

**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
5 military and veterans affairs for the fiscal year ending September

Senate Bill No. 250 as amended June 11, 2009

30, 2010, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

APPROPRIATION SUMMARY

Full-time equated unclassified positions..... 7.0

Full-time equated classified positions..... 985.0

GROSS APPROPRIATION..... \$ 148,811,500

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers 1,686,500

ADJUSTED GROSS APPROPRIATION..... \$ 147,125,000

Federal revenues:

Total federal revenues..... 77,347,300

Special revenue funds:

Total local revenues..... 1,295,100

Total private revenues..... 1,471,200

Total other state restricted revenues..... 27,924,200

State general fund/general purpose..... \$ 39,087,200

Sec. 102. HEADQUARTERS AND ARMORIES

Full-time equated unclassified positions..... 7.0

Full-time equated classified positions..... 125.0

Headquarters and armories--85.0 FTE positions..... \$ 10,988,900

<<Director..... 182,000

Deputy director, army..... 156,000

Deputy director, homeland security..... 157,000

Deputy director, veterans affairs..... 160,000

Unclassified salaries--state active duty..... 10,000>>

Military appeals tribunal..... 900

Michigan emergency volunteers..... 5,000

State active duty..... 100,100

Challenge program--40.0 FTE positions..... 4,737,000

1	Homeland security.....	1,000,000
2	Military family relief fund.....	<u>600,000</u>
3	GROSS APPROPRIATION.....	\$ 18,096,900
4	Appropriated from:	
5	IDG, challenge grant.....	262,100
6	IDG, community health.....	100,000
7	IDG, state police.....	900,000
8	IDG, human services.....	424,400
9	Federal revenues:	
10	DOD-DOA-NGB.....	5,747,200
11	Special revenue funds:	
12	Local-school aid fund.....	1,295,100
13	Rental fees.....	346,400
14	Mackinac Bridge authority.....	70,000
15	Private donations.....	826,800
16	Military family relief fund.....	600,000
17	Private-parent pay revenue.....	104,400
18	State general fund/general purpose.....	\$ 7,420,500
19	Sec. 103. MILITARY TRAINING SITES AND SUPPORT	
20	FACILITIES	
21	Full-time equated classified positions..... 181.0	
22	Military training sites and support	
23	facilities--181.0 FTE positions.....	\$ 24,765,100
24	Military training sites and support facilities test	
25	projects	<u>100,000</u>
26	GROSS APPROPRIATION.....	\$ 24,865,100
27	Appropriated from:	

1	Federal revenues:		
2	DOD-DOA-NGB.....		23,139,400
3	Special revenue funds:		
4	Test project fees.....		100,000
5	State general fund/general purpose.....	\$	1,625,700
6	Sec. 104. DEPARTMENTWIDE APPROPRIATIONS		
7	Departmentwide accounts.....	\$	1,946,500
8	Special maintenance - state.....		751,200
9	Special maintenance - federal.....		5,300,000
10	Military retirement.....		3,407,800
11	Counter narcotic operations.....		50,000
12	Starbase grant.....		<u>2,322,000</u>
13	GROSS APPROPRIATION.....	\$	13,777,500
14	Appropriated from:		
15	Federal revenues:		
16	DOD-DOA-NGB.....		9,288,100
17	Federal counternarcotic revenues.....		50,000
18	State general fund/general purpose.....	\$	4,439,400
19	Sec. 106. GRAND RAPIDS VETERANS' HOME		
20	Full-time equated classified positions.....	513.0	
21	Grand Rapids veterans' home--513.0 FTE positions.....	\$	49,717,300
22	Board of managers.....		<u>665,000</u>
23	GROSS APPROPRIATION.....	\$	50,382,300
24	Appropriated from:		
25	Federal revenues:		
26	DVA-VHA.....		15,862,600
27	HHS, Medicaid.....		157,300

1	HHS, Medicare.....		2,452,700
2	Special revenue funds:		
3	Private - veterans' home post and posthumous funds ...		415,000
4	Income and assessments.....		15,304,700
5	Military family relief fund.....		250,000
6	Lease revenue.....		12,200
7	State general fund/general purpose.....	\$	15,927,800
8	Sec. 107. D.J. JACOBETTI VETERANS' HOME		
9	Full-time equated classified positions.....	158.0	
10	D.J. Jacobetti veterans' home--158.0 FTE positions ...	\$	15,956,100
11	Board of managers.....		<u>275,000</u>
12	GROSS APPROPRIATION.....	\$	16,231,100
13	Appropriated from:		
14	Federal revenues:		
15	DVA-VHA.....		4,604,400
16	HHS, Medicare.....		562,400
17	HHS, Medicaid.....		10,300
18	Special revenue funds:		
19	Private - veterans' home post and posthumous funds ...		125,000
20	Military family relief fund.....		150,000
21	Income and assessments.....		5,741,100
22	State general fund/general purpose.....		5,037,900
23	Sec. 108. VETERANS' AFFAIRS DIRECTORATE		
24	Full-time equated classified positions.....	8.0	
25	Veterans' affairs directorate administration--2.0		
26	FTE positions	\$	276,600
27	Veterans' trust fund administration--6.0 FTE		

