

Dollars in Thousands

	Current		Governor Recomm.		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	55	55	55	55	110
Recommended	55	55	85	85	170
Change		0	30	30	60
% Biennial Change from 2004-05					54.5%
 <u>Expenditures by Fund</u>					
Direct Appropriations					
General	55	55	85	85	170
Total	55	55	85	85	170
 <u>Expenditures by Category</u>					
Local Assistance	55	55	85	85	170
Total	55	55	85	85	170
 <u>Expenditures by Program</u>					
Veterans Of Foreign Wars	55	55	85	85	170
Total	55	55	85	85	170

<i>Dollars in Thousands</i>				
	FY2005	Governor's Recomm.		Biennium
		FY2006	FY2007	2006-07
Fund: GENERAL				
FY 2005 Appropriations	55	55	55	110
Subtotal - Forecast Base	55	55	55	110
Change Items				
Veterans Claims Processing - VFW	0	30	30	60
Total Governor's Recommendations	55	85	85	170

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	\$30	\$30	\$30	\$30
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$30	\$30	\$30	\$30

Recommendation

The Governor recommends an additional \$30,000 per year for the Department of Veterans of Foreign Wars (VFW) to be used to staff and maintain their claims office. With this change, the VFW’s base budget would total \$85,000 per year.

Background

The VFW represents veterans, their dependants, widows, and orphans in securing funds and services to which they are entitled. Currently the VFW employs four full-time claims representatives and one part-time VA Hospital representative. The VFW recovered \$45.7 million in cash benefits for veterans in 2003, and hopes to increase the amount annually.

The recommendation for additional funding will ease cash flow challenges due to declining membership dues and increases in anticipated claims.

Relationship to Base Budget

The Governor’s recommendation reflects an annual increase of \$30,000, which is a 54.5% increase in the 2006-07 forecast base budget for the VFW.

Agency Purpose

The purpose of the Veterans of Foreign Wars (VFW) is fraternal, patriotic, historical, and educational; to preserve and strengthen comradeship among its members; to assist worthy comrades; to perpetuate the memory and history of our dead and to assist their widows and orphans; to maintain true allegiance to the government of the United States of America and fidelity to the Constitution and laws; to foster true patriotism; to maintain and extend the institutions of American freedom; and to preserve and defend the United States from all her enemies, whomsoever.

Core Functions

The VFW's services are available to all veterans. Membership in the organization or VFW Ladies Auxiliary is not required in order to be represented by all VFW offices.

Operations

Claims and Services Offices

- ◆ serve as attorneys-in-fact for veterans, their dependants, widows, and orphans in securing funds and services to which they are entitled;
- ◆ seek to increase awareness among veterans in Minnesota of the available services;
- ◆ employ two accredited claims representatives and two secretaries at Fort Snelling U.S. Department of Veterans Affairs (VA) Regional Office; and
- ◆ provide representation in appeal procedures when claims are initially denied by federal agencies.

VA Medical Center in Minneapolis

- ◆ provides hospital representatives; and
- ◆ assists veterans and dependants in preparation of the required documentation and information necessary for securing health care benefits.

Washington, DC

- ◆ provides personnel for appeals for all veterans; and
- ◆ provides representation in front of the U.S. Court of Veterans Appeals.

Budget

The VFW receives a grant from the General Fund and uses it to supplement approximately 38% of its budget for salaries. In the FY 2004-05 biennium, base funding for this grant was \$55,000 per year, which represents approximately 8% of the organization's total budget.

At A Glance

The Department of Minnesota VFW has a governing board of 20 members called the Council of Administration.

- ◆ In 2004, the VFW represented 98,000 Minnesota veterans and their dependants. This number is expected to rise to 105,000 annually in 2005-06 and 110,000 in 2006-07.
- ◆ In 2003, the VFW recovered \$45.7 million in total cash benefits from the federal government for veterans in Minnesota. This amount is expected to rise to over \$55 million a year in the future.
- ◆ 80% of veterans in Minnesota will soon be over 65 years of age, which impacts the demand of VA-related services and health benefits. The average age of veterans:

World War II	81 years
Korean War	72 years
Vietnam War	57 years
Persian Gulf War	38 years
Iraqi Freedom	25 years

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