

SENATE BILL No. 308

EXECUTIVE BUDGET BILL

March 3, 2009, Introduced by Senator BARCIA and referred to the Committee on Appropriations.

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2010; 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 amounts listed in this part are appropriated for the department of military and veterans affairs for the fiscal year ending

September 30, 2010, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

APPROPRIATION SUMMARY:

Full-time equated unclassified positions..... 7.0

Full-time equated classified positions..... 985.0

GROSS APPROPRIATION..... \$ 149,211,500

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers 1,686,500

ADJUSTED GROSS APPROPRIATION..... \$ 147,525,000

Federal revenues:

Total federal revenues..... 77,347,300

Special revenue funds:

Total local revenues..... 1,295,100

Total private revenues..... 1,471,200

Total other state restricted revenues..... 27,924,200

State general fund/general purpose..... \$ 39,487,200

Sec. 102. HEADQUARTERS AND ARMORIES

Full-time equated unclassified positions..... 7.0

Full-time equated classified positions..... 125.0

Headquarters and armories--85.0 FTE positions..... \$ 10,988,900

Unclassified military personnel..... 665,000

Military appeals tribunal..... 900

Michigan emergency volunteers..... 5,000

State active duty..... 100,100

Challenge program--40.0 FTE positions..... 4,737,000

1	Homeland security.....	1,000,000
2	Military family relief fund.....	<u>600,000</u>
3	GROSS APPROPRIATION.....	\$ 18,096,900
4	Appropriated from:	
5	IDG, challenge grant.....	262,100
6	IDG, community health.....	100,000
7	IDG, state police.....	900,000
8	IDG, human services.....	424,400
9	Federal revenues:	
10	DOD-DOA-NGB.....	5,747,200
11	Special revenue funds:	
12	Local-school aid fund.....	1,295,100
13	Rental fees.....	346,400
14	Mackinac Bridge authority.....	70,000
15	Private donations.....	826,800
16	Military family relief fund.....	600,000
17	Private-parent pay revenue.....	104,400
18	State general fund/general purpose.....	\$ 7,420,500
19	Sec. 103. MILITARY TRAINING SITES AND SUPPORT FACILITIES	
20	Full-time equated classified positions..... 181.0	
21	Military training sites and support	
22	facilities--181.0 FTE positions.....	\$ 25,165,100
23	Military training sites and support facilities test	
24	projects	<u>100,000</u>
25	GROSS APPROPRIATION.....	\$ 25,265,100
26	Appropriated from:	
27	Federal revenues:	

1	DOD-DOA-NGB.....		23,139,400
2	Special revenue funds:		
3	Test project fees.....		100,000
4	State general fund/general purpose.....	\$	2,025,700
5	Sec. 104. DEPARTMENTWIDE APPROPRIATIONS		
6	Departmentwide accounts.....	\$	1,946,500
7	Special maintenance - state.....		651,200
8	Special maintenance - federal.....		5,300,000
9	Military retirement.....		3,407,800
10	Counter narcotic operations.....		50,000
11	Starbase grant.....		<u>2,322,000</u>
12	GROSS APPROPRIATION.....	\$	13,677,500
13	Appropriated from:		
14	Federal revenues:		
15	DOD-DOA-NGB.....		9,288,100
16	Federal counter narcotic revenues.....		50,000
17	State general fund/general purpose.....	\$	4,339,400
18	Sec. 105. VETERANS SERVICE ORGANIZATIONS		
19	American legion.....	\$	912,600
20	Disabled American veterans.....		754,400
21	Marine corps league.....		346,400
22	American veterans of World War II and Korea.....		478,700
23	Veterans of foreign wars.....		912,600
24	Michigan paralyzed veterans of America.....		170,700
25	Purple heart.....		162,600
26	Veterans of World War I.....		100
27	Polish legion of American veterans.....		42,400

