

SUBSTITUTE FOR  
HOUSE BILL NO. 5812

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2009; 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

30, 2009, 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..... \$ 130,606,000

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers ..... 1,681,200

ADJUSTED GROSS APPROPRIATION..... \$ 128,924,800

Federal revenues:

Total federal revenues..... 57,538,200

Special revenue funds:

Total local revenues..... 1,284,600

Total private revenues..... 1,463,700

Total other state restricted revenues..... 28,300,400

State general fund/general purpose..... \$ 40,337,900

**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..... \$ 10,484,100

Unclassified military personnel..... 665,000

Military appeals tribunal..... 900

Michigan emergency volunteers..... 5,000

State active duty..... 90,100

Challenge program--40.0 FTE positions..... 4,698,800

1	Homeland security.....	1,000,000
2	Military family relief fund.....	600,000
3	Internal audit services.....	111,700
4	War veteran's memorial rehabilitation.....	<u>100,000</u>
5	GROSS APPROPRIATION.....	\$ 17,755,600
6	Appropriated from:	
7	Interdepartmental grant revenues:	
8	IDG, community health.....	100,000
9	IDG, challenge grant.....	260,100
10	IDG, state police.....	900,000
11	IDG, human services.....	421,100
12	Federal revenues:	
13	DOD-DOA-NGB.....	5,206,000
14	Special revenue funds:	
15	Rental fees.....	350,000
16	Mackinac Bridge authority.....	60,000
17	Private donations.....	820,100
18	Military family relief fund.....	600,000
19	Private - parent pay revenue.....	103,600
20	Local - school aid fund.....	1,284,600
21	State general fund/general purpose.....	\$ 7,650,100
22	<b>Sec. 103. MILITARY TRAINING SITES AND SUPPORT</b>	
23	<b>FACILITIES</b>	
24	Full-time equated classified positions.....	181.0
25	Military training sites and support facilities--	181.0
26	FTE positions .....	\$ 24,508,200
27	Military training sites and support facilities test	

1	projects .....		<u>100,000</u>
2	GROSS APPROPRIATION.....	\$	24,608,200
3	Appropriated from:		
4	Federal revenues:		
5	DOD-DOA-NGB.....		20,801,000
6	Special revenue funds:		
7	Test project fees.....		100,000
8	Regional training institute fund.....		1,504,000
9	State general fund/general purpose.....	\$	2,203,200
10	<b>Sec. 104. DEPARTMENTWIDE APPROPRIATIONS</b>		
11	Departmentwide accounts.....	\$	2,059,400
12	Special maintenance - state.....		651,200
13	Special maintenance - federal.....		5,300,000
14	Military retirement.....		3,217,500
15	Counternarcotic operations.....		50,000
16	Starbase grant.....		<u>1,772,000</u>
17	GROSS APPROPRIATION.....	\$	13,050,100
18	Appropriated from:		
19	Federal revenues:		
20	DOD-DOA-NGB.....		8,738,100
21	Federal counternarcotic revenues.....		50,000
22	State general fund/general purpose.....	\$	4,262,000
23	<b>Sec. 105. VETERANS SERVICE ORGANIZATIONS</b>		
24	American legion.....	\$	912,600
25	Disabled American veterans.....		754,400
26	Marine corps league.....		346,400
27	American veterans of World War II and Korea.....		478,700

1	Veterans of foreign wars.....		912,600
2	Michigan paralyzed veterans of America.....		170,700
3	Purple heart.....		162,600
4	Veterans of World War I.....		100
5	Polish legion of American veterans.....		42,400
6	Jewish veterans of America.....		42,400
7	State of Michigan council - Vietnam veterans of		
8	America .....		164,300
9	Catholic war veterans.....		42,400
10	GROSS APPROPRIATION.....	\$	4,029,600
11	Appropriated from:		
12	State general fund/general purpose.....	\$	4,029,600
13	<b>Sec. 106. GRAND RAPIDS VETERANS' HOME</b>		
14	Full-time equated classified positions.....	513.0	
15	Grand Rapids veterans' home--513.0 FTE positions.....	\$	48,115,700
16	Board of managers.....		665,000
17	GROSS APPROPRIATION.....	\$	48,780,700
18	Appropriated from:		
19	Federal revenues:		
20	DVA-VHA.....		15,570,400
21	HHS-Medicaid.....		154,300
22	HHS-Medicare.....		1,557,500
23	Special revenue funds:		
24	Private - veterans' home post and posthumous funds...		415,000
25	Income and assessments.....		14,703,900
26	Military family relief fund.....		250,000
27	Lease revenue.....		12,200

