

**SUBSTITUTE FOR
SENATE BILL NO. 235**

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2008; 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

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of military and veterans affairs for the fiscal year ending September

Senate Bill No. 235 as amended August 22, 2007

1 30, 2008, from the funds indicated in this part. The following is a
 2 summary of the appropriations in this part:

3 **DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

4 APPROPRIATION SUMMARY:

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

6 Full-time equated classified positions..... 1,015.0

7 GROSS APPROPRIATION..... \$ <<126,999,700>>

8 Interdepartmental grant revenues:

9 Total interdepartmental grants and intradepartmental
10 transfers 1,680,900

11 ADJUSTED GROSS APPROPRIATION..... \$ <<125,318,800>>

12 Federal revenues:

13 Total federal revenues..... 54,187,500

14 Special revenue funds:

15 Total local revenues..... 1,283,900

16 Total private revenues..... 1,463,300

17 Total other state restricted revenues..... 28,428,600

18 State general fund/general purpose..... \$ <<39,955,500>>

19 **Sec. 102. HEADQUARTERS AND ARMORIES**

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

21 Full-time equated classified positions..... 123.0

22 Headquarters and armories--82.5 FTE positions \$ 10,728,500

23 Unclassified military personnel..... 665,000

24 Military appeals tribunal..... 900

25 Michigan emergency volunteers..... 5,000

26 State active duty..... 90,100

27 Challenge program--40.5 FTE positions 4,696,300

| | | |
|----|--|----------------|
| 1 | Homeland security..... | 1,000,000 |
| 2 | Unmanned aerial vehicle..... | 1,000 |
| 3 | Human resources optimization user charge..... | 62,600 |
| 4 | Military family relief fund..... | <u>600,000</u> |
| 5 | GROSS APPROPRIATION..... | \$ 17,849,400 |
| 6 | Appropriated from: | |
| 7 | IDG, challenge grant..... | 260,000 |
| 8 | IDG, community health..... | 100,000 |
| 9 | IDG, state police..... | 900,000 |
| 10 | IDG, human services..... | 420,900 |
| 11 | Federal revenues: | |
| 12 | DOD-DOA-NGB..... | 5,226,900 |
| 13 | Special revenue funds: | |
| 14 | Local-school aid fund..... | 1,283,900 |
| 15 | Rental fees..... | 350,000 |
| 16 | Mackinac Bridge authority..... | 60,000 |
| 17 | Private donations..... | 819,700 |
| 18 | Military family relief fund..... | 600,000 |
| 19 | Private-parent pay revenue..... | 103,600 |
| 20 | State general fund/general purpose..... | \$ 7,724,400 |
| 21 | Sec. 103. MILITARY TRAINING SITES AND SUPPORT | |
| 22 | FACILITIES | |
| 23 | Full-time equated classified positions..... 200.0 | |
| 24 | Military training sites and support | |
| 25 | facilities--200.0 FTE positions..... | \$ 22,944,100 |
| 26 | Military training sites and support facilities test | |
| 27 | projects | <u>100,000</u> |

| | | | |
|----|--|----|----------------|
| 1 | GROSS APPROPRIATION..... | \$ | 23,044,100 |
| 2 | Appropriated from: | | |
| 3 | Federal revenues: | | |
| 4 | DOD-DOA-NGB..... | | 18,746,600 |
| 5 | Special revenue funds: | | |
| 6 | Regional training institute fund..... | | 1,500,000 |
| 7 | Test project fees..... | | 100,000 |
| 8 | State general fund/general purpose..... | \$ | 2,697,500 |
| 9 | Sec. 104. DEPARTMENTWIDE APPROPRIATIONS | | |
| 10 | Departmentwide accounts..... | \$ | 1,660,100 |
| 11 | Special maintenance - state..... | | 152,200 |
| 12 | Special maintenance - federal..... | | 5,300,000 |
| 13 | Military retirement..... | | 3,048,000 |
| 14 | Counter narcotic operations..... | | 50,000 |
| 15 | Starbase grant..... | | <u>957,000</u> |
| 16 | GROSS APPROPRIATION..... | \$ | 11,167,300 |
| 17 | Appropriated from: | | |
| 18 | Federal revenues: | | |
| 19 | DOD-DOA-NGB..... | | 7,523,100 |
| 20 | Federal counternarcotic revenues..... | | 50,000 |
| 21 | State general fund/general purpose..... | \$ | 3,594,200 |
| 22 | Sec. 105. VETERANS SERVICE ORGANIZATIONS | | |
| 23 | American legion..... | \$ | 887,000 |
| 24 | Disabled American veterans..... | | 733,400 |
| 25 | Marine corps league..... | | 337,300 |
| 26 | American veterans of World War II and Korea..... | | 465,800 |
| 27 | Veterans of foreign wars..... | | 887,000 |

