

**SUBSTITUTE FOR  
HOUSE BILL NO. 5885**

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2011; 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

House Bill No. 5885 (H-2) as amended March 25, 2010

1 30, 2011, from the funds indicated in this part. The following is a  
 2 summary of the appropriations in this part:

3 **DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

4 APPROPRIATION SUMMARY

5	Full-time equated unclassified positions.....	7.0	
6	Full-time equated classified positions.....	970.0	
7	GROSS APPROPRIATION.....		\$ [150,149,500]
8	Interdepartmental grant revenues:		
9	Total interdepartmental grants and intradepartmental		
10	transfers .....		1,154,700
11	ADJUSTED GROSS APPROPRIATION.....		\$ [148,994,800]
12	Federal revenues:		
13	Total federal revenues.....		82,203,800
14	Special revenue funds:		
15	Total local revenues.....		[1,295,100]
16	Total private revenues.....		1,422,200
17	Total other state restricted revenues.....		28,660,400
18	State general fund/general purpose.....		\$ [35,413,300]
19	<b>Sec. 102. HEADQUARTERS AND ARMORIES</b>		
20	Full-time equated unclassified positions.....	7.0	
21	Full-time equated classified positions.....	110.0	
22	Headquarters and armories--85.0 FTE positions.....		\$ 11,336,700
23	Unclassified military personnel.....		665,000
24	Military appeals tribunal.....		900
25	Michigan emergency volunteers.....		5,000
26	State active duty.....		100,100
27	Challenge program--25.0 FTE positions.....		[4,782,000]

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1	Homeland security.....	1,000,000
2	Military family relief fund.....	<u>600,000</u>
3	GROSS APPROPRIATION.....	\$ [18,489,700]
4	Appropriated from:	
5	Interdepartmental grant revenues:	
6	IDG, community health.....	100,000
7	IDG, challenge grant.....	154,700
8	IDG, state police.....	900,000
9	Federal revenues:	
10	DOD-DOA-NGB.....	6,519,800
11	Special revenue funds:	
12	Rental fees.....	346,400
13	Mackinac Bridge authority.....	70,000
14	Private donations.....	882,200
15	Military family relief fund.....	600,000
16	Local - school aid fund.....	[1,295,100]
17	State general fund/general purpose.....	\$ 7,621,500
18	<b>Sec. 103. MILITARY TRAINING SITES AND SUPPORT</b>	
19	<b>FACILITIES</b>	
20	Full-time equated classified positions..... 181.0	
21	Military training sites and support facilities--181.0	
22	FTE positions .....	\$ 25,380,900
23	Military training sites and support facilities test	
24	projects .....	<u>100,000</u>
25	GROSS APPROPRIATION.....	\$ 25,480,900
26	Appropriated from:	
27	Federal revenues:	

1	DOD-DOA-NGB.....		23,988,400
2	Special revenue funds:		
3	Test project fees.....		100,000
4	State general fund/general purpose.....	\$	1,392,500
5	<b>Sec. 104. DEPARTMENTWIDE APPROPRIATIONS</b>		
6	Departmentwide accounts.....	\$	1,860,800
7	Special maintenance - state.....		500,000
8	Special maintenance - federal.....		5,300,000
9	Military retirement.....		3,584,100
10	Counternarcotic operations.....		50,000
11	Starbase grant.....		<u>2,322,000</u>
12	GROSS APPROPRIATION.....	\$	13,616,900
13	Appropriated from:		
14	Federal revenues:		
15	DOD-DOA-NGB.....		9,288,100
16	Federal counternarcotic revenues.....		50,000
17	State general fund/general purpose.....	\$	4,278,800
18	<b>Sec. 105. VETERANS ADVICE, ADVOCACY AND ASSISTANCE</b>		
19	Veterans advice, advocacy and assistance grants.....	\$	<u>3,029,600</u>
20	GROSS APPROPRIATION.....	\$	3,029,600
21	Appropriated from:		
22	State general fund/general purpose.....	\$	3,029,600
23	<b>Sec. 106. GRAND RAPIDS VETERANS' HOME</b>		
24	Full-time equated classified positions.....	513.0	
25	Grand Rapids veterans' home--513.0 FTE positions.....	\$	50,662,100
26	Board of managers.....		<u>665,000</u>
27	GROSS APPROPRIATION.....	\$	51,327,100

