

Legislative Analysis



DISTRIBUTION OF COUNTY VETERAN SERVICE FUND

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House Bill 6403 (H-1) as reported from committee

Sponsor: Rep. Jason Wentworth

Committee: Military and Veterans Affairs

Complete to 12-4-18

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

SUMMARY:

House Bill 6403 would amend Public Act 192 of 1953 to require the Michigan Veterans Affairs Agency to make grants from the County Veteran Service Fund,¹ upon appropriation, to each county that is eligible under the act, rather than to each county's Department of Veterans' Affairs.

The bill would also require the \$25,000 base amount of a grant from the Fund 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 would amend 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 would be added by the bill.) The bill would add that the term includes "providing assistance, programming, and services for the purpose of assisting veterans in this state."

The bill would take effect 90 days after being enacted.

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's current language directs grants issued from the County Veteran Service Fund to counties' "Department of Veterans' Affairs" as defined by Public Act 192 of 1953. 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 current language thereby restricts grant funding to only those counties with established departments. The bill would permit grants to be issued to all counties who meet the conditions required under Section 3a of the act.

Public Act 207 of 2018 appropriated \$2.1 million to the County Veteran Service Fund for Fiscal Year 2018-19. This amount provided slightly over the amount needed to issue the grant's base funding amount of \$25,000 to all 83 counties in Michigan. Unexpended money in the

¹ 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>

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 \$25,000 for veterans' services.

The provision concerning the lump-sum disbursement of grants under subsection (6)(a) of the H-1 substitute would preclude the issuance of grants' \$25,000 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 \$25,000 for each grant.

POSITIONS:

Michigan American Legion indicated support for the bill. (11-27-18)

Military Order of the Purple Heart indicated support for the bill. (11-27-18)

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■ 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.