

## **FIRST CONFERENCE REPORT**

The Committee of Conference on the matters of difference between the two Houses concerning

Senate Bill No. 181, entitled

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2012; to provide for the expenditure of the appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; 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.

Recommends:

First: That the House recede from the Substitute of the House as passed by the House.

Second: That the Senate and House agree to the Substitute of the Senate as passed by the Senate, amended to read as follows:

(attached)

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2012; to provide for the expenditure of the appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; 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.

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Patrick Colbeck

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Peter MacGregor

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Roger Kahn

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Nancy E. Jenkins

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Vincent Gregory

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Richard LeBlanc

Conferees for the Senate

Conferees for the House

**SUBSTITUTE FOR  
SENATE BILL NO. 181**

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2012; to provide for the expenditure of the appropriations; to provide anticipated appropriations for the fiscal year ending September 30, 2013; to provide for certain powers and duties of the department of military and veterans affairs, other state agencies, and local units of government related to the appropriations; and to provide for the preparation of certain reports related to the appropriations.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

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PART 1  
LINE-ITEM APPROPRIATIONS  
FOR FISCAL YEAR 2011-2012

Sec. 101. Subject to the conditions set forth in this act, the

amounts listed in this part for the department of military and veterans affairs are appropriated for the fiscal year ending September 30, 2012 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.....	819.0	
GROSS APPROPRIATION.....	\$	152,483,500
Total interdepartmental grants and intradepartmental transfers .....		1,152,800
Schedule of interdepartmental grant revenue sources:		
IDG, challenge grant .....	152,800	
IDG, community health .....	100,000	
IDG, state police .....	900,000	
ADJUSTED GROSS APPROPRIATION .....	\$	151,330,700
Total federal revenues.....		87,678,000
Schedule of federal revenue sources:		
DOD-DOA-NGB .....	59,527,800	
DVA-VHA .....	24,657,500	
HHS-Medicare .....	3,262,000	
HHS-Medicaid .....	180,700	
Federal counter narcotics revenues.....	50,000	
Total local revenues.....		744,800
Schedule of local revenue sources:		
Local - school aid revenue .....	744,800	

1	Total private revenues.....	1,423,300
2	Schedule of private revenue sources:	
3	Private donations .....	883,300
4	Private-veterans' home post and posthumous	
5	funds .....	540,000
6	Total other state restricted revenues.....	28,439,700
7	Schedule of restricted revenue sources:	
8	Rental fees .....	346,400
9	Mackinac bridge authority .....	70,000
10	Test project fees .....	100,000
11	Income and assessments .....	21,857,800
12	Lease revenue .....	12,200
13	Michigan veterans trust fund .....	5,053,300
14	Michigan family relief fund .....	1,000,000
15	State general fund/general purpose.....	\$ 33,044,900
16	<b>Sec. 102. MILITARY</b>	
17	Full-time equated unclassified positions.....	7.0
18	Full-time equated classified positions.....	285.0
19	Military.....	\$ <u>54,119,800</u>
20	GROSS APPROPRIATION.....	\$ 54,119,800
21	Appropriated from:	
22	Interdepartmental grant revenues.....	1,000,000
23	Federal revenues.....	38,523,900
24	State restricted revenues.....	884,500
25	State general fund/general purpose.....	\$ 13,711,400
26	Schedule of programs:	
27	Headquarters and armories .....	11,363,300

1	Unclassified military personnel.....	665,000	
2	Military appeals tribunal .....	900	
3	State active duty .....	100,100	
4	Homeland security .....	1,000,000	
5	Military training sites and support		
6	facilities .....	28,212,100	
7	Military training site and support facilities test		
8	projects .....	100,000	
9	Departmentwide accounts .....	1,861,300	
10	Special maintenance - state .....	651,200	
11	Special maintenance - federal.....	5,300,000	
12	Military retirement .....	3,784,100	
13	Counter narcotic operations .....	50,000	
14	Information technology services and		
15	projects .....	1,031,800	
16	<b>Sec. 103. VETERANS AND COMMUNITY OUTREACH</b>		
17	Full-time equated classified positions.....	33.0	
18	Veterans and community outreach.....	\$	<u>15,402,100</u>
19	GROSS APPROPRIATION.....	\$	15,402,100
20	Appropriated from:		
21	Interdepartmental grant revenues.....		152,800
22	Federal revenues.....		4,728,000
23	Local revenues.....		744,800
24	Private revenues.....		883,300
25	State restricted revenues.....		5,653,300
26	State general fund/general purpose.....	\$	3,239,900
27	Schedule of programs:		

