



DEPARTMENT OF MILITARY AFFAIRS

Andy Beshear
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The Adjutant General

Military Family Assistance Trust Fund
State Fiscal Year 2021 Annual Report

TO: Governor Andy Beshear;
The Legislative Research Commission; and
The Interim Joint Committee on Veterans, Military Affairs, and Public Protection.
FROM: Haldane B. Lamberton, Brigadier General, KYNG
The Adjutant General for Kentucky
DATE: 1 September 2021

This is an annual report made pursuant to KRS 36.476, concerning the Military Family Assistance Trust Fund ("Fund.") The Kentucky General Assembly created the Fund as a "separate revolving fund . . . consist[ing] of grants, contributions, appropriations, or other moneys," to provide need-based hardship grants and administer the Kentucky National Guard Adoption Benefit Program for eligible Kentucky service members and their families. See KRS 36.470 to 36.477. The Fund operates primarily on its principal, a one-time \$500,000 allocation by the General Assembly in SFY 2007, supplemented by modest interest growth. Consistent with KRS 36.476, this report details: "(1) The [MFAST Fund B]oard's activities during the previous fiscal year; (2) What moneys were spent out of the military family assistance trust fund for what purposes; (3) The amount of money left in the fund; and (4) Any recommendations for future initiatives with regard to the trust fund and its administration."

I. Board Activities

The MFAST Fund Board (the "Board") is organized pursuant to KRS 36.472, and consists of seven (7) members: four (4) members appointed by the Governor; one (1) member appointed by the President of the Kentucky Senate; one (1) member appointed by the Speaker of the Kentucky House of Representatives; and The Adjutant General for Kentucky. Current Board members are:

Gubernatorial Appointments:

- 1.Colonel Michael J. Currie, U.S. Army Reserve (Retired);
2.Colonel Kathryn C. Pfeifer, Kentucky Air National Guard;
3.Captain Sharif Abdrabbo, U.S. Coast Guard, Sector Ohio Valley;
4.State Command Sergeant Major Jesse Withers, Kentucky Army National Guard;

President of the Senate Appointment:

- 5.Major General Donald C. Storm, KYNG (Retired), former Adjutant General for Kentucky;

Speaker of the House of Representatives Appointment:

6. Representative Walker Thomas, Chair of the House Veterans, Military Affairs, and Public Protection Committee; and

The Adjutant General

7. Haldane B. Lamberton, Brigadier General, KYNG

Colonel Currie continues to serve as Board President. Lieutenant Colonel (Retired) Judith A. “April” Brown (Retired) serves as Fund and Board administrator in her capacity as Director of the Division of Administrative Services for the Department of Military Affairs (DMA.) The Board did not meet in State Fiscal Year (SFY) 2021 notwithstanding KRS 36.472 (8), due to the COVID-19 pandemic and the absence of needs-based grant applications submitted for the Board’s consideration.¹ The Board last met 22 May 2020 and is expected to reconvene in September 2021 (date/time to be announced.)

II. MFAST Fund Payments

Fund payments/expenditures for SFY 21 total \$24,990: \$15,403 in adoption-assistance program grants; \$9,584 for administrative personnel; and \$3 in program operations costs. Adoption-assistance program payments remain popular whereas the trend remains for needs-based grants that inquiries requests by eligible service members are for financial assistance are preliminary (versus last-resort requests required by KRS 36.474 (3) (d.)) DMA is generally successful in referring preliminary inquiries for needs-based grants to Family Assistance Programs and other organizations with available federal assistance. Kentucky National Guard deployments for SFY 21 were minimal, with less than one-hundred (100) personnel deployed at any one time, further reducing the pool of eligible applicants for need-based grants. DMA will continue to monitor economic and political situations to forecast impacts upon Fund payments.

III. MFAST Fund Balance

The Fund balance is \$286,875 as of 13 August 2021. A table on the next page reflects Fund expenditures, interest growth, and balance forward from its establishment in 2007 to the present date.

IV. Recommendations

1. The Board should work to retain or improve Fund levels to keep pace with an expected increase in needs-based and adoption-assistance grant applications for SFY 22. The instability of worldwide actors and potential for future major deployments by Active Duty, National Guard, and Reserve components increases the likelihood of a number of need-based grant submissions in SFY 22. The Board should also expect an increase in adoption-assistance payments in FY 22. Effective 15 March 2021 immediately upon passage of emergency legislation HB 206 (KYNG Adoption Assistance Program, sponsored by Representative Scott Sharp), adoption-assistance benefits available from the Fund were increased by \$2,000 per child to mirror benefits offered Commonwealth of Kentucky employees. Kentucky military families now qualify for reimbursements of up to \$7,000 for a child with special needs, and up to \$5,000 for any other child (excepting the child of a spouse.) Sadly, the increase in COVID-related deaths may result in familial adoptions impacting upon the number of adoption-assistance grant applications.
2. The Board should consider requesting an amendment to KRS 36.474 to expand eligibility for needs-based/hardship grants. The redirection of state National Guard and Reserve component deployments to domestic missions since 2015 and the marked increase in federal orders for domestic civil response

¹ The Board meets to consider MFAST Fund grants for need-based applicants only as applications for adoption-assistance program grants are submitted directly to The Adjutant General. KRS 36.477 (5).

