



SENATE BILL No. 237

February 21, 2001, Introduced by Senators HOFFMAN, NORTH, DE BEAUSSAERT, GOUGEON, JOHNSON, MC MANUS and GOSCHKA and referred to the Committee on Appropriations.

EXECUTIVE BUDGET BILL

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2002; to provide for the expenditure of the appropriations; to provide for certain powers and duties of the department of military and veterans affairs, other state agencies, and local units of government related to the appropriations; and to provide for the preparation of certain reports related to the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

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

1 military and veterans affairs for the fiscal year ending September 30,
2 2002, 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 Full-time equated unclassified positions . . . 7.0

6 Full-time equated classified positions . . 1,086.0

7 GROSS APPROPRIATION \$ 102,818,700

8 Interdepartmental grant revenues:

9 Total interdepartmental grants and

10 intradepartmental transfers 110,000

11 ADJUSTED GROSS APPROPRIATION \$ 102,708,700

12 Federal revenues:

13 Total federal revenues 36,188,100

14 Special revenue funds:

15 Total local revenues 0

16 Total private revenues 480,000

17 Total other state restricted revenues 23,255,800

18 State general fund/general purpose \$ 42,784,800

19 **Sec. 102. HEADQUARTERS AND ARMORIES**

20 Full-time equated unclassified positions . . . 7.0

21 Full-time equated classified positions . . . 149.0

22 Headquarters and armories--105.0 FTE positions . \$ 10,567,800

23 Unclassified military personnel 647,400

24 Military appeals tribunal 900

25 Michigan emergency volunteers 5,000

26 State active duty 70,100

27 ChalleNGe program--44.0 FTE positions 3,270,700

28 GROSS APPROPRIATION \$ 14,561,900

29 Appropriated from:

1	Interdepartmental grant revenues:	
2	IDG-ChalleNGe grant	110,000
3	Federal revenues:	
4	DOD-DOA-NGB	3,935,700
5	Special revenue funds:	
6	Rental fees	350,000
7	Mackinac bridge authority	40,000
8	Private donations	105,000
9	State general fund/general purpose	\$ 10,021,200
10	Sec. 103. MILITARY TRAINING SITES AND SUPPORT FACILITIES	
11	Full-time equated classified positions	229.0
12	Military training sites and support facilities--229.0	
13	FTE positions	\$ 15,565,600
14	Military training sites and support facilities	
15	test projects	<u>100,000</u>
16	GROSS APPROPRIATION	\$ 15,665,600
17	Appropriated from:	
18	Federal revenues:	
19	DOD-DOA-NGB	12,115,600
20	Special revenue funds:	
21	Test project fees	100,000
22	State general fund/general purpose	\$ 3,450,000
23	Sec. 104. DEPARTMENTWIDE APPROPRIATIONS	
24	Departmentwide accounts	\$ 2,155,700
25	Special maintenance-state	616,200
26	Special maintenance-federal	2,302,000
27	Military retirement	2,324,900
28	Counter narcotic operations	50,000
29	Starbase grant	<u>402,000</u>

1	GROSS APPROPRIATION	\$	7,850,800
2	Appropriated from:		
3	Federal revenues:		
4	DOD-DOA-NGB		3,976,000
5	DOJ-DEA		50,000
6	Special revenue funds:		
7	State general fund/general purpose	\$	3,824,800
8	Sec. 105. VETERANS' SERVICE ORGANIZATIONS		
9	American legion	\$	886,000
10	Disabled American veterans		732,400
11	Marine corps veterans		336,300
12	American veterans of World War II and Korea . .		464,800
13	Veterans of foreign wars		886,000
14	Michigan paralyzed veterans of America		165,700
15	Purple heart		157,900
16	Veterans of World War I		100
17	Polish legion of American veterans		41,200
18	Jewish veterans of America		41,200
19	State of Michigan council Vietnam veterans		
20	of America		159,500
21	Catholic war veterans		<u>13,300</u>
22	GROSS APPROPRIATION	\$	3,884,400
23	Appropriated from:		
24	State general fund/general purpose	\$	3,884,400
25	Sec. 106. GRAND RAPIDS VETERANS' HOME		
26	Full-time equated classified positions . . .		539.0
27	Grand Rapids veterans' home--539.0 FTE		
28	positions	\$	42,590,100
29	Board of managers		<u>300,000</u>

