

SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 5812

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2009; 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:

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of military and veterans affairs for the fiscal year ending September

30, 2009, 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..... \$ 130,506,000

**Interdepartmental grant revenues:**

Total interdepartmental grants and intradepartmental

transfers ..... 1,681,200

ADJUSTED GROSS APPROPRIATION..... \$ 128,824,800

**Federal revenues:**

Total federal revenues..... 57,538,200

**Special revenue funds:**

Total local revenues..... 1,284,600

Total private revenues..... 1,463,700

Total other state restricted revenues..... 28,300,400

State general fund/general purpose..... \$ 40,237,900

**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..... \$ 10,484,000

Unclassified military personnel..... 665,000

Military appeals tribunal..... 900

Michigan emergency volunteers..... 5,000

State active duty..... 90,100

Challenge program--40.0 FTE positions..... 4,698,800

1	Homeland security.....	1,000,000
2	Internal audit services.....	111,700
3	Military family relief fund.....	600,000
4	War veteran's memorial rehabilitation.....	<u>100</u>
5	GROSS APPROPRIATION.....	\$ 17,655,600
6	Appropriated from:	
7	IDG, challenge grant.....	260,100
8	IDG, community health.....	100,000
9	IDG, state police.....	900,000
10	IDG, human services.....	421,100
11	Federal revenues:	
12	DOD-DOA-NGB.....	5,206,000
13	Special revenue funds:	
14	Local-school aid fund.....	1,284,600
15	Rental fees.....	350,000
16	Mackinac Bridge authority.....	60,000
17	Private donations.....	820,100
18	Military family relief fund.....	600,000
19	Private-parent pay revenue.....	103,600
20	State general fund/general purpose.....	\$ 7,550,100
21	<b>Sec. 103. MILITARY TRAINING SITES AND SUPPORT</b>	
22	<b>FACILITIES</b>	
23	Full-time equated classified positions.....	181.0
24	Military training sites and support	
25	facilities--181.0 FTE positions.....	\$ 24,508,200
26	Military training sites and support facilities test	
27	projects .....	<u>100,000</u>

1	GROSS APPROPRIATION.....	\$	24,608,200
2	Appropriated from:		
3	Federal revenues:		
4	DOD-DOA-NGB.....		20,801,000
5	Special revenue funds:		
6	Regional training institute fund.....		1,504,000
7	Test project fees.....		100,000
8	State general fund/general purpose.....	\$	2,203,200
9	<b>Sec. 104. DEPARTMENTWIDE APPROPRIATIONS</b>		
10	Departmentwide accounts.....	\$	2,059,400
11	Special maintenance - state.....		651,200
12	Special maintenance - federal .....		5,300,000
13	Military retirement.....		3,217,500
14	Counternarcotic operations.....		50,000
15	Starbase grant.....		<u>1,772,000</u>
16	GROSS APPROPRIATION.....	\$	13,050,100
17	Appropriated from:		
18	Federal revenues:		
19	DOD-DOA-NGB.....		8,738,100
20	Federal counternarcotic revenues.....		50,000
21	State general fund/general purpose.....	\$	4,262,000
22	<b>Sec. 105. VETERANS SERVICE ORGANIZATIONS</b>		
23	American legion.....	\$	912,600
24	Disabled American veterans.....		754,400
25	Marine corps league.....		346,400
26	American veterans of World War II and Korea.....		478,700
27	Veterans of foreign wars.....		912,600

1	Michigan paralyzed veterans of America .....	170,700
2	Purple heart .....	162,600
3	Veterans of World War I .....	100
4	Polish legion of American veterans .....	42,400
5	Jewish veterans of America .....	42,400
6	State of Michigan council - Vietnam veterans of	
7	America .....	164,300
8	Catholic war veterans .....	<u>42,400</u>
9	GROSS APPROPRIATION .....	\$ 4,029,600
10	Appropriated from:	
11	State general fund/general purpose .....	\$ 4,029,600
12	<b>Sec. 106. GRAND RAPIDS VETERANS' HOME</b>	
13	Full-time equated classified positions.....	513.0
14	Grand Rapids veterans' home--513.0 FTE positions .....	\$ 48,115,700
15	Board of managers .....	<u>665,000</u>
16	GROSS APPROPRIATION .....	\$ 48,780,700
17	Appropriated from:	
18	Federal revenues:	
19	DVA-VHA .....	15,570,400
20	HHS, Medicaid .....	154,300
21	HHS, Medicare .....	1,557,500
22	Special revenue funds:	
23	Private - veterans' home post and posthumous funds ...	415,000
24	Income and assessments .....	14,703,900
25	Military family relief fund .....	250,000
26	Lease revenue .....	12,200
27	State general fund/general purpose .....	\$ 16,117,400

