

Act No. 112
Public Acts of 2009
Approved by the Governor
October 8, 2009
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**STATE OF MICHIGAN
95TH LEGISLATURE
REGULAR SESSION OF 2009**

Introduced by Senator Garcia

ENROLLED SENATE BILL No. 250

AN ACT 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:

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 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		\$ 146,149,800
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		1,686,500
ADJUSTED GROSS APPROPRIATION		\$ 144,463,300
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		\$ 36,425,500

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		\$ 10,959,700
Unclassified military personnel.....		665,000
Military appeals tribunal.....		900
Michigan emergency volunteers		5,000
State active duty.....		100,100
Challenge program—40.0 FTE positions		4,737,000
Homeland security.....		1,000,000
Military family relief fund.....		600,000
GROSS APPROPRIATION		\$ 18,067,700
Appropriated from:		
IDG, challenge grant.....		262,100
IDG, community health		100,000
IDG, state police		900,000
IDG, human services.....		424,400
Federal revenues:		
DOD-DOA-NGB.....		5,747,200
Special revenue funds:		
Local - school aid fund		1,295,100
Rental fees		346,400
Mackinac Bridge authority		70,000
Private donations.....		826,800
Military family relief fund.....		600,000
Private - parent pay revenue		104,400
State general fund/general purpose		\$ 7,391,300

Sec. 103. MILITARY TRAINING SITES AND SUPPORT FACILITIES

Full-time equated classified positions	181.0	
Military training sites and support facilities—181.0 FTE positions		\$ 24,482,600
Military training sites and support facilities test projects		100,000
GROSS APPROPRIATION		\$ 24,582,600
Appropriated from:		
Federal revenues:		
DOD-DOA-NGB.....		23,139,400
Special revenue funds:		
Test project fees.....		100,000
State general fund/general purpose		\$ 1,343,200

Sec. 104. DEPARTMENTWIDE APPROPRIATIONS

Departmentwide accounts.....		\$ 1,946,500
Special maintenance - state		651,200
Special maintenance - federal.....		5,300,000
Military retirement.....		3,407,800
Counter narcotic operations		50,000
Starbase grant.....		2,322,000
GROSS APPROPRIATION		\$ 13,677,500
Appropriated from:		
Federal revenues:		
DOD-DOA-NGB.....		9,288,100
Federal counternarcotic revenues		50,000
State general fund/general purpose		\$ 4,339,400

Sec. 105. VETERANS ADVICE, ADVOCACY AND ASSISTANCE

American legion		\$ 339,800
Disabled American veterans.....		280,800
Marine corps league		129,000
American veterans of World War II and Korea		178,100

For Fiscal Year
Ending Sept. 30,
2010

Veterans of foreign wars	\$	339,800
Michigan paralyzed veterans of America		63,500
Purple heart		60,500
Polish legion of American veterans		15,800
Jewish veterans of America		15,800
State of Michigan council - Vietnam veterans of America		61,100
Catholic war veterans		15,800
Veterans advice, advocacy and assistance grants for 4-1-10 to 9-30-10		1,529,600
GROSS APPROPRIATION	\$	<u>3,029,600</u>
Appropriated from:		
State general fund/general purpose	\$	3,029,600

Sec. 106. GRAND RAPIDS VETERANS' HOME

Full-time equated classified positions	513.0	
Grand Rapids veterans' home—513.0 FTE positions	\$	48,767,300
Board of managers		665,000
GROSS APPROPRIATION	\$	<u>49,432,300</u>
Appropriated from:		
Federal revenues:		
DVA-VHA		15,862,600
HHS, Medicaid		157,300
HHS, Medicare		2,452,700
Special revenue funds:		
Private - veterans' home post and posthumous funds		415,000
Income and assessments		15,304,700
Military family relief fund		250,000
Lease revenue		12,200
State general fund/general purpose	\$	14,977,800

Sec. 107. D.J. JACOBETTI VETERANS' HOME

Full-time equated classified positions	158.0	
D.J. Jacobetti veterans' home—158.0 FTE positions	\$	15,656,100
Board of managers		275,000
GROSS APPROPRIATION	\$	<u>15,931,100</u>
Appropriated from:		
Federal revenues:		
DVA-VHA		4,604,400
HHS, Medicare		562,400
HHS, Medicaid		10,300
Special revenue funds:		
Private - veterans' home post and posthumous funds		125,000
Military family relief fund		150,000
Income and assessments		5,741,100
State general fund/general purpose	\$	4,737,900

