

**SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 4122**

A bill to amend 1953 PA 192, entitled  
"An act to create a county department of veterans' affairs in  
certain counties, and to prescribe its powers and duties; to create  
the county veteran service fund and to provide for contributions to  
and expenditures from that fund; and to transfer the powers and  
duties of the soldiers' relief commission in those counties,"  
by amending section 3a (MCL 35.623a), as amended by 2018 PA 514.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 3a. (1) The county veteran service fund is created within  
2 the state treasury.

3           (2) The state treasurer may receive money or other assets from  
4 any source for deposit into the fund. The state treasurer shall  
5 direct the investment of the fund. The state treasurer shall credit  
6 to the fund interest and earnings from fund investments.

1           (3) Money in the fund at the close of the fiscal year ~~shall~~  
2 ~~remain~~**remains** in the fund and ~~shall~~**does** not lapse to the general  
3 fund.

4           (4) The Michigan veterans affairs agency ~~shall be~~**is** the  
5 administrator of the fund for auditing purposes.

6           **(5) Money in the fund may be used to cover necessary**  
7 **administrative and implementation costs incurred by the Michigan**  
8 **veterans affairs agency, as specifically appropriated from the**  
9 **fund.**

10           (6) ~~(5)~~The Michigan veterans affairs agency shall create and  
11 operate a grant program that provides grants to counties for  
12 **allowable expenditures related to** county veteran service  
13 operations. The Michigan veterans affairs agency shall make grants  
14 from the fund, upon appropriation, to each county that **enters into**  
15 **a grant agreement with the Michigan veterans affairs agency and**  
16 meets the conditions listed in subsection ~~(7)~~**(8)** for the sole use  
17 of **supporting allowable expenditures made by** the county's veteran  
18 service operations. **A grant must be disbursed within 60 days after**  
19 **the date that the Michigan veterans affairs agency receives a**  
20 **completed and signed grant agreement from the county requesting the**  
21 **grant.** The total disbursement for each grant ~~shall~~**must** be  
22 determined by combining the following amounts:

23           (a) ~~A~~**Except as otherwise provided in this subdivision, a base**  
24 amount of \$50,000.00. **In a fiscal year when money in the fund is**  
25 **insufficient to support the \$50,000.00 base amount, an amount equal**  
26 **to and not to exceed the total amount appropriated to the fund for**  
27 **the fiscal year beginning October 1 divided by 83. A disbursement**  
28 **under this subdivision must be used for 1 of the following**  
29 **purposes:**

1           **(i) Establishing new capacity and capabilities for a county to**  
 2 **provide veteran service operations.**

3           **(ii) Enhancing and increasing existing veteran service**  
 4 **operations through local county offices.**

5           (b) A per capita amount according to the number of veterans  
 6 residing in each county **to support allowable expenditures related**  
 7 **to county veteran service operations.** The amount in this  
 8 subdivision ~~shall~~**must** be determined by dividing the amount  
 9 remaining in the fund after accounting for all disbursements under  
 10 subdivision (a) by the total number of veterans residing in this  
 11 state and multiplying the resulting dollar amount by the number of  
 12 veterans residing in the county receiving the grant. Population  
 13 figures for veterans residing in this state and in each county of  
 14 this state ~~shall~~**must** be obtained from the most recent Geographic  
 15 Distribution of VA Expenditures (GDX) Report published by the  
 16 United States Department of Veterans Affairs.

17           ~~(6) Both of the following apply to the disbursement of a grant~~  
 18 ~~under subsection (5):~~

19           ~~(a) The base amount described under subsection (5) (a) shall be~~  
 20 ~~provided in a lump sum distribution not later than December 31 of~~  
 21 ~~each year. The initial base amount shall be provided not later than~~  
 22 ~~January 31, 2019.~~

23           **(7) (b)**—If the amount remaining in the fund after accounting  
 24 for all disbursements under subsection ~~(5) (a)~~ **(6) (a)** is less than  
 25 the amount obtained by multiplying \$1,000.00 by the number of  
 26 counties receiving grants, the Michigan veterans affairs agency  
 27 shall not perform a calculation under subsection ~~(5) (b)~~ **(6) (b)** and  
 28 shall not disburse the portion of grant funds described under that  
 29 subsection.

