

Act No. 106
 Public Acts of 1997
 Approved by the Governor
 August 13, 1997
 Filed with the Secretary of State
 August 18, 1997
 EFFECTIVE DATE: August 18, 1997

STATE OF MICHIGAN
 89TH LEGISLATURE
 REGULAR SESSION OF 1997

Introduced by Senators Cisky, Hoffman, Conroy and McManus

ENROLLED SENATE BILL No. 172

AN ACT to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 1998; to provide for the expenditure of the appropriations; to provide for certain powers and duties of the department of military and veterans affairs, other state agencies, and local units of government related to the appropriations; and to provide for the preparation of certain reports related to the appropriations.

The People of the State of Michigan enact:

Sec. 101. There is appropriated for the department of military and veterans affairs, for the fiscal year ending September 30, 1998, from the funds identified as follows:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

Full-time equated unclassified positions	7.0	
Full-time equated classified positions	1,068.0	
GROSS APPROPRIATION.....	\$	84,867,700
Total interdepartmental grants and intradepartmental transfers	\$	0
ADJUSTED GROSS APPROPRIATION.....	\$	84,867,700
Federal revenues:		
Total federal revenues		29,151,800
Special revenue funds:		
Total local revenues		0
Total private revenues.....		375,000
Total other state restricted revenues.....		19,473,500
State general fund/general purpose	\$	35,867,400

HEADQUARTERS AND ARMORIES

Full-time equated unclassified positions	7.0	
Full-time equated classified positions	108.0	
Headquarters and armories—108.0 FTE positions	\$	7,687,900
Unclassified military personnel.....		545,400
Military appeals tribunal		900
Michigan emergency volunteers		5,000
State active duty.....		60,000
GROSS APPROPRIATION.....	\$	8,299,200

For Fiscal Year
Ending Sept. 30,
1998

Appropriated from:	
Federal revenues:	
DOD-DOA-NGB.....	\$ 1,403,600
Special revenue funds:	
Armory rentals.....	350,000
Mackinac Bridge Authority	40,000
State general fund/general purpose	\$ 6,505,600
MILITARY TRAINING SITES AND SUPPORT FACILITIES	
Full-time equated classified positions.....	242.0
Military training sites and support facilities—242.0 FTE positions	\$ 11,478,400
Military training sites and support facilities test projects	100,000
GROSS APPROPRIATION.....	\$ 11,578,400
Appropriated from:	
Federal revenues:	
DOD-DOA-NGB.....	10,099,700
Special revenue funds:	
Test project fees	100,000
State general fund/general purpose	\$ 1,378,700
DEPARTMENTWIDE APPROPRIATIONS	
Departmentwide accounts.....	\$ 6,338,700
Special maintenance - state	436,200
Special maintenance - federal.....	2,302,000
Equipment safety training.....	59,800
Military contingency fund	100
Military retirement	2,112,000
Counter narcotic operations	50,000
Starbase grant.....	250,000
GROSS APPROPRIATION.....	\$ 11,548,800
Appropriated from:	
Federal revenues:	
DOD-DOA-NGB.....	6,470,700
DOJ-DEA.....	50,000
Special revenue funds:	
State general fund/general purpose	\$ 5,028,100
VETERANS SERVICE ORGANIZATIONS	
American legion	\$ 710,400
Disabled American veterans.....	645,000
Marine corps veterans	296,300
American veterans of World War II and Korea.....	409,300
Veterans of foreign wars.....	780,300
Michigan paralyzed veterans of America	145,900
Purple heart.....	139,100
Veterans of World War I	100
Polish legion of American veterans.....	36,400
Jewish veterans of America.....	36,400
State of Michigan council Vietnam veterans of Michigan	96,100
Catholic war veterans.....	11,600
GROSS APPROPRIATION.....	\$ 3,306,900
Appropriated from:	
State general fund/general purpose	\$ 3,306,900
GRAND RAPIDS VETERANS' HOME	
Full-time equated classified positions.....	548.0
Grand Rapids veterans' home—548.0 FTE positions	\$ 34,112,500
Board of managers	300,000
GROSS APPROPRIATION.....	\$ 34,412,500

