

HOUSE BILL No. 4427

March 19, 2003, Introduced by Rep. Williams 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, 2004; 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

1 Sec. 101. Subject to the conditions set forth in this bill, the
 2 amounts listed in this part are appropriated for the department of
 3 military and veterans affairs for the fiscal year ending September 30,
 4 2004, from the funds indicated in this part. The following is a
 5 summary of the appropriations in this part:

6 **DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

7 APPROPRIATIONS SUMMARY:

8	Full-time equated unclassified positions.....	7.0	
9	Full-time equated classified positions.....	1,072.0	
10	GROSS APPROPRIATION.....		\$ 102,510,700
11	Interdepartmental grant revenues:		
12	Total interdepartmental grants and intradepartmental		
13	transfers		200,000
14	ADJUSTED GROSS APPROPRIATION.....		\$ 102,310,700
15	Federal revenues:		
16	Total federal revenues.....		40,627,900
17	Special revenue funds:		
18	Total local revenues.....		0
19	Total private revenues.....		1,870,700
20	Total other state restricted revenues.....		23,800,100
21	State general fund/general purpose.....		\$ 36,012,000

22 **Sec. 102. HEADQUARTERS AND ARMORIES**

23	Full-time equated unclassified positions.....	7.0	
24	Full-time equated classified positions.....	140.0	
25	Headquarters and armories--99.5 FTE positions.....		\$ 8,941,200
26	Unclassified military personnel.....		660,300
27	Military appeals tribunal.....		900

1	Michigan emergency volunteers.....	5,000
2	State active duty.....	70,100
3	Challenge program--40.5 FTE positions.....	<u>3,296,900</u>
4	GROSS APPROPRIATION.....	\$ 12,974,400
5	Appropriated from:	
6	Interdepartmental grant revenues:	
7	IDG, challenge grant.....	200,000
8	Federal revenues:	
9	DOD-DOA-NGB.....	3,542,500
10	Special revenue funds:	
11	Private donations.....	1,445,700
12	Rental fees.....	350,000
13	Mackinac Bridge authority.....	40,000
14	State general fund/general purpose.....	\$ 7,396,200
15	Sec. 103. MILITARY TRAINING SITES AND SUPPORT FACILITIES	
16	Full-time equated classified positions.....229.0	
17	Military training sites and support facilities--229.0 FTE	
18	positions	\$ 14,860,200
19	Military training sites and support facilities test	
20	projects	<u>100,000</u>
21	GROSS APPROPRIATION.....	\$ 14,960,200
22	Appropriated from:	
23	Federal revenues:	
24	DOD-DOA-NGB.....	12,140,400
25	Special revenue funds:	
26	Test project fees.....	100,000
27	State general fund/general purpose.....	\$ 2,719,800

1 Sec. 104. DEPARTMENTWIDE APPROPRIATIONS

2	Departmentwide accounts.....	\$	1,741,100
3	Special maintenance - state.....		351,200
4	Special maintenance - federal.....		4,300,000
5	Military retirement.....		2,500,000
6	Counternarcotic operations.....		50,000
7	Starbase grant.....		<u>600,000</u>
8	GROSS APPROPRIATION.....	\$	9,542,300

9 Appropriated from:

10 Federal revenues:

11	DOD-DOA-NGB.....		6,170,600
12	Federal counternarcotic revenues.....		50,000

13 Special revenue funds:

14	State general fund/general purpose.....	\$	3,321,700
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15 Sec. 105. VETERANS' AFFAIRS DIRECTORATE

16 Full-time equated classified positions.....16.0

17 Veterans' affairs directorate administration--3.0 FTE

18	positions	\$	294,200
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19	Veterans' trust fund administration--13.0 FTE positions		1,030,000
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20	Veterans' trust fund grants.....		3,746,500
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21	Veterans' Service Organization grants.....		<u>3,325,500</u>
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22	GROSS APPROPRIATION.....	\$	8,396,200
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23 Appropriated from:

24 Special revenue funds:

25	Michigan veterans' trust fund.....		4,776,500
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26	State general fund/general purpose.....	\$	3,619,700
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27 Sec. 106. GRAND RAPIDS VETERANS' HOME

