

SENATE BILL No. 976

EXECUTIVE BUDGET BILL

February 3, 2000, Introduced by Senators HOFFMAN, NORTH, VAUGHN and JOHNSON
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, 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

28 State active duty 60,100

1	Challenge program--39.0 FTE positions	<u>2,808,400</u>
2	GROSS APPROPRIATION	\$ 13,883,500
3	Appropriated from:	
4	Federal revenues:	
5	Total federal revenues	4,017,700
6	Special revenue funds:	
7	Total state restricted revenues	390,000
8	State general fund/general purpose	\$ 9,475,800
9	Sec. 103. MILITARY TRAINING SITES AND SUPPORT FACILITIES	
10	Full-time equated classified positions	229.0
11	Military training sites and support facilities--229.0	
12	FTE positions	\$ 15,541,000
13	Military training sites and support facilities	
14	test project	<u>100,000</u>
15	GROSS APPROPRIATION	\$ 15,641,000
16	Appropriated from:	
17	Federal revenues:	
18	Total federal revenues	11,920,200
19	Special revenue funds:	
20	Total state restricted revenues	100,000
21	State general fund/general purpose	\$ 3,620,800
22	Sec. 104. DEPARTMENTWIDE APPROPRIATIONS	
23	Departmentwide accounts	\$ 2,147,400
24	Special maintenance-state	436,200
25	Special maintenance-federal	2,302,000
26	Military retirement	2,231,900
27	Counternarcotic operations	50,000
28	Starbase grant	<u>402,000</u>

1	GROSS APPROPRIATION	\$	7,569,500
2	Appropriated from:		
3	Federal revenues:		
4	Total federal revenues		4,026,000
5	Special revenue funds:		
6	State general fund/general purpose	\$	3,543,500
7	Sec. 105. VETERANS' SERVICE ORGANIZATIONS		
8	American legion	\$	835,800
9	Disabled American veterans		690,900
10	Marine corps veterans		317,300
11	American veterans of World War II and Korea . . .		438,500
12	Veterans of foreign wars		835,800
13	Michigan paralyzed veterans of America		156,300
14	Purple heart		149,000
15	Veterans of World War I		100
16	Polish legion of American veterans		38,900
17	Jewish veterans of America		38,900
18	State of Michigan council - Vietnam veterans		
19	of America		150,500
20	Catholic war veterans		<u>12,500</u>
21	GROSS APPROPRIATION	\$	3,664,500
22	Appropriated from:		
23	State general fund/general purpose	\$	3,664,500
24	Sec. 106. GRAND RAPIDS VETERANS' HOME		
25	Full-time equated classified positions . .	539.0	
26	Grand Rapids veterans' home--539.0 FTE		
27	positions	\$	41,539,300
28	Board of managers		<u>300,000</u>

1	GROSS APPROPRIATION	\$	41,839,300
2	Appropriated from:		
3	Interdepartmental grant revenues:		
4	Federal revenues:		
5	Total federal revenues		12,351,300
6	Special revenue funds:		
7	Total private revenues		300,000
8	Total state restricted revenues		13,572,600
9	State general fund/general purpose	\$	15,615,400
10	Sec. 107. D.J. JACOBETTI VETERANS' HOME		
11	Full-time equated classified positions . .	153.0	
12	D.J. Jacobetti veterans' home--153.0 FTE		
13	positions	\$	12,762,400
14	Board of managers		<u>75,000</u>
15	GROSS APPROPRIATION	\$	12,837,400
16	Appropriated from:		
17	Federal revenues:		
18	Total federal revenues		3,637,400
19	Special revenue funds:		
20	Total private revenues		75,000
21	Total state restricted revenues		4,189,300
22	State general fund/general purpose	\$	4,935,700
23	Sec. 108. MICHIGAN VETERANS' TRUST FUND		
24	Full-time equated classified positions . . .	16.0	
25	Veterans' affairs directorate administration--3.0		
26	FTE positions	\$	358,100
27	Administration--13.0 FTE positions		982,900
28	Veterans' trust fund grants		<u>3,746,500</u>

