

SENATE BILL No. 1115

February 13, 2002, Introduced by Senators Hoffman and North 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 years ending September 30, 2002 and September 30, 2003; 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:

LINE-ITEM APPROPRIATIONS

1
2 Sec. 101. Subject to the conditions set forth in this bill,
3 the amounts listed in this part are appropriated for the
4 department of military and veterans affairs for the fiscal year
5 ending September 30, 2003, from the funds indicated in this part.
6 The following is a summary of the appropriations in this part:

7 DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

8 Full-time equated unclassified positions . 7.0
9 Full-time equated classified positions 1,128.0
10 GROSS APPROPRIATION \$ 107,837,500
11 Interdepartmental grant revenues:
12 Total interdepartmental grants and
13 intradepartmental transfers 200,000
14 ADJUSTED GROSS APPROPRIATION \$ 107,637,500
15 Federal revenues:
16 Total federal revenues 47,214,500
17 Special revenue funds:
18 Total local revenues 0
19 Total private revenues 530,000
20 Total other state restricted revenues 23,437,600
21 State general fund/general purpose \$ 36,455,400

22 Sec. 102. HEADQUARTERS AND ARMORIES

23 Full-time equated unclassified positions . 7.0
24 Full-time equated classified positions . 141.0
25 Headquarters and armories--100.5 FTE positions \$ 10,186,300
26 Unclassified military personnel 660,300
27 Military appeals tribunal 900
28 Michigan emergency volunteers 5,000

1	State active duty	70,100
2	ChalleNGe program--40.5 FTE positions	<u>3,296,900</u>
3	GROSS APPROPRIATION	\$ 14,219,500
4	Appropriated from:	
5	Interdepartmental grant revenues:	
6	IDG-ChalleNGe grant	200,000
7	Federal revenues:	
8	DOD-DOA-NGB	3,930,600
9	Special revenue funds:	
10	Private donations	105,000
11	Rental fees	350,000
12	Mackinac bridge authority	40,000
13	State general fund/general purpose	\$ 9,593,900
14	Sec. 103. MILITARY TRAINING SITES AND SUPPORT FACILITIES	
15	Full-time equated classified positions	229.0
16	Military training sites and support facilities--229.0	
17	FTE positions	\$ 14,930,200
18	Military training sites and support facilities	
19	test projects	<u>100,000</u>
20	GROSS APPROPRIATION	\$ 15,030,200
21	Appropriated from:	
22	Federal revenues:	
23	DOD-DOA-NGB	12,140,400
24	Special revenue funds:	
25	Test project fees	100,000
26	State general fund/general purpose	\$ 2,789,800
27	Sec. 104. DEPARTMENTWIDE APPROPRIATIONS	
28	Departmentwide accounts	\$ 1,830,000

1	Special maintenance-state	401,200
2	Special maintenance-federal	4,300,000
3	Military retirement	2,500,000
4	Counter narcotic operations	50,000
5	Starbase grant	<u>600,000</u>
6	GROSS APPROPRIATION	\$ 9,681,200
7	Appropriated from:	
8	Federal revenues:	
9	DOD-DOA-NGB	6,171,800
10	Federal revenue	50,000
11	Special revenue funds:	
12	State general fund/general purpose	\$ 3,459,400
13	Sec. 105. VETERANS' SERVICE ORGANIZATIONS	
14	American legion	\$ 886,000
15	Disabled American veterans	732,400
16	Marine corps veterans	336,300
17	American veterans of World War II and Korea . .	464,800
18	Veterans of foreign wars	886,000
19	Michigan paralyzed veterans of America	165,700
20	Purple heart	157,900
21	Veterans of World War I	100
22	Polish legion of American veterans	41,200
23	Jewish veterans of America	41,200
24	State of Michigan council Vietnam veterans	
25	of America	159,500
26	Catholic war veterans	<u>13,300</u>
27	GROSS APPROPRIATION	\$ 3,884,400
28	Appropriated from:	

