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**DATE:** March 25, 2014

**TO:** The Honorable Michael Ellis  
President, Wisconsin State Senate  
Room 220 South, State Capitol  
PO Box 7882  
Madison, WI 53707-7882

The Honorable Robin Vos  
Speaker, Wisconsin State Assembly  
Room 211 West, State Capitol  
PO Box 8952  
Madison, WI 53708

**FROM:** Major General Donald Dunbar, Adjutant General  
Department of Military Affairs

**SUBJECT:** Military Family Financial Aid; Final Draft Rule  
(Clearinghouse Rule #10-111)

### ***Background***

The Department of Military Affairs (DMA) is transmitting the final draft of DMA 1 for legislative committee review under the provisions of s. 227.19 (2) and (3), Stats. DMA will publish notice of this referral in the register as required under s. 227.19 (2), Stats.

The military family financial aid program, created in s. 321.45, Stats. by 2009 Act 28, provides financial aid to eligible members of the immediate family of service members from the military family relief fund. Act 28 directed DMA to promulgate rules establishing military family financial aid eligibility criteria and aid amounts.

The military family relief fund is funded by donations made via Wisconsin income tax check-off. The Wisconsin Department of Revenue began collecting the check-off funds with income tax forms submitted for the 2009 tax year. The fund balance is currently \$210,651.51.

### ***Draft Rule Content***

The rule establishes the criteria by which an immediate family member of a Wisconsin service member may receive aid from the fund. The rule also sets minimum and maximum amounts of aid at \$100-2,500, limiting aid to \$2,500 per applicant per year. Aid awards will be based on an applicant's actual need but will not exceed the parameters in the rule. This approach will enable

the department to respond to the emergency financial needs of military families while being responsible stewards of the money obtained through the voluntary generosity of the people of Wisconsin.

The rule provides that the department will prepare application materials. To that end the department developed an application, which is attached.

### ***Public Hearing***

A public hearing was held on the emergency rule and the proposed permanent rule as required under s. 321.45 (2), Stats. The hearing was held on October 13, 2010 in Madison. The deadline for written comments on the proposed rule was also October 13, 2010. One person, Ron Kuta of the American Legion, attended the hearing. No written comments were received. No person registered or appeared for or against the proposed rule. DMA made no changes to the draft rule as a result of the public hearing.

### ***Rules Clearinghouse Comments***

The department received a significant number of recommended revisions, both substantive and editorial, in comments from the Legislative Council Rules Clearinghouse. The department modified the final draft rule to incorporate the Rules Clearinghouse recommendations.

### ***Legislative Committee Review***

This rule had previously passed through the Senate Committee on Economic Development and Veterans and Military Affairs, the Assembly Committee on Veterans and Military Affairs, and the Joint Committee for Review of Administrative Rules without objection. Subsequent to Legislative Committee review, germane changes to the rule were needed in order to reflect the statutory changes in s. 321.45(1)(b), Stats., made by 2013 Act 45. Act 45 expanded the eligibility criteria allowing financial assistance to members of the National Guard and Reserves beyond those in active duty status.

### ***Fiscal Impact***

This rule will not have a significant fiscal impact on state or local government. Costs of administering the military family financial aid program that are not borne by existing DMA staff within their current functions will be borne by the military family relief fund. A complete fiscal estimate is attached.

### ***Business Impact***

This rule will not have an impact on Wisconsin businesses.

### ***Federal Programs***

Each military branch has its own emergency relief organizations. This rule most closely

resembles Army Emergency Relief (AER) assistance, which provides grants and loans to active duty service members, their dependents, some retired service members, and surviving spouses and orphans of service members who died on active duty. Both the federal and state programs are funded by donations. Although the state program provides only grants, provisions of Army Emergency Relief provided a framework for developing this rule.

### ***State Programs***

Michigan, Illinois and Iowa have programs to provide assistance, while Minnesota does not. The programs vary substantially from being status-based, flat-rate grants to being exclusively need-based and tied to the federal poverty guidelines. Illinois, for example, limits need-based and status-based eligibility to National Guard and Reserve members of certain military ranks called to active duty since September 11, 2001, while disposing of such limitations when the aid is based on injury.

Attachment:

Military Family Financial Aid Application, DMA Form 1103