1	Jewish veterans of America.....	42,400
2	State of Michigan council - Vietnam veterans of	
3	America	164,300
4	Catholic war veterans.....	<u>42,400</u>
5	GROSS APPROPRIATION.....	\$ 4,029,600
6	Appropriated from:	
7	State general fund/general purpose.....	\$ 4,029,600
8	Sec. 106. GRAND RAPIDS VETERANS' HOME	
9	Full-time equated classified positions..... 513.0	
10	Grand Rapids veterans' home--513.0 FTE positions.....	\$ 49,717,300
11	Board of managers.....	<u>665,000</u>
12	GROSS APPROPRIATION.....	\$ 50,382,300
13	Appropriated from:	
14	Federal revenues:	
15	DVA-VHA.....	15,862,600
16	HHS, Medicaid.....	157,300
17	HHS, Medicare.....	2,452,700
18	Special revenue funds:	
19	Private - veterans' home post and posthumous funds...	415,000
20	Income and assessments.....	15,304,700
21	Military family relief fund.....	250,000
22	Lease revenue.....	12,200
23	State general fund/general purpose.....	\$ 15,927,800
24	Sec. 107. D.J. JACOBETTI VETERANS' HOME	
25	Full-time equated classified positions..... 158.0	
26	D.J. Jacobetti veterans' home--158.0 FTE positions...	\$ 15,956,100
27	Board of managers.....	<u>275,000</u>

1	GROSS APPROPRIATION.....	\$	16,231,100
2	Appropriated from:		
3	Federal revenues:		
4	DVA-VHA.....		4,604,400
5	HHS, Medicare.....		562,400
6	HHS, Medicaid.....		10,300
7	Special revenue funds:		
8	Private - veterans' home post and posthumous funds ...		125,000
9	Military family relief fund.....		150,000
10	Income and assessments.....		5,741,100
11	State general fund/general purpose.....	\$	5,037,900
12	Sec. 108. VETERANS' AFFAIRS DIRECTORATE		
13	Full-time equated classified positions.....	8.0	
14	Veterans' affairs directorate administration--2.0		
15	FTE positions	\$	276,700
16	Veterans' trust fund administration--6.0 FTE		
17	positions		1,251,500
18	Veterans' trust fund grants.....		<u>3,746,500</u>
19	GROSS APPROPRIATION.....	\$	5,274,700
20	Appropriated from:		
21	Special revenue funds:		
22	Michigan veterans' trust fund.....		4,998,000
23	State general fund/general purpose.....	\$	276,700
24	Sec. 109. INFORMATION TECHNOLOGY		
25	Information technology services and projects	\$	<u>1,254,300</u>
26	GROSS APPROPRIATION.....	\$	1,254,300
27	Appropriated from:		

1	Federal revenues:	
2	DOD-DOA-NGB.....	123,900
3	DVA-VHA.....	339,000
4	HHS, Medicare.....	10,000
5	Special revenue funds:	
6	Income and assessments.....	351,800
7	State general fund/general purpose.....	\$ 429,600
8	Sec. 110. CAPITAL OUTLAY	
9	Special maintenance, remodeling and additions.....	\$ <u>15,000,000</u>
10	GROSS APPROPRIATION.....	\$ 15,000,000
11	Appropriated from:	
12	Federal revenues:	
13	DOD-DOA-NGB.....	15,000,000
14	Special revenue funds:	
15	State general fund/general purpose	\$ 0

16 PART 2

17 PROVISIONS CONCERNING APPROPRIATIONS

18 **GENERAL SECTIONS**

19 Sec. 201. Pursuant to section 30 of article IX of the state
 20 constitution of 1963, total state spending from state resources
 21 under part 1 for fiscal year 2009-2010 is \$67,411,400.00 and state
 22 spending from state resources to be paid to local units of
 23 government for fiscal year 2009-2010 is \$120,000.00. The itemized
 24 statement below identifies appropriations from which spending to
 25 local units of government will occur:

1	DEPARTMENT OF MILITARY AND VETERANS AFFAIRS	
2	MILITARY TRAINING SITES AND SUPPORT FACILITIES	
3	Payments in lieu of taxes.....	\$ 70,000
4	MICHIGAN VETERANS' TRUST FUND	
5	County counselor education and training expenses	\$ <u>50,000</u>
6	TOTAL	\$ 120,000

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

10 Sec. 203. As used in this bill:

11 (a) "Department" means the department of military and veterans
12 affairs.

