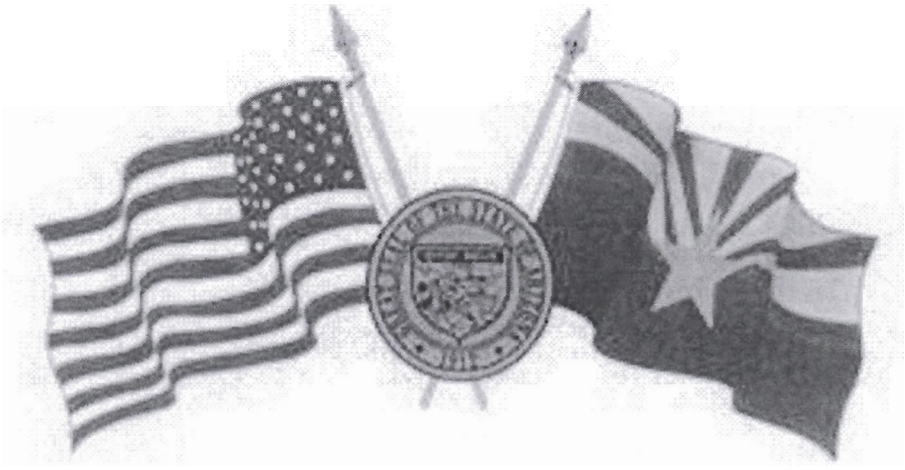

Recommendations
and
Final Report
of the

Arizona Veterans Task Force

Presented to:

The Honorable Janet Napolitano
Governor, State of Arizona

The Honorable Ken Bennett
Senate President

The Honorable James Weiers
Speaker of the House

January 2006

"The willingness with which our young people are likely to serve in any war, no matter how justified, shall be directly proportional as to how they perceive the veterans of earlier wars were treated and appreciated by their nation."

- George Washington

A complete copy of the

Arizona Veterans Task Force

Recommendations and Final Report

may be viewed in its entirely at the
Arizona Department of Veterans' Services website:

http://www.azdvs.gov

Executive Order 2005 -15

Arizona Veterans Task Force

WHEREAS, more than 565,000 veterans reside in the State of Arizona; and

WHEREAS, although precise data are not available, it is estimated that these veterans generate in excess of five billion dollars to the state's economy through Veteran Administration expenditures, disability compensation and pensions, educational benefits, military retiree pay and veteran's employment funding; and

WHEREAS, the economic impacts of these veterans has not been adequately studied at the highest level of state government; and

WHEREAS, state and local business and government leaders should be educated about issues of importance to Arizona veterans; and

NOW THEREFORE, I, Janet Napolitano, Governor of the State of Arizona, by the powers vested in me by the Constitution and laws of the State, do hereby order and direct as follows:

1. The Arizona Veterans Task Force is created to evaluate issues important to Arizona veterans and determine the economic impact of Arizona Veterans.

2. The *Task Force* shall be chaired by the Director of the Arizona Department of Veterans' Services, and in his/her absence, co-chaired by a member of the Veterans Task Force who has been elected to serve in that capacity. The chair and the governor shall each have power to convene the *Task Force*.

3. The *Task Force* shall be comprised of the following 11 members who shall serve without compensation;

    - The Director of the Arizona Department of Veterans' Services

    - Ten members appointed by the governor, including one member from the Governor's Office of Strategic Planning and Budget, one member from the Arizona Department of Revenue and eight members who are qualified and motivated to identify the economic impact of veterans to the state of Arizona

4. The *Task Force* shall analyze and evaluate existing state services and benefits provided to Arizona's veterans.

5. The *Task Force* shall identify and compare Arizona state services and benefits available to veterans who reside in other states.

6. The *Task Force* shall develop a plan to educate Arizona state and local leaders about issues of importance to Arizona veterans.

7. The *Task Force* shall issue recommendations and a final report to the Governor, Senate President and Speaker of the House by the first week of January 2006. Upon submission of the report, the *Task Force* shall cease to exist.

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Arizona.

GOVERNOR

DONE at the Capitol in Phoenix on this 17th day of June in the Year Two Thousand and Five and of the Independence of the United States of America the Two Hundred and Twenty-Ninth.