1	GROSS APPROPRIATION	\$	42,890,100
2	Appropriated from:		
3	Federal revenues:		
4	DVA-VHA		11,881,100
5	HHS-HCFA, Medicare, hospital insurance		663,100
6	Special revenue funds:		
7	Private - veterans' home post and posthumous		
8	funds		300,000
9	Income and assessments		13,876,000
10	Lease revenue		35,000
11	State general fund/general purpose	\$	16,134,900
12	Sec. 107. D.J. JACOBETTI VETERANS' HOME		
13	Full-time equated classified positions . . .	153.0	
14	D.J. Jacobetti veterans' home--153.0 FTE		
15	positions	\$	12,979,800
16	Board of managers		<u>75,000</u>
17	GROSS APPROPRIATION	\$	13,054,800
18	Appropriated from:		
19	Federal revenues:		
20	DVA-VHA		3,366,600
21	HHS-HCFA, Medicare, hospital insurance		200,000
22	Special revenue funds:		
23	Private - veterans' home post and posthumous		
24	funds		75,000
25	Income and assessments		4,080,100
26	State general fund/general purpose	\$	5,333,100
27	Sec. 108. MICHIGAN VETERANS' TRUST FUND		
28	Full-time equated classified positions . . .	16.0	
29	Veterans' affairs directorate administration--3.0		

1	FTE positions	\$	354,800
2	Administration--13.0 FTE positions		1,024,800
3	Veterans' trust fund grants		<u>3,746,500</u>
4	GROSS APPROPRIATION	\$	5,126,100
5	Appropriated from:		
6	Special revenue funds:		
7	Michigan veterans' trust fund		4,774,700
8	State general fund/general purpose	\$	351,400
9	Sec. 109. BUDGETARY SAVINGS		
10	Budgetary savings	\$	<u>(215,000)</u>
11	GROSS APPROPRIATION	\$	(215,000)
12	Appropriated from:		
13	State general fund/general purpose	\$	(215,000)
14	PART 2		
15	PROVISIONS CONCERNING APPROPRIATIONS		
16	<u>GENERAL SECTIONS</u>		
17	Sec. 201. Pursuant to section 30 of article IX of the state		
18	constitution of 1963, total state spending from state resources under		
19	part 1 for fiscal year 2001-2002 is \$66,040,600.00 and state spending		
20	from state resources to be paid to local units of government for		
21	fiscal year 2001-2002 is \$120,000.00. The itemized statement below		
22	identifies appropriations from which spending to units of local		
23	government will occur:		
24	DEPARTMENT OF MILITARY AND VETERANS AFFAIRS		
25	MILITARY TRAINING SITES AND SUPPORT FACILITIES		
26	Payments in lieu of taxes	\$	70,000
27	MICHIGAN VETERANS' TRUST FUND		
28	County counselor travel expenses	\$	<u>50,000</u>
29	TOTAL	\$	120,000

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

4 Sec. 203. As used in this bill:

5 (a) "Department" means the department of military and veterans
6 affairs.

7 (b) "Director" means the director of the department of military
8 and veterans affairs.

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

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

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

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

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

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

16 (i) "FTE" means full-time equated.

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

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

20 (l) "IDG" means interdepartmental grant.

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

26 Sec. 205. (1) In addition to the funds appropriated in part 1,
27 there is appropriated an amount not to exceed \$2,900,000.00 for
28 federal contingency funds. These funds are not available for
29 expenditure until they have been transferred to another line item in
30 this bill under section 393(2) of the management and budget act, 1984

1 PA 431, MCL 18.1393.

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

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

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

19 Sec. 206. Unless otherwise specified, the department shall use
20 the Internet to fulfill the reporting requirements of this bill. This
21 may include transmission of reports via electronic mail to the
22 recipients identified for each reporting requirement, or it may
23 include placement of reports on an Internet or Intranet site.
24 Quarterly, the department shall provide to the appropriations
25 subcommittee members, state budget office, and the fiscal agencies an
26 electronic and paper copy listing of the reports submitted during the
27 most recent 3-month period along with the Internet or Intranet site of
28 each report, if any.

