Senate Bills 185 and 186 (as introduced 2-13-97)
Sponsor: Senator Art Miller, Jr.
Committee: Human Resources, Labor and Veterans Affairs

Date Completed: 5-2-97

CONTENT

Senate Bill 185 would amend Public Act 190 of 1965 (which defines "veteran" for the purpose of all State Acts relative to veterans) to include certain Merchant Marines in the definition of "veteran".

Currently, the statute defines a veteran as a "person, who served in the active military forces during a period of war or who received the armed forces expeditionary or other campaign service medal during an emergency condition, and who was discharged or released therefrom under honorable conditions". "Veteran" also includes a person who died in active military forces. The bill would add to the definition of veteran, those who served similarly in service of the Merchant Marines of the United States.

Senate Bill 186 would amend Public Act 9 of 1946, the Michigan Veterans Trust Fund Act, to add those persons who served in the Merchant Marines among those who may be eligible for benefits under the Michigan Veterans Trust Fund Programs.

The two bills are tie-barred.

MCL 35.61 (S.B. 185)
      35.602 (S.B. 186)

FISCAL IMPACT

The bills would have an indeterminate, but probably minimal, fiscal impact on State and local governments. Benefits available to those persons defined as veterans under Michigan law include emergency grants from the Michigan Veterans Trust Fund, college and tuition assistance for offspring of service-related deceased or 100% disabled veterans, a Veterans Relief Fund that can provide $300 toward burial services, and eligibility to be a member at the Grand Rapids and D.J. Jacobetti Homes for Veterans. According to the President of the Michigan United States Merchant Marine Veterans of World War II, there are probably no more than 200, most likely fewer, Merchant Marines in the State who would fall under the definitions in these bills. It is assumed that, due to the ages of those Merchant Marine veterans who would be affected by these bills, that few would result in additional applications for either the Emergency or Tuition Grant Program. It is possible that these persons could utilize the benefit of eligibility to enter a State veterans home or the county-supported burial service.

The cost to the State of adding members to its veterans homes varies with the ability to pay for each new member. Current State maintenance costs at the State veteran homes are over $2,000 per month per patient for domiciliary care, and over $3,000 a month for skilled nursing care. Since those

Merchant Marine veterans affected by the bills are eligible to receive financial assistance from the U.S. Department of Veterans Affairs to defray the cost of membership in a State veterans home, State maintenance costs for domiciliary care would be reduced by 20% or more, and for skilled nursing, 30% or more. The balance of these costs is assumed by a member to the extent he or she has the ability to pay and by the State's General Fund.

Since it is not known at this time how many, if any, Merchant Marine veterans would choose to apply for membership to a State veterans home, it is difficult to estimate how much impact Senate Bills 185 and 186 would have on the State's General Fund. For each Merchant Marine veteran who would apply to State veterans homes for skilled nursing needs, and had no financial means to assist in a home's maintenance costs, the cost to the State's General Fund would be $33,600 per year; for domiciliary care, the cost would be $19,800 per year. It is estimated that only a handful of eligible Merchant Marine veterans would choose to apply for admission to a home.

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