written report but made oral reports when requested. Other officers told us that their contact with the county board or administrator was mainly related to the budget process. Quantitative data that offices submitted to their boards sometimes included various counts of veteran contacts or presentations made by the service officer, the amount of federal or medical benefits provided countywide (which the Minnesota Department of Veterans Affairs routinely sends them), and the number of veterans transported to medical facilities. Some officers developed this further, describing case studies of veterans they assisted, innovative approaches to outreach, and more detailed descriptions of their day-to-day activities.

We also found that:

- **Few county veterans service offices used performance measures to assess their effectiveness in serving veterans.**

About one-third of survey respondents said they used performance indicators to assess their effectiveness—either at their own initiative or because their county board required them to do so. However, very few officers responded to the follow-up question asking them to list the performance measures that their office used.

About one-half of the service officers we surveyed said they periodically measured veteran satisfaction with service offices. However, based on the interviews we conducted during our site visits, many of these customer satisfaction surveys were very informal and undocumented. For example, some officers said they got feedback from local veterans organizations and individual veterans whom they helped. A few of the offices we visited said they gave customer satisfaction questionnaires to veterans they assist. While customer satisfaction questionnaires provide useful information, such as the timeliness and courteousness of the services provided, they are usually distributed before the full impact of the service officer's efforts are known and only to veterans who have contacted or used the service office.

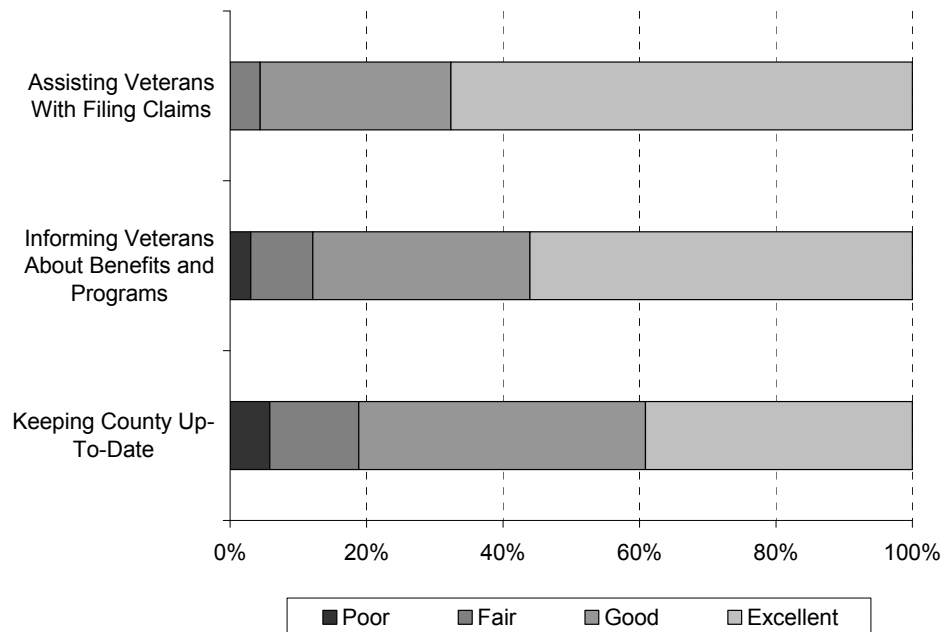
Despite the absence of formal job reviews using outcome-based performance measures:

- **Most county administrators were generally satisfied with the performance of their veterans service offices.**

As shown in Figure 2.1, at least 80 percent of county administrators responding to our survey said that their veterans service office did a “good” or “excellent” job: (1) keeping the county board up-to-date on office activities, (2) informing veterans about their benefits, and (3) helping veterans file claims. In addition, 80 percent of the county administrators who had an opinion said that they received fewer than average complaints about county veterans service officers compared with other county officials.

Although some service offices conduct customer satisfaction surveys, most offices measure veterans' satisfaction informally.

Figure 2.1: County Administrators' Ratings of Their Veterans Service Offices' Performance, 2007



NOTE: Percentages exclude administrators who responded "Don't Know" or who left an item blank.

SOURCE: Office of the Legislative Auditor, analysis of data from survey of county administrators, 2007.

Finally, 51 percent of the county administrators said they were "satisfied" and another 25 percent said they were "very satisfied" with the amount of oversight they exercised over their veterans service officers. Likewise, 81 percent of veterans service officers were either "satisfied" or "very satisfied" with the oversight provided by their county, and only 25 percent "agreed" or "strongly agreed" that counties should increase their oversight of veterans service offices.

OUTCOMES

County efforts to reach veterans and help them file claims should, if effective, result in a high proportion of eligible veterans receiving the benefits they have earned. Accordingly, we obtained data from the U.S. Department of Veterans

Affairs on the percentage of all veterans in a county who received benefits and the average benefit they received.¹²

Federal Benefits

Minnesota veterans received a total of \$1.14 billion in federal benefits in federal fiscal year 2005. Figure 2.2 presents a breakdown of these benefits by federal program. The two major categories of benefits were medical benefits, which accounted for 47 percent of the federal benefits received by Minnesota veterans; and disability compensation and pension benefits, which accounted for 44 percent of benefits.¹³

County Differences

We reviewed data from the U.S. Department of Veterans Affairs on the number of veterans receiving benefits in federal fiscal year 2005 from federal programs and the amount of benefits they received.¹⁴ Overall, we found large differences among counties:

- **In 2005, the percentage of veterans receiving disability compensation or pension benefits ranged from 9 to 21 percent, and the percentage receiving medical benefits ranged from 7 to 50 percent.**

¹² Ideally, we would have preferred to have had data on the number of veterans eligible for benefits in each county as well as the average amount of benefits they were eligible to receive. However, these data are not collected. Consequently, we compared counties on the percentage of all veterans in the county that received benefits. In addition, the federal government tracks the number of veterans receiving benefits and the amount received based on veterans' county of residence. In some instances, however, a veteran may seek assistance with filing a claim from a service officer in a different county. Fortunately, this does not appear to be a significant problem in Minnesota. In our survey, 68 percent of respondents estimated that 5 percent or less of the claims they prepared were for veterans living in another county; the median was 2 percent. Although the primary reason most service officers (56 percent) gave for assisting veterans from other counties was proximity or convenience, many respondents (36 percent) said veterans from other counties came to them because of their good reputation or because they provided better service than veterans' home counties.

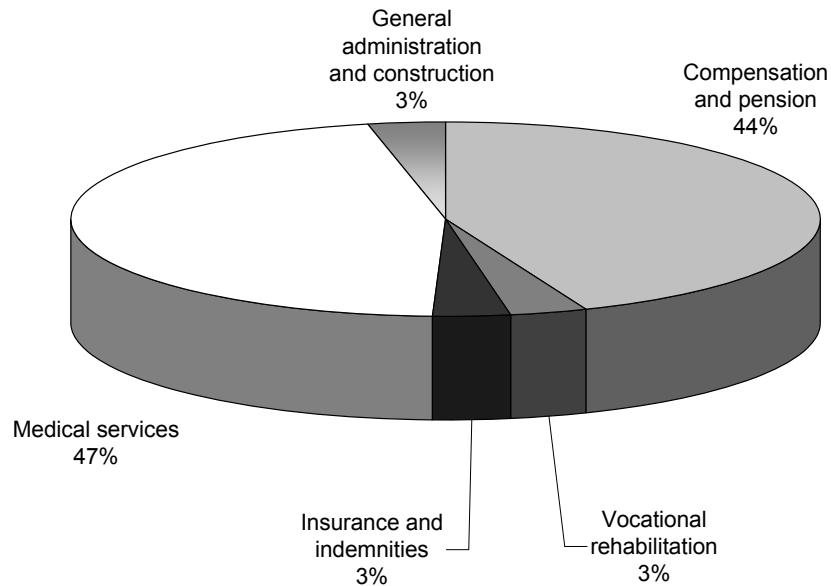
¹³ In general, a veteran cannot receive both disability compensation and pension benefits. An individual must have incurred a disability to receive disability compensation, which generally has higher benefit levels than pensions. For reporting purposes, the U.S. Department of Veterans Affairs often groups disability compensation and pension benefits together in its benefit summaries.

¹⁴ The U.S. Department of Veterans Affairs could not provide us with county-level data on the percentage of veterans receiving benefits in 2006, so our analyses are based on federal fiscal year 2005 data. Minnesota veterans received a total of \$1.22 billion in federal benefits in 2006, which was distributed among programs about the same as in 2005.

Figure 2.2: Federal Benefits Paid to Minnesota Veterans by Program, Federal Fiscal Year 2005

Total benefits = \$1.14 billion

Medical services and compensation and pensions comprise the largest share of federal benefits.



SOURCE: U.S. Department of Veterans Affairs, *Geographic Distribution of VA Expenditures*, <http://www1.va.gov/vetdata/page.cfm?pg=3>, accessed October 1, 2007.

Table 2.5 shows the counties with the highest and lowest percentages of veterans receiving disability compensation or pension benefits in federal fiscal year 2005.¹⁵ Approximately 12 percent of Minnesota veterans received disability compensation or pension benefits in 2005. Among individual counties, the percentage of veterans receiving such benefits ranged from 9 percent in Carver County to 21 percent in Morrison County, with a median of 13 percent. Table 2.6 shows that the average annual benefit for veterans who received disability compensation or pension benefits ranged from \$6,249 in Watonwan County to \$18,309 in Le Sueur County, with a median of \$10,280.

¹⁵ Appendix A2 lists the percentage of veterans receiving compensation and pension benefits and the average amount received for all of Minnesota's counties.

About 12 percent of Minnesota veterans received compensation or pension benefits in 2005.

Table 2.5: Counties with the Lowest and Highest Percentages of Veterans Receiving Compensation or Pension Benefits, Federal Fiscal Year 2005

	<u>Percentage Receiving Benefits</u>
Lowest Counties	
Carver	8.6%
Pipestone	8.6
Olmsted	8.6
Lake of the Woods	8.7
McLeod	9.1
Highest Counties	
Norman	18.4%
Clearwater	18.7
Watsonwan	18.9
Wadena	19.0
Morrison	20.9
Statewide Average	12.1%
Median	13.2%

SOURCE: Office of the Legislative Auditor, analysis of data obtained from the U.S. Department of Veterans Affairs, 2007.

