

**SENATE BILL NO. 919**

**EXECUTIVE BUDGET BILL**

February 24, 1998, Introduced by Senators CISKY, HOFFMAN, STEIL, GOUGEON, and MC MANUS and referred to the Committee on Appropriations.

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 1999; 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       Sec. 101. There is appropriated for the department of military and  
2 veterans affairs, for the fiscal year ending September 30, 1999, from  
3 the funds identified as follows:

|    |  |         |               |
|----|--|---------|---------------|
| 1  | DEPARTMENT OF MILITARY AND VETERANS AFFAIRS          |         |               |
| 2  | APPROPRIATIONS SUMMARY:                              |         |               |
| 3  | Full-time equated unclassified positions . . .       | 7.0     |               |
| 4  | Full-time equated classified positions . .           | 1,042.0 |               |
| 5  | GROSS APPROPRIATION . . . . .                        | \$      | 85,762,500    |
| 6  | Interdepartmental grant revenues:                    |         |               |
| 7  | Total interdepartmental grants and intradepartmental |         |               |
| 8  | transfers . . . . .                                  |         | 0             |
| 9  | ADJUSTED GROSS APPROPRIATION . . . . .               | \$      | 85,762,500    |
| 10 | Federal revenues:                                    |         |               |
| 11 | Total federal revenues . . . . .                     |         | 27,970,100    |
| 12 | Special revenue funds:                               |         |               |
| 13 | Total local revenues . . . . .                       |         | 0             |
| 14 | Total private revenues . . . . .                     |         | 375,000       |
| 15 | Total other state restricted revenues . . . . .      |         | 20,941,600    |
| 16 | State general fund/general purpose . . . . .         | \$      | 36,475,800    |
| 17 | HEADQUARTERS AND ARMORIES                            |         |               |
| 18 | Full-time equated unclassified positions . . .       | 7.0     |               |
| 19 | Full-time equated classified positions . . .         | 105.0   |               |
| 20 | Headquarters and armories--105.0 FTE positions . .   | \$      | 9,438,400     |
| 21 | Unclassified military personnel . . . . .            |         | 561,800       |
| 22 | Military appeals tribunal . . . . .                  |         | 900           |
| 23 | Michigan emergency volunteers . . . . .              |         | 5,000         |
| 24 | State active duty . . . . .                          |         | <u>60,000</u> |
| 25 | GROSS APPROPRIATION . . . . .                        | \$      | 10,066,100    |
| 26 | Appropriated from:                                   |         |               |
| 27 | Federal revenues:                                    |         |               |
| 28 | DOD-DOA-NGB . . . . .                                |         | 1,685,900     |
| 29 | Special revenue funds:                               |         |               |
| 30 | Armory rentals . . . . .                             |         | 350,000       |
| 31 | Mackinac bridge authority . . . . .                  |         | 40,000        |
| 32 | State general fund/general purpose . . . . .         | \$      | 7,990,200     |
| 33 | MILITARY TRAINING SITES AND SUPPORT FACILITIES       |         |               |
| 34 | Full-time equated classified positions . . .         | 229.0   |               |
| 35 | Military training sites and support facilities--     |         |               |
| 36 | 229.0 FTE positions . . . . .                        | \$      | 11,655,200    |

