

FIRST CONFERENCE REPORT

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

Senate Bill No. 959, entitled

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

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, 2013; 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.

Patrick Colbeck

Peter MacGregor

Roger Kahn

Nancy E. Jenkins

Vincent Gregory

Richard LeBlanc

Conferees for the Senate

Conferees for the House

**SUBSTITUTE FOR
SENATE BILL NO. 959**

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

LINE-ITEM APPROPRIATIONS
FOR FISCAL YEAR 2012-2013

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, 2013 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 8.0

Full-time equated classified positions 834.0

GROSS APPROPRIATION..... \$ 172,073,600

Total interdepartmental grants and intradepartmental transfers 1,166,500

Schedule of interdepartmental grant revenue sources:

IDG, challenge grant 165,800

IDG, community health 100,000

IDG, state police 900,000

Interdepartmental grant revenues..... 700

ADJUSTED GROSS APPROPRIATION 170,907,100

Total federal revenues..... 99,239,400

Schedule of federal revenue sources:

DOD-DOA-NGB 69,073,300

DVA-VHA 26,160,100

HHS-Medicare 3,363,000

HHS-Medicaid 185,500

Federal counter narcotics revenues..... 50,000

Federal revenues 407,500

Total local revenues..... 1,503,600

Schedule of local revenue sources:

Local - school aid revenue 1,500,000

Local revenues 3,600

1	Total private revenues.....	1,503,700
2	Schedule of private revenue sources:	
3	Private donations	959,500
4	Private - veterans' home post and posthumous funds	
5	540,000
6	Private revenues	4,200
7	Total other state restricted revenues.....	30,427,000
8	Schedule of restricted revenue sources:	
9	Rental fees	346,400
10	Mackinac Bridge authority	70,000
11	Test project fees	100,000
12	Income and assessments	20,345,900
13	Lease revenue	12,200
14	Michigan veterans trust fund	5,166,500
15	Michigan family relief fund	1,000,000
16	Military construction fund	3,250,000
17	State restricted revenues	136,000
18	State general fund/general purpose.....	\$ 38,233,400
19	State general fund/general purpose schedule:	
20	Ongoing state general fund/general	
21	purpose	32,177,500
22	One-time state general fund/general	
23	purpose	6,055,900
24	Sec. 102. HEADQUARTERS AND ARMORIES	
25	Full-time equated unclassified positions	8.0
26	Full-time equated classified positions	284.0
27	Unclassified positions.....	\$ 1,165,000

1	Headquarters and armories.....		<u>54,574,100</u>
2	GROSS APPROPRIATION.....	\$	55,739,100
3	Appropriated from:		
4	Interdepartmental grant revenues.....		1,000,000
5	Federal revenues.....		40,541,000
6	State restricted revenues.....		901,200
7	State general fund/general purpose.....	\$	13,296,900
8	Schedule of programs:		
9	Headquarters and armories	11,958,800	
10	Military appeals tribunal	900	
11	State active duty	100,100	
12	Homeland security	1,000,000	
13	Military training sites and support facilities		
14	30,065,500	
15	Military training site and support facilities test		
16	projects	100,000	
17	Departmentwide accounts	1,869,100	
18	Special maintenance - state	3,051,200	
19	Special maintenance - federal.....	5,300,000	
20	Counter narcotic operations	50,000	
21	Information technology services and projects		
22	1,078,500	
23	Sec. 103. VETERANS OUTREACH		
24	Full-time equated classified positions	9.0	
25	Veterans outreach.....	\$	<u>8,720,700</u>
26	GROSS APPROPRIATION.....	\$	8,720,700
27	Appropriated from:		

