

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 250

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:

1 PART 1

2 LINE-ITEM APPROPRIATIONS

3 Sec. 101. Subject to the conditions set forth in this act, the  
4 amounts listed in this part are appropriated for the department of

1 military and veterans affairs for the fiscal year ending September  
 2 30, 2010, from the funds indicated in this part. The following is a  
 3 summary of the appropriations in this part:

4 **DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

5 APPROPRIATION SUMMARY

6	Full-time equated unclassified positions.....	7.0	
7	Full-time equated classified positions.....	985.0	
8	GROSS APPROPRIATION.....		\$ 145,634,400
9	Interdepartmental grant revenues:		
10	Total interdepartmental grants and intradepartmental		
11	transfers .....		1,686,500
12	ADJUSTED GROSS APPROPRIATION.....		\$ 143,947,900
13	Federal revenues:		
14	Total federal revenues.....		77,347,300
15	Special revenue funds:		
16	Total local revenues.....		1,295,100
17	Total private revenues.....		1,471,200
18	Total other state restricted revenues.....		27,924,200
19	State general fund/general purpose.....		\$ 35,910,100
20	<b>Sec. 102. HEADQUARTERS AND ARMORIES</b>		
21	Full-time equated unclassified positions.....	7.0	
22	Full-time equated classified positions.....	125.0	
23	Headquarters and armories--85.0 FTE positions .....		\$ 9,888,900
24	Unclassified military personnel.....		665,000
25	Military appeals tribunal.....		900
26	Michigan emergency volunteers.....		5,000
27	State active duty.....		100,100

1	Challenge program--40.0 FTE positions .....	4,737,000
2	Homeland security.....	1,000,000
3	Military family relief fund.....	<u>600,000</u>
4	GROSS APPROPRIATION.....	\$ 16,996,900
5	Appropriated from:	
6	Interdepartmental grant revenues:	
7	IDG, community health.....	100,000
8	IDG, challenge grant.....	262,100
9	IDG, state police.....	900,000
10	IDG, human services.....	424,400
11	Federal revenues:	
12	DOD-DOA-NGB.....	5,747,200
13	Special revenue funds:	
14	Rental fees.....	346,400
15	Mackinac Bridge authority.....	70,000
16	Private donations.....	826,800
17	Military family relief fund.....	600,000
18	Private - parent pay revenue.....	104,400
19	Local - school aid fund.....	1,295,100
20	State general fund/general purpose.....	\$ 6,320,500
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 facilities--181.0	
25	FTE positions .....	\$ 24,065,100
26	Military training sites and support facilities test	
27	projects .....	<u>100,000</u>

1	GROSS APPROPRIATION.....	\$	24,165,100
2	Appropriated from:		
3	Federal revenues:		
4	DOD-DOA-NGB.....		23,139,400
5	Special revenue funds:		
6	Test project fees.....		100,000
7	State general fund/general purpose.....	\$	925,700
8	<b>Sec. 104. DEPARTMENTWIDE APPROPRIATIONS</b>		
9	Departmentwide accounts.....	\$	1,946,500
10	Special maintenance - state.....		374,200
11	Special maintenance - federal.....		5,300,000
12	Military retirement.....		3,407,800
13	Counternarcotic operations.....		50,000
14	Starbase grant.....		<u>2,322,000</u>
15	GROSS APPROPRIATION.....	\$	13,400,500
16	Appropriated from:		
17	Federal revenues:		
18	DOD-DOA-NGB.....		9,288,100
19	Federal counternarcotic revenues.....		50,000
20	State general fund/general purpose.....	\$	4,062,400
21	<b>Sec. 105. VETERANS SERVICE ORGANIZATIONS</b>		
22	American legion.....	\$	665,100
23	Disabled American veterans.....		549,500
24	Marine corps league.....		251,800
25	American veterans of World War II and Korea.....		348,400
26	Veterans of foreign wars.....		665,100
27	Michigan paralyzed veterans of America.....		123,500