1	Veterans advice, advocacy and assistance	
2	grants .....	3,029,600
3	Veterans' affairs directorate administration.	205,300
4	Veterans' trust fund administration.....	1,306,800
5	Veterans' trust fund grants .....	3,746,500
6	Michigan emergency volunteers.....	5,000
7	Challenge program .....	4,186,900
8	Military family relief fund .....	600,000
9	Starbase grant .....	2,322,000
10	<b>Sec. 104. HOMES</b>	
11	Full-time equated classified positions.....	501.0
12	Homes.....	\$ <u>66,261,600</u>
13	GROSS APPROPRIATION.....	\$ 66,261,600
14	Appropriated from:	
15	Federal revenues.....	27,726,100
16	Private revenues.....	540,000
17	State restricted revenues.....	21,901,900
18	State general fund/general purpose.....	\$ 16,093,600
19	Schedule of programs:	
20	Grand Rapids veterans' home .....	48,251,000
21	Board of managers .....	665,000
22	D.J. Jacobetti veterans' home.....	17,070,600
23	Board of managers .....	275,000
24	<b>Sec. 105. CAPITAL OUTLAY</b>	
25	Capital outlay.....	\$ <u>16,700,000</u>
26	GROSS APPROPRIATION.....	\$ 16,700,000
27	Appropriated from:	

1	Federal revenues.....	16,700,000
2	State general fund/general purpose.....	\$ 0
3	Schedule of programs:	
4	Special maintenance, remodeling and	
5	additions .....	15,000,000
6	Camp grayling - light demolition range.....	1,700,000

7 PART 2

8 PROVISIONS CONCERNING APPROPRIATIONS

9 FOR FISCAL YEAR 2011-2012

10 GENERAL SECTIONS

11 Sec. 201. Pursuant to section 30 of article IX of the state  
 12 constitution of 1963, total state spending from state resources  
 13 under part 1 for fiscal year 2011-2012 is \$61,484,600.00 and state  
 14 spending from state resources to be paid to local units of  
 15 government for fiscal year 2011-2012 is \$120,000.00. The itemized  
 16 statement below identifies appropriations from which spending to  
 17 local units of government will occur:

18 DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

19	Military.....	\$ 70,000
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20 Schedule of programs:

21	Payments in lieu of taxes.....	70,000
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22	Veterans and community outreach.....	50,000
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23 Schedule of programs:

24	County counselor education and training expenses .....	<u>50,000</u>
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25	TOTAL .....	\$ 120,000
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1       Sec. 202. The appropriations authorized under this act are  
2 subject to the management and budget act, 1984 PA 431, MCL 18.1101  
3 to 18.1594.

4       Sec. 203. As used in this act:

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

7       (b) "DOD" means the United States department of defense.

8       (c) "DOD-DOA-NGB" means the DOD department of the army,  
9 national guard bureau.

10       (d) "DTMB" means the department of technology, management, and  
11 budget.

12       (e) "DVA" means the United States department of veterans  
13 affairs.

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

15       (g) "IDG" means interdepartmental grant.

16       (h) "Work project" means, except as used in section 211, a  
17 group of activities featuring a fixed duration, budget, and scope  
18 that is expected to cause a measurable change in the delivery,  
19 efficiency, or effectiveness of 1 or more operations.

20       (i) "Large veterans service organization" means a VSO that can  
21 certify that its membership exceeds 30,000 individuals.

22       (j) "Medium veterans service organization" means a VSO that  
23 can certify that its membership is between 2,500 and 30,000  
24 individuals.

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

27       (l) "VSO" means veterans service organization.

1       Sec. 204. The following shall constitute the appropriations  
2 from part 1 for interdepartmental grant funds received by the  
3 department from sources outside the department: \$152,800.00 from  
4 challenge grant; \$100,000.00 from the department of community  
5 health; and \$900,000.00 from the department of state police.