1	GROSS APPROPRIATION	\$	5,087,500
2	Appropriated from:		
3	Special revenue funds:		
4	Total state restricted revenue		4,736,300
5	State general fund/general purpose	\$	351,200

6 PART 2

7 PROVISIONS CONCERNING APPROPRIATIONS

8 **GENERAL SECTIONS**

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

13 DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

14 MILITARY TRAINING SITES AND SUPPORT FACILITIES

15	Payments in lieu of taxes	\$	70,000
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16 MICHIGAN VETERANS TRUST FUND

17	County counselor travel expenses		<u>50,000</u>
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18	TOTAL	\$	120,000
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19 (2) If it appears to the principal executive officer of a
 20 department or branch that state spending to local units of government
 21 will be less than the amount that was projected to be expended for any
 22 quarter under subsection (1), the principal executive officer shall
 23 immediately give notice of the approximate shortfall to the state
 24 budget director, the senate and house of representatives standing
 25 committees on appropriations, and the senate and house fiscal
 26 agencies.

27 Sec. 202. The expenditures and funding sources authorized under
 28 this bill are subject to the management and budget act, 1984 PA 431,

1 MCL 18.1101 to 18.1594.

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

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

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

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

25 Sec. 204. The department of civil service shall bill departments
26 and agencies at the end of the first fiscal quarter for the 1% charge
27 authorized by section 5 of article XI of the state constitution of
28 1963. Payments shall be made for the total amount of the billing by
29 the end of the second fiscal quarter.

1 Sec. 205. As used in this bill:

2 (a) "Department" means the Michigan department of military and
3 veterans affairs.

4 (b) "Director" means the director of the department of military
5 and veterans affairs.

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

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

15 (2) The state budget director shall grant exceptions to this
16 hiring freeze when the state budget director believes that the hiring
17 freeze will result in rendering a state department or agency unable to
18 deliver basic services. The state budget director shall report by the
19 30TH of each month to the chairpersons of the senate and house of
20 representatives standing committees on appropriations the number of
21 exceptions to the hiring freeze approved during the previous month and
22 the reasons to justify the exceptions.

23 Sec. 207. Sixty days before beginning any effort to privatize,
24 the department shall submit a complete project plan to the appropriate
25 subcommittees of the senate and house of representatives standing
26 committees on appropriations and the senate and house fiscal agencies.
27 The plan shall include the criteria under which the privatization
28 initiative will be evaluated. The evaluation shall be completed and
29 submitted to the appropriate subcommittees of the senate and house of

1 representatives standing committees on appropriations and the house
2 and senate fiscal agencies within 30 months.

3 Sec. 208. The department shall continue to pilot the use of the
4 Internet to fulfill the reporting requirements in this bill. This may
5 include transmission of reports via electronic mail to the recipients
6 identified for each reporting requirement or it may include placement
7 of reports on the Internet or on the Intranet. The appropriations
8 subcommittee shall be notified in writing of the Internet/Intranet
9 site of any such report.

10 Sec. 209. (1) Of the funds appropriated in section 103 for
11 military training sites and support facilities, there shall be
12 established a Michigan national guard education assistance program.
13 Disbursements to the educational assistance program shall not exceed
14 \$2,000,000.00 without legislative approval. Under the program, a
15 member of the national guard who is in active service and who enrolls
16 as a full- or part-time student at a public or private state college
17 or university may be eligible to receive up to an equivalent of 50% of
18 the total cost of tuition not to exceed \$2,000.00, as education
19 assistance, in any academic year.

20 (2) An eligible person means a member of the Michigan national
21 guard who is in active service, as defined in section 105 of the
22 Michigan military act, 1967 PA 150, MCL 32.505. An eligible person
23 does not include a member of the Michigan national guard or air
24 national guard who is absent without leave or who is under charges as
25 described in the Michigan code of military justice of 1980, 1980 PA
26 523, MCL 32.1001 to 32.1148.