1	State restricted revenues.....	5,166,500
2	State general fund/general purpose.....	\$ 3,554,200
3	Schedule of programs:	
4	Veterans advice, advocacy, and assistance grants	
5	2,904,600
6	Veterans' affairs directorate administration.	649,600
7	Veterans' trust fund administration.....	1,420,000
8	Veterans' trust fund grants	3,746,500
9	Sec. 104. COMMUNITY OUTREACH PROGRAMS	
10	Full-time equated classified positions.....	40.0
11	Community outreach programs.....	\$ <u>8,203,700</u>
12	GROSS APPROPRIATION.....	\$ 8,203,700
13	Appropriated from:	
14	Interdepartmental grant revenues.....	165,800
15	Federal revenues.....	4,973,400
16	Local revenues.....	1,500,000
17	Private revenues.....	959,500
18	State restricted revenues.....	600,000
19	State general fund/general purpose.....	\$ 5,000
20	Schedule of programs:	
21	Michigan emergency volunteers.....	5,000
22	ChalleNGe program	5,276,700
23	Military family relief fund	600,000
24	Starbase grant	2,322,000
25	Sec. 105. HOMES	
26	Full-time equated classified positions.....	501.0
27	Homes.....	\$ <u>65,552,200</u>

1	GROSS APPROPRIATION.....	\$	65,552,200
2	Appropriated from:		
3	Federal revenues.....		29,317,500
4	Private revenues.....		540,000
5	State restricted revenues.....		20,373,300
6	State general fund/general purpose.....	\$	15,321,400
7	Schedule of programs:		
8	Grand Rapids veterans' home	46,516,500	
9	Board of managers	665,000	
10	D.J. Jacobetti veterans' home.....	18,095,700	
11	Board of managers	275,000	
12	Sec. 106. CAPITAL OUTLAY AND ONE-TIME APPROPRIATIONS		
13	Special maintenance, remodeling and additions.....	\$	15,000,000
14	Land acquisitions and appraisals.....		250,000
15	Flint armory replacement.....		12,000,000
16	State employee lump-sum payments.....		707,900
17	Special maintenance - state.....		2,400,000
18	Special maintenance and remodeling - Grand Rapids		
19	veterans' home		1,600,000
20	Special maintenance and remodeling - D.J. Jacobetti		
21	veterans' home		516,000
22	Veterans service enhancements.....		434,000
23	County counselor accreditation.....		200,000
24	Department data upgrades and digitization of records .		<u>750,000</u>
25	GROSS APPROPRIATION.....	\$	33,857,900
26	Appropriated from:		
27	Interdepartmental grant revenues.....		700

1	Federal revenues.....	24,407,500
2	Local revenues.....	3,600
3	Private revenues.....	4,200
4	State restricted revenues.....	3,386,000
5	State general fund/general purpose.....	\$ 6,055,900

6 PART 2

7 PROVISIONS CONCERNING APPROPRIATIONS

8 FOR FISCAL YEAR 2012-2013

9 **GENERAL SECTIONS**

10 Sec. 201. Pursuant to section 30 of article IX of the state

11 constitution of 1963, total state spending from state resources

12 under part 1 for fiscal year 2012-2013 is \$68,660,400.00 and state

13 spending from state resources to be paid to local units of

14 government for fiscal year 2012-2013 is \$120,000.00. The itemized

15 statement below identifies appropriations from which spending to

16 local units of government will occur:

17 DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

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

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

23	County counselor education and training expenses	<u>50,000</u>
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24	TOTAL	\$ 120,000
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25 Sec. 202. The appropriations authorized under this act are

1 subject to the management and budget act, 1984 PA 431, MCL 18.1101
2 to 18.1594.

3 Sec. 203. As used in this act:

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

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

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

9 (d) "DVA" means the United States department of veterans
10 affairs.

11 (e) "DVA-VHA" means the DVA veterans health administration.

12 (f) "FTE" means full-time equated.

13 (g) "HHS" means the United States department of health and
14 human services.

15 (h) "IDG" means interdepartmental grant.

16 (i) "MCL" means Michigan Compiled Laws.

17 (j) "PA" means public act.