6       Sec. 206. (1) In addition to the funds appropriated in part 1,  
7 there is appropriated an amount not to exceed \$10,000,000.00 for  
8 federal contingency funds. These funds are not available for  
9 expenditure until they have been transferred to another line item  
10 in this act under section 393(2) of the management and budget act,  
11 1984 PA 431, MCL 18.1393.

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

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

24       (4) In addition to the funds appropriated in part 1, there is  
25 appropriated an amount not to exceed \$100,000.00 for private  
26 contingency funds. These funds are not available for expenditure  
27 until they have been transferred to another line item in this act

1 under section 393(2) of the management and budget act, 1984 PA 431,  
2 MCL 18.1393.

3 Sec. 207. (1) The department shall maintain a searchable  
4 website accessible by the public at no cost that includes, but it  
5 not limited to, all of the following:

6 (a) Fiscal year-to-date expenditures by category.

7 (b) Fiscal year-to-date expenditures by appropriation unit.

8 (c) Fiscal year-to-date payments to a selected vendor,  
9 including the vendor name, payment date, payment amount, and  
10 payment description.

11 (d) The number of active department employees by job  
12 classification.

13 (e) Job specifications and wage rates.

14 (2) The department may develop and operate its own website to  
15 provide this information or may reference the state's central  
16 transparency website as the source for this information.

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

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

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

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

13       Sec. 211. Amounts appropriated in part 1 for information  
14 technology may be designated as work projects and carried forward  
15 to support technology projects under the direction of the  
16 department of technology, management, and budget. Funds designated  
17 in this manner are not available for expenditure until approved as  
18 work projects under section 451a of the management and budget act,  
19 1984 PA 431, MCL 18.1451a.

20       Sec. 212. The departments and agencies receiving  
21 appropriations in part 1 shall receive and retain copies of all  
22 reports funded from appropriations in part 1. Federal and state  
23 guidelines for short-term and long-term retention of records shall  
24 be followed. The department may electronically retain copies of  
25 reports unless otherwise required by federal and state guidelines.

26       Sec. 213. (1) Due to the current budgetary problems in this  
27 state, out-of-state travel for this fiscal year ending September

1 30, 2012 shall be limited to situations in which 1 or more of the  
2 following conditions apply:

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

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

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

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

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

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

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

22 Sec. 214. From the funds appropriated in part 1 for  
23 information technology, departments and agencies shall pay user  
24 fees to the department of technology, management, and budget for  
25 technology-related services and projects. The user fees shall be  
26 subject to provisions of an interagency agreement between the  
27 department and agencies and the department of technology,

1 management, and budget.

2 Sec. 215. The department shall not take disciplinary action  
3 against an employee for communicating with a member of the  
4 legislature or his or her staff.

5 Sec. 216. (1) Notwithstanding any other provision of this act,  
6 the schedule of programs in part 1 lists programs which may, but  
7 are not required to be, funded under this act.

8 (2) Notwithstanding any other provisions of this act, the  
9 schedule of revenue sources in part 1 may or may not be received  
10 from the funding entities listed.

11 (3) Any funding required by statute is not subject to funding  
12 flexibility and shall be funded in accordance with that statute.

13 Sec. 217. The department shall improve its budgetary  
14 efficiency pertaining to the delivery of core services delineated  
15 in section 211 by doing all of the following:

16 (a) Prioritizing personnel over buildings in budgetary  
17 efficiency considerations.

18 (b) Pursuing the physical or virtual consolidation of support  
19 service functions such as information technology, human resources,  
20 and accounting as a means of improving standardization and  
21 efficiency.

22 (c) Seeking expenditure reductions whenever possible through  
23 the streamlining of existing service delivery activities

24 (d) Identifying efficiencies that can be gained via the  
25 reduction or elimination of programs, policies, and practices which  
26 have outlived their usefulness.

27 Sec. 218. (1) Any unused general fund/general purpose funds

1 for this fiscal year created through efficiencies and identified by  
2 the department as potential lapsed funds shall be designated as the  
3 department incentive pool balance, provided that all the  
4 requirements of this part have been met.

5 (2) Any funds associated with any supplemental general  
6 fund/general purpose fund requests for this fiscal year shall be  
7 debited against this fiscal year's department incentive pool  
8 balance if it does not meet 1 or more of the following criteria:

9 (a) The supplemental funds pertain to the addition of a new  
10 core service.