ATTEST:

Janice K. Brewer

SECRETARY OF STATE

Executive Summary

STATE OF ARIZONA
Janet Napolitano
Governor

Arizona Veterans
Task Force
Executive Order 2005-15

Task Force Members

Patrick F. Chorpenning
Chairperson

Rebecca J. Phifer
Co-Chair

Joe P. Bibich

George J. Heaney

Avtar S. Khalsa

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Dora Schriro

Joan E. Sisco

Caryn R. Walsh

Gary M. Yaquinto

Arizona has approximately 600,000 veterans living in the state who have helped make it one of the fastest growing states in the nation. More than $2.5 billion federal dollars annually come into Arizona's economy as a direct result of the veterans living here. Using a standard economic impact multiplier factor, these federal monies have a $5 billion impact on the Arizona economy. Arizona veterans own businesses, purchase homes and make investments. From a purely social perspective, veterans have families, attend schools and participate in philanthropic activities in the state. Arizona veterans are major contributors to Arizona's tax base.

The total estimated economic impact to the State of Arizona that is attributable to veterans and the military industry is $10 billion per year.

The Arizona Veterans Task Force had a very ambitious agenda and an extremely short lifespan. Recommendations were solicited from members and stakeholders, many of which require further study before an appropriate determination can be made.

The Arizona Veterans Task Force strongly suggests that a continuing council (i.e., a Veterans' Research Council) be formed. The Council should be divided into subcommittees for the purpose of analyzing specific categories of recommendations received by the Veterans Task Force. Suggestions that require additional research could then be properly analyzed and would result in well-conceived recommendations from that Council. A report of findings and recommendations should be submitted by the Council the first week of June, 2007.

The individual members of the Arizona Veterans Task Force used their unique experience and background to compile the recommendations. While the Task Force will cease to exist in January 2006, this report will provide the basis to make Arizona a better place for veterans to live.

The recommendations within this report will encourage veterans to select Arizona as their home or to remain here after their active duty military service has concluded. Attracting veterans will increase the socioeconomic impact resulting from Arizona's veteran population.

Introduction

"The willingness with which our young people are likely to serve in any war, no matter how justified, shall be directly proportional as to how they perceive the veterans of earlier wars were treated and appreciated by their nation." - ***George Washington***

The Arizona Veterans Task Force was established to deal with issues of importance to veterans in all walks of life. The Task Force was aimed at accomplishing two major goals: research and review the issues as they relate to veterans and educate the business and civic communities as to their findings. The Task Force compared benefits provided by other states to the benefits available to Arizona veterans as a basis for recommendations contained in this final report.

September 9, 2005 - At the initial Task Force meeting, Governor Napolitano addressed the Task Force and highlighted several areas where past and present military might be served by the Task Force. The essence of her executive order is to identify what Arizona offers to its veterans, what other states do for their veterans, and to ensure that Arizona stands out as serving its veterans the best. Discussion topics included:

- how the technical definition of a veteran has evolved over the past 75 years and has been modified by 15 years of court precedence, making the definition extremely complex;
- Arizona's veteran population has steadily increased, as evidenced by the 1980, 1990, and 2000 census. The total estimated economic impact to the state of Arizona attributable to veterans and the military industry is $10 billion per year and;
- educational benefits increase the veterans' increased earning capacity and should be utilized by Arizona veterans. Every dollar invested in veterans' education has a return of $7, according to the US Department of Veteran Affairs (VA).

October 5, 2005 - Three complex topics were presented to the Task Force during the October 5th meeting. Briefings were provided on the following:

- The U.S. Department of Veterans Affairs (VA) has a state veteran home program available where states contribute 35% of the cost of construction and it grants the remaining cost. The Arizona State Veteran Home in Phoenix provides 200 beds, while the VA formula dictates that Arizona should have 1,086 beds to serve its aging veteran population. The Tucson VA has pledged land on its campus for use as a state veteran home and the rationale for building a home in that location was outlined.

- The VA has a grant program that pays for 100% of the cost to build a state veteran cemetery when the state assumes financial responsibility for maintenance and operation of the facility upon completion. Funds which were set aside to build additional cemeteries had been used to fund the Southern Arizona Veterans Memorial Cemetery. The cemetery needs to be fully funded, the cemetery fund needs to be replenished, and additional cemeteries need to be built outside the metropolitan Phoenix area to provide a final resting place for its veterans.
- There are approximately 600,000 veterans in Arizona and there are 19 VA-certified, professional Veterans Benefits Counselors (VBC) to serve them. The VA recommends one counselor for every 5,000 to 10,000 veterans. Arizona needs at least 40 additional VBCs to serve its veterans and to attract the federal benefits into the Arizona economy.

November 2, 2005 – Topics for discussion during this meeting included the following:

- The Arizona National Guard is actively involved in Operation Enduring Freedom/Operating Iraqi Freedom. The reliance on the National Guard and Reserves is at the highest level in 60 years with no reduction in sight. Reserve components are treated very differently than active duty personnel, but both groups are serving their country and facing the same risks.
- Native American veterans have unique obstacles to receiving the benefits they have earned. Those in rural Arizona have difficulty accessing VA health care and they have cultural issues that conflict with VA claim processes.
- General Fund support for various programs illustrated the need to fund specific services to benefit veterans and increase the economic benefit to Arizona.
- Veterans benefits provided by states vary nationwide. A comparison was provided to the Task Force to serve as a basis for recommendations.

