

HOUSE BILL No. 5612

February 26, 2004, 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, 2005; 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

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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 2005, 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.....	1,016.0	
10	GROSS APPROPRIATION		\$ 110,466,200
11	Interdepartmental grant revenues:		
12	Total interdepartmental grants and intradepartmental		
13	transfers		603,000
14	ADJUSTED GROSS APPROPRIATION.....		\$ 109,863,200
15	Federal revenues:		
16	Total federal revenues		45,418,100
17	Special revenue funds:		
18	Total local revenues		0
19	Total private revenues		1,282,300
20	Total other state restricted revenues.....		25,599,800
21	State general fund/general purpose.....		\$ 37,563,000

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

23	Full-time equated unclassified positions.....	7.0	
24	Full-time equated classified positions.....	124.0	
25	Headquarters and armories--83.5 FTE positions.....		\$ 9,579,700
26	Human Resources optimization user charge.....		29,500
27	Unclassified military personnel.....		660,300

1	Military appeals tribunal.....	900
2	Michigan emergency volunteers.....	5,000
3	State active duty	70,100
4	Challenge program--40.5 FTE positions.....	3,467,400
5	Homeland Security	<u>400,000</u>
6	GROSS APPROPRIATION	\$ 14,212,900
7	Appropriated from:	
8	Interdepartmental grant revenues:	
9	IDG, community health	100,000
10	IDG, challenge grant	203,000
11	IDG, state police	300,000
12	Federal revenues:	
13	DOD-DOA-NGB	3,985,100
14	Special revenue funds:	
15	Rental fees	350,000
16	Mackinac Bridge authority.....	40,000
17	Private donations	857,300
18	State general fund/general purpose.....	\$ 8,377,500
19	Sec. 103. MILITARY TRAINING SITES AND SUPPORT FACILITIES	
20	Full-time equated classified positions.....	200.0
21	Military training sites and support	
22	facilities--200.0 FTE positions	\$ 17,513,300
23	Military training sites and support facilities test	
24	projects	<u>100,000</u>
25	GROSS APPROPRIATION	\$ 17,613,300
26	Appropriated from:	
27	Federal revenues:	

1	DOD-DOA-NGB	14,693,600
2	Special revenue funds:	
3	Test project fees	100,000
4	State general fund/general purpose.....	\$ 2,819,700
5	Sec. 104. DEPARTMENTWIDE APPROPRIATIONS	
6	Departmentwide accounts	\$ 1,735,000
7	Special maintenance - state.....	151,200
8	Special maintenance - federal.....	5,300,000
9	Military retirement	2,676,000
10	Counternarcotic operations.....	50,000
11	Starbase grant	<u>600,000</u>
12	GROSS APPROPRIATION	\$ 10,512,200
13	Appropriated from:	
14	Federal revenues:	
15	DOD-DOA-NGB	7,166,100
16	Federal counternarcotic revenues.....	50,000
17	Special revenue funds:	
18	State general fund/general purpose.....	\$ 3,296,100
19	Sec. 105. VETERANS SERVICE ORGANIZATIONS	
20	American legion	\$ 886,000
21	Disabled American veterans.....	732,400
22	Marine corps league	336,300
23	American veterans of World War II and Korea.....	464,800
24	Veterans of foreign wars	886,000
25	Michigan paralyzed veterans of America.....	165,700
26	Purple heart	157,900
27	Veterans of World War I	100

1	Polish legion of American veterans.....	41,200
2	Jewish veterans of America.....	41,200
3	State of Michigan council Vietnam veterans of	
4	America	159,500
5	Catholic war veterans	<u>41,200</u>
6	GROSS APPROPRIATION	\$ 3,912,300
7	Appropriated from:	
8	Special revenue funds:	
9	State general fund/general purpose.....	\$ 3,912,300
10	Sec. 106. GRAND RAPIDS VETERANS' HOME	
11	Full-time equated classified positions.....	517.0
12	Grand Rapids veterans' home--517.0 FTE positions.....	\$ 43,847,200
13	Board of managers	<u>300,000</u>
14	GROSS APPROPRIATION	\$ 44,147,200
15	Appropriated from:	
16	Federal revenues:	
17	DVA-VHA	13,626,400
18	HHS, Medicaid	365,300
19	HHS, Medicare	718,000
20	Special revenue funds:	
21	Private - veterans' home post and posthumous funds....	300,000
22	Income and assessments	15,337,500
23	Lease revenue	34,100
24	State general fund/general purpose.....	\$ 13,765,900
25	Sec. 107. D.J. JACOBETTI VETERANS' HOME	
26	Full-time equated classified positions.....	159.0
27	D.J. Jacobetti veterans' home--159.0 FTE positions....	\$ 13,630,100