1	State general fund/general purpose .....	\$	16,117,400
2	<b>Sec. 107. D.J. JACOBETTI VETERANS' HOME</b>		
3	Full-time equated classified positions.....		158.0
4	D.J. Jacobetti veterans' home--158.0 FTE positions ...	\$	15,612,400
5	Board of managers .....		<u>275,000</u>
6	GROSS APPROPRIATION .....	\$	15,887,400
7	Appropriated from:		
8	Federal revenues:		
9	DVA-VHA .....		4,504,400
10	HHS-Medicare .....		500,300
11	HHS-Medicaid .....		10,200
12	Special revenue funds:		
13	Private - veterans' home post and posthumous funds ...		125,000
14	Military family relief fund .....		150,000
15	Income and assessments .....		5,265,700
16	State general fund/general purpose .....	\$	5,331,800
17	<b>Sec. 108. VETERANS' AFFAIRS DIRECTORATE</b>		
18	Full-time equated classified positions.....		8.0
19	Veterans' affairs directorate administration--2.0 FTE		
20	positions .....	\$	338,200
21	Veterans' trust fund administration--6.0 FTE positions		1,225,900
22	Veterans' trust fund grants .....		<u>3,746,500</u>
23	GROSS APPROPRIATION .....	\$	5,310,600
24	Appropriated from:		
25	Special revenue funds:		
26	Michigan veterans' trust fund .....		4,972,400
27	State general fund/general purpose .....	\$	338,200

## Sec. 109. INFORMATION TECHNOLOGY

Information technology services and projects ..... \$ 1,183,800

GROSS APPROPRIATION.....	\$	1,183,800
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Appropriated from:

Federal revenues:

DOD-DOA-NGB . . . . .	116,900
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DVA-VHA.....	319,700
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HHS-Medicare.....	9,400
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Special revenue funds:

Income and assessments.....	332,200
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State general fund/general purpose .....	\$	405,600
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## 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 2008-2009 is \$68,638,300.00 and state spending from state resources to be paid to local units of government for fiscal year 2008-2009 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

1	County counselor travel expenses .....	\$	<u>50,000</u>
2	TOTAL .....	\$	120,000

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

6       Sec. 203. As used in this act:

7       (a) "Department" means the department of military and veterans  
 8 affairs.

9       (b) "Director" means the director of the department of  
 10 military and veterans affairs.

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

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

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

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

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

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

20       (i) "IDG" means interdepartmental grant.

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

26       Sec. 205. (1) A hiring freeze is imposed on the state  
 27 classified civil service. State departments and agencies are



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

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

17 Sec. 207. Sixty days before beginning any effort to privatize,  
18 the department shall submit a complete project plan to the  
19 appropriate senate and house of representatives appropriations  
20 subcommittees and the senate and house fiscal agencies. The plan  
21 shall include the criteria under which the privatization initiative  
22 will be evaluated. The evaluation shall be completed and submitted  
23 to the appropriate senate and house of representatives  
24 appropriations subcommittees and the senate and house fiscal  
25 agencies within 30 months.

26 Sec. 208. Unless otherwise specified, the department shall use  
27 the Internet to fulfill the reporting requirements of this act.

1 This requirement may include transmission of reports via electronic  
2 mail to the recipients identified for each reporting requirement or  
3 it may include placement of reports on an Internet or Intranet  
4 site.