1	<b>Sec. 107. D.J. JACOBETTI VETERANS' HOME</b>		
2	Full-time equated classified positions.....	158.0	
3	D.J. Jacobetti veterans' home--158.0 FTE positions ...	\$	15,612,400
4	Board of managers.....		<u>275,000</u>
5	GROSS APPROPRIATION.....	\$	15,887,400
6	Appropriated from:		
7	Federal revenues:		
8	DVA-VHA.....		4,504,400
9	HHS, Medicare.....		500,300
10	HHS, Medicaid.....		10,200
11	Special revenue funds:		
12	Private - veterans' home post and posthumous funds ...		125,000
13	Military family relief fund.....		150,000
14	Income and assessments.....		5,265,700
15	State general fund/general purpose.....	\$	5,331,800
16	<b>Sec. 108. VETERANS' AFFAIRS DIRECTORATE</b>		
17	Full-time equated classified positions.....	8.0	
18	Veterans' affairs directorate administration---2.0		
19	FTE positions .....	\$	338,200
20	Veterans' trust fund administration---6.0 FTE		
21	positions .....		1,225,900
22	Veterans' trust fund grants.....		<u>3,746,500</u>
23	GROSS APPROPRIATION.....	\$	5,310,600
24	Appropriated from:		
25	Special revenue funds:		
26	Michigan veterans' trust fund.....		4,972,400
27	State general fund/general purpose.....	\$	338,200

**Sec. 109. INFORMATION TECHNOLOGY**

Information technology services and projects .....	\$	<u>1,183,800</u>
GROSS APPROPRIATION.....	\$	1,183,800
Appropriated from:		
Federal revenues:		
DOD-DOA-NGB.....		116,900
DVA-VHA.....		319,700
HHS, Medicare.....		9,400
Special revenue funds:		
Income and assessments.....		332,200
State general fund/general purpose.....	\$	405,600

**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 2008-2009 is \$68,538,300.00 and state spending from state resources to be paid to local units of government for fiscal year 2008-2009 is \$120,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

MILITARY TRAINING SITES AND SUPPORT FACILITIES

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

1	County counselor travel expenses .....	\$	<u>50,000</u>
2	TOTAL .....	\$	120,000

3       Sec. 202. The appropriations authorized under this act are  
 4 subject to the management and budget act, 1984 PA 431, MCL 18.1101  
 5 to 18.1594.

6       Sec. 203. As used in this act:

7       (a) "Department" means the department of military and veterans  
 8 affairs.

9       (b) "Director" means the director of the department of  
 10 military and veterans affairs.

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

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

14       (e) "DVA" means the United States department of veterans'  
 15 affairs.

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

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

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

20       (i) "IDG" means interdepartmental grant.

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

26       Sec. 205. (1) A hiring freeze is imposed on the state  
 27 classified civil service. State departments and agencies are



1 prohibited from hiring any new full-time state classified civil  
2 service employees and prohibited from filling any vacant state  
3 classified civil service positions. This hiring freeze does not  
4 apply to internal transfers of classified employees from 1 position  
5 to another within a department.

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

17 Sec. 207. Sixty days before beginning any effort to privatize,  
18 the department shall submit a complete project plan to the  
19 appropriate senate and house of representatives appropriations  
20 subcommittees and the senate and house fiscal agencies. The plan  
21 shall include the criteria under which the privatization initiative  
22 will be evaluated. The evaluation shall be completed and submitted  
23 to the appropriate senate and house of representatives  
24 appropriations subcommittees and the senate and house fiscal  
25 agencies within 30 months.

26 Sec. 208. Unless otherwise specified, the department shall use  
27 the Internet to fulfill the reporting requirements of this act.

1 This requirement may include transmission of reports via electronic  
2 mail to the recipients identified for each reporting requirement or  
3 it may include placement of reports on an Internet or Intranet  
4 site.