11 (b) The supplemental funds pertain to the expansion of  
12 existing service capacity beyond current fiscal year expectations.

13 (3) At the end of this fiscal year, if the incentive pool  
14 balance is positive, the department incentive pool balance shall be  
15 allocated as follows:

16 (a) Ten percent of the unused funds shall be allocated as work  
17 project funds to be used in a manner that provides direct benefit  
18 to department employees or their families within 12 months of the  
19 end of this fiscal year.

20 (b) Forty percent of the unused funds shall be allocated as  
21 work project funds to be used at the discretion of the department  
22 for projects designed to improve service delivery.

23 (c) Fifty percent of the unused funds shall be lapsed to the  
24 general fund/general purpose fund.

25 Sec. 219. (1) The department shall be available to meet on a  
26 quarterly basis before the appropriate senate and house  
27 appropriations subcommittee.

1           (2) The department shall provide all information necessary to  
2 validate that the requirements of this part have been achieved.

3           (3) The department shall provide a corrective action plan  
4 within 30 days of a quarterly report under this section for any  
5 requirements of this part that have not been achieved. The  
6 department shall provide a monthly status of corrective action  
7 plans.

8           (4) The department shall provide a summary of fund shifts,  
9 that have been approved by the state budget office, that have  
10 occurred between core services on a quarterly basis to the senate  
11 and house appropriations subcommittees.

12           (5) The department shall provide the following data to the  
13 senate and house appropriations subcommittees:

14           (a) A list of all major work projects, including a status  
15 report of each project.

16           (b) The department's financial status, featuring a report of  
17 budgeted versus actual expenditures by part 1 line item including a  
18 year-end projection of budget requirements. If projected department  
19 budget requirements exceed the allocated budget, the report shall  
20 include a plan to reduce overall expenses while still satisfying  
21 specified service level requirements.

22           (c) Evidence of efficiencies and management of funds within  
23 established appropriations, documented through the DTMB monthly  
24 expenditure report as described in section 301(3) of this part.

25           (d) A list of projected armory closings from section 302(6) of  
26 this part.

27           (e) A list of property sales as described in section 223 of

1 this part.

2 (6) The department shall provide a corrective action plan for  
3 any service metrics that do not meet requirements. The department  
4 shall provide a status of correction action plans at the next  
5 quarterly review.

6 (7) The Grand Rapids and D.J. Jacobetti veterans' homes shall  
7 provide to the appropriate house and senate appropriations  
8 subcommittees the results of the veterans' homes annual veterans'  
9 affairs inspection and their corrective action plans.

10 Sec. 220. The department shall provide the following data to  
11 the appropriate senate and house appropriations subcommittees on an  
12 annual basis:

13 (a) Using information received from the grant recipients in  
14 section 401 of this part, a progress report on metric requirements,  
15 copies of certified financial audits and tax reports of grant  
16 recipients, a listing from grant recipients of expenditures by  
17 spending category, including a listing of individual salaries of  
18 each officer and administrative staff, a listing of volunteer hours  
19 including the hours, series, and donations provided to residents of  
20 the Grand Rapids veterans' home and the D.J. Jacobetti veterans'  
21 home. The department shall provide within the report a specific  
22 notification whether any veterans grant recipients failed to comply  
23 with established reporting requirements.

24 (b) The Grand Rapids veterans' home and the D.J. Jacobetti  
25 veterans' home shall produce a report including an accounting of  
26 member populations and bed space available, a description and  
27 accounting of services and activities provided to members,

1 financial information, and current state nursing home licensure  
2 status.

3 (c) A detailed report of the Michigan veteran's trust fund  
4 that includes information on grants provided from the emergency  
5 grant program, including details concerning the methodology of  
6 allocations, the selection of emergency grant program authorized  
7 agents, and a detailed breakdown of trust fund expenditures for  
8 that year. The report shall also provide an update on the  
9 department's efforts to reduce program administrative costs and  
10 maintain the Michigan veterans' trust fund corpus to its original  
11 amount of at least \$50,000,000.00.

12 Sec. 221. Grant recipients in section 401 of this part shall  
13 submit a report to the department on the number of claims filed for  
14 veterans in this state with the United States department of  
15 veterans affairs and the number of actual claims awarded.

