



# HOUSE BILL No. 5280

February 3, 2000, Introduced by Reps. Cameron Brown, Byl, Kukuk, Pappageorge, Jelinek, Mortimer, Geiger, Mead, Jellema, Pumford, Caul, LaSata, Scranton, Jansen, Godchaux and Stamas and referred to the Committee on Appropriations.

## EXECUTIVE BUDGET BILL

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2001; 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:

#### PART 1

#### LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this bill, the

1 amounts listed in this part are appropriated for the department of  
 2 military and veterans affairs for the fiscal year ending September 30,  
 3 2001, from the funds indicated in this part. The following is a  
 4 summary of the appropriations in this part:

5 **DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

6 APPROPRIATION SUMMARY:

7 Full-time equated unclassified positions . . . 7.0

8 Full-time equated classified positions . . 1,081.0

9 GROSS APPROPRIATION . . . . . \$ 100,522,700

10 Interdepartmental grant revenues:

11 Total interdepartmental grants and

12 intradepartmental transfers . . . . . 0

13 ADJUSTED GROSS APPROPRIATION . . . . . \$ 100,522,700

14 Federal revenues:

15 Total federal revenues . . . . . 35,952,600

16 Special revenue funds:

17 Total local revenues . . . . . 0

18 Total private revenues . . . . . 375,000

19 Total other state restricted revenues . . . . . 22,988,200

20 State general fund/general purpose . . . . . \$ 41,206,900

21 **Sec. 102. HEADQUARTERS AND ARMORIES**

22 Full-time equated unclassified positions . . . 7.0

23 Full-time equated classified positions . . . 144.0

24 Headquarters and armories--105.0 FTE positions . \$ 10,392,200

25 Unclassified military personnel . . . . . 616,900

26 Military appeals tribunal . . . . . 900

27 Michigan emergency volunteers . . . . . 5,000

1	State active duty . . . . .	60,100
2	Challenge program--39.0 FTE positions . . . . .	<u>2,808,400</u>
3	GROSS APPROPRIATION . . . . .	\$ 13,883,500
4	Appropriated from:	
5	Federal revenues:	
6	Total federal revenues . . . . .	4,017,700
7	Special revenue funds:	
8	Total state restricted revenues . . . . .	390,000
9	State general fund/general purpose . . . . .	\$ 9,475,800
10	<b>Sec. 103. MILITARY TRAINING SITES AND SUPPORT FACILITIES</b>	
11	Full-time equated classified positions . . . 229.0	
12	Military training sites and support facilities--229.0	
13	FTE positions . . . . .	\$ 15,541,000
14	Military training sites and support facilities	
15	test project . . . . .	<u>100,000</u>
16	GROSS APPROPRIATION . . . . .	\$ 15,641,000
17	Appropriated from:	
18	Federal revenues:	
19	Total federal revenues . . . . .	11,920,200
20	Special revenue funds:	
21	Total state restricted revenues . . . . .	100,000
22	State general fund/general purpose . . . . .	\$ 3,620,800
23	<b>Sec. 104. DEPARTMENTWIDE APPROPRIATIONS</b>	
24	Departmentwide accounts . . . . .	\$ 2,147,400
25	Special maintenance-state . . . . .	436,200
26	Special maintenance-federal . . . . .	2,302,000
27	Military retirement . . . . .	2,231,900