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

15 Sec. 210. The director of each department receiving  
16 appropriations in part 1 shall take all reasonable steps to ensure  
17 businesses in deprived and depressed communities compete for and  
18 perform contracts to provide services or supplies, or both. Each  
19 director shall strongly encourage firms with which the department  
20 contracts to subcontract with certified businesses in depressed and  
21 deprived communities for services, supplies, or both.

22 Sec. 211. The departments and agencies receiving  
23 appropriations in part 1 shall receive and retain copies of all  
24 reports funded from appropriations in part 1. The department shall  
25 follow all federal guidelines and state laws regarding short-term  
26 and long-term retention of records.

27 Sec. 212. (1) Of the funds appropriated in part 1 for military

1 training sites and support facilities, there shall be established a  
2 Michigan national guard education assistance program. Disbursements  
3 to the educational assistance program shall not exceed  
4 \$1,100,000.00 without legislative approval. Under the program, a  
5 member of the national guard who is in active service and who  
6 enrolls as a full- or part-time student at a public or private  
7 state college or university may be eligible to receive up to an  
8 equivalent of 50% of the total cost of tuition not to exceed  
9 \$2,000.00, as education assistance, in any academic year.

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

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

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

1 criteria as established by the adjutant general.

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

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

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

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

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

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

1       Sec. 213. The department shall consult with the house and  
2 senate appropriations subcommittees on military and veterans  
3 affairs regarding the projected closing or consolidation of any  
4 national guard armories.

5       Sec. 214. It is the intent of the legislature that, should the  
6 necessary legislation be enacted and funding become available,  
7 funds be appropriated for state military cemeteries in Crawford and  
8 Dickinson counties.

9       Sec. 221. From the funds appropriated in part 1 for  
10 information technology, departments and agencies shall pay user  
11 fees to the department of information technology for technology-  
12 related services and projects. These user fees shall be subject to  
13 provisions of an interagency agreement between the departments and  
14 agencies and the department of information technology.

15       Sec. 223. Amounts appropriated in part 1 for information  
16 technology may be designated as work projects and carried forward  
17 to support technology projects under the direction of the  
18 department of information technology. Funds designated in this  
19 manner are not available for expenditure until approved as work  
20 projects under section 451a of the management and budget act, 1984  
21 PA 431, MCL 18.1451a.

22       Sec. 225. (1) Due to the current budgetary problems in this  
23 state, out-of-state travel for the fiscal year ending September 30,  
24 2009 shall be limited to situations in which 1 or more of the  
25 following conditions apply:

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

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

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

7 (d) The travel is necessary to comply with federal  
8 requirements.

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

11 (f) The travel is financed entirely by federal or nonstate  
12 funds.

13 (2) If out-of-state travel is necessary but does not meet 1 or  
14 more of the conditions in subsection (1), the state budget director  
15 may grant an exception to allow the travel. Any exceptions granted  
16 by the state budget director shall be reported on a monthly basis  
17 to the senate and house of representatives standing committees on  
18 appropriations.

19 (3) Not later than January 1 of each year, each department  
20 shall prepare a travel report listing all travel by classified and  
21 unclassified employees outside this state in the immediately  
22 preceding fiscal year that was funded in whole or in part with  
23 funds appropriated in the department's budget. The report shall be  
24 submitted to the chairs and members of the senate and house of  
25 representatives standing committees on appropriations, the senate  
26 and house fiscal agencies, and the state budget director. The  
27 report shall include the following information:

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

3 (b) The destination of each travel occurrence.

4 (c) The dates of each travel occurrence.

5 (d) A brief statement of the reason for each travel  
6 occurrence.

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

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

14 Sec. 226. The department shall not take disciplinary action  
15 against an employee for communicating with a member of the  
16 legislature or his or her staff.

17 Sec. 227. Sixty days prior to the public announcement of the  
18 intention to sell any department property, the department shall  
19 submit notification of that intent to the appropriate senate and  
20 house appropriations subcommittees and the senate and house fiscal  
21 agencies.

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

1       Sec. 229. There is hereby created and established under the  
2 jurisdiction and control of the department a revolving account to  
3 be known as the regional training institute conference center  
4 account. All of the fees and other revenues generated from the  
5 operation of the regional training institute conference center  
6 shall be deposited in the regional training institute conference  
7 center account. Appropriations shall be made from the account for  
8 the support of program operations and the maintenance and  
9 operations of the regional training institute, the construction and  
10 maintenance of morale, welfare, and recreation facilities on Fort  
11 Custer or training areas within Michigan, and shall not exceed the  
12 estimated revenues for the fiscal year in which they are made,  
13 together with unexpended balances from prior years. The department  
14 shall submit an annual report of operations and expenditures  
15 regarding the regional training institute conference center account  
16 to the senate and house of representatives standing committees on  
17 appropriations, the senate and house fiscal agencies, and the state  
18 budget director at the end of the fiscal year.