Appropriated from:	
Federal revenues:	
DVA-VHA	\$ 7,963,000
HHS-HCFA, medicare, hospital insurance.....	300,000
Special revenue funds:	
Private - veterans' home post and posthumous funds.....	300,000
Income and assessments	10,800,000
State general fund/general purpose	\$ 15,049,500
 D.J. JACOBETTI VETERANS' HOME	
D.J. Jacobetti veterans' home—154.0 FTE positions	\$ 11,133,500
Board of managers	75,000
GROSS APPROPRIATION.....	\$ 11,208,500
Appropriated from:	
Federal revenues:	
DVA-VHA	2,634,600
HHS-HCFA, medicare, hospital insurance.....	230,200
Special revenue funds:	
Private - veterans' home post and posthumous funds.....	75,000
Income and assessments	3,492,100
State general fund/general purpose	\$ 4,776,600
 MICHIGAN VETERANS' TRUST FUND	
Full-time equated classified positions.....	16.0
Veterans' affairs directorate administration—3.0 FTE positions	\$ 254,000
Administration—13.0 FTE positions.....	944,900
Veterans' trust fund grants.....	3,746,500
GROSS APPROPRIATION.....	\$ 4,945,400
Appropriated from:	
Special revenue funds:	
Michigan veterans' trust fund	4,691,400
State general fund/general purpose	\$ 254,000
 EARLY RETIREMENT SAVINGS	
Early retirement savings.....	\$ (432,000)
GROSS APPROPRIATION.....	\$ (432,000)
Appropriated from:	
State general fund/general purpose	\$ (432,000)

GENERAL SECTIONS

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 1997-98 is estimated at \$55,340,900.00 in this bill and state spending from state sources paid to local units of government for fiscal year 1997-98 is estimated at \$60,000.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

GRANTS

Headquarters and armories - payments in lieu of taxes	\$ 60,000
TOTAL	\$ 60,000

(2) If it appears to the principal executive officer of a department or branch that state spending to local units of government will be less than the amount that was projected to be expended under subsection (1), the principal executive officer shall immediately give notice of the approximate shortfall to the department of management and budget, the senate and house appropriations committees, and the senate and house fiscal agencies.

Sec. 202. The expenditures and funding sources authorized under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. (1) In addition to the funds appropriated in section 101, there is appropriated an amount not to exceed \$1,900,000.00 for federal contingency funds. The funds appropriated under this subsection are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in section 101, there is appropriated an amount not to exceed \$1,000,000.00 for state restricted contingency funds. The funds appropriated under this subsection are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in section 101, there is appropriated an amount not to exceed \$100,000.00 for local contingency funds. The funds appropriated under this subsection are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) In addition to the funds appropriated in section 101, there is appropriated an amount not to exceed \$100,000.00 for private contingency funds. The funds appropriated under this subsection are not available for expenditure until they have been transferred to another line item in this act pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 204. The department of civil service shall bill departments or agencies, or both, at the end of the first fiscal quarter for the 1% charges authorized by section 5 of article XI of the state constitution of 1963. Payments shall be made for the total amount of the billing by the end of the second fiscal quarter.

Sec. 205. As used in this act:

- (a) "Department" means the department of military and veterans affairs.
- (b) "Director" means the director of the department of military and veterans affairs.
- (c) "DOD" means the United States department of defense.
- (d) "DOD-DOA-NGB" means the DOD department of the army, national guard bureau.
- (e) "DOJ" means the United States department of justice.
- (f) "DOJ-DEA" means the DOJ drug enforcement agency.
- (g) "DVA" means the United States department of veterans' affairs.
- (h) "DVA-VHA" means the DVA veterans' health administration.
- (i) "FTE" means full-time equated.
- (j) "HHS" means the United States department of health and human services.
- (k) "HHS-HCFA" means the HHS health care financing administration.

Sec. 206. (1) Pursuant to the department provisions of civil service rules and regulations and applicable collective bargaining agreements, an individual seeking employment with the department shall submit to a controlled substance test administered by the department.

(2) An individual seeking employment with the department who refuses to take a controlled substance test or who tests positive for the illegal use of a controlled substance on such a test shall be denied employment by the department for a minimum of 1 year.

Sec. 207. (1) Beginning October 1, 1997, there is a hiring freeze imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and are prohibited from filling any vacant state classified civil service positions. The hiring freeze imposed under this subsection does not apply to internal transfers from 1 position to another within a department or to positions that are funded 80% or more from federal or restricted funds.