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1	positions	1,251,500
2	Veterans advice, advocacy,<< and assistance>>	4,029,600
3	Veterans syndicate offices at public universities	100
4	Veterans' trust fund grants	<u>3,746,500</u>
5	GROSS APPROPRIATION.....	\$ 9,304,300
6	Appropriated from:	
7	Special revenue funds:	
8	Michigan veterans' trust fund.....	4,998,000
9	State general fund/general purpose	\$ 4,306,300
10	Sec. 109. INFORMATION TECHNOLOGY	
11	Information technology services and projects	\$ <u>1,154,300</u>
12	GROSS APPROPRIATION.....	\$ 1,154,300
13	Appropriated from:	
14	Federal revenues:	
15	DOD-DOA-NGB.....	123,900
16	DVA-VHA.....	339,000
17	HHS, Medicare.....	10,000
18	Special revenue funds:	
19	Income and assessments.....	351,800
20	State general fund/general purpose	\$ 329,600
21	Sec. 110. CAPITAL OUTLAY	
22	Special maintenance, remodeling and additions	\$ <u>15,000,000</u>
23	GROSS APPROPRIATION.....	\$ 15,000,000
24	Appropriated from:	
25	Federal revenues:	
26	DOD-DOA-NGB.....	15,000,000
27	Special revenue funds:	

1 State general fund/general purpose \$ 0

2 PART 2

3 PROVISIONS CONCERNING APPROPRIATIONS

4 GENERAL SECTIONS

5 Sec. 201. Pursuant to section 30 of article IX of the state
6 constitution of 1963, total state spending from state resources
7 under part 1 for fiscal year 2009-2010 is \$67,011,400.00 and state
8 spending from state resources to be paid to local units of
9 government for fiscal year 2009-2010 is \$120,000.00. The itemized
10 statement below identifies appropriations from which spending to
11 local units of government will occur:

12 DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

13 MILITARY TRAINING SITES AND SUPPORT FACILITIES

14 Payments in lieu of taxes \$ 70,000

15 MICHIGAN VETERANS' TRUST FUND

16 County counselor education and training expenses \$ 50,000

17 TOTAL \$ 120,000

18 Sec. 202. The appropriations authorized under this act are
19 subject to the management and budget act, 1984 PA 431, MCL 18.1101
20 to 18.1594.

21 Sec. 203. As used in this act:

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

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

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

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

4 (e) "DVA" means the United States department of veterans'
5 affairs.

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

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

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

10 (i) "IDG" means interdepartmental grant.

11 Sec. 204. The department of civil service shall bill the
12 departments and agencies at the end of the first fiscal quarter for
13 the 1% charge authorized by section 5 of article XI of the state
14 constitution of 1963. Payments shall be made for the total amount
15 of the billing by the end of the second fiscal quarter.

16 Sec. 205. (1) A hiring freeze is imposed on the state
17 classified civil service. State departments and agencies are
18 prohibited from hiring any new full-time state classified civil
19 service employees and prohibited from filling any vacant state
20 classified civil service positions. This hiring freeze does not
21 apply to internal transfers of classified employees from 1 position
22 to another within a department.

23 (2) The state budget director may grant exceptions to this
24 hiring freeze when the state budget director believes that the
25 hiring freeze will result in rendering a state department or agency
26 unable to deliver basic services, causes loss of revenue to the
27 state, would result in the inability of the state to receive

1 federal funds, or would necessitate additional expenditures that
2 exceed any savings from maintaining a vacancy. The state budget
3 director shall report quarterly to the chairpersons of the senate
4 and house of representatives standing committees on appropriations
5 the number of exceptions to the hiring freeze approved during the
6 previous quarter and the reasons to justify the exception.

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

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

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

1 contracts to subcontract with certified businesses in depressed and
2 deprived communities for services, supplies, or both.

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

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

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

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

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

1 PA 431, MCL 18.1451a.

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

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

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

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

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

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

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

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

26 (3) Not later than January 1 of each year, each department
27 shall prepare a travel report listing all travel by classified and

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

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

10 (b) The destination of each travel occurrence.

11 (c) The dates of each travel occurrence.

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

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

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

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

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

1 agencies.

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

8 Sec. 232. (1) In addition to the funds appropriated in part 1,
9 there is appropriated an amount not to exceed \$10,000,000.00 for
10 federal contingency funds. These funds are not available for
11 expenditure until they have been transferred to another line item
12 in this act under section 393(2) of the management and budget act,
13 1984 PA 431, MCL 18.1393.

