

Arizona Military Family Relief Fund Advisory Committee Meeting

Director's Conference Room
3839 North 3rd Street, Suite 209, Phoenix, AZ 85012
October 15, 2013 – 2:00 p.m.

Committee Members Present

Randy Meyer, Chairman
Martin Badegian*
Paul Clark*, Vice Chairman
Carol Culbertson
Paul McKenney*
Kathy Pearce*
Larry Struck*
Stanley Zeitz

Committee Members Absent

Robert Barnes, ADVS Deputy Director/Designee
John Aldecoa
Larry Brown
George Cushing
Thomas Troxell

** Participated in the meeting by teleconference*

MFRF Committee Staff

Travis Schulte, ADVS/MFRF

Assistant Arizona Attorney General - Invited

CALL TO ORDER and APPROVAL OF MINUTES

Chairman Meyer called the meeting to order at 2:09 p.m. Stanley Zeitz moved to approve the draft minutes of the public meeting held on September 17, 2013. Carol Culbertson seconded and the motion carried unanimously.

DISCLOSURE STATEMENT

Chairman Meyer read the Advisory Committee's Disclosure Policy. Advisory Committee members must disclose their knowledge of an applicant to the Advisory Committee during the consideration process. Knowledge of an applicant that benefits all members of the Advisory Committee during the consideration process does not create a conflict of interest. If an Advisory Committee member has knowledge of an applicant and has a vested interest in the outcome of the Committee's findings or seeks to benefit or gain from a vote on a particular application, he/she is required to recuse his or herself from consideration of that applicant as it creates a conflict of interest.

EXECUTIVE SESSION

Chairman Meyer moved the meeting to executive session at 2:11 p.m. to discuss MFRF applications that are, according to ARS 41-608.04.E., confidential. Executive Session is allowable under ARS 41-608.04.E.

APPLICATION RECOMMENDATIONS

Chairman Meyer returned the meeting to public session at 2:36 p.m. to vote on applications:

1. 2013 **March A** – Stanley Zeitz moved to recommend the application be approved for \$1,884.00 for three months' rent, but not for six months as assistance grants are limited to a maximum of three months at a time per Award Criteria. Paul McKenney seconded the motion, and the motion carried unanimously.
2. 2013 **October C** – Stanley Zeitz moved to recommend the application be denied as submitted as the application does not meet Award Criteria. The hardship is brought on by the birth of an additional child. Prior to that, the applicant did not seem to be in financial distress; therefore the hardship is not related to service in a combat zone. Kathy Pearce seconded the motion. Per

discussion, Larry Struck stated that the applicant's Leave and Earnings statement indicated the applicant had 22 days of leave available to use. Per vote, the motion carried unanimously.

3. **2013 May E** – Stanley Zeitz moved to recommend the application be approved as submitted for up to \$10,000.00 for participation in the Transition in Place program that provides six month housing assistance and supportive services. Carol Culbertson seconded the motion, and the motion carried unanimously.

MARKETING REPORTS

No marketing reports presented.

ELECTION OF 2014 OFFICERS

Travis Schulte opened the floor for nominations for 2014 Chairman and Vice Chairman. Kathy Pearce and Larry Struck nominated Randy Meyer to continue serving as Chairman. Carol Culbertson and Randy Meyer nominated Paul Clark to continue serving as Vice Chairman. Per vote, the motions carried unanimously. Chairman Meyer and Vice-Chairman Clark will continue to serve in their respective positions.

CALL TO PUBLIC

Chairman Meyer stated he had received a call from Corey Harris regarding an inquiry if the Military Family Relief Fund would be able to cover veterans' disability and retirement checks for Arizona residents because of the government shutdown. Chairman Meyer opened the floor for discussion on the topic.

Discussion ensued regarding if the proposal was allowable per State Statute and Award Criteria.

Martin Badegian expressed concerns that the veteran would be in effect double-dipping once the owed compensation was paid to the veteran, without being able to recoup any of the assistance provided. That scenario would quickly deplete the fund.

Chairman Meyer echoed this concern, stating Luke AFB supported slightly over 100,000 veterans at the base, and taking into account Yuma and Tucson as other major hubs the fund would be immediately exhausted if MFRF was used to substitute disability or retirement compensation. In addition, awards from MFRF are distributed in the form of grants, there is no mechanism to loan from MFRF or recover money granted to an awardee. Chairman Meyer was also concerned about the staffing and Committee needs to review and process grant applications from that amount of veterans.

Kathy Pearce stated that this scenario isn't caused by combat deployment or covered in the Award Criteria guidelines because the hardship is caused by the federal government shutdown, not combat deployment. To make this exception is not realistic. She also stated that this use of funds was not the intent of the donors, and as stewards of the people's money it is the responsibility of the Committee to do the right thing with the fund and not use it to cover the federal government failing to meet its obligations.

