

FY 2024 Annual Report on the Michigan Veterans Trust Fund

In accordance with provisions of Section 405, Public Act 119 of 2023, the Department of Military and Veterans Affairs submits the following information concerning operations of the Michigan Veterans Trust Fund (MVTF) from October 1, 2023 through September 30, 2024. Specific data to report for FY24 identified in the Public Act is included in Enclosures 1 through 4.



Emergency Grant Program

The Board of Trustees appointed by the Governor administers the Emergency Grant Program(EGP) which makes available grants to honorably discharged wartime era veterans and their dependents with unforeseen, short-term financial emergent needs. “Emergent need” has been defined as “an unforeseen circumstance causing a temporary or short-term financial emergency or hardship that a grant will resolve.” Additionally, the applicant must demonstrate the ability to maintain financial obligations in the future.

History

The MVTF was established in 1946 with a corpus of \$50 million to help World War II veterans overcome unexpected expenses ranging from utility bills to home repairs to mortgage assistance and to get back on their feet financially. Veterans of subsequent conflict eras have also been made eligible for the EGP.

Between 1946 and 1996, on occasion, the legislature utilized portions of the MVTF for purposes not related to the initial establishment of the MVTF. In 1996, constitutional protections were added to the Trust Fund corpus. As a result, the Board of Trustees now has sole fiscal authority over the MVTF and the corpus has recovered its original value as of 2010 and has grown through careful investments ending the fiscal year at about \$75 million. The Board endeavors to continue to grow the corpus to safeguard the trust fund for future generations of veterans.

Fund Allocation

In accordance with Section 5, Public Act 9 of 1946 - MCL 35.605 funds are allocated in thefollowing manner. Initially, the Trustees approve and budget the administrative operating expenses of the fund from the anticipated earnings. Previously, the MVTF would distribute emergency grant funds by allocating 50 percent of the emergency grant budget to the 83 counties based on the ratio of the county’s war era veterans to the state’s total war era veteran population. A U.S. Department of Veterans Affairs report served as the source document and funds were distributed to the counties on a quarterly basis. The Board of Trustees has determined that current technologies which enable the State office to make grant payments has made the disbursement of funds to the county treasurers’ offices unnecessary and inefficient. The Trustees hold a 50 percent reserve for payment of grants once the initial allocation for county and regional/district grant payments has been expended in support of individual grants.

Unexpended funds remaining at the end of the fiscal year are reinvested into the corpus.

Applications and grants

County and regional/district committees composed of veterans appointed by the Board of Trustees analyze the merits of each application and vote to approve or deny according to policies established by the Board of Trustees. Approved applications are paid by the MVTF State office to the vendor providing the service to the applicant (no money is paid directly to an applicant). Applicants who receive notification that their application was denied are provided instructions for how they may appeal the decision to the Board of Trustees.

EMERGENCY GRANT PROGRAM 5-YEAR COMPARISON					
	Applications Total	Approved	% Approved <i>(Withdrawn applications not included)</i>	Amount Requested	Grants Distributed
FY 2019-20	1,125	541	71%	\$2,843,920	\$1,033,575
FY 2020-21	760	426	74%	\$2,177,095	\$1,303,008
FY 2021-22	1,298	482	79%	\$2,656,635	\$1,513,467
FY 2022-23	1,495	592	76%	\$2,752,766	\$1,515,538
FY 2023-24	857	541	78%	\$3,748,902	\$1,763,835

The MVTF has no direct control over the number of applications it receives in any given year. It is generally true that the MVTF has experienced increased applications when the economy is doing

poorly, and the number of applications decreases when the economy is performing well. In addition, the success of the Michigan Veterans Resource Service Center (MVRSC) within the Michigan Veterans Affairs Agency (MVAA) suggests that more veterans are receiving assistance from other resources to address their emergent needs without applying to the MVTF. The MVRSC has a mission to facilitate access for veterans to all available resources whether they be federal, state, or county; private or government; non-profit or corporate. TheMVTF's relationship with the MVRSC is discussed in greater detail below. Further, the establishment of county emergency assistance funds, made possible by the County Veterans Service Fund Grants, has diminished the utilization of the EGP in some counties.

EGP Structure

The MVTF ensures that every veteran has access to the EGP through the operations of its 70 local trust fund committees with 65 organized on a County Model and 5 on a Regional/District Model (MCL 35.606a authorizes consolidating counties into districts).

County Model Administrative Operations

In the County Model, applications continue to be taken by an authorized agent and submitted to the county MVTF committee. However, instead of contacting vendors to coordinate payments, creating and processing vouchers, and balancing a separate MVTF account, counties now simply forward the completed application with the local committee decision to the State office to make payments and file for record-keeping.

By removing fiscal responsibilities and the administrative requirement for counties to maintain a separate MVTF account to pay emergency grants, the workload previously contracted through service agreements with the counties has been significantly reduced. With this change, counties are no longer burdened with the responsibilities of managing the EGP. Rather, they simply assist their veterans in need to access a resource that a committee of their local veterans may approve to provide emergency assistance.

Regional/District Model Administrative Operations

The Regional/District Model leverages available technology to increase access to the EGP while reducing the reliance on authorized agents and service agreements at the county level. It consolidates several county level committees into a regional/district committee with a representative from each county and an application review process that is completed online weekly. This process eliminates the need and cost of the physical meetings associated with the County Model. Upon completion of the committee’s review of the applications, the MVTF State office staff sends out notifications of decisions and makes the appropriate grant payments.

The Regional/District Model relies on a collaborative relationship with the MVAA’s MVRSC to receive phone calls for emergency assistance and then triage the request to the best available resource for that veteran’s situation. This collaboration leads to a broader consideration of all available resources (federal, state, local, private, etc.) and facilitates coordination to address the needs of the veteran which may be more complex than what was initially identified. The Regional/District Model recognizes that the EGP is a great resource whose impact can be amplified when applying the MVAA’s philosophy of “No Wrong Door” for serving and caring for our veterans, by guiding them to the best resource for their situation.

