GENERAL GOVERNMENT

Department of Military Affairs

(New Administrative Regulation)

106 KAR 2:021. Military Family Assistance Trust Fund

RELATES TO: KRS 36.470, 36.474, 36.476

STATUTORY AUTHORITY: KRS 36.474(3), (5)

NECESSITY, FUNCTION AND CONFORMITY: KRS 36.470 establishes the military family assistance trust fund. KRS 36.474(3), (5) require the board to promulgate an administrative regulation establishing the maximum amount of grant assistance a person may receive in a twelve (12) month period and to establish a need-based application for trust fund grants. This administrative regulation establishes the application process and the maximum amount of grant assistance as required by KRS 36.474.

Section 1. Military Family Assistance Trust Fund Board. The board shall receive a report on all funds expended on applications and shall be informed on the reason for any application being disapproved.

Section 2. Application for Trust Funds. Any qualified service member or the service member’s Kentucky resident spouse may submit a "Kentucky Military Family Assistance Trust Fund Application, DMA Form 43-1" for application of grant funds for a need-based emergency.
Section 3. Payment of Grants.

(1) Except as provided in subsection (2) of this section, the following limits shall apply:

(a) A maximum of twenty-five (25) percent of the annual Kentucky state median income (SMI) as prepared by the U.S. Census Bureau using the most current Census may be approved for a single application as identified on DMA Form 43-1; and

(b) A maximum of twenty-five (25) percent of the annual Kentucky state median income (SMI) as prepared by the U.S. Census Bureau using the most current Census may be approved per fiscal year per service member. An award made to the family of a service member shall be included in the amount calculated as awarded to the service member.

(2) Amounts greater than twenty-five (25) percent of the annual Kentucky state median income (SMI) as prepared by the U.S. Census Bureau using the most current Census for a fiscal year maximum cap may be approved by a majority vote of the board members if there is:

(a) A catastrophic event, including a tornado, fire, earthquake, or other disastrous event; or

(b) At least a twenty-five (25) percent loss of annual income by the service member or spouse that is caused by the deployment compared to what the service member’s or spouse’s annual income was prior to deployment.

(3) The applicant shall submit appropriate documentation to verify:

(a) The applicant’s financial need; and

(b) Other assistance that is provided or not provided by other sources.
Section 4. Incorporation by Reference. (1) "Kentucky Military Family Assistance Trust Fund Application, DMA Form 43-1", May 2022, is incorporated by reference.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at Administrative Services Division, Office of Management and Administration, Department of Military Affairs, 100 Minuteman Parkway, Boone National Guard Center, Frankfort, Kentucky 40601-6168, or by calling the Office at phone (502) 607-1738, Monday through Friday, 8 a.m. to 4:30 p.m.
Judith A. Brown, Director, Administrative Services Division
Kentucky Department of Military Affairs
Administrator, Military Family Assistance Trust Fund

Date

Dr. Dallas F. Kratzer II, Lt. Col. Retired (KYANG)
Chair of Board
Military Family Assistance Trust Fund

Date

Haldane B. Lamberton, MG, KYNG
The Adjutant General
Kentucky Department of Military Affairs

Date

APPROVED BY AGENCY: June 7, 2022
PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this administrative regulation shall be held on Wednesday, August 24, 2022, at 12:45 p.m. Eastern Time at 100 Minuteman Parkway, Bldg. 100, Room 202 (EOC 2nd Floor Conference Room) Frankfort, Kentucky 40601. Individuals interested in being heard at this hearing shall notify this agency in writing by five workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through August 31, 2022. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

Contact person: Corey Ann Howard Jackson, Legislative Liaison and Policy Specialist, Department of Military Affairs, 100 Minuteman Parkway, Frankfort, KY 40601, phone (502) 330-3323, fax (502) 607-1240, email corey.a.jackson23.nfg@army.mil.
REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

106 KAR 2:021. Military Family Assistance Trust Fund
Contact Person: Corey Ann Howard Jackson
Phone: (502) 330-3323
Email: corey.a.jackson23.nfg@army.mil

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes the requirements for the Department of Military Affairs' Military Family Assistance Trust (MFAST) Fund, specifically application procedures and required documentation.

(b) The necessity of this administrative regulation: This regulation is critical to provide guidance in the execution of this trust fund pursuant to the basic law.