| | | | |
|----|--|-------|----------------|
| 1 | Michigan paralyzed veterans of America | | 166,700 |
| 2 | Purple heart | | 158,900 |
| 3 | Veterans of World War I | | 100 |
| 4 | Polish legion of American veterans | | 42,200 |
| 5 | Jewish veterans of America | | 42,200 |
| 6 | State of Michigan council - Vietnam veterans of | | |
| 7 | America | | 160,500 |
| 8 | Catholic war veterans | | <u>42,200</u> |
| 9 | GROSS APPROPRIATION | \$ | 3,923,300 |
| 10 | Appropriated from: | | |
| 11 | State general fund/general purpose | \$ | 3,923,300 |
| 12 | Sec. 106. GRAND RAPIDS VETERANS' HOME | | |
| 13 | Full-time equated classified positions..... | 517.0 | |
| 14 | Grand Rapids veterans' home--517.0 FTE positions | \$ | 48,673,800 |
| 15 | Board of managers | | <u>665,000</u> |
| 16 | GROSS APPROPRIATION | \$ | 49,338,800 |
| 17 | Appropriated from: | | |
| 18 | Federal revenues: | | |
| 19 | DVA-VHA | | 15,504,500 |
| 20 | HHS, Medicaid | | 153,500 |
| 21 | HHS, Medicare | | 1,550,900 |
| 22 | Special revenue funds: | | |
| 23 | Private - veterans' home post and posthumous funds ... | | 415,000 |
| 24 | Income and assessments | | 14,806,400 |
| 25 | Military family relief fund | | 250,000 |
| 26 | Lease revenue | | 12,200 |
| 27 | State general fund/general purpose | \$ | 16,646,300 |

| | | | |
|----|--|-------|------------------|
| 1 | Sec. 107. D.J. JACOBETTI VETERANS' HOME | | |
| 2 | Full-time equated classified positions..... | 159.0 | |
| 3 | D.J. Jacobetti veterans' home--159.0 FTE positions ... | | \$ 15,771,000 |
| 4 | Board of managers..... | | <u>275,000</u> |
| 5 | GROSS APPROPRIATION..... | | \$ 16,046,000 |
| 6 | Appropriated from: | | |
| 7 | Federal revenues: | | |
| 8 | DVA-VHA..... | | 4,479,600 |
| 9 | HHS, Medicare..... | | 497,600 |
| 10 | HHS, Medicaid..... | | 10,300 |
| 11 | Special revenue funds: | | |
| 12 | Private - veterans' home post and posthumous funds ... | | 125,000 |
| 13 | Military family relief fund..... | | 150,000 |
| 14 | Income and assessments..... | | 5,300,100 |
| 15 | State general fund/general purpose..... | | \$ 5,483,400 |
| 16 | Sec. 108. VETERANS' AFFAIRS DIRECTORATE | | |
| 17 | Full-time equated classified positions..... | 16.0 | |
| 18 | Veterans' affairs directorate administration--3.0 | | |
| 19 | FTE positions | | \$ 336,500 |
| 20 | Veterans' trust fund administration--13.0 FTE | | |
| 21 | positions | | 1,222,300 |
| 22 | Veterans' trust fund grants..... | | <u>3,746,500</u> |
| 23 | GROSS APPROPRIATION..... | | \$ 5,305,300 |
| 24 | Appropriated from: | | |
| 25 | Special revenue funds: | | |
| 26 | Michigan veterans' trust fund..... | | 4,968,800 |
| 27 | State general fund/general purpose..... | | \$ 336,500 |