MVTF EXPENDITURES 5-YEAR COMPARISON					
Fiscal Year	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Treasury/Security Lending Fees	\$124,657	\$102,637	\$125,061	\$270,193	\$129,164
State Admin Costs	\$88,793	\$94,867	\$88,631	\$109,502	\$134,228
State Program Costs	\$572,908	\$690,762	\$836,296	\$835,891	\$926,751
County Program Costs	\$44,833	\$34,334	\$48,073	\$67,240	\$48,480
Special Program Grants	\$8,000	\$484,640	\$308,000	\$151,100	\$159,500
Grants	\$1,030,786	\$1,303,008	\$1,513,467	\$1,515,538	\$1,763,835

Accountability and Transparency

In May 2019, the Office of Auditor General released its latest audit which credited the MVTF with achieving a 25 percent reduction in “administrative expenses” over the previous two years. This achievement came as a result of cost saving measures tested in the Regional/District Model Pilot conducted in 2016 and fully implemented in FY 2018.

In addition to exploring cost-savings, the Director and the Board set about to align more closely the MVTF’s financial reporting with that of other trust funds within Michigan state government. A comparison revealed that while other State-chartered trust funds either separated program costs from administrative costs or elected not to report any administrative costs, the MVTF was unintentionally inflating its administrative costs by reporting all expenses as administrative costs. In consultation with the DTMB Office of Internal Auditors, the MVTF has now begun to separate program costs from administrative costs in its reporting.

Financial Condition of MVTF Corpus

An amendment to the State Constitution in August 2002 allows the State of Michigan’s trusts to contain equity and corporate bond holdings. This permits the State Treasurer, acting in accordance with the authority of Article IX, Section 37 of the State Constitution, to work in conjunction with the Board to maintain the corpus at or above its original value of \$50 million, to provide earnings with which to fund the EGP (both program expenses and administrative expenses) and additional projects or programs that the Board chooses to fund in accordance with its constitutional powers. Additionally, the Board has a goal to grow the corpus so that it remains a viable source of benefits for future generations of Michigan veterans.

Corpus (in millions)	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
Beginning balance	\$63.7	\$65.4	\$72.8	\$64.2	\$67.6
Ending balance	\$65.4	\$72.8	\$64.2	\$67.6	\$75.0

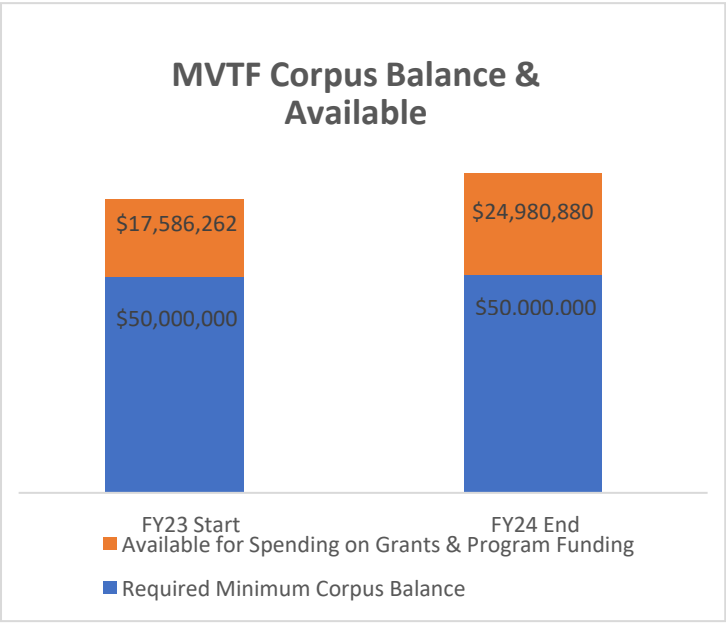
As stewards of the MVTF, the Board of Trustees works closely with the Treasury Department to increase the earnings potential of the corpus without exposing it to unacceptable risks. In 2016, at the request of the Board, Treasury adjusted the investment strategy to accept a slightly increased level of investment risk to achieve greater gains to the corpus and improve its financial position in anticipation of the demands that will be placed upon it in the future. As a result, the corpus grew over the last several years with strong stock market gains.

CORPUS VALUE				
(as of September 30,2023)	Cost/Book Value	% of total	Market Value	% of total
Short Term Investments	\$4,669,145	7.18	\$4,669,145	6.23
Total Fixed Income	\$19,354,599	29.76	\$18,319,788	24.43
Equities	\$19,149,973	29.45	\$23,541,408	31.40
Real Estate	\$3,643,826	5.6	\$3,855,861	5.14
Alternative Investments	\$18,214,859	28.01	\$24,594,677	32.80
Total	\$65,032,401	100	\$74,980,880	100

Actions to Preserve the Fund

Over the years, the Board of Trustees has cut its program and administrative costs by various means including the reduction of full-time staff. Staffing has fallen from a high of 23 in 1983 to the current level of 7 full-time employees. More recently, the MVTF Director and the Board of Trustees have begun leveraging technology to modernize operations that reduce program and administrative costs while also preparing for success in the future.

This initiative has enabled the MVTF to centralize all payment processing in the State office eliminating costly and redundant processes established decades ago that also placed additional administrative burdens on the counties. In addition, the MVTF converted the 166 spreadsheets it was using to administer the EGP into one database and converted to a completely paperless system of record retention by leveraging the MVAA's chosen customer relationship management platform, Salesforce, to manage applications, committee voting, grant payments, and veteran contact information. In fiscal year 2024, the MVTF deployed a new online application for the county agents to use. This Salesforce based system simplifies the taking and processing of applications and automates notices of decision, letters of acknowledgement, application tracking, payment notifications, and reporting. As we continue to deploy further functionality, we believe this tool will continue to increase the



MVTF's efficiency and improve the service that we provide to our veterans.