Paul Clark stated that for post-9/11 veterans who can link their disability compensation to their combat deployment, he felt eligibility for assistance could be established under existing laws and criteria because the need for financial compensation was caused by their service in a combat theater. Even though the immediate cause of their hardship could be the federal government failing to pay their disability compensation, the original cause of their hardship was their combat deployment.

Larry Struck stated that this conversation may be premature because the fund does not provide assistance until the bill is due. Some of the bills that a veteran may need assistance with may not become due until later in the month, providing time for the government shutdown to be resolved and compensation distributed.

Representative Jonathan Larkin spoke and clarified the intent of the inquiry was to seek an appropriation from the fund and limit the assistance on a first-come, first-serve basis to those Iraqi and Afghanistan veterans who can demonstrate a need for financial assistance and are very dependent on their disability compensation. Representative Larkin didn't feel it was premature to have the discussion. Representative Larkin also stated that there was a stigmatism with MFRF, and that he had been approached by Veterans many times inquiring about what the money donated to MFRF is doing by claiming it is not helping veterans, and stated he has been told that MFRF funds could be better spent on mental health services and other uses.

Stanley Zeitz stated that MFRF was set up to provide direct grants to veterans and their families, not to provide grants to other service providers or organizations, and asked Representative Larkin how MFRF could possibly circumvent the law to help the veterans or organizations he was referring to.

Chairman Meyer reiterated that the law that created MFRF is very clear, and that some organizations have desired to gain access to the money in MFRF that has been generated through successful fundraising. The law created specific eligibility requirements for recipients. Some organizations have argued the money in MFRF is not helping veterans, but MFRF has clearly helped veterans for six years. Earlier in the meeting Representative Larkin heard the Committee directly assist two veterans, and that doesn't include all of the emergency assistance approved by the Emergency Subcommittee that goes out during each month.

Chairman Meyer also stated that he has heard back from Vietnam era veterans on this proposal and they are upset because their disability or retirement compensation would not be eligible to be covered by this proposal if the federal government shutdown prevents payment on 1 November.

Kathy Pearce took issue with other organizations complaining about the MFRF award process to Representative Larkin as every organization or government agency has rules and guidelines governing the disbursement of awards and the scope of who they serve, and stated it is unacceptable for an organization to demand that another organization does things their way and change the way the organization operates and their rules and guidelines to suit their own needs.

Representative Larkin inquired more on the MFRF award process, and stated that MFRF has a sound disbursement process that prevents fraud. Representative Larkin suggested the proposal be run by the attorneys to determine if it is possible.

Chairman Meyer and various Committee members expressed the need for Legislative support to provide support to advertise the fund and to change the two-thirds approval requirement to award grants greater than \$10,000 and up to \$20,000 to a simple majority approval.

Martin Badegian echoed Kathy Pearce's earlier point that this problem isn't caused by a veteran's service connection in a war theater; the problem is a government problem and its second and third order effects. He also stated that another veterans' charity that he is also involved in receives a lot of push back from other veterans groups that do not fall within the charity's parameters of a 30% combat disabled OEF/OIF/OND veteran.

Chairman Meyer concurred and stated that other bureaucratic mistakes by government agencies that delayed benefit or income payments have not been assisted with in the past because the hardships were caused by an administrative error, not a war-related issue.

Representative Larkin inquired how to refer a veteran or veteran's family to MFRF, and the Committee explained the process, some of the criteria used to evaluate applications and that all of the information is published on the fund's website. Chairman Meyer and Committee members stated that the Committee considers all requests of veterans who had Arizona residency at the time of a combat deployment after September 11, 2001.

Representative Larkin proposed MFRF put a repayment program or contract together to assist veterans who need one-time help, but was advised that MFRF does not have the statutory authority to issue loans; only grants.

Committee members confirmed to Representative Larkin that MFRF encourages all eligible applicants to submit an application for consideration. Representative Larkin suggested using that messaging to help get the word out there among veterans if the government shutdown continues. Chairman Meyer confirmed MFRF uses all media opportunities, and works with other groups to take advantage of all available marketing opportunities.

Representative Larkin invited Committee members to visit with the Veterans' Caucus at the Legislature, and asked if it was alright for him to refer veterans for assistance. Committee members overwhelming said yes and confirmed that the Committee can guarantee each applicant will receive a fair assessment based on state statute, award criteria and completed grant application.

ADJOURNMENT and NEXT ADVISORY COMMITTEE MEETING

Carol Culbertson moved to adjourn the Advisory Committee meeting. Stanley Zeitz seconded the motion and the meeting adjourned at 3:35 pm.

The next Advisory Committee meeting is scheduled for Tuesday, November 19 at 2:00 p.m. in the Director's Conference Room.