



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 57
Sponsor: Senator Alma Wheeler Smith
Committee: Local, Urban, and State Affairs

Date Completed: 2-6-95

SUMMARY OF SENATE BILL 57 as introduced 1-17-95:

The bill would amend Public Act 245 of 1935, which provides educational opportunities for the children of certain members of the U.S. armed forces, to extend these benefits to spouses of certain Michigan veterans. The bill also specifies that a person who would have been eligible for these benefits on January 1, 1985, if the bill had been in effect on that date, would be eligible to apply for benefits until January 1, 1996, if, at the time the person applied, he or she had been a resident of the State for the preceding 12 months. In addition, the bill would make changes pertaining to children of veterans, and the duration of benefits under the Act.

Under the bill, a spouse of a Michigan veteran, upon application, would have to be admitted to and could attend a Michigan State tax-supported educational or training institution of a secondary or college grade, if the following circumstances existed:

- He or she applied for benefits, except as otherwise provided for illness or disability, within seven years after the date that the Michigan veteran was classified under a category listed in the definition of "veteran".
- He or she had been a State resident for the 12 months immediately preceding application.
- The institution determined that he or she met its admission requirements.

("Spouse of a Michigan veteran" would mean a person who was both married to a Michigan veteran, or married to a Michigan veteran at the time of the veteran's death and not remarried, and a natural or legal parent of a child of a Michigan veteran. "Child of a Michigan veteran" would mean the natural or legally adopted child of a Michigan veteran.)

Currently, a person must be admitted to a State tax-supported educational or training institution of a secondary or college grade if he or she is not under 16 or over 22 years of age, has been a State resident for the preceding 12 months, and is a child of a Michigan veteran who was killed in action or died from another cause during a war or war condition in which the United States has been, is, or may be a participant, or who as a result of a service-connected illness or injury has since died or is totally disabled, or who as a result of service-connected illness or injury was totally disabled before death from any cause, or who is officially listed by the United States government as missing in action in a foreign country. In addition to requiring a child to meet these conditions for education or training, the bill would require the institution to which the child applied to determine that he or she met its admission requirements. The bill also would require the child to be not less than 16 or more than 22 years old "at the time of application".

The bill would define “veteran” with reference to the categories of veterans described above and would include persons who were killed in action or died from any cause during a service-related action in which the U.S. had been or was a participant. The Act also defines a Michigan veteran in terms of legal residence. The bill would delete from this definition the provision that a veteran whose legal residence was in the State before entering the military service may not be considered a Michigan veteran under the Act if the person left the State for more than two years.

Currently, a person who has his or her education interrupted by military service or a physically or mentally disabling condition or illness that interrupted the person’s education for at least one month, must have his or her eligibility extended beyond the age of 22 for a period equal to the time lost due to the disabling condition or illness or military service. Under the bill, this provision would apply to persons whose education was postponed, as well as interrupted.

Currently, attendance at State tax-supported institutions under the Act may not exceed 36 months of full-time equated education. The bill provides, instead, that a person eligible for benefits under the Act would have to be admitted to a State tax-supported educational or training institution for a period of up to 12 semesters of classes, or the equivalent of 12 semesters in trimesters, quarters, or terms, over a period of up to six years.

MCL 35.111 & 35.11a

Legislative Analyst: L. Arasim

FISCAL IMPACT

The bill would increase the scope of the program in three ways. First, it would create the new beneficiary of spouse. Because of the seven-year window of classification, the bill would extend eligibility to spouses back to 1988 only, except in the case of a spouse who could have applied from January 1, 1985. From 1988 to present the average number of Michigan veterans classified as 100% disabled has been 3,500. Also since 1988, according to Veterans Administration records, in Michigan there are 38 spouses of deceased veterans. Generally, the 3,500 disabled veterans do not change much from year to year. So the scope to 1995 would increase by the number of disabled veterans’ spouses (potentially 3,500 if all are married) and the 38 spouses of deceased veterans.

The second way the scope could increase has to do with changes in eligibility periods for veterans’ children. Currently a child must be between the ages of 16 and 22 to receive any awards. This would change to a six year period from the date of application. The child would have to be between 16 and 22 at the time he or she applied but then would have six years of eligibility. Thus, currently a person who is 20 years of age at application can use the program only for two more years. The bill would enable the person to use the program up to six more years.

Finally, the third change affects the category of Michigan veterans. Eliminating the current residency requirement of Michigan veterans who were residents prior to military service would widen the scope to veterans who no longer live in the State even though they were residents at the time they entered service. There is no number available on the total number of veterans who were Michigan residents when they entered the service and now live out of the State. According to the Michigan Veterans’ Trust Fund Administrator, however, 43% of the applications that are denied are because the veteran is now living out of State.

It is not possible to estimate what the fiscal impact would be because of the increase in scope of the program. That, of course, is dependent on the number of people who actually receive funds. For FY 1993-94, approximately 448 students were funded at a total cost of \$774,916, which accounted for 26.6% of the Michigan Veterans' Trust Fund allocations for that year.

Fiscal Analyst: L. Nacionales-Tafoya

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.