16 Sec. 222. The appropriations in part 1 are for the core  
17 services, support services, and work projects of the department,  
18 including, but not limited to, the following core services:  
19 armories and joint forces readiness, maintenance and operation of  
20 army national guard training facilities, operation and maintenance  
21 of air national guard air bases, veterans affairs directorate and  
22 administration of the veterans trust fund, administration and  
23 oversight of veterans advice, advocacy, and assistance grants,  
24 training support for county veterans counselors, administration of  
25 the military family relief fund, the Michigan youth challenge  
26 academy program, and the administration of the Grand Rapids  
27 veterans' home and the D.J. Jacobetti veterans' home.

1       Sec. 223. Sixty days prior to the public announcement of the  
2 intention to sell any department property, the department shall  
3 submit notification of that intent to the appropriate senate and  
4 house appropriations subcommittees and the senate and house fiscal  
5 agencies.

6       Sec. 224. The department shall consult with the house and  
7 senate appropriations subcommittees on state police and military  
8 and veterans affairs regarding the projected closing or  
9 consolidation of any national guard armories.

10       Sec. 225. Funds appropriated in part 1 shall not be used by a  
11 principal executive department, state agency, or authority to hire  
12 a person to provide legal services that are the responsibility of  
13 the attorney general. This prohibition does not apply to legal  
14 services for bonding activities and for those activities that the  
15 attorney general authorizes.

16       Sec. 226. The department shall seek partnerships with United  
17 States armed forces reserve units for the colocation of activities,  
18 including sharing in the acquisition and costs for facilities.

19       Sec. 227. Bids for contract services shall not exclude public  
20 employee unions from the bid process.

21       Sec. 228. Not later than November 15, the department shall  
22 prepare and transmit a report that provides for estimates of the  
23 total general fund/general purpose appropriations lapses at the  
24 close of the fiscal year. This report shall summarize the projected  
25 year-end general fund/general purpose appropriations lapses by  
26 major departmental program or program areas. The report shall be  
27 transmitted to the office of the state budget, the chairpersons of

1 the senate and house standing committees on appropriations, and the  
2 senate and house fiscal agencies.

3 Sec. 229. Within 14 days after the release of the executive  
4 budget recommendation, the department shall provide the state  
5 budget director, the senate and house appropriations chairs, the  
6 senate and house appropriations subcommittees on state police and  
7 military and veterans affairs, respectively, and the senate and  
8 house fiscal agencies with an annual report on estimated state  
9 restricted fund balances, state restricted fund projected revenues,  
10 and state restricted fund expenditures for the fiscal years ending  
11 September 30, 2011 and September 30, 2012.

## 12 **MILITARY**

13 Sec. 301. (1) The department shall provide administrative  
14 support for department operations.

15 (2) The department shall maintain the staffing and resources  
16 necessary to ensure proper accountability of state funds.

17 (3) The department shall maintain the staffing and resources  
18 necessary to adhere to the state of Michigan financial management  
19 guide for accounting, contracting, purchasing, budgeting, and  
20 financial reporting and the administrative guide to state  
21 government.

22 (4) The department shall ensure fiscal controls relating to  
23 procurement of goods and services and other expenditures.

24 Sec. 302. (1) The department shall operate and maintain  
25 national guard armories.

26 (2) The department shall provide resources necessary to ensure

1 that armories are maintained in accordance with army regulation  
2 210-4.

3 (3) The department shall evaluate armories for consolidation,  
4 energy, and utility efficiency and identify work projects that  
5 would improve this efficiency.

6 (4) The department shall provide armory equipment maintenance  
7 by maintaining equipment and tracking and monitoring trends in  
8 repair maintenance to determine whether a piece of equipment is to  
9 be retired or kept.

10 (5) The department shall provide security for national guard  
11 armories by ensuring that a passive electronic security system is  
12 in place at all armories.

13 (6) The department shall consult with the house and senate  
14 appropriations subcommittees on state police and military and  
15 veterans affairs regarding the projected closing or consolidation  
16 of any national guard armories.

17 (7) Using individual facility assessments, the department  
18 shall improve the adequacy of utilities and infrastructure of the  
19 armories. The department shall improve quality rating at the armory  
20 facilities based on the number of faults corrected and dollars  
21 available (spent) during the fiscal year.