Table 2.6: Counties with the Lowest and Highest Average Compensation or Pension Benefits Received by Veterans, Federal Fiscal Year 2005

	<u>Average Benefit^a</u>
Lowest Counties	
Watsonwan	\$6,249
Scott	7,606
Anoka	7,747
Dodge	7,758
Waseca	8,109
Highest Counties	
Red Lake	\$12,907
Lake	13,064
Rock	13,102
Mahnomen	13,263
Le Sueur	18,309
Statewide Average	\$9,926
Median	\$10,280

^a Average benefit is for those veterans receiving benefits, disregarding veterans not receiving any benefit.

SOURCE: Office of the Legislative Auditor, analysis of data obtained from the U.S. Department of Veterans Affairs, 2007.

In 2005, about 22 percent of Minnesota veterans received medical benefits. As shown in Table 2.7, the percentage of veterans receiving medical benefits ranged from about 7 percent in Houston County to nearly 50 percent in Yellow Medicine County, with a median of 28 percent. And finally, as shown in Table 2.8, average annual medical benefits for veterans who received medical benefits ranged from about \$3,050 in Houston County to \$10,380 in Rock County, with a median of \$5,365.¹⁶ In eight counties, veterans collecting medical benefits had annual benefits averaging over \$7,000, while veterans in eight other counties received, on average, less than \$4,000.

Table 2.7: Counties with the Lowest and Highest Percentages of Veterans Receiving Medical Benefits, Federal Fiscal Year 2005

About 22 percent of the state's veterans received federal medical benefits in 2005.

	<u>Percentage Receiving Benefits</u>
Lowest Counties	
Houston	6.7%
Winona	9.6
Olmsted	10.4
Washington	11.7
Dodge	12.1
Highest Counties	
Stearns	43.2%
Lac Qui Parle	43.6
Chippewa	48.8
Wadena	49.4
Yellow Medicine	49.6
Statewide Average	22.0%
Median	28.2%

Addendum (see p.viii for more information)

NOTES: Data are for veterans that received health services at any Veterans Integrated Services Network (VISN) 23 facility in Minnesota or surrounding states. Due to proximity, however, many veterans from Houston and Winona counties receive services at medical facilities in southwestern Wisconsin that are not part of VISN 23. These veterans are not reflected in their percentages.

SOURCE: Office of the Legislative Auditor, analysis of data obtained from the U.S. Department of Veterans Affairs, 2007.

¹⁶ Appendix A3 lists the percentage of veterans receiving medical benefits and the average amount received for all of Minnesota's counties.

Table 2.8: Counties with the Lowest and Highest Average Medical Benefit Received by Veterans, Federal Fiscal Year 2005

	Average Benefit
Lowest Counties	
Houston	\$3,046
Traverse	3,465
Marshall	3,593
McLeod	3,816
Roseau	3,863
Highest Counties	
Dakota	\$7,497
Hennepin	7,580
Mahnomen	7,927
Ramsey	8,184
Rock	10,383
Statewide Average	\$6,088
Median	\$5,365

Addendum (see p.viii
for more information)

NOTE: Data are for veterans that received health services at any Veterans Integrated Services Network (VISN) 23 facility in Minnesota or surrounding states.

SOURCE: Office of the Legislative Auditor, analysis of data obtained from the U.S. Department of Veterans Affairs, 2007.

Factors Explaining County Differences

Because counties differ in the amount of funding and staffing provided for their veterans service offices, we looked at the relationship between service office funding and staffing and the percentage of veterans receiving benefits and the amounts received. We found that:

- **Veterans in counties with lower veterans-to-staff ratios were more likely to receive federal benefits in 2005 than were veterans in counties with higher veterans-to-staff ratios.**

Table 2.9 shows the percentage of veterans receiving disability compensation or pension benefits and the percentage receiving medical benefits in counties by their service offices' veterans-to-staff ratios. In general, counties with lower ratios were above the median in the percentage of veterans receiving benefits, and counties with higher ratios were below the median.¹⁷ Our analysis suggests that service offices with fewer staff relative to their veteran population (i.e., higher veteran-to-staff ratios) have more difficulty reaching veterans than do

¹⁷ For the 84 counties that provided us with staffing data, the correlation between the veterans-to-staff ratio and the percentage of veterans receiving benefits was -0.28 for disability compensation or pension benefits and -0.39 for medical benefits.

offices with more staff relative to their veteran population (i.e., lower veterans-to-staff ratios). At the same time, our analysis suggests that there are additional factors that may also explain county differences in the percentage of veterans receiving benefits.

Table 2.9: Percentage of Veterans Receiving Benefits by County Veterans Service Offices' Veterans-to-Staff Ratios, Federal Fiscal Year 2005

	Number of Counties	Average Veterans-to-Staff Ratio	Average Percentage of Veterans Receiving:	
			Compensation or Pension Benefits	Medical Benefits
Veterans-to-Staff Ratio				
Less than 850	17	663	13.6%	33.3%
850-1,299	17	1,072	14.0	31.8
1,300-1,649	17	1,469	13.9	25.8
1,650-2,449	17	2,030	12.7	23.8
2,450 and more	16	4,691	12.6	23.4
Median		1,454	13.3%	28.6%

SOURCES: Office of the Legislative Auditor, analysis of data from survey of county veterans service officers, 2007; and data obtained from the U.S. Department of Veterans Affairs, 2007.

The average amount of benefits that veterans received did not follow the same pattern. In fact, average disability compensation or pension benefits were about the same in counties with high and low veterans-to-staff ratios and average medical benefits were greater in counties with high veteran-to-staff ratios. This makes some sense because the federal government, not service officers, determines benefit levels based on a variety of factors, including whether a veteran has a service-connected disability and the extent to which it interferes with his or her ability to live a “normal” life.¹⁸

We also looked at the relationship between the percentage of veterans receiving federal benefits per county and several demographic factors. For example, we looked at county average personal income as an indicator of the economic well-being of a county's residents and found that:

- **A higher percentage of veterans living in poorer counties received federal benefits than did veterans living in wealthier counties.**

¹⁸ A study by the U.S. Department of Veterans Affairs Inspector General compared states with the eight highest and eight lowest average disability compensation payments. It found that veterans in the high-payment states had higher average disability ratings and higher percentages of totally disabled and unemployable veterans than veterans in the low-payment states. See: U.S. Department of Veterans Affairs, Office of the Inspector General, *Review of State Variances in VA Disability Compensation Payments* (Washington, D.C., May, 2005).

County demographics affect the percentage of veterans receiving federal benefits.

Table 2.10 shows the five counties with the lowest and highest personal incomes in 2005. As shown, average personal income ranged from about \$22,500 in Clearwater County to almost \$50,000 in Hennepin County, with a median of \$29,574. Four of the five counties with the lowest personal incomes were above the median in the percentage of veterans receiving disability compensation or pension benefits and the percentage receiving medical benefits. All five of the highest personal income counties were below the median in the percentage of veterans receiving disability compensation or pensions and the percentage receiving medical benefits.

Table 2.10: Percentage of Veterans Receiving Benefits in Counties with the Lowest and Highest Average Personal Incomes, Federal Fiscal Year 2005

	Average Personal Income	Percentage of Veterans Receiving:	
		Compensation or Pension Benefits	Medical Benefits
Lowest Average Personal Income			
Clearwater	\$22,486	18.7%	35.2%
Todd	23,073	15.8	37.1
Red Lake	23,698	10.5	28.2
Pine	23,909	15.1	23.2
Mille Lacs	23,972	14.2	35.5
Highest Average Personal Income			
Ramsey	\$40,883	10.0%	15.6%
Dakota	41,416	11.4	16.1
Washington	43,030	10.3	11.7
Carver	44,137	8.6	12.2
Hennepin	49,566	10.1	20.1
Correlations (all counties)		-0.46%	-0.47%
Median	\$29,574	13.2%	28.2%

SOURCES: Minnesota State Demographer's Office, *2005 Personal Income*, <http://www.demography.state.mn.us/resource.html?id=18667>, accessed July 20, 2007; and Office of the Legislative Auditor, analysis of data obtained from the U.S. Department of Veterans Affairs, 2007.

Veterans from poorer counties who received disability compensation or pension benefits got slightly more than veterans from wealthier counties, but the amount of medical benefits was not related to county personal income. We suspect that the relationship between personal income and the likelihood of receiving benefits may be a reflection of maximum income restrictions for some federal programs. Also, veterans from wealthier counties may have more options available to them and may choose other medical facilities.

Counties also vary in terms of the age distribution of veterans. For example, the percentage of veterans age 65 and older varied from a low of 25 percent in Benton County to 65 percent in Traverse County in 2005. We found that:

- **Veterans from counties with a higher proportion of older veterans were more likely to get federal benefits than were veterans from counties with fewer older veterans in 2005.**

For example, in the 30 counties in which 46 percent or more of veterans were at least 65 years old, an average of 14.3 percent of veterans received disability compensation or pension benefits and 33.0 percent received medical benefits in 2005. In contrast, in the 29 counties where less than 40 percent of veterans were at least 65 years old, 12.1 percent received compensation or pension benefits and 20.9 percent received medical benefits.¹⁹

Finally, we looked at the relationship between population density and the likelihood of getting benefits. We found that:

- **Veterans from sparsely populated counties were more likely to receive federal benefits than were veterans from densely populated counties in 2005.**

For example, as shown in Table 2.11, 67 counties had fewer than 6 veterans per square mile in 2005. On average, 13.8 percent of the veterans from those counties received compensation or pension benefits and 29.9 percent received medical benefits. For the 20 counties with 6 or more veterans per square mile, 11.6 percent of the veterans received compensation or pension benefits and 20.3 percent received medical benefits.

Our findings are consistent with those of a 2004 study that looked at the extent to which states varied in the percentage of veterans receiving disability compensation or pension benefits.²⁰ It found that states with low per capita incomes and low population densities had higher percentages of veterans receiving disability compensation or pension benefits than high-income and high-density states.

¹⁹ The correlations between the percentage of veterans age 65 or higher and the percentages of veterans receiving compensation/pension and medical benefits were 0.29 and 0.50, respectively.

²⁰ Clayton A. Clark, *State Demography and Veteran Disability*, Unpublished Thesis, Harvard University, June 2004, <http://www.va.state.VT.US/Thesis.pdf>, accessed July 31, 2007. The study also found that veterans in states with a higher percentage of residents living in poverty or on public assistance were more likely to get compensation and pension benefits.