13 (b) "Director" means the director of the department of
14 military and veterans affairs.

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

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

18 (e) "DVA" means the United States department of veterans'
19 affairs.

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

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

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

24 (i) "IDG" means interdepartmental grant.

25 Sec. 204. The civil service commission shall bill departments
26 and agencies at the end of the first fiscal quarter for the charges
27 authorized by section 5 of article XI of the state constitution of

1 1963. Payments shall be made for the total amount of the billing by
2 the end of the second fiscal quarter.

3 Sec. 208. The department shall use the Internet to fulfill the
4 reporting requirements of this bill. This requirement may include
5 transmission of reports via electronic mail to the recipients
6 identified for each reporting requirement, or it may include
7 placement of reports on an Internet or Intranet site.

8 Sec. 209. Funds appropriated in part 1 shall not be used for
9 the purchase of foreign goods or services, or both, if
10 competitively priced and of comparable quality American goods or
11 services, or both, are available. Preference should be given to
12 goods or services, or both, manufactured or provided by Michigan
13 businesses, if they are competitively priced and of comparable
14 quality. In addition, preference should be given to goods or
15 services, or both, that are manufactured or provided by Michigan
16 businesses owned and operated by veterans, if they are
17 competitively priced and of comparable quality.

18 Sec. 210. The director shall take all reasonable steps to
19 ensure businesses in deprived and depressed communities compete for
20 and perform contracts to provide services or supplies, or both. The
21 director shall strongly encourage firms with which the department
22 contracts to subcontract with certified businesses in depressed and
23 deprived communities for services, supplies, or both.

24 Sec. 212. (1) Of the funds appropriated in part 1 for military
25 training sites and support facilities, there shall be established a
26 Michigan national guard education assistance program. Disbursements
27 to the educational assistance program shall not exceed \$750,000.00

1 without legislative approval. Under the program, a member of the
2 national guard who is in active service and who enrolls as a full-
3 or part-time student at a public or private state college or
4 university may be eligible to receive up to an equivalent of 50% of
5 the total cost of tuition not to exceed \$2,000.00, as education
6 assistance, in any academic year.

7 (2) As used in this section, an eligible person means a member
8 of the Michigan national guard who is in active service, as defined
9 in section 105 of the Michigan military act, 1967 PA 150, MCL
10 32.505. An eligible person does not include a member of the
11 Michigan national guard or air national guard who is absent without
12 leave or who is under charges as described in the Michigan code of
13 military justice of 1980, 1980 PA 523, MCL 32.1001 to 32.1148.

14 (3) The department of military and veterans affairs, office of
15 the adjutant general shall administer the education assistance
16 program and prescribe forms and procedures to effectively carry out
17 the education assistance program.

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

26 (5) The education assistance program applies to any course of
27 instruction that is included in an associate, undergraduate, or

1 postgraduate degree program offered by a college or university of
2 this state.

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

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

10 (8) The department of military and veterans affairs may use
11 funds from the appropriated funds to administer the education
12 assistance program.

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

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

25 Sec. 221. From the funds appropriated in part 1 for
26 information technology, the department shall pay user fees to the
27 department of information technology for technology-related

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

4 Sec. 225. (1) Due to the current budgetary problems in this
5 state, out-of-state travel for the fiscal year ending September 30,
6 2010 shall be limited to situations in which 1 or more of the
7 following conditions apply:

8 (a) The travel is required by legal mandate or court order or
9 for law enforcement purposes.

10 (b) The travel is necessary to protect the health or safety of
11 Michigan citizens or visitors or to assist other states in similar
12 circumstances.

13 (c) The travel is necessary to produce budgetary savings or to
14 increase state revenues, including protecting existing federal
15 funds or securing additional federal funds.

16 (d) The travel is necessary to comply with federal
17 requirements.

18 (e) The travel is necessary to secure specialized training for
19 staff that is not available within this state.

