

**SUBSTITUTE FOR
HOUSE BILL NO. 4122**

A bill to amend 1953 PA 192, entitled
"An act to create a county department of veterans' affairs in
certain counties, and to prescribe its powers and duties; to create
the county veteran service fund and to provide for contributions to
and expenditures from that fund; and to transfer the powers and
duties of the soldiers' relief commission in those counties,"
by amending section 3a (MCL 35.623a), as amended by 2018 PA 514.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3a. (1) The county veteran service fund is created within
2 the state treasury.

3 (2) The state treasurer may receive money or other assets from
4 any source for deposit into the fund. The state treasurer shall
5 direct the investment of the fund. The state treasurer shall credit
6 to the fund interest and earnings from fund investments.

1 (3) Money in the fund at the close of the fiscal year ~~shall~~
2 ~~remain~~**remains** in the fund and ~~shall~~**does** not lapse to the general
3 fund.

4 (4) The Michigan veterans affairs agency ~~shall be~~**is** the
5 administrator of the fund for auditing purposes.

6 (5) **Money in the fund may be used to cover necessary**
7 **administrative and implementation costs incurred by the Michigan**
8 **veterans affairs agency, as appropriated.**

9 (6) ~~(5)~~The Michigan veterans affairs agency shall create and
10 operate a grant program that provides grants to counties for
11 **allowable expenditures related to** county veteran service
12 operations. The Michigan veterans affairs agency shall make grants
13 from the fund, upon appropriation, to each county that **enters into**
14 **a grant agreement with the Michigan veterans affairs agency and**
15 meets the conditions listed in subsection ~~(7)~~**(8)** for the sole use
16 of **supporting allowable expenditures made by** the county's veteran
17 service operations. **A grant must be disbursed within 60 days after**
18 **the date that the Michigan veterans affairs agency receives a**
19 **completed and signed grant agreement from the county requesting the**
20 **grant.** The total disbursement for each grant ~~shall~~**must** be
21 determined by combining the following amounts:

22 (a) ~~A~~**Except as otherwise provided in this subdivision, a base**
23 amount of \$50,000.00. **In a fiscal year when money in the fund is**
24 **insufficient to support the \$50,000.00 base amount, an amount equal**
25 **to and not to exceed the total amount appropriated to the fund for**
26 **the fiscal year beginning October 1 divided by 83. A disbursement**
27 **under this subdivision must be used for 1 of the following**
28 **purposes:**

29 (i) **Establishing new capacity and capabilities for a county to**

1 provide veteran service operations.

2 (ii) Enhancing and increasing existing veteran service
3 operations through local county offices.

4 (b) A per capita amount according to the number of veterans
5 residing in each county to support allowable expenditures related
6 to county veteran service operations. The amount in this
7 subdivision shall ~~must~~ be determined by dividing the amount
8 remaining in the fund after accounting for all disbursements under
9 subdivision (a) by the total number of veterans residing in this
10 state and multiplying the resulting dollar amount by the number of
11 veterans residing in the county receiving the grant. Population
12 figures for veterans residing in this state and in each county of
13 this state shall ~~must~~ be obtained from the most recent Geographic
14 Distribution of VA Expenditures (GDX) Report published by the
15 United States Department of Veterans Affairs.

16 ~~(6) Both of the following apply to the disbursement of a grant~~
17 ~~under subsection (5):~~

18 ~~(a) The base amount described under subsection (5)(a) shall be~~
19 ~~provided in a lump sum distribution not later than December 31 of~~
20 ~~each year. The initial base amount shall be provided not later than~~
21 ~~January 31, 2019.~~

22 (7) ~~(b)~~ If the amount remaining in the fund after accounting
23 for all disbursements under subsection ~~(5)(a)~~ **(6) (a)** is less than
24 the amount obtained by multiplying \$1,000.00 by the number of
25 counties receiving grants, the Michigan veterans affairs agency
26 shall not perform a calculation under subsection ~~(5)(b)~~ **(6) (b)** and
27 shall not disburse the portion of grant funds described under that
28 subsection.

