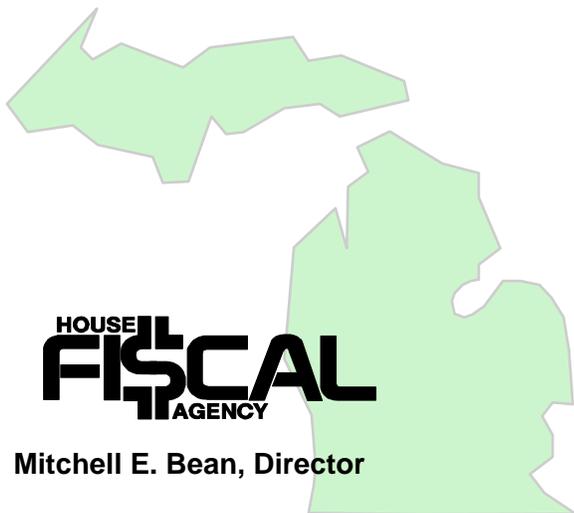


# **LINE ITEM AND BOILERPLATE SUMMARY**

## **MILITARY AND VETERANS AFFAIRS**

**Fiscal Year 2004-05  
Public Act 341 of 2004  
House Bill 5522**

**As Enacted**



**Mitchell E. Bean, Director**

**November 2004**

**Prepared and Compiled by:**

**Jan Wisniewski, Fiscal Analyst  
Kim O'Berry, Budget Assistant**

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STATE OF MICHIGAN

HOUSE OF REPRESENTATIVES



HOUSE FISCAL AGENCY

**MITCHELL E. BEAN, DIRECTOR**

P.O. BOX 30014  
LANSING, MICHIGAN 48909-7514  
PHONE: (517)373-8080 FAX: (517)373-5874  
[www.house.mi.gov/hfa](http://www.house.mi.gov/hfa)

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November 2004

TO: Members of the Michigan House of Representatives

The House Fiscal Agency has prepared a **Line Item Summary** for each of the FY 2004-05 appropriation acts. Each **Summary** contains line-by-line detail, including the amount and purpose of each appropriation line and information regarding related boilerplate sections, for a specific appropriation act. Following the line item detail, a brief explanation of each boilerplate section in the appropriations bill is provided.

In this report, line item vetoes are presented in the following manner: appropriation amounts shown in ~~strikeout~~ are those that appear in the enrolled bill; amounts shown directly below ~~strikeout~~ amounts reflect the effect of the veto.

If you would like to obtain a Line Item Summary for a particular budget area, please contact Jeanne Dee, Administrative Assistant, at 373-8080.



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# **GLOSSARY**

## **Frequently-Used State Budget Terms**

### **Adjusted Gross**

Total net amount of all line item gross appropriations less (or minus) interdepartmental grants (IDGs) and intradepartmental transfers (IDTs)

### **Boilerplate**

Specific language sections contained in an appropriations act which direct, limit or restrict line item expenditures, and/or require reports

### **Budget Stabilization Fund (BSF)**

The countercyclical economic and budget stabilization fund—also known as the "rainy day" fund

### **Federal Revenues**

Federal grant or matchable revenues dedicated to specific programs

### **General Fund/General Purpose (GF/GP)**

The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues

### **Gross Appropriations (Gross)**

The total of all applicable line item spending authorizations

### **Interdepartmental Grant (IDG)**

Revenue or funds received by one state department from another state department (usually for a service the receiving department provides)

### **Intradepartmental Transfer (IDT)**

Transfers or funds being provided from one appropriation unit to another in the same department

### **Lapses**

Unspent/unobligated funds remaining in line item accounts at the end of the fiscal year

### **Line Items**

Specific funding amount in an appropriations bill which establishes spending authorization for a particular program or function (may be for a single purpose or for multiple purposes)

### **Local Revenue**

Revenues from local units of government

### **State Restricted (Restricted Funds)**

State revenue dedicated to a specific fund; revenue which results from state mandates or initiatives; used for used for specific programs pursuant to the Constitution or statute

### **Private Funds**

Revenues from non-government entities such as rents, royalties or interest payments, payments from hospitals, payments from individuals, and gifts and bequests

### **School Aid Fund (SAF)**

The primary funding source for K-12 schools and Intermediate School Districts (ISDs)

### **Work Project**

An account established to allow for certain specific unspent funds to be carried over from one fiscal year to a succeeding fiscal year or years



## DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

*The Department of Military and Veterans Affairs has two primary missions. The first is to execute duties as specified by state statute and the Governor, including oversight of the state's veterans programs: (1) the state veterans homes in Grand Rapids and Marquette, (2) grants to veterans service organizations, and (3) the Michigan Veterans Trust Fund.*

*The Department's second mission is to ensure preparedness of the Michigan National Guard to protect the lives and property of Michigan citizens during times of natural disaster and preserve the peace, order, and public safety at the direction of the Governor, and assist the federal government in defending the sovereign interests of the United States when they are threatened or violated.*

Full-time equated unclassified positions	7.0	Total full-time equated (FTE) positions not in the state classified service.
Full-time equated classified positions	1,016.0	Total full-time equated (FTE) positions in the state classified service.
<b>GROSS APPROPRIATION</b>	<b>\$110,713,400</b>	<b>Total of all applicable line item appropriations.</b>
Total interdepartmental grants and intradepartmental transfers	1,042,500	Total of all grants from other Departments and transfer of funds.
<b>ADJUSTED GROSS APPROPRIATION</b>	<b>\$109,670,900</b>	<b>Total net amount of all line item gross appropriations less (or minus) interdepartmental grants (IDGs) and intradepartmental transfers (IDTs).</b>
Total federal revenues	45,418,100	Total federal grant or matchable revenues.
Total local revenues	0	Total revenues from local units of government.
Total private revenues	1,282,300	Total private grant revenues.
Total other state restricted revenues	25,599,800	State revenues dedicated to a specific fund (other than the General Fund); or revenues earmarked for a specific purpose.
<b>GENERAL FUND/ GENERAL PURPOSE</b>	<b>\$37,370,700</b>	<b>The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues.</b>

## SECTION 102: HEADQUARTERS AND ARMORIES

*This appropriation unit includes funding for the basic administrative functions of the Michigan National Guard, the salaries of the Department's unclassified employees, the Challenge Program, and several smaller funding items overseen by the Department.*

Full-time equated unclassified positions	7.0	Full-time equated (FTE) positions not in the state classified service.
Full-time equated classified positions	124.0	Full-time equated (FTE) positions in the state classified service.
Headquarters and armories – 83.5 FTE positions	\$9,562,200	Administrative functions of Michigan National Guard, including management of personnel, facilities, and state and federal financial resources. Includes physical operations of the state's 48 National Guard armories. <div style="text-align: right; margin-left: 200px;">                     Funding Source(s):    Federal    2,311,100                         Restricted    350,000                         GF/GP    6,901,100                 </div>
<i>Related Boilerplate Section(s): 213, 301</i>		
Human resources optimization user charges	29,500	Supports a Human Resources Service Center which will be housed at Department of Civil Service. <div style="text-align: right; margin-left: 200px;">                     Funding Source(s):    GF/GP    29,500                 </div>
<i>Related Boilerplate Section(s): None</i>		
Unclassified military personnel	660,300	Salaries of Department's six special duty officers: Director (the Adjutant General of Michigan), Deputy Director for Army National Guard, Deputy Director for Air National Guard, Deputy Director for Veterans Affairs, Legislative Liaison, and Public Information Officer. An additional unclassified position is authorized to be filled at the Director's discretion. <div style="text-align: right; margin-left: 200px;">                     Funding Source(s):    GF/GP    660,300                 </div>
<i>Related Boilerplate Section(s): None</i>		
Military appeals tribunal	900	Per diem payments and administrative costs associated with the Military Appeals Tribunal (comprised of five members appointed by the Governor) which has appellate jurisdiction over court martial decisions under the Michigan Code of Military Justice. <div style="text-align: right; margin-left: 200px;">                     Funding Source(s):    GF/GP    900                 </div>
<i>Related Boilerplate Section(s): None</i>		
Michigan emergency volunteers	5,000	Basic operational supplies for the Michigan Emergency Volunteers, a statutory organization of military personnel that would be activated if the Michigan National Guard was mobilized for service during a national emergency. <div style="text-align: right; margin-left: 200px;">                     Funding Source(s):    GF/GP    5,000                 </div>
<i>Related Boilerplate Section(s): None</i>		