1	Counternarcotic operations . . . . .	50,000
2	Starbase grant . . . . .	<u>402,000</u>
3	GROSS APPROPRIATION . . . . .	\$ 7,569,500
4	Appropriated from:	
5	Federal revenues:	
6	Total federal revenues . . . . .	4,026,000
7	Special revenue funds:	
8	State general fund/general purpose . . . . .	\$ 3,543,500
9	<b>Sec. 105. VETERANS' SERVICE ORGANIZATIONS</b>	
10	American legion . . . . .	\$ 835,800
11	Disabled American veterans . . . . .	690,900
12	Marine corps veterans . . . . .	317,300
13	American veterans of World War II and Korea . .	438,500
14	Veterans of foreign wars . . . . .	835,800
15	Michigan paralyzed veterans of America . . . . .	156,300
16	Purple heart . . . . .	149,000
17	Veterans of World War I . . . . .	100
18	Polish legion of American veterans . . . . .	38,900
19	Jewish veterans of America . . . . .	38,900
20	State of Michigan council - Vietnam veterans	
21	of America . . . . .	150,500
22	Catholic war veterans . . . . .	<u>12,500</u>
23	GROSS APPROPRIATION . . . . .	\$ 3,664,500
24	Appropriated from:	
25	State general fund/general purpose . . . . .	\$ 3,664,500
26	<b>Sec. 106. GRAND RAPIDS VETERANS' HOME</b>	
27	Full-time equated classified positions . . .	539.0

1	Grand Rapids veterans' home--539.0 FTE		
2	positions . . . . .	\$	41,539,300
3	Board of managers . . . . .		<u>300,000</u>
4	GROSS APPROPRIATION . . . . .	\$	41,839,300
5	Appropriated from:		
6	Interdepartmental grant revenues:		
7	Federal revenues:		
8	Total federal revenues . . . . .		12,351,300
9	Special revenue funds:		
10	Total private revenues . . . . .		300,000
11	Total state restricted revenues . . . . .		13,572,600
12	State general fund/general purpose . . . . .	\$	15,615,400
13	<b>Sec. 107. D.J. JACOBETTI VETERANS' HOME</b>		
14	Full-time equated classified positions . . . 153.0		
15	D.J. Jacobetti veterans' home--153.0 FTE		
16	positions . . . . .	\$	12,762,400
17	Board of managers . . . . .		<u>75,000</u>
18	GROSS APPROPRIATION . . . . .	\$	12,837,400
19	Appropriated from:		
20	Federal revenues:		
21	Total federal revenues . . . . .		3,637,400
22	Special revenue funds:		
23	Total private revenues . . . . .		75,000
24	Total state restricted revenues . . . . .		4,189,300
25	State general fund/general purpose . . . . .	\$	4,935,700
26	<b>Sec. 108. MICHIGAN VETERANS' TRUST FUND</b>		
27	Full-time equated classified positions . . . 16.0		

1	Veterans' affairs directorate administration--3.0		
2	FTE positions . . . . .	\$	358,100
3	Administration--13.0 FTE positions . . . . .		982,900
4	Veterans' trust fund grants . . . . .		<u>3,746,500</u>
5	GROSS APPROPRIATION . . . . .	\$	5,087,500
6	Appropriated from:		
7	Special revenue funds:		
8	Total state restricted revenue . . . . .		4,736,300
9	State general fund/general purpose . . . . .	\$	351,200

## PART 2

## PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending under part 1 for fiscal year 2000-2001 is estimated at \$64,195,100.00 and state appropriations to be paid to local units of government are as follows:

## DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

## MILITARY TRAINING SITES AND SUPPORT FACILITIES

19	Payments in lieu of taxes . . . . .	\$	70,000
20	MICHIGAN VETERANS TRUST FUND		
21	County counselor travel expenses . . . . .		<u>50,000</u>
22	TOTAL . . . . .	\$	120,000

(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 for any quarter under subsection (1), the principal executive officer shall immediately give notice of the approximate shortfall to the state

1 budget director, the senate and house of representatives standing  
2 committees on appropriations, and the senate and house fiscal  
3 agencies.

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

7 Sec. 203. (1) In addition to the funds appropriated in part 1,  
8 there is appropriated an amount not to exceed \$2,900,000.00 for  
9 federal contingency funds. These funds are not available for  
10 expenditure until they have been transferred to another line item in  
11 this bill pursuant to section 393(2) of the management and budget act,  
12 1984 PA 431, MCL 18.1393.