1	Full-time equated classified positions.....	536.0	
2	Grand Rapids veterans' home--536.0 FTE positions.....	\$	42,096,700
3	Board of managers.....		<u>300,000</u>
4	GROSS APPROPRIATION.....	\$	42,396,700
5	Appropriated from:		
6	Federal revenues:		
7	DVA-VHA		13,050,600
8	HHS-Medicaid.....		350,600
9	HHS-Medicare.....		689,100
10	Special revenue funds:		
11	Private - veterans' home post and posthumous funds.....		300,000
12	Income and assessments.....		14,146,600
13	Lease revenue.....		35,000
14	State general fund/general purpose.....	\$	13,824,800
15	Sec. 107. D.J. JACOBETTI VETERANS' HOME		
16	Full-time equated classified positions.....	151.0	
17	D.J. Jacobetti veterans' home--151.0 FTE positions.....	\$	12,945,600
18	Board of managers.....		<u>125,000</u>
19	GROSS APPROPRIATION.....	\$	13,070,600
20	Appropriated from:		
21	Federal revenues:		
22	DVA-VHA		3,867,100
23	HHS-Medicare.....		206,600
24	Special revenue funds:		
25	Private - veterans' home post and posthumous funds.....		125,000
26	Income and assessments.....		4,191,500
27	State general fund/general purpose.....	\$	4,680,400

Sec. 108. INFORMATION TECHNOLOGY

Information technology services and projects \$ 1,170,300

GROSS APPROPRIATION..... \$ 1,170,300

Appropriated from:

Federal revenues:

DOD-DOA-NGB..... 416,900

DVA-VHA 135,700

HHS-Medicare..... 7,800

Special revenue funds:

Income and assessments..... 160,500

State general fund/general purpose..... \$ 449,400

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2003-2004 is \$59,812,100.00 and state spending from state resources to be paid to units of local government for fiscal year 2003-2004 is \$120,000.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

MILITARY TRAINING SITES AND SUPPORT FACILITIES

Payments in lieu of taxes..... \$ 70,000

MICHIGAN VETERANS' TRUST FUND

County counselor travel expenses..... \$ 50,000

TOTAL \$ 120,000

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

3 Sec. 203. As used in this bill:

4 (a) "Department" means the department of military and veterans
5 affairs.

6 (b) "Director" means the director of the department of military
7 and veterans affairs.

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

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

11 (e) "DVA" means the United States department of veterans'
12 affairs.

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

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

15 (h) "HHS" means the United States department of health and human
16 services.

17 (i) "IDG" means interdepartmental grant.

18 Sec. 204. The department of civil service shall bill departments and
19 agencies at the end of the first fiscal quarter for the 1% charge
20 authorized by section 5 of article XI of the state constitution of
21 1963. Payments shall be made for the total amount of the billing by the
22 end of the second fiscal quarter.

23 Sec. 205. (1) A hiring freeze is imposed on the state classified
24 civil service. State departments and agencies are prohibited from
25 hiring any new state classified civil service employees and prohibited
26 from filling any vacant state classified civil service positions. This
27 hiring freeze does not apply to internal transfers of classified

1 employees from 1 position to another within a department.

2 (2) The state budget director shall grant exceptions to this
3 hiring freeze when the state budget director believes that the hiring
4 freeze will result in rendering a state department or agency unable to
5 deliver basic services, cause a loss of revenue to the state, result in
6 the inability of the state to receive federal funds, or necessitate
7 additional expenditures that exceed any savings from maintaining a
8 vacancy. The state budget director shall report quarterly to the
9 chairpersons of the senate and house of representatives standing
10 committees on appropriations the number of exceptions to the hiring
11 freeze approved during the previous quarter and the reasons to justify
12 the exception.

13 Sec. 206. Unless otherwise specified, the department shall use the
14 Internet to fulfill the reporting requirements of this bill. This
15 requirement may include transmission of reports via electronic mail to
16 the recipients identified for each reporting requirement, or it may
17 include placement of reports on an Internet or Intranet site.

18 Sec. 207. From the funds appropriated in part 1 for information
19 technology, the department shall pay user fees to the department of
20 information technology for technology-related services and projects.
21 Such user fees shall be subject to provisions of an interagency
22 agreement between the department and the department of information
23 technology.