18 (k) "Work project" means a group of activities featuring a
19 fixed duration, budget, and scope that is expected to cause a
20 measurable change in the delivery, efficiency, or effectiveness of
21 1 or more operations.

22 (l) "Large veterans service organization" means a VSO that can
23 certify that its membership exceeds 30,000 individuals.

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

27 (n) "Small veterans service organization" means a VSO that can

1 certify that its membership is between 1,000 and 2,499 individuals.

2 (o) "VSO" means veterans service organization.

3 Sec. 204. The following shall constitute the appropriations
4 from part 1 for interdepartmental grant funds received by the
5 department from sources outside the department: \$165,800.00 from
6 challenge grant; \$100,000.00 from the department of community
7 health; and \$900,000.00 from the department of state police.

8 Sec. 206. (1) In addition to the funds appropriated in part 1,
9 there is appropriated an amount not to exceed \$10,000,000.00 for
10 federal contingency funds. These funds are not available for
11 expenditure until they have been transferred to another line item
12 in this act under section 393(2) of the management and budget act,
13 1984 PA 431, MCL 18.1393.

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

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

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

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

5 Sec. 207. The department shall provide the data necessary for
6 the department of technology, management, and budget to maintain a
7 searchable website that is accessible by the public at no cost that
8 includes, but is not limited to, all of the following:

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

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

11 (c) Fiscal year-to-date payments to a selected vendor,
12 including the vendor name, payment date, payment amount, and
13 payment description.

14 (d) The number of active department employees by job
15 classification.

16 (e) Job specifications and wage rates.

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

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

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

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

12 Sec. 212. The department shall receive and retain copies of
13 all reports funded from appropriations in part 1. Federal and state
14 guidelines for short-term and long-term retention of records shall
15 be followed. The department may electronically retain copies of
16 reports unless otherwise required by federal and state guidelines.

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

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

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

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

1 Sec. 217. The department shall improve its budgetary
2 efficiency pertaining to the delivery of core services delineated
3 in section 222 by doing all of the following:

4 (a) Prioritizing personnel over buildings in budgetary
5 efficiency considerations.

6 (b) Pursuing the physical or virtual consolidation of support
7 service functions such as information technology, human resources,
8 and accounting as a means of improving standardization and
9 efficiency.

10 (c) Seeking expenditure reductions whenever possible through
11 the streamlining of existing service delivery activities.

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

15 Sec. 218. The department shall prepare a report on out-of-
16 state travel expenses not later than January 1 of each year. The
17 travel report shall be a listing of all travel by classified and
18 unclassified employees outside this state in the immediately
19 preceding fiscal year that was funded in whole or in part with
20 funds appropriated in the department's budget. The report shall be
21 submitted to the house and senate standing committees on
22 appropriations, the house and senate fiscal agencies, and the state
23 budget director. The report shall include the following
24 information:

25 (a) The dates of each travel occurrence.

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

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

4 Sec. 219. (1) The department shall provide quarterly reports,
5 beginning October 1, to the senate and house appropriations
6 subcommittees, and the senate and house fiscal agencies, which
7 provide the following data:

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

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

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

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

21 (e) A list of property sales as described in section 223 of
22 this part.

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

25 (3) The department shall provide a corrective action plan
26 within 30 days of a quarterly report under this section for any
27 requirements of this part that have not been achieved. The

1 department shall provide a monthly status of corrective action
2 plans.

3 (4) The department shall provide a summary of fund shifts,
4 that have been approved by the state budget office, that have
5 occurred between items listed in the schedule of programs mentioned
6 in part 1 on a quarterly basis to the senate and house
7 appropriations subcommittees on state police and military and
8 veterans affairs, and the senate and house fiscal agencies.

9 (5) The department shall provide a corrective action plan for
10 any service metrics that do not meet requirements. The department
11 shall provide a status of correction action plans at the next
12 quarterly review.