13 (2) In addition to the funds appropriated in part 1, there is  
14 appropriated an amount not to exceed \$1,500,000.00 for state  
15 restricted contingency funds. These funds are not available for  
16 expenditure until they have been transferred to another line item in  
17 this bill pursuant to section 393(2) of the management and budget act,  
18 1984 PA 431, MCL 18.1393.

19 (3) In addition to the funds appropriated in part 1, there is  
20 appropriated an amount not to exceed \$100,000.00 for local contingency  
21 funds. These funds are not available for expenditure until they have  
22 been transferred to another line item in this bill pursuant to section  
23 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

24 (4) In addition to the funds appropriated in part 1, there is  
25 appropriated an amount not to exceed \$100,000.00 for private  
26 contingency funds. These funds are not available for expenditure  
27 until they have been transferred to another line item in this bill

1 pursuant to section 393(2) of the management and budget act, 1984 PA  
2 431, MCL 18.1393.

3 Sec. 204. The department of civil service shall bill departments  
4 and agencies at the end of the first fiscal quarter for the 1% charge  
5 authorized by section 5 of article XI of the state constitution of  
6 1963. Payments shall be made for the total amount of the billing by  
7 the end of the second fiscal quarter.

8 Sec. 205. As used in this bill:

9 (a) "Department" means the Michigan department of military and  
10 veterans affairs.

11 (b) "Director" means the director of the department of military  
12 and veterans affairs.

13 (c) "FTE" means full-time equated.

14 Sec. 206. (1) Beginning October 1, a hiring freeze is imposed on  
15 the state classified civil service. State departments and agencies  
16 are prohibited from hiring any new full-time state classified civil  
17 service employees and prohibited from filling any vacant state  
18 classified civil service positions. This hiring freeze does not apply  
19 to internal transfers of classified employees from one position to  
20 another within a department or to positions that are funded 80% or  
21 more federal or restricted funds.

22 (2) The state budget director shall grant exceptions to this  
23 hiring freeze when the state budget director believes that the hiring  
24 freeze will result in rendering a state department or agency unable to  
25 deliver basic services. The state budget director shall report by the  
26 30<sup>TH</sup> of each month to the chairpersons of the senate and house of  
27 representatives standing committees on appropriations the number of



1 exceptions to the hiring freeze approved during the previous month and  
2 the reasons to justify the exceptions.

3       Sec. 207. Sixty days before beginning any effort to privatize,  
4 the department shall submit a complete project plan to the appropriate  
5 subcommittees of the senate and house of representatives standing  
6 committees on appropriations and the senate and house fiscal agencies.  
7 The plan shall include the criteria under which the privatization  
8 initiative will be evaluated. The evaluation shall be completed and  
9 submitted to the appropriate subcommittees of the senate and house of  
10 representatives standing committees on appropriations and the house  
11 and senate fiscal agencies within 30 months.

12       Sec. 208. The department shall continue to pilot the use of the  
13 Internet to fulfill the reporting requirements in this bill. This may  
14 include transmission of reports via electronic mail to the recipients  
15 identified for each reporting requirement or it may include placement  
16 of reports on the Internet or on the Intranet. The appropriations  
17 subcommittee shall be notified in writing of the Internet/Intranet  
18 site of any such report.

19       Sec. 209. (1) Of the funds appropriated in section 103 for  
20 military training sites and support facilities, there shall be  
21 established a Michigan national guard education assistance program.  
22 Disbursements to the educational assistance program shall not exceed  
23 \$2,000,000.00 without legislative approval. Under the program, a  
24 member of the national guard who is in active service and who enrolls  
25 as a full- or part-time student at a public or private state college  
26 or university may be eligible to receive up to an equivalent of 50% of  
27 the total cost of tuition not to exceed \$2,000.00, as education

1 assistance, in any academic year.

2 (2) An eligible person means a member of the Michigan national  
3 guard who is in active service, as defined in section 105 of the  
4 Michigan military act, 1967 PA 150, MCL 32.505. An eligible person  
5 does not include a member of the Michigan national guard or air  
6 national guard who is absent without leave or who is under charges as  
7 described in the Michigan code of military justice of 1980, 1980 PA  
8 523, MCL 32.1001 to 32.1148.