14 (2) In addition to the funds appropriated in part 1, there is
15 appropriated an amount not to exceed \$2,000,000.00 for state
16 restricted contingency funds. These funds are not available for
17 expenditure until they have been transferred to another line item
18 in this act under section 393(2) of the management and budget act,
19 1984 PA 431, MCL 18.1393.

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

26 (4) In addition to the funds appropriated in part 1, there is
27 appropriated an amount not to exceed \$100,000.00 for private

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

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

14 Sec. 234. Any fiscal year 2009-2010 unused general
15 fund/general purpose funds identified by the department of military
16 and veterans affairs as lapsed funds shall be transferred to the
17 appropriation for special maintenance-state in part 1 and shall be
18 used for the repair and maintenance of state-owned armories.

19 Sec. 235. The department of military and veterans affairs
20 shall seek partnerships with United States armed forces reserve
21 units for the colocation of activities, including sharing in the
22 acquisition and costs for facilities.

23 **HEADQUARTERS AND ARMORIES**

24 Sec. 301. The department may charge reasonable rental and
25 equipment usage fees for renting an armory or using the distance
26 learning network. The fee shall include the cost of overtime

1 compensation, insurance coverage, and any maintenance required.

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

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

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

19 Sec. 304. The department will partner with the department of
20 human services to identify youth who may be eligible for the
21 challenge program from those youth served by department of human
22 services programs. These eligible youth shall be given priority for
23 enrollment in the program.

24 VETERANS' HOMES

25 Sec. 601. Appropriations in this act for the Grand Rapids
26 veterans' home and the D.J. Jacobetti veterans' home shall not be

1 used for any purpose other than for veterans and veterans'
2 families.

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

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

23 Sec. 604. The department shall prepare a feasibility study on
24 the fiscal impact of converting all of the current state employee
25 resident care aide positions at the Grand Rapids veterans' home to
26 contractual positions. The department shall submit this study to
27 the senate and house of representatives appropriations

1 subcommittees on military affairs no later than February 10, 2010.

2 **VETERANS' AFFAIRS DIRECTORATE**

3 Sec. 703. By April 1, 2010, the department shall submit to the
4 senate and house of representatives appropriations subcommittees on
5 military affairs and the state budget office a detailed annual
6 report of the Michigan veterans' trust fund for fiscal year 2008-
7 2009. The report shall include information on grants provided from
8 the emergency grant program, including details concerning the
9 methodology of allocations, the selection of emergency grant
10 program authorized agents, and a detailed breakdown of trust fund
11 expenditures for that year. The report shall also provide an update
12 on the department's efforts to reduce program administrative costs
13 and restore the Michigan veterans' trust fund corpus to its
14 original amount of \$50,000,000.00.

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

20 Sec. 705. It is the intent of the legislature that the
21 department create incentives for all counties in the state to fund
22 at least 1 full-time county veteran's counselor for the purpose of
23 assisting veterans with obtaining federal veterans benefits that
24 they may be eligible to receive. The incentives could include, but
25 not be limited to, matching funds or sharing IT resources from the
26 department for counties to use in maximizing benefits received by

1 Michigan veterans.

2 Sec. 707. The department shall develop and operate a program
3 which will provide benefits counseling and representation to
4 veterans of this state for the purpose of assisting veterans to
5 obtain United States department of veterans affairs health,
6 financial, and memorial benefits for which they are eligible. The
7 department shall also take steps to become certified with the
8 United States department of veterans affairs in this task. The
9 department shall establish a system whereby clients can check on
10 the status of their claims either online or by telephone. In order
11 to be cost-effective, the department shall also design and operate
12 the program to maximize the coordination between the veterans'
13 service organizations and any other organization which assists
14 veterans. Organizations able to compete for any veterans' service
15 organization grants offered under this program must be a national
16 organization recognized by the secretary of the United States
17 department of veterans affairs in the preparation and prosecution
18 of claims under laws administered by the United States department
19 of veterans affairs, have qualified and trained officers to assist
20 veterans, and a demonstrated track record of assisting veterans.
21 The department shall report to the senate and house of
22 representatives appropriation committees on military affairs on
23 their progress by April 1, 2010.

24 **CAPITAL OUTLAY**

25 Sec. 801. The appropriations in part 1 for the department of
26 military and veterans affairs design and construction projects are

1 contingent upon the availability of federal and state restricted
2 funds for financing.

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

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

17 Sec. 803. The appropriations in part 1 for capital outlay
18 shall be carried forward at the end of the fiscal year consistent
19 with section 248 of the management and budget act, 1984 PA 431, MCL
20 18.1248.