1	Purple heart.....	117,600
2	Polish legion of American veterans.....	29,900
3	Jewish veterans of America.....	29,900
4	State of Michigan council - Vietnam veterans of	
5	America .....	118,800
6	Catholic war veterans.....	<u>29,900</u>
7	GROSS APPROPRIATION.....	\$ 2,929,500
8	Appropriated from:	
9	State general fund/general purpose.....	\$ 2,929,500
10	<b>Sec. 106. GRAND RAPIDS VETERANS' HOME</b>	
11	Full-time equated classified positions..... 513.0	
12	Grand Rapids veterans' home--513.0 FTE positions.....	\$ 49,717,300
13	Board of managers.....	<u>665,000</u>
14	GROSS APPROPRIATION.....	\$ 50,382,300
15	Appropriated from:	
16	Federal revenues:	
17	DVA-VHA.....	15,862,600
18	HHS-Medicaid.....	157,300
19	HHS-Medicare.....	2,452,700
20	Special revenue funds:	
21	Private - veterans' home post and posthumous funds...	415,000
22	Income and assessments.....	15,304,700
23	Military family relief fund.....	250,000
24	Lease revenue.....	12,200
25	State general fund/general purpose.....	\$ 15,927,800
26	<b>Sec. 107. D.J. JACOBETTI VETERANS' HOME</b>	
27	Full-time equated classified positions..... 158.0	

1	D.J. Jacobetti veterans' home--158.0 FTE positions ...	\$	15,956,100
2	Board of managers.....		<u>275,000</u>
3	GROSS APPROPRIATION.....	\$	16,231,100
4	Appropriated from:		
5	Federal revenues:		
6	DVA-VHA.....		4,604,400
7	HHS-Medicare.....		562,400
8	HHS-Medicaid.....		10,300
9	Special revenue funds:		
10	Private - veterans' home post and posthumous funds ...		125,000
11	Military family relief fund.....		150,000
12	Income and assessments.....		5,741,100
13	State general fund/general purpose.....	\$	5,037,900
14	<b>Sec. 108. VETERANS' AFFAIRS DIRECTORATE</b>		
15	Full-time equated classified positions..... 8.0		
16	Veterans' affairs directorate administration--2.0 FTE		
17	positions .....	\$	276,700
18	Veterans' trust fund administration--6.0 FTE positions		1,251,500
19	Veterans' trust fund grants.....		<u>3,746,500</u>
20	GROSS APPROPRIATION.....	\$	5,274,700
21	Appropriated from:		
22	Special revenue funds:		
23	Michigan veterans' trust fund.....		4,998,000
24	State general fund/general purpose.....	\$	276,700
25	<b>Sec. 109. INFORMATION TECHNOLOGY</b>		
26	Information technology services and projects .....	\$	<u>1,254,300</u>
27	GROSS APPROPRIATION.....	\$	1,254,300

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

17 PART 2

18 PROVISIONS CONCERNING APPROPRIATIONS

19 **GENERAL SECTIONS**

20 Sec. 201. Pursuant to section 30 of article IX of the state

21 constitution of 1963, total state spending from state resources

22 under part 1 for fiscal year 2009-2010 is \$63,834,300.00 and state

23 spending from state resources to be paid to local units of

24 government for fiscal year 2009-2010 is \$120,000.00. The itemized

25 statement below identifies appropriations from which spending to

1 local units of government will occur:

2 DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

3 MILITARY TRAINING SITES AND SUPPORT FACILITIES

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

5 MICHIGAN VETERANS' TRUST FUND

6 County counselor education and training expenses..... \$ 50,000

7 TOTAL..... \$ 120,000

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

11 Sec. 203. As used in this act:

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

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

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

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

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

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

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

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

25 (i) "IDG" means interdepartmental grant.

26 (j) "VSO" means veterans service organization.

27 Sec. 204. The department of civil service shall bill the



1 departments and agencies at the end of the first fiscal quarter for  
2 the 1% charge authorized by section 5 of article XI of the state  
3 constitution of 1963. Payments shall be made for the total amount  
4 of the billing by the end of the second fiscal quarter.

5       Sec. 205. (1) A hiring freeze is imposed on the state  
6 classified civil service. State departments and agencies are  
7 prohibited from hiring any new full-time state classified civil  
8 service employees and prohibited from filling any vacant state  
9 classified civil service positions. This hiring freeze does not  
10 apply to internal transfers of classified employees from 1 position  
11 to another within a department.