1	Special revenue funds:		
2	State general fund/general purpose	\$	3,884,400
3	Sec. 106. GRAND RAPIDS VETERANS' HOME		
4	Full-time equated classified positions	591.0	
5	Grand Rapids veterans' home--591.0 FTE		
6	positions	\$	45,864,700
7	Board of managers		<u>300,000</u>
8	GROSS APPROPRIATION	\$	46,164,700
9	Appropriated from:		
10	Federal revenues:		
11	DVA-VHA		11,910,000
12	HHS-HCFA, title XIX, medicaid		8,600,000
13	HHS-HCFA, Medicare, hospital insurance		692,900
14	Special revenue funds:		
15	Private - veterans' home post and posthumous		
16	funds		300,000
17	Income and assessments		13,925,700
18	Lease revenue		35,000
19	State general fund/general purpose	\$	10,701,100
20	Sec. 107. D.J. JACOBETTI VETERANS' HOME		
21	Full-time equated classified positions	151.0	
22	D.J. Jacobetti veterans' home--151.0 FTE		
23	positions	\$	12,832,800
24	Board of managers		<u>125,000</u>
25	GROSS APPROPRIATION	\$	12,957,800
26	Appropriated from:		
27	Federal revenues:		
28	DVA-VHA		3,356,100

1	HHS-HCFA, Medicare, hospital insurance	208,700
2	Special revenue funds:	
3	Private - veterans' home post and posthumous	
4	funds	125,000
5	Income and assessments	4,068,800
6	State general fund/general purpose \$	5,199,200
7	Sec. 108. MICHIGAN VETERANS' TRUST FUND	
8	Full-time equated classified positions . . 16.0	
9	Veterans' affairs directorate administration--3.0	
10	FTE positions \$	344,200
11	Administration--13.0 FTE positions	1,030,000
12	Veterans' trust fund grants	<u>3,746,500</u>
13	GROSS APPROPRIATION \$	5,120,700
14	Appropriated from:	
15	Special revenue funds:	
16	Michigan veterans' trust fund	4,776,500
17	State general fund/general purpose \$	344,200
18	Sec. 109. INFORMATION TECHNOLOGY	
19	Information technology services and projects . \$	<u>779,000</u>
20	GROSS APPROPRIATION \$	779,000
21	Appropriated from:	
22	Federal revenues:	
23	DOD-DOA-NGB	28,800
24	DVA-VHA	125,200
25	Special revenue funds:	
26	Income and assessments	141,600
27	State general fund/general purpose \$	483,400
28	PART 1A	

LINE-ITEM APPROPRIATIONS - FISCAL YEAR 2001-2002

Sec. 120. Subject to the conditions set forth in this bill,
the amounts listed in this part are appropriated for the
department of military and veterans affairs for the fiscal year
ending September 30, 2002, from the funds indicated in this part.
The following summary of the appropriations in this part:

SUMMARY FOR FISCAL YEAR 2001-2002

Full-time equated classified positions . . . 55.0

GROSS APPROPRIATION \$ 300,000

Federal revenues:

Total federal revenues 0

Special revenue funds:

Total local revenues 0

Total private revenues 0

Total other state restricted revenues 0

State general fund/general purpose 300,000

Sec. 121. GRAND RAPIDS VETERAN'S HOME

Full-time equated classified positions . . . 55.0

Grand Rapids Veterans' Home--55.0 FTE

positions \$ 300,000

GROSS APPROPRIATION \$ 300,000

Appropriated from:

Special revenue funds:

State general fund/general purpose \$ 300,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state

1 constitution of 1963, total state spending from state resources
 2 under part 1 for fiscal year 2002-2003 is \$59,893,000.00 and state
 3 spending from state resources to be paid to local units of
 4 government for fiscal year 2002-2003 is \$120,000.00. The itemized
 5 statement below identifies appropriations from which spending to
 6 units of local government will occur:

7 DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

8 MILITARY TRAINING SITES AND SUPPORT FACILITIES

9 Payments in lieu of taxes \$ 70,000

10 MICHIGAN VETERANS' TRUST FUND

11 County counselor travel expenses \$ 50,000

12 TOTAL \$ 120,000

13 Sec. 202. The appropriations authorized under this bill are
 14 subject to the management and budget act, 1984 PA 431, MCL 18.1101
 15 to 18.1594.

16 Sec. 203. As used in this bill:

17 (a) "Department" means the department of military and veterans
 18 affairs.

19 (b) "Director" means the director of the department of
 20 military and veterans affairs.

21 (c) "DOD" means the United States department of defense.

22 (d) "DOD-DOA-NGB" means the DOD department of the army,
 23 national guard bureau.

24 (e) "DVA" means the United States department of veterans'
 25 affairs.

26 (f) "DVA-VHA" means the DVA veterans' health administration.

27 (g) "FTE" means full-time equated.

28 (h) "HHS" means the United States department of health and

1 human services.

2 (i) "HHS-HCFA" means the HHS health care financing
3 administration.

4 (j) "IDG" means interdepartmental grant.