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

17 Sec. 220. The department shall provide the following data to
18 the appropriate senate and house appropriations subcommittees and
19 the senate and house fiscal agencies on an annual basis:

20 (a) Using information received from the grant recipients in
21 section 401 of this part, a progress report on metric requirements,
22 copies of certified financial audits and tax reports of grant
23 recipients, a listing from grant recipients of expenditures by
24 spending category, including a listing of individual salaries of
25 each officer and administrative staff, a listing of volunteer hours
26 including the hours, series, and donations provided to residents of
27 the Grand Rapids veterans' home and the D.J. Jacobetti veterans'

1 home. The department shall provide within the report a specific
2 notification whether any veterans grant recipients failed to comply
3 with established reporting requirements.

4 (b) The Grand Rapids veterans' home and the D.J. Jacobetti
5 veterans' home shall produce a report including an accounting of
6 member populations and bed space available, a description and
7 accounting of services and activities provided to members,
8 financial information, and current state nursing home licensure
9 status.

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

19 Sec. 222. The appropriations in part 1 are for the core
20 services, support services, and work projects of the department,
21 including, but not limited to, the following core services:
22 armories and joint forces readiness, maintenance and operation of
23 army national guard training facilities, operation and maintenance
24 of air national guard air bases, veterans affairs directorate and
25 administration of the veterans trust fund, administration and
26 oversight of veterans advice, advocacy, and assistance grants,
27 training support for county veterans counselors, administration of

1 the military family relief fund, the Michigan youth challenge
2 academy program, and the administration of the Grand Rapids
3 veterans' home and the D.J. Jacobetti veterans' home.

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

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

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

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

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

1 house fiscal agencies.

2 Sec. 229. Within 14 days after the release of the executive
3 budget recommendation, the department shall provide the state
4 budget director, the senate and house appropriations chairs, the
5 senate and house appropriations subcommittees on state police and
6 military and veterans affairs, and the senate and house fiscal
7 agencies with an annual report on estimated state restricted fund
8 balances, state restricted fund projected revenues, and state
9 restricted fund expenditures for the fiscal years ending September
10 30, 2012 and September 30, 2013.

11 **HEADQUARTERS AND ARMORIES**

12 Sec. 300. (1) From the funds appropriated in part 1, there is
13 funding to support unclassified employee positions as authorized by
14 section 5 of article XI of the state constitution of 1963. These
15 positions include the following: department director, the adjutant
16 general for Michigan; assistant adjutant general - army; assistant
17 adjutant general - installations; assistant adjutant general - air;
18 director, veterans affairs directorate; deputy director,
19 installations command; director, strategy and policy; and director,
20 public safety project.

21 (2) Not less than 30 days prior to the department submitting a
22 request for an additional unclassified employee position from the
23 civil service commission, or for any substantive change to the
24 duties of an existing unclassified employee position, the
25 department shall notify the senate and house appropriations
26 subcommittees on state police and military affairs and the senate

1 and house fiscal agencies.

2 Sec. 301. (1) The department shall provide administrative
3 support for department operations.

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

6 (3) The department shall maintain the staffing and resources
7 necessary to adhere to the state of Michigan financial management
8 guide for accounting, contracting, purchasing, budgeting, and
9 financial reporting and the administrative guide to state
10 government.

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

13 Sec. 302. (1) The department shall operate and maintain
14 national guard armories.

15 (2) The department shall provide resources necessary to ensure
16 that armories are maintained in accordance with army regulation
17 210-14.

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

21 (4) The department shall establish a system that measures the
22 condition and adequacy of armory facilities using both quality and
23 functionality criteria based off the installation status report-
24 infrastructure inspections that are conducted annually as a
25 requirement set forth by the national guard.

26 (5) The department shall identify and upgrade 15 red armories
27 to yellow or green facilities as determined by the measure

1 established in subsection (4).

2 (6) The department shall consult with the house and senate
3 appropriations subcommittees on state police and military and
4 veterans affairs regarding the projected closing or consolidation
5 of any national guard armories.

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

9 (2) The department shall provide resources necessary to train
10 and equip military forces to standards set by the United States
11 armed forces.