Senate Bill No. 235 as amended August 22, 2007

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|----|--|---------------------|
| 1 | Sec. 109. INFORMATION TECHNOLOGY | |
| 2 | Information technology services and projects | \$ <u>1,187,500</u> |
| 3 | GROSS APPROPRIATION..... | \$ 1,187,500 |
| 4 | Appropriated from: | |
| 5 | Federal revenues: | |
| 6 | DOD-DOA-NGB..... | 116,500 |
| 7 | DVA-VHA..... | 318,600 |
| 8 | HHS, Medicare..... | 9,400 |
| 9 | Special revenue funds: | |
| 10 | Income and assessments..... | 331,100 |
| 11 | State general fund/general purpose..... | \$ 411,900 |
| | << Sec. 110. BUDGETARY SAVINGS | |
| | Budgetary savings..... | <u>\$(862,000)</u> |
| | GROSS APPROPRIATION..... | <u>\$(862,000)</u> |
| | Appropriated from: | |
| | State general fund/general purpose..... | \$ (862,000) >> |

12 PART 2
13 PROVISIONS CONCERNING APPROPRIATIONS
14 **GENERAL SECTIONS**

15 Sec. 201. Pursuant to section 30 of article IX of the state
16 constitution of 1963, total state spending from state resources
17 under part 1 for fiscal year 2007-2008 is <<\$68,384,100.00>> and state
18 spending from state resources to be paid to local units of
19 government for fiscal year 2007-2008 is \$120,000.00. The itemized
20 statement below identifies appropriations from which spending to
21 local units of government will occur:

| | | |
|----|--|-----------|
| 22 | DEPARTMENT OF MILITARY AND VETERANS AFFAIRS | |
| 23 | MILITARY TRAINING SITES AND SUPPORT FACILITIES | |
| 24 | Payments in lieu of taxes..... | \$ 70,000 |
| 25 | MICHIGAN VETERANS' TRUST FUND | |

Senate Bill No. 235 as amended August 22, 2007

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

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

6 Sec. 203. As used in this act:

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

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

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

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

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

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

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

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

20 (i) "IDG" means interdepartmental grant.

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

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

1 prohibited from hiring employees into the classified state civil
2 service or unclassified positions within the executive branch of
3 state government; creating new positions within the classified
4 state civil service or new unclassified positions; and filling new
5 or existing vacant positions by external hire from outside of state
6 government, transfer or promotion between state departments or
7 agencies, or internal promotions within a department or agency. The
8 hiring freeze described in this section applies regardless of the
9 fund source financing the position but does not apply to appointments
10 required by law.

11 (2) The state budget director may grant exceptions to the hiring
12 freeze if 1 or more of the following apply:

13 (a) The creation of a position or filling a vacant position by any
14 method is required by legal mandate, federal mandate, or court order.

15 (b) The creation of a position or filling a vacant position by any
16 method is necessary to protect the health or safety of Michigan citizens.

17 (c) The creation of a position or filling a vacant position by any
method is necessary to produce budgetary savings or to protect existing
state revenue or secure additional state revenue.

(d) The creation of a position or filling a vacant position by any
method is necessary to provide for the basic daily living requirements of
residents of a state institution or facility.

(3) The state budget director shall report quarterly to the
chairpersons of the senate and house of representatives standing
committees on appropriations and the respective fiscal agencies the
number of exceptions to the hiring freeze approved for each state
department or agency during the immediately preceding quarter and the
reasons to justify the exception.

(4) The attorney general and secretary of state may grant
exceptions to the hiring freeze for their respective departments under
the same criteria that the state budget director is able to grant
exceptions.>>

18 Sec. 207. Sixty days before beginning any effort to privatize,
19 the department shall submit a complete project plan to the

Senate Bill No. 235 as amended August 22, 2007

20 appropriate senate and house of representatives appropriations
21 subcommittees and the senate and house fiscal agencies. The plan
22 shall include the criteria under which the privatization initiative
23 will be evaluated. The evaluation shall be completed and submitted
24 to the appropriate senate and house of representatives
25 appropriations subcommittees and the senate and house fiscal
26 agencies within 30 months.

27 Sec. 208. Unless otherwise specified, the department shall use

Senate Bill No. 235 as amended August 22, 2007

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

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

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

20 Sec. 211. 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. The department shall
23 follow all federal guidelines and state laws regarding short-term
24 and long-term retention of records.