22 Sec. 303. (1) The department shall provide army national guard  
23 forces, when directed, for state and local emergencies and in  
24 support of national military requirements.

25 (2) The department shall provide resources necessary to train  
26 and equip military forces to standards set by the United States  
27 armed forces.

1           Sec. 304. (1) The department shall operate and maintain army  
2 national guard training facilities, including Fort Custer and Camp  
3 Grayling.

4           (2) The department shall provide resources necessary to meet  
5 building maintenance requirements per performance specifications  
6 established in master cooperative agreement appendix 1, section  
7 104, national guard bureau regulations.

8           (3) Army national guard training facilities security  
9 management shall secure all locations, monitor alarm equipment, and  
10 adhere to state laws, statutes, and army regulation 190-56 and  
11 master cooperative agreement appendix 3, section 308, national  
12 guard bureau regulations.

13          (4) Using individual facility assessments, the department  
14 shall improve the adequacy of utilities and infrastructure of the  
15 air bases. The department shall improve quality rating at the air  
16 base facilities based on the number of faults corrected and dollars  
17 available (spent) during the fiscal year.

18          Sec. 305. (1) The department shall provide air national guard  
19 forces when directed, for state and local emergencies and in  
20 support of national military requirements.

21          (2) The department shall provide resources necessary to train  
22 and equip military forces to standards set by the United States  
23 armed forces.

24          (3) Using individual facility assessments, the department  
25 shall improve the adequacy of utilities and infrastructure of the  
26 military training sites and support facilities. The department  
27 shall improve quality rating at the facilities based on the number

1 of faults corrected and dollars available (spent) during the fiscal  
2 year.

3 Sec. 306. (1) The department shall operate and maintain air  
4 national guard air bases, including Selfridge air national guard  
5 base, Battle Creek air national guard base, and Alpena combat  
6 readiness training center.

7 (2) The department shall provide resources necessary to meet  
8 facility maintenance at air national guard bases, including  
9 maintenance and preventive maintenance of authorized building and  
10 systems at no less than the minimum standards required by  
11 applicable federal, state, and local agencies.

12 (3) The department shall maintain the staffing and resources  
13 necessary to provide security services at air national guard bases,  
14 including the security of the location and the monitoring of alarm  
15 equipment, in accordance with air force instruction 31-101 and  
16 master cooperative agreement appendix 23, section 2308, national  
17 guard bureau regulations.

#### 18 **VETERANS AND COMMUNITY OUTREACH**

19 Sec. 401. (1) The department shall provide advice, advocacy,  
20 and assistance services to Michigan veterans.

21 (2) The department shall maintain the staffing and resources  
22 necessary to develop and operate a program that will provide  
23 benefits counseling and representation to veterans of this state  
24 for the purpose of assisting veterans to obtain United States  
25 department of veteran affairs health, financial, and memorial  
26 benefits for which they are eligible.

1           (3) The department shall create a 5-member advisory board  
2 consisting of presidents/commanders from 2 large veterans service  
3 organizations, 2 medium veterans service organizations, and 1 small  
4 veterans service organization. The board shall meet no less than  
5 twice a year, without reimbursement by the department, and have the  
6 following duties:

7           (a) Assist the department in establishing criteria for grant  
8 awards. The department, while utilizing advice provided by the  
9 board in establishing grant criteria, is solely responsible for  
10 determination of the amounts and recipients of the grants.

11           (b) Serve as a liaison between the grant recipients, the  
12 department, and the legislature.

13           (c) Assist the department in developing plans, reviewing  
14 service delivery, and identifying goals to better assist veterans  
15 in applying for and receiving benefits from the federal, state, and  
16 local governments.

17           (d) Provide a forum regarding veterans' issues, including  
18 suggesting changes in department programs that address veterans'  
19 changing needs.

20           (4) Of the appropriation in part 1 for veterans advice,  
21 advocacy, and assistance, grants shall be distributed by the  
22 department in the form of 5 grants for the period beginning October  
23 1, 2010, including 1 specialized grant. The specialized grant shall  
24 be awarded to a group specializing in advocacy for paralyzed  
25 veterans.

26           (5) Money used for grants shall be used only for salaries,  
27 wages, related personnel costs, in-state training, and equipment

1 for accredited veteran service advocacy officers and necessary  
2 support and managerial staff.