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

10 Sec. 205. (1) A hiring freeze is imposed on the state
11 classified civil service. State departments and agencies are
12 prohibited from hiring any new full-time state classified civil
13 service employees and prohibited from filling any vacant state
14 classified civil service positions. This hiring freeze does not
15 apply to internal transfers of classified employees from one
16 position to another within a department.

17 (2) The state budget director shall grant exceptions to this
18 hiring freeze when the state budget director believes that the
19 hiring freeze will result in rendering a state department or
20 agency unable to deliver basic services, cause loss of revenue to
21 the state, result in the inability of the state to receive federal
22 funds, or would necessitate additional expenditures that exceed
23 any savings from maintaining a vacancy. The state budget director
24 shall report quarterly to the chairpersons of the senate and house
25 standing committees on appropriations the number of exceptions to
26 the hiring freeze approved during the previous quarter and the
27 reasons to justify the exception.

28 Sec. 206. (1) In addition to the funds appropriated in part 1,

1 there is appropriated an amount not to exceed \$5,000,000.00 for
2 federal contingency funds. These funds are not available for
3 expenditure until they have been transferred to another line item
4 in this bill under section 393(2) of the management and budget
5 act, 1984 PA 431, MCL 18.1393.

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

12 (3) In addition to the funds appropriated in part 1, there is
13 appropriated an amount not to exceed \$100,000.00 for local
14 contingency funds. These funds are not available for expenditure
15 until they have been transferred to another line item in this bill
16 under section 393(2) of the management and budget act, 1984 PA
17 431, MCL 18.1393.

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

24 Sec. 208. Unless otherwise specified, the department shall use
25 the Internet to fulfill the reporting requirements of this bill.
26 This may include transmission of reports via electronic mail to
27 the recipients identified for each reporting requirement or it may
28 include placement of reports on an Internet or Intranet site.

1 Sec. 212. (1) Of the funds appropriated in part 1 for military
2 training sites and support facilities, there shall be established
3 a Michigan national guard education assistance program.
4 Disbursements to the educational assistance program shall not
5 exceed \$1,300,000.00 without legislative approval. Under the
6 program, a member of the national guard who is in active service
7 and who enrolls as a full- or part-time student at a public or
8 private state college or university may be eligible to receive up
9 to an equivalent of 50% of the total cost of tuition not to exceed
10 \$2,000.00, as education assistance, in any academic year.

11 (2) An eligible person means a member of the Michigan national
12 guard who is in active service, as defined in section 105 of the
13 Michigan military act, 1967 PA 150, MCL 32.505. An eligible
14 person does not include a member of the Michigan national guard or
15 air national guard who is absent without leave or who is under
16 charges as described in the Michigan code of military justice of
17 1980, 1980 PA 523, MCL 32.1001 to 32.1148.

18 (3) The department of military and veterans affairs, office of
19 the adjutant general shall administer the education assistance
20 program and prescribe forms and procedures to effectively carry
21 out the education assistance program.

22 (4) An eligible person shall apply to the department of
23 military and veterans affairs, office of the adjutant general for
24 education assistance and shall provide evidence of attendance and
25 completion of the course of study with a grade of at least 2.0 on
26 a 4.0 scale, or its equivalent. The adjutant general shall
27 approve the application for reimbursement if the applicant meets
28 the definition of an eligible person under subsection (2) and

1 other criteria as established by the adjutant general.

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

6 (6) The education assistance program applies to an eligible
7 person notwithstanding any other educational incentive or benefit
8 received by the eligible person under any other educational
9 assistance program provided by any other state.

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

13 (8) The department of military and veterans affairs may use
14 funds from the appropriated funds to administer the education
15 assistance program.

16 (9) Reimbursed members who do not complete their national
17 guard obligation shall pay the state for money received from the
18 state for tuition. Members who fail to repay the state within the
19 time limits established by the adjutant general shall be indebted
20 to the state. The department shall work in conjunction with the
21 department of treasury for inclusion in the tax intercept program
22 for amounts due the state.

23 (10) A portion of the funds for the Michigan national guard
24 education assistance program may be used by the department for the
25 purpose of promoting the program and for encouraging those persons
26 the department wishes to have enlist or reenlist in the Michigan
27 national guard.

28 Sec. 259. From the funds appropriated in part 1 for

1 information technology, the department shall pay user fees to the
2 department of information technology for technology related
3 services and projects. Such user fees shall be subject to
4 provisions of an interagency agreement between the department and
5 the department of information technology.