25 Sec. 212. (1) Of the funds appropriated in part 1 for military
26 training sites and support facilities, there shall be established a
27 Michigan national guard education assistance program. Disbursements

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

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

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

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

27 (5) The education assistance program applies to any course of

1 instruction that is included in an associate, undergraduate, or
2 postgraduate degree program offered by a college or university of
3 this state.

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

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

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

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

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

26 Sec. 213. The department shall consult with the house and
27 senate appropriations subcommittees on military and veterans

1 affairs regarding the projected closing or consolidation of any
2 national guard armories.

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

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

13 Sec. 223. 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 information technology. Funds designated in this
17 manner are not available for expenditure until approved as work
18 projects under section 451a of the management and budget act, 1984
19 PA 431, MCL 18.1451a.

20 Sec. 225. (1) Due to the current budgetary problems in this
21 state, out-of-state travel for the fiscal year ending September 30,
22 2008 shall be limited to situations in which 1 or more of the
23 following conditions apply:

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

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

1 circumstances.

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

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

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

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

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

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

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

1 (b) The destination of each travel occurrence.

2 (c) The dates of each travel occurrence.

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

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

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

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

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

20 Sec. 228. Funds appropriated in part 1 shall not be used by a
21 principal executive department, state agency, or authority to hire
22 a person to provide legal services that are the responsibility of
23 the attorney general.

24 Sec. 229. There is hereby created and established under the
25 jurisdiction and control of the department a revolving account to
26 be known as the regional training institute conference center
27 account. All of the fees and other revenues generated from the

1 operation of the regional training institute conference center
2 shall be deposited in the regional training institute conference
3 center account. Appropriations shall be made from the account for
4 the support of program operations and the maintenance and
5 operations of the regional training institute, the construction and
6 maintenance of morale, welfare, and recreation facilities on Fort
7 Custer or training areas within Michigan, and shall not exceed the
8 estimated revenues for the fiscal year in which they are made,
9 together with unexpended balances from prior years. The department
10 shall submit an annual report of operations and expenditures
11 regarding the regional training institute conference center account
12 to the senate and house of representatives standing committees on
13 appropriations, the senate and house fiscal agencies, and the state
14 budget director at the end of the fiscal year.

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

17 (a) Military personnel.

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

19 (c) Educational institutions.

20 (d) Nonprofit corporations or associations organized pursuant
21 to the nonprofit corporation act, 1962 PA 162, MCL 450.2101 to
22 450.3192.

23 (e) Community service clubs.

24 (f) Groups of persons with disabilities.

25 (g) Members of the legislature for the purposes related to the
26 business of the legislature.

27 (h) Entities and organizations that wish to use the conference

Senate Bill No. 235 as amended August 22, 2007

1 center to host an event that has a military agenda.

2 Sec. 231. (1) The department shall report no later than April
3 1, 2008 on each specific policy change made to implement enacted
4 legislation to the senate and house appropriations subcommittees on
5 the department budget, the senate and house standing committees on
6 the department budget, the chairperson of the joint committee on
7 administrative rules, and the senate and house fiscal agencies and
8 policy offices.

9 (2) Funds appropriated in part 1 shall not be used to prepare
10 regulatory plans or promulgate rules that fail to reduce the
11 disproportionate economic impact on small businesses pursuant to
12 section 40 of the administrative procedures act of 1969, 1969 PA
13 306, MCL 24.240.

<<Sec. 232. Appropriation authorization adjustments required due to
negative appropriations for budgetary savings shall be made only after
the approval of transfers by the legislature under section 393(2) of the
management and budget act, 1984 PA 431, MCL 18.1393.>>

14 **HEADQUARTERS AND ARMORIES**

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

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

24 (2) The department shall make every effort to identify
25 alternative sources of revenue to replace the general fund/general
26 purpose funding provided in this act for the challenge program.

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

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

15 **VETERANS SERVICE ORGANIZATIONS**

16 Sec. 501. (1) Money appropriated in part 1 for grants to
17 veterans service organizations shall be used only for salaries,
18 wages, related personnel costs, training, and equipment for
19 accredited veteran service advocacy officers and necessary support
20 and managerial staff. Training shall be provided for service
21 advocacy officers and shall be conducted by accredited advocacy
22 officers.