3 (6) The department shall take steps to improve the  
4 coordination of veterans' benefits counseling in the state to  
5 maximize the effective and efficient use of taxpayer dollars in  
6 this goal and to ensure that every veteran is served.

7 (7) The department shall increase its responsibility in the  
8 administration, management, oversight, and outreach of the delivery  
9 of services to veterans by working with grant recipients, the  
10 veterans advisory board, county veterans counselors, and  
11 representatives from the Michigan veterans trust fund to identify,  
12 implement, and evaluate steps to do all the following:

13 (a) Maximize the coordination between all organizations that  
14 assist veterans and identify areas of redundancy in services to  
15 consolidate.

16 (b) Increase the percentage of veterans in this state who  
17 become aware of their eligibility for service-connected disability  
18 or pension benefits from the United States department of veterans  
19 affairs.

20 (c) Improve national standing with regard to veterans affairs  
21 benefits granted per veteran.

22 (d) Expand training opportunities for veteran service  
23 organization service officers.

24 (e) Increase the percentage of veterans in this state who  
25 become aware of their eligibility for enrollment in the veterans  
26 affairs health care system.

27 (f) Publicize the availability, benefit, and value of burial

1 in the Fort Custer and Great Lakes national cemeteries.

2 Sec. 402. (1) The Michigan veterans' trust fund board together  
3 with the department shall provide emergency grants for disbursement  
4 from the Michigan veterans' trust fund.

5 (2) The Michigan veterans' trust fund board together with the  
6 department shall maintain the staffing and resources necessary to  
7 provide outreach to veterans who may need and qualify for veterans  
8 trust fund emergency grants.

9 (3) The Michigan veterans' trust fund board shall work to  
10 increase the percentage of grant applications that are approved and  
11 received by eligible families by 5% over those approved and  
12 received by eligible families in fiscal year 2009-2010.

13 Sec. 403. (1) The department shall provide grants for  
14 disbursement from the military family relief fund.

15 (2) The department shall maintain the staffing and resources  
16 necessary to provide outreach to the Michigan families of active  
17 members of the armed forces.

18 (3) The department shall work to increase the percentage of  
19 military family relief grant applications that are approved and  
20 received by eligible families by 5% over those approved and  
21 received by eligible families in fiscal year 2009-2010.

22 Sec. 404. (1) The department shall provide training support  
23 for county veterans counselors.

24 (2) The department shall provide resources necessary to  
25 provide county veterans counselors with training to ensure quality  
26 services to veterans.

27 (3) The department shall work with counties towards the goal

1 of having at least 1 county veterans counselor in every county in  
2 this state.

3 (4) The Michigan veterans' affairs directorate administration  
4 and the Michigan veterans' trust fund administration shall take  
5 steps to assist the county veterans counselors of this state to  
6 obtain training necessary for the execution of their duties.

7 Sec. 405. (1) The department shall maintain the Michigan youth  
8 challenge academy to provide values, skills, education, and self-  
9 discipline instruction for at-risk youth.

10 (2) The department shall maintain the staffing and resources  
11 necessary to recruit and train a starting class size of 144 cadets.

12 (3) The department shall provide food services for cadets  
13 enrolled in the Michigan youth challenge academy which shall  
14 include 3 balanced meals a day in accordance with current dietary  
15 guidelines for Americans and the daily food guide of the United  
16 States department of agriculture.

17 (4) The department shall ensure that at least 65% of the  
18 cadets who enroll in the Michigan youth challenge academy meet the  
19 requirement for graduation from the academy.

20 (5) The department shall ensure that at least 65% of the  
21 cadets who enroll in Michigan youth challenge academy take the  
22 general educational development exam and that at least 70% of those  
23 taking the exam earn a passing grade.

24 (6) The department shall ensure that less than 3% of cadets  
25 who enroll in the Michigan youth challenge academy enter the  
26 correctional system within 5 years of graduation from the academy.

27 (7) The department shall take steps to recruit candidates to

1 the challenge program from economically disadvantaged areas,  
2 including those with low-income and high-unemployment backgrounds.

3 (8) The department shall partner with the department of human  
4 services to identify youth who may be eligible for the challenge  
5 program from those youth served by department of human series  
6 programs. These eligible youth shall be given priority for  
7 enrollment in the program.

