

FIRST CONFERENCE REPORT

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

House Bill No. 5885, entitled

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2011; 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 and Senate agree to the Substitute of the Senate as passed by the Senate, amended to read as follows:

(attached)

Second: That the House and Senate 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, 2011; 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.

Richard LeBlanc

Valde Garcia

John Espinoza

Alan L. Cropsey

Bob Genetski

Jim Barcia

Conferees for the House

Conferees for the Senate

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5885**

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2011; 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 30, 2011, from the funds indicated in this part. The following is a

1 summary of the appropriations in this part:

2 **DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

3 APPROPRIATION SUMMARY

4	Full-time equated unclassified positions.....	7.0	
5	Full-time equated classified positions.....	970.0	
6	GROSS APPROPRIATION.....		\$ 150,042,900
7	Interdepartmental grant revenues:		
8	Total interdepartmental grants and intradepartmental		
9	transfers		1,152,900
10	ADJUSTED GROSS APPROPRIATION.....		\$ 148,890,000
11	Federal revenues:		
12	Total federal revenues.....		82,203,800
13	Special revenue funds:		
14	Total local revenues.....		645,400
15	Total private revenues.....		1,382,700
16	Total other state restricted revenues.....		28,233,400
17	State general fund/general purpose.....		\$ 36,424,700
18	Sec. 102. HEADQUARTERS AND ARMORIES		
19	Full-time equated unclassified positions.....	7.0	
20	Full-time equated classified positions.....	110.0	
21	Headquarters and armories--85.0 FTE positions.....		\$ 11,231,600
22	Unclassified military personnel.....		665,000
23	Military appeals tribunal.....		900
24	Michigan emergency volunteers.....		5,000
25	State active duty.....		100,100
26	Challenge program--25.0 FTE positions.....		4,091,000
27	Homeland security.....		1,000,000

1	Military family relief fund.....	<u>600,000</u>
2	GROSS APPROPRIATION.....	\$ 17,693,600
3	Appropriated from:	
4	IDG, challenge grant.....	152,900
5	IDG, community health.....	100,000
6	IDG, state police.....	900,000
7	Federal revenues:	
8	DOD-DOA-NGB.....	6,519,800
9	Special revenue funds:	
10	Local-school aid fund.....	645,400
11	Rental fees.....	346,400
12	Mackinac Bridge authority.....	70,000
13	Private donations.....	842,700
14	Military family relief fund.....	600,000
15	State general fund/general purpose.....	\$ 7,516,400
16	Sec. 103. MILITARY TRAINING SITES AND SUPPORT	
17	FACILITIES	
18	Full-time equated classified positions..... 181.0	
19	Military training sites and support	
20	facilities--181.0 FTE positions.....	\$ 25,358,500
21	Military training sites and support facilities test	
22	projects	<u>100,000</u>
23	GROSS APPROPRIATION.....	\$ 25,458,500
24	Appropriated from:	
25	Federal revenues:	
26	DOD-DOA-NGB.....	23,988,400
27	Special revenue funds:	

1	Test project fees.....		100,000
2	State general fund/general purpose.....	\$	1,370,100
3	Sec. 104. DEPARTMENTWIDE APPROPRIATIONS		
4	Departmentwide accounts.....	\$	1,860,800
5	Special maintenance - state.....		651,200
6	Special maintenance - federal.....		5,300,000
7	Military retirement.....		3,584,100
8	Counter narcotic operations.....		50,000
9	Starbase grant.....		<u>2,322,000</u>
10	GROSS APPROPRIATION.....	\$	13,768,100
11	Appropriated from:		
12	Federal revenues:		
13	DOD-DOA-NGB.....		9,288,100
14	Federal counternarcotic revenues.....		50,000
15	State general fund/general purpose.....	\$	4,430,000
16	Sec. 105. VETERANS ADVICE, ADVOCACY, AND ASSISTANCE		
17	Veterans advice, advocacy, and assistance grants.....	\$	<u>3,029,600</u>
18	GROSS APPROPRIATION.....	\$	3,029,600
19	Appropriated from:		
20	State general fund/general purpose.....	\$	3,029,600
21	Sec. 106. GRAND RAPIDS VETERANS' HOME		
22	Full-time equated classified positions.....		513.0
23	Grand Rapids veterans' home--513.0 FTE positions.....	\$	50,891,300
24	Board of managers.....		<u>665,000</u>
25	GROSS APPROPRIATION.....	\$	51,556,300
26	Appropriated from:		
27	Federal revenues:		