24 Sec. 208. Amounts appropriated in part 1 for information technology
25 may be designated as work projects and carried forward to support
26 department of military and veterans affairs projects under the
27 direction of the department of information technology. Funds

1 designated in this manner are not available for expenditure until
2 approved as work projects under section 451a of the management and
3 budget act, 1984 PA 431, MCL 18.1451a.

4 Sec. 209. (1) In addition to the funds appropriated in part 1, there
5 is appropriated an amount not to exceed \$5,000,000.00 for federal
6 contingency funds. These funds are not available for expenditure until
7 they have been transferred to another line item in this bill under
8 section 393(2) of the management and budget act, 1984 PA 431, MCL
9 18.1393.

10 (2) In addition to the funds appropriated in part 1, there is
11 appropriated an amount not to exceed \$2,000,000.00 for state restricted
12 contingency funds. These funds are not available for expenditure until
13 they have been transferred to another line item in this bill under
14 section 393(2) of the management and budget act, 1984 PA 431, MCL
15 18.1393.

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

21 (4) In addition to the funds appropriated in part 1, there is
22 appropriated an amount not to exceed \$100,000.00 for private
23 contingency funds. These funds are not available for expenditure until
24 they have been transferred to another line item in this bill under
25 section 393(2) of the management and budget act, 1984 PA 431, MCL
26 18.1393.

27 Sec. 210. (1) In addition to the amounts appropriated in part 1, in

1 order to encourage administrative efficiencies, there is appropriated
2 to the department of military and veterans affairs, an amount not to
3 exceed one-half of the unexpended, unreserved general fund portions of
4 fiscal year 2002-2003 appropriations made to the department for
5 salaries and wages expenses, contractual services, supplies and
6 materials expenses, information technology expenses and program
7 operations costs.

8 (2) The appropriations contained in subsection 1 are subject to
9 the approval of the state budget director and shall be spent for the
10 same purposes for which the original appropriation was made in fiscal
11 year 2002-2003.

12 Sec. 211. (1) Of the funds appropriated in part 1 for military
13 training sites and support facilities, there shall be established a
14 Michigan national guard education assistance program. Disbursements to
15 the educational assistance program shall not exceed \$1,300,000.00
16 without legislative approval. Under the program, a member of the
17 national guard who is in active service and who enrolls as a full- or
18 part-time student at a public or private state college or university
19 may be eligible to receive up to an equivalent of 50% of the total cost
20 of tuition not to exceed \$2,000.00, as education assistance, in any
21 academic year.

22 (2) An eligible person means a member of the Michigan national
23 guard who is in active service, as defined in section 105 of the
24 Michigan military act, 1967 PA 150, MCL 32.505. An eligible person
25 does not include a member of the Michigan national guard or air
26 national guard who is absent without leave or who is under charges as
27 described in the Michigan code of military justice of 1980, 1980 PA

1 523, MCL 32.1001 to 32.1148.

2 (3) The department of military and veterans affairs shall
3 administer the education assistance program and prescribe forms and
4 procedures to effectively carry out the education assistance program.

5 (4) An eligible person shall apply to the department of military
6 and veterans affairs for education assistance and shall provide
7 evidence of attendance and completion of the course of study with a
8 grade of at least 2.0 on a 4.0 scale, or its equivalent. The
9 department shall approve the application for reimbursement if the
10 applicant meets the definition of an eligible person under subsection
11 (2) and other criteria as established by the department.

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

16 (6) The education assistance program applies to an eligible
17 person notwithstanding any other educational incentive or benefit
18 received by the eligible person under any other educational assistance
19 program provided by any other state.

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

23 (8) The department of military and veterans affairs may use
24 appropriated funds to administer the education assistance program.

25 (9) Reimbursed members who do not complete their national guard
26 obligation shall pay the state for money received from the state for
27 tuition. Members who fail to repay the state within the time limits

1 established by the department shall be indebted to the state. The
2 department shall work in conjunction with the department of treasury
3 for inclusion in the tax intercept program for amounts due the state.

4 (10) A portion of the funds for the Michigan national guard
5 education assistance program may be used by the department for the
6 purpose of promoting the program and for encouraging those persons the
7 department wishes to have enlist or reenlist in the Michigan national
8 guard.