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

### 13 HOMES

14 Sec. 501. (1) The department shall provide compassionate,  
15 quality interdisciplinary care at the state's Grand Rapids and D.J.  
16 Jacobetti veterans' homes so that members can achieve their highest  
17 potential of wellness, independence, self-worth, and dignity.

18 (2) The department shall provide resources necessary to  
19 provide adequate nursing care services to veterans in accordance  
20 with federal standards, including the following:

21 (a) A licensed maximum capacity of skilled nursing beds of 618  
22 at the Grand Rapids veterans' home.

23 (b) A licensed maximum capacity of domiciliary beds of 140 at  
24 the Grand Rapids veterans' home.

25 (c) A licensed maximum capacity of skilled nursing beds of 182  
26 at the D.J. Jacobetti veterans' home.

1 (d) A licensed maximum capacity of domiciliary beds of 59 at  
2 the D.J. Jacobetti veterans' home.

3 (3) The Grand Rapids and D.J. Jacobetti veterans' homes shall  
4 ensure that their medical staffing is in accordance with United  
5 States department of veterans administration standards.

6 (4) The Grand Rapids and D.J. Jacobetti veterans' homes shall  
7 ensure that transportation is assured for each resident for every  
8 medical appointment outside the veterans' home.

9 (5) The Grand Rapids and D.J. Jacobetti veterans' homes shall  
10 ensure that each member resident receives daily laundry service.

11 (6) The Grand Rapids and D.J. Jacobetti veterans' homes shall  
12 ensure that maintenance and custodial services are provided for  
13 each home in accordance with applicable local, state, and federal  
14 standards.

15 (7) The Grand Rapids and D.J. Jacobetti veterans' homes shall  
16 ensure that each resident receives a medical and care assessment  
17 including a dietary plan upon admission to the home, with meals and  
18 snacks provided in accordance with the plan and the United States  
19 department of veterans administration rule 325.20803.

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

25 (9) Appropriations in this act for the Grand Rapids and D.J.  
26 Jacobetti veterans' homes shall not be used for any purpose other  
27 than for veterans and veterans' families.

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

6           (11) Any contractor providing competency evaluated nursing  
7 assistants (CENA) to the Grand Rapids and D.J. Jacobetti veterans'  
8 homes shall ensure that each CENA has at least 8 hours of training  
9 on information provided by the veterans' home.

10          (12) Any contractor providing competency evaluated nursing  
11 assistants to the Grand Rapids and D.J. Jacobetti veterans' homes  
12 shall ensure that each CENA has at least 1 eight-hour shift of  
13 shadowing at the veterans' home.

14          (13) Any contractor providing competency evaluated nursing  
15 assistants to the Grand Rapids and D.J. Jacobetti veterans' homes  
16 shall ensure that each CENA is competent in the basic skills needed  
17 to perform his or her assigned duties at the veterans' home.

18          (14) Any contractor providing competency evaluated nursing  
19 assistants to the Grand Rapids and D.J. Jacobetti veteran's homes  
20 shall ensure that each CENA has at least 1 year of experience in  
21 long-term care.

22          (15) The Grand Rapids and D.J. Jacobetti veterans' homes shall  
23 provide each CENA at least 12 hours of in-service training once  
24 that individual has been assigned to the veterans' home.

25          (16) The Grand Rapids and D.J. Jacobetti veterans' homes shall  
26 ensure that care services are provided to each resident of the  
27 veterans' homes in accordance with standards set by the United

1 States department of veterans' affairs.

2 **CAPITAL OUTLAY**

3 Sec. 601. (1) The director shall allocate lump-sum  
4 appropriations made in this act 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. 602. 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.

21 PART 2A  
22 PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS  
23 FOR FISCAL YEAR 2012-2013

24 **GENERAL SECTIONS**

1           Sec. 1201. It is the intent of the legislature to provide  
2   appropriations for the fiscal year ending on September 30, 2013 for  
3   the line items listed in part 1. The fiscal year 2012-2013  
4   appropriations are anticipated to be the same as those for fiscal  
5   year 2011-2012, except that the line items will be adjusted for  
6   changes in caseload and related costs, federal fund match rates,  
7   economic factors, and available revenue. These adjustments will be  
8   determined after the January 2012 consensus revenue estimating  
9   conference.