November 30, 2005 - In order to draw an accurate comparison of how Arizona ranks in the nation, a survey was conducted to identify the general fund appropriations supporting veteran programs. Of the 25 states that responded, the highest and the lowest were not considered (because their funds were so radically different). The average was an investment of $.84 per veteran per month; Arizona invests $.32 per veteran per month.

The Task Force reviewed and discussed a comprehensive list of all recommendations received by November 10, 2005 from its members and its stakeholders. A list of additional recommendations received after that date was separately reviewed and the Task Force was asked to be prepared to discuss it more fully at the December 15, 2005 meeting.

December 15, 2006 - The recommendations tabled for further study at the November 30, 2005 meeting were reviewed and discussed. The members discussed the need to continue the analysis of several items worthy of further study, and it recommended that the Governor establish a longer-term executive body to continue this work.

Actions Requiring Executive Direction

Due to the ambitious agenda of the Veterans Task Force, there were many recommendations from members and stakeholders that could not be resolved without additional study. In order to thoughtfully consider suggestions received by the Veteran Task Force, a continuing body should be established to further research issues of importance to Arizona veterans. The recommendation is to:

- Form another executive body (i.e., a Veterans Research Council) to assume responsibility for the action items identified by the Veterans Task Force.

  a. The Council shall function under the authority of the Governor and be chaired by the Director of the Arizona Department of Veterans' Services.

  b. The Governor shall appoint eleven voting members and shall serve at the pleasure of the Governor.

  c. There shall be two voting members appointed by the President of the Senate and two voting members appointed by the Speaker of the House.

  d. Members must be qualified to adequately represent the following:
     i. Rural Arizona
     ii. Special populations within the Arizona veteran community (i.e., female veterans, Native American veterans, and homeless veterans).
     iii. Reserve components from both the National Guard and Reserves (senior enlisted representatives rather than officers is suggested).

  e. The Council shall continue the work initiated by the Arizona Veterans Task Force (Executive Order 2005-15) by conducting additional study as specified by the Recommendations Report (see "Recommendations Tabled for Further Study" for specific assignments of the Council).

  f. The Council shall coordinate its analysis with the Arizona Veterans Council (leadership from the largest veterans service organizations) and the Arizona Veterans' Service Advisory Commission. The group may also need to coordinate with the US Department of Veterans Affairs (VA), Unified Arizona Veterans (a consortium of all Arizona veterans service organizations), U. S. Vets, and other organizations providing service to Arizona's veterans.

  g. The Council shall prepare a report of findings by the first week in June, 2007.
     i. The Council shall advise the Governor, Senate President and Speaker of the House on matters affecting issues of important to Arizona veterans.

  h. The Veterans Research Council shall be reviewed no later than June 30, 2007, to determine appropriate action for its continuance, modification or termination. Issues that are determined to be "Recommendations Tabled for Further Study" will become the responsibility of the Veterans Research Council. A full listing of tabled recommendations is located on Page11.

Appropriations needed:

- $10.0 million to provide the state's 35% contribution toward a **state veterans' home in Tucson**. This general fund appropriation would need to be a one-time appropriation, non-lapsing through June 30, 2008.

- $1.8 million* to establish **40 full-time veterans benefit counselors (VBCs)** and establish a staffing formula for the Arizona Department of Veterans' Services that one veterans benefits counselor is required for every 10,000 veterans in the state. This general fund appropriation will be $1.8 million on a continuing basis thereafter.

- $675 thousand to establish **15 full-time equivalent (FTE) positions to support the additional VBCs**. These support positions will be in the areas of financial services, human resources, information technology, etc. and are needed to help support the 40 additional FTE positions requested in Item 2 above, as well as to adequately support the department's current operations. This general fund appropriation will need to be continuing.

- $183 thousand to **replenish the state veterans cemetery fund**, which is used to provide for preconstruction costs of up to three veterans cemeteries. Expenditures from this fund are reimbursed from the federal government. Any monies remaining in this fund after completion of three veterans cemeteries is returned to the general fund. This general fund appropriation would need to be a one-time, non-lapsing appropriation.

- $125 thousand to provide for **maintenance and operation of the Southern Arizona Veterans Memorial Cemetery** in Sierra Vista. This general fund appropriation will need to be continuing.