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

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

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

27 Sec. 212. (1) Of the funds appropriated in part 1 for military

1 training sites and support facilities, there shall be established a  
2 Michigan national guard education assistance program. Disbursements  
3 to the educational assistance program shall not exceed  
4 \$1,100,000.00 without legislative approval. Under the program, a  
5 member of the national guard who is in active service and who  
6 enrolls as a full- or part-time student at a public or private  
7 state college or university may be eligible to receive up to an  
8 equivalent of 50% of the total cost of tuition not to exceed  
9 \$2,000.00, as education assistance, in any academic year.

10 (2) As used in this section, an eligible person means a member  
11 of the Michigan national guard who is in active service, as defined  
12 in section 105 of the Michigan military act, 1967 PA 150, MCL  
13 32.505. An eligible person does not include a member of the  
14 Michigan national guard or air national guard who is absent without  
15 leave or who is under charges as described in the Michigan code of  
16 military justice of 1980, 1980 PA 523, MCL 32.1001 to 32.1148.

17 (3) The department of military and veterans affairs, office of  
18 the adjutant general shall administer the education assistance  
19 program and prescribe forms and procedures to effectively carry out  
20 the education assistance program.

21 (4) An eligible person shall apply to the department of  
22 military and veterans affairs, office of the adjutant general for  
23 education assistance and shall provide evidence of attendance and  
24 completion of the course of study with a grade of at least 2.0 on a  
25 4.0 scale, or its equivalent. The adjutant general shall approve  
26 the application for reimbursement if the applicant meets the  
27 definition of an eligible person under subsection (2) and other

1 criteria as established by the adjutant general.

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

6 (6) The education assistance program applies to an eligible  
7 person notwithstanding any other educational incentive or benefit  
8 received by the eligible person under any other educational  
9 assistance program provided by any other state.

10 (7) An eligible person who successfully completes the course  
11 of study with a grade of at least 2.0 on a 4.0 scale, or its  
12 equivalent, shall be eligible for reimbursement.

13 (8) The department of military and veterans affairs may use  
14 funds from the appropriated funds to administer the education  
15 assistance program.

16 (9) Reimbursed members who do not complete their national  
17 guard obligation shall pay the state for money received from the  
18 state for tuition. Members who fail to repay the state within the  
19 time limits established by the adjutant general shall be indebted  
20 to the state. The department shall work in conjunction with the  
21 department of treasury for inclusion in the tax intercept program  
22 for amounts due the state.

23 (10) A portion of the funds for the Michigan national guard  
24 education assistance program may be used by the department for the  
25 purpose of promoting the program and for encouraging those persons  
26 the department wishes to have enlist or reenlist in the Michigan  
27 national guard.

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

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

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

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

22       Sec. 225. (1) Due to the current budgetary problems in this  
23 state, out-of-state travel for the fiscal year ending September 30,  
24 2009 shall be limited to situations in which 1 or more of the  
25 following conditions apply:

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

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

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

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

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

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

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

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

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

3 (b) The destination of each travel occurrence.

4 (c) The dates of each travel occurrence.

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

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

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

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

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

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

1       Sec. 229. There is hereby created and established under the  
2 jurisdiction and control of the department a revolving account to  
3 be known as the regional training institute conference center  
4 account. All of the fees and other revenues generated from the  
5 operation of the regional training institute conference center  
6 shall be deposited in the regional training institute conference  
7 center account. Appropriations shall be made from the account for  
8 the support of program operations and the maintenance and  
9 operations of the regional training institute, the construction and  
10 maintenance of morale, welfare, and recreation facilities on Fort  
11 Custer or training areas within Michigan, and shall not exceed the  
12 estimated revenues for the fiscal year in which they are made,  
13 together with unexpended balances from prior years. The department  
14 shall submit an annual report of operations and expenditures  
15 regarding the regional training institute conference center account  
16 to the senate and house of representatives standing committees on  
17 appropriations, the senate and house fiscal agencies, and the state  
18 budget director at the end of the fiscal year.

19       Sec. 230. The regional training institute conference center  
20 shall be available but not limited to the following:

21       (a) Military personnel.

22       (b) Federal, state, and local government agencies.

23       (c) Educational institutions.

