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House Bill 6377 (as passed by the House)
Sponsor: Representative Roger Hauck
House Committee: Appropriations
Senate Committee: Local Government

Date Completed: 11-9-22

CONTENT

The bill would amend Public Act 192 of 1953, which created the County Veteran Service Fund and grant program, to permanently require a county to maintain at least 70% of the total county funding for veteran service operations for fiscal year (FY) 2017-18 to qualify for funding from a Michigan Veterans Affairs Agency grant program.

Public Act 192 of 1953 requires the Michigan Veterans Affairs Agency to create and operate a grant program to provide grants to counties for allowable expenditures (i.e., those expenditures determined by the Agency to be necessary and proper to support veteran service operations in Michigan) related to county veteran service operations. The Agency must make grants from the fund, upon appropriation, to each county that enters into a grant agreement with the Agency and meets the conditions prescribed in the Act for the sole use of supporting allowable expenditures made by the county's veteran service operations.

Generally, unless requirements are suspended to allow a county to form an emergent need relief program, to be eligible to receive a grant after FY 2020-21, a county (among other things) must maintain a minimum level of county funding for veteran service operations equal to the level of county funding for veteran service operations. Specifically, for FY 2021-22, the county had to maintain at least 70% of the total county funding for veteran service operations for the FY 2017-2018. If a county reduces the level of county funding for veteran service operations for the fiscal years ending September 30, 2021, or September 30, 2022, it could not use grant funding to supplant those reductions.

Under the bill, the 70% threshold would have to be maintained for FY 2020-21 and each fiscal year thereafter. If the county reduced the level of county funding for veterans service operations below 70% of the total county funding for veterans service operations for FY 2017-18, the county could not use grant funding to supplant those reductions.

MCL 35.623a

Legislative Analyst: Olivia Ponte

FISCAL IMPACT

The bill would have no overall fiscal impact on the Department of Military and Veterans Affairs' County Veterans Service Fund grant program to county departments of veterans affairs, as created by Public Act 210 of 2018. The Fund received an appropriation of \$4.0 million General Fund/General Purpose (GF/GP) in FY 2021-22 and \$4.3 million GF/GP for FY 2022-23, with statute requiring the disbursement of nearly the full balance each year to qualifying

applicants. Depending on the availability of money in the Fund, grants are awarded to qualifying applicants at a base level of \$50,000 and an additional amount based on a per-capita formula using the number of veterans residing in each county. Because counties could not spend the full amounts granted, grant balances were returned to the Fund. As unspent funds appropriated to the Fund were carried forward into the next year, the current balance of the Fund is at \$10.9 million, noting that FY 2022-23 grants have yet to be disbursed from this amount.

The bill would make it easier for counties to qualify for grants by requiring a lower level of local support of veterans services to be eligible, which could result in additional grants being issued from the Fund. The issuance of additional grants also could result in a decrease in many local counties' spending for veterans services, to a degree that cannot be determined at this time.

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.