

Legislative Analysis



MICHIGAN VETERANS FUND-RAISING LICENSE PLATE

Mary Ann Cleary, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4788

Sponsor: Rep. Jim Stamas

Committee: Military and Veterans Affairs

Complete to 10-29-13

A SUMMARY OF HOUSE BILL 4788 AS INTRODUCED 5-29-13

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 Michigan active duty military personnel, including, but not limited to, Michigan National Guard tuition reimbursement or tuition grant programs, 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 would be required to annually report to the Department of Treasury an accounting of the funds received and used.

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.

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 be supported from the existing GF/GP appropriation authorization for the agency, unless a supplementary budget adjustment is enacted to account for these costs. Start-up costs are not explicitly listed as an allowable use of the Michigan Veterans Engagement Fund established by the bill.

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. 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 would have to be expended for tuition assistance programs available to members of the National Guard or active duty military personnel², 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 members of the National Guard or

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

² The language of the bill should also include a reference to members of the reserved component of the armed forces in a tuition grant program supported by the Veterans Engagement Fund, otherwise the tuition program funded through the Veterans Engagement Fund would only be available to active duty personnel and Michigan National Guard members.

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.

active duty members of the armed forces, 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.

Legislative Analyst: E. Best
Fiscal Analyst: Mark Wolf
Marilyn Peterson

■ 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.