24       (d) Nonprofit corporations or associations organized pursuant  
25 to the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to  
26 450.3192.

27       (e) Community service clubs.



1 (f) Groups of persons with disabilities.

2 (g) Members of the legislature for the purposes related to the  
3 business of the legislature.

4 (h) Entities and organizations that wish to use the conference  
5 center to host an event that has a military agenda.

6 Sec. 231. (1) The department shall report no later than April  
7 1, 2009 on each specific policy change made to implement a public  
8 act affecting the department that took effect during the prior  
9 calendar year to the house and senate appropriations subcommittees  
10 on the budget for the department, the joint committee on  
11 administrative rules, and the senate and house fiscal agencies.

12 (2) Funds appropriated in part 1 shall not be used by the  
13 department to adopt a rule that will apply to a small business and  
14 that will have a disproportionate economic impact on small  
15 businesses because of the size of those businesses if the  
16 department fails to reduce the disproportionate economic impact of  
17 the rule on small businesses as provided under section 40 of the  
18 administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

19 (3) As used in this section:

20 (a) "Rule" means that term as defined under section 7 of the  
21 administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

22 (b) "Small business" means that term as defined under section  
23 7a of the administrative procedures act of 1969, 1969 PA 306, MCL  
24 24.207a.

25 Sec. 232. (1) In addition to the funds appropriated in part 1,  
26 there is appropriated an amount not to exceed \$5,000,000.00 for  
27 federal contingency funds. These funds are not available for

1 expenditure until they have been transferred to another line item  
2 in this act under section 393(2) of the management and budget act,  
3 1984 PA 431, MCL 18.1393.

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

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

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

22 Sec. 233. It is the intent of the legislature that the  
23 department, working with counties and veterans service  
24 organizations, create incentives for all counties in the state to  
25 fund at least 1 full-time county veteran's counselor for the  
26 purpose of assisting veterans with obtaining federal veterans  
27 benefits that they may be eligible to receive.

House Bill No. 5812 (H-1) as amended March 20, 2008

1       Sec. 234. It is the intent of the legislature that the  
2       department investigate methods to allow veterans to check the  
3       status of their federal benefits claims through either online  
4       resources or by telephone.

[Sec. 235. From the funds appropriated in part 1, the department shall develop, post, and maintain, on a 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.]

Sec. 236. From the funds appropriated in part 1, the department shall not spend more than \$25,000.00 to implement section 235 and shall not cause essential services to be diminished.]

#### 5       HEADQUARTERS AND ARMORIES

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

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

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

[ (3) The department shall take steps to ensure that at least 75% of the participants in the Challenge program are members of families with incomes at or below 200% of the federal poverty level.]

24       Sec. 304. The department will partner with the department of  
25       human services to identify youth who may be eligible for the  
26       challenge program from those youth served by department of human

1 services programs. These eligible youth shall be given priority for  
2 enrollment in the program.

3 Sec. 305. From the funds appropriated in part 1 for  
4 headquarters and armories, \$100,000.00 shall be used for the  
5 purpose of rehabilitating the war veteran's memorial located on the  
6 state fairgrounds in Detroit.

7 **VETERANS SERVICE ORGANIZATIONS**

8 Sec. 501. (1) Money appropriated in part 1 for grants to  
9 veterans service organizations shall be used only for salaries,  
10 wages, related personnel costs, training, and equipment for  
11 accredited veteran service advocacy officers and necessary support  
12 and managerial staff. Training shall be provided for service  
13 advocacy officers and shall be conducted by accredited advocacy  
14 officers.

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

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

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

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

25 (d) Comply with the department's and the legislature's  
26 requirements of accounting audits, service work activity,

1 accounting of recoveries, listing of volunteer hours, budget  
2 requests, and other requirements specified in subsection (3).