The Trust Fund of the Future

The EGP has been experiencing a declining number of applications over the last several years. There are a number of factors contributing to the declining application count including the increased resources available through the Federal VA, county emergency assistance funds, non-profits and private or commercial entities. Most significant is the nearly complete loss of our World War II and Korean War veterans along with the aging and depleting ranks of our Vietnam-era veterans with their diminished life expectancy rates largely attributed to Agent Orange related illnesses. Even as the number of veterans decline, it is important to remember that nearly every veteran that has been released from active duty in the last 30 years is eligible for the EGP and the last wartime era veteran eligible to apply to the EGP has not been born yet. As the younger generations of veterans age and the MVAA continues its aggressive information campaign to ensure that every Michigan veteran knows about the benefits for which they are entitled, we fully anticipate that utilization of the EGP will likely increase in the future and especially as the economy continues to struggle.

Many veterans and dependents could have averted the financial crisis that prompted their EGP application by becoming educated about budget matters and getting help to manage their finances responsibly. To this end, in 2019, the Board of Trustees partnered with GreenPath Financial Wellness, a Michigan non-profit, to provide a dedicated phone line for all Michigan veterans (including peacetime veterans) seeking assistance to achieve financial wellness and making available their suite of educational resources and trained counselors. As participation in this program continues to grow, this partnership shows promise in assisting Michigan veterans to achieve and maintain financial wellness and self-sufficiency.

Over the years, the Board has recognized that veterans are most vulnerable and less able to rebound from financial setbacks in their senior years. Recognizing that a large group of post-Vietnam peacetime era veterans have recently begun to enter that age demographic, the Board approved the 65+ Peacetime Emergency Grant Program in 2021 to provide limited emergency assistance to this demographic.

In its strategic plan, the Board of Trustees has identified goals for how the MVTF can shape and positively impact the veteran community of the future. The Board recognizes the need to exercise vigilant oversight of the corpus and to be diligent to assess and address the needs of future generations of veterans while prioritizing the function and operations of the EGP. The Board believes that the MVTF of the future will have a greater impact by developing, supporting, and leveraging partnerships with organizations that are experiencing success in helping veterans and their families to thrive. The MVTF's strategic plan can be viewed at the MVAA website.

Please feel free to request specific information about the Michigan Veterans Trust Fund, as desired.

Sincerely,

Lindell L. Holm

Lindell L. Holm

Director, Michigan Veterans Trust Fund

Enclosures

1. Grant Application & Assistance Data by Category and County
2. EGP Applications Map
3. EGP Grant Dollars Map
4. EGP Data Dashboard

