

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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Senate Bill 543 (as enrolled)
Sponsor: Senator Philip E. Hoffman
Committee: Human Resources, Labor, Senior Citizens and Veterans Affairs

Date Completed: 5-20-99

RATIONALE

Public Act 140 of 1953 requires the reimbursement for personal expenses of "each enlisted man of the permanent organized militia" who participates in certain outdoor exercises. The Act sets the reimbursement rate at \$2 per day. This reimbursement requirement reportedly dates back at least to 1916 and was implemented to provide for the feeding of militia members' horses. Some people feel that the reimbursement provision is unnecessary and outdated and should be repealed, so that the funds that otherwise will be used for that purpose could be used more effectively in other programs by the Department of Military and Veterans Affairs.

purpose. Those funds, which provide no meaningful compensation to national guard members, could be used more effectively to provide other programs and services for veterans and their families. According to testimony before the Senate Committee on Human Resources, Labor, Senior Citizens and Veterans Affairs, the proposed budget for FY 1999-2000 would eliminate the \$2 daily reimbursement and, instead, include enhanced funding for educational assistance for veterans' families and increased grant levels for veterans service organizations. The statutory requirement for the reimbursement, however, must be repealed in order to make those funds available.

CONTENT

The bill would repeal Public Act 140 of 1953, which requires that each enlisted man of the permanent organized militia who participates in encampments, maneuvers, or other outdoor exercises under the National Defense Act or other similar acts of Congress be reimbursed for personal expenses. Public Act 140 provides that the reimbursement must be fixed by the State Military Board in the amount of \$2 per day and that it must be charged to appropriations made for the maintenance of the permanent organized militia of this State.

Legislative Analyst: P. Affholter

FISCAL IMPACT

The bill would remove a statutory provision that requires a payment by the Department of Military and Veterans Affairs of \$2 per day to members of the national guard while in training. The amount appropriated by the Department for these costs for FY 1998-99 is \$340,000 GF/GP. The bill would repeal the need for this appropriation and result in a saving for the Department in a like amount.

Fiscal Analyst: B. Baker

MCL 32.261 & 32.262

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The requirement that \$2 per day be provided to Michigan's national guard members is outdated and unnecessary. When the provision was first implemented, apparently in the early part of this century, its purpose was to provide horse feed for members of the State's organized militia. Due to the statutory requirement that the reimbursement be provided, however, the cost of the per diem reimbursement continues to be appropriated. In fiscal year 1998-99, \$340,000 was budgeted for this

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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.