
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)