9 (3) The department of military and veterans affairs, office of the  
10 adjutant general shall administer the education assistance program and  
11 prescribe forms and procedures to effectively carry out the education  
12 assistance program.

13 (4) An eligible person shall apply to the department of military  
14 and veterans affairs, office of the adjutant general for education  
15 assistance and shall provide evidence of attendance and completion of  
16 the course of study with a grade of at least 2.0 on a 4.0 scale, or  
17 its equivalent. The adjutant general shall approve the application  
18 for reimbursement if the applicant meets the definition of an eligible  
19 person under subsection (2) and other criteria as established by the  
20 adjutant general.

21 (5) The education assistance program applies to any course of  
22 instruction that is included in an associate, undergraduate, or  
23 postgraduate degree program offered by a college or university of this  
24 state.

25 (6) The education assistance program applies to an eligible person  
26 notwithstanding any other educational incentive or benefit received by  
27 the eligible person under any other educational assistance program

1 provided by any other state.

2 (7) An eligible person who successfully completes the course of  
3 study with a grade of at least 2.0 on a 4.0 scale, or its equivalent,  
4 shall be eligible for reimbursement.

5 (8) The department of military and veterans affairs may use funds  
6 from the appropriated funds to administer the education assistance  
7 program.

8 (9) Reimbursed members who do not complete their national guard  
9 service contract shall pay the state for money received from the state  
10 for tuition. Members who fail to repay the state within the time  
11 limits established by the adjutant general shall be indebted to the  
12 state. The department shall work in conjunction with the department  
13 of treasury for inclusion in the tax intercept program for amounts due  
14 the state.

15 **VETERANS' SERVICE ORGANIZATIONS**

16 Sec. 301. (1) Money appropriated in part 1 for grants  
17 to veterans' service organizations shall be used only for salaries,  
18 wages, related personnel costs, training, and equipment for accredited  
19 veteran service advocacy officers and necessary support and managerial  
20 staff. Training shall be provided for service advocacy officers and  
21 shall be conducted by accredited advocacy officers.

22 (2) To receive a grant from the money appropriated in part 1, a  
23 veterans service organization shall meet the following eligibility  
24 requirements:

25 (a) Be congressionally chartered by the United States Congress.

26 (b) Be an active participating member of the Michigan veterans  
27 organizations' rehabilitation and veterans service committee and abide

1 by its rules, guidelines, and programs.

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

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

8 (e) For a veterans' service organization founded after September  
9 30, 1989, be in operation and providing service to Michigan veterans  
10 for not less than 2 years before receiving an initial state grant.  
11 During this 2-year period of time, the organization shall file a  
12 listing of service work activity and an accounting of recoveries with  
13 the department, the senate and house fiscal agencies, and the senate  
14 and house subcommittees on military affairs on forms as prescribed by  
15 the department.

16 (3) A veterans' service organization receiving a grant from the  
17 money appropriated in part 1 shall file with the department a  
18 certified accounting of its expenditures within 120 days after the  
19 organization's fiscal year end. Each organization shall provide a  
20 detailed budget request for the fiscal year ending September 30, 2002  
21 to the department by November 15, 2000 within the format as prescribed  
22 by the department to be used in the development of the budget ending  
23 September 30, 2002. Each veterans' service organization shall provide  
24 5 copies of a listing of all service activity, an accounting of  
25 recoveries, and a listing of volunteer hours for the fiscal year  
26 ending September 30, 2000 to the department by January 31, 2001. The  
27 listing of volunteer hours shall include the hours, services, and

1 donations provided to residents of the Grand Rapids veterans' home and  
2 the D. J. Jacobetti veterans' home. Each veterans' service  
3 organization shall provide a copy of the most recent and completed  
4 internal revenue service form 990 to the department at the end of the  
5 fiscal year ending September 30, 2000. A veterans' service  
6 organization receiving a grant from the money appropriated in section  
7 105 shall use the forms recommended by the Michigan veterans  
8 organizations' rehabilitation and veterans service committee for  
9 filing reports required by this bill. The department shall forward  
10 information required under this section to the senate and house fiscal  
11 agencies and to the senate and house appropriations subcommittees on  
12 military affairs.