Table 2.11: Relationship Between County Population Density and Veterans Benefits Received, Federal Fiscal Year 2005

Veterans per Square Mile	Number of Counties	Percentage of Veterans Receiving:	
		Compensation or Pension Benefits	Medical Benefits
Less than Six	67	13.8%	29.9%
Six or More	20	11.6	20.3
Correlation (all counties)		-0.25	-0.28

SOURCES: Minnesota Department of Administration, State Demographer's Office, *Land and Water Area and Population Density for Minnesota Counties*, <http://www.demography.state.mn.us/a2z.html#Population%20density>, accessed October 1, 2007; and Office of the Legislative Auditor, analysis of data obtained from the U.S. Department of Veterans Affairs, 2007.

State Benefits

As discussed in Chapter 1, the state offers its own benefit program known as the Statewide Soldiers Assistance program. Although total benefits under this program tripled in fiscal year 2007 to over \$2.4 million, it is still a relatively small program—amounting to only 0.2 percent of the federal benefits available to veterans. Nevertheless, the program is an important resource because it addresses needs that federal benefits do not cover, such as emergency financial assistance to veterans and their families for housing and utility bills; optical and dental services; and food and personal needs.

Applications for assistance must be made through county veterans service offices. Overall, we found that:

- **County veterans service offices vary in the extent to which they access Statewide Soldiers Assistance funds for their veterans, and some counties have not used the program at all.**

Veterans in some counties have not received any help under the Statewide Soldiers Assistance program.

In fiscal year 2007, about 1,600 veterans (plus family members in some cases) received benefits from the Statewide Soldiers Assistance program, about 0.4 percent of the state's veteran population.²¹ Although Stearns County had the most veterans receiving state benefits (over 11,000), Clearwater County had the highest percentage of veterans receiving benefits (about 3 percent). In contrast, seven counties did not have any veterans receiving state benefits in 2007, and nine counties each had only one veteran receiving benefits. In fact, over the last four years, three counties (Grant, Kittson, and Pipestone) did not have any

²¹ Appendix A4 shows the number of grants awarded to veterans and their families by county of residence. The program provides some benefits for spouses and children of veterans, but it counts all family members together as a single case.

veterans who received benefits under the state program, and three other counties (Dodge, Red Lake, and Rock) each had only one veteran who received benefits. In our opinion, it is unlikely that these counties did not have more veterans who could have benefited from the state's program. The extent to which the Minnesota Department of Veterans Affairs monitors service office performance on this and other measures is discussed in the following chapter.

State Oversight

SUMMARY

Although state law requires that counties fund and staff veterans service offices, the Minnesota Department of Veterans Affairs has general supervisory authority over the offices' methods of operations. Statutory language, though, gives the department few tools to help it oversee the offices. Clear expectations regarding service office funding, staffing, activities, reporting, and outcomes are lacking. Furthermore, the department's ability to address performance problems at the county level is limited because the state provides little ongoing funding for the offices. While we think that service offices should remain a county function, state oversight should be strengthened. To provide meaningful oversight and ensure that veterans statewide have access to benefits, the Legislature should require that county veterans service offices collect and report key performance information to the Department of Veterans Affairs. The department is currently implementing a new management information system that could help in this endeavor, but counties will also need to implement and use this system. The department should seek the necessary funding from the Legislature to accomplish this.

As we noted in the previous chapter, county veterans service offices vary widely in terms of funding, staffing, activities, and outcomes. This chapter looks at state-level efforts to ensure that all Minnesota veterans, regardless of their county of residence, have access to the benefits they have earned. More specifically, it focuses on the following questions:

- **What is the Minnesota Department of Veterans Affairs' role in overseeing county veterans service offices?**
- **To what extent have the department's certification and grants programs been effective in increasing the availability and quality of services provided by county veterans service offices?**
- **Are service offices adequately overseen by the department? Would greater state involvement improve the availability and quality of services statewide?**

To answer these questions, we reviewed the literature, including state and federal laws and rules. We also analyzed data compiled by the Minnesota Department of Veterans Affairs regarding its training, certification, and grants programs, and we attended two major training sessions directed at service officers. Finally, we interviewed various state, federal, and local officials as well as interest group representatives.

STATUTORY REQUIREMENTS

As noted earlier, counties are required by law to appoint veterans service officers and provide the necessary clerical help, office space, equipment, supplies, and travel reimbursement.¹ For the most part, counties have sole authority over the appointment, tenure, compensation, and working conditions of the officers. At the same time, Minnesota statutes give the Commissioner of Veterans Affairs general supervisory authority over service officers' "methods of operation."² The commissioner is also authorized to prescribe rules to ensure compliance with and "the efficient uniform administration of" the law.³ However:

- **State law provides few tools to help the Department of Veterans Affairs effectively oversee county veterans service offices statewide.**

State law does not define what is meant by "methods of operation" or "efficient uniform administration." As noted in Chapter 2, it likewise does not define "necessary" clerical help and office space and, consequently, service offices vary considerably in staffing and funding. State law also does not require county veterans service offices to routinely collect data or report on their activities, services, or outcomes to the state or even to county boards, and it does not require the department or counties to routinely collect such data from the offices. In addition, state law does not require that performance goals for county offices be set at either the state or local level. Finally, it does not establish a mechanism in the department that would enable it to easily investigate complaints against specific service offices.

As a result, the Department of Veterans Affairs has not been aggressive in directly supervising county veterans service offices. Although the commissioner is authorized to prescribe rules to ensure compliance with and the efficient uniform administration of the law, the department has not done so. Likewise, it has not tried to define what is meant by methods of operation. Although the department routinely collected quarterly activity reports from county service officers in the distant past, it stopped doing so in the 1990s. Currently, the department does not try to collect the necessary information that would enable it to identify or investigate problems with or differences in county performance.

Instead of pursuing a more "hands-on" supervisory approach:

- **In the last few years, the Minnesota Department of Veterans Affairs has worked more closely with county boards to help them supervise their veterans service offices.**

The Minnesota Department of Veterans Affairs does not closely supervise county veterans service offices.

¹ *Minnesota Statutes* 2007, 197.60, subd. 1.

² *Minnesota Statutes* 2007, 197.605, subd. 1.

³ *Minnesota Statutes* 2007, 197.605, subd. 3.

County boards do not always seek the state's help when appointing or reappointing their service officers.

The department has: (1) developed and distributed a position description for service officers that counties can use in setting service officer responsibilities and appointing staff; (2) participated in the hiring process for county veterans service officers, upon request; (3) begun to make routine mailings to county boards regarding the availability of grants and state and federal benefits going to county veterans; and (4) requested that counties notify department staff regarding reappointment dates for service officers. In addition, the department has “strongly encouraged” at least one county to replace its service officer after the department received and looked into numerous complaints about the officer.⁴

County boards, though, do not always seek the department's help when appointing service officers or reviewing their performance. According to department staff, some counties make appointments based more on budget considerations than qualifications, while others have little appreciation for or knowledge of the amount of work required of a good service officer.

In addition, to supplement county-level activities:

- **The Minnesota Department of Veterans Affairs has implemented statewide programs to help address some veterans' access to services.**

For example, several American Indian veterans and advocates were concerned that American Indian veterans living on reservations were not getting the benefits due them because of communication problems between counties and the reservations. After learning about these concerns, the department worked closely with the Minnesota Indian Affairs Council and the state's 11 American Indian tribal councils to help establish tribal veterans service offices. As a result, the 2007 Legislature appropriated \$1.5 million to the department for tribal veterans service officers, making Minnesota the first state in the nation to fund tribal service officers.⁵ To date, the department has hired five tribal service officers and is planning to hire three to four additional officers, most of whom will have offices on reservations throughout the state.⁶

In addition, the 2007 Legislature appropriated \$400,000 to the department to implement a statewide marketing plan to reach out, educate, and communicate with veterans about the services available to them and their dependents.⁷ In

⁴ According to the county administrator, the county board of this particular county was not aware of any problems with its veterans service officer until the Department of Veterans Affairs brought them to the county's attention. The county performed its own internal investigation and the county veterans service officer in question eventually retired. The county board recently hired a new county veterans service officer and the department took part in the selection process.

⁵ *Laws of Minnesota* 2007, chapter 45, art. 2, sec. 1(c); and *The Circle: News from a Native American Perspective*, “Minnesota becomes first state to fund tribal veterans service officers,” June 2007, 6.

⁶ The department plans to hire two tribal officers to address the needs of American Indian veterans living in the Twin Cities area.

⁷ *Laws of Minnesota* 2007, chapter 45, art. 2, sec. 1(e).

August 2007, the department implemented the toll-free Veterans Linkage Line that provides veterans with information, referrals, crisis intervention, and psychological counseling on a 24-hour basis. When appropriate, linkage line staff refer veterans to their county veterans service offices or involve the service officers in online “chats” with veterans. According to the department, staff answered more than 700 telephone calls and nearly 200 e-mails and participated in more than 65 online “chats” in the first three months that the line was in service.⁸

Finally, the department has operated an outreach office that focuses on homeless, minority, women, and other underserved veterans in the state since 2004. Operating as a one-stop shop, the three-person office sponsors and attends numerous veterans’ events throughout the state, answering veterans’ questions, making referrals, and taking claims on-the-spot.⁹ It also works closely with other organizations that focus on veterans facing cultural barriers to accessing benefits. For example, the office works with the Minnesota Assistance Council for Veterans, which received a \$1.5 million appropriation from the 2007 Legislature, to address issues related to homelessness among veterans.¹⁰

STATE GRANTS

As noted in Chapter 1, counties are responsible for funding veterans service offices; the offices receive no ongoing, yearly appropriation from the state. The Department of Veterans Affairs, however, administers two grants programs that county veterans service offices can access to augment county funds.¹¹ Both programs are intended to “enhance” the effectiveness of service offices, and are commonly referred to as “operational” grants and “enhancement” grants.

All veterans service offices are eligible for an operational grant once every three years.

Operational Grants

Based on the size of their veteran population, counties are eligible to receive an operational grant from the Minnesota Department of Veterans Affairs once every three fiscal years.¹² Overall, we found that:

- **The State of Minnesota provides very little ongoing funding for county veterans service offices—most receive, on average, less than \$1,000 a year.**

⁸ *Minnesota Department of Veterans Affairs Newsletter*, “Link Vet the First Three Months,” October 29, 2007, 1.

⁹ The department is in the process of adding an additional staff person to the outreach office.

¹⁰ *Laws of Minnesota* 2007, chapter 45, art. 2, sec. 1(d).

¹¹ *Minnesota Statutes* 2007, 197.608; *Laws of Minnesota* 2007, chapter 45, art. 2, sec 1(b); and *Laws of Minnesota* 2006, chapter 282, art 15, sec. 2, subd. 4.