29 Sec. 207. (1) A hiring freeze is imposed on the state classified
30 civil service. State departments and agencies are prohibited from

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

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

16 Sec. 208. (1) The negative appropriation for budgetary savings in
17 part 1 shall be satisfied by savings from the hiring freeze imposed in
18 Section 207 and, if necessary, by other savings identified by the
19 department director and approved by the state budget director.

20 (2) Appropriation authorizations shall be adjusted after the
21 approval of transfers by the legislature pursuant to section 393(2) of
22 the management and budget act, 1984 PA 431, MCL 18.1393.

23 Sec. 209. (1) Of the funds appropriated in section 103 for
24 military training sites and support facilities, there shall be
25 established a Michigan national guard education assistance program.
26 Disbursements to the educational assistance program shall not exceed
27 \$1,800,000.00 without legislative approval. Under the program, a
28 member of the national guard who is in active service and who enrolls
29 as a full- or part-time student at a public or private state college
30 or university may be eligible to receive up to an equivalent of 50% of

1 the total cost of tuition not to exceed \$2,000.00, as education
2 assistance, in any academic year.

3 (2) An eligible person means a member of the Michigan national
4 guard who is in active service, as defined in section 105 of the
5 Michigan military act, 1967 PA 150, MCL 32.505. An eligible person
6 does not include a member of the Michigan national guard or air
7 national guard who is absent without leave or who is under charges as
8 described in the Michigan code of military justice of 1980, 1980 PA
9 523, MCL 32.1001 to 32.1148.

10 (3) The department of military and veterans affairs, office of the
11 adjutant general shall administer the education assistance program and
12 prescribe forms and procedures to effectively carry out the education
13 assistance program.

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

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

26 (6) The education assistance program applies to an eligible person
27 notwithstanding any other educational incentive or benefit received by
28 the eligible person under any other educational assistance program
29 provided by any other state.

30 (7) An eligible person who successfully completes the course of

1 study with a grade of at least 2.0 on a 4.0 scale, or its equivalent,
2 shall be eligible for reimbursement.

3 (8) The department of military and veterans affairs may use funds
4 from the appropriated funds to administer the education assistance
5 program.

6 (9) Reimbursed members who do not complete their national guard
7 obligation shall pay the state for money received from the state for
8 tuition. Members who fail to repay the state within the time limits
9 established by the adjutant general shall be indebted to the state.
10 The department shall work in conjunction with the department of
11 treasury for inclusion in the tax intercept program for amounts due
12 the state.

13 (10) A portion of the funds for the Michigan national guard
14 education assistance program may be used by the department for the
15 purpose of promoting the program and for encouraging those persons the
16 department wishes to have enlist or reenlist in the Michigan national
17 guard.

18 **HEADQUARTERS AND ARMORIES**

19 Sec. 301. The department may charge reasonable rental and
20 equipment usage fees for renting an armory and using the Distance
21 Learning Network. The fee shall include the cost of overtime
22 compensation, insurance coverage, and any maintenance required.

23 Sec. 302. The funds appropriated in this bill for private
24 donations to the Challenge Program shall be considered state
25 restricted revenue, and unexpended funds remaining at the close of the
26 fiscal year shall not lapse to the general fund but shall be carried
27 forward to the subsequent fiscal year.

28 **VETERANS' SERVICE ORGANIZATIONS**

29 Sec. 401. (1) Money appropriated in part 1 for grants to veterans
30 service organizations shall be used only for salaries, wages, related

1 personnel costs, training, and equipment for accredited veteran
2 service advocacy officers and necessary support and managerial staff.
3 Training shall be provided for service advocacy officers and shall be
4 conducted by accredited advocacy officers.

