

VETERANS SERVICE DOG GRANT PROGRAM

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<http://www.house.mi.gov/hfa>

House Bills 4912 & 4913 as introduced

Sponsor: Rep. Holly Hughes

Committee: Local Government

Complete to 12-8-15

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4912 would create a Veterans Service Dog Act, which would establish and implement a service dog grant program for disabled veterans. The bill would also create a Veterans Service Dog Fund (VSDF), which would administer the program, funded by contributions. House Bill 4913 would amend the Dog Law of 1919 to allow contributions to be made to the fund when purchasing a dog license.

*Under the bills, a **service dog** is a dog that is trained to do work or perform tasks for a person with a disability, including a physical, sensory, psychiatric, intellectual, or other mental disability. The work done must directly relate to the person's disability, and may include, among other things: guiding a blind person, pulling a wheelchair, alerting and protecting a person who is having a seizure, alerting an individual to the presence of allergens, calming an individual with posttraumatic stress disorder during an anxiety attack, or reminding a person to take prescribed medications. A service dog is not a pet.*

House Bill 4912 would create a veterans service dog grant program that would use funds from the VSDF, which is also created by the bill, to provide grants for the acquisition of service dogs for veterans. The veteran applying for a grant would be required to contribute at least 50% of the cost of the service dog, but not to exceed \$3,000.

Applying for the grant: A veteran wishing to apply for a grant should submit an application to the Department of Military and Veterans Affairs, which must include:

- Information about the person who is training and will be selling the service dog,
- The cost of the dog,
- The amount of the grant requested,
- The amount the veteran will be contributing toward the purchase of the dog and documentation of the source of the contribution, and
- A letter in support of the grant from an approved veterans organization.

The department will notify the veteran if it approves the grant, and will disburse the grant funds to the service dog provider once the veteran pays the required share of the cost.

Veterans Service Dog Fund: The State Treasurer may receive money from any source for deposit into the fund, and will direct investment of the fund. The principal allowed in the fund is capped at \$5 million, not including interest and earnings. If the fund exceeds that amount, any excess will be diverted to the Michigan Veterans' Trust Fund. The department

is the administrator of the fund for auditing purposes, and may only use the money to issue grants and to hire an employee to administer the grant, if needed, whose salary may not exceed 10% of the money in the fund.

The department will prepare a report for the applicable committees in both houses of the legislature at least every five years, describing the money received, the total expenditures, the balance of the fund, and the number of grants issued.

House Bill 4913 would allow a dog owner to contribute to the VSDF when applying for a dog license. The license application, which must be submitted every year or every three years, as determined by the applicable county, states the dog's and owner's identification information.

This bill would also provide a place on the application for the owner to indicate the desire to make a contribution of up to \$10 to the VSDF. These contributions would be forwarded to the State Treasurer, who would credit the money to the VSDF. A county, township, or city may retain up to 1% of the money collected for administrative expenses.

These bills are tie-barred together, so neither would go into effect unless the other is also enacted. The bills would go into effect 90 days after enactment.

FISCAL IMPACT:

House Bills 4912 and 4913 could create state costs in the short term. They would result in no net long-run costs for the state or local units of government. The Department of Military and Veterans Affairs (DMVA) and local units of government could have to cover the expenses of administering the Veterans Service Dog Grant program until enough funds can presumably be collected through donations to reimburse the initial costs. The length of time necessary to recoup these initial costs, as well as to establish a steady-flow of sufficient revenue to provide grants, cannot be determined due to the nature of the grant program's revenue source—it relies entirely on donations.

Initial costs to the DMVA could be incurred by hiring one full-time employee (Full Time Equated – FTE) to administer the grant program, before sufficient funds are available.

Example: FTE Costs (based upon FY 2014 reported averages)			
<u>Annual Salary</u>	<u>Annual Fringe Benefits Cost</u>	<u>Total Cost</u>	<u>Required Donations</u> <u>(\$10 each)</u>
\$56,209	\$48,053	\$104,262	105,316
<i>Note: Required number of donations accounts for DMVA and local administrative costs</i> <i>Source: http://www.michigan.gov/documents/mdcs/35th_AWFR_Complete_474603_7.pdf, accessed 12/08/15</i>			

Local units of government would be allowed to retain up to 1% of the donations they collect (maximum allowed donation of \$10 per dog license application) to cover the program's administrative costs.

Example: Revenue Generation (in Dollars)			
<u>Number of Donations</u>	<u>Amount Donated</u>	<u>Local Admin. Fees</u>	<u>Total Deposited into Fund</u>
100,000	\$1,000,000	\$10,000	\$990,000
150,000	\$1,500,000	\$15,000	\$1,485,000
250,000	\$2,500,000	\$25,000	\$2,475,000
<i>Notes: Assumes maximum donation (\$10) and local retention (1%)</i>			

The DMVA would be able to retain up to 10% of the annual appropriations from the fund for the costs of maintaining one FTE to administer the program.

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