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

26 (a) Be congressionally chartered by the United States

1 congress.

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

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

7 (d) Comply with the department's and the legislature's
8 requirements of accounting audits, service work activity,
9 accounting of recoveries, listing of volunteer hours, budget
10 requests, and other requirements specified in subsection (3).

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

20 (3) A veterans service organization receiving a grant from the
21 money appropriated in part 1 shall file with the department an
22 accounting of its expenditures, audited and certified by a
23 certified public accountant, within 120 days after the
24 organization's fiscal year end. Each organization shall provide a
25 detailed budget request for the fiscal year ending September 30,
26 2009 to the department by November 15, 2007. Each veterans service
27 organization shall provide 5 copies of a listing of all service

1 activity, an accounting of recoveries, and a listing of volunteer
2 hours for the fiscal year ending September 30, 2007 to the
3 department by January 31, 2008. The listing of volunteer hours
4 shall include the hours, services, and donations provided to
5 residents of the Grand Rapids veterans' home and the D.J. Jacobetti
6 veterans' home. Each veterans service organization shall provide a
7 copy of the most recent and completed internal revenue service form
8 990 to the department at the end of the fiscal year ending
9 September 30, 2007. A veterans service organization receiving a
10 grant from the money appropriated in part 1 shall use the forms
11 recommended by the Michigan veterans organizations rehabilitation
12 and veterans service committee for filing reports required by this
13 act. The department shall forward information required under this
14 section to the senate and house fiscal agencies, the senate and
15 house of representatives appropriations subcommittees on military
16 affairs, and the state budget office.

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

22 (5) To accomplish the goal of subsection (4), the veterans
23 service directors committee and the department shall take steps to
24 increase their responsibility in the administration, management,
25 oversight, and outreach of the delivery of services to veterans.
26 The veterans service directors committee and the department shall
27 involve county veterans counselors and representatives from the

1 Michigan veterans trust fund to work in concert to identify,
2 implement, and evaluate steps to do all of the following:

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

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

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

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

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

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

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

26 (h) Identify areas of redundancy which may exist among
27 services provided by veterans service organizations grantees,

1 Michigan veterans trust fund county committees, and county veterans
2 counselors and provide a proposal on how any redundancies may be
3 minimized and identify specific cost savings which could result.

4 (6) The veterans service directors committee and the
5 department shall create a report of the efforts to complete the
6 goals outlined in this section and shall provide suggestions on how
7 a more effective and efficient veterans' benefits counseling
8 program may best be designed for implementation for fiscal year
9 2008-2009. This report shall be delivered to the house and senate
10 appropriations subcommittees no later than March 1, 2008.

11 VETERANS' HOMES

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

16 Sec. 602. The Grand Rapids veterans' home and the D.J.
17 Jacobetti veterans' home, together with the department and the
18 department of management and budget, shall produce and deliver to
19 the senate and house of representatives appropriations
20 subcommittees on state police and military affairs an annual
21 written report. The report shall include an accounting of member
22 populations and bed space available; a description and accounting
23 of services and activities provided to members; financial
24 information; current state nursing home licensure status; the steps
25 required for Medicaid certification, including a listing of any
26 personnel, equipment, supplies, or budgetary increases required;

1 and whether or not steps are being taken toward Medicaid
2 certification. The annual report shall be submitted to the senate
3 and house of representatives appropriations subcommittees on
4 military affairs no later than February 1, 2008.

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

10 **VETERANS' TRUST FUND**

11 Sec. 703. By April 1, 2008, the department shall submit to the
12 senate and house of representatives appropriations subcommittees on
13 military affairs and the state budget office a detailed annual
14 report of the Michigan veterans' trust fund for fiscal year 2006-
15 2007. The report shall include information on grants provided from
16 the emergency grant program, including details concerning the
17 methodology of allocations, the selection of emergency grant
18 program authorized agents, and a detailed breakdown of trust fund
19 expenditures for that year. The report shall also provide an update
20 on the department's efforts to reduce program administrative costs
21 and restore the Michigan veterans' trust fund corpus to its
22 original amount of \$50,000,000.00.

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

1 duties.