|    |   |    |                |
|----|---|----|----------------|
| 1  | Military training sites and support facilities test   |    |                |
| 2  | projects . . . . .                                    |    | 100,000        |
| 3  | Enlisted per diem payments . . . . .                  |    | <u>340,000</u> |
| 4  | GROSS APPROPRIATION . . . . .                         | \$ | 12,095,200     |
| 5  | Appropriated from:                                    |    |                |
| 6  | Federal revenues:                                     |    |                |
| 7  | DOD-DOA-NGB . . . . .                                 |    | 10,087,100     |
| 8  | Special revenue funds:                                |    |                |
| 9  | Test project fees . . . . .                           |    | 100,000        |
| 10 | State general fund/general purpose . . . . .          | \$ | 1,908,100      |
| 11 | DEPARTMENTWIDE APPROPRIATIONS                         |    |                |
| 12 | Departmentwide accounts . . . . .                     | \$ | 2,069,500      |
| 13 | Special maintenance-state . . . . .                   |    | 436,200        |
| 14 | Special maintenance-federal . . . . .                 |    | 2,302,000      |
| 15 | Equipment safety training . . . . .                   |    | 59,800         |
| 16 | Military contingency fund . . . . .                   |    | 100            |
| 17 | Military retirement . . . . .                         |    | 2,166,900      |
| 18 | Counter narcotic operations . . . . .                 |    | 50,000         |
| 19 | Starbase grant . . . . .                              |    | <u>250,000</u> |
| 20 | GROSS APPROPRIATION . . . . .                         | \$ | 7,334,500      |
| 21 | Appropriated from:                                    |    |                |
| 22 | Federal revenues:                                     |    |                |
| 23 | DOD-DOA-NGB . . . . .                                 |    | 3,824,000      |
| 24 | DOJ-DEA . . . . .                                     |    | 50,000         |
| 25 | Special revenue funds: . . . . .                      |    |                |
| 26 | State general fund/general purpose . . . . .          | \$ | 3,460,500      |
| 27 | VETERANS' SERVICE ORGANIZATIONS                       |    |                |
| 28 | American legion . . . . .                             | \$ | 710,400        |
| 29 | Disabled American veterans . . . . .                  |    | 645,000        |
| 30 | Marine corps veterans . . . . .                       |    | 296,300        |
| 31 | American veterans of World War II and Korea . . . . . |    | 409,300        |
| 32 | Veterans of foreign wars . . . . .                    |    | 780,300        |
| 33 | Michigan paralyzed veterans of America . . . . .      |    | 145,900        |
| 34 | Purple heart . . . . .                                |    | 139,100        |
| 35 | Veterans of World War I . . . . .                     |    | 100            |
| 36 | Polish legion of American veterans . . . . .          |    | 36,400         |

|    |   |                |
|----|---|----------------|
| 1  | Jewish veterans of America . . . . .                  | 36,400         |
| 2  | State of Michigan council-Vietnam veterans of         |                |
| 3  | Michigan . . . . .                                    | 96,100         |
| 4  | Catholic war veterans . . . . .                       | <u>11,600</u>  |
| 5  | GROSS APPROPRIATION . . . . . \$                      | 3,306,900      |
| 6  | Appropriated from:                                    |                |
| 7  | State general fund/general purpose . . . . . \$       | 3,306,900      |
| 8  | GRAND RAPIDS VETERANS' HOME                           |                |
| 9  | Full-time equated classified positions . . . 539.0    |                |
| 10 | Grand Rapids veterans' home--539.0 FTE positions . \$ | 36,000,300     |
| 11 | Board of managers . . . . .                           | <u>300,000</u> |
| 12 | GROSS APPROPRIATION . . . . . \$                      | 36,300,300     |
| 13 | Appropriated from:                                    |                |
| 14 | Federal revenues:                                     |                |
| 15 | DVA-VHA . . . . .                                     | 8,821,200      |
| 16 | HHS-HCFA, medicare, hospital insurance . . . . .      | 374,700        |
| 17 | Special revenue funds:                                |                |
| 18 | Private-veterans' home post and posthumous funds .    | 300,000        |
| 19 | Income and assessments . . . . .                      | 12,022,900     |
| 20 | State general fund/general purpose . . . . . \$       | 14,781,500     |
| 21 | D.J. JACOBETTI VETERANS' HOME                         |                |
| 22 | Full-time equated classified positions . . . 153.0    |                |
| 23 | D.J. Jacobetti veterans' home--153.0 FTE              |                |
| 24 | positions . . . . . \$                                | 11,639,200     |
| 25 | Board of managers . . . . .                           | <u>75,000</u>  |
| 26 | GROSS APPROPRIATION . . . . . \$                      | 11,714,200     |
| 27 | Appropriated from:                                    |                |
| 28 | Federal revenues:                                     |                |
| 29 | DVA-VHA . . . . .                                     | 2,833,200      |
| 30 | HHS-HCFA, medicare, hospital insurance . . . . .      | 294,000        |
| 31 | Special revenue funds:                                |                |
| 32 | Private-veterans' home post and posthumous funds .    | 75,000         |
| 33 | Income and assessments . . . . .                      | 3,737,300      |
| 34 | State general fund/general purpose . . . . . \$       | 4,774,700      |
| 35 | MICHIGAN VETERANS' TRUST FUND                         |                |
| 36 | Full-time equated classified positions . . . . 16.0   |                |

