



Senate Fiscal Agency
P.O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 971 (as introduced 3-17-22)
Sponsor: Senator Curt VanderWall
Committee: Appropriations

Date Completed: 6-21-22

CONTENT

The bill would enact the "Veterans Cemetery Act", which would provide for a military veterans cemetery by doing the following:

- Creating the "Veterans Cemetery Fund" in the State Treasury.
- Authorizing the Department of Military and Veterans Affairs (DMVA) to acquire land within a county with a population of not less than 12,500 and not greater than 13,000 that was suitable for a veterans cemetery.
- Authorizing the DMVA to administer the Veterans Cemetery Fund and spend money from the Fund for cemetery design and engineering purposes, expenses necessary to qualify for Federal grants, to prepare the land for cemetery use, and for ongoing expenses for operation of the cemetery.

The DMVA Director would be designated the administrator of the Fund and the cemetery, would have to apply for and accept all grants available under 38 USC 2408 (which allows the Secretary of Veterans Affairs to make a grant to a State or county to establish, expand, improve, operate or maintain a veterans cemetery owned by the State or county), and would have to comply with Federal laws and regulations in administering the cemetery.

The bill also would require the Legislature to appropriate sufficient money to accomplish the purpose of the proposed Act and specifies that money in the Fund at the close of the fiscal year would not lapse to the General Fund.

FISCAL IMPACT

The bill would not appropriate specific funds to establish the first State veterans cemetery in Michigan (the State currently has two national veterans cemeteries, one at Fort Custer National Cemetery in Augusta, MI, and the other at Great Lakes National Cemetery in Holly, MI), but would create a process by which this could occur.

The United States Department of Veterans Affairs (VA) has grant funds that states may use to establish and operate state veterans cemeteries. The VA can provide up to 100% of the development cost for an approved project, while the administration, operation, and maintenance of a VA-supported state cemetery is solely the responsibility of the state, territory, or tribal government. To assist in state operational costs, the VA is authorized to reimburse states "plot allowance" of up to \$807 for expenses incurred in the burial of eligible veterans.

To estimate the annual operating costs of a proposed state veterans cemetery in Michigan, it is useful to examine the operation of the Southern Wisconsin Veterans Memorial Cemetery, which is located on a 105-acre site. For the fiscal year that ended June 30, 2020, the expenditures for this cemetery totaled \$1,179,899 and covered the operational activities and salaries of 13 full-time staff to inter 1,014 veterans and dependents. The sources for the revenue that supported this expenditure were the following:

- \$531,817 from Federal Plot Allowance Revenue.
- \$252,992 from Dependent Fee Revenue.
- \$395,090 from the State of Wisconsin.

Not included within the assistance offered from the VA for the costs of constructing a State cemetery (an amount not known at this time, but likely to cost several million dollars) is the acquisition of land. The VA cannot pay for acquisition of the cemetery land, which the state is required to own. The cost to the State to obtain suitable land could be substantial and could vary widely, depending upon the acreage and location required.

While there are indicators that the VA might give some priority to a Michigan cemetery proposal because of its apparent need, the DMVA has asked for (through the Governor's budget recommendation for fiscal year (FY) 2022-23) \$250,000 General Fund/General Purpose (GF/GP) to pay for a comprehensive feasibility study for a State veterans cemetery. The House, in its FY 2022-23 budget bill (House Bill 5788), provided appropriations of \$250,000 GF/GP for this purpose, and the Senate (in Senate Bill 838) provided a \$100 GF/GP placeholder for the study.

Fiscal Analyst: Bruce R. Baker