1	Appropriated from:		
2	Federal revenues:		
3	DVA-VHA.....		17,609,600
4	HHS-Medicaid.....		164,300
5	HHS-Medicare.....		2,561,500
6	Special revenue funds:		
7	Private - veterans' home post and posthumous funds ...		415,000
8	Income and assessments.....		15,982,800
9	Military family relief fund.....		250,000
10	Lease revenue.....		12,200
11	State general fund/general purpose.....	\$	14,331,700
12	<b>Sec. 107. D.J. JACOBETTI VETERANS' HOME</b>		
13	Full-time equated classified positions.....	158.0	
14	D.J. Jacobetti veterans' home--158.0 FTE positions ...	\$	16,381,300
15	Board of managers.....		<u>275,000</u>
16	GROSS APPROPRIATION.....	\$	16,656,300
17	Appropriated from:		
18	Federal revenues:		
19	DVA-VHA.....		5,924,400
20	HHS-Medicare.....		589,200
21	HHS-Medicaid.....		10,800
22	Special revenue funds:		
23	Private - veterans' home post and posthumous funds ...		125,000
24	Military family relief fund.....		150,000
25	Income and assessments.....		5,229,400
26	State general fund/general purpose.....	\$	4,627,500
27	<b>Sec. 108. VETERANS' AFFAIRS DIRECTORATE</b>		

1	Full-time equated classified positions.....	8.0	
2	Veterans' affairs directorate administration--2.0 FTE		
3	positions .....		\$ 205,800
4	Veterans' trust fund administration--6.0 FTE positions		1,302,800
5	Veterans' trust fund grants.....		<u>3,746,500</u>
6	GROSS APPROPRIATION.....		\$ 5,255,100
7	Appropriated from:		
8	Special revenue funds:		
9	Michigan veterans' trust fund.....		5,049,300
10	State general fund/general purpose.....		\$ 205,800
11	<b>Sec. 109. INFORMATION TECHNOLOGY</b>		
12	Information technology services and projects.....		\$ <u>1,184,800</u>
13	GROSS APPROPRIATION.....		\$ 1,184,800
14	Appropriated from:		
15	Federal revenues:		
16	DOD-DOA-NGB.....		130,400
17	DVA-VHA.....		356,800
18	HHS-Medicare.....		10,500
19	Special revenue funds:		
20	Income and assessments.....		370,300
21	State general fund/general purpose.....		\$ 316,800
22	<b>Sec. 110. CAPITAL OUTLAY</b>		
23	Land acquisitions and appraisals.....		\$ 500,000
24	Special maintenance, remodeling and additions.....		<u>15,000,000</u>
25	GROSS APPROPRIATION.....		\$ 15,500,000
26	Appropriated from:		
27	Federal revenues:		

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1	DOD-DOA-NGB.....		15,000,000
2	Special revenue funds:		
3	Michigan national guard construction fund.....		500,000
4	State general fund/general purpose.....	\$	0
	<b>[Sec. 111. BUDGETARY SAVINGS</b>		
	Budgetary savings.....	\$	<u>(390,900)</u>
	GROSS APPROPRIATION.....	\$	(390,900)
	Appropriated from:		
5	State general fund/general purpose	\$	(390,900)]

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

8 Sec. 201. Pursuant to section 30 of article IX of the state  
9 constitution of 1963, total state spending from state resources  
10 under part 1 for fiscal year 2010-2011 is [\$64,073,700.00] and state  
11 spending from state resources to be paid to local units of  
12 government for fiscal year 2010-2011 is \$120,000.00. The itemized  
13 statement below identifies appropriations from which spending to  
14 local units of government will occur:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

MILITARY TRAINING SITES AND SUPPORT FACILITIES

17	Payments in lieu of taxes.....	\$	70,000
18	MICHIGAN VETERANS' TRUST FUND		
19	County counselor education and training expenses.....	\$	<u>50,000</u>
20	TOTAL.....	\$	120,000

21 Sec. 202. The appropriations authorized under this act are  
22 subject to the management and budget act, 1984 PA 431, MCL 18.1101  
23 to 18.1594.

24 Sec. 203. As used in this act:

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

1 affairs.

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

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

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

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

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

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

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

13 (i) "IDG" means interdepartmental grant.

14 (j) "Large veterans service organization" means a VSO that can  
15 certify that its membership exceeds 30,000 individuals.

16 (k) "Medium veterans service organization" means a VSO that  
17 can certify that its membership is between 2,500 and 30,000  
18 individuals.