1	Board of managers	<u>125,000</u>
2	GROSS APPROPRIATION	\$ 13,755,100
3	Appropriated from:	
4	Federal revenues:	
5	DVA-VHA	4,062,800
6	HHS, Medicare	272,600
7	HHS, Medicaid	34,600
8	Special revenue funds:	
9	Private - veterans' home post and posthumous funds....	125,000
10	Income and assessments	4,595,000
11	State general fund/general purpose.....	\$ 4,665,100
12	Sec. 108. VETERANS' AFFAIRS DIRECTORATE	
13	Full-time equated classified positions.....	16.0
14	Veterans' affairs directorate administration--3.0	
15	FTE positions	\$ 302,900
16	Veterans' trust fund administration--13.0 FTE	
17	positions	1,081,800
18	Veterans' trust fund grants.....	<u>3,746,500</u>
19	GROSS APPROPRIATION	\$ 5,131,200
20	Appropriated from:	
21	Special revenue funds:	
22	Michigan veterans' trust fund.....	4,828,300
23	State general fund/general purpose.....	\$ 302,900
24	Sec. 109. INFORMATION TECHNOLOGY	
25	Information technology services and projects.....	<u>\$ 1,182,000</u>
26	GROSS APPROPRIATION	\$ 1,182,000
27	Appropriated from:	

1 Federal revenues:

2	DOD-DOA-NGB	157,800
3	DVA-VHA	277,600
4	HHS, Medicare	8,200

5 Special revenue funds:

6	Income and assessments	314,900
7	State general fund/general purpose..... \$	423,500

8 PART 2

9 PROVISIONS CONCERNING APPROPRIATIONS

10 **GENERAL SECTIONS**

11 Sec. 201. Pursuant to section 30 of article IX of the state
 12 constitution of 1963, total state spending from state resources under
 13 part 1 for fiscal year 2004-2005 is \$63,162,800.00 and state spending
 14 from state resources to be paid to local units of government for fiscal
 15 year 2004-2005 is \$120,000.00. The itemized statement below identifies
 16 appropriations from which spending to units of local government will
 17 occur:

18 **DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

19 **MILITARY TRAINING SITES AND SUPPORT FACILITIES**

20	Payments in lieu of taxes.....	\$	70,000
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21 **MICHIGAN VETERANS' TRUST FUND**

22	County counselor travel expenses.....	\$	<u>50,000</u>
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23	TOTAL	\$	120,000
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24 Sec. 202. The appropriations authorized under this bill are subject
 25 to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

26 Sec. 203. As used in this bill:

27 (a) "Department" means the department of military and veterans

1 affairs.

2 (b) "Director" means the director of the department of military
3 and veterans affairs.

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

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

7 (e) "DVA" means the United States department of veterans'
8 affairs.

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

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

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

13 (i) "IDG" means interdepartmental grant.

14 Sec. 204. The department of civil service shall bill the department
15 at the end of the first fiscal quarter for the 1% charge authorized by
16 section 5 of article XI of the state constitution of 1963. Payments
17 shall be made for the total amount of the billing by the end of the
18 second fiscal quarter.

19 Sec. 208. Unless otherwise specified, the department shall use the
20 Internet to fulfill the reporting requirements of this bill. This
21 requirement may include transmission of reports via electronic mail to
22 the recipients identified for each reporting requirement, or it may
23 include placement of reports on an Internet or Intranet site.

24 Sec. 212. (1) Of the funds appropriated in section 103 for
25 military training sites and support facilities, there shall be
26 established a Michigan national guard education assistance program.
27 Disbursements to the educational assistance program shall not exceed

1 \$1,300,000.00 without legislative approval. Under the program, a
2 member of the national guard who is in active service and who enrolls
3 as a full- 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 the
5 total cost of tuition not to exceed \$2,000.00, as education assistance,
6 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 in
9 section 105 of the Michigan military act, 1967 PA 150, MCL 32.505. An
10 eligible person does not include a member of the Michigan national
11 guard or air national guard who is absent without leave or who is under
12 charges as described in the Michigan code of military justice of 1980,
13 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 program
16 and prescribe forms and procedures to effectively carry out the
17 education assistance program.

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

7 (7) An eligible person who successfully completes the course of
8 study with a grade of at least 2.0 on a 4.0 scale, or its equivalent,
9 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 guard
14 obligation shall pay the state for money received from the state for
15 tuition. Members who fail to repay the state within the time limits
16 established by the adjutant general shall be indebted to the state.
17 The department shall work in conjunction with the department of
18 treasury for inclusion in the tax intercept program for amounts due the
19 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 the
23 department wishes to have enlist or reenlist in the Michigan national
24 guard.

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

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

4 Sec. 223. Amounts appropriated in part 1 for information technology
5 may be designated as work projects and carried forward to support
6 technology projects under the direction of the department of
7 information technology. Funds designated in this manner are not
8 available for expenditure until approved as work projects under section
9 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

10 Sec. 224. (1) In addition to the funds appropriated in part 1,
11 there is appropriated an amount not to exceed \$5,000,000.00 for federal
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 (2) In addition to the funds appropriated in part 1, there is
17 appropriated an amount not to exceed \$2,000,000.00 for state restricted
18 contingency funds. These funds are not available for expenditure until
19 they have been transferred to another line item in this bill under
20 section 393(2) of the management and budget act, 1984 PA 431, MCL
21 18.1393.