1	DVA-VHA.....		17,609,600
2	HHS, Medicaid.....		164,300
3	HHS, Medicare.....		2,561,500
4	Special revenue funds:		
5	Private - veterans' home post and posthumous funds ...		415,000
6	Income and assessments.....		15,689,300
7	Military family relief fund.....		250,000
8	Lease revenue.....		12,200
9	State general fund/general purpose.....	\$	14,854,400
10	Sec. 107. D.J. JACOBETTI VETERANS' HOME		
11	Full-time equated classified positions.....	158.0	
12	D.J. Jacobetti veterans' home--158.0 FTE positions ...	\$	16,521,400
13	Board of managers.....		<u>275,000</u>
14	GROSS APPROPRIATION.....	\$	16,796,400
15	Appropriated from:		
16	Federal revenues:		
17	DVA-VHA.....		5,924,400
18	HHS, Medicare.....		589,200
19	HHS, Medicaid.....		10,800
20	Special revenue funds:		
21	Private - veterans' home post and posthumous funds ...		125,000
22	Military family relief fund.....		150,000
23	Income and assessments.....		5,128,600
24	State general fund/general purpose.....	\$	4,868,400
25	Sec. 108. VETERANS' AFFAIRS DIRECTORATE		
26	Full-time equated classified positions.....	8.0	
27	Veterans' affairs directorate administration--2.0		

1	FTE positions	\$	198,400
2	Veterans' trust fund administration--6.0 FTE		
3	positions		1,279,000
4	Veterans' trust fund grants.....		<u>3,746,500</u>
5	GROSS APPROPRIATION.....	\$	5,223,900
6	Appropriated from:		
7	Special revenue funds:		
8	Michigan veterans' trust fund.....		5,025,500
9	State general fund/general purpose.....	\$	198,400
10	Sec. 109. INFORMATION TECHNOLOGY		
11	Information technology services and projects.....	\$	<u>1,016,500</u>
12	GROSS APPROPRIATION.....	\$	1,016,500
13	Appropriated from:		
14	Federal revenues:		
15	DOD-DOA-NGB.....		130,400
16	DVA-VHA.....		356,800
17	HHS, Medicare.....		10,500
18	Special revenue funds:		
19	Income and assessments.....		361,400
20	State general fund/general purpose.....	\$	157,400
21	Sec. 110. CAPITAL OUTLAY		
22	Special maintenance, remodeling and additions.....	\$	15,000,000
23	Land acquisitions and appraisals.....		<u>500,000</u>
24	GROSS APPROPRIATION.....	\$	15,500,000
25	Appropriated from:		
26	Federal revenues:		
27	DOD-DOA-NGB.....		15,000,000

1	Special revenue funds:	
2	Michigan national guard construction fund.....	500,000
3	State general fund/general purpose.....	\$ 0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

7 Sec. 201. Pursuant to section 30 of article IX of the state
8 constitution of 1963, total state spending from state resources
9 under part 1 for fiscal year 2010-2011 is \$64,658,100.00 and state
10 spending from state resources to be paid to local units of
11 government for fiscal year 2010-2011 is \$120,000.00. The itemized
12 statement below identifies appropriations from which spending to
13 local units of government will occur:

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

16	Payments in lieu of taxes.....	\$ 70,000
17	MICHIGAN VETERANS' TRUST FUND	
18	County counselor education and training expenses.....	\$ <u>50,000</u>
19	TOTAL.....	\$ 120,000

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

23 Sec. 203. As used in this act:

24 (a) "Department" means the department of military and veterans
25 affairs.

1 (b) "Director" means the director of the department of
2 military and veterans affairs.

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

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

6 (e) "DVA" means the United States department of veterans
7 affairs.

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

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

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

12 (i) "IDG" means interdepartmental grant.

13 (j) "Large veterans service organization" means a VSO that can
14 certify that its membership exceeds 30,000 individuals.

15 (k) "Medium veterans service organization" means a VSO that
16 can certify that its membership is between 2,500 and 30,000
17 individuals.

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

20 (m) "VSO" means veterans service organization.

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

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

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

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

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

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

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

26 Sec. 221. From the funds appropriated in part 1 for
27 information technology, departments and agencies shall pay user

1 fees to the department of technology, management, and budget for
2 technology-related services and projects. These user fees shall be
3 subject to provisions of an interagency agreement between the
4 departments and agencies and the department of technology,
5 management, and budget.

6 Sec. 223. Amounts appropriated in part 1 for information
7 technology may be designated as work projects and carried forward
8 to support technology projects under the direction of the
9 department of technology, management, and budget. Funds designated
10 in this manner are not available for expenditure until approved as
11 work projects under section 451a of the management and budget act,
12 1984 PA 431, MCL 18.1451a.

13 Sec. 225. (1) Due to the current budgetary problems in this
14 state, out-of-state travel for the fiscal year ending September 30,
15 2011 shall be limited to situations in which 1 or more of the
16 following conditions apply:

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

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

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

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

27 (e) The travel is necessary to secure specialized training for

1 staff that is not available within this state.

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

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

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

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

21 (b) The destination of each travel occurrence.

