

MICHIGAN VETERANS FUND-RAISING LICENSE PLATE

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House Bill 4788 (Substitute H-2)

Sponsor: Rep. Jim Stamas

Committee: Military and Veterans Affairs

Complete to 11-12-13

A SUMMARY OF HOUSE BILL 4788 AS REPORTED FROM COMMITTEE

The bill would amend the Michigan Vehicle Code to allow the Secretary of State to issue a fund-raising license plate or collector plate recognizing Michigan Veterans.

The Secretary of State would determine the design of the fund-raising plate or collector plate, and the bill requires the plates be developed by June 1, 2014.

Fund-raising donations collected would be transferred by the Secretary of State to the State Treasurer, who would then disburse donations to the Michigan Veterans Engagement Fund on a monthly basis. This is a new fund to be created by the bill.

Money in the Veterans Engagement Fund would be disbursed monthly to the Michigan Veterans Affairs Agency to be expended on outreach activities with county veteran services offices, organizations providing local veteran services, and other veteran service providers. However, at least 25% of the money disbursed would have to be dedicated for tuition support for members of the Michigan National Guard or the Children of Veterans Tuition Grant Program, at the discretion of the adjutant general of the Michigan National Guard.

The Michigan Veterans Affairs Agency could spend up to 15% of the funds received each month on administrative expenses.

MCL 257.1 et al.

FISCAL IMPACT:

MVAA Impact

The bill would have an indeterminate fiscal impact on the Michigan Veterans Affairs Agency (MVAA), depending on the extent to which revenues are received from sales of the veterans fund-raising plate. The potential for revenue is affected, to some degree, by the existing availability of a specialty (non-fund-raising) license plate to eligible veterans (and, in some cases, their spouses) for a nominal service fee of \$5-\$10. These specialty plates denote the branch of service or period of service.¹ The Department of State reports that it has issued about 83,000 such plates.

¹ See, the veterans' plate application form, http://www.michigan.gov/documents/bdvr-87_16253_7.pdf.

The MVAA would be responsible for paying the Department of State's start-up fee of \$15,000 as required under MCL 257.811e. These costs would likely have to be supported from the existing GF/GP appropriation authorization for the agency, unless a supplementary budget adjustment is enacted to account for these costs. The bill provides that the agency could expend up to 15% received each month from plate sales for administrative expenses. While not explicitly stated, it could be the case that the \$15,000 start-up fee is to be considered part of the agency's administrative expenses and would be eligible for support from plate sales revenue.

Except as allowed for administrative expenses, revenue generated from plate sales would have to be expended by the MVAA to support unspecified "outreach activities" with county veterans affairs departments, veterans service organizations (VSOs), and other public or private organizations that provide services to veterans. The specific nature of these activities is not immediately known.

As required by 2013 PA 9, an FY 2013 supplemental appropriations act, the MVAA has developed a strategic plan designed to guide the MVAA's programs and activities in delivering services and programs to veterans. Presumably, any outreach activities funded through Michigan Veterans Engagement Fund would be performed in accordance with the agency's strategic plan. These activities would generally be subject to appropriation by the Legislature.

The MVAA's performance and activities are subject to ongoing quarterly reports to the appropriations subcommittees. The department already provides numerous "outreach" activities through VSOs and county veterans affairs departments. The agency is also working on a pilot project assessing community services (and gaps in service) available to veterans in the areas of employment, education, health, and quality of life, in an effort to deliver services to veterans through a "no wrong door" approach that provides a coordinated effort among public and private service providers. Initial pilot projects are being developed in Kent and Wayne counties, although the longer term goal is to create a replicable service delivery model within each of the regional prosperity zones identified by the administration.² In sum, the funds available through the fund-raising plate would likely supplement the agency's current activities.

The bill specifically provides that at least 25% of the revenue from the fund-raising plate must be expended for tuition assistance programs available to members of the National Guard or the Children of Veterans Tuition Grant program established by 2005 PA 248.³ There currently is no specific state-authorized program that provides tuition assistance to

² See, michigan.gov/regionalprosperity.

³ http://www.michigan.gov/documents/mistudentaid/CVTGFactSheet_271497_7.pdf. For FY 2013-14, the appropriation for the program is just under \$1.4 million. In addition to revenue potentially received through the fund-raising plate, the Children of Veterans Tuition Grant Program also receives donations made via income tax check-off per Section 437 of the Income Tax Act (MCL 206.437). In Tax Year 2011, \$90,436 was donated to the program through 7,367 returns.

members of the National Guard, so in the immediate future this share of the revenue would be used for the Children's of Veterans Tuition Grant program.⁴

Department of State Impact

The bill would have a nominal negative fiscal impact on the Department of State. While the MVAA would pay an initial \$15,000 start-up fee, and individuals would pay a \$10 service fee per plate, the Department of State reports that these fees do not fully offset the Department's costs.

POSITIONS:

The Department of Military and Veterans Affairs supports the bill. (11-6-13)

The Department of State testified in support of the bill. (10-30-13)

The Michigan Veteran Affairs Agency supports the bill. (11-6-13)

American Legion Department of Michigan supports the bill. (11-6-13)

Military Order of the Purple Heart supports the bill. (11-6-13)

Vietnam Veterans of America supports the bill. (11-6-13)

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

⁴ From FY 2000 through FY 2009, the state provided a tuition reimbursement for one-half (50%) of the cost of tuition, generally capped at \$2,000 per academic year, to members of the state National Guard. Members had to remain in active drilling status (1 weekend/month; 2 weeks/year). Assistance was provided to guard members attending school part-time or full-time at a public or private college or university. Members could pursue course work in programs leading to a certificate, associate's degree, baccalaureate degree, or a graduate degree. The program only existed in boilerplate included in the annual budget for the Department of Military and Veterans Affairs, although legislation (HB 4762 and SB 142) was introduced, but never enacted, during the 1999-2000 legislative session. The program ceased due to budgetary constraints and the recent availability of benefits to National Guard members under the Post-9/11 GI bill.