(2) The director of the department of management and budget shall grant an exception to the hiring freeze imposed under subsection (1) if the director of the department of management and budget believes that not granting the exception to the hiring freeze will render a state department or agency unable to deliver basic services. The director of the department of management and budget shall report by the fifteenth of each month to the chairpersons of the senate and house appropriations committees the number of exceptions to the hiring freeze approved during the previous month and the justification for each exception.

Sec. 208. Money that is appropriated in section 101 shall not be used for the purchase of foreign goods or services if competitively priced American goods or services of comparable quality are available. By May 1, 1998, the department of military and veterans affairs shall submit a report to the department of management and budget, the speaker and minority leader of the house of representatives, the majority and minority leaders of the senate, and the chairpersons of the house and senate appropriations committees on efforts to comply with this section.

Sec. 209. (1) The director shall take all reasonable steps to ensure that businesses in depressed and deprived communities compete for and perform contracts to provide services or supplies, or both, for the department.

(2) The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services or supplies, or both.

Sec. 210. (1) The department shall submit to the department of management and budget, the house and senate appropriations committees, the house and senate fiscal agencies, and the house and senate standing committees having jurisdiction over technology issues, periodic reports on the department's efforts to change the department's computer software and hardware as necessary to perform properly in the year 2000 and beyond. These reports shall identify actual progress in comparison to the department's approved work plan for these efforts.

(2) The department may present progress billings to the department of management and budget for the costs incurred in changing computer software and hardware as necessary to perform properly in the year 2000 and beyond. At the time progress billings are presented for reimbursement, the department shall identify and forward as appropriate the funding sources that should support the work performed.

Sec. 211. The negative appropriation in section 101 for early retirement compensation savings represents savings from the state's 1997 early retirement program. Not later than October 15, 1997, the department and the state budget director shall request legislative transfers under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393, to apply the retirement costs and salary and fringe benefits savings to the appropriated line items affected by the early retirement of state employees.

HEADQUARTERS AND ARMORIES

Sec. 301. The department may charge a reasonable rental fee for renting an armory. The fee shall include the cost of overtime compensation, insurance coverage, and any maintenance required.

DEPARTMENTWIDE APPROPRIATIONS

Sec. 401. Money appropriated in section 101 for the military duty contingency fund shall be used to fund nonfederally supported missions of the national guard when called to state duty.

Sec. 402. The Michigan veterans' memorial park commission may receive and expend gifts, contributions, and bequests from any person, public or private corporation, organization, foundation, governmental entity, or any other source for the purpose of establishing a veterans' memorial park as described in Executive Order No. 1992-12. Money contributed to the Michigan veterans' memorial park commission shall be deposited in the state treasury through the department and shall be available for expenditure. Project costs authorized by this act shall not exceed the gifts, contributions, and bequests received. Money under this section and any specific work orders or projects adopted by the Michigan veterans' memorial park commission in accordance with section 451(4) of the management and budget act, 1984 PA 431, MCL 18.1451, shall not lapse at the end of this fiscal year but shall be available for expenditure until September 30, 1999. Expenditures shall be in accordance with methods and procedures approved by the Michigan veterans' memorial park commission, the department, and appropriate state agencies.

Sec. 403. Money available from the Michigan national guard armory construction fund created in section 382a of the Michigan military act, 1967 PA 150, MCL 32.782a, is appropriated for expenditure for the purposes specified in that section.

VETERANS SERVICE ORGANIZATIONS

Sec. 501. (1) Money appropriated in section 101 for grants to veterans service organizations shall be used only for salaries, wages, related personnel costs, training, and equipment for accredited veteran service advocacy officers and necessary support and managerial staff. Training shall be provided for service advocacy officers and shall be conducted by accredited advocacy officers.

(2) To receive a grant from the money appropriated in section 101, a veterans service organization shall meet the following eligibility requirements:

(a) Be congressionally chartered by the United States congress.

(b) Be an active participating member of the Michigan veterans organizations' rehabilitation and veterans service committee and abide by its rules, guidelines, and programs.

(c) Demonstrate the receipt of monetary or service support from its own organization.

(d) Comply with the department's and the legislature's requirements of accounting audits, service work activity, accounting of recoveries, listing of volunteer hours, budget requests, and other requirements specified in subsection (3).