Sec. 108. VETERANS' AFFAIRS DIRECTORATE

Full-time equated classified positions	8.0	
Veterans' affairs directorate administration—2.0 FTE positions	\$	276,700
Veterans' trust fund administration—6.0 FTE positions		1,251,500
Veterans' trust fund grants		3,746,500
GROSS APPROPRIATION	\$	<u>5,274,700</u>
Appropriated from:		
Special revenue funds:		
Michigan veterans' trust fund		4,998,000
State general fund/general purpose	\$	276,700

Sec. 109. INFORMATION TECHNOLOGY

Information technology services and projects	\$	1,154,300
GROSS APPROPRIATION	\$	<u>1,154,300</u>

Appropriated from:	
Federal revenues:	
DOD-DOA-NGB.....	\$ 123,900
DVA-VHA.....	339,000
HHS, Medicare.....	10,000
Special revenue funds:	
Income and assessments	351,800
State general fund/general purpose	\$ 329,600

Sec. 110. CAPITAL OUTLAY

Special maintenance, remodeling and additions.....	\$ 15,000,000
GROSS APPROPRIATION	\$ 15,000,000

Appropriated from:	
Federal revenues:	
DOD-DOA-NGB.....	15,000,000
Special revenue funds:	
State general fund/general purpose	\$ 0

PART 2
PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2009-2010 is \$64,349,700.00 and state spending from state resources to be paid to local units of government for fiscal year 2009-2010 is \$120,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
MILITARY TRAINING SITES AND SUPPORT FACILITIES

Payments in lieu of taxes	\$ 70,000
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MICHIGAN VETERANS' TRUST FUND

County counselor education and training expenses	\$ 50,000
TOTAL.....	\$ 120,000

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

Sec. 203. As used in this act:

- (a) "Department" means the department of military and veterans affairs.
- (b) "Director" means the director of the department of military and veterans affairs.
- (c) "DOD" means the United States department of defense.
- (d) "DOD-DOA-NGB" means the DOD department of the army, national guard bureau.
- (e) "DVA" means the United States department of veterans affairs.
- (f) "DVA-VHA" means the DVA veterans health administration.
- (g) "FTE" means full-time equated.
- (h) "HHS" means the United States department of health and human services.
- (i) "IDG" means interdepartmental grant.
- (j) "Large veterans service organization" means a VSO that can certify that its membership exceeds 30,000 individuals.
- (k) "Medium veterans service organization" means a VSO that can certify that its membership is between 2,500 and 30,000 individuals.

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

(m) "VSO" means veterans service organization.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

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

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

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

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

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

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

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

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

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

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

HEADQUARTERS AND ARMORIES

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

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

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

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

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

VETERANS ADVICE, ADVOCACY, AND ASSISTANCE

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

(2) The department shall create a 5-member veterans advisory board to assist in matters pertaining to veterans advice, advocacy, and assistance, including recommendations concerning disbursement of any grant money. The department shall request that the state commanders group name candidates serving as president/commander from 2 large veterans service organizations, 2 medium veterans service organizations, and 1 small veterans service organization to serve on the advisory board. The veterans advisory board shall meet no less than twice a year, without reimbursement by the department.

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

- (a) Serving as a liaison between grant recipients, the department, and the legislature.
- (b) Assisting in recognizing any deficiencies in the grant process and performance.
- (c) Providing a forum regarding veterans issues.
- (d) Suggesting changes in department programs that would help keep pace with changing veterans needs.
- (e) Providing a direct contact with the veterans administration regarding updates on procedures.
- (f) Creating an awareness to make sure that grant recipients are performing the services intended.
- (g) Representing a voice for veterans service organizations.
- (h) Providing for a sounding board for grant recipients.
- (i) Assisting the department in establishing criteria for grant awards.
- (j) Assisting the department in developing plans, reviewing service delivery, and identifying goals to better assist veterans in applying for and receiving benefits from the federal, state, and local governments.
- (k) Providing testimony, if requested, to legislative committees.