27 (3) The department of military and veterans affairs, office of the
28 adjutant general shall administer the education assistance program and
29 prescribe forms and procedures to effectively carry out the education

1 assistance program.

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

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

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

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

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

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

1 the state.

2 **VETERANS' SERVICE ORGANIZATIONS**

3 Sec. 301. (1) Money appropriated in part 1 for grants
4 to veterans' service organizations shall be used only for salaries,
5 wages, related personnel costs, training, and equipment for accredited
6 veteran service advocacy officers and necessary support and managerial
7 staff. Training shall be provided for service advocacy officers and
8 shall be conducted 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
20 of 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, and the senate
28 and house subcommittees on military affairs on forms as prescribed by
29 the department.

(3) A veterans' service organization receiving a grant from the money appropriated in part 1 shall file with the department a certified accounting of its expenditures within 120 days after the organization's fiscal year end. Each organization shall provide a detailed budget request for the fiscal year ending September 30, 2002 to the department by November 15, 2000 within the format as prescribed by the department to be used in the development of the budget ending September 30, 2002. Each veterans' service organization shall provide 5 copies of a listing of all service activity, an accounting of recoveries, and a listing of volunteer hours for the fiscal year ending September 30, 2000 to the department by January 31, 2001. The listing of volunteer hours shall include the hours, services, and donations provided to residents of the Grand Rapids veterans' home and the D. J. Jacobetti veterans' home. Each veterans' service organization shall provide a copy of the most recent and completed internal revenue service form 990 to the department at the end of the fiscal year ending September 30, 2000. A veterans' service organization receiving a grant from the money appropriated in section 105 shall use the forms recommended by the Michigan veterans organizations' rehabilitation and veterans service committee for filing reports required by this bill. The department shall forward information required under this section to the senate and house fiscal agencies and to the senate and house appropriations subcommittees on military affairs.

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

VETERANS' HOMES

Sec. 401. Appropriations in this bill for the Grand Rapids

1 veterans' home and the D. J. Jacobetti veterans' home shall not be
2 used for any purpose other than for veterans' and veterans' families.

3 Sec. 402. The money appropriated in this bill for the boards of
4 managers may be expended for facility improvements the purchase and
5 repair of equipment and furnishings, member services, and other
6 purposes that benefit the Grand Rapids veterans' home and the D. J.
7 Jacobetti veterans' home.

8 Sec. 403. The money appropriated in this bill for the boards of
9 managers of the Grand Rapids veterans' home and the D. J. Jacobetti
10 veterans' home shall be considered a work project account, and
11 unexpended money remaining at the close of the fiscal year shall not
12 lapse to the general fund but shall be carried forward to the
13 subsequent fiscal year.

14 **MICHIGAN VETERANS' TRUST FUND**

15 Sec. 501. The department may receive and expend revenue deposited
16 to the Vietnam veterans memorial monument fund created under section 3
17 of the Michigan Vietnam veterans memorial act, 1988 PA 234, MCL
18 35.1053.

19 Sec. 502. (1) By April 1, 2001, the department shall submit to
20 the state budget director and the senate and house appropriations
21 subcommittees on military and veterans affairs a detailed annual
22 report of the Michigan veterans' trust fund for fiscal year 1999-2000.
23 The report shall include information on grants provided from the
24 emergency grant program and the veterans' survivor tuition program,
25 including details concerning the methodology of allocations, the
26 selection of emergency grant program authorized agents, and a detailed
27 breakdown of trust fund expenditures for that year. The report shall
28 also provide an update on the department's efforts to reduce program
29 administrative costs.

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

8 (3) The annual report required under subsection (1) shall contain
9 information on the veterans' survivors tuition program, including the
10 number of participants, where the participants attended school,
11 payments made to each school, the average grade point and number of
12 college credits earned by each participant, the number of
13 participants suspended by the program, and the number of participants
14 who earned a degree during fiscal year 1999-2000.

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

1 approved by the Michigan veterans' memorial park commission, the
2 department, and appropriate state agencies.

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