¹² *Minnesota Statutes* 2007, 197.608.

Minnesota statutes set forth four grant levels that range from \$1,400 to \$5,600. As shown in Table 3.1, during the previous and current funding cycles, over one-half of the service offices were eligible to receive less than \$3,000 for the three-year period.

Table 3.1: Operational Grants, Fiscal Years 2004-2009

Eligible Grant Amounts	Fiscal Years 2004-06		Fiscal Years 2007-09	
	Number of Counties	Percentage	Number of Counties	Percentage
\$1,400	18	21%	20	23%
2,800	33	38	33	38
4,200	28	32	26	30
5,600	8	9	8	9
Total	87	100%	87	100%

NOTE: County veterans service offices are eligible to receive an operational grant once every three fiscal years.

SOURCE: Minnesota Department of Veterans Affairs, 2007.

Operational grants help service offices improve their support systems.

Operational grants are not used to provide direct services to veterans, but rather to enhance office support. The Department of Veterans Affairs has developed a list of approved items that can be purchased with the funds, which includes office equipment, computer-related furniture, training at local colleges, registration costs for training sponsored by the National Association of County Veterans Service Officers, and reference materials. Service offices have 180 days to spend their state funds; money not spent within that time frame must be returned to the Department of Veterans Affairs. The department checks to ensure that counties have spent their funds on approved items.

We found that:

- **During the fiscal years 2004-06 funding cycle, 9 percent of county veterans service offices did not spend all of their state funds.**

Two counties (Chisago and Red Lake) did not receive any operational grant funds from the state during the fiscal year 2004-06 funding cycle, and another three counties (Clay, Lyon, and Marshall) returned over 50 percent of their operational grants. Three other counties returned smaller portions—between 10 and 50 percent of their grants.

Enhancement Grants

Whereas operational grants are directed at office-related improvements, enhancement grants focus more directly on veterans. The 2006 Legislature appropriated \$200,000 to the Department of Veterans Affairs for an application-based grant program to “enhance the benefits, programs, and services provided to

veterans.”¹³ In 2007, the Legislature appropriated an additional \$1.5 million for the 2008-09 biennium.¹⁴ State law requires that the department give priority to county veterans service office proposals that meet programmatic goals established by the department, including proposals that would (1) provide the most effective outreach to veterans, (2) reintegrate combat veterans into society, (3) collaborate with other resources, (4) reduce homelessness among veterans, and (5) provide measurable outcomes.¹⁵ In addition, state law requires that the department develop a description of best practices for using the grants.¹⁶

Although county veterans service officers generally support more state funding for their offices, we found that:

- **About 40 percent of county veterans service offices did not apply for an enhancement grant for fiscal year 2008.**

More service offices applied for enhancement grants for 2008 than for 2007.

Table 3.2 shows the number of applications for enhancement grants over the last two years. In fiscal year 2007, the first year of the enhancement grants program, the department received 39 requests for funding from 34 counties. Three applications were for a multi-county collaboration and two were on behalf of organizations.¹⁷ The department funded 19 requests; the median grant was \$4,100. Applications covered a range of activities, including training, office equipment, transportation costs, advertising, workshops, and “trinkets.” Proposals most frequently funded involved outreach services.

Table 3.2: Enhancement Grants, Fiscal Years 2007-2008

	2007	2008
Number of Proposals Submitted	39 ^a	84
Median Amount Requested	\$8,500	\$10,000
Total Amount Requested	\$637,500	\$1,525,100
Number of Proposals Funded	19	73
Median Amount of Funding	\$4,100	\$8,500
Total Amount of Funding	\$200,000	\$950,000

^a Enabling legislation allowed Vinland and the Minnesota Assistance Council for Veterans to apply for enhancement grants in 2007. Both groups submitted proposals, which totaled \$145,000; neither of these requests was funded.

SOURCE: Office of the Legislative Auditor, analysis of data provided by the Minnesota Department of Veterans Affairs, 2007.

¹³ *Laws of Minnesota* 2006, chapter 282, art. 15, sec. 2, subd. 4.

¹⁴ *Laws of Minnesota* 2007, chapter 45, art. 2, sec. 1(b).

¹⁵ *Ibid.*

¹⁶ *Ibid.*

¹⁷ Two of the three multi-county proposals were submitted on behalf of the Minnesota Association of County Veterans Service Officers; the third multi-county collaboration involved four counties.

Applications for fiscal year 2008 funding increased; 52 counties (60 percent) submitted 84 applications for funding.¹⁸ Three applications were for a multi-county collaboration.¹⁹ The increase in applications is due, in large part, to: (1) the department's notification to county boards about the availability of the money, (2) greater county familiarity with the program, (3) increased lead time before applications were due, and (4) the department's willingness to fund temporary staff positions. The department funded—in whole or in part—73 of the applications submitted.

We looked at the enhancement grants process for 2007 and 2008 and found that:

- **Weaknesses in how the Department of Veterans Affairs has administered the enhancement grants program could limit public accountability and program effectiveness.**

Although it is too early to assess the impact enhancement grants have had on the quality and quantity of services to veterans, we have four major concerns that could limit the program's overall effectiveness as well as public accountability.²⁰ First, the department has not adopted program goals, identified the most effective outreach methods, or distributed best practices for enhancement grants, as required by law. Department staff told us they did not want the program to become overly complicated, nor did they want to discourage counties from applying for the grants. Although counties are prohibited from reducing their veterans service office budgets relative to the amount of grants received, the department has not implemented appropriate measures to ensure that this does not happen.

Second, both the department and county veterans service offices have paid insufficient attention to specifying “measurable outcomes” for enhancement grants—either in applications for funding or in the grant agreement itself. Our review of the 2007 enhancement grant applications found that most of the applications submitted and the applications funded either did not specifically identify how the county would measure success or simply omitted the section of the application related to outcomes. For example, one grant application indicated that the measurable effects of its project would be “seen in the faces of the soldiers returning home.” Other applications simply referred to “increased efficiency” or “improved outreach” as project outcomes. Although the overall quality of grant applications improved for 2008 grants, most service offices still paid insufficient attention to building in measurable outcomes. As we noted in Chapter 2, service offices have few baseline measures that can be used to assess grants' effectiveness, especially as they pertain to outreach and collaboration.

The Department of Veterans Affairs and service offices have not paid sufficient attention to outcomes for enhancement grants.

¹⁸ Many counties submitted multiple applications. Two counties submitted applications on behalf of the Minnesota Association of County Veterans Service Officers.

¹⁹ One service office submitted an application on behalf of the Minnesota Association of County Veterans Service Officers; the other two multi-county collaborations involved about 13 counties.

²⁰ Most enhancement grants cover a two-year period. For the most part, service offices are not required to submit final reports on 2007 and 2008 grants until 2009 and 2010, respectively.

Furthermore, because the department does not collect statewide data on service offices' activities and outcomes, it will not be able to gauge the success—or failure—of most projects.

Third, the department's grant agreement does not specifically state activities for which the grantee will use enhancement funds. Although the agreements reference the grant application, applications often list multiple uses for the funds without specifying how much money would be spent on each activity. In addition, because the department does not always fund the entire amount requested, it is not always clear from the grant agreement exactly which aspects of an application are being funded and which are not. Although department files for 2008 grants indicate which aspects of specific grants are being funded, the formal agreement does not.

Finally, we think that a few of the proposals funded for 2007 and 2008 are only marginally related to the service areas listed in state law that were to be given priority. Furthermore, the department has not identified or adopted programmatic goals for other service areas not specifically listed in the law. For example, two 2007 grants paid for county service officers to attend national training conferences while another grant was to be used, in part, to buy office equipment. In 2008, ten grants paid for service officers to attend national training. However, as discussed earlier, the department has an operational grants program that helps pay for items such as training and office equipment. We noted that one of the counties that received a 2007 enhancement grant partly for office equipment failed to spend its entire operational grant in fiscal year 2005 and subsequently had to return about \$700 to the department.

Because the enhancement grants program is relatively new, the department has been “taking it slow” to help build program support.

Overall, department staff told us that, because the program is both new and optional for service offices, they have been “taking it slow” and trying to build program support among counties. We expect many of the problems we identified will be addressed as the department gains more experience in administering a competitive grants program.

CERTIFICATION

Statutes require that the Department of Veterans Affairs establish a certification program for county veterans service officers, in consultation with the Minnesota Association of County Veterans Service Officers (MACVSO).²¹ The training program must cover: (1) federal, state, and private benefits for veterans, (2) application procedures, (3) program changes, (4) legal decisions, (5) appeal procedures, and (6) other aspects of the service officer position.²² The department formed a five-person committee (two department employees and three association members) to recommend training courses and establish criteria

²¹ *Minnesota Statutes* 2007, 197.605, subd. 4.

²² *Minnesota Statutes* 2007, 197.609.

County veterans service officers must pass an annual exam and attend training to be certified by the state.

for determining service officer qualifications. The committee also approves or disapproves all requests for training outside the department's training policy.

To be certified, officers must pass an annual exam and earn the necessary number of training credits. However:

- **Minnesota statutes do not require that county veterans service officers be certified, which limits state oversight and public accountability.**

State law requires that service officers be certified only if counties want to receive an operational grant.²³ As noted earlier, operational grants are small and only available once every three years. Likewise, statutes do not require that service officers participate in any ongoing training sponsored by the department or other related organizations. Furthermore, only officers certified by the department (or in probationary status) are eligible to participate in the department's training.²⁴

Despite the lack of an overall certification requirement, we found that every county currently has at least one certified veterans service officer. However, some service officers told us that they may not seek certification in the future because the training costs associated with being certified would likely outstrip their operational grant.

We looked at the certification requirements for county veterans service officers and found that:

- **For the most part, the Department of Veterans Affairs' annual certification requirements are appropriate, and service officers have ample opportunities to meet those requirements.**

Below, we discuss the two components of certification in greater detail: training and the examination.

Training

Effective July 2007, the department increased the amount of training needed for certification from seven to nine credits per year.²⁵ The new policy also expands the types of training in which service officers can participate. To help ensure participation in a range of courses, the new policy caps the number of credits that officers can earn in the different categories or types of training.

²³ *Minnesota Statutes* 2007, 197.608, subd. 3.

²⁴ *Minnesota Statutes* 2007, 197.609, subd. 2. The department routinely opens its training to anyone interested in participating.