19       Sec. 230. The regional training institute conference center  
20 shall be available but not limited to the following:

21       (a) Military personnel.

22       (b) Federal, state, and local government agencies.

23       (c) Educational institutions.

24       (d) Nonprofit corporations or associations organized pursuant  
25 to the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to  
26 450.3192.

27       (e) Community service clubs.



1 (f) Groups of persons with disabilities.

2 (g) Members of the legislature for the purposes related to the  
3 business of the legislature.

4 (h) Entities and organizations that wish to use the conference  
5 center to host an event that has a military agenda.

6 Sec. 231. (1) The department shall report no later than April  
7 1, 2009 on each specific policy change made by the department to  
8 implement a public act affecting that department that took effect  
9 during the preceding calendar year. The department shall report to  
10 the house and senate appropriations subcommittees on the budget for  
11 the department, the joint committee on administrative rules, and  
12 the senate and house fiscal agencies.

13 (2) Funds appropriated in part 1 shall not be used by the  
14 department to adopt a rule that will apply to a small business and  
15 that will have a disproportionate economic impact on small  
16 businesses because of the size of those businesses if the  
17 department fails to reduce the disproportionate economic impact of  
18 the rule on small businesses as provided under section 40 of the  
19 administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

20 (3) As used in this section:

21 (a) "Rule" means that term as defined under section 7 of the  
22 administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

23 (b) "Small business" means that term as defined under section  
24 7a of the administrative procedures act of 1969, 1969 PA 306, MCL  
25 24.207a.

26 Sec. 232. (1) In addition to the funds appropriated in part 1,  
27 there is appropriated an amount not to exceed \$5,000,000.00 for

1 federal contingency funds. These funds are not available for  
2 expenditure until they have been transferred to another line item  
3 in this act under section 393(2) of the management and budget act,  
4 1984 PA 431, MCL 18.1393.

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

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

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

23 Sec. 233. It is the intent of the legislature that the  
24 department, working with counties and veterans service  
25 organizations, create incentives for all counties in the state to  
26 fund at least 1 full-time county veteran's counselor for the  
27 purpose of assisting veterans with obtaining federal veterans

1 benefits that they may be eligible to receive. The incentives could  
2 include, but not be limited to, matching funds or sharing IT  
3 resources from the department for counties to use in maximizing  
4 benefits received by Michigan veterans.

5       Sec. 234. It is the intent of the legislature that the  
6 department investigate methods to allow veterans to check the  
7 status of their federal benefits claims through either online  
8 resources or by telephone.

9       Sec. 235. From the funds appropriated in part 1, the  
10 department shall develop, post, and maintain, on a publicly  
11 accessible Internet site, all expenditures made by the department  
12 within the fiscal year. This posting shall include the purpose for  
13 which each expenditure is made.

14       Sec. 237. The department shall not approve the travel of more  
15 than 1 departmental employee to a specific professional development  
16 conference or training seminar that is located outside of this  
17 state. The only exception to this travel restriction involves a  
18 professional development conference or training seminar that is  
19 funded by a federal or private funding source and requires more  
20 than 1 person from a department to attend.

#### 21   HEADQUARTERS AND ARMORIES

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

26       Sec. 302. (1) The funds appropriated in this act for private

1 donations to the challenge program shall be considered state  
2 restricted revenue, and unexpended funds remaining at the close of  
3 the fiscal year shall not lapse to the general fund but shall be  
4 carried forward to the subsequent fiscal year.

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

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

#### 19 **VETERANS SERVICE ORGANIZATIONS**

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

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

4           (a) Be congressionally chartered by the United States  
5 congress.