State active duty	70,100	Spending authority for the Adjutant General to call up military personnel to state duty to perform unique administrative or maintenance functions. Funding Source(s): Restricted 40,000 GF/GP 30,100
<i>Related Boilerplate Section(s): None</i>		
Challenge program – 40.5 FTE positions	3,901,200	Voluntary boot camp-style program for 16- to 18-year-old high school dropouts run by Department in Battle Creek. Two 22-week residential programs are conducted during a calendar year; each is followed by a 12-month post-residential mentoring phase for graduates. Program's base funding is 60% federal/40% state; enacted FY 2004-05 budget appropriates about 22% of state share from private funds. Funding Source(s): IDG 203,000 Federal 1,674,000 Private 857,300 GF/GP 1,166,900
<i>Related Boilerplate Section(s): 302, 304</i>		
Homeland security	400,000	Interdepartmental grant (IDG) for activities related to Homeland Security program. Funding Source(s): IDG 400,000
<i>Related Boilerplate Section(s): None</i>		
<b>GROSS APPROPRIATION</b>	<b>\$14,629,200</b>	<b>Total of all applicable line item appropriations.</b>
IDG – community health	100,000	Federal grant revenues received for Homeland Security program activities through IDG from Michigan Department of Community Health.
IDG – challenge grant	242,500	Federal grant revenues received for Challenge Program through IDG from Michigan Department of Community Health.
IDG – state police	300,000	Federal grant revenues received for Homeland Security program activities through IDG from Michigan Department of State Police.
IDG – family independence agency	400,000	Federal grant revenues received for Challenge Program through IDG from Michigan Family Independence Agency.
DOD-DOA-NGB	3,985,100	Revenues received from National Guard Bureau (NGB), Department of Army (DOA), U.S. Department of Defense (DOD).
Rental fees	350,000	Revenues from rental of armories pursuant to section 354 of Michigan Military Act.
Mackinac Bridge authority	40,000	Reimbursement for pay and expenses of National Guard members who provide security for the annual Labor Day Mackinac Bridge Walk.
Private donations	857,300	Donations made by private individuals or organizations to Challenge Program.
<b>GENERAL FUND/ GENERAL PURPOSE</b>	<b>\$8,354,300</b>	<b>The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues.</b>





Federal counternarcotic revenue	50,000	Revenues received from federal agencies in conjunction with counternarcotic assistance provided by National Guard.
<b>GENERAL FUND/ GENERAL PURPOSE</b>	<b>\$3,296,100</b>	<b>The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues.</b>

## SECTION 105: VETERANS SERVICE ORGANIZATIONS

*Veterans service organizations (VSOs) assist veterans with obtaining benefits—primarily from the U.S. Department of Veterans. Grant funds, provided by the state, are used for the salaries of veterans service officers and other related expenses.*

American legion	\$886,000	Grant to American Legion.		
		Funding Source(s):	GF/GP	886,000
		<i>Related Boilerplate Section(s): 501</i>		
Disabled American veterans	732,400	Grant to Disabled American Veterans.		
		Funding Source(s):	GF/GP	732,400
		<i>Related Boilerplate Section(s): 501</i>		
Marine corps league	336,300	Grant to Marine Corps League.		
		Funding Source(s):	GF/GP	336,300
		<i>Related Boilerplate Section(s): 501</i>		
American veterans of World War II and Korea	464,800	Grant to AMVETS.		
		Funding Source(s):	GF/GP	464,800
		<i>Related Boilerplate Section(s): 501</i>		
Veterans of foreign wars	886,000	Grant to Veterans of Foreign Wars.		
		Funding Source(s):	GF/GP	886,000
		<i>Related Boilerplate Section(s): 501</i>		
Michigan paralyzed veterans of America	165,700	Grant to Paralyzed Veterans of America.		
		Funding Source(s):	GF/GP	165,700
		<i>Related Boilerplate Section(s): 501</i>		
Purple heart	157,900	Grant to Military Order of the Purple Heart.		
		Funding Source(s):	GF/GP	157,900
		<i>Related Boilerplate Section(s): 501</i>		
Veterans of World War I	100	Placeholder appropriation for Veterans of World War I.		
		Funding Source(s):	GF/GP	100
		<i>Related Boilerplate Section(s): 501</i>		
Polish legion of American veterans	41,200	Grant to Polish Legion of American Veterans.		
		Funding Source(s):	GF/GP	41,200
		<i>Related Boilerplate Section(s): 501</i>		
Jewish veterans of America	41,200	Grant to Jewish War Veterans.		
		Funding Source(s):	GF/GP	41,200
		<i>Related Boilerplate Section(s): 501</i>		
State of Michigan council Vietnam veterans of America	159,500	Grant to Vietnam Veterans of America.		
		Funding Source(s):	GF/GP	159,500
		<i>Related Boilerplate Section(s): 501</i>		