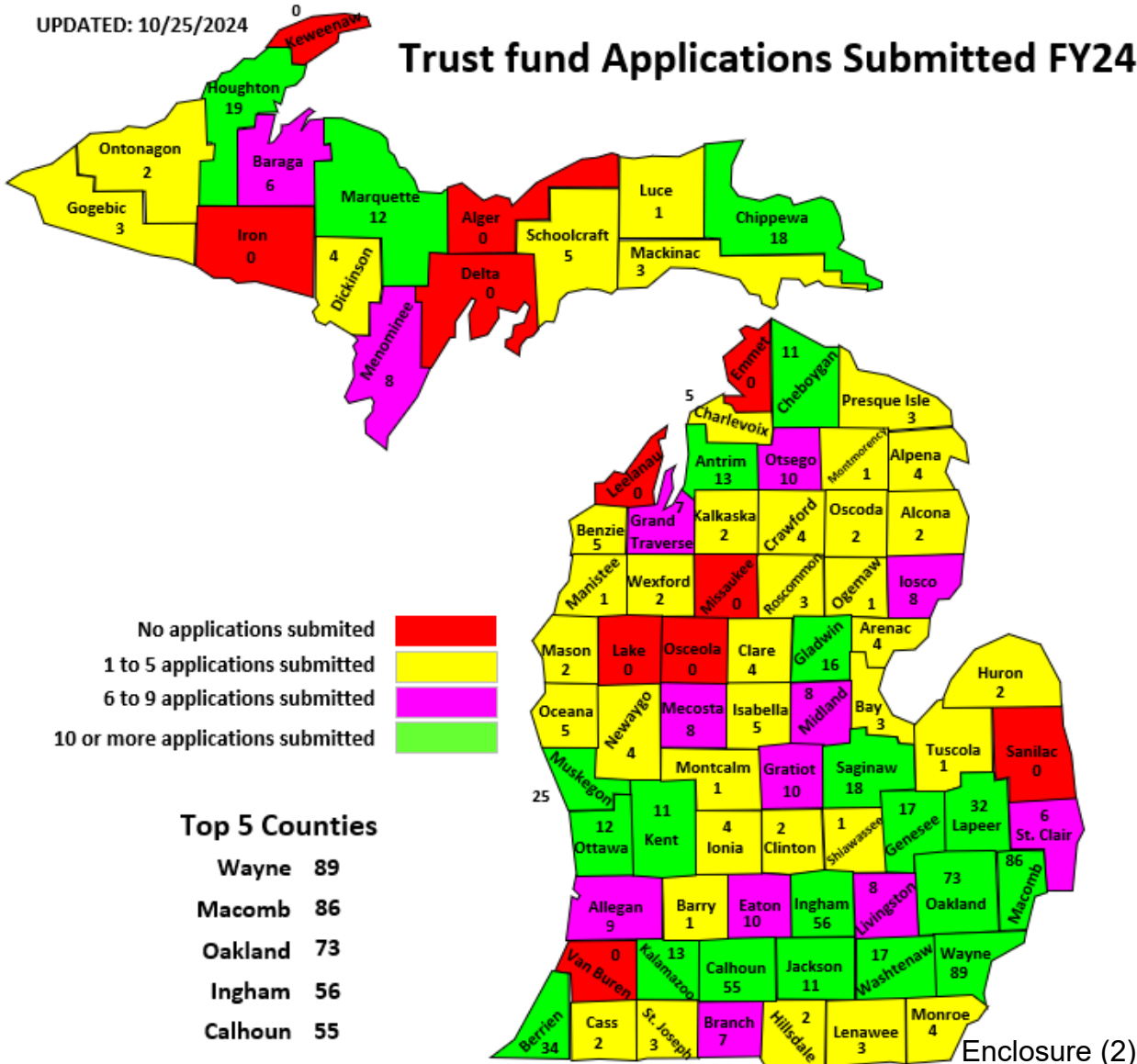
Grants Paid

Applications

Location	Home Repair	Shelter	Auto	Utilities	Medical	Misc	Total	Approved	Disapproved	Partial	Withdrawn	Total	Vets/ Dep
Alcona	\$29,436.00						\$29,436.00	1		1		2	7
Alger													
Allegan	\$21,831.50	\$1,438.30					\$23,269.80	4	2		3	9	10
Alpena	\$4,810.00			\$1,379.96			\$6,189.96	2	1		1	4	8
Antrim	\$12,000.00	\$412.90	\$6,007.19	\$2,180.87			\$20,600.96	9			2	13	17
Arenac	\$8,411.09			\$1,309.11			\$9,720.20	1		1	2	4	4
Baraga	\$6,975.00		\$3,500.00				\$10,475.00	2	1		3	6	4
Barry	\$3,090.63						\$3,090.63	1	1			2	4
Bay	\$5,895.46						\$5,895.46	1	1	1		3	2
Benzie	\$16,048.00		\$4,455.78				\$20,503.78	4		1		5	10
Berrien	\$10,749.95	\$15,007.82	\$517.83	\$6,875.81		\$476.99	\$33,628.40	12	13	5	3	34	30
Branch	\$12,585.00			\$2,191.28	\$3,930.00		\$18,706.28	2	2	1	1	6	8
Calhoun	\$30,599.50	\$29,195.56	\$6,158.43	\$10,472.00	\$301.00	\$5,366.00	\$82,092.49	36	14	3	3	56	82
Cass		\$3,361.40		\$1,698.16	\$500.00		\$5,559.56	1		1		2	3
Charlevoix		\$929.06	\$2,728.70	\$1,615.13			\$5,272.89	3	1	1		5	9
Cheboygan	\$13,066.25	\$3,943.14		\$1,190.84			\$18,200.23	5	4	1	2	12	13
Chippewa	\$15,189.00	\$1,636.00	\$2,066.18	\$3,837.14		\$894.00	\$23,622.32	7	7	2	2	18	28
Clare	\$21,179.00						\$21,179.00	2		1	1	4	6
Clinton				\$4,462.41			\$4,462.41	1	1			2	5
Crawford	\$9,500.00			\$785.87			\$10,285.87	4				4	8
Delta													
Dickinson				\$1,391.61			\$1,391.61	2				3	8
Eaton	\$19,215.42	\$8,520.83	\$564.25	\$3,191.09			\$31,491.59	7	1		2	10	23
Emmet													
Genesee		\$4,242.08	\$4,391.53	\$10,758.67			\$19,392.28	7	10			17	11
Gladwin	\$16,235.50	\$1,999.40	\$3,863.38	\$9,341.52			\$31,439.80	14	1	1		16	31
Gogebic	\$2,000.00						\$2,000.00	1			2	3	2
Grand Traverse	\$11,791.40	\$5,767.48	\$535.98	\$1,650.96			\$19,745.82	5	2		1	8	10
Gratiot	\$22,684.26	\$3,729.19	\$4,897.57	\$2,063.13			\$33,374.15	10				10	21

Hillsdale		\$4,692.01	\$166.87	\$363.00			\$5,221.88	2				2	4
Houghton	\$9,660.00	\$24,508.15	\$9,810.75	\$8,354.10	\$1,632.12		\$53,965.12	16	2		1	19	31
Huron				\$1,233.57			\$1,233.57	2				2	3
Ingham	\$75,307.30	\$65,722.31	\$6,514.48	\$15,112.80		\$8,357.38	\$171,014.27	37	8	2	5	56	93
Ionia		\$6,107.00		\$2,668.00			\$8,775.00	3				4	10
Iosco	\$15,247.67		\$4,693.50				\$19,941.17	3	1		4	9	6
Iron													
Isabella	\$17,028.00						\$17,028.00	3	1			5	7
Jackson	\$12,603.00	\$6,053.00	\$768.09	\$3,543.46			\$22,967.55	7	2		2	11	12
Kalamazoo	\$8,620.00		\$4,339.62	\$712.27			\$13,671.89	4	3	1	4	12	9
Kalkaska		\$914.14					\$914.14	1	1			2	1
Kent	\$10,500.00	\$17,542.95	\$1,773.30	\$1,265.13			\$31,081.38	9	1		1	11	26
Keweenaw													
Lake													
Lapeer	\$5,793.59	\$24,640.52	\$6,414.76	\$7,360.32			\$44,209.19	22	6	1	3	32	56
Leelanau													
Lenawee			\$7,500.00				\$7,500.00	2	1			3	3
Livingston	\$6,768.14			\$2,046.83			\$8,814.97	5			2	8	7
Luce											1	1	
Mackinac	\$9,360.00		\$5,296.62				\$14,656.62	3				3	5
Macomb	\$9,875.98	\$93,038.11	\$15,928.31	\$16,064.06	\$7,885.50		\$142,791.96	39	21	3	22	86	96
Manistee	\$5,155.00						\$5,155.00	1				1	2
Marquette	\$4,891.04	\$7,333.47	\$3,000.00	\$1,206.26		\$1,890.00	\$18,320.77	9			2	11	18
Mason		\$6,825.01					\$6,825.01	1		1		2	4
Mecosta	\$3,500.00	\$5,247.09		\$5,631.78			\$14,378.87	5	1	1	1	8	23
Menominee	\$4,395.00		\$2,500.00	\$582.07			\$7,477.07	3	2		3	8	3
Midland	\$8,200.00	\$3,760.00	\$5,122.89	\$264.54			\$17,347.43	6	1		1	8	6
Missaukee													
Monroe	\$17,872.00						\$17,872.00	1	1		2	4	2
Montcalm			\$3,500.00				\$3,500.00	1				1	3
Montmorency	\$10,730.00						\$10,730.00	1				1	2
Muskegon	\$62,602.71	\$21,031.54	\$3,503.28	\$1,491.56	\$5,000.00		\$93,629.09	18	1		5	24	34
Newaygo	\$3,210.00	\$800.00		\$2,458.01			\$6,468.01	2	1	1	1	5	9

