

**Testimony  
of  
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April 27, 2010**

For the organized veterans' community in Michigan the passage of SB 250 into law as PA 112 of 2009, was the most damaging piece of legislation I have witnessed in 38 years of being a veterans' advocate. It is both divisive and destructive.

It has reduced funding at a time when Vietnam veterans are seeking help from the USDVA in ever increasing numbers. It has placed the veterans' service organizations (VSOs) in competition rather than in collaboration in their efforts to help Michigan's 720,000 veterans and their families. It has taken on responsibilities beyond its means. And – because of the intentionally vague and deceptive language – it has installed an extremely subjective method of awarding grants to the VSOs.

By removing \$1 million from the appropriation for the VSOs the law reduced the grants support far beyond the percentage of cuts to other sectors of the state's budget. This reduction comes at a time when the greatest need for USDVA assistance is coming from the newest veterans – Iraq and Afghanistan – and from the largest component of the U.S. veteran population – Vietnam veterans. I know that there is at least one segment of the budget that was increased by more than several times than the amount cut from the VSOs.

For many decades the VSOs approached the Michigan legislature collectively for grants to support their work. Now, under PA 112 of 2009, they are forced to openly compete for a reduced pool of money. This has resulted in at least 4 VSOs not being funded for all or half of the current fiscal year. One of them is VVA.

It is well known that Michigan has been in a fiscal crisis for many years. The same can now be said of counties, cities, and villages throughout the state. And yet, PA 112 of 2009, mandates that the state explore ways of funding county veterans operations. When funding has been cut for the VSOs and for the veterans' homes how can this be a reasonable goal? It also

begs the practical question of which counties will be financially able to station accredited service officers in the VA Regional Office in Detroit?

By far the most destructive portion of PA 112 of 2009, is the extremely subjective method of awarding grants to the VSOs. First it divides the VSOs into small, medium, and large categories. Then it forces them to compete with each other for half of the funding every six months. An *advisory panel* of five VSOs was formed to help make these decisions. In the process of consideration for the last half of this fiscal year it appears that the advisory panel's recommendation was the decision. It is important to note here that VVA was not included in the panel, and that VVA was not funded for this cycle. As of this date no objective explanation has been provided by the Veterans Affairs Directorate within DMVA.

VVA now faces the real possibility of laying off all but one of its service officers. There are hundreds of claims still pending and new claims cannot be taken. How well does this serve Michigan's veterans and their families?

NOTE: Every VSO in Michigan has separate funding to match or exceed the state grant. Much of VVA's funding is contingent upon the state grant.

### **Recommendations**

- The \$1 million must be restored to the VSO grant budget, and the expansion of the state's role in other levels of government must cease to be an objective.
- The decisions to award grants must be made on an objective basis. I suggest that it be measured by (1) the number of claims taken & filed; (2) the number of claims approved by the USDVA upon first submission; (3) the number of claims handled at the Board of Veterans Appeals (BVA) level; (4) the number of claims handled at the Court of Veterans Appeals (CVA) level; and (5) the total amount of recoveries for the previous fiscal year. Measures 2-5 should be weighted. [When these factors are considered VVA is among the highest performing VSOs in the state.]

- Seriously consider establishing a fund that would provide assured funding for the VSO grants. This would be a protected fund like the Michigan Veterans Trust Fund (MVTF) and money would come from both public and private sources.
- Seriously consider the designation of a Michigan Department of Veterans Affairs. It would be the smallest, and the most fiscally effective department in state government. The MVTF is self funded. The veterans' homes generate at least \$2 for every \$1 of GF/GP appropriation. The VSO's produce recoveries that resulted in \$1 billion of benefits coming to Michigan's veterans and their families last year.

In closing I remind the committee that there is a great need for the VSOs at this point in our history. Not too long ago VVA paid for billboards in Macomb County urging veterans to seek help with claims for conditions related to their service in the U.S. armed forces. After just a few weeks the operation had to cease because it was overloaded.

It is often said by elected officials that they cannot do enough to help our veterans and their families. Your efforts to correct the damage of PA 112 of 2009, will demonstrate whether or not that statement means that there is, in fact, more to be done.