19 (l) "Small veterans service organization" means a VSO that can  
20 certify that its membership is between 1,000 and 2,499 individuals.

21 (m) "VSO" means veterans service organization.

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

27 Sec. 205. (1) A hiring freeze is imposed on the state



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

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

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

24 Sec. 209. Funds appropriated in part 1 shall not be used for  
25 the purchase of foreign goods or services, or both, if  
26 competitively priced and of comparable quality American goods or  
27 services, or both, are available. Preference should be given to

1 goods or services, or both, manufactured or provided by Michigan  
2 businesses, if they are competitively priced and of comparable  
3 quality. In addition, preference should be given to goods or  
4 services, or both, that are manufactured or provided by Michigan  
5 businesses owned and operated by veterans, if they are  
6 competitively priced and of comparable quality.

7       Sec. 210. The director of each department receiving  
8 appropriations in part 1 shall take all reasonable steps to ensure  
9 businesses in deprived and depressed communities compete for and  
10 perform contracts to provide services or supplies, or both. Each  
11 director shall strongly encourage firms with which the department  
12 contracts to subcontract with certified businesses in depressed and  
13 deprived communities for services, supplies, or both.

14       Sec. 211. The departments and agencies receiving  
15 appropriations in part 1 shall receive and retain copies of all  
16 reports funded from appropriations in part 1. The department shall  
17 follow all federal guidelines and state laws regarding short-term  
18 and long-term retention of records.

19       Sec. 213. The department shall consult with the house and  
20 senate appropriations subcommittees on military and veterans  
21 affairs regarding the projected closing or consolidation of any  
22 national guard armories.

23       Sec. 214. It is the intent of the legislature that, should the  
24 necessary legislation be enacted and funding become available,  
25 funds be appropriated for state military cemeteries in Crawford and  
26 Dickinson Counties.

27       Sec. 221. From the funds appropriated in part 1 for

1 information technology, departments and agencies shall pay user  
2 fees to the department of technology, management, and budget for  
3 technology-related services and projects. These user fees shall be  
4 subject to provisions of an interagency agreement between the  
5 departments and agencies and the department of technology,  
6 management, and budget.

7       Sec. 223. Amounts appropriated in part 1 for information  
8 technology may be designated as work projects and carried forward  
9 to support technology projects under the direction of the  
10 department of technology, management, and budget. Funds designated  
11 in this manner are not available for expenditure until approved as  
12 work projects under section 451a of the management and budget act,  
13 1984 PA 431, MCL 18.1451a.

14       Sec. 225. (1) Due to the current budgetary problems in this  
15 state, out-of-state travel for the fiscal year ending September 30,  
16 2011 shall be limited to situations in which 1 or more of the  
17 following conditions apply:

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

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

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

26       (d) The travel is necessary to comply with federal  
27 requirements.

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

3 (f) The travel is financed entirely by federal or nonstate  
4 funds.

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

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

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

22 (b) The destination of each travel occurrence.

23 (c) The dates of each travel occurrence.

24 (d) A brief statement of the reason for each travel  
25 occurrence.

26 (e) The transportation and related costs of each travel  
27 occurrence, including the proportion funded with state general

1 fund/general purpose revenues, the proportion funded with state  
2 restricted revenues, the proportion funded with federal revenues,  
3 and the proportion funded with other revenues.

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

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

9 Sec. 227. Sixty days prior to the public announcement of the  
10 intention to sell any department property, the department shall  
11 submit notification of that intent to the appropriate senate and  
12 house appropriations subcommittees and the senate and house fiscal  
13 agencies.

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

20 Sec. 232. (1) In addition to the funds appropriated in part 1,  
21 there is appropriated an amount not to exceed \$10,000,000.00 for  
22 federal contingency funds. These funds are not available for  
23 expenditure until they have been transferred to another line item  
24 in this act under section 393(2) of the management and budget act,  
25 1984 PA 431, MCL 18.1393.

26 (2) In addition to the funds appropriated in part 1, there is  
27 appropriated an amount not to exceed \$2,000,000.00 for state

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

11 (4) In addition to the funds appropriated in part 1, there is  
12 appropriated an amount not to exceed \$100,000.00 for private  
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 Sec. 233. Not later than September 30, 2011, the department  
18 shall prepare and transmit a report that provides for estimates of  
19 the total general fund/general purpose appropriation lapses at the  
20 close of the fiscal year. This report shall summarize the projected  
21 year-end general fund/general purpose appropriation lapses by major  
22 departmental program or program areas. The report shall be  
23 transmitted to the office of the state budget, the chairpersons of  
24 the senate and house appropriations committees, and the senate and  
25 house fiscal agencies.