Oakland	\$44,471.75	\$55,301.08	\$21,380.91	\$13,284.07	\$2,438.09		\$136,875.90	36	14	2	18	72	69
Oceana			\$2,618.35	\$1,987.76	\$91.71	\$886.09	\$5,583.91	3	1		1	5	9
Ogemaw											1	1	
Ontonagon									2			2	
Osceola													
Oscoda		\$1,508.00		\$1,796.79			\$3,304.79	1			1	2	5
Otsego	\$15,557.56	\$4,377.98	\$840.88	\$4,312.47			\$25,088.89	10				10	13
Ottawa		\$13,576.19	\$9,457.94	\$1,124.42	\$410.30		\$24,568.85	6	3	2	1	12	23
Presque Isle	\$6,975.00		\$1,635.56	\$899.45			\$9,510.01	2				2	2
Roscommon	\$11,325.00			\$4,128.82			\$15,453.82	3				3	13
Saginaw	\$3,500.00	\$10,256.69	-\$722.33	\$10,963.70	\$275.50	\$10.62	\$24,284.18	17	3			20	33
Sanilac													
Schoolcraft	\$21,275.84						\$21,275.84	3	1		1	5	3
Shiawassee			\$472.44	\$2,763.94			\$3,236.38	1				1	2
St. Clair	\$5,314.00						\$5,314.00	1	1		4	6	1
St. Joseph			\$3,010.50	\$1,854.39			\$4,864.89	2			1	3	3
Tuscola												1	
Van Buren													
Washtenaw	\$8,000.00	\$25,852.54	\$6,554.66	\$4,110.46			\$44,517.66	13	1		3	17	28
Wayne	\$37,511.15	\$81,058.50	\$32,356.56	\$25,482.53		\$1,558.00	\$177,966.74	49	15	3	23	92	121
Wexford		\$1,765.63		\$743.09			\$2,508.72	1	1			2	2
Grand Total	\$748,542.69	\$562,095.07	\$198,124.76	\$209,979.21	\$22,464.22	\$22,628.88	\$1,763,834.83	498	158	37	142	853	1180



Trust fund Amounts Approved by County FY24





Updated: 17 Dec 2024

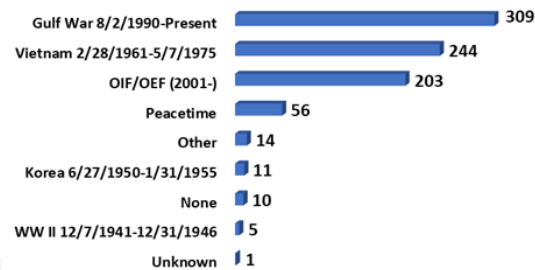
Michigan Veterans Trust Fund Quick Glance Dashboard FY 24