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

15 (2) The department shall provide resources necessary to meet
16 building maintenance requirements per performance specifications
17 established in master cooperative agreement appendix 1, section
18 104, national guard bureau regulations.

19 (3) Army national guard training facilities security
20 management shall secure all locations, monitor alarm equipment, and
21 adhere to state laws, statutes, and army regulation 190-56 and
22 master cooperative agreement appendix 3, section 308, national
23 guard bureau regulations.

24 (4) Using individual facility assessments, the department
25 shall improve the adequacy of utilities and infrastructure of the
26 air bases. The department shall improve quality rating at the air
27 base facilities based on the number of faults corrected and dollars

1 available (spent) during the fiscal year.

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

5 (2) The department shall provide resources necessary to train
6 and equip military forces to standards set by the United States
7 armed forces.

8 (3) Using individual facility assessments, the department
9 shall improve the adequacy of utilities and infrastructure of the
10 military training sites and support facilities. The department
11 shall improve quality rating at the facilities based on the number
12 of faults corrected and dollars available (spent) during the fiscal
13 year.

14 Sec. 306. (1) The department shall operate and maintain air
15 national guard air bases, including Selfridge air national guard
16 base, Battle Creek air national guard base, and Alpena combat
17 readiness training center.

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

23 (3) The department shall maintain the staffing and resources
24 necessary to provide security services at air national guard bases,
25 including the security of the location and the monitoring of alarm
26 equipment, in accordance with air force instruction 31-101 and
27 master cooperative agreement appendix 23, section 2308, national

1 guard bureau regulations.

2 **VETERANS OUTREACH**

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

5 (2) The department shall maintain the staffing and resources
6 necessary to develop and operate a program that will provide
7 benefits counseling and representation to veterans of this state
8 for the purpose of assisting veterans to obtain United States
9 department of veteran affairs health, financial, and memorial
10 benefits for which they are eligible.

11 (3) Grants recipients in this section shall submit a report to
12 the department on the number of claims filed for veterans in this
13 state with the United States department of veterans affairs and the
14 number of actual claims awarded.

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

21 (a) Assist the department in establishing criteria for grant
22 awards. The department, while utilizing advice provided by the
23 board in establishing grant criteria, is solely responsible for
24 determination of the amounts and recipients of the grants.

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

1 (c) Assist the department in developing plans, reviewing
2 service delivery, and identifying goals to better assist veterans
3 in applying for and receiving benefits from the federal, state, and
4 local governments.

5 (d) Provide a forum regarding veterans' issues, including
6 suggesting changes in department programs that address veterans'
7 changing needs.

8 (5) Of the appropriation in part 1 for veterans advice,
9 advocacy, and assistance, grants shall be distributed by the
10 department in the form of 5 grants for the period beginning October
11 1, 2012, including 1 specialized grant. The specialized grant shall
12 be awarded to a group specializing in advocacy for paralyzed
13 veterans.

14 (6) Money used for grants shall be used only for salaries,
15 wages, related personnel costs, in-state training, and equipment
16 for accredited veteran service advocacy officers and necessary
17 support and managerial staff.

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

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

1 (a) Improve national standing with regard to veterans affairs
2 benefits granted per veteran, including veterans education
3 benefits.

4 (b) Increase the percentage of veterans in this state who
5 become aware of their eligibility for service-connected disability
6 or pension benefits from the United States department of veterans
7 affairs.

8 (c) Increase the percentage of veterans in this state who
9 become aware of their eligibility for enrollment in the veterans
10 affairs health care system.

11 (d) Expand training opportunities for veteran service
12 organization service officers.

13 (e) Increase the percentage of veterans in this state who
14 become aware of their eligibility for education benefits under the
15 post-9/11 veterans education assistance improvements act of 2010.

16 (f) Increase the percentage of veterans in this state who
17 become aware of job training and job placement opportunities.