(e) For a veterans service organization founded after September 30, 1989, be in operation and providing service to Michigan veterans for not less than 2 years before receiving an initial state grant. During this 2-year period of time, the organization shall file a listing of service work activity and an accounting of recoveries with the department, the senate and house fiscal agencies, and the senate and house subcommittees on military affairs on forms as prescribed by the department.

(3) A veterans service organization receiving a grant from the money appropriated in section 101 shall file with the department a certified accounting of its expenditures within 120 days after the organization's fiscal year end. Each organization shall provide a detailed budget request for the fiscal year ending September 30, 1999 to the department by November 15, 1997 within the format as prescribed by the department to be used in the development of the budget ending September 30, 1999. Each veterans service organization shall provide 5 copies of a listing of all service activity, an accounting of recoveries, and a listing of volunteer hours for the fiscal year ending September 30, 1997 to the department by January 31, 1998. The listing of volunteer hours shall include the hours, services, and donations provided to residents of the Grand Rapids veterans' home and the D.J. Jacobetti veterans' home. A veterans service organization receiving a grant from the money appropriated in section 101 shall use the forms recommended by the Michigan veterans organizations' rehabilitation and veterans service committee for filing reports required by this act. The department shall forward information required under this section to the senate and house fiscal agencies and to the senate and house appropriations subcommittees on military affairs.

Sec. 502. It is the intent of the legislature that money appropriated in section 101 for veterans service organizations shall include funding to provide services to veterans of World War I.

VETERANS' HOMES

Sec. 601. Appropriations in section 101 for the Grand Rapids veterans' home and the D.J. Jacobetti veterans' home shall not be used for any purpose other than for veterans and veterans' families.

Sec. 602. The Grand Rapids veterans' home and the D.J. Jacobetti veterans' home, together with the department and the department of management and budget, shall produce and deliver to the senate and house appropriations subcommittees on state police and military affairs an annual written report. The report shall include an accounting of member populations and bed space available; a description and accounting of services and activities provided to members; financial information; current state nursing home licensure status; the steps required for medicaid certification, including a listing of any personnel, equipment, supplies, or budgetary increases required; and whether or not steps are being taken toward medicaid certification. The annual report shall be submitted to the senate and house appropriations subcommittees on military affairs no later than February 1, 1998.

Sec. 603. The money appropriated in section 101 for the boards of managers may be expended for facility improvements, the purchase and repair of equipment and furnishings, member services, and other purposes that benefit the Grand Rapids veterans' home and the D.J. Jacobetti veterans' home.

Sec. 604. The money appropriated in section 101 for the boards of managers of the Grand Rapids veterans' home and the D.J. Jacobetti veterans' home shall be considered a work project account, and unexpended money remaining at the close of the fiscal year shall not lapse to the general fund but shall be carried forward to the subsequent fiscal year.

VETERANS' TRUST FUND

Sec. 701. In compliance with the various veterans' benefit programs funded by this state, a veteran who is denied benefits as a result of lack of properly disseminated information or due to misinformation relative to benefit eligibility shall be provided a review hearing by the Michigan veterans' trust fund board.

Sec. 702. The department may receive and expend revenue deposited to the Vietnam veterans memorial monument fund created under section 3 of the Michigan Vietnam veterans memorial act, 1988 PA 234, MCL 35.1053.

Sec. 703. (1) By April 1, 1998, the department shall submit to the senate and house appropriations subcommittees on military affairs a detailed annual report of the Michigan veterans' trust fund for fiscal year 1996-97. The report shall include information on grants provided from the emergency grant program and the veterans survivor tuition program, including details concerning the methodology of allocations, the selection of emergency grant program authorized agents, and a detailed breakdown of trust fund expenditures for that year. The report shall also provide an update on the department's efforts to reduce program administrative costs.

(2) The annual report required under subsection (1) shall provide detailed information on the number of emergency grant applications denied during fiscal year 1996-97, including an accounting of the reasons for denial. This information also shall include the number of persons denied an emergency grant because of individual ineligibility, because of insufficient funds, and because the applicant's request did not meet minimum program criteria.

(3) The annual report required under subsection (1) shall contain information on the veterans survivors tuition program, including the number of participants, where the participants attended school, payments made to each school, the average grade point and number of college credits earned by each participant, the number of participants suspended by the program, and the number of participants who earned a degree during fiscal year 1996-97.

This act is ordered to take immediate effect.



Secretary of the Senate.



Clerk of the House of Representatives.

Approved

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Governor.