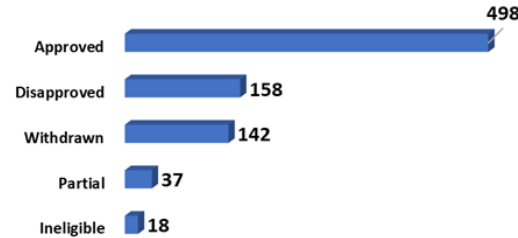
Total Applications Submitted



Period of Service



Application Final Status Totals



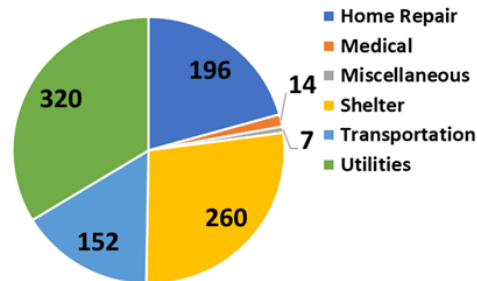
Average Amount Approved



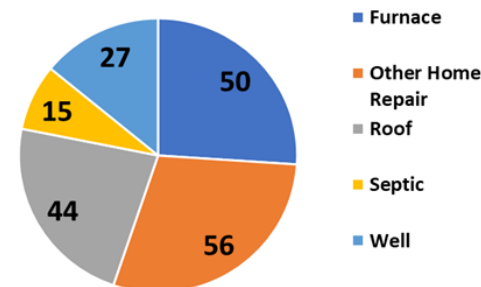
Grants Approved



Grants Approved by Category



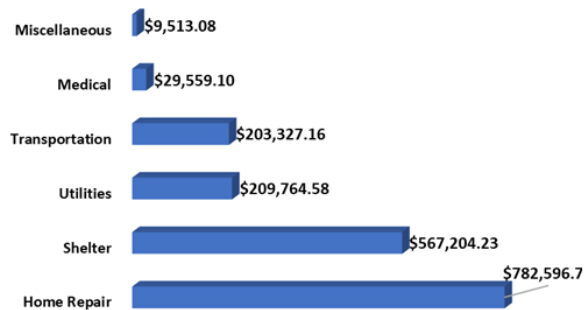
Grants Home Repair Category



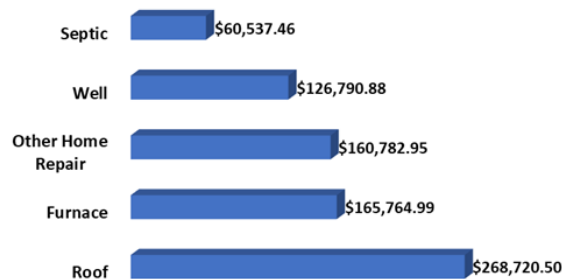
Total Veteran and Dependents



Grant Category Totals



Home Repair Categories Totals



Amount Requested Salesforce

\$3,748,902.38

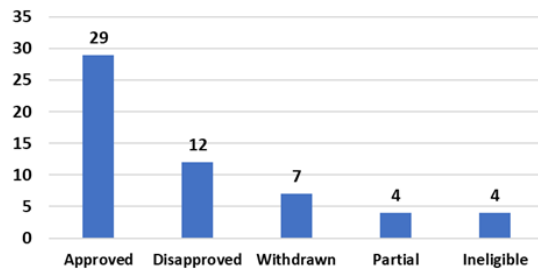
Amount Approved Salesforce

\$1,826,179.26

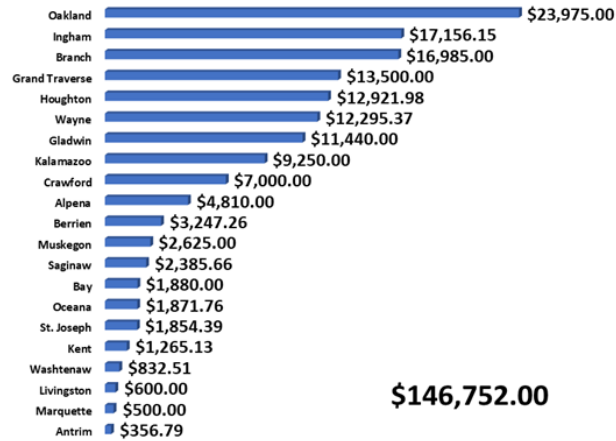
Total Grants Paid Sigma

\$1,763,834.83

65 + P Applications

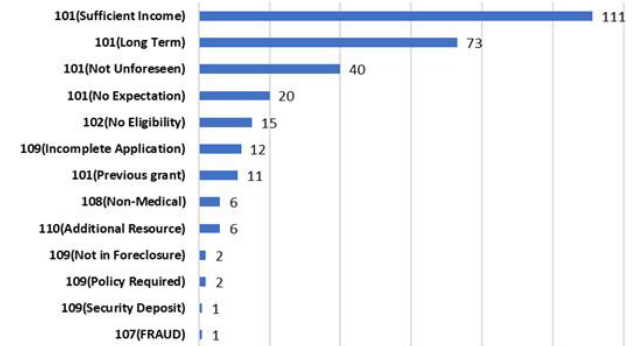


65+P Program Totals



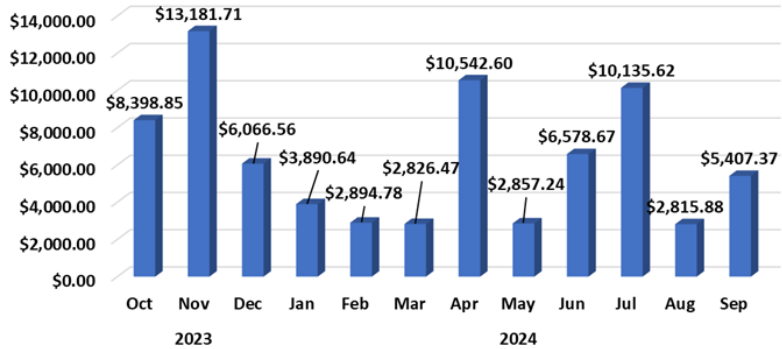
\$146,752.00

Final Reason for Denial*

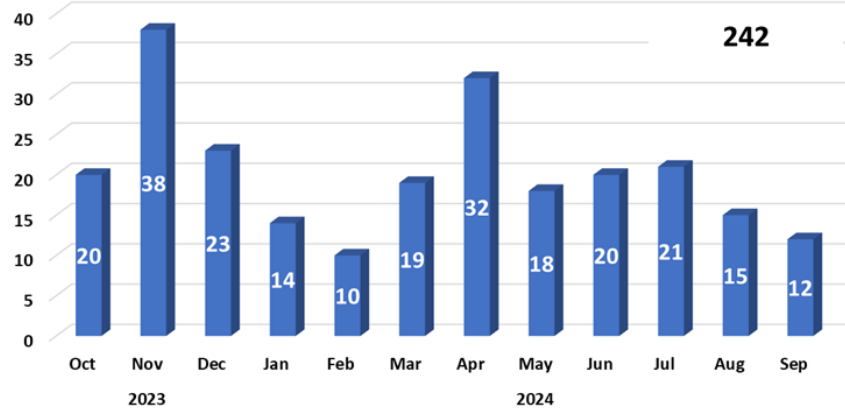


*Some minor discrepancies may exist in this chart due to policy and system updates that took place throughout the fiscal year.