22 (c) The dates of each travel occurrence.

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

25 (e) The transportation and related costs of each travel
26 occurrence, including the proportion funded with state general
27 fund/general purpose revenues, the proportion funded with state

1 restricted revenues, the proportion funded with federal revenues,
2 and the proportion funded with other revenues.

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

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

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

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

19 Sec. 232. (1) In addition to the funds appropriated in part 1,
20 there is appropriated an amount not to exceed \$10,000,000.00 for
21 federal contingency funds. These funds are not available for
22 expenditure until they have been transferred to another line item
23 in this act under section 393(2) of the management and budget act,
24 1984 PA 431, MCL 18.1393.

25 (2) In addition to the funds appropriated in part 1, there is
26 appropriated an amount not to exceed \$2,000,000.00 for state
27 restricted contingency funds. These funds are not available for

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

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

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

16 Sec. 233. Not later than September 30, 2011, the department
17 shall prepare and transmit a report that provides for estimates of
18 the total general fund/general purpose appropriation lapses at the
19 close of the fiscal year. This report shall summarize the projected
20 year-end general fund/general purpose appropriation lapses by major
21 departmental program or program areas. The report shall be
22 transmitted to the office of the state budget, the chairpersons of
23 the senate and house appropriations committees, and the senate and
24 house fiscal agencies.

25 Sec. 234. Any fiscal year 2010-2011 unused general
26 fund/general purpose funds identified by the department as lapsed
27 funds shall be transferred to the appropriation for special

1 maintenance - state in part 1 and shall be used for the repair and
2 maintenance of state-owned armories.

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

6 HEADQUARTERS AND ARMORIES

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

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

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

25 (3) The department shall take steps to recruit candidates to
26 the challenge program from economically disadvantaged areas,

1 including those with low-income and high-unemployment backgrounds.

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

7 **VETERANS ADVICE, ADVOCACY, AND ASSISTANCE**

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

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

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

1 (a) Serving as a liaison between grant recipients, the
2 department, and the legislature.

3 (b) Assisting in recognizing any deficiencies in the grant
4 process and performance.

5 (c) Providing a forum regarding veterans issues.

6 (d) Suggesting changes in department programs that would help
7 keep pace with changing veterans needs.

8 (e) Providing a direct contact with the veterans
9 administration regarding updates on procedures.

10 (f) Creating an awareness to make sure that grant recipients
11 are performing the services intended.

12 (g) Representing a voice for veterans service organizations.

13 (h) Providing for a sounding board for grant recipients.

14 (i) Assisting the department in establishing criteria for
15 grant awards.

16 (j) Assisting the department in developing plans, reviewing
17 service delivery, and identifying goals to better assist veterans
18 in applying for and receiving benefits from the federal, state, and
19 local governments.

20 (k) Providing testimony, if requested, to legislative
21 committees.

22 (4) Of the appropriations in part 1 for veterans advice,
23 advocacy, and assistance grants for the period of October 1, 2010
24 to September 30, 2011, \$3,029,600.00 shall be distributed by the
25 department in the form of 5 grants: 2 large, 2 small, and 1
26 specialized grant for the period beginning October 1, 2010. The
27 specialized grant shall be awarded to a group specializing in

1 advocacy for paralyzed veterans. The department, while utilizing
2 advice provided by the veterans advisory board establishing grant
3 criteria, is solely responsible for determination of the amounts
4 and recipients of these grants.

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

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

15 (a) Be congressionally chartered by the United States
16 congress.

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

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

22 (d) Comply with the department's and the legislature's
23 requirements of accounting audits, service work activity,
24 accounting of recoveries, listing of volunteer hours, budget
25 requests, and other requirements specified in subsection (3). Each
26 veterans service organization receiving a grant from the money
27 appropriated in part 1 shall provide a copy of the most recent

1 audit report to the department not later than May 1, 2011.

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

11 (7) A veterans service organization receiving a grant from the
12 money appropriated in part 1 shall file with the department an
13 accounting of its expenditures, audited and certified by a
14 certified public accountant, within 120 days after the
15 organization's fiscal year end. Each veterans service organization
16 shall provide 5 copies of a listing of all service activity, an
17 accounting of recoveries, and a listing of volunteer hours for the
18 fiscal year ending September 30, 2010 to the department by January
19 31, 2011. Each organization shall include a listing of expenditures
20 by spending category, including a listing of individual salaries of
21 each officer and administrative staff. The listing of volunteer
22 hours shall include the hours, services, and donations provided to
23 residents of the Grand Rapids veterans' home and the D.J. Jacobetti
24 veterans' home. Each veterans service organization shall provide a
25 copy of the most recent and completed internal revenue service form
26 990 to the department at the end of the fiscal year ending
27 September 30, 2010. A veterans service organization receiving a

1 grant from the money appropriated in part 1 shall use the forms
2 recommended by the Michigan veterans organizations rehabilitation
3 and veterans service committee for filing reports required by this
4 act. The department shall provide a report not later than June 1,
5 2011 to the senate and house fiscal agencies, the senate and house
6 appropriations subcommittees on state police and military and
7 veterans affairs, and the state budget office detailing the most
8 recent expenditure information provided by the veterans service
9 organizations. The department shall also provide within that report
10 specific notification whether any veterans service organization
11 receiving a grant from the money appropriated in part 1 failed to
12 comply with the reporting requirements of this section.