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

21 (2) The Michigan veterans' trust fund board together with the
22 department shall maintain the staffing and resources necessary to
23 provide outreach to veterans who may need and qualify for veterans
24 trust fund emergency grants.

25 (3) The Michigan veterans' trust fund board shall work to
26 increase the percentage of grant applications that are approved and
27 received by eligible families by 5% over those approved and

1 received by eligible families in fiscal year 2010-2011.

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

4 (2) The department shall provide resources necessary to
5 provide county veterans counselors with training to ensure quality
6 services to veterans.

7 (3) The department shall work with counties towards the goal
8 of having at least 1 county veterans counselor in every county in
9 this state.

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

14 **COMMUNITY OUTREACH PROGRAMS**

15 Sec. 501. (1) The department shall provide grants for
16 disbursement from the military family relief fund.

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

20 (3) The department shall work to increase the percentage of
21 military family relief grant applications that are approved and
22 received by eligible families by 5% over those approved and
23 received by eligible families in fiscal year 2010-2011.

24 Sec. 502. (1) The department shall maintain the Michigan youth
25 challenge academy to provide values, skills, education, and self-
26 discipline instruction for at-risk youth.

1 (2) The department shall ensure that at least 65% of the
2 cadets who enroll in the Michigan youth challenge academy meet the
3 requirement for graduation from the academy.

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

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

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

17 HOMES

18 Sec. 601. (1) The department shall provide compassionate,
19 quality interdisciplinary care at the state's Grand Rapids and D.J.
20 Jacobetti veterans' homes so that members can achieve their highest
21 potential of wellness, independence, self-worth, and dignity.

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

25 (a) A licensed minimum number of 403 residents in skilled
26 nursing beds at the Grand Rapids veterans' home.

1 (b) A licensed minimum number of 72 residents in domiciliary
2 beds at the Grand Rapids veterans' home.

3 (c) A licensed minimum number of 158 residents in skilled
4 nursing beds at the D.J. Jacobetti veterans' home.

5 (d) A licensed minimum number of 11 residents in domiciliary
6 beds at the D.J. Jacobetti veterans' home.

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

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

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

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

19 (7) The Grand Rapids and D.J. Jacobetti veterans' homes shall
20 ensure that each resident receives a medical and care assessment
21 including a dietary plan upon admission to the home, with meals and
22 snacks provided in accordance with the plan and R 325.20803 of the
23 Michigan administrative code.

24 (8) The money appropriated in this article for the boards of
25 managers may be expended for facility improvements, the purchase
26 and repair of equipment and furnishings, member services, and other
27 purposes that benefit the Grand Rapids and D.J. Jacobetti veterans'

1 homes.

2 (9) Appropriations in this article for the Grand Rapids and
3 D.J. Jacobetti veterans' homes shall not be used for any purpose
4 other than for veterans and veterans' families.

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

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

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

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

22 (14) Any contractor providing competency evaluated nursing
23 assistants to the Grand Rapids and D.J. Jacobetti veterans' homes
24 shall ensure that each CENA has at least 1 year of experience in
25 long-term care.

26 (15) The Grand Rapids and D.J. Jacobetti veterans' homes shall
27 provide each CENA at least 12 hours of in-service training once

1 that individual has been assigned to the veterans' home.

2 (16) The Grand Rapids and D.J. Jacobetti veterans' homes shall
3 ensure that care services are provided to each resident of the
4 veterans' homes in accordance with standards set by the United
5 States department of veterans' affairs.

6 Sec. 602. (1) It is the intent of the legislature that the
7 office of the Michigan veterans' facility ombudsman be created
8 within the legislative council. The ombudsman shall be appointed by
9 and serve at the pleasure of the legislative council.

10 (2) The legislative council shall establish procedures for
11 approving the budget of the office, for expending funds of the
12 office, and for the employment of personnel for the office.