|   |   |                  |
|---|---|------------------|
| 1 | Veterans' affairs directorate administration--3.0 |                  |
| 2 | FTE positions . . . . .                           | \$ 253,900       |
| 3 | Administration--13.0 FTE positions . . . . .      | 944,900          |
| 4 | Veterans' trust fund grants . . . . .             | <u>3,746,500</u> |
| 5 | GROSS APPROPRIATION . . . . .                     | \$ 4,945,300     |
| 6 | Appropriated from:                                |                  |
| 7 | Special revenue funds:                            |                  |
| 8 | Michigan veterans' trust fund . . . . .           | 4,691,400        |
| 9 | State general fund/general purpose . . . . .      | \$ 253,900       |

# **GENERAL SECTIONS**

11 Sec. 201. (1) Pursuant to section 30 of article IX of the state  
 12 constitution of 1963, total state spending from state sources for fiscal  
 13 year 1998-99 is estimated at \$57,417,400.00 in this bill and state  
 14 spending from state sources paid to local units of government for fiscal  
 15 year 1998-99 is estimated at \$60,000.00. The itemized statement below  
 16 identifies appropriations from which spending to units of local  
 17 government will occur:

## DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

|    |   |                  |
|----|---|------------------|
| 19 | Military Training Sites and support facilities- |                  |
| 20 | payments in lieu of taxes . . . . .             | \$ <u>60,000</u> |
| 21 | Total . . . . .                                 | \$ 60,000        |

22 (2) If it appears to the principal executive officer of a department or  
 23 branch that state spending to local units of government will be less  
 24 than the amount that was projected to be expended under subsection (1),  
 25 the principal executive officer shall immediately give notice of the  
 26 approximate shortfall to the state budget director.

27 Sec. 202. The expenditures and funding sources authorized under  
 28 this bill are subject to the management and budget act, 1984 PA 431, MCL  
 29 18.1101 to 18.1594.

30 Sec. 203. (1) In addition to the funds appropriated in section  
 31 101, there is appropriated an amount not to exceed \$1,900,000.00 for  
 32 federal contingency funds. These funds are not available for  
 33 expenditure until they have been transferred to another line item in  
 34 this bill pursuant to section 393(2) of the management and budget act,  
 35 1984 PA 431, MCL 18.1393.

36 (2) In addition to the funds appropriated in section 101, there is

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

6 (3) In addition to the funds appropriated in section 101, there is  
7 appropriated an amount not to exceed \$100,000.00 for local contingency  
8 funds. These funds are not available for expenditure until they have  
9 been transferred to another line item in this bill pursuant to section  
10 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

11 (4) In addition to the funds appropriated in section 101, there is  
12 appropriated an amount not to exceed \$100,000.00 for private contingency  
13 funds. These funds are not available for expenditure until they have  
14 been transferred to another line item in this bill pursuant to section  
15 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

16 Sec. 204. The department of civil service shall bill departments  
17 and/or agencies, at the end of the first fiscal quarter for the 1%  
18 charges authorized by section 5 of article XI of the state constitution  
19 of 1963. Payments shall be made for the total amount of the billing by  
20 the end of the second fiscal quarter.