20 (f) The travel is financed entirely by federal or nonstate
21 funds.

22 (2) Not later than January 1 of each year, each department
23 shall prepare a travel report listing all travel by classified and
24 unclassified employees outside this state in the immediately
25 preceding fiscal year that was funded in whole or in part with
26 funds appropriated in the department's budget. The report shall be
27 submitted to the senate and house of representatives standing

1 committees on appropriations, the senate and house fiscal agencies,
2 and the state budget director. The report shall include the
3 following information:

4 (a) The name of each person receiving reimbursement for travel
5 outside this state or whose travel costs were paid by this state.

6 (b) The destination of each travel occurrence.

7 (c) The dates of each travel occurrence.

8 (d) A brief statement of the reason for each travel
9 occurrence.

10 (e) The transportation and related costs of each travel
11 occurrence, including the proportion funded with state general
12 fund/general purpose revenues, the proportion funded with state
13 restricted revenues, the proportion funded with federal revenues,
14 and the proportion funded with other revenues.

15 (f) A total of all out-of-state travel funded for the
16 immediately preceding fiscal year.

17 Sec. 228. Funds appropriated in part 1 shall not be used by a
18 principal executive department, state agency, or authority to hire
19 a person to provide legal services that are the responsibility of
20 the attorney general. This prohibition does not apply to legal
21 services for bonding activities and for those activities that the
22 attorney general authorizes.

23 Sec. 232. (1) In addition to the funds appropriated in part 1,
24 there is appropriated an amount not to exceed \$10,000,000.00 for
25 federal contingency funds. These funds are not available for
26 expenditure until they have been transferred to another line item
27 in this bill under section 393(2) of the management and budget act,

1 1984 PA 431, MCL 18.1393.

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

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

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

20 **HEADQUARTERS AND ARMORIES**

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

26 (2) The department may charge a parent or guardian of a

1 participant in the challenge program a fee for participating in the
2 program if the participant is a member of a family with an income
3 that exceeds 200% of the federal poverty guidelines as published by
4 the United States department of health and human services. The
5 amount charged the parent or guardian shall not exceed the per-
6 student state share cost of administering the program. The parent
7 or guardian shall be notified of any charge to be assessed under
8 this subsection prior to enrollment of the child in the program.

9 (3) The department shall take steps to recruit candidates to
10 the challenge program from economically disadvantaged areas,
11 including those with low-income and high-unemployment backgrounds.

12 Sec. 304. The department shall partner with the department of
13 human services to identify youth who may be eligible for the
14 challenge program from those youth served by department of human
15 services programs. These eligible youth shall be given priority for
16 enrollment in the program.

17 **VETERANS SERVICE ORGANIZATIONS**

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

25 (2) To receive a grant from the money appropriated in part 1,
26 a veterans service organization shall meet the following

1 eligibility requirements:

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

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

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

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

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

22 (3) A veterans service organization receiving a grant from the
23 money appropriated in part 1 shall file with the department an
24 accounting of its expenditures, audited and certified by a
25 certified public accountant, within 120 days after the
26 organization's fiscal year end. Each organization shall provide a
27 detailed budget request for the fiscal year ending September 30,

1 2011 to the department by November 15, 2009. Each veterans service
2 organization shall provide 5 copies of a listing of all service
3 activity, an accounting of recoveries, and a listing of volunteer
4 hours for the fiscal year ending September 30, 2009 to the
5 department by January 31, 2010. Each organization shall include a
6 listing of expenditures by spending category, including a listing
7 of individual salaries of each officer and administrative staff.
8 The listing of volunteer hours shall include the hours, services,
9 and donations provided to residents of the Grand Rapids veterans'
10 home and the D.J. Jacobetti veterans' home. Each veterans service
11 organization shall provide a copy of the most recent and completed
12 internal revenue service form 990 to the department at the end of
13 the fiscal year ending September 30, 2009. A veterans service
14 organization receiving a grant from the money appropriated in part
15 1 shall use the forms recommended by the Michigan veterans
16 organizations rehabilitation and veterans service committee for
17 filing reports required by this bill. The department shall forward
18 information required under this section to the senate and house
19 fiscal agencies, the senate and house of representatives
20 appropriations subcommittees on military affairs, and the state
21 budget office.