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

27 (4) In addition to the funds appropriated in part 1, there is

1 appropriated an amount not to exceed \$100,000.00 for private
2 contingency funds. These funds are not available for expenditure until
3 they have been transferred to another line item in this bill under
4 section 393(2) of the management and budget act, 1984 PA 431, MCL
5 18.1393.

6 Sec. 225. Funds appropriated in part 1 shall not be used for the
7 purchase of foreign goods or services, or both, if competitively priced
8 and comparable quality American goods or services, or both, are
9 available. Preference should be given to goods and services or both,
10 manufactured or provided by Michigan businesses if they are
11 competitively priced and of comparable value.

12 HEADQUARTERS AND ARMORIES

13 Sec. 302. (1) The funds appropriated in this bill for private
14 donations to the ChalleNGe program shall be considered state restricted
15 revenue, and unexpended funds remaining at the close of the fiscal year
16 shall not lapse to the general fund but shall be carried forward to the
17 subsequent fiscal year.

18 (2) The department shall make every effort to identify
19 alternative sources of revenue to replace the general fund/general
20 purpose funding provided in this bill for the ChalleNGe program.

21 (3) The department may charge a parent or guardian of a
22 participant in the ChalleNGe program a fee for participating in the
23 program if the participant is a member of a family with an income that
24 exceeds 200% of the federal poverty guidelines as published by the
25 United States department of health and human services. The amount
26 charged the parent or guardian shall not exceed the per student state
27 share cost of administering the program. The parent or guardian shall

1 be notified of any charge to be assessed under this subsection prior to
2 enrollment of the child in the program.

3 (4) The department shall take steps to insure that at least 75%
4 of the participants in the Challenge program are members of families
5 with incomes at or below 200% of the federal poverty level.

6 Sec. 304. The department will partner with the family independence
7 agency to identify youth who may be eligible for the Challenge program
8 from those youth served by family independence agency programs. Such
9 eligible youth shall be given priority for enrollment in the program.

10 VETERANS SERVICE ORGANIZATIONS

11 Sec. 501. (1) Money appropriated in section 105 for grants to
12 veterans service organizations shall be used only for salaries, wages,
13 related personnel costs, training, and equipment for accredited veteran
14 service advocacy officers and necessary support and managerial staff.
15 Training shall be provided for service advocacy officers and shall be
16 conducted by accredited advocacy officers.

17 (2) To receive a grant from the money appropriated in section
18 105, a veterans service organization shall meet the following
19 eligibility requirements:

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

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

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

26 (d) Comply with the department's and the legislature's
27 requirements of accounting audits, service work activity, accounting of

1 recoveries, listing of volunteer hours, budget requests, and other
2 requirements specified in subsection (3).

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

12 (3) A veterans service organization receiving a grant from the
13 money appropriated in section 105 shall file with the department an
14 accounting of its expenditures, audited and certified by a certified
15 public accountant, within 120 days after the organization's fiscal year
16 end. Each organization shall provide a detailed budget request for the
17 fiscal year ending September 30, 2006, to the department by November
18 15, 2004, within the format as prescribed by the department to be used
19 in the development of the budget for the fiscal year ending September
20 30, 2006. Each veterans service organization shall provide 5 copies of
21 a listing of all service activity, an accounting of recoveries, and a
22 listing of volunteer hours for the fiscal year ending September 30,
23 2004, to the department by January 31, 2005. The listing of volunteer
24 hours shall include the hours, services, and donations provided to
25 residents of the Grand Rapids veterans' home and the D.J. Jacobetti
26 veterans' home. Each veterans service organization shall provide a
27 copy of the most recent and completed internal revenue service form 990

1 to the department at the end of the fiscal year ending September 30,
2 2004. A veterans service organization receiving a grant from the money
3 appropriated in section 105 shall use the forms recommended by the
4 Michigan veterans organizations' rehabilitation and veterans service
5 committee for filing reports required by this bill. The department
6 shall forward information required under this section to the senate and
7 house fiscal agencies, the senate and house of representatives
8 appropriations subcommittees on military affairs, and the state budget
9 office.

10 **VETERANS' HOMES**

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

16 **VETERANS' TRUST FUND**

17 Sec. 703. (1) By April 1, 2005, the department shall submit to the
18 senate and house of representatives appropriations subcommittees on
19 military affairs and the state budget office a detailed annual report
20 of the Michigan veterans' trust fund for fiscal year 2003-2004. The
21 report shall include information on grants provided from the emergency
22 grant program and the veterans survivor tuition program, including
23 details concerning the methodology of allocations, the selection of
24 emergency grant program authorized agents, and a detailed breakdown of
25 trust fund expenditures for that year. The report shall also provide
26 an update on the department's efforts to reduce program administrative
27 costs.

1 (2) The annual report required under subsection (1) shall
2 contain information on the veterans survivors tuition program,
3 including the number of participants, where the participants attended
4 school, payments made to each school, the average grade point and
5 number of college credits earned by each participant, the number of
6 participants suspended by the program, and the number of participants
7 who earned a degree during fiscal year 2003-2004.