²⁵ Minnesota Department of Veterans Affairs, *Certification of County Veterans Service Officers* (St. Paul, July 1, 2007). The department certifies county veterans service officers based on the state fiscal year.

Almost all county veterans service officers surpassed state training requirements in 2007.

As noted previously, statutes require the Department of Veterans Affairs to have a training program for service officers. It does so by offering: an annual three-day spring conference for all service officers; one to two days of “basic training” for newly-hired service officers; and various morning or afternoon training sessions on specific topics, such as the Veterans Linkage Line or the Statewide Soldiers Assistance program.

During fiscal year 2007, over 100 county veterans service officers attended the department’s spring conference, 16 officers attended “basic training,” and 50 officers attended other specific training sponsored by the department.²⁶

County veterans service officers earned, on average, about 12 training credits during fiscal year 2007; credits earned per officer ranged from 1 to 21. Five county veterans service officers did not receive the minimum number of training credits required (seven) during fiscal year 2007; of these, three officers received waivers from the training requirement for personal reasons, and two officers were recently hired and were thus not required to obtain seven credits.

In fiscal year 2007, service officers could earn six of the seven necessary credits by attending two events: the department’s annual spring conference and the association’s annual fall conference. Almost all service officers—93 percent—attended these two events. Other training events commonly attended included seminars sponsored by the state or federal government, Veterans of Foreign Wars and American Legion conferences, and national and regional service officer association meetings.

However:

- **In some instances, the Department of Veterans Affairs training policy for county veterans service officers is unduly restrictive and unclear.**

For example, effective fiscal year 2008, the department’s certification policy requires service officers to attend the Minnesota Association of County Veterans Service Officers annual three-day fall conference. While almost all service officers attended the conference in fiscal year 2007, mandatory attendance may be a problem for counties that want their staff certified, but are unable or unwilling to close their offices for three days. In addition, much of the subject matter and format of the fall conference is similar to the department-sponsored spring conference. The spring conference is also three days, but it is offered at three different times of the month and in two different parts of the state. It may

²⁶ Office of Legislative Auditor, analysis of data provided by the Minnesota Department of Veterans Affairs, *FY07 Certification Points* (St. Paul, September 5, 2007).

make more sense to require that officers attend either the spring or fall conference for certification.²⁷

In addition, the department's training policy allows service officers to obtain up to two credits of "other" more general training, such as management training, computer skills, public speaking, and interviewing skills. Staff told us that the department encourages service officers to obtain such training. However, individual requests for the training must be made to the Minnesota Association of County Veterans Service Officers' certification chairperson rather than directly to the department. The certification chairperson recommends approval or disapproval of the request to the department's training board, where association members hold the majority of positions. Some service officers told us during our site visits that they would like to be able to take training in more general areas, but their association would not approve such requests. They were not aware of the department's role in the approval process. In talking with department staff, we were told that requests for more general training are seldom made. Our review of 2007 training records did not show any service officers receiving certification credit for general training courses.²⁸

Annual Examination

As part of the certification process, the department also requires that county veterans service officers pass an annual, written exam that is administered as an "open book, take-home" test. According to the department (and we concur), it is unreasonable to expect service officers to know the details of every benefit program for veterans. Rather, it is more important that officers know where to find the information. Officers must earn at least 70 points to pass the department's certification test.

Although the test is not easy (by our standards), no service officer has ever failed it. However, we found that:

- **The Department of Veterans Affairs has not implemented controls to prevent—or at least minimize—county veterans service officers from taking the certification test as a group.**

According to our interviews with service officers and department staff, some service officers get together and jointly take the certification test. Others divide up the questions among themselves and then share the answers. In our opinion, "group" exams defeat the purpose of testing in the first place and do little to ensure that officers know where to find information when they need it.

Group tests do not adequately measure an individual service officer's knowledge.

²⁷ In response to our draft report, the department immediately revised its training policy so that service officers are no longer required to attend the fall conference for certification. See: Minnesota Department of Veterans Affairs, *Certification of County Veterans Service Officers* (St. Paul, January 1, 2008).

²⁸ *Ibid.* The department's revised training policy also changes the approval process for general training courses so that requests for credit are sent directly to department staff.

COUNTY SATISFACTION WITH OVERSIGHT

In our surveys of county veterans service officers and county administrators, we asked respondents' opinions about various aspects of state oversight. We found that:

- **While county veterans service officers generally do not support more oversight by the Minnesota Department of Veterans Affairs, county administrators view some aspects of state oversight more favorably.**

As shown in Table 3.3, only 13 percent of veterans service officers and 26 percent of county administrators “agreed” or “strongly agreed” that the department should increase its oversight of veterans service offices. In a similar vein, about one-third or less of service officers favored periodically reporting basic information about office activities to the Department of Veterans Affairs or having the department develop statewide performance measures for the offices. On the other hand, more than two-thirds of county administrators favored having the department periodically collect basic information from service offices and develop statewide performance measures.

Table 3.3: Survey Respondents’ Opinions on Various Aspects of State Oversight, 2007

	County Veterans Service Offices					County Administrators				
	Strongly Disagree	Disagree	Neither Disagree nor Agree	Agree	Strongly Agree	Strongly Disagree	Disagree	Neither Disagree nor Agree	Agree	Strongly Agree
The state should:										
Increase its funding for service offices	1%	5%	24%	39%	31%	0%	3%	16%	45%	37%
Increase its oversight of service offices	37	24	27	9	4	6	38	31	16	10
Periodically collect basic information from service offices	15	28	23	29	5	0	7	10	59	24
Develop a few key performance measures for service offices	16	24	33	20	7	3	13	16	48	21
Distribute best practices for service office activities	5	15	20	48	13	0	4	11	52	32

NOTE: The questions asked the extent to which respondents agreed with the various statements. The number of useable responses to each question for county veterans service offices ranged from 85 to 87; the number for county administrators was 71. Percentages may not total 100 due to rounding.

SOURCE: Office of the Legislative Auditor, analysis of data from surveys of county veterans service offices and county administrators, 2007.

Finally, 70 percent of service officers and 82 percent of county administrators “agreed” or “strongly agreed” that the state should increase its funding for county veterans service offices. As we discussed earlier though, the 2006 and 2007 Legislatures appropriated significant resources for competitive grants that service offices can use to enhance their services. However, only 60 percent of counties applied for these funds for 2008. And, while operational grants are not large and awarded only once every three years, a few offices have not accepted the funding while a few others have had to return unused portions.

CONCLUSIONS AND RECOMMENDATIONS

Because most of the benefit programs for veterans are paid for with federal funds, it is in the state’s interest to ensure that all veterans, regardless of their county of residence, are able to easily access the benefits they have earned. This may, to some extent, reduce state or local spending for programs such as Minnesota Supplemental Assistance, food stamps, or Medicaid.

Overall, we think the current system is generally working well:

- **Veterans service offices should remain a county function, although state-level oversight and technical support need improvement.**

There are several reasons for maintaining the current county-based system. First, we could find no evidence that the current system, in place since 1945, is broken. Although there have been periodic problems with particular county veterans service offices, they do not appear to be systemic nor do they necessitate wholesale changes. Second, in terms of outcomes, Minnesota compares favorably with other states, especially many nearby states, on a variety of measures, including the overall amount of federal benefits received per veteran. Third, with a few exceptions, the county-based offices are generally accessible to veterans, especially in parts of greater Minnesota where there are fewer veterans per square mile. Fourth, counties want to continue providing the service, even though they view it as an unfunded mandate. Fifth, county-based services may offer other benefits that are difficult to quantify, such as increased community involvement, personal service, and civic pride. Finally, state costs would likely increase under a state-operated system.

At the same time, we did find some isolated and less systemic problems with the current system. For example, the percentage of veterans receiving federal benefits in some counties is significantly below the statewide average, and some service offices have not sought state-funded emergency assistance or free dental and optical benefits for their low-income veterans. Also, some counties do not provide any office space to their veterans service officers. Finally, according to some of the service officers that we talked with and Department of Veterans Affairs’ staff, a few service offices provide little or no assistance to veterans in actually filling out claim forms.

Although there are good reasons for keeping service offices a county function, problems in some counties need to be addressed.

Consequently, we think that the Legislature and Minnesota Department of Veterans Affairs should implement changes that will provide the department with more tools to oversee county veterans service offices. As we discuss below, such changes would help the department “flag” offices that may be having problems serving their veterans. Furthermore, some of our recommendations would also improve county boards’ ability to oversee their individual service offices.

RECOMMENDATION

To improve state oversight, the Legislature should amend Minnesota statutes to clarify the Department of Veterans Affairs’ oversight role regarding county veterans service offices.

Although state laws identify activities not under the Department of Veterans Affairs supervision, they do not identify or provide examples of service office activities that are under the department’s control. After consulting with the Minnesota Association of County Veterans Service Officers and the Association of Minnesota Counties, the Department of Veterans Affairs should recommend clarifying language to the Legislature. At a minimum, we think that statutory reference to “methods of operation” should be defined to include activities such as outreach, filing claims, and reporting. Clarifying state law would give the department more “clout” to oversee service offices, which is important given that the offices are largely county-funded.

The Department of Veterans Affairs needs more tools to adequately oversee county veterans service offices.

RECOMMENDATION

The Legislature should require that county veterans service officers be certified by the Minnesota Department of Veterans Affairs as a condition of their employment.

Currently, the department has few tools to help ensure service officer compliance with department requests or directives, and service officers have little incentive to comply. Making certification a prerequisite for employment would help ensure county compliance with future department directives. It would also help the department update its training requirements when needed, without fear that counties or service officers might simply forgo certification rather than comply with higher or different requirements.

RECOMMENDATION

The Legislature should require that county boards consult with the Department of Veterans Affairs when hiring or reappointing their county veterans service officers.

As noted earlier, many counties have begun to seek the department’s help when hiring their service officers. But others have not, and the department is not

involved in the reappointment process. Because the Department of Veterans Affairs is responsible for supervising service officers' activities and knows what qualities are needed to do the job, we think the department should have some formal input into the hiring and reappointment processes (county boards would retain final appointment authority). For example, counties could ask department staff to participate in search committees, help interview job candidates, review and comment on candidates' qualifications, or help evaluate service officers' performance over their previous term. Not only could this strengthen the initial appointment and reappointment processes, but it could also improve the quality of services to veterans.

The department should identify key performance measures for county veterans service offices.

RECOMMENDATION

The Legislature should require county veterans service offices to report key performance information to the Department of Veterans Affairs.