Consumers Energy

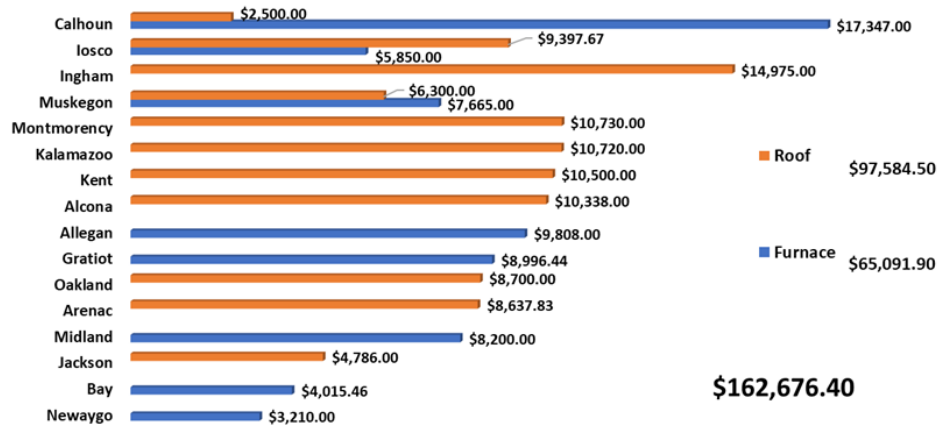


Consumers Energy Veterans and Dependents Assisted

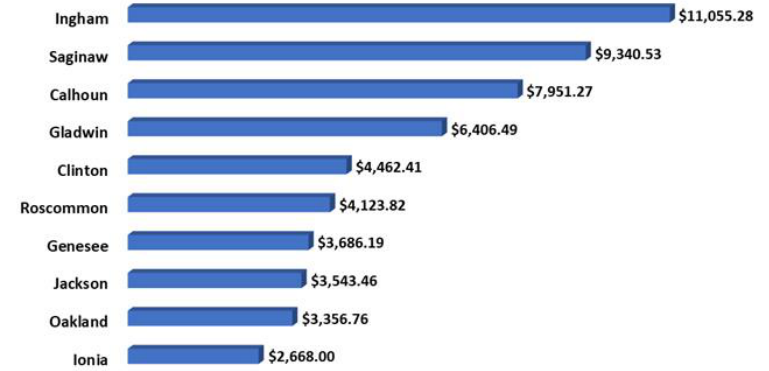


242

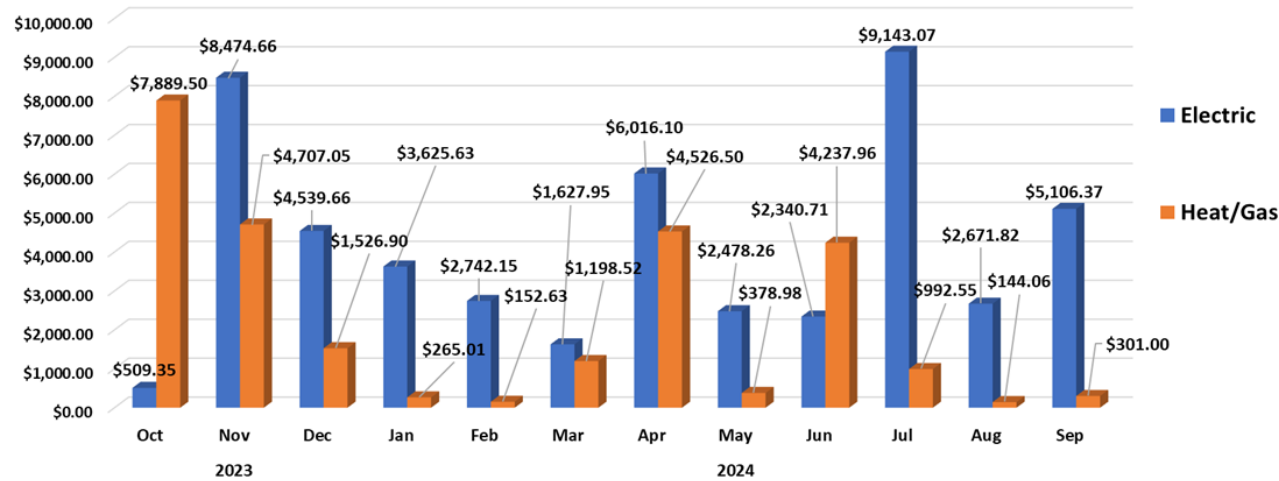
Roofs & Furnaces with Consumers



Top 10 Consumers Energy