- $250 thousand to provide up to ten **one-stop veterans centers** per fiscal year held in various cities throughout the state where veterans can receive a complete array of services and benefits to which they are entitled. This general fund appropriation will need to be continuing.

* This $1.8 million will be phased in over the first year and thereafter will be $1.8 million in subsequent years.

Actions Requiring Legislative Change
No Impact on the General Fund

- Include the following language in the General Appropriations Bill: "Approve the expenditure of all funds in the Veterans' Contingency Fund to modify the **heating/air conditioning (HVAC) system in the Arizona State Veteran Home** in Phoenix to include installation of registers and/or returns in the residents' restrooms. The Legislature would be asked for "spending authority" for the Contingency Fund and no general funds would be requested."

- Extend a **tuition waiver scholarship** to active personnel and reservists similar to the scholarship given to members of the Arizona National Guard who are **Purple Heart** recipients. Past and present service personnel must qualify for the Montgomery GI Bill in order to receive the waiver.

- **Equalize military preference points for all veterans** (disabled and non-disabled) applying for public service positions. After meeting all qualifications for the public service positions, applicants currently receive 5 preference points for being disabled and 5 preference points for being a veteran. The Task Force recommends that veteran status receive 10 preference points after the applicant has qualified for the position. The Task Force also recommends 10 preference points as the maximum number that veteran status may receive. Disabled veterans would be provided 10 preference points for veteran status and 5 preference points for disability, but the total number of preference points that would be allowed would be capped at 10 points.

- Establish a new **patriotic specialty license plate**. The patriotic plate may be purchased by non-veterans and does not replace the veterans license plate currently available to qualified veterans and their dependents.

Recommendations Tabled for Further Study

The following issues were too complex to adequately research before the Veterans Task Force recommendations were due. The VTF recommends the following critical issues are assigned to a newly formed executive body (i.e., the Veterans Research Council) for analysis and consideration. The order in which the target analysis is present below does not indicate the level of importance.

1. Develop a comprehensive **education** plan for veterans and their eligible dependents to include public service apprenticeship and on-the-job training programs.

2. Identify obstacles faced by **rural veterans** regarding obtaining VA and other services and recommend ways to improve access. Plans may include a suggestion that every incorporated town and city establish a Veterans' Service Representative.

3. Create **incentives** for veterans to relocate to or remain in Arizona. Such incentives may be based on recommendations received by the Veterans Task Force or similar to incentives in place for veterans in other states.

4. Develop a comprehensive plan to (1) ensure that the **Reserve Components** (which includes both National Guard and Reserves) are receiving benefits equitable to active duty personnel, and (2) provide incentives and/or minimize obstacles to recruitment. The plan is expected to include draft resolutions to be sent to the US Congress from the Arizona Legislature, changes to Arizona law, and outreach to Reserve Components.

5. Viability of moving the **DVOP and LVER programs**[1] from the Arizona Department of Economic Security to the Arizona Department of Veterans' Services.

6. **Tax relief for disabled veterans**.

7. Establish a **state home loan program** for veterans in Arizona.

8. Propose benefits for **disabled veterans** similar to programs in other states. Such benefits may include, but are not limited to the following:
   a. Free hunting and fishing license to 100% service connected disabled veterans, with no expiration date.
   b. Establish a Disabled Veterans' Business Enterprise program, which would create business opportunities for veterans with disability.

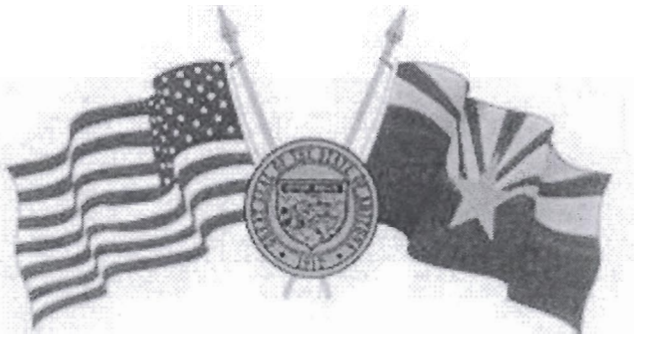
[1] Disabled Veterans' Outreach Program (DVOP) and Local Veterans Employment Representative programs.

c. Mandate that a certain percentage of state contracts be awarded to disabled veterans in the state of Arizona (similar to the California program and the US initiative signed by President Bush in October of 2004).

9. Develop a statewide plan for **homeless and indigent veterans** to include:
   a. Programs designed to keep veterans from becoming homeless.
   b. Programs to expunge the petty crime and misdemeanor criminal records of homeless veterans who are enrolled in a rehabilitative program for 60 to 90 days.

State of Arizona

Janet Napolitano
Governor



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Executive Order 2005-15

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