21 Sec. 205. As used in this bill:

22 (a) "Department" means the department of military and veterans  
23 affairs.

24 (b) "Director" means the director of the department of military and  
25 veterans affairs.

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

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

29 (e) "DOJ" means the United States department of justice.

30 (f) "DOJ-DEA" means the DOJ drug enforcement agency.

31 (g) "DVA" means the United States department of veterans affairs.

32 (h) "DVA-VHA" means the DVA veterans health administration.

33 (i) "FTE" means full-time equated position.

34 (j) "HHS" means the United States department of health and human  
35 services.

36 (k) "HHS-HCFA" means the HHS health care financing administration.

1       Sec. 206. (1) Pursuant to the department provisions of civil  
2 service rules and regulations and applicable collective bargaining  
3 agreements, an individual seeking employment with the department shall  
4 submit to a controlled substance test administered by the department.

5       (2) An individual seeking employment with the department who refuses  
6 to take a controlled substance test or who tests positive for the  
7 illegal use of a controlled substance on such a test shall be denied  
8 employment by the department for a minimum of 1 year.

9       Sec. 207. (1) Beginning October 1, 1998, there is a hiring freeze  
10 imposed on the state classified civil service. State departments and  
11 agencies are prohibited from hiring any new full-time state classified  
12 civil service employees or prohibited from filling any vacant state  
13 classified civil service positions. This hiring freeze does not apply to  
14 internal transfers of classified employees from 1 position to another  
15 within a department or to positions that are 80% or more federal or  
16 restricted funds.

17       (2) The state budget director shall grant exceptions to this hiring  
18 freeze when the state budget director believes that the hiring freeze  
19 will result in the state department or agency being unable to deliver  
20 basic services. The state budget director shall report by the fifteenth  
21 of each month to the chairpersons of the senate and house appropriations  
22 committees the number of exclusions to the hiring freeze approved during  
23 the previous month and the justification for the exclusion.

24       Sec. 208. (1) The department shall submit to the department of  
25 management and budget, the house and senate appropriations committees,  
26 the house and senate fiscal agencies and the house and senate standing  
27 committees having jurisdiction over technology issues, periodic reports  
28 on the department's efforts to change the department's computer software  
29 and hardware as necessary to perform properly in the year 2000 and  
30 beyond. These reports shall identify actual progress in comparison to  
31 the department's approved work plan for these efforts.

32       (2) The department may present progress billings to the department  
33 of management and budget for the costs incurred in changing computer  
34 software and hardware as necessary to perform properly in the year 2000  
35 and beyond. At the time progress billings are presented for  
36 reimbursement, the department shall identify and forward as appropriate

1 the funding sources that should support the work performed.

2 **HEADQUARTERS AND ARMORIES**

3 Sec. 301. The department may charge a reasonable rental fee for  
4 renting an armory. The fee shall include the cost of overtime  
5 compensation, insurance coverage, and any maintenance required.

6 **DEPARTMENTWIDE APPROPRIATIONS**

7 Sec. 401. Money appropriated in section 101 for the military duty  
8 contingency fund shall be used to fund nonfederally supported missions  
9 of the national guard when called to state duty.

10 Sec. 402. The Michigan veterans' memorial park commission may  
11 receive and expend gifts, contributions, and bequests from any person,  
12 public or private corporation, organization, foundation, governmental  
13 entity, or any other source for the purpose of establishing a veterans'  
14 memorial park as described in Executive Order No. 1992-12. Money  
15 contributed to the Michigan veterans' memorial park commission shall be  
16 deposited in the state treasury through the department and shall be  
17 available for expenditure. Project costs authorized by this act shall  
18 not exceed the gifts, contributions, and bequests received. Money under  
19 this section and any specific work orders or projects adopted by the  
20 Michigan veterans' memorial park commission in accordance with section  
21 451(4) of the management and budget act, 1984 PA 431, MCL 18.1451,  
22 shall not lapse at the end of this fiscal year but shall be available  
23 for expenditure until September 30, 2000. Expenditures shall be in  
24 accordance with methods and procedures approved by the Michigan  
25 veterans' memorial park commission, the department, and appropriate  
26 state agencies.