6 Sec. 260. Amounts appropriated in part 1 for information
7 technology may be designated as work projects and carried forward
8 to support technology projects under the direction of the
9 department of information technology. Funds designated in this
10 manner are not available for expenditure until approved as work
11 projects under section 451a of the management and budget act, 1984
12 PA 431, MCL 18.1451a.

13 HEADQUARTERS AND ARMORIES

14 Sec. 301. The department may charge reasonable rental and
15 equipment usage fees for renting an armory or using the distance
16 learning network. The fee shall include the cost of overtime
17 compensation, insurance coverage, and any maintenance required.

18 Sec. 302. (1) The funds appropriated in this bill for private
19 donations to the challenge program shall be considered state
20 restricted revenue, and unexpended funds remaining at the close of
21 the fiscal year shall not lapse to the general fund but shall be
22 carried forward to the subsequent fiscal year.

23 (2) The department may charge a parent or guardian of a
24 participant in the challenge program an amount not to exceed the
25 per student state share cost of administering the program based on
26 a demonstrated ability to pay. A parent shall be notified of any
27 charge to be assessed under this subsection prior to enrollment of
28 the child in the program.

1 Sec. 304. The department will partner with the family
2 independence agency to identify youth who may be eligible for the
3 challenge program from those youth served by family independence
4 agency programs. Such eligible youth shall be given priority for
5 enrollment in the program.

6 **VETERANS SERVICE ORGANIZATIONS**

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

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

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

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

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

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

28 (e) For a veterans service organization founded after

1 September 30, 1989, be in operation and providing service to
2 Michigan veterans for not less than 2 years before receiving an
3 initial state grant. During this 2-year period of time, the
4 organization shall file a listing of service work activity and an
5 accounting of recoveries with the department, the senate and house
6 fiscal agencies, the senate and house of representatives
7 subcommittees on military affairs, and the state budget office on
8 forms as prescribed by the department.

9 (3) A veterans service organization receiving a grant from the
10 money appropriated in part 1 shall file with the department an
11 accounting of its expenditures, audited and certified by a
12 certified public accountant, within 120 days after the
13 organization's fiscal year end. Each organization shall provide a
14 detailed budget request for the fiscal year ending September 30,
15 2004, to the department by November 15, 2002, within the format as
16 prescribed by the department to be used in the development of the
17 budget for the fiscal year ending September 30, 2004. Each
18 veterans service organization shall provide 5 copies of a listing
19 of all service activity, an accounting of recoveries, and a
20 listing of volunteer hours for the fiscal year ending September
21 30, 2002, to the department by January 31, 2003. The listing of
22 volunteer hours shall include the hours, services, and donations
23 provided to residents of the Grand Rapids veterans' home and the
24 D.J. Jacobetti veterans' home. Each veterans service organization
25 shall provide a copy of the most recent and completed internal
26 revenue service form 990 to the department at the end of the
27 fiscal year ending September 30, 2002. A veterans service
28 organization receiving a grant from the money appropriated in part

1 shall use the forms recommended by the Michigan veterans
2 organizations' rehabilitation and veterans service committee for
3 filing reports required by this bill. The department shall
4 forward information required under this section to the senate and
5 house fiscal agencies, the senate and house of representatives
6 appropriations subcommittees on military affairs, and the state
7 budget director.

8 **VETERANS' HOMES**

9 Sec. 601. Appropriations in this bill for the Grand Rapids
10 veterans' home and the D.J. Jacobetti veterans' home shall not be
11 used for any purpose other than for veterans and veterans'
12 families.

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

18 **VETERANS' TRUST FUND**

19 Sec. 703. (1) By April 1, 2003, the department shall submit to
20 the senate and house of representatives appropriations
21 subcommittees on military affairs and the state budget office a
22 detailed annual report of the Michigan veterans' trust fund for
23 fiscal year 2001-2002. The report shall include information on
24 grants provided from the emergency grant program and the veterans
25 survivor tuition program, including details concerning the
26 methodology of allocations, the selection of emergency grant
27 program authorized agents, and a detailed breakdown of trust fund
28 expenditures for that year. The report shall also provide an

1 update on the department's efforts to reduce program
2 administrative costs.

3 (2) The annual report required under subsection (1) shall
4 contain information on the veterans survivors tuition program,
5 including the number of participants, where the participants
6 attended school, payments made to each school, the average grade
7 point and number of college credits earned by each participant,
8 the number of participants suspended by the program, and the
9 number of participants who earned a degree during fiscal year
10 2001-2002.