



900 EAST MAIN STREET  
RICHMOND, VA 23219

# COMMONWEALTH OF VIRGINIA JOINT LEADERSHIP COUNCIL OF VETERANS SERVICE ORGANIZATIONS

*Air Force Association*  
*American Ex-Prisoners*  
*of War*  
*American Legion*  
*AMVETS*  
*Association of the United*  
*States Army*  
*Disabled American*  
*Veterans*  
*Fleet Reserve*  
*Association*  
*Korean War Veterans*  
*Association*  
*Legion of Valor of the*  
*U.S., Inc.*  
*Marine Corps League*  
*Military Order of the*  
*Purple Heart*  
*Military Officers*  
*Association of America*  
*Military Order of the*  
*World Wars*  
*National Association for*  
*Uniformed Services*  
*Navy Seabee Veterans of*  
*America*  
*Non-Commissioned*  
*Officers Association*  
*Paralyzed Veterans of*  
*America*  
*Reserve Officers*  
*Association*  
*Roanoke Valley Veterans*  
*Council*  
*Veterans of Foreign Wars*  
*Vietnam Veterans of*  
*America*  
*Virginia National Guard*  
*Association*  
*Women Marines*  
*Association*

## 2011 POSITION PAPER

### Alternate Dedicated Revenue Sources for Veterans Programs

1. **OBJECTIVE:** Provide some of the resources required to implement the Compact with Virginia's Veterans by creating alternate dedicated revenue sources for veterans programs.
2. **BACKGROUND:**
  - The cost of taking care of our veterans has increased exponentially in the past decade. However, the Department of Veterans Services' budget has been cut by \$1.4 million over the last two years and several programs currently are severely underfunded.
  - Over the next 10 years the cost of veterans programs (e.g. Virginia Wounded Warrior Program needs, cemetery maintenance, care center operations, benefits services) will continue to increase.
  - A 2010 JLARC study recommended a multi-pronged approach to reduce and prevent veteran homelessness in Virginia. Some of the recommended strategies, especially those that will make the greatest difference in reducing chronic homelessness, will require significant funding – as much as \$3-10 million. JLARC recommended that the General Assembly consider designating a revenue source to reduce veteran homelessness.
  - Legislation enacted in 2010 would establish a Compact with Virginia's Veterans, with a goal of making Virginia America's most veteran-friendly state. New programs and services implemented under the Compact for veterans and their families (e.g. homeless assistance, employment, education, etc.) will require additional resources.
3. **DISCUSSION:**
  - Veterans' service programs need a major, non-general fund "funding stream." It must be large enough to have a multi-million dollar impact on needed veterans programs that would otherwise require general fund monies or go unfunded. Funds need to be non-reverting and supplement, not replace, DVS budgeted monies.
  - Certain sources of alternative funding should be sought (e.g. grants and donations), but they are normally inadequate and not sustainable. Other possible sources may include certain types of vehicle registration or other fees; but many view them as a tax increase. Lotteries have been proven to provide a more suitable and sustainable source of revenue.
  - Seven states (Texas, Iowa, Illinois, Kansas, Tennessee, West Virginia, and New Jersey) have a dedicated revenue stream for veterans programs through the state lottery:
    - Texas received over \$6 million in the first 9 months of operation (\$9 million expected for the FY), Kansas - \$4 million, Illinois - \$7 million; Iowa – almost \$3 million;
    - These states have been successful in designing a lottery that does not detract from funds dedicated to education or other purposes;
    - Rather than cut into a share of the "pie", they have been able to "grow the pie."
  - The proceeds from the Virginia lottery are dedicated to education and so protected by the state constitution. However, some proceeds can go to other uses if approved by 4/5 of the members of the General Assembly.
  - No other group in America has been called on to bear the burdens and to make the sacrifices that our veterans have. Therefore, they alone deserve this tangible token of Virginia's appreciation.
4. **RECOMMENDATION:** That the General Assembly and the Governor approve the establishment of a veterans' lottery as part of the Compact with Virginia's Veterans.

September 28, 2010