27 Sec. 403. Money available from the Michigan national guard armory  
28 construction fund created in section 382a of the Michigan military act,  
29 1967 PA 150, MCL 32.782a, is appropriated for expenditure for the  
30 purposes specified in section 382a of 1967 PA 150, MCL 32.782a.

31 **VETERANS' SERVICE ORGANIZATIONS**

32 Sec. 501. (1) Money appropriated in section 101 for grants to  
33 veterans' service organizations shall be used only for salaries, wages,  
34 related personnel costs, training, and equipment for accredited veteran  
35 service advocacy officers and necessary support and managerial staff.  
36 Training shall be provided for service advocacy officers and shall be



1 conducted by accredited advocacy officers.

2 (2) To receive a grant from the money appropriated in section 101, a  
3 veterans' service organization shall meet the following eligibility  
4 requirements:

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

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

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

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

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

22 (3) A veterans' service organization receiving a grant from the  
23 money appropriated in section 101 shall file with the department a  
24 certified accounting of its expenditures within 120 days after the  
25 organization's fiscal year end. Each organization shall provide a  
26 detailed budget request for the fiscal year ending September 30, 2000,  
27 to the department by November 15, 1998, within the format as prescribed  
28 by the department to be used in the development of the budget ending  
29 September 30, 2000. Each veterans' service organization shall provide 5  
30 copies of a listing of all service activity, an accounting of  
31 recoveries, and a listing of volunteer hours for the fiscal year ending  
32 September 30, 1998, to the department by January 31, 1999. The listing  
33 of volunteer hours shall include the hours, services, and donations  
34 provided to residents of the Grand Rapids veterans' home and the D. J.  
35 Jacobetti veterans' home. A veterans' service organization receiving a  
36 grant from the money appropriated in section 101 shall use the forms

1 recommended by the Michigan veterans organizations' rehabilitation and  
2 veterans service committee for filing reports required by this bill.  
3 The department shall forward information required under this section to  
4 the senate and house fiscal agencies and to the senate and house  
5 appropriations subcommittees on military affairs.

6 Sec. 502. Appropriations in section 101 for veterans' service  
7 organizations shall include funding to provide services to veterans of  
8 World War I.

9 **VETERANS' HOMES**

10 Sec. 601. Appropriations in section 101 for the Grand Rapids  
11 veterans' home and the D. J. Jacobetti veterans' home shall not be used  
12 for any purpose other than for veterans and veterans' families.

13 Sec. 602. The money appropriated in section 101 for the boards of  
14 managers may be expended for facility improvements, the purchase and  
15 repair of equipment and furnishings, member services, and other purposes  
16 that benefit the Grand Rapids veterans' home and the D. J. Jacobetti  
17 veterans' home.

18 Sec. 603. The money appropriated in section 101 for the boards of  
19 managers of the Grand Rapids veterans' home and the D. J. Jacobetti  
20 veterans' home shall be considered a work project account and unexpended  
21 money remaining at the close of the fiscal year shall not lapse to the  
22 general fund but shall be carried forward to the subsequent fiscal year.

23  
24 **VETERANS' TRUST FUND**

25 Sec. 701. In compliance with the various veterans' benefit programs  
26 funded by this state, a veteran who is denied benefits as a  
27 result of lack of properly disseminated information or due to  
28 misinformation relative to benefit eligibility shall be provided a  
29 review hearing by the Michigan veterans' trust fund board.

30 Sec. 702. The department may receive and expend revenue deposited  
31 to the Vietnam veterans memorial monument fund created under section 3  
32 of the Michigan Vietnam veterans memorial act, 1988 PA 234, MCL 35.1053.