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

12 (3) A veterans service organization receiving a grant from the  
13 money appropriated in part 1 shall file with the department an  
14 accounting of its expenditures, audited and certified by a  
15 certified public accountant, within 120 days after the  
16 organization's fiscal year end. Each organization shall provide a  
17 detailed budget request for the fiscal year ending September 30,  
18 2010 to the department by November 15, 2008. Each veterans service  
19 organization shall provide 5 copies of a listing of all service  
20 activity, an accounting of recoveries, and a listing of volunteer  
21 hours for the fiscal year ending September 30, 2008 to the  
22 department by January 31, 2009. The listing of volunteer hours  
23 shall include the hours, services, and donations provided to  
24 residents of the Grand Rapids veterans' home and the D.J. Jacobetti  
25 veterans' home. Each veterans service organization shall provide a  
26 copy of the most recent and completed internal revenue service form  
27 990 to the department at the end of the fiscal year ending

1 September 30, 2008. A veterans service organization receiving a  
2 grant from the money appropriated in part 1 shall use the forms  
3 recommended by the Michigan veterans organizations rehabilitation  
4 and veterans service committee for filing reports required by this  
5 act. The department shall forward information required under this  
6 section to the senate and house fiscal agencies, the senate and  
7 house of representatives appropriations subcommittees on military  
8 affairs, and the state budget office.

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

14 (5) To accomplish the goal of subsection (4), the veterans  
15 service directors committee and the department shall take steps to  
16 increase their responsibility in the administration, management,  
17 oversight, and outreach of the delivery of services to veterans.  
18 The veterans service directors committee and the department shall  
19 involve county veterans counselors and representatives from the  
20 Michigan veterans trust fund to work in concert to identify,  
21 implement, and evaluate steps to do all of the following:

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

26 (b) Increase the number of initial claims filed with the  
27 United States department of veterans' affairs on behalf of veterans

1 for service-connected disability or pension benefits. The veterans  
2 service directors committee and the department may work toward  
3 either an absolute increase of approved claims or an increase in  
4 the percentage of Michigan veterans with approved claims.

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

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

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

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

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

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

23 (6) The veterans service directors committee and the  
24 department shall create a report of the efforts to complete the  
25 goals outlined in this section and shall provide suggestions on how  
26 a more effective and efficient veterans' benefits counseling  
27 program may best be designed for implementation for fiscal year

1 2009-2010. This report shall be delivered to the house and senate  
2 appropriations subcommittees no later than March 1, 2009.

3 **VETERANS' HOMES**

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

8 Sec. 602. The Grand Rapids veterans' home and the D.J.  
9 Jacobetti veterans' home, together with the department and the  
10 department of management and budget, shall produce and deliver to  
11 the senate and house of representatives appropriations  
12 subcommittees on state police and military affairs an annual  
13 written report. The report shall include an accounting of member  
14 populations and bed space available; a description and accounting  
15 of services and activities provided to members; financial  
16 information; current state nursing home licensure status; the steps  
17 required for Medicaid certification, including a listing of any  
18 personnel, equipment, supplies, or budgetary increases required;  
19 and whether or not steps are being taken toward Medicaid  
20 certification. The annual report shall be submitted to the senate  
21 and house of representatives appropriations subcommittees on  
22 military affairs no later than February 1, 2009.

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



1 Jacobetti veterans' home.

2       Sec. 604. The department shall, prior to altering the spending  
3 plan by the board of managers of post and posthumous funds, report  
4 to the appropriate senate and house appropriations subcommittees 30  
5 days prior to that action and shall indicate the rationale for that  
6 decision.

7 **VETERANS' TRUST FUND**

8       Sec. 703. By April 1, 2009, the department shall submit to the  
9 senate and house of representatives appropriations subcommittees on  
10 military affairs and the state budget office a detailed annual  
11 report of the Michigan veterans' trust fund for fiscal year 2007-  
12 2008. The report shall include information on grants provided from  
13 the emergency grant program, including details concerning the  
14 methodology of allocations, the selection of emergency grant  
15 program authorized agents, and a detailed breakdown of trust fund  
16 expenditures for that year. The report shall also provide an update  
17 on the department's efforts to reduce program administrative costs  
18 and restore the Michigan veterans' trust fund corpus to its  
19 original amount of \$50,000,000.00.

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