26 Sec. 234. Any fiscal year 2010-2011 unused general  
27 fund/general purpose funds identified by the department as lapsed

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1 funds shall be transferred to the appropriation for special  
2 maintenance - state in part 1 and shall be used for the repair and  
3 maintenance of state-owned armories.

4 Sec. 235. The department shall seek partnerships with United  
5 States armed forces reserve units for the colocation of activities,  
6 including sharing in the acquisition and costs for facilities.

7 Sec. 236. It is the intent of the legislature that beginning  
8 in January 2011, the director shall not be paid a higher salary  
9 than any other director of a state department and the assistant  
10 adjutant generals shall not be paid a higher salary than any other  
11 deputy director of a state department.

[Sec. 237. (1) The negative appropriation for budgetary savings in  
part 1 shall be satisfied through savings and reductions identified by  
the department director and approved by the state budget director.

(2) Adjustments to appropriation authorizations necessary to  
implement the requirements of subsection (1) shall be made only after the  
approval of transfers by the legislature pursuant to section 393(2) of  
the management and budget act, 1984 PA 431, MCL 18.1393.

(3) The state budget director is authorized to reduce federal,  
local, private, and state restricted appropriation amounts in part 1 to  
reflect savings from those fund sources associated with reductions made  
to state general fund/general purpose appropriations under subsection  
(2).

Sec. 239. The department shall not expend more than \$10,000.00 from  
the appropriations in part 1 to implement the requirements of section  
(2).

Sec. 240. (1) On a quarterly basis, the department shall report on  
the number of FTEs in pay status by civil service classification to the  
house and senate appropriations subcommittees on the department of  
military and veterans affairs and the house and senate fiscal agencies.

(2) From the funds appropriated in part 1, the department shall  
develop, post, and maintain on a user-friendly and publicly accessible  
Internet site, all expenditures made by the agency within a fiscal year.  
The posting must include the purpose for which each expenditure is made.  
Funds appropriated in part 1 from the federal American recovery and  
reinvestment act shall also be included on a publicly accessible website  
maintained by the Michigan economic recovery office. The department  
shall not provide financial information on its website under this section  
if doing so would violate a federal or state law, rule, regulation, or  
guideline that establishes privacy or security standards applicable to  
that section.]

## 12 HEADQUARTERS AND ARMORIES

13 Sec. 301. The department may charge reasonable rental and  
14 equipment usage fees for renting an armory or using the distance

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15 learning network. The fee shall include the cost of overtime  
16 compensation, insurance coverage, and any maintenance required.

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

22       (2) The department may charge a parent or guardian of a  
23 participant in the challenge program a fee for participating in the  
24 program if the participant is a member of a family with an income  
25 that exceeds 200% of the federal poverty guidelines as published by  
26 the United States department of health and human services. The



1 amount charged the parent or guardian shall not exceed the per-  
2 student state share cost of administering the program. The parent  
3 or guardian shall be notified of any charge to be assessed under  
4 this subsection prior to enrollment of the child in the program.

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

8 Sec. 304. The department will partner with the department of  
9 human services to identify youth who may be eligible for the  
10 challenge program from those youth served by department of human  
11 services programs. These eligible youth shall be given priority for  
12 enrollment in the program.

### 13 VETERANS ADVICE, ADVOCACY, AND ASSISTANCE

14 Sec. 501. (1) The department shall develop and operate a  
15 program which will provide benefits counseling and representation  
16 to veterans of this state for the purpose of assisting veterans to  
17 obtain United States department of veterans affairs health,  
18 financial, and memorial benefits for which they are eligible. The  
19 department shall work to maximize the coordination between veterans  
20 service organizations and any other organization which assists  
21 veterans.

22 (2) The department shall create a 5-member veterans advisory  
23 board to assist in matters pertaining to veterans advice, advocacy,  
24 and assistance, including recommendations concerning disbursement  
25 of any grant money. The department shall request that the state  
26 commanders group name candidates serving as president/commander

1 from 2 large veterans service organizations, 2 medium veterans  
2 service organizations, and 1 small veterans service organization to  
3 serve on the advisory board. The veterans advisory board shall meet  
4 no less than twice a year, without reimbursement by the department.