The department, with input from the Minnesota Association of County Veterans Service Officers and the Association of Minnesota Counties, should identify appropriate outcome measures. Useful performance indicators might include: the percentage of veterans receiving state and federal benefits and the amounts received, the number of claims filed relative to counties' veteran population, and veterans served per staff member. Once the department has collected sufficient data to establish baseline measures, it should consider setting performance standards and goals for counties as well as the state.

On a statewide level, the department could use this information to help ensure that veterans are receiving the benefits they deserve, including groups that may be underserved such as minorities, women, and the homeless. At the individual county level, the department could use the information to help identify offices falling significantly below state averages. In these cases, the department could investigate whether particular offices need additional assistance and report the results back to county boards.

Better performance information would help the state and counties oversee services provided to veterans.

RECOMMENDATION

The Department of Veterans Affairs should include data on outcome measures in its annual report to the Legislature and annually report statewide and county-specific performance information to county boards.

We also think that information on performance should be widely disseminated. Such information would give the Legislature knowledge about how well its veterans are being served. It would also provide counties with the necessary data to better supervise their individual offices and gauge their offices' effectiveness in relation to other counties.

RECOMMENDATION

The Department of Veterans Affairs should implement a user-friendly statewide management information system that would address both state and county needs.

To help ensure that performance information is accurate, the department will have to ensure that service offices 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. As we noted in Chapter 2, offices currently vary widely in the amount and type of information they compile (both manually and electronically) and what they report to their county boards. Effective supervision and oversight depend on accurate and consistent data. The department 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 is currently implementing a new management information system that has the capability to generate a variety of reports useful to both the state and counties. For example, once veteran information is entered into the system, claims can be easily monitored, supporting documentation scanned into veterans' files, and, if necessary, complete files transmitted to other service offices or the state. In addition to simplifying the application process, the system can, among other things, track veteran contacts, alert service officers when action needs to be taken, and identify veterans that may be affected by benefit changes. Unlike most of the benefits data currently available on veterans, which are based on veterans' county of residence, the department could generate data on the veterans actually served by each service office, regardless of county of residence.

RECOMMENDATION

To help ensure that enhancement grants are used effectively, the Department of Veterans Affairs should set performance goals and identify best practices for the program, as law requires.

As discussed earlier, the department has not complied with statutory requirements in administering the enhancement grants program, specifically setting performance goals and developing best practices. In reviewing grant application files, we noted that many service offices need substantial help in formulating effective strategies and thinking about outcomes.

Also, in reviewing the formal grant agreements, we noted that the agreement itself is a standard form that does not clearly spell out each grantee's duties and expectations. This is especially problematic because many grant applications, which the grant agreement references, do not adequately describe how enhancement funds will be spent or outcomes measured.

We suggest that the department consult with the Department of Administration's Grants Management Office created by the 2007 Legislature. Although agencies are not required to comply with the department's grant guidelines, the guidelines do set forth a number of best practices.²⁹ For example, guidelines tell agencies not to rely on a grantee's proposal as a list of its duties. Rather, they encourage agencies to write clear duties and expectations of the grantee into the grant contract itself. This ensures that all parties have mutually agreed on the terms of the grant, including duties, quality of performance, and anticipated outcomes. It would also require service offices to pay greater attention to incorporating measurable outcomes into their grant proposals.

RECOMMENDATION

The Department of Veterans Affairs should revise its training policy to give county veterans service officers the option of attending either the spring or fall conference for certification.

The department's training policy for service officers should be revised and clarified.

The department's training policy requires that service officers attend the Minnesota Association of County Veterans Service Officers annual fall conference in order to be certified. While almost all service officers attended the conference before it became mandatory, we think the policy is unduly inflexible. While the fall conference may be a valuable experience, requiring that officers attend either the department's spring conference (which is offered in multiple locations and at multiple times) or the association's fall conference (which is offered once a year at one location) would give service officers more flexibility in planning their schedules and office times. It would also permit service officers to take part in a broader range of training experiences more tailored to their specific needs.³⁰

RECOMMENDATION

The Department of Veterans Affairs should clarify its training policy regarding the value of, and the approval process for, general technical and management-related training.

As noted earlier, county veterans service officers seldom request credit for general training, such as management training, computer skills, public speaking, and interviewing skills. Although the department's training policy allows service officers to earn a maximum of two credits of general training, some service

²⁹ Minnesota Department of Administration, *State Contracting* (St. Paul, 2007), Section 24, 1-7. See also: Office of the Legislative Auditor, *State Grants to Nonprofit Organizations* (St. Paul, 2007).

³⁰ In response to our draft report, the department immediately revised its training policy so that service officers are no longer required to attend the fall conference for certification. See: Minnesota Department of Veterans Affairs, *Certification of County Veterans Service Officers* (St. Paul, January 1, 2008).

officers told us that they do not apply for such training because it would not be approved by the Minnesota Association of County Veterans Service Officers. The department should clarify its role in the approval process and its overall philosophy toward such training—which it supports. Encouraging service officers to obtain more general management and technical-related training may lead to more efficient office operations and, ultimately, better services to veterans. Also, some service offices could benefit from greater reliance on technology, and they should be encouraged to upgrade their computer skills.³¹

RECOMMENDATION

The Department of Veterans Affairs should explore alternative methods for administering its certification test to prevent service officers from taking the exam as a group.

Although service officers should talk frequently and consult with one another as needed during their regular workday, we think it is inappropriate during an exam. Minnesota statutes require that county veterans service officers have “knowledge of the law and the regulations and rulings of the United States Veterans Administration applicable to cases before it and the administration thereof.”³² In our opinion, group tests do not adequately measure an individual service officer’s knowledge, as is required by law. One alternative testing method that the department could explore would be to administer and monitor the exam at set locations throughout the state.

RECOMMENDATION

The Department of Veterans Affairs should work with county veterans service offices to improve their web sites.

Good web sites can be a valuable tool for reaching veterans.

As discussed in Chapter 2, many county veterans service offices have poor web sites—and some have none at all. In our opinion, good web sites can be a valuable tool to supplement service offices’ outreach activities. Informative web sites not only make government more accessible, but also educate veterans about the availability of government services. Furthermore, younger veterans have grown up with the Internet and rely on this technology for information. The department could encourage service offices to develop more informative, user-friendly web sites as part of its enhancement grants program. Some county veterans service offices have outstanding web sites and these sites could serve as models or “best practices” for others.

³¹ *Ibid.* The department’s recently revised training policy also changes the approval process for general training courses so that requests for credit are sent directly to department staff. In response to our draft report, the department also sent an e-mail to all service officers explaining the revised policy and encouraging them to obtain general training.

³² [Minnesota Statutes](#) 2007, 197.601, (5).

List of Recommendations

- To improve state oversight, the Legislature should amend Minnesota statutes to clarify the Department of Veterans Affairs' oversight role regarding county veterans service offices (p. 52).
- The Legislature should require that county veterans service officers be certified by the Minnesota Department of Veterans Affairs as a condition of their employment (p. 52).
- The Legislature should require that county boards consult with the Department of Veterans Affairs when hiring or reappointing their county veterans service officers (p. 52).
- The Legislature should require county veterans service offices to report key performance information to the Department of Veterans Affairs (p. 53).
- The Department of Veterans Affairs should include data on outcome measures in its annual report to the Legislature and annually report statewide and county-specific performance information to county boards (p. 53).
- The Department of Veterans Affairs should implement a user-friendly statewide management information system that would address both state and county needs (p. 54).
- To help ensure that enhancement grants are used effectively, the Department of Veterans Affairs should set performance goals and identify best practices for the program, as law requires (p. 54).
- The Department of Veterans Affairs should revise its training policy to give county veterans service officers the option of attending either the spring or fall conference for certification (p. 55).
- The Department of Veterans Affairs should clarify its training policy regarding the value of, and the approval process for, general technical and management-related training (p. 55).
- The Department of Veterans Affairs should explore alternative methods for administering its certification test to prevent service officers from taking the exam as a group (p. 56).
- The Department of Veterans Affairs should work with county veterans service offices to improve their web sites (p. 56).

Federal Benefits Received by State, Federal Fiscal Year 2006

APPENDIX A1

State	Veteran Population	Benefits Received (\$000s)	Benefits per Veteran
Alabama	417,497	\$1,485,742	\$3,559
Alaska	65,767	243,833	3,708
Arizona	550,095	1,660,369	3,018
Arkansas	262,613	1,165,565	4,438
California	2,203,727	6,259,682	2,840
Colorado	419,938	1,114,010	2,653
Connecticut	251,957	612,839	2,432
Delaware	79,029	182,012	2,303
District of Columbia	34,804	1,402,370	40,293 ^a
Florida	1,747,076	5,499,784	3,148
Georgia	757,070	2,239,253	2,958
Hawaii	102,396	339,051	3,311
Idaho	131,827	392,705	2,979
Illinois	852,409	2,138,999	2,509
Indiana	534,033	1,157,715	2,168
Iowa	254,855	657,365	2,579
Kansas	237,564	666,381	2,805
Kentucky	351,185	1,213,782	3,456
Louisiana	356,461	1,221,851	3,428
Maine	139,063	550,234	3,957
Maryland	470,722	1,182,690	2,513
Massachusetts	462,083	1,383,141	2,993
Michigan	804,011	1,624,055	2,020
Minnesota	410,166	1,217,701	2,969
Mississippi	236,338	920,233	3,894
Missouri	538,172	1,502,959	2,793
Montana	100,230	341,495	3,407
Nebraska	153,834	526,487	3,422
Nevada	244,295	714,777	2,926
New Hampshire	127,434	352,253	2,764
New Jersey	545,345	1,190,773	2,184
New Mexico	175,923	771,075	4,383
New York	1,094,391	3,461,421	3,163

State	Veteran Population	Benefits Received (\$000s)	Benefits per Veteran
North Carolina	756,216	2,459,020	3,252
North Dakota	53,048	180,060	3,394
Ohio	1,012,466	2,380,351	2,351
Oklahoma	346,707	1,423,273	4,105
Oregon	357,319	1,166,848	3,266
Pennsylvania	1,088,220	2,731,110	2,510
Rhode Island	86,327	270,111	3,129
South Carolina	410,084	1,361,936	3,321
South Dakota	70,981	338,325	4,766
Tennessee	532,105	1,668,662	3,136
Texas	1,652,214	5,823,969	3,525
Utah	146,738	416,630	2,839
Vermont	55,670	175,124	3,146
Virginia	737,600	2,061,682	2,795
Washington	617,723	1,755,017	2,841
West Virginia	182,285	836,288	4,588
Wisconsin	457,450	1,258,335	2,751
Wyoming	53,711	194,856	3,628
Total	23,729,173	\$71,894,202	\$3,030

NOTE: Veteran populations estimated as of September 30, 2006.