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

23       Sec. 207. Sixty days before beginning any effort to privatize,  
24 the department shall submit a complete project plan to the  
25 appropriate senate and house of representatives appropriations  
26 subcommittees and the senate and house fiscal agencies. The plan  
27 shall include the criteria under which the privatization initiative

1 will be evaluated. The evaluation shall be completed and submitted  
2 to the appropriate senate and house of representatives  
3 appropriations subcommittees and the senate and house fiscal  
4 agencies within 30 months.

5       Sec. 208. Unless otherwise specified, the department shall use  
6 the Internet to fulfill the reporting requirements of this act.  
7 This requirement may include transmission of reports via electronic  
8 mail to the recipients identified for each reporting requirement or  
9 it may include placement of reports on an Internet or Intranet  
10 site.

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

21       Sec. 210. The director of each department receiving  
22 appropriations in part 1 shall take all reasonable steps to ensure  
23 businesses in deprived and depressed communities compete for and  
24 perform contracts to provide services or supplies, or both. Each  
25 director shall strongly encourage firms with which the department  
26 contracts to subcontract with certified businesses in depressed and  
27 deprived communities for services, supplies, or both.

1       Sec. 211. The departments and agencies receiving  
2       appropriations in part 1 shall receive and retain copies of all  
3       reports funded from appropriations in part 1. The department shall  
4       follow all federal guidelines and state laws regarding short-term  
5       and long-term retention of records.

6       Sec. 212. (1) Of the funds appropriated in part 1 for military  
7       training sites and support facilities, there shall be established a  
8       Michigan national guard education assistance program. Disbursements  
9       to the educational assistance program shall not exceed \$100.00  
10      without legislative approval. Under the program, a member of the  
11      national guard who is in active service and who enrolls as a full-  
12      or part-time student at a public or private state college or  
13      university may be eligible to receive up to an equivalent of 50% of  
14      the total cost of tuition not to exceed \$2,000.00, as education  
15      assistance, in any academic year.

16      (2) As used in this section, an eligible person means a member  
17      of the Michigan national guard who is in active service, as defined  
18      in section 105 of the Michigan military act, 1967 PA 150, MCL  
19      32.505. An eligible person does not include a member of the  
20      Michigan national guard or air national guard who is absent without  
21      leave or who is under charges as described in the Michigan code of  
22      military justice of 1980, 1980 PA 523, MCL 32.1001 to 32.1148.

23      (3) The department of military and veterans affairs, office of  
24      the adjutant general shall administer the education assistance  
25      program and prescribe forms and procedures to effectively carry out  
26      the education assistance program.

27      (4) An eligible person shall apply to the department of

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

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

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

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

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

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

1 for amounts due the state.

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

7 Sec. 213. The department shall consult with the house and  
8 senate appropriations subcommittees on military and veterans  
9 affairs regarding the projected closing or consolidation of any  
10 national guard armories.

11 Sec. 214. It is the intent of the legislature that, should the  
12 necessary legislation be enacted and funding become available,  
13 funds be appropriated for state military cemeteries in Crawford and  
14 Dickinson counties.

15 Sec. 221. From the funds appropriated in part 1 for  
16 information technology, departments and agencies shall pay user  
17 fees to the department of information technology for technology-  
18 related services and projects. These user fees shall be subject to  
19 provisions of an interagency agreement between the departments and  
20 agencies and the department of information technology.

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

1       Sec. 225. (1) Due to the current budgetary problems in this  
2 state, out-of-state travel for the fiscal year ending September 30,  
3 2010 shall be limited to situations in which 1 or more of the  
4 following conditions apply:

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

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

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

13       (d) The travel is necessary to comply with federal  
14 requirements.

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

17       (f) The travel is financed entirely by federal or nonstate  
18 funds.

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

25       (3) Not later than January 1 of each year, each department  
26 shall prepare a travel report listing all travel by classified and  
27 unclassified employees outside this state in the immediately

1 preceding fiscal year that was funded in whole or in part with  
2 funds appropriated in the department's budget. The report shall be  
3 submitted to the chairs and members of the senate and house of  
4 representatives standing committees on appropriations, the senate  
5 and house fiscal agencies, and the state budget director. The  
6 report shall include the following information:

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

9 (b) The destination of each travel occurrence.

10 (c) The dates of each travel occurrence.

11 (d) A brief statement of the reason for each travel  
12 occurrence.