29 (8) ~~(7) To~~ **Except as otherwise provided in subsection (10), to**

1 be eligible ~~for receiving~~ **to receive** a grant under subsection ~~(5)~~,
2 ~~within 1 year of September 24, 2018, and annually after that date,~~
3 **(6) in the fiscal year ending September 30, 2021, and each fiscal**
4 **year thereafter, by no later than September 30** a county must
5 satisfy all of the following as certified in a form and manner
6 prescribed by the Michigan veterans affairs agency:

7 (a) ~~Maintain~~ **Except as otherwise provided in this subdivision,**
8 **maintain** a minimum level of county funding for veteran service
9 operations equal to the level of county funding for veteran service
10 operations for the fiscal year **immediately** preceding ~~September 24,~~
11 **October 1, 2018. For the fiscal years ending September 30, 2021 and**
12 **September 30, 2022, maintain at least 70% of the total county**
13 **funding for veteran service operations for the fiscal year**
14 **immediately preceding October 1, 2018. If a county reduces the**
15 **level of county funding for veteran service operations for the**
16 **fiscal years ending September 30, 2021 or September 30, 2022, it**
17 **shall not utilize grant funding awarded under subsection (6) to**
18 **supplant those reductions.**

19 (b) **Demonstrate an effort to achieve both of the following:**

20 (i) Establish remote access to the United States Department of
21 Veterans Affairs computing systems. ~~and require~~

22 (ii) **Require** county veteran service officers to obtain a PIV
23 card.

24 (c) Submit quarterly reports to the Michigan veterans affairs
25 agency in accordance with the reporting requirements determined by
26 that agency.

27 (d) Provide no less than 20 hours per week toward veteran
28 service operations. **Upon request, the Michigan veterans affairs**
29 **agency may grant an exemption from this requirement. In determining**

1 whether or not to grant an exemption under this subdivision, the
 2 Michigan veterans affairs agency shall consider necessary
 3 information and factors, including, but not limited to, the total
 4 veteran population of a county and any existing agreements that
 5 promote coordination of services between counties.

6 (e) Submit financial reports to the Michigan veterans affairs
 7 agency on a regular basis, as determined by that agency,
 8 demonstrating that the county expended the grant funds received
 9 under subsection ~~(5)~~ **(6)** directly and solely ~~on~~ **for allowable**
 10 **expenditures related to county** veteran service operations during
 11 the period of the report.

12 (9) If the Michigan veterans affairs agency determines, by
 13 audit or otherwise, that a county expended the grant funds received
 14 under subsection ~~(5)~~ **(6)** for purposes other than **for allowable**
 15 **expenditures related to county** veteran service operations, the
 16 Michigan veterans affairs agency shall ~~reduce the grant~~
 17 ~~disbursement provided to the county in the succeeding fiscal year~~
 18 ~~by an amount equal to the total of all amounts improperly~~
 19 ~~expended.~~ **notify the county of its findings and recover any misused**
 20 **grant funds before issuing any new grants to the county.**

21 (10) Retroactive to the fiscal year ending September 30, 2020,
 22 and for the fiscal years ending September 30, 2021 and September
 23 30, 2022, the Michigan veterans affairs agency may suspend the
 24 requirements in subsection (8) to allow a county to utilize
 25 available money in a county veteran service fund for the purposes
 26 of forming an emergent need relief program to provide direct
 27 financial assistance through its veteran service operations in the
 28 county. In establishing an emergent need relief program, the
 29 Michigan veterans affairs agency and counties shall ensure all

1 other available resources are applied before awarding assistance
2 under this program.

3 (11) ~~(8)~~—As used in this section:

4 (a) "Accredited veteran service officer" means an individual
5 who has met the qualifications for accreditation under 38 USC 5904
6 and 38 CFR 14.629.

7 (b) "Allowable expenditures" means those expenditures
8 determined by the Michigan veterans affairs agency to be necessary
9 and proper to support veteran service operations in this state.

10 (c) ~~(b)~~—"County veteran service fund" or "fund" means the fund
11 created in subsection (1).

12 (d) ~~(e)~~—"PIV card" means a personal identity verification card
13 issued by the United States Department of Veterans Affairs.

14 (e) ~~(d)~~—"Veteran service operations" means assistance and
15 programming of any kind to meet the needs of veterans in this
16 state. Veteran service operations include, but are not limited to,
17 providing assistance, programming, and services for the purpose of
18 assisting veterans in this state and providing advice, advocacy,
19 and assistance to veterans, servicemembers, dependents, or
20 survivors by an accredited veteran service officer to obtain United
21 States Department of Veterans Affairs health, financial, or
22 memorial benefits for which they are eligible.