13 (3) The purpose of the ombudsman is to conduct investigations,
14 when deemed necessary, upon his or her own initiative or upon
15 receipt of a complaint from a resident veteran, family member of a
16 resident veteran, or legislator who files a complaint concerning an
17 action, omission, decision, recommendation, practice, or other
18 procedure of the department of military and veterans affairs or a
19 condition existing at a Michigan veterans' facility that is alleged
20 to be contrary to law or departmental policy or that poses a
21 significant health or safety issue for which there is no effective
22 administrative remedy.

23 (4) Subject to approval of the legislative council, the
24 ombudsman shall establish procedures for receiving and processing
25 complaints, conducting investigations, holding hearings, and
26 reporting the findings resulting from the investigations.

27 (5) Upon request and without the requirement of any release,

1 the ombudsman shall be given access to all information, records,
2 and documents in the possession of the department of military and
3 veterans affairs or a Michigan veterans' facility that the
4 ombudsman deems necessary in an investigation.

5 (6) Upon request and without notice, the ombudsman shall be
6 granted entrance to inspect at any time any Michigan veterans'
7 facility.

8 (7) The ombudsman may hold informal hearings and may request
9 that any person appear before the ombudsman or at a hearing and
10 give testimony or produce documentary or other evidence that the
11 ombudsman deems relevant to an investigation.

12 (8) The ombudsman shall advise a complainant to pursue all
13 administrative remedies open to the complainant. The ombudsman may
14 request and shall receive from the department of military and
15 veterans affairs or from a Michigan veterans' facility a progress
16 report concerning the administrative processing of a complaint.
17 After administrative action on a complaint, the ombudsman may
18 conduct further investigation on the request of a complainant or on
19 his or her own initiative.

20 (9) The ombudsman is not required to conduct an investigation
21 on a complaint brought before the ombudsman. A complainant is not
22 entitled as a right to be heard by the ombudsman.

23 (10) Upon receiving a complaint and deciding to investigate
24 the complaint, the ombudsman shall notify the complainant, the
25 resident veteran or resident veterans affected, and the department
26 of military and veterans affairs. If the ombudsman declines to
27 investigate, the ombudsman shall notify the complainant, in

1 writing, and inform the resident veteran or veterans affected of
2 the reasons for the ombudsman's decision.

3 (11) Correspondence between the ombudsman and a complainant is
4 confidential and is privileged communication. A report prepared and
5 recommendations made by the ombudsman and submitted to the
6 legislative council are exempt from disclosure under the freedom of
7 information act, 1976 PA 442, MCL 15.231 to 15.246.

8 (12) The ombudsman shall prepare and submit a report of the
9 findings of an investigation and make recommendations to the
10 legislative council within 30 days after completing the
11 investigation if the ombudsman finds any of the following:

12 (a) A matter that should be considered by the department.

13 (b) An act that should be modified or canceled.

14 (c) A statute or rule that should be altered.

15 (d) Acts for which justification is necessary.

16 (e) Significant resident veteran health and safety issues as
17 determined by the council.

18 (f) Any other significant concerns as determined by the
19 council.

20 (13) Before announcing a conclusion or recommendation that
21 expressly or by implication criticizes a person or Michigan
22 veterans' facility or the department of military and veterans
23 affairs, the ombudsman shall consult with that person or facility
24 or the department.

25 (14) The ombudsman may request to be notified by a person or
26 Michigan veterans' facility or the department of military and
27 veterans affairs, within a specified time, of any action taken on

1 any recommendation presented. The ombudsman shall notify the
2 complainant of the actions taken by the person, the facility, or
3 the department of military and veterans affairs.

4 (15) The ombudsman shall submit to the legislative council and
5 the legislature an annual report on the conduct of the office.

6 (16) A resident veteran shall not be penalized in any way by a
7 person or Michigan veterans' facility or the department of military
8 and veterans affairs as a result of filing a complaint, complaining
9 to a legislator, or cooperating with the ombudsman in investigating
10 a complaint. A person or facility or the department shall not
11 hinder the lawful actions of the ombudsman or employees of the
12 office or willfully refuse to comply with any lawful demand of the
13 office.

