

# Legislative Analysis



## DISTRIBUTION OF COUNTY VETERAN SERVICE FUND

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**House Bill 6403 as enacted**  
**Public Act 514 of 2018**

Analysis available at  
<http://www.legislature.mi.gov>

**Sponsor: Rep. Jason Wentworth**  
**House Committee: Military and Veterans Affairs**  
**Senate Committee: Veterans, Military Affairs and Homeland Security**  
**Complete to 6-27-19**

### SUMMARY:

House Bill 6403 amends 1953 PA 192 to require the Michigan Veterans Affairs Agency to make grants from the County Veteran Service Fund,<sup>1</sup> upon appropriation, to each county that is eligible under the act, rather than to each county's Department of Veterans' Affairs.

The bill also increases (to \$50,000) the base amount of a grant from the fund and requires that amount to be distributed in a lump-sum distribution by December 31 of each year, with the initial base amount being provided not later than January 19, 2019.

Finally, the bill amends the definition of *veteran services operations* to specify that it means assistance and programming of any kind to meet the needs of veterans in this state. (The underlined phrase is added by the bill.) The bill adds that the term includes "providing assistance, programming, and services for the purpose of assisting veterans in this state."

The bill took effect December 28, 2018.

MCL 35.623a

### FISCAL IMPACT:

The bill would have no direct fiscal impact on state government and would provide additional funding to some county governments for veterans' services.

The act previously directed grants issued from the County Veteran Service Fund to counties' "Department of Veterans' Affairs" as defined by 1953 PA 192. While almost all counties have offices dedicated to providing and assisting with services to veterans, not all have established and operate a Department of Veterans' Affairs as required and described by the act. The act's language thereby restricted grant funding to only those counties with established departments. The bill permits grants to be issued to all counties who meet the conditions required under section 3a of the act.

---

<sup>1</sup> The County Veteran Service Fund was created by Public Act 210 of 2018 (House Bill 5536). For more information, see the House Fiscal Agency analysis of that act: <http://www.legislature.mi.gov/documents/2017-2018/billanalysis/House/pdf/2017-HLA-5536-5DCC2D9E.pdf>

2018 PA 618 appropriated an additional \$2.1 million to the County Veteran Service Fund for Fiscal Year 2018-19 to the \$2.1 million that was previously appropriated to the fund in FY 2018-19 in 2018 PA 207, for a total of \$4.2 million appropriated for the fiscal year. This amount provided slightly over the amount needed to issue the grant's base funding amount of \$50,000 to all 83 counties in Michigan. Unexpended money in the fund at the close of the fiscal year remains in the fund and does not lapse to the general fund. Counties that do not have an established Department of Veterans' Affairs and that meet the conditions for receiving the grant would receive an additional \$50,000 for veterans' services in FY 2018-19. Grant amounts to counties in future fiscal years will be contingent on annual legislative appropriations to the fund.

The provision concerning the lump-sum disbursement of grants under subsection (6)(a) of the H-1 substitute would preclude the issuance of grants' \$50,000 base funding as a reimbursement for county expenses for veteran services. This requirement could alleviate some counties' budgetary constraints by not requiring the expenditure of county funds as a condition for receiving the base grant amount. Subsection (5)(b) provides a formula for the disbursement of grant funding in excess of the base amount. If the legislature appropriates for future fiscal years an amount that would permit the disbursement of grants in excess of the base funding amount, the provision would not apply to those funds in excess of \$50,000 for each grant.

Legislative Analyst: E. Best  
Fiscal Analyst: Michael Cnossen

---

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.