22 (4) The veterans service directors committee and the
23 department shall take steps to improve the coordination of veterans
24 benefits counseling in the state to maximize the effective and
25 efficient use of taxpayer dollars in this goal and to ensure that
26 every veteran is served.

27 (5) To accomplish the goal of subsection (4), the veterans

1 service directors committee and the department shall take steps to
2 increase their responsibility in the administration, management,
3 oversight, and outreach of the delivery of services to veterans.

4 The veterans service directors committee and the department shall
5 involve county veterans counselors and representatives from the
6 Michigan veterans trust fund to work in concert to identify,
7 implement, and evaluate steps to do all of the following:

8 (a) Increase the veterans service directors committee and the
9 department's role in working directly with the United States
10 department of veterans' affairs to enhance the delivery of services
11 to Michigan veterans.

12 (b) Increase the number of initial claims filed with the
13 United States department of veterans' affairs on behalf of veterans
14 for service-connected disability or pension benefits. The veterans
15 service directors committee and the department may work toward
16 either an absolute increase of approved claims or an increase in
17 the percentage of Michigan veterans with approved claims.

18 (c) Develop methods to increase rates of recovery paid by the
19 United States department of veterans' affairs to Michigan veterans
20 either by an increase in compensation paid per approved claim or
21 increase in compensation paid on a per capita basis.

22 (d) Expand training opportunities for veterans service
23 organization service officers.

24 (e) Increase either the number or percentage of Michigan
25 veterans enrolled in the VA health care system.

26 (f) Publicize the availability, benefit, and value of burial
27 in the Fort Custer and Great Lakes national cemeteries.

1 (g) Review each grant recipient's performance under the
2 program and require that performance be a major consideration in
3 the future funding of each grant recipient.

4 (h) Identify areas of redundancy which may exist among
5 services provided by veterans service organizations grantees,
6 Michigan veterans trust fund county committees, and county veterans
7 counselors and provide a proposal on how any redundancies may be
8 minimized and identify specific cost savings which could result.

9 **VETERANS' HOMES**

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

15 **VETERANS' TRUST FUND**

16 Sec. 703. By April 1, 2010, the department shall submit to the
17 senate and house of representatives appropriations subcommittees on
18 military affairs and the state budget office a detailed annual
19 report of the Michigan veterans' trust fund for fiscal year 2008-
20 2009. The report shall include information on grants provided from
21 the emergency grant program, including details concerning the
22 methodology of allocations, the selection of emergency grant
23 program authorized agents, and a detailed breakdown of trust fund
24 expenditures for that year. The report shall also provide an update
25 on the department's efforts to reduce program administrative costs

1 and restore the Michigan veterans' trust fund corpus to its
2 original amount of \$50,000,000.00.

3 **CAPITAL OUTLAY**

4 Sec. 801. The appropriations in part 1 for the department of
5 military and veterans affairs design and construction projects are
6 contingent upon the availability of federal and state restricted
7 funds for financing.

8 Sec. 802. (1) The director shall allocate lump-sum
9 appropriations made in this bill consistent with statutory
10 provisions and the purposes for which funds were appropriated.
11 Lump-sum allocations shall address priority program or facility
12 needs and may include, but are not limited to, design,
13 construction, remodeling and addition, special maintenance, major
14 special maintenance, energy conservation, and demolition.

15 (2) The state budget director may authorize that funds
16 appropriated for lump-sum appropriations shall be available for no
17 more than 3 fiscal years following the fiscal year in which the
18 original appropriation was made. Any remaining balance from
19 allocations made in this section shall lapse to the fund from which
20 it was appropriated pursuant to the lapsing of funds as provided in
21 the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

22 Sec. 803. The appropriations in part 1 for capital outlay
23 shall be carried forward at the end of the fiscal year consistent
24 with section 248 of the management and budget act, 1984 PA 431, MCL
25 18.1248.