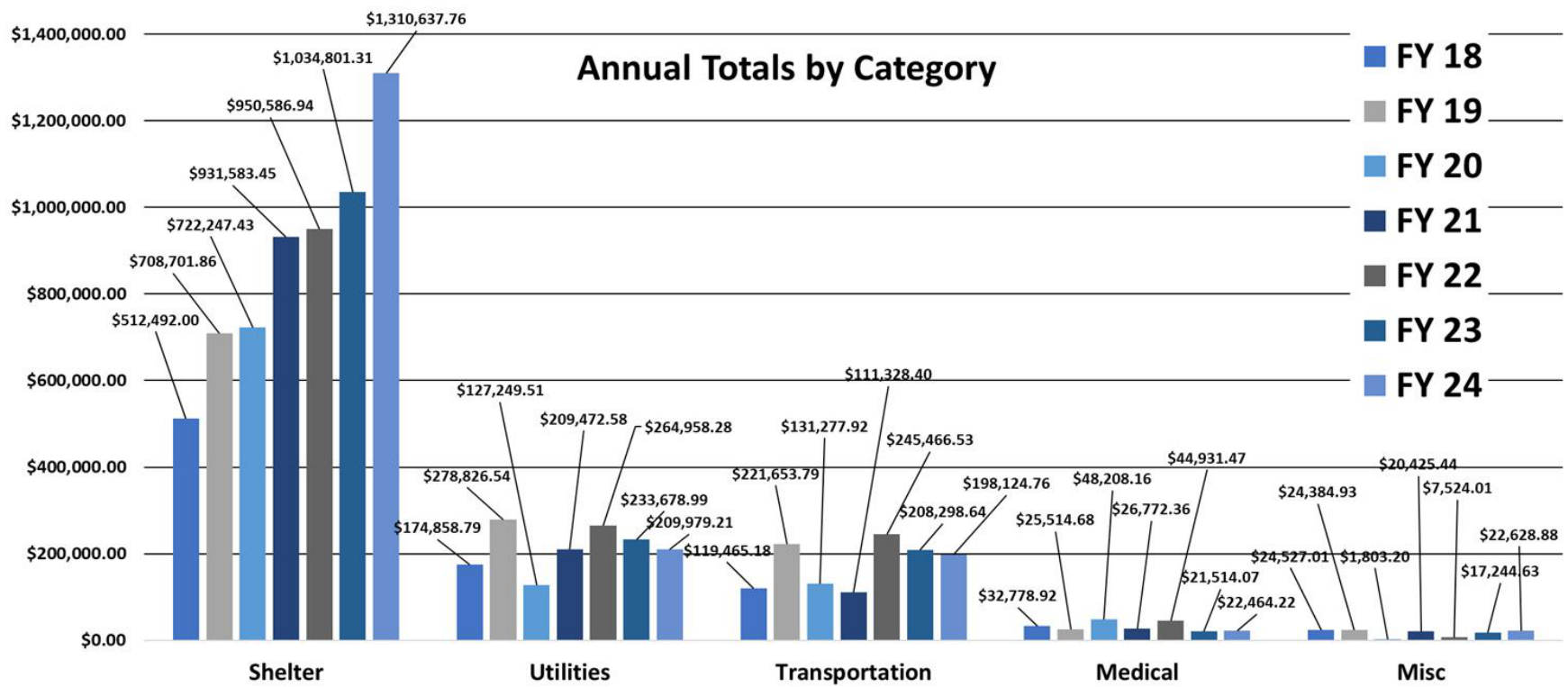


Consumers Electric and Heat/Gas Totals

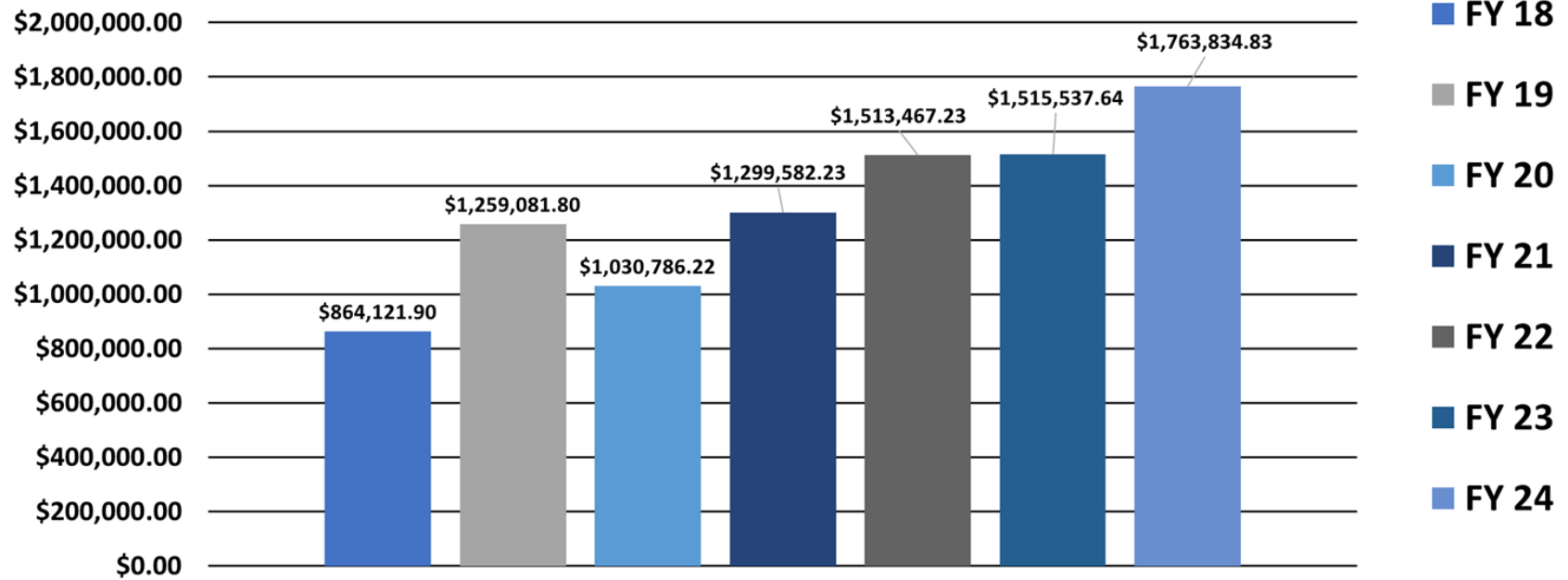


Consumers Energy Total

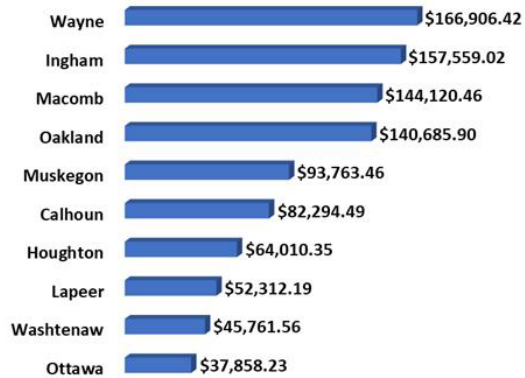




Annual Overall Total



Top 10 Counties



Habitat For Humanity Totals