1           (8) ~~(7) To~~ **Except as otherwise provided in subsection (10), to**  
2 be eligible ~~for receiving to receive~~ a grant under subsection ~~(5),~~  
3 ~~within 1 year of September 24, 2018, and annually after that date,~~  
4 **(6) in the fiscal year ending September 30, 2021, and each fiscal**  
5 **year thereafter, by no later than September 30** a county must  
6 satisfy all of the following as certified in a form and manner  
7 prescribed by the Michigan veterans affairs agency:

8           (a) ~~Maintain~~ **Except as otherwise provided in this subdivision,**  
9 **maintain** a minimum level of county funding for veteran service  
10 operations equal to the level of county funding for veteran service  
11 operations for the fiscal year **immediately** preceding ~~September 24,~~  
12 **October 1, 2018. For the fiscal years ending September 30, 2021 and**  
13 **September 30, 2022, maintain at least 70% of the total county**  
14 **funding for veteran service operations for the fiscal year**  
15 **immediately preceding October 1, 2018. If a county reduces the**  
16 **level of county funding for veteran service operations for the**  
17 **fiscal years ending September 30, 2021 or September 30, 2022, it**  
18 **shall not utilize grant funding awarded under subsection (6) to**  
19 **supplant those reductions.**

20           (b) **Demonstrate an effort to achieve both of the following:**

21           (i) Establish remote access to the United States Department of  
22 Veterans Affairs computing systems. ~~and require~~

23           (ii) **Require** county veteran service officers to obtain a PIV  
24 card.

25           (c) Submit quarterly reports to the Michigan veterans affairs  
26 agency in accordance with the reporting requirements determined by  
27 that agency.

28           (d) Provide no less than 20 hours per week toward veteran  
29 service operations. **Upon request, the Michigan veterans affairs**

1 agency may grant an exemption from this requirement. In determining  
 2 whether or not to grant an exemption under this subdivision, the  
 3 Michigan veterans affairs agency shall consider necessary  
 4 information and factors, including, but not limited to, the total  
 5 veteran population of a county and any existing agreements that  
 6 promote coordination of services between counties.

7 (e) Submit financial reports to the Michigan veterans affairs  
 8 agency on a regular basis, as determined by that agency,  
 9 demonstrating that the county expended the grant funds received  
 10 under subsection ~~(5)~~ **(6)** directly and solely ~~on~~ **for allowable**  
 11 **expenditures related to county** veteran service operations during  
 12 the period of the report.

13 (9) If the Michigan veterans affairs agency determines, by  
 14 audit or otherwise, that a county expended the grant funds received  
 15 under subsection ~~(5)~~ **(6)** for purposes other than **for allowable**  
 16 **expenditures related to county** veteran service operations, the  
 17 Michigan veterans affairs agency shall ~~reduce the grant~~  
 18 ~~disbursement provided to the county in the succeeding fiscal year~~  
 19 ~~by an amount equal to the total of all amounts improperly~~  
 20 ~~expended.~~ **notify the county of its findings and recover any misused**  
 21 **grant funds before issuing any new grants to the county.**

22 (10) Retroactive to the fiscal year ending September 30, 2020,  
 23 and for the fiscal years ending September 30, 2021 and September  
 24 30, 2022, the Michigan veterans affairs agency may suspend the  
 25 requirements in subsection (8) to allow a county to utilize  
 26 available money in a county veteran service fund for the purposes  
 27 of forming an emergent need relief program to provide direct  
 28 financial assistance through its veteran service operations in the  
 29 county. In establishing an emergent need relief program, the

1 **Michigan veterans affairs agency and counties shall ensure all**  
2 **other available resources are applied before awarding assistance**  
3 **under this program.**

4 **(11)** ~~(8)~~—As used in this section:

5 (a) "Accredited veteran service officer" means an individual  
6 who has met the qualifications for accreditation under 38 USC 5904  
7 and 38 CFR 14.629.

8 **(b) "Allowable expenditures" means those expenditures**  
9 **determined by the Michigan veterans affairs agency to be necessary**  
10 **and proper to support veteran service operations in this state.**

11 **(c)** ~~(b)~~—"County veteran service fund" or "fund" means the fund  
12 created in subsection (1).

13 **(d)** ~~(e)~~—"PIV card" means a personal identity verification card  
14 issued by the United States Department of Veterans Affairs.

15 **(e)** ~~(d)~~—"Veteran service operations" means assistance and  
16 programming of any kind to meet the needs of veterans in this  
17 state. Veteran service operations include, but are not limited to,  
18 providing assistance, programming, and services for the purpose of  
19 assisting veterans in this state and providing advice, advocacy,  
20 and assistance to veterans, servicemembers, dependents, or  
21 survivors by an accredited veteran service officer to obtain United  
22 States Department of Veterans Affairs health, financial, or  
23 memorial benefits for which they are eligible.