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

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

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

23 Sec. 227. Sixty days prior to the public announcement of the  
24 intention to sell any department property, the department shall  
25 submit notification of that intent to the appropriate senate and  
26 house appropriations subcommittees and the senate and house fiscal  
27 agencies.

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

7       Sec. 232. (1) In addition to the funds appropriated in part 1,  
8 there is appropriated an amount not to exceed \$10,000,000.00 for  
9 federal contingency funds. These funds are not available for  
10 expenditure until they have been transferred to another line item  
11 in this act under section 393(2) of the management and budget act,  
12 1984 PA 431, MCL 18.1393.

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

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

25       (4) In addition to the funds appropriated in part 1, there is  
26 appropriated an amount not to exceed \$100,000.00 for private  
27 contingency funds. These funds are not available for expenditure



1 until they have been transferred to another line item in this act  
2 under section 393(2) of the management and budget act, 1984 PA 431,  
3 MCL 18.1393.

4 Sec. 233. Not later than September 30, 2010, the department  
5 shall prepare and transmit a report that provides for estimates of  
6 the total general fund/general purpose appropriation lapses at the  
7 close of the fiscal year. This report shall summarize the projected  
8 year-end general fund/general purpose appropriation lapses by major  
9 departmental program or program areas. The report shall be  
10 transmitted to the office of the state budget, the chairpersons of  
11 the senate and house appropriations committees, and the senate and  
12 house fiscal agencies.

13 Sec. 235. The department of military and veterans affairs  
14 shall seek partnerships with United States armed forces reserve  
15 units for the colocation of activities, including sharing in the  
16 acquisition and costs for facilities.

17 Sec. 236. From the funds appropriated in part 1, the  
18 department shall use an amount not to exceed \$10,000.00 to develop,  
19 post, and maintain, on a publicly accessible Internet site, all  
20 expenditures made by the agency within a fiscal year. The posting  
21 must include the purpose for which each expenditure is made. The  
22 department shall not be required to hire additional employees to  
23 comply with this section.

24 Sec. 237. On a bimonthly basis, the department shall report on  
25 the number of FTEs in pay status by civil service classification to  
26 the house and senate appropriations subcommittee on military and  
27 veterans affairs and the house and senate fiscal agencies.

1    **HEADQUARTERS AND ARMORIES**

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

6           Sec. 302. (1) The funds appropriated in this act for private  
7   donations to the challenge program shall be considered state  
8   restricted revenue, and unexpended funds remaining at the close of  
9   the fiscal year shall not lapse to the general fund but shall be  
10   carried forward to the subsequent fiscal year.

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

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

23          Sec. 304. The department will partner with the department of  
24   human services to identify youth who may be eligible for the  
25   challenge program from those youth served by department of human  
26   services programs. These eligible youth shall be given priority for

1 enrollment in the program.

2 **VETERANS SERVICE ORGANIZATIONS**

3 Sec. 501. (1) Money appropriated in part 1 for grants to  
4 veterans service organizations shall be used only for salaries,  
5 wages, related personnel costs, training, and equipment for  
6 accredited veteran service advocacy officers and necessary support  
7 and managerial staff. Training shall be provided for service  
8 advocacy officers and shall be conducted by accredited advocacy  
9 officers.

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

13 (a) Be congressionally chartered by the United States  
14 congress.

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

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

20 (d) Comply with the department's and the legislature's  
21 requirements of accounting audits, service work activity,  
22 accounting of recoveries, listing of volunteer hours, budget  
23 requests, and other requirements specified in subsection (3). Each  
24 veterans service organization receiving a grant from the money  
25 appropriated in part 1 shall provide a copy of the most recent  
26 audit report to the department not later than March 1, 2010.

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

10          (3) A veterans service organization receiving a grant from the  
11     money appropriated in part 1 shall file with the department an  
12     accounting of its expenditures, audited and certified by a  
13     certified public accountant, within 120 days after the  
14     organization's fiscal year end. Each organization shall provide a  
15     detailed budget request for the fiscal year ending September 30,  
16     2011 to the department by November 15, 2009. Each veterans service  
17     organization shall provide 5 copies of a listing of all service  
18     activity, an accounting of recoveries, and a listing of volunteer  
19     hours for the fiscal year ending September 30, 2009 to the  
20     department by January 31, 2010. Each organization shall include a  
21     listing of expenditures by spending category, including a listing  
22     of individual salaries of each officer and administrative staff.  
23     The listing of volunteer hours shall include the hours, services,  
24     and donations provided to residents of the Grand Rapids veterans'  
25     home and the D.J. Jacobetti veterans' home. Each veterans service  
26     organization shall provide a copy of the most recent and completed  
27     internal revenue service form 990 to the department at the end of