(4) The funds appropriated in part 1 for veterans advice, advocacy, and assistance shall be distributed to the following organizations in the amounts listed for the period of October 1, 2009 through March 31, 2010: American legion, \$339,800.00; disabled American veterans, \$280,800.00; marine corps league, \$129,000.00; American veterans of World War II and Korea, \$178,100.00; veterans of foreign wars, \$339,800.00; Michigan paralyzed veterans of America, \$63,500.00; purple heart, \$60,500.00; Polish legion of American veterans, \$15,800.00; Jewish veterans of America, \$15,800.00; state of Michigan council - Vietnam veterans of America, \$61,100.00; and Catholic war veterans, \$15,800.00.

(5) Of the appropriations in part 1 for veterans advice, advocacy, and assistance grants for the period of April 1, 2010 to September 30, 2010, \$1,529,600.00 shall be distributed by the department in the form of 5 grants: 2 large, 2 small, and 1 specialized grant for the 6-month period beginning April 1, 2010. The specialized grant shall be awarded to a group specializing in advocacy for paralyzed veterans. The department, while utilizing advice provided by the veterans advisory board establishing grant criteria, is solely responsible for determination of the amounts and recipients of these grants.

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

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

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

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

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

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

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

(8) A veterans service organization receiving a grant from the money appropriated in part 1 shall file with the department an accounting of its expenditures, audited and certified by a certified public accountant, within 120 days after the organization's fiscal year end. Each veterans service organization shall provide 5 copies of a listing of all service activity, an accounting of recoveries, and a listing of volunteer hours for the fiscal year ending September 30, 2009 to the department by January 31, 2010. Each organization shall include a listing of expenditures by spending category, including a listing of individual salaries of each officer and administrative staff. The listing of volunteer hours shall include the hours, services, and donations provided to residents of the Grand Rapids veterans' home and the D.J. Jacobetti veterans' home. Each veterans service organization shall provide a copy of the most recent and completed internal revenue service form 990 to the department at the end of the fiscal year ending September 30, 2009. A veterans service organization receiving a grant from the money appropriated in part 1 shall use the forms recommended by the Michigan veterans organizations rehabilitation and veterans service committee for filing reports required by this act. The department shall provide a report not later than June 1, 2010 to the senate and house fiscal agencies, the senate and house appropriations subcommittees on state police and military and veterans affairs, and the state budget office detailing the most recent expenditure information provided by the veterans service organizations. The department shall also provide within that report specific notification whether any veterans service organization receiving a grant from the money appropriated in part 1 failed to comply with the reporting requirements of this section.

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

(10) To accomplish the goal of subsection (9), the veterans service directors committee and the department shall take steps to increase their responsibility in the administration, management, oversight, and outreach of the delivery of services to veterans. The veterans service directors committee and the department shall involve county veterans counselors and representatives from the Michigan veterans trust fund to work in concert to identify, implement, and evaluate steps to do all of the following:

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

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

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

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

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

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

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

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

(11) Each veterans service organization receiving a grant from the money appropriated in part 1 shall file a report with the department not later than May 1, 2010 detailing the following information:

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

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

(12) The veterans advisory board, the Michigan association of county veterans counselors, and the department shall create a report of the efforts to complete the goals outlined in this section and shall provide suggestions on how a more effective and efficient veterans benefit counseling program may best be designed for implementation for fiscal year 2010-2011. This report shall be delivered to the house and senate appropriations subcommittees no later than March 1, 2010.

(13) The department shall record any additional administrative costs for collecting and compiling the information from subsections (8) and (11) and also provide this information with the reports required under subsection (8).

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

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

(16) The department shall issue performance standards to each veterans service organization grant recipient. It is the intent of the legislature that compliance with these performance standards shall be the basis for funding for future years. Failure to meet any or all of the performance standards may result in that organization losing funding in future years, and the department shall forward to the senate and house of representatives appropriations subcommittees on state police and military and veterans affairs corrective action and penalty recommendations.

VETERANS' HOMES

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

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

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

Sec. 605. The department shall, prior to altering the spending plan by the board of managers of post and posthumous funds, report to the appropriate senate and house appropriations subcommittees 30 days prior to that action and shall indicate the rationale for that decision.

Sec. 606. The department shall conduct a feasibility study to determine at least 3 means by which to increase operational efficiencies at the Grand Rapids veterans' home. The department shall submit this study to the senate and house of representatives appropriations committees no later than April 1, 2010.

VETERANS' AFFAIRS DIRECTORATE

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

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

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

CAPITAL OUTLAY

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

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

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

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

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Richard J. Brown

Clerk of the House of Representatives

Approved

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Governor