13 Sec. 302. Appropriations in part 1 for veterans' service  
14 organizations shall include funding to provide services to veterans of  
15 World War I.

#### 16 **VETERANS' HOMES**

17 Sec. 401. Appropriations in this bill for the Grand Rapids  
18 veterans' home and the D. J. Jacobetti veterans' home shall not be  
19 used for any purpose other than for veterans' and veterans' families.

20 Sec. 402. The money appropriated in this bill for the boards of  
21 managers may be expended for facility improvements the purchase and  
22 repair of equipment and furnishings, member services, and other  
23 purposes that benefit the Grand Rapids veterans' home and the D. J.  
24 Jacobetti veterans' home.

25 Sec. 403. The money appropriated in this bill for the boards of  
26 managers of the Grand Rapids veterans' home and the D. J. Jacobetti  
27 veterans' home shall be considered a work project account, and

1 unexpended money remaining at the close of the fiscal year shall not  
2 lapse to the general fund but shall be carried forward to the  
3 subsequent fiscal year.

4 **MICHIGAN VETERANS' TRUST FUND**

5 Sec. 501. The department may receive and expend revenue deposited  
6 to the Vietnam veterans memorial monument fund created under section 3  
7 of the Michigan Vietnam veterans memorial act, 1988 PA 234, MCL  
8 35.1053.

9 Sec. 502. (1) By April 1, 2001, the department shall submit to  
10 the state budget director and the senate and house appropriations  
11 subcommittees on military and veterans affairs a detailed annual  
12 report of the Michigan veterans' trust fund for fiscal year 1999-2000.  
13 The report shall include information on grants provided from the  
14 emergency grant program and the veterans' survivor tuition program,  
15 including details concerning the methodology of allocations, the  
16 selection of emergency grant program authorized agents, and a detailed  
17 breakdown of trust fund expenditures for that year. The report shall  
18 also provide an update on the department's efforts to reduce program  
19 administrative costs.

20 (2) The annual report required under subsection (1) shall provide  
21 detailed information on the number of emergency grant applications  
22 denied during fiscal year 1999-2000, including an accounting of the  
23 reasons for denial. This information also shall include the number of  
24 persons denied an emergency grant because of individual ineligibility,  
25 because of insufficient funds, and because the applicant's request did  
26 not meet minimum program criteria.

27 (3) The annual report required under subsection (1) shall contain

1 information on the veterans' survivors tuition program, including the  
2 number of participants, where the participants attended school,  
3 payments made to each school, the average grade point and number of  
4 college credits earned by each participant, the number of  
5 participants suspended by the program, and the number of participants  
6 who earned a degree during fiscal year 1999-2000.

7       Sec. 503. The Michigan veterans' memorial park commission may  
8 receive and expend gifts, contributions, and bequests from any person,  
9 public or private corporation, organization, foundation, governmental  
10 entity, or any other source for the purpose of establishing a  
11 veterans' memorial park as described in Executive Reorganization Order  
12 No. 1992-4. Money contributed to the Michigan veterans' memorial park  
13 commission shall be deposited in the state treasury through the  
14 department and shall be available for expenditure. Project costs  
15 authorized by this bill shall not exceed the gifts, contributions, and  
16 bequests received. Money under this section and any specific work  
17 orders or projects adopted by the Michigan veterans' memorial park  
18 commission in accordance with section 451 of the management and budget  
19 act, 1984 PA 431, MCL 18.1451a, do not lapse at the end of this fiscal  
20 year but are available for expenditure until September 30, 2002.  
21 Expenditures shall be in accordance with methods and procedures  
22 approved by the Michigan veterans' memorial park commission, the  
23 department, and appropriate state agencies.