5 (3) The duties of the veterans advisory board shall include,  
6 but are not limited to, the following:

7 (a) Serving as a liaison between grant recipients, the  
8 department, and the legislature.

9 (b) Assisting in recognizing any deficiencies in the grant  
10 process and performance.

11 (c) Providing a forum regarding veterans issues.

12 (d) Suggesting changes in department programs that would help  
13 keep pace with changing veterans needs.

14 (e) Providing a direct contact with the veterans  
15 administration regarding updates on procedures.

16 (f) Creating an awareness to make sure that grant recipients  
17 are performing the services intended.

18 (g) Representing a voice for veterans service organizations.

19 (h) Providing for a sounding board for grant recipients.

20 (i) Assisting the department in establishing criteria for  
21 grant awards.

22 (j) Assisting the department in developing plans, reviewing  
23 service delivery, and identifying goals to better assist veterans  
24 in applying for and receiving benefits from the federal, state, and  
25 local governments.

26 (k) Providing testimony, if requested, to legislative  
27 committees.

1           (4) Of the appropriations in part 1 for veterans advice,  
2 advocacy, and assistance grants for the period of October 1, 2010  
3 to September 30, 2011, \$3,029,600.00 shall be distributed by the  
4 department in the form of 5 grants: 2 large, 2 small, and 1  
5 specialized grant for the period beginning October 1, 2010. The  
6 specialized grant shall be awarded to a group specializing in  
7 advocacy for paralyzed veterans. The department, while utilizing  
8 advice provided by the veterans advisory board establishing grant  
9 criteria, is solely responsible for determination of the amounts  
10 and recipients of these grants.

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

17           (6) To receive a grant from the money appropriated in part 1,  
18 a veterans service organization or a veterans service organization  
19 which is part of a combination of organizations receiving a grant  
20 shall meet the following eligibility requirements:

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

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

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

1 (d) Comply with the department's and the legislature's  
2 requirements of accounting audits, service work activity,  
3 accounting of recoveries, listing of volunteer hours, budget  
4 requests, and other requirements specified in subsection (3). Each  
5 veterans service organization receiving a grant from the money  
6 appropriated in part 1 shall provide a copy of the most recent  
7 audit report to the department not later than May 1, 2011.

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

17 (7) A veterans service organization receiving a grant from the  
18 money appropriated in part 1 shall file with the department an  
19 accounting of its expenditures, audited and certified by a  
20 certified public accountant, within 120 days after the  
21 organization's fiscal year end. Each veterans service organization  
22 shall provide 5 copies of a listing of all service activity, an  
23 accounting of recoveries, and a listing of volunteer hours for the  
24 fiscal year ending September 30, 2010 to the department by January  
25 31, 2011. Each organization shall include a listing of expenditures  
26 by spending category, including a listing of individual salaries of  
27 each officer and administrative staff. The listing of volunteer

1 hours shall include the hours, services, and donations provided to  
2 residents of the Grand Rapids veterans' home and the D.J. Jacobetti  
3 veterans' home. Each veterans service organization shall provide a  
4 copy of the most recent and completed internal revenue service form  
5 990 to the department at the end of the fiscal year ending  
6 September 30, 2010. A veterans service organization receiving a  
7 grant from the money appropriated in part 1 shall use the forms  
8 recommended by the Michigan veterans organizations rehabilitation  
9 and veterans service committee for filing reports required by this  
10 act. The department shall provide a report not later than June 1,  
11 2011 to the senate and house fiscal agencies, the senate and house  
12 appropriations subcommittees on state police and military and  
13 veterans affairs, and the state budget office detailing the most  
14 recent expenditure information provided by the veterans service  
15 organizations. The department shall also provide within that report  
16 specific notification whether any veterans service organization  
17 receiving a grant from the money appropriated in part 1 failed to  
18 comply with the reporting requirements of this section.

19 (8) The veterans service directors committee and the  
20 department shall take steps to improve the coordination of veterans  
21 benefits counseling in the state to maximize the effective and  
22 efficient use of taxpayer dollars in this goal and to ensure that  
23 every veteran is served.

24 (9) To accomplish the goal of subsection (8), the veterans  
25 service directors committee and the department shall take steps to  
26 increase their responsibility in the administration, management,  
27 oversight, and outreach of the delivery of services to veterans.