1 the fiscal year ending September 30, 2009. A veterans service  
2 organization receiving a grant from the money appropriated in part  
3 1 shall use the forms recommended by the Michigan veterans  
4 organizations rehabilitation and veterans service committee for  
5 filing reports required by this act. The department shall provide a  
6 report not later than April 1, 2010 to the senate and house fiscal  
7 agencies, the senate and house appropriations subcommittees on  
8 state police and military and veterans affairs, and the state  
9 budget office detailing the most recent expenditure information  
10 provided by the veterans service organizations. The department  
11 shall also provide within that report specific notification whether  
12 any veterans service organization receiving a grant from the money  
13 appropriated in part 1 failed to comply with the reporting  
14 requirements of this section.

15 (4) The veterans service directors committee and the  
16 department shall take steps to improve the coordination of veterans  
17 benefits counseling in the state to maximize the effective and  
18 efficient use of taxpayer dollars in this goal and to ensure that  
19 every veteran is served.

20 (5) To accomplish the goal of subsection (4), the veterans  
21 service directors committee and the department shall take steps to  
22 increase their responsibility in the administration, management,  
23 oversight, and outreach of the delivery of services to veterans.  
24 The veterans service directors committee and the department shall  
25 involve county veterans counselors and representatives from the  
26 Michigan veterans trust fund to work in concert to identify,  
27 implement, and evaluate steps to do all of the following:

1           (a) Increase the veterans service directors committee and the  
2 department's role in working directly with the United States  
3 department of veterans' affairs to enhance the delivery of services  
4 to Michigan veterans.

5           (b) Increase the number of initial claims filed with the  
6 United States department of veterans' affairs on behalf of veterans  
7 for service-connected disability or pension benefits. The veterans  
8 service directors committee and the department may work toward  
9 either an absolute increase of approved claims or an increase in  
10 the percentage of Michigan veterans with approved claims.

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

15           (d) Expand training opportunities for veterans service  
16 organization service officers.

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

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

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

24           (h) Identify areas of redundancy which may exist among  
25 services provided by veterans service organizations grantees,  
26 Michigan veterans trust fund county committees, and county veterans  
27 counselors and provide a proposal on how any redundancies may be

1 minimized and identify specific cost savings which could result.

2 (6) Each veterans service organization receiving a grant from  
3 the money appropriated in part 1 shall file a report with the  
4 department not later than March 1, 2010 detailing the following  
5 information:

6 (a) Training completed by each veterans service officer  
7 employed by or working on behalf of the veterans service  
8 organization.

9 (b) A roster of the cases that each veterans service  
10 organization is serving or processing, including if those cases  
11 have been completed or are still pending, whether those cases have  
12 been initiated and completed by the veterans service organization,  
13 and which cases have been referred to and by county veterans  
14 counselors, congressional or senate offices, or any other  
15 organizations that serve veterans.

16 (7) The veterans service directors committee, the Michigan  
17 association of county veterans counselors, and the department shall  
18 create a report of the efforts to complete the goals outlined in  
19 this section and shall provide suggestions on how a more effective  
20 and efficient veterans' benefits counseling program may best be  
21 designed for implementation for fiscal year 2010-2011. This report  
22 shall be delivered to the house and senate appropriations  
23 subcommittees not later than March 1, 2010.

24 (8) If a veterans service organization fails to comply fully  
25 and completely regarding delivery of all of the information  
26 required in subsections (3) and (6) to the department by March 1,  
27 2010, the department shall reduce that veterans service

1 organization's monthly grant payment by 1/2 beginning with the  
2 April 2010 payment and extending through to the September 2010  
3 payment. The grant money withheld due to noncompliance shall not be  
4 distributed at a later date.

5 (9) The department shall record any additional administrative  
6 costs for collecting and compiling the information from subsections  
7 (3) and (6) and also provide this information with the reports  
8 required under subsection (3).