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

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

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

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

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

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

26 (3) A veterans service organization receiving a grant from the
27 money appropriated in part 1 shall file with the department a
28 certified accounting of its expenditures within 120 days after the
29 organization's fiscal year end. Each organization shall provide a
30 detailed budget request for the fiscal year ending September 30, 2003

1 to the department by November 15, 2001 within the format as prescribed
2 by the department to be used in the development of the budget for the
3 fiscal year ending September 30, 2003. 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, 2001 to the department
7 by January 31, 2002. The listing of volunteer hours shall include the
8 hours, services, and donations provided to residents of the Grand
9 Rapids veterans' home and the D. J. Jacobetti veterans' home. Each
10 veterans service organization shall provide a copy of the most recent
11 and completed internal revenue service form 990 to the department at
12 the end of the fiscal year ending September 30, 2001. A veterans
13 service organization receiving a grant from the money appropriated in
14 part 1 shall use the forms recommended by the Michigan veterans
15 organizations' rehabilitation and veterans service committee for
16 filing reports required by this bill. The department shall forward
17 information required under this section to the senate and house fiscal
18 agencies, the state budget office, and to the senate and house of
19 representatives appropriations subcommittees on military affairs.

20 Sec. 402. Appropriations in part 1 for veterans service
21 organizations shall include funding to provide services to veterans of
22 World War I.

23 **VETERANS' HOMES**

24 Sec. 501. Appropriations in this bill for the Grand Rapids
25 veterans' home and the D. J. Jacobetti veterans' home shall not be
26 used for any purpose other than for veterans and veterans' families.

27 Sec. 502. The money appropriated in this bill for the boards of
28 managers may be expended for facility improvements, the purchase and
29 repair of equipment and furnishings, member services, and other
30 purposes that benefit the Grand Rapids veterans' home and the D. J.

1 Jacobetti veterans' home.

2 **VETERANS' TRUST FUND**

3 Sec. 601. The department may receive and expend revenue deposited
4 to the Vietnam veterans memorial monument fund created under section 3
5 of the Michigan Vietnam veterans memorial act, 1988 PA 234, MCL
6 35.1053.

7 Sec. 602. (1) By April 1, 2002, the department shall submit to
8 the senate and house of representatives appropriations subcommittees
9 on military affairs and the state budget office a detailed annual
10 report of the Michigan veterans' trust fund for fiscal year 2000-2001.
11 The report shall include information on grants provided from the
12 emergency grant program and the veterans survivor tuition program,
13 including details concerning the methodology of allocations, the
14 selection of emergency grant program authorized agents, and a detailed
15 breakdown of trust fund expenditures for that year. The report shall
16 also provide an update on the department's efforts to reduce program
17 administrative costs.

18 (2) The annual report required under subsection (1) shall provide
19 detailed information on the number of emergency grant applications
20 denied during fiscal year 2000-2001, including an accounting of the
21 reasons for denial.

22 (3) The annual report required under subsection (1) shall contain
23 information on the veterans survivors tuition program, including the
24 number of participants, where the participants attended school,
25 payments made to each school, the average grade point and number of
26 college credits earned by each participant, the number of participants
27 suspended by the program, and the number of participants who earned a
28 degree during fiscal year 2000-2001.

29 Sec. 603. The Michigan veterans' memorial park commission may
30 receive and expend gifts, contributions, and bequests from any person,

1 public or private corporation, organization, foundation, governmental
2 entity, or any other source for the purpose of establishing a
3 veterans' memorial park. Money contributed to the Michigan veterans'
4 memorial park commission shall be deposited in the state treasury
5 through the department and shall be available for expenditure.
6 Project costs authorized by this bill shall not exceed the gifts,
7 contributions, and bequests received. Money under this section and any
8 specific work orders or projects adopted by the Michigan veterans'
9 memorial park commission in accordance with section 451(2) of the
10 management and budget act, 1984 PA 431, MCL 18.1451, do not lapse at
11 the end of this fiscal year but are available for expenditure until
12 September 30, 2003. Expenditures shall be in accordance with methods
13 and procedures approved by the Michigan veterans' memorial park
14 commission, the department, and appropriate state agencies.