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Catholic war veterans	41,200	Grant to Catholic War Veterans. Funding Source(s):	GF/GP	41,200
<i>Related Boilerplate Section(s): 501</i>				

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<b>GROSS APPROPRIATION</b>	<b>\$3,912,300</b>	<b>Total of all applicable line item appropriations.</b>
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<b>GENERAL FUND/ GENERAL PURPOSE</b>	<b>\$3,912,300</b>	<b>The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues.</b>
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## SECTION 106: GRAND RAPIDS VETERANS' HOME

*The Grand Rapids Veterans' Home was established by 1885 PA 152 to provide care for aged and disabled veterans. Later amendments to statute extended admission eligibility to widows, widowers, spouses, former spouses, and parents of state veterans. The home provides three levels of care: domiciliary, nursing, and special needs. The facility is governed by a Board of Managers (with oversight of both state veterans homes) consisting of seven members appointed by the Governor.*

Full-time equated classified positions	517.0	Full-time equated (FTE) positions in the state classified service.
Grand Rapids veterans' home – 517.0 FTE positions	\$43,753,300	Operations of the 755-bed Grand Rapids Veterans' Home. Funding Source(s): Federal 14,709,700 Restricted 15,371,600 GF/GP 13,672,000
<i>Related Boilerplate Section(s): 601, 602</i>		
Board of managers	300,000	Spending authority for facility improvements and other purposes benefiting the home's residents, as directed by the Board of Managers. Funding Source(s): Private 300,000
<i>Related Boilerplate Section(s): 603</i>		
<b>GROSS APPROPRIATION</b>	<b>\$44,053,300</b>	<b>Total of all applicable line item appropriations.</b>
DVA-VHA	13,626,400	Per diem payment revenues received from Veterans Health Administration (VHA), U.S. Department of Veterans Affairs (DVA), based on the number and level of care of eligible veterans at the home.
HHS, Medicaid	365,300	Revenues received from U.S. Department of Health and Human Services (HHS) through Medicaid reimbursement payments.
HHS, Medicare	718,000	Revenues received from U.S. Department of Health and Human Services (HHS) through Medicare reimbursement payments.
Private – veterans' home post and posthumous funds	300,000	Specified funds receive money from private donations and estates of residents, respectively.
Income and assessments	15,337,500	Revenues received from residents based on ability to pay.
Lease revenue	34,100	Revenues received from a third-party company that performs physical therapy services at the home.
<b>GENERAL FUND/ GENERAL PURPOSE</b>	<b>\$13,672,000</b>	<b>The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues.</b>

## SECTION 107: D.J. JACOBETTI VETERANS' HOME

*The D.J. Jacobetti Veterans' Home in Marquette was established in 1981 to provide care to aged and disabled veterans in the Upper Peninsula. Admission eligibility is also extended to widows, widowers, spouses, former spouses, and parents of state veterans. The home provides three levels of care: domiciliary, nursing, and special needs. The facility is governed by a Board of Managers (with oversight of both state veterans homes) consisting of seven members who are appointed by the Governor.*

Full-time equated classified positions	159.0	Full-time equated (FTE) positions in the state classified service.
D.J. Jacobetti veterans' home – 159.0 FTE positions	\$13,600,000	Operations of the 241-bed D.J. Jacobetti Veterans' Home. Funding Source(s):    Federal    4,370,000 Restricted    4,595,000 GF/GP    4,635,000
<i>Related Boilerplate Section(s): 601, 602</i>		
Board of managers	125,000	Spending authority for facility improvements and other purposes benefiting the home's residents, as directed by the Board of Managers. Funding Source(s):    Private    125,000
<i>Related Boilerplate Section(s): 603</i>		
<b>GROSS APPROPRIATION</b>	<b>\$13,725,000</b>	<b>Total of all applicable line item appropriations.</b>
DVA-VHA	4,062,800	Per diem payment revenues received from Veterans Health Administration (VHA), U.S. Department of Veterans Affairs (DVA), based on the number and level of care of eligible veterans.
HHS, Medicaid	272,600	Revenues received from U.S. Department of Health and Human Services (HHS) through Medicaid reimbursement payments.
HHS, Medicare	34,600	Revenues received from U.S. Department of Health and Human Services (HHS) through Medicare reimbursement payments.
Private – veterans' home post and posthumous funds	125,000	Specified funds receive money from private donations and estates of residents, respectively.
Income and assessments	4,595,000	Revenues received from residents based on