

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT**

LS 6573

BILL NUMBER: HB 1126

NOTE PREPARED: Dec 15, 2025

BILL AMENDED:

SUBJECT: Military Family Relief Fund.

FIRST AUTHOR: Rep. Pack

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that, for purposes of receiving a grant from the Military Family Relief Fund (MFRF), eligibility criteria shall be based on the financial need of the applicant regardless of the applicant's income or assets.

Effective Date: July 1, 2026.

Explanation of State Expenditures: *Workload:* This bill may increase the number of applicants eligible to receive grants from the MFRF. The bill does not specify how an applicant would demonstrate financial need outside of an applicant's income or assets. A change in the application process as well as a potential increase in applicants may increase the workload for the Indiana Department of Veterans' Affairs (IDVA). Depending on the rate of applications, the additional workload on IDVA could be outside of the department's routine administrative functions, and existing staffing and resource levels, if currently being used to capacity, may be insufficient for full implementation. The additional funds and resources required could be supplied through existing staff and resources currently being used in another program or with new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend on legislative and administrative actions.

Increase in Grants: This bill could expand the pool of individuals that would qualify for grants from the MFRF. This is likely to increase the number of applications and the rate at which money from the MFRF is expended. Actual changes in expenditures will depend on actions by the IDVA and the Veterans' Affairs Commission. Any increase in grant expenditures is expected to be met within existing resources.

Additional Information - The MFRF processed 1,636 applications in FY 2024, awarding 793 grants totaling \$925,500. A significant majority of the money in the MFRF is received in the form of fees for military service affiliated license plates. Average annual license plate fee revenue to the MFRF since 2019 has been approximately \$1.9 M. IDVA is statutorily prohibited from using any MFRF money to cover the costs of administering the fund and increased workload associated with the fund must be covered with General Fund appropriations.

Additionally, the Veterans' Affairs Commission oversees Veterans' Affairs Trust Fund, which was created in 2007 as a self-sustaining funding source for the MFRF as well as operational and grant funds to support Governor's Challenge suicide prevention programs. At the direction of the Veterans' Affairs Commission, excess money in the MFRF is routinely transferred to the trust fund and money from the trust fund may be transferred to the MFRF to ensure adequate funding during periods of high usage. An estimated \$2.25 M from the Trust Fund were expended on Governor's Challenge programs in FY 2025, with similar obligations projected over the next five years. As of June 30, 2025, the MFRF had a balance of \$3.1 M and the trust fund had a balance of approximately \$12 M.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: IDVA.

Local Agencies Affected:

Information Sources: Kyle Gross, IDVA; Legislative Services Agency. *Indiana Handbook of Taxes, Revenues and Appropriations*, FY 2025.

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