9 **HEADQUARTERS AND ARMORIES**

10 Sec. 301. (1) The funds appropriated in this bill for private
11 donations to the challenge program shall be considered state restricted
12 revenue, and unexpended funds remaining at the close of the fiscal year
13 shall not lapse to the general fund but shall be carried forward to the
14 subsequent fiscal year.

15 (2) The department may charge a parent or guardian of a
16 participant in the challenge program a fee for participating in the
17 program if the participant is a member of a family with an income that
18 exceeds 200% of the federal poverty guidelines as published by the
19 United States department of health and human services. The amount
20 charged the parent or guardian shall not exceed the per student state
21 share cost of administering the program. The parent or guardian shall
22 be notified of any charge to be assessed under this subsection prior to
23 enrollment of the child in the program.

24 Sec. 302. The department will partner with the family independence
25 agency to identify youth who may be eligible for the challenge program
26 from those youth served by family independence agency programs. Such

1 eligible youth shall be given priority for enrollment in the program.

2 **VETERANS' AFFAIRS DIRECTORATE**

3 Sec. 401. (1) Money appropriated in part 1 for grants to veterans
4 service organizations shall be used only for salaries, wages, related
5 personnel costs, training, and equipment for accredited veteran service
6 advocacy officers and necessary support and managerial staff. Training
7 shall be provided for service advocacy officers and shall be conducted
8 by accredited advocacy officers.

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

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

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

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

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

22 (e) For a veterans service organization founded after September
23 30, 1989, be in operation and providing service to Michigan veterans
24 for not less than 2 years before receiving an initial state grant.
25 During this 2-year period of time, the organization shall file a
26 listing of service work activity and an accounting of recoveries with
27 the department, the senate and house fiscal agencies, the senate and

1 house of representatives appropriations subcommittees on military
2 affairs, and the state budget office on forms as prescribed by the
3 department.

4 (3) A veterans service organization receiving a grant from the
5 money appropriated in part 1 shall file with the department an
6 accounting of its expenditures, audited and certified by a certified
7 public accountant, within 120 days after the organization's fiscal year
8 end. Each organization shall provide a detailed budget request for the
9 fiscal year ending September 30, 2005, to the department by November
10 15, 2003, within the format as prescribed by the department to be used
11 in the development of the budget for the fiscal year ending September
12 30, 2005. Each veterans service organization shall provide 5 copies of
13 a listing of all service activity, an accounting of recoveries, and a
14 listing of volunteer hours for the fiscal year ending September 30,
15 2003, to the department by January 31, 2004. The listing of volunteer
16 hours shall include the hours, services, and donations provided to
17 residents of the Grand Rapids veterans' home and the D.J. Jacobetti
18 veterans' home. Each veterans service organization shall provide a
19 copy of the most recent and completed internal revenue service form 990
20 to the department at the end of the fiscal year ending September 30,
21 2003. A veterans service organization receiving a grant from the money
22 appropriated in part 1 shall use the forms recommended by the Michigan
23 veterans organizations' rehabilitation and veterans service committee
24 for filing reports required by this bill. The department shall forward
25 information required under this section to the senate and house fiscal
26 agencies, the senate and house of representatives appropriations
27 subcommittees on military affairs, and the state budget office.

1 Sec. 402. (1) By April 1, 2004, the department shall submit to the
2 senate and house of representatives appropriations subcommittees on
3 military affairs and the state budget office a detailed annual report
4 of the Michigan veterans' trust fund for fiscal year 2002-2003. The
5 report shall include information on grants provided from the emergency
6 grant program and the veterans survivor tuition program, including
7 details concerning the methodology of allocations, the selection of
8 emergency grant program authorized agents, and a detailed breakdown of
9 trust fund expenditures for that year. The report shall also provide
10 an update on the department's efforts to reduce program administrative
11 costs.

12 (2) The annual report required under subsection (1) shall contain
13 information on the veterans survivors tuition program, including the
14 number of participants, where the participants attended school,
15 payments made to each school, the average grade point and number of
16 college credits earned by each participant, the number of participants
17 suspended by the program, and the number of participants who earned a
18 degree during fiscal year 2002-2003.

19 **VETERANS' HOMES**

20 Sec. 501. 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.