



Senate

General Assembly

File No. 170

February Session, 2014

Substitute Senate Bill No. 211

Senate, March 27, 2014

The Committee on Veterans' Affairs reported through SEN. LEONE of the 27th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE SOLDIERS, SAILORS AND MARINES FUND.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (*Effective from passage*) (a) There is established a task force
2 to develop a strategic plan for the future of the Soldiers, Sailors and
3 Marines Fund. The task force shall consider whether such fund should
4 be administered by a state agency, the American Legion or any
5 combination thereof.

6 (b) The task force shall consist of the following members:

7 (1) The Commissioner of Veterans' Affairs, or the commissioner's
8 designee;

9 (2) The administrator of the Soldiers, Sailors and Marines Fund, or
10 the administrator's designee;

11 (3) The department commander of the American Legion, or the
12 department commander's designee;

13 (4) The department commander of Veterans of Foreign Wars, or the
14 department commander's designee;

15 (5) The department commander of American Veterans, or the
16 department commander's designee;

17 (6) The department commander of Disabled American Veterans, or
18 the department commander's designee;

19 (7) Two appointed by the Governor;

20 (8) One appointed by the speaker of the House of Representatives;

21 (9) One appointed by the president pro tempore of the Senate;

22 (10) One appointed by the majority leader of the House of
23 Representatives;

24 (11) One appointed by the majority leader of the Senate;

25 (12) One appointed by the minority leader of the House of
26 Representatives;

27 (13) One appointed by the minority leader of the Senate;

28 (14) The State Treasurer, or the Treasurer's designee; and

29 (15) The two chairpersons of the joint standing committee of the
30 General Assembly having cognizance of matters relating to veterans'
31 affairs.

32 (c) All appointments to the task force shall be made not later than
33 thirty days after the effective date of this section. Any vacancy shall be
34 filled by the appointing authority.

35 (d) The two chairpersons of the joint standing committee of the
36 General Assembly having cognizance of matters relating to veterans'
37 affairs shall be the chairpersons of the task force. Such chairpersons
38 shall schedule the first meeting of the task force, which shall be held
39 not later than sixty days after the effective date of this section.

40 (e) Not later than January 1, 2015, the task force shall submit a
 41 report on its findings and recommendations to the joint standing
 42 committee of the General Assembly having cognizance of matters
 43 relating to veterans' affairs, in accordance with the provisions of
 44 section 11-4a of the general statutes. The task force shall terminate on
 45 the date that it submits such report or January 1, 2015, whichever is
 46 later.

47 Sec. 2. Sections 121 and 122 of public act 13-247 are repealed.
 48 (*Effective from passage*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	Repealer section

VA *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 15 \$	FY 16 \$
Various State Agencies	GF - Potential Cost	less than 1,000	None
Soldiers, Sailors & Marines' Fund	GF - Cost	625,000	625,000

Municipal Impact: None

Explanation

Section 1 results in a cost of less than \$1,000 in FY 15 to agencies participating in the task force to reimburse legislators and agency staff for mileage expenses.

Section 2 eliminates the FY 15 transfer of the Soldiers', Sailors', and Marines' Fund (SSMF) to the American Legion and continues current practice of the SSMF as a state appropriated agency which would result in a General Fund cost of approximately \$625,000.

The table below shows the estimated FY 15 SSMF expenditures, Interest earned and the General Fund subsidy:

FY 15 Estimate \$	
Expenditures	3,156,988
Interest	2,531,965
General Fund Subsidy	625,023

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sSB 211*****AN ACT CONCERNING THE SOLDIERS, SAILORS AND MARINES FUND.*****SUMMARY:**

This bill eliminates a future change transferring administration of the Soldiers', Sailors', and Marines' Fund (SSMF) to the American Legion, scheduled to take effect on July 1, 2014. Thus, it continues current practice of the SSMF being administered by a state agency headed by the American Legion treasurer. By law, SSMF is a self-sustaining trust fund, invested by the state treasurer that uses the interest from its investment to provide certain benefits to qualified veterans (see BACKGROUND).

The bill also continues the (1) Finance Authority Committee's (FAC) authority to make General Fund (GF) appropriations to SSMF and (2) conditions under which certain GF appropriations to SSMF must be repaid to the GF.

Finally, the bill establishes a 17-member task force to develop a strategic plan for SSMF's future. The task force must consider whether the fund should be administered by a state agency, the American Legion, or some combination of both.

EFFECTIVE DATE: Upon passage

SSMF***Administration***

A 2013 public act transfers SSMF administration to the American Legion on July 1, 2014. The bill repeals these provisions and continues current law requiring the American Legion treasurer to administer the

fund. In practice, the American Legion treasurer is also a state employee who heads the state agency that administers the SSMF.

General Fund Appropriations

The bill eliminates provisions that would have taken effect on July 1, 2014 and continues current law requiring the FAC to make appropriations from the GF to SSMF, on the governor's recommendation, if the SSMF's interest accumulations, together with available appropriations of any other funds, are insufficient to provide necessary benefits to the veterans. The appropriation for any fiscal year is limited to amounts that, together with accumulated interest for the year, total no more than the annual interest on \$35 million at the average investment yield earned the previous fiscal year. The FAC may make additional appropriations to the fund without the limitation when the governor declares a disaster constituting an emergency.

The bill also continues the requirement for SSMF to repay appropriations to the GF when:

1. interest earned on the SSMF principal exceeds its expenditures in any fiscal year and
2. there is an outstanding balance in the total amount to be repaid to the GF from appropriations made on or after July 1, 2002, that were used for the fund's purposes.

The bill continues the comptroller's authority to transfer any excess interest earned on SSMF principal in any fiscal year when these conditions are met. It also continues the current explicit prohibition against interest transfers for any other reason.

American Legion

The bill eliminates provisions that would, beginning July 1, 2014, give the American Legion authority to:

1. consult with the state treasurer concerning fund investment and
2. use up to \$300,000 of accumulated interest to administer the

fund.

It continues the current ban against using any accumulated fund interest to maintain the American Legion.

It also eliminates the American Legion's duty, beginning July 1, 2014, to conduct independent audits of the SSMF and report them to Finance, Revenue and Bonding and Veterans' Affairs committees and state treasurer and make them available to the public.

SSMF TASK FORCE

The 17-member task force must consist of:

1. the veterans affairs' commissioner or her designee;
2. the SSMF administrator or his designee;
3. the American Legion department commander or his designee;
4. the Veterans of Foreign Wars department commander or his designee;
5. the American Veterans department commander or his designee;
6. the Disabled American Veterans department commander or his designee;
7. two members appointed by the governor;
8. one member appointed by each of the six legislative leaders;
9. the state treasurer, or her designee; and
10. the two Veterans' Affairs Committee chairperson.

All task force appointments must be made within 30 days after the bill's passage and any vacancies must be filled by the appointing authority. The Veterans' Affairs Committee chairpersons serve as the task force chairpersons and must schedule and hold the first meeting within 60 days after the bill's passage.

The task force must report its findings and recommendations to the Veterans' Affairs Committee by January 1, 2015. The task force terminates on the date it submits the report or January 1, 2015, whichever is later.

BACKGROUND

SSMF

This fund provides benefits, such as food; clothing; and medical, surgical, and funeral assistance, to needy wartime veterans honorably discharged from active service in the U.S. military (i.e., U.S. Armed Forces), their spouses living with them or who lived with them when they died, and dependent children.

COMMITTEE ACTION

Veterans' Affairs Committee

Joint Favorable Substitute

Yea 14 Nay 0 (03/11/2014)