9 (10) The veterans affairs directorate shall design and operate  
10 an advocacy program to coordinate with other organizations which  
11 assist veterans, including county counselors and other groups, to  
12 ensure referrals between groups occur when warranted and to provide  
13 the veterans of the state with the most cost-effective and  
14 comprehensive counseling services possible.

15 (11) The veterans affairs directorate shall deliver progress  
16 reports regarding the activities of the advocacy program to the  
17 senate and house appropriations subcommittees on state police and  
18 military and veterans affairs, with the first report due not later  
19 than April 1, 2010 and the second report due not later than October  
20 1, 2010.

21 (12) The department shall issue performance standards to each  
22 veterans service organization grant recipient. It is the intent of  
23 the legislature that compliance with these performance standards  
24 shall be the basis for funding for future years. Failure to meet  
25 any or all of the performance standards may result in that  
26 organization losing funding in future years, and the department  
27 shall forward to the senate and house of representatives



1 appropriations subcommittees on state police and military and  
2 veterans affairs corrective action and penalty recommendations.

3 **VETERANS' HOMES**

4 Sec. 601. Appropriations in this act for the Grand Rapids  
5 veterans' home and the D.J. Jacobetti veterans' home shall not be  
6 used for any purpose other than for veterans and veterans'  
7 families.

8 Sec. 602. The Grand Rapids veterans' home and the D.J.  
9 Jacobetti veterans' home, together with the department and the  
10 department of management and budget, shall produce and deliver to  
11 the senate and house of representatives appropriations  
12 subcommittees on state police and military affairs an annual  
13 written report. The report shall include an accounting of member  
14 populations and bed space available; a description and accounting  
15 of services and activities provided to members; financial  
16 information; current state nursing home licensure status; the steps  
17 required for Medicaid certification, including a listing of any  
18 personnel, equipment, supplies, or budgetary increases required;  
19 and whether or not steps are being taken toward Medicaid  
20 certification. The annual report shall be submitted to the senate  
21 and house of representatives appropriations subcommittees on  
22 military affairs no later than February 1, 2010.

23 Sec. 603. The money appropriated in this act for the boards of  
24 managers may be expended for facility improvements, the purchase  
25 and repair of equipment and furnishings, member services, and other  
26 purposes that benefit the Grand Rapids veterans' home and the D.J.

1 Jacobetti veterans' home.

2       Sec. 604. The department shall, prior to altering the spending  
3 plan by the board of managers of post and posthumous funds, report  
4 to the appropriate senate and house appropriations subcommittees 30  
5 days prior to that action and shall indicate the rationale for that  
6 decision.

7 **VETERANS' AFFAIRS DIRECTORATE**

8       Sec. 703. By April 1, 2010, the department shall submit to the  
9 senate and house of representatives appropriations subcommittees on  
10 military affairs and the state budget office a detailed annual  
11 report of the Michigan veterans' trust fund for fiscal year 2008-  
12 2009. The report shall include information on grants provided from  
13 the emergency grant program, including details concerning the  
14 methodology of allocations, the selection of emergency grant  
15 program authorized agents, and a detailed breakdown of trust fund  
16 expenditures for that year. The report shall also provide an update  
17 on the department's efforts to reduce program administrative costs  
18 and restore the Michigan veterans' trust fund corpus to its  
19 original amount of \$50,000,000.00.

20       Sec. 704. The Michigan veterans affairs directorate  
21 administration and the Michigan veterans' trust fund administration  
22 shall take steps to assist the county veterans counselors of the  
23 state to obtain training necessary for the execution of their  
24 duties.

25       Sec. 705. It is the intent of the legislature that the  
26 department create incentives for all counties in the state to fund

1 at least 1 full-time county veteran's counselor for the purpose of  
2 assisting veterans with obtaining federal veterans benefits that  
3 they may be eligible to receive. The incentives could include, but  
4 not be limited to, matching funds or sharing IT resources from the  
5 department for counties to use in maximizing benefits received by  
6 Michigan veterans.

7 **CAPITAL OUTLAY**

8 Sec. 801. The appropriations in part 1 for the department of  
9 military and veterans affairs design and construction projects are  
10 contingent upon the availability of federal and state restricted  
11 funds for financing.

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

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

26 Sec. 803. The appropriations in part 1 for capital outlay

1 shall be carried forward at the end of the fiscal year consistent  
2 with section 248 of the management and budget act, 1984 PA 431, MCL  
3 18.1248.