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

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

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

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

24           (3) A veterans service organization receiving a grant from the  
25 money appropriated in part 1 shall file with the department an  
26 accounting of its expenditures, audited and certified by a  
27 certified public accountant, within 120 days after the

1 organization's fiscal year end. Each organization shall provide a  
2 detailed budget request for the fiscal year ending September 30,  
3 2010 to the department by November 15, 2008. Each veterans service  
4 organization shall provide 5 copies of a listing of all service  
5 activity, an accounting of recoveries, and a listing of volunteer  
6 hours for the fiscal year ending September 30, 2008 to the  
7 department by January 31, 2009. Each organization shall include a  
8 listing of expenditures by spending category, including a listing  
9 of individual salaries of each officer and administrative staff.  
10 The listing of volunteer hours shall include the hours, services,  
11 and donations provided to residents of the Grand Rapids veterans'  
12 home and the D.J. Jacobetti veterans' home. Each veterans service  
13 organization shall provide a copy of the most recent and completed  
14 internal revenue service form 990 to the department at the end of  
15 the fiscal year ending September 30, 2008. A veterans service  
16 organization receiving a grant from the money appropriated in part  
17 1 shall use the forms recommended by the Michigan veterans  
18 organizations rehabilitation and veterans service committee for  
19 filing reports required by this act. The department shall forward  
20 information required under this section to the senate and house  
21 fiscal agencies, the senate and house of representatives  
22 appropriations subcommittees on military affairs, and the state  
23 budget office.

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

1 every veteran is served.

2 (5) To accomplish the goal of subsection (4), the veterans  
3 service directors committee and the department shall take steps to  
4 increase their responsibility in the administration, management,  
5 oversight, and outreach of the delivery of services to veterans.  
6 The veterans service directors committee and the department shall  
7 involve county veterans counselors and representatives from the  
8 Michigan veterans trust fund to work in concert to identify,  
9 implement, and evaluate steps to do all of the following:

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

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

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

24 (d) Expand training opportunities for veterans service  
25 organization service officers.

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

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

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

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

11 (6) The veterans service directors committee, the Michigan  
12 association of county veterans counselors, and the department shall  
13 create a report of the efforts to complete the goals outlined in  
14 this section and shall provide suggestions on how a more effective  
15 and efficient veterans' benefits counseling program may best be  
16 designed for implementation for fiscal year 2009-2010. This report  
17 shall be delivered to the house and senate appropriations  
18 subcommittees no later than March 1, 2009.

19 **VETERANS' HOMES**

20 Sec. 601. Appropriations in this act for the Grand Rapids  
21 veterans' home and the D.J. Jacobetti veterans' home shall not be  
22 used for any purpose other than for veterans and veterans'  
23 families.

24 Sec. 602. The Grand Rapids veterans' home and the D.J.  
25 Jacobetti veterans' home, together with the department and the  
26 department of management and budget, shall produce and deliver to



1 the senate and house of representatives appropriations  
2 subcommittees on state police and military affairs an annual  
3 written report. The report shall include an accounting of member  
4 populations and bed space available; a description and accounting  
5 of services and activities provided to members; financial  
6 information; current state nursing home licensure status; the steps  
7 required for Medicaid certification, including a listing of any  
8 personnel, equipment, supplies, or budgetary increases required;  
9 and whether or not steps are being taken toward Medicaid  
10 certification. The annual report shall be submitted to the senate  
11 and house of representatives appropriations subcommittees on  
12 military affairs no later than February 1, 2009.

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

18       Sec. 604. The department shall, prior to altering the spending  
19 plan by the board of managers of post and posthumous funds, report  
20 to the appropriate senate and house appropriations subcommittees 30  
21 days prior to that action and shall indicate the rationale for that  
22 decision.

23       **VETERANS' TRUST FUND**

24       Sec. 703. By April 1, 2009, the department shall submit to the  
25 senate and house of representatives appropriations subcommittees on  
26 military affairs and the state budget office a detailed annual

1 report of the Michigan veterans' trust fund for fiscal year 2007-  
2 2008. The report shall include information on grants provided from  
3 the emergency grant program, including details concerning the  
4 methodology of allocations, the selection of emergency grant  
5 program authorized agents, and a detailed breakdown of trust fund  
6 expenditures for that year. The report shall also provide an update  
7 on the department's efforts to reduce program administrative costs  
8 and restore the Michigan veterans' trust fund corpus to its  
9 original amount of \$50,000,000.00.

10       Sec. 704. The Michigan veterans affairs directorate  
11 administration and the Michigan veterans' trust fund administration  
12 shall take steps to assist the county veterans counselors of the  
13 state to obtain training necessary for the execution of their  
14 duties.