1 The veterans service directors committee and the department shall  
2 involve county veterans counselors and representatives from the  
3 Michigan veterans trust fund to work in concert to identify,  
4 implement, and evaluate steps to do all of the following:

5 (a) Increase the veterans service directors committee and the  
6 department's role in working directly with the United States  
7 department of veterans affairs to enhance the delivery of services  
8 to Michigan veterans.

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

15 (c) Develop methods to increase rates of recovery paid by the  
16 United States department of veterans affairs to Michigan veterans  
17 either by an increase in compensation paid per approved claim or an  
18 increase in compensation paid on a per capita basis.

19 (d) Expand training opportunities for veterans service  
20 organization service officers.

21 (e) Increase either the number or percentage of Michigan  
22 veterans enrolled in the veterans affairs health care system.

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

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

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

6           (10) Each veterans service organization receiving a grant from  
7 the money appropriated in part 1 shall file a report with the  
8 department not later than May 1, 2011 detailing the following  
9 information:

10           (a) Training completed by each veterans service officer  
11 employed by or working on behalf of the veterans service  
12 organization.

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

20           (11) The veterans advisory board, the Michigan association of  
21 county veterans counselors, and the department shall create a  
22 report of the efforts to complete the goals outlined in this  
23 section and shall provide suggestions on how a more effective and  
24 efficient veterans benefit counseling program may best be designed  
25 for implementation for fiscal year 2011-2012. This report shall be  
26 delivered to the house and senate appropriations subcommittees no  
27 later than March 1, 2011.

1           (12) The department shall record any additional administrative  
2 costs for collecting and compiling the information from subsections  
3 (7) and (10) and also provide this information with the reports  
4 required under subsection (7).

5           (13) The veterans affairs directorate shall design and operate  
6 an advocacy program to coordinate with other organizations which  
7 assist veterans, including county counselors and other groups, to  
8 ensure referrals between groups occur when warranted and to provide  
9 the veterans of the state with the most cost-effective and  
10 comprehensive counseling services possible. The department shall  
11 also take steps to become certified with the United States  
12 department of veterans affairs to assist in this task.

13           (14) The veterans affairs directorate shall deliver progress  
14 reports regarding the activities of the advocacy program to the  
15 senate and house appropriations subcommittees on state police and  
16 military and veterans affairs, with the first report due not later  
17 than April 1, 2011 and the second report due not later than October  
18 1, 2011.

19           (15) The department shall issue performance standards to each  
20 veterans service organization grant recipient. Compliance with  
21 these performance standards shall be the basis for funding for  
22 future years. Failure to meet any or all of the performance  
23 standards may result in that organization losing funding in future  
24 years, and the department shall forward to the senate and house of  
25 representatives appropriations subcommittees on state police and  
26 military and veterans affairs corrective action and penalty  
27 recommendations.



1     **VETERANS' HOMES**

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

6           Sec. 602. The Grand Rapids veterans' home and the D.J.  
7 Jacobetti veterans' home, together with the department and the  
8 department of technology, management, and budget, shall produce and  
9 deliver to the senate and house of representatives appropriations  
10 subcommittees on state police and military and veterans affairs an  
11 annual written report. The report shall include an accounting of  
12 member populations and bed space available; a description and  
13 accounting of services and activities provided to members;  
14 financial information; current state nursing home licensure status;  
15 the steps required for Medicaid certification, including a listing  
16 of any personnel, equipment, supplies, or budgetary increases  
17 required; and whether or not steps are being taken toward Medicaid  
18 certification. The annual report shall be submitted to the senate  
19 and house of representatives appropriations subcommittees on  
20 military affairs no later than February 1, 2011.

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

26           Sec. 605. The department shall, prior to altering the spending

1 plan by the board of managers of post and posthumous funds, report  
2 to the appropriate senate and house appropriations subcommittees 30  
3 days prior to that action and shall indicate the rationale for that  
4 decision.

5 **VETERANS' AFFAIRS DIRECTORATE**

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

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

23 Sec. 705. It is the intent of the legislature that the  
24 department create incentives for all counties in the state to fund  
25 at least 1 full-time county veteran's counselor for the purpose of  
26 assisting veterans with obtaining federal veterans benefits that

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

5 **CAPITAL OUTLAY**

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

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

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

24 Sec. 803. The appropriations in part 1 for capital outlay  
25 shall be carried forward at the end of the fiscal year consistent  
26 with section 248 of the management and budget act, 1984 PA 431, MCL

1 18.1248.