14 **CAPITAL OUTLAY AND ONE-TIME APPROPRIATIONS**

15 Sec. 701. (1) The director shall allocate lump-sum
16 appropriations made in this article consistent with statutory
17 provisions and the purposes for which funds were appropriated.
18 Lump-sum allocations shall address priority program or facility
19 needs and may include, but are not limited to, design,
20 construction, remodeling and addition, special maintenance, major
21 special maintenance, energy conservation, and demolition.

22 (2) The state budget director may authorize that funds
23 appropriated for lump-sum appropriations shall be available for no
24 more than 3 fiscal years following the fiscal year in which the
25 original appropriation was made. Any remaining balance from
26 allocations made in this section shall lapse to the fund from which

1 it was appropriated pursuant to the lapsing of funds as provided in
2 the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

3 Sec. 702. The appropriations in part 1 for capital outlay
4 shall be carried forward at the end of the fiscal year consistent
5 with section 248 of the management and budget act, 1984 PA 431, MCL
6 18.1248.

7 Sec. 703. (1) One-time appropriations in part 1 for special
8 maintenance and remodeling at the Grand Rapids veterans' home and
9 the D.J. Jacobetti veterans' home shall be used for maintenance and
10 information technology needs at the homes. Maintenance and
11 remodeling include improvements to the mechanical, electrical,
12 plumbing, and security systems, roof repairs and replacements,
13 energy conservation measures, lighting upgrades, repair and
14 replacement of floors, pipe insulation, windows, boilers, new and
15 upgraded fire detection and suppression systems, and other repairs,
16 upgrades, and renovation projects as approved by the senate and
17 house appropriations subcommittees on state police and military and
18 veterans affairs.

19 (2) The Grand Rapids veterans' home and the D.J. Jacobetti
20 veterans' home shall report by November 1 to the senate and house
21 appropriations subcommittees on state police and military and
22 veterans affairs on their plans for expending the 1-time
23 appropriations contained in part 1.

24 Sec. 704. (1) One-time appropriations in part 1 for veterans
25 service enhancements shall be used to establish and implement a
26 college campus initiative, in collaboration with the United States
27 department of veterans affairs vocational rehabilitation program,

1 to assist veterans on campus with enrolling in the veterans affairs
2 health care system or with filing claims for disabilities with the
3 United States department of veterans affairs.

4 (2) One-time appropriations in part 1 for veterans service
5 enhancements shall be used to implement an Internet-based data
6 system, in collaboration with the Michigan association of county
7 veterans counselors, to ensure that Michigan's veterans and their
8 families receive professional assistance, advocacy, and counseling
9 to obtain and receive the benefits to which they are entitled.

10 (3) The department shall report by November 1 to the senate
11 and house appropriations subcommittees on state police and military
12 and veterans affairs on their plans for expending the 1-time
13 appropriations contained in part 1.

14 Sec. 705. From the funds appropriated in part 1, the
15 department shall develop an application and grant process to fund
16 additional accredited veterans service officers. The grants shall
17 be made available to underserved counties, based on need of
18 veterans services. The grant program shall increase the number of
19 county veterans counselors who are accredited from the number who
20 were accredited in fiscal year 2011-2012.

21 Sec. 706. From the funds appropriated in part 1, the
22 department shall digitize all medical records and military
23 discharge documents which are currently on paper and microfilm.

24 PART 2A

25 PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS

FOR FISCAL YEAR 2013-2014

GENERAL SECTIONS

Sec. 1201. (1) It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2014 for the line items listed in part 1. The fiscal year 2013-2014 appropriations are anticipated to be the same as those for fiscal year 2012-2013, excluding appropriations designated as 1-time appropriations and adjusting for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2013 consensus revenue estimating conference.

(2) The department shall identify and upgrade 15 red armories to yellow or green facilities as determined by the measure established in section 302.