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

18 (9) To accomplish the goal of subsection (8), the veterans
19 service directors committee and the department shall take steps to
20 increase their responsibility in the administration, management,
21 oversight, and outreach of the delivery of services to veterans.
22 The veterans service directors committee and the department shall
23 involve county veterans counselors and representatives from the
24 Michigan veterans trust fund to work in concert to identify,
25 implement, and evaluate steps to do all of the following:

26 (a) Increase the veterans service directors committee and the
27 department's role in working directly with the United States

1 department of veterans affairs to enhance the delivery of services
2 to Michigan veterans.

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

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

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

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

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

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

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

27 (10) Each veterans service organization receiving a grant from

1 the money appropriated in part 1 shall file a report with the
2 department not later than May 1, 2011 detailing the following
3 information:

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

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

14 (11) The veterans advisory board, the Michigan association of
15 county veterans counselors, and the department shall create a
16 report of the efforts to complete the goals outlined in this
17 section and shall provide suggestions on how a more effective and
18 efficient veterans benefit counseling program may best be designed
19 for implementation for fiscal year 2011-2012. This report shall be
20 delivered to the house and senate appropriations subcommittees no
21 later than March 1, 2011.

22 (12) The department shall record any additional administrative
23 costs for collecting and compiling the information from subsections
24 (7) and (10) and also provide this information with the reports
25 required under subsection (7).

26 (13) The veterans affairs directorate shall design and operate
27 an advocacy program to coordinate with other organizations which

1 assist veterans, including county counselors and other groups, to
2 ensure referrals between groups occur when warranted and to provide
3 the veterans of the state with the most cost-effective and
4 comprehensive counseling services possible. The department shall
5 also take steps to become certified with the United States
6 department of veterans affairs to assist in this task.

7 (14) The veterans affairs directorate shall deliver progress
8 reports regarding the activities of the advocacy program to the
9 senate and house appropriations subcommittees on state police and
10 military and veterans affairs, with the first report due not later
11 than April 1, 2011 and the second report due not later than October
12 1, 2011.

13 (15) The department shall issue performance standards to each
14 veterans service organization grant recipient. Compliance with
15 these performance standards shall be the basis for funding for
16 future years. Failure to meet any or all of the performance
17 standards may result in that organization losing funding in future
18 years, and the department shall forward to the senate and house of
19 representatives appropriations subcommittees on state police and
20 military and veterans affairs corrective action and penalty
21 recommendations.

22 **VETERANS' HOMES**

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

1 Sec. 602. The Grand Rapids veterans' home and the D.J.
2 Jacobetti veterans' home, together with the department and the
3 department of technology, management, and budget, shall produce and
4 deliver to the senate and house of representatives appropriations
5 subcommittees on state police and military and veterans affairs an
6 annual written report. The report shall include an accounting of
7 member populations and bed space available; a description and
8 accounting of services and activities provided to members;
9 financial information; current state nursing home licensure status;
10 the steps required for Medicaid certification, including a listing
11 of any personnel, equipment, supplies, or budgetary increases
12 required; and whether or not steps are being taken toward Medicaid
13 certification. The annual report shall be submitted to the senate
14 and house of representatives appropriations subcommittees on
15 military affairs no later than February 1, 2011.

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

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

26 VETERANS' AFFAIRS DIRECTORATE

1 Sec. 703. By April 1, 2010, the department shall submit to the
2 senate and house of representatives appropriations subcommittees on
3 military affairs and the state budget office a detailed annual
4 report of the Michigan veterans' trust fund for fiscal year 2009-
5 2010. The report shall include information on grants provided from
6 the emergency grant program, including details concerning the
7 methodology of allocations, the selection of emergency grant
8 program authorized agents, and a detailed breakdown of trust fund
9 expenditures for that year. The report shall also provide an update
10 on the department's efforts to reduce program administrative costs
11 and restore the Michigan veterans' trust fund corpus to its
12 original amount of \$50,000,000.00.

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

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

26 CAPITAL OUTLAY

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

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

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

19 Sec. 803. The appropriations in part 1 for capital outlay
20 shall be carried forward at the end of the fiscal year consistent
21 with section 248 of the management and budget act, 1984 PA 431, MCL
22 18.1248.