^a Because the District of Columbia accounts for nearly one-half of the U.S. Department of Veterans Affairs' total spending for general operating expenses and one-third of total spending for construction, benefits per veteran are significantly higher in the District of Columbia than they are in other states.

SOURCE: U.S. Veterans Administration, *Geographic Distribution of VA Expenditures*, <http://www1.va.gov/vetdata/page.cfm?pg=3>, accessed October 10, 2007.

Compensation and Pension Benefits by County, Federal Fiscal Year 2005

APPENDIX A2

County	Veteran Population	Percentage of Veterans Receiving Benefits	Average Benefit for Those Receiving Benefits
Aitkin	2,375	12.5%	\$10,321
Anoka	26,626	11.8	7,747
Becker	3,296	16.9	10,784
Beltrami	3,728	15.0	11,525
Benton	3,137	16.4	10,419
Big Stone	509	16.7	8,816
Blue Earth	4,672	11.1	10,358
Brown	2,360	14.3	8,676
Carlton	3,341	16.0	12,088
Carver	4,823	8.6	8,459
Cass	3,747	16.2	12,598
Chippewa	1,083	12.8	9,291
Chisago	4,125	11.5	9,229
Clay	4,315	14.3	9,813
Clearwater	880	18.7	10,378
Cook	595	11.3	10,862
Cottonwood	1,001	13.3	10,280
Crow Wing	6,444	16.7	10,988
Dakota	30,987	11.4	9,285
Dodge	1,509	9.5	7,758
Douglas	3,572	12.5	10,466
Faribault	1,506	11.0	10,249
Fillmore	1,760	11.7	9,325
Freeborn	3,049	16.9	9,045
Goodhue	4,217	11.5	9,007
Grant	605	12.6	10,479
Hennepin	80,076	10.1	9,825
Houston	1,964	11.7	8,768
Hubbard	2,459	13.7	10,182
Isanti	3,252	11.7	8,569
Itasca	5,529	16.3	10,553
Jackson	1,033	12.0	10,169
Kanabec	1,670	13.7	11,134
Kandiyohi	3,355	13.1	10,593
Kittson	465	14.0	12,178
Koochiching	1,410	13.3	10,076
Lac Qui Parle	684	14.2	10,592
Lake	1,448	15.7	13,064
Lake of the Woods	585	8.7	11,796

County	Veteran Population	Percentage of Veterans Receiving Benefits	Average Benefit for Those Receiving Benefits
Le Sueur	2,109	14.7	18,309
Lincoln	540	10.2	11,877
Lyon	1,920	10.6	9,033
McLeod	3,194	9.1	10,758
Mahnomen	445	14.8	13,263
Marshall	781	16.9	9,163
Martin	1,976	15.7	11,886
Meeker	2,197	13.6	10,329
Mille Lacs	2,578	14.2	11,078
Morrison	3,127	20.9	10,181
Mower	3,875	16.4	10,176
Murray	796	14.0	9,023
Nicollet	2,372	13.4	9,550
Nobles	1,654	10.9	8,674
Norman	675	18.4	11,714
Olmsted	10,288	8.6	8,753
Otter Tail	6,234	15.6	11,798
Pennington	1,204	12.2	10,735
Pine	3,026	15.1	10,505
Pipestone	813	8.6	10,587
Polk	2,794	14.7	9,137
Pope	1,156	13.2	11,758
Ramsey	36,553	10.0	9,731
Red Lake	439	10.5	12,907
Redwood	1,462	16.1	12,678
Renville	1,525	14.0	10,790
Rice	4,577	10.8	9,637
Rock	830	13.7	13,102
Roseau	1,309	11.8	10,594
St. Louis	19,896	13.2	10,407
Scott	7,726	12.1	7,606
Sherburne	5,669	12.8	9,729
Sibley	1,352	10.8	8,950
Stearns	11,548	16.7	11,249
Steele	2,987	10.7	8,869
Stevens	646	11.3	10,646
Swift	1,102	10.2	9,335
Todd	2,411	15.8	10,384
Traverse	389	14.4	8,295
Wabasha	1,962	11.6	9,988
Wadena	1,218	19.0	10,897
Waseca	1,867	11.6	8,109
Washington	16,946	10.3	9,242
Watsonwan	914	18.9	6,249
Wilkin	526	12.9	9,631
Winona	3,974	10.4	9,883
Wright	7,702	10.4	9,654
Yellow Medicine	912	15.2	11,479
Statewide	418,386	12.1%	\$9,926
Median	2,109	13.2%	\$10,280

SOURCE: U.S. Department of Veterans Affairs, *Geographic Distribution of VA Expenditures*,
<http://www1.va.gov/vetdata/page.cfm?pg=3>, accessed October 1, 2007.

Medical Benefits by County, Federal Fiscal Year 2005

APPENDIX A3

County	Veteran Population	Percentage of Veterans Receiving Benefits	Average Benefit for Those Receiving Benefits
Aitkin	2,375	38%	\$3,878
Anoka	26,626	16	5,925
Becker	3,296	31	5,968
Beltrami	3,728	23	5,458
Benton	3,137	37	6,976
Big Stone	509	41	4,545
Blue Earth	4,672	17	5,154
Brown	2,360	32	4,132
Carlton	3,341	25	4,935
Carver	4,823	12	5,320
Cass	3,747	32	5,365
Chippewa	1,083	49	5,130
Chisago	4,125	17	6,718
Clay	4,315	33	6,796
Clearwater	880	35	6,407
Cook	595	12	5,762
Cottonwood	1,001	29	5,152
Crow Wing	6,444	36	4,616
Dakota	30,987	16	7,497
Dodge	1,509	12	4,837
Douglas	3,572	34	4,264
Faribault	1,506	25	6,097
Fillmore	1,760	16	4,433
Freeborn	3,049	26	5,941
Goodhue	4,217	18	6,793
Grant	605	33	5,129
Hennepin	80,076	20	7,580
Houston	1,964	7	3,046
Hubbard	2,459	25	4,889
Isanti	3,252	21	5,057
Itasca	5,529	27	4,210
Jackson	1,033	23	5,240
Kanabec	1,670	32	6,122
Kandiyohi	3,355	35	3,920
Kittson	465	42	4,404
Koochiching	1,410	22	5,422
Lac Qui Parle	684	44	4,767
Lake	1,448	33	6,776
Lake of the Woods	585	23	5,090
Le Sueur	2,109	22	6,469
Lincoln	540	27	5,727
Lyon	1,920	26	5,568
McLeod	3,194	25	3,816

County	Veteran Population	Percentage of Veterans Receiving Benefits	Average Benefit for Those Receiving Benefits
Mahnomen	445	33	7,927
Marshall	781	41	3,593
Martin	1,976	37	4,088
Meeker	2,197	31	7,250
Mille Lacs	2,578	35	6,833
Morrison	3,127	42	5,975
Mower	3,875	19	4,450
Murray	796	35	5,561
Nicollet	2,372	23	4,804
Nobles	1,654	32	5,460
Norman	675	38	5,292
Olmsted	10,288	10	4,434
Otter Tail	6,234	33	5,918
Pennington	1,204	29	4,697
Pine	3,026	23	6,988
Pipestone	813	29	5,975
Polk	2,794	32	4,919
Pope	1,156	32	4,336
Ramsey	36,553	16	8,184
Red Lake	439	28	5,299
Redwood	1,462	31	5,961
Renville	1,525	30	4,662
Rice	4,577	16	6,491
Rock	830	39	10,383
Roseau	1,309	24	3,863
St. Louis	19,896	22	3,996
Scott	7,726	17	5,470
Sherburne	5,669	24	5,178
Sibley	1,352	20	6,289
Stearns	11,548	43	5,931
Steele	2,987	19	5,321
Stevens	646	33	5,646
Swift	1,102	30	4,488
Todd	2,411	33	5,014
Traverse	389	34	3,465
Wabasha	1,962	17	5,972
Wadena	1,218	49	7,286
Waseca	1,867	15	7,019
Washington	16,946	12	6,718
Watsonwan	914	39	4,422
Wilkin	526	37	5,651
Winona	3,974	10	5,465
Wright	7,702	20	5,893
Yellow Medicine	912	50	5,086
Statewide	418,386	22%	\$6,088
Median	2,109	28%	\$5,365

Addendum (see p.viii
for more information)

NOTES: Data are for veterans that received health services at any Veterans Integrated Services Network (VISN) 23 facility in Minnesota or surrounding states. Due to proximity, however, many veterans from Houston and Winona counties receive services at medical facilities in southwestern Wisconsin that are not part of VISN 23. These veterans are not reflected in their percentages.

SOURCE: U.S. Department of Veterans Affairs, *Geographic Distribution of VA Expenditures*, <http://www1.va.gov/vetdata/page.cfm?pg=3>, accessed October 1, 2007.

Statewide Soldiers Assistance Program Benefits by County, Fiscal Year 2007

APPENDIX A4

County	Veteran Population	Number of Families Receiving Grant	Percentage Receiving Grant	Total Benefits	Benefits per Family
Aitkin	2,358	6	0.3%	\$14,236	\$2,373
Anoka	26,137	63	0.2	162,705	2,583
Becker	3,181	19	0.6	20,852	1,097
Beltrami	3,609	20	0.6	25,298	1,265
Benton	3,109	15	0.5	21,367	1,424
Big Stone	463	4	0.9	2,093	523
Blue Earth	4,497	6	0.1	5,918	986
Brown	2,226	38	1.7	65,171	1,715
Carlton	3,189	17	0.5	24,476	1,440
Carver	4,831	2	0.0	1,175	588
Cass	3,682	41	1.1	40,941	999
Chippewa	1,048	7	0.7	21,612	3,087
Chisago	4,081	4	0.1	5,755	1,439
Clay	4,187	3	0.1	6,953	2,318
Clearwater	849	25	2.9	33,775	1,351
Cook	529	1	0.2	700	700
Cottonwood	963	3	0.3	2,241	747
Crow Wing	6,276	35	0.6	71,337	2,038
Dakota	30,580	89	0.3	184,058	2,068
Dodge	1,482	0	0.0	0	0
Douglas	3,554	12	0.3	12,914	1,076
Faribault	1,413	7	0.5	6,635	948
Fillmore	1,673	2	0.1	618	309
Freeborn	2,825	7	0.2	12,479	1,783
Goodhue	4,139	16	0.4	21,033	1,315
Grant	560	0	0.0	0	0
Hennepin	73,842	157	0.2	196,863	1,254
Houston	1,947	6	0.3	10,718	1,786
Hubbard	2,409	17	0.7	23,823	1,401
Isanti	3,246	14	0.4	22,093	1,578
Itasca	5,376	26	0.5	39,960	1,537
Jackson	974	6	0.6	5,917	986
Kanabec	1,662	12	0.7	22,978	1,915
Kandiyohi	3,235	13	0.4	25,270	1,944
Kittson	443	0	0.0	0	0
Koochiching	1,287	1	0.1	2,169	2,169
Lac Qui Parle	642	2	0.3	3,909	1,954
Lake	1,362	1	0.1	1,400	1,400
Lake of the Woods	556	0	0.0	0	0

County	Veteran Population	Number of Families Receiving Grant	Percentage Receiving Grant	Total Benefits	Benefits per Family
Le Sueur	2,017	2	0.1	6,859	3,430
Lincoln	506	2	0.4	2,211	1,106
Lyon	1,853	5	0.3	14,963	2,993
McLeod	3,156	3	0.1	2,074	691
Mahnomen	431	0	0.0	0	0
Marshall	713	6	0.8	5,778	963
Martin	1,866	3	0.2	1,591	530
Meeker	2,184	8	0.4	9,213	1,152
Mille Lacs	2,525	9	0.4	21,552	2,395
Morrison	3,031	21	0.7	41,232	1,963
Mower	3,705	13	0.4	20,762	1,597
Murray	745	7	0.9	9,884	1,412
Nicollet	2,312	3	0.1	1,869	623
Nobles	1,584	2	0.1	1,314	657
Norman	635	11	1.7	26,836	2,440
Olmsted	9,983	24	0.2	35,471	1,478
Otter Tail	6,018	15	0.2	19,739	1,316
Pennington	1,178	3	0.3	4,324	1,441
Pine	2,994	10	0.3	18,114	1,811
Pipestone	762	0	0.0	0	0
Polk	2,671	13	0.5	15,071	1,159
Pope	1,110	1	0.1	573	573
Ramsey	33,782	183	0.5	284,122	1,553
Red Lake	417	0	0.0	0	0
Redwood	1,427	8	0.6	7,357	920
Renville	1,471	5	0.3	4,960	992
Rice	4,483	6	0.1	17,904	2,984
Rock	770	1	0.1	1,190	1,190
Roseau	1,269	5	0.4	7,921	1,584
St. Louis	18,653	52	0.3	67,804	1,304
Scott	7,840	13	0.2	29,876	2,298
Sherburne	5,734	32	0.6	50,059	1,564
Sibley	1,330	8	0.6	15,174	1,897
Stearns	11,383	266	2.3	351,124	1,320
Steele	2,918	2	0.1	2,099	1,050
Stevens	624	1	0.2	6,165	6,165
Swift	1,061	1	0.1	1,705	1,705
Todd	2,373	5	0.2	6,776	1,355
Traverse	361	2	0.6	856	428
Wabasha	1,913	4	0.2	7,271	1,818
Wadena	1,159	9	0.8	5,576	620
Waseca	1,805	1	0.1	5,527	5,527
Washington	16,685	17	0.1	34,205	2,012
Watsonwan	826	4	0.5	2,453	613
Wilkin	484	1	0.2	498	498
Winona	3,811	6	0.2	11,696	1,949
Wright	7,715	11	0.1	13,126	1,193
Yellow Medicine	854	11	1.3	12,641	1,149
Veterans Home Board		71		111,059	
Total	401,548	1,583	0.4%	\$2,438,015	\$1,540

SOURCE: Office of the Legislative Auditor, analysis of data obtained from the Minnesota Department of Veterans Affairs, 2007.



Clark Dyrud
Commissioner

State of Minnesota
DEPARTMENT OF VETERANS AFFAIRS
VETERANS SERVICE BUILDING
SECOND FLOOR
20 WEST 12TH STREET
ST. PAUL, MINNESOTA 55155-2006
(651) 296-2562

January 11, 2008

James Nobles
Office of the Legislative Auditor
Room 140 Centennial Building
658 Cedar Street
St. Paul, MN 55155

Dear Mr. Nobles:

Thank you for providing the department with the opportunity to respond to the OLA's final report, "County Veterans Service Offices". We are pleased with the thoroughness of the report.

I am pleased that the report highlights the statutory ambiguities under which this department has been operating in relation to the county veteran service offices. For the most part, we agree with the majority of areas cited as needing to be addressed in order to better serve the veterans of Minnesota.

Please know we have already implemented some changes to our training requirements that were identified as restrictive or unclear in the State Oversight section of the report. As of June 30, 2007, attendance at the fall conference is no longer mandatory. In addition, we have clarified our policy and procedures regarding points awarded for generalized training so that the county veteran service officers have a better understanding of the requirements. We continue to encourage training that will provide the county veteran service officers with the necessary skills and knowledge that will improve their performance to better serve veterans.

We look forward to working with the Legislature, the counties, and the veteran service officers in addressing the areas of concern mentioned in this report. It is our mission to efficiently and effectively serve all Minnesota veterans.

Sincerely,

A handwritten signature in blue ink that reads "Clark Dyrud".

Clark Dyrud, Commissioner
Department of Veterans Affairs

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FAX: (651) 296-3954



*Minnesota Association of
County Veterans Service Officers*

OFFICE OF
Association Representative

January 14, 2008

Mr. James Noble
State of Minnesota
Office of the Legislative Auditor
Centennial Office Building
658 Cedar St.
St. Paul MN 55155

Dear Mr. Noble:

As the designated representative for the Minnesota Association of County Veterans Service Officers to work with the Office of the Legislative Auditor, and the Minnesota Department of Veterans Affairs in the study of our service delivery system, I wish to commend your staff for their efforts in compiling this very comprehensive document.

I firmly believe that the content of this report is one, which is both fair and impartial. I believe that there are two conclusions that one can draw regarding the Minnesota County Veterans Service Officer system upon close study of this report. They are: 1) If it isn't broke, don't fix it. Still, we all can agree that there is room for improvement; and 2) The Minnesota Legislature in their wisdom following World War II mandated the establishment of a service delivery system in the County Veterans Service Officers which in general serves it's constituency in the manner for which it was designed.

I truly feel that this report is a very fair assessment and description of a very complicated program.

Sincerely,

Duane R. Krueger, Director
Veterans Service Office
Government Center, Room #233
2100 – 3rd Ave.
Anoka MN 55303-2265



January 11, 2008

James R. Nobles
Legislative Auditor
Office of the Legislative Auditor
Centennial Office Building
658 Cedar Street
St. Paul, MN 55155

Dear Mr. Nobles:

Thank you for the opportunity to review and comment on your report, "County Veterans Service Offices." Representatives from the Association of Minnesota Counties (AMC) carefully reviewed the report and appreciate the thoughtful, thorough review of what AMC believes to be an important topic.

The report does an excellent job of explaining the current relationship between the Minnesota Department of Veterans Affairs and local veteran services officers (VSOs), and counties agree that the current system is generally working well. Many of the findings in the report focus on the staff-to-veterans ratio in counties, dollars spent by counties on veterans service offices and the percentage of veterans receiving state or federal benefits. Without knowing how many local veterans qualify for state or federal benefits, we simply cannot know if staffing levels or budgets are adequate or whether greater resources would result in more veterans receiving benefits.

AMC agrees that statutory clarification of the Department's role in providing oversight may be needed and we appreciate the recognition that both AMC and MACVSO should be involved throughout that process. Counties have reservations about the requirement that VSOs be certified by the Department. Mandating certification removes accountability from the Department to ensure that future directives and training requirements do not become overly burdensome or costly, which could result in county resources being redirected from veteran's services to the VSO certification process.

Counties are concerned that direct Department involvement in the hiring and reappointment process would eliminate the clear line of authority and accountability that currently exists between VSOs and the County Board. Counties also believe that employment law questions would be raised should a state agency begin influencing which specific candidates a given county must or should hire. The hiring and reappointment of county employees should remain an autonomous and transparent process within each individual county. In the alternative, the Department should provide guidance for counties to use when hiring or evaluating VSOs.

AMC supports the conclusion that more data on veterans' services is needed in order to allow the Department and counties to set goals for improving performance. However, we believe strongly that the proposed performance measures, including the percentage of veterans receiving state or federal benefits, the amount of benefits received, the number of claims filed relative to a county's veteran population, and veterans served per staff member, may all be measures beyond the control or influence of counties regardless of available resources. Counties cannot require veterans to seek services, nor can counties control the amount of benefits any particular veteran might receive. Until the state can ascertain how many veterans in each county are eligible for benefits, counties (and the public) cannot achieve an accurate measure of how well state and local government is serving our overall veteran population.

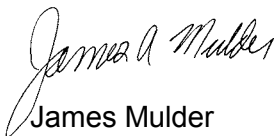
AMC strongly supports the recommendation that the Department revamp its training requirements. We are pleased to see that the Department has already ceased requiring VSOs to attend the fall conference to become certified. AMC also supports clarification of the Department's training policy to encourage VSOs to pursue general technical and management training as needed. Broad-based training should be a tool available to county VSOs in order to help them more professionally and efficiently serve Minnesota's veteran population.

Counties also agree that the internet can be a valuable tool for providing veterans with information about local VSOs or state and federal benefits. The Department currently maintains a directory of VSOs and includes hours of operation, location and contact information. Collaboration between counties and the Department would likely help all parties maximize the effectiveness of existing web resources and help serve younger veterans.

Despite some disagreement with portions of the report's recommendations, on the whole we fundamentally agree with many of the findings. AMC strongly agrees that Minnesota struggles to accurately measure how well government meets the needs of our veterans. We also agree that improved collaboration between the Department and counties is needed and that the Department could be a valuable resource for VSOs who need training, guidance or are looking for best practices. We also strongly agree that while Veterans Service Offices are a county responsibility and are funded locally, the state has an ongoing role in serving the men and women who have served our country and we need to revisit the state's role in veterans' services.

Again, AMC appreciates the opportunity to respond and values the report's accurate description of the challenges of serving Minnesota's veterans. We hope this will encourage the continuation of discussions among counties, the Department, and the Legislature on this topic.

Sincerely,

A handwritten signature in cursive script that reads "James A. Mulder".

James Mulder
Executive Director

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