



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 5536 (as passed by the House)
Sponsor: Representative Jason Wentworth
House Committee: Military and Veterans Affairs
Senate Committee: Veterans, Military Affairs and Homeland Security

Date Completed: 6-4-18

CONTENT

The bill would amend Public Act 192 of 1953, which allows a county board of commissioners to create a county department of veterans' affairs, to do the following:

- **Establish the "County Veteran Service Fund".**
- **Require the Michigan Veterans Affairs Agency to create and operate a grant program to provide grants to counties for county veteran service operations.**
- **Prescribe the formula for determining the total disbursement for each grant.**
- **Prescribe the conditions a county department of veterans' affairs would have to satisfy to receive a grant, such as maintaining a minimum level of county funding for veteran service operations and establishing remote access to the United States Department of Veterans Affairs (VA) computing systems.**

The bill would take effect 90 days after its enactment.

County Veteran Service Fund

The bill would create the County Veteran Service Fund within the State Treasury. The State Treasurer could receive money or other assets from any source for deposit in the Fund. The Treasurer would have to direct the investment of the Fund and credit to it interest and earnings from Fund investments. Money in the Fund at the close of the fiscal year would remain in the Fund and would not lapse to the General Fund. The Michigan Veterans Affairs Agency would be the administrator of the proposed Fund for auditing purposes.

Grant Program

The Agency would have to create and operate a grant program that provided grants to counties for county veteran service operations. The Agency would have to make grants from the Fund, upon appropriation, to each county department of veterans' affairs that met the conditions listed below, for the sole use of the county's veteran service operations.

"Veteran service operations" would mean assistance and programming to meet the needs of veterans in the State. The term would include providing advice, advocacy, and assistance to veterans, servicemembers, dependents, or survivors by an accredited veteran service officer to obtain VA health, financial, or memorial benefits for which they are eligible. "Accredited veteran service officer" would mean an individual who has met the qualifications for accreditation under 38 USC 5904 and 38 CFR 14.629. (Under 38 USC 5904, the Secretary of the VA may recognize an individual as an agent or attorney for the purpose of preparing and prosecuting claims on behalf of a claimant for VA benefits. The federal regulations (38 CFR

14.629) prescribes the requirements for accreditation of service organization representatives, agents, and attorneys.)

The total disbursement for each grant would be determined by combining the following amounts: a) a base amount of \$25,000, and b) a per capita amount according to the number of veterans residing in each county. The per capita amount would be determined by dividing the amount remaining in the proposed Fund, after accounting for all of the \$25,000 disbursements, by the total number of veterans residing in the State, and multiplying the resulting dollar amount by the number of veterans residing in the county receiving the grant. Population figures for veterans residing in Michigan and in each of its county would have to be obtained from the most recent Geographic Distribution of VA Expenditures (GDX) Report published by the VA.

Conditions of Receiving Grant

As a condition of receiving a grant, within one year of the bill's effective date, a county department of veterans' affairs would have to satisfy all of the following:

- Maintain a minimum level of county funding for veteran service operations equal to the level of county funding for veteran service operations for the fiscal year preceding the bill's effective date.
- Establish remote access to the VA computing systems and require county veteran service officers to obtain a personal identity verification (PIV) card issued by the VA.
- Submit quarterly report to the Michigan Veterans Affairs Agency in accordance with the Agency's reporting requirements.
- Provide at least 20 hours per week toward veteran service operations.

Proposed MCL 35.623a

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on the Department of Military and Veterans Affairs' Michigan Veterans Affairs Agency (MVAA), which would be required under the bill to establish and run a grant program. Assuming it would be funded, the program would distribute grants to counties to assist them in providing services to veterans. While the MVAA currently has staff who are responsible for overseeing certain existing grant programs, the size and potential oversight needs of the proposed county veterans services operation grants could require the Agency to add another employee--perhaps at a cost of \$150,000, including benefits, annually, to assist in carrying out the bill's provisions.

The bill would provide no appropriations for the County Veteran Service Fund. The current Department of Military and Veterans Affairs FY 2018-19 budget proposal, House Bill 5570 (which may be rolled into Senate Bill 848 prior to passage), would appropriate \$2.1 million to the County Veteran Service Fund. Should appropriations for the Fund be signed into law, the MVAA will be faced with additional administrative responsibilities and each qualifying county in the State could receive fiscal assistance in the operations of its veterans services offices. The bill would allow for \$25,000 to be distributed as a base grant to each eligible county. If additional funds became available, the money could be distributed to counties on a veteran population per-capita basis. Under a scenario where the Fund contained \$5.0 million, total disbursements, when combining the base grant with a per capita grant, could result in a range of distribution among counties from \$26,472 for Keweenaw County to \$463,571 for Wayne County.

Fiscal Analyst: Bruce Baker

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.