



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 540 (Substitute S-1 as passed by the Senate)
Senate Bill 541 (as passed by the Senate)
Sponsor: Senator Kevin Hertel (S.B. 540)
Senator Roger Hauck (S.B. 541)
Committee: Veterans and Emergency Services

Date Completed: 12-26-24

CONTENT

Senate Bill 540 (S-1) would enact the "Michigan Veterans Coalition Grant Program Act" to do the following:

- Create the Michigan Veterans Coalition Grant Program to provide grants to veteran service organizations to be spent in support of veteran service operations in the State.
- Require the Michigan Veterans Affairs Agency to administer the Program's grants from the Michigan Veterans Coalition Fund created under Senate Bill 541.
- Prescribe eligibility requirements for veteran service organizations.

Senate Bill 541 would enact the "Michigan Veterans Coalition Fund Act" to create the Fund within the Department of Treasury and require the Michigan Veterans Affairs Agency to spend money from the Fund upon appropriation for the Michigan Veterans Coalition Grant Program proposed under Senate Bill 540 (S-1).

The bills are tie-barred.

Senate Bill 540 (S-1)

Under the bill, the Michigan Veterans Affairs Agency would have to consult with the Michigan Veterans Coalition to create and operate the Michigan Veterans Coalition Grant Program which would have to provide grants to veteran service organizations for allowable expenditures related to veteran service operations. The Agency would have to make grants from the Fund, on appropriation, to each organization that entered into a grant agreement and was eligible as described below for the sole use of supporting allowable expenditures made by the organization. "Allowable expenditures" would mean those expenditures the Agency determined to be necessary and proper to support veteran service operations in the State.

"Veteran service organizations" would mean assistance and programming of any kind to meet the needs of veterans in the State. The term would include providing assistance, programming, and services for the purpose of assisting veterans, servicemembers, dependents, or survivors by an accredited veteran service officer to obtain United States Department of Veterans Affairs health, financial, or memorial benefits for which they were eligible. "Accredited veteran service officer" would mean an individual who meets Federal requirements for accreditation as a service organization representative, agent, or attorney, and has filed the appropriate form to be accredited.

To be an eligible grant recipient, an organization would have to certify, in a form and manner prescribed by the Agency, that the organization provided accredited veteran service officer

hours in support of connecting veterans and their families to available Federal benefits. The Agency could approve administrative support for veteran service operations.

Senate Bill 541

The bill would create the Michigan Veterans Coalition Fund within the State Treasury. The State Treasurer would have to deposit money and other assets received from any source in the Fund. Money in the Fund at the close of the fiscal year would not lapse into the General Fund. The State Treasurer would have to direct the investment of money in the Michigan Veterans Coalition Fund and credit interest and earning from investments to the Fund.

The Michigan Veterans Affairs Agency would be the administrator of the Fund for audits. The Agency could only spend money from the Fund to create and operate the Michigan Veterans Coalition Grant Program.

BRIEF RATIONALE

The bills would create a grant program administered by the Michigan Veterans Affairs Agency to help fund veterans service organizations that engage in veterans' service operations, such as assisting veterans in obtaining Federal Veterans Affairs health benefits. Veteran service organizations, such as the American Legion or the Veterans of Foreign Wars, serve with the purpose of connecting veterans and their dependents with benefits and services for which they are eligible. Some believe that the State has a duty to support veterans in Michigan who need help identifying and applying for benefits, and so the bills have been suggested.

BACKGROUND

Veteran service organizations connect veterans and their dependents with benefits and services for which they are eligible. These benefits and services include funding for education and training, health care and hospital coverage, and life insurance coverage, among others.¹ Generally, veteran service organizations employ accredited veteran service officers to coordinate the paperwork necessary for veterans and their dependents to access these benefits. The Michigan Veterans Affairs Agency provides an online list of veteran service organizations that veterans may contact for help in coordinating benefits. If a veteran or dependent is aggrieved by a veteran service officer's service, the Federal Veterans Affairs' Office of General Counsel accepts complaints.

Legislative Analyst: Alex Krabill

FISCAL IMPACT

The bills would have no fiscal impact on State or local government. They simply would place in statute the current practice of providing guidelines for the administration of appropriations of grants to veterans' service organizations, add the requirement that such appropriations be placed in the Fund in Treasury for expenditure, and require that those funds not lapse to the General Fund at the end of a fiscal year. Funding for the bills' provisions would depend upon budget bill appropriations made for that purpose. For Fiscal Year 2023-24, appropriations for veterans' service grants include \$4.25 million General Fund/General Purpose (GF/GP). Placing the Program in statute and creating the Michigan Veterans Coalition Fund would mirror that which was established for the county veteran service grant program (also receiving \$4.25 million GF/GP in the current year budget), which was created in statute under Public Act 210 of 2018.

¹ For more information, see <https://www.legislature.mi.gov/Publications/VeteransBenefits.pdf>.

Senate Bill 541 likely would have a minor fiscal impact on the Department of Treasury. It is possible that the Department would incur minor costs associated with the Fund; however, existing appropriations would likely be sufficient to carry out administrative and investment activities. Money in the Fund would not lapse to the General Fund at the close of the fiscal year.

Fiscal Analysts: Bruce R. 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.