(c) How this administrative regulation conforms to the content of the authorizing statutes: This regulation establishes the application procedure and application form necessary to receive assistance under the MFAST fund and the maximum amount of grant assistance allowed as required by KRS 36.474.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This regulation will assist the Military Family Assistance Trust Fund Board and the Adjutant General in the execution of this program for approving applications.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: N/A

(b) The necessity of the amendment to this administrative regulation: N/A

(c) How the amendment conforms to the content of the authorizing statutes: N/A

(d) How the amendment will assist in the effective administration of the statutes: N/A

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: This regulation involves the Kentucky National Guard (KYNG) Adjutant General's Office, the Department of Military Affairs' (DMA) Administrative Services Division and the MFAST Board.
(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: This regulation is written to provide guidance in assisting a qualified service member (or spouse) with a home of record in Kentucky with an application for grant funds due to need-based emergency. The Department of Military Affairs’ (DMA) Administrative Services Division processes all applications ensuring required documents are included. The KYNG Adjutant General or the Director of the KYNG family services program approves the completed applications with all required documents. The MFAST board approve applications that exceed the fiscal year cap.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): There is no cost for any entity.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): This regulation will allow for the establishment of guidance on how to execute this trust fund and assist an eligible service member or spouse with a grant for a need-based emergency.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: The KYNG MFAST fund will utilize funding available in the Kentucky MFAST Fund, operated under the Kentucky Department of Military Affairs, which was initially funded $500,000 per HB 380 2006RS (KyActs 252), and retains a current balance of approximately $275,000, to establish and provide grants to applicants.

(b) On a continuing basis: The Kentucky General Assembly has provided Funding is anticipated to be allotted to the Military Family Assistance Trust Fund on an as-needed basis by the Kentucky General Assembly. The Kentucky General Assembly 2022 regular session allotted $100,000 to the Military Family Assistance Trust Fund for each fiscal year in the biennium FY 2022-2024.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: The source of this trust fund is general fund dollars as well as any grants, contributions, appropriations, or other moneys made available for the purpose of the trust fund either public or private.

(7) Provide an assessment of whether an increase in fees or funding will be necessary
to implement this administrative regulation, if new, or by the change if it is an amendment:
The current historic use of the MFAST fund for service members (or spouses) with a home of record in Kentucky is approximately $3700 annually from SFY07 through SFY17. However, this fund was restricted to service members in a federal active status and has not paid a grant since SFY17. This fund also expends funds for the KYNG Adoption benefit program. This program was updated by HB 206 on March 15, 2021 to match the adoption reimbursement of state employees. KYNG members are now able to receive $5000 for reimbursement of adoption of children without special needs and $7000 for children with special needs. Therefore, there is the anticipated increase in reimbursement for future adoption reimbursement applications. Additionally, the KRS 36.474 was amended to make eligible all currently serving members of the KYNG and Reserve components with a home of record in Kentucky and this will likely create increase in grants to eligible service members or spouses.

(8) State whether this administrative regulation established any fees or directly or indirectly increased any fees: This administrative regulation does not establish or relate to fees.

(9) TIERING: Is tiering applied? Tiering was not used. The regulation will not reduce or modify substantive regulatory requirements, eliminate some requirements entirely, simplify and reduce reporting and recordkeeping requirements, reduce the frequency of inspections, provide exemptions from inspections and other compliance activities, or delay compliance timetables.
FISCAL NOTE

106 KAR 2.021 Military Family Assistance Trust Fund.
Contact Person: Corey Ann Howard Jackson
Phone: (502) 330-3323
Email: corey.a.jackson23.nfg@army.mil

(1) What units, parts, or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? This administrative regulation impacts the Kentucky Department of Military Affairs, which administers the Military Family Assistance Trust Fund through its Division of Administrative Services at Boone National Guard Center, Frankfort, KY.

(2) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 36.470 (Overview); KRS 36.472 (Board); KRS 36.474 (Eligibility); KRS 36.476 (Annual Report).

(3) Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect. N/A

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? N/A

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? N/A

(c) How much will it cost to administer this program for the first year?
Historical cost to administer this program is 10% of salary plus benefits for the Trust Fund Administrator. In SFY 2021, the cost was ~$9500. The proposed changes to this administrative regulation will have little to no impact on that cost.
(d) How much will it cost to administer this program for subsequent years? Expectation is that administrative costs will remain consistent from year to year, currently approximately $10,000 annually.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):
Expenditures (+/-):
Other Explanation:

(4) Estimate the effect of this administrative regulation on the expenditures and cost savings of regulated entities for the first full year the administrative regulation is to be in effect. N/A

(a) How much cost savings will this administrative regulation generate for the regulated entities for the first year? N/A

(b) How much cost savings will this administrative regulation generate for the regulated entities for subsequent years? N/A

(c) How much will it cost the regulated entities for the first year? N/A

(d) How much will it cost the regulated entities for subsequent years? N/A

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Cost Savings(+/-):
Expenditures (+/-):
Other Explanation:

(5) Explain whether this administrative regulation will have a major economic impact, as defined below. "Major economic impact" means an overall negative or adverse economic impact from an administrative regulation of five hundred thousand dollars ($500,000) or more on state or local government or regulated entities, in aggregate, as determined by the promulgating administrative bodies. [KRS 13A.010(13)] N/A
SUMMARY OF MATERIAL INCORPORATED BY REFERENCE

The Kentucky Military Family Assistance Trust (MFAST) Fund Application, form DMA 43-1, is the form that Kentucky National Guard members or their family member must submit to apply for a grant from the MFAST Fund. This administrative regulation instructs on the procedure to comply with that statute. 106 KAR 2.021 establishes the form and the process to apply for the MFAST fund grant.
Judith A. Brown, Director, Administrative Services Division
Kentucky Department of Military Affairs
Administrator, Military Family Assistance Trust Fund

Dr. Dallas F. Kratzer II, Lt. Col. Retired (KYANG)
Chair of Board
Military Family Assistance Trust Fund

Haldane B. Lamberton, MG, KYNG
The Adjutant General
Kentucky Department of Military Affairs

APPROVED BY AGENCY: June 7, 2022
KENTUCKY MILITARY FAMILY ASSISTANCE
TRUST FUND APPLICATION
DMA 43-1, As of 31 May 22

PART I (SERVICE MEMBER INFORMATION):

Service Member Name: ________________________________  
(Last)  (First)  (MI)

Date of Application: ____________________________  
(MMDDYYYY)

Service Member Home of Record: ________________________  
(Apt #, PO Box, or Street)

City

(State, ZIP)

Service Member Home Phone: ________________________________  
(Area Code) Number

Military Unit of Assignment: ________________________________  
(Unit Name)

Military Unit Phone Number: ________________________________  
(Area Code) Number

Military Unit Address: ________________________________  
(PO Box or Street)

City

(State)  (ZIP)

Component (circle one):  ACTIVE DUTY  NATIONAL GUARD  RESERVES

PART II (APPLICANT INFORMATION IF DIFFERENT THAN PART I):

Name: ________________________________  
(Last)  (First)  (MI)

Phone Number: ________________________________  
(Area Code) Number

Address: ________________________________  
(Apt #, PO Box, or Street)

City

(State)  (ZIP)
PART II (CONTINUED):

Relationship to Service Member: (Circle One) Self
Spouse
Dependent
Other (Specify): 

PART III (REASON FOR GRANT APPLICATION):
(Please circle as appropriate. Please provide a list of expenses creating the hardship.)

1. House
2. Utilities
3. Groceries
4. Health Insurance Co-Pay
5. Child Care
6. Other (Specify):

PART IV
(Please feel free to attach sheets to basic application if you need more space):

A. If applicable, what date did the service member deploy to a location outside the United States?

B. If applicable, on what date did the service member return to the United States?

C. Indicate the nature of the undue hardship. Note: You may also call the Trust Fund administrator for an explanation at 502-607-1738.

D. List any public or private organizations that have provided financial assistance in the forms of grants, contributions, or other assistance and applicable amounts paid.

E. List any public or private organizations that have denied you financial assistance and reason for denial.
PART V (AUTHORIZATION TO ACCESS PERSONNEL INFORMATION CONTAINED IN DEERS):

A. Service member's signature: ________________________________

B. Other:  
(Signature of spouse accompanied by Power of Attorney document, or verbal authorization from the service member documented by the Trust Fund Board Members, The Adjutant General, or his designated representative.)

PART VI (INFORMATION VERIFICATION AND CERTIFICATION STATEMENT):

By signing this application, I certify that the statements herein are true, complete and accurate to the best of my knowledge. I also agree to comply with any resulting terms and conditions if an award is made and I accept said award. I further agree to provide any additional information or documentation as required by the Kentucky Military Family Assistance Trust Fund Board and parties within the Kentucky Department of Military Affairs with oversight of the Trust Fund to validate that the funds provided were used for the specific purpose for which they were intended. Failure to provide any requested additional information in a timely manner may result in collection actions to recoup some or all previously paid amounts. Furthermore, I am aware that any intentional false, fictitious, or fraudulent statements or concealing any pertinent information may subject me to criminal, civil, or administrative penalties.

__________________________________________  ___________________________
Applicant's Signature                          Date

FOR DEPARTMENT OF MILITARY AFFAIRS USE ONLY:

| Date Application Received: | ______________________ |
| Date Approved: | ______________________ |
| Date Disapproved: | ______________________ |

Submit all Kentucky Military Family Assistance Trust Fund Applications to:

Military Family Assistance Trust Fund
Administrative Services Division
Department of Military Affairs
100 Minuteman Parkway
Frankfort, KY 40601-6168

Office Number: (502) 607-1738    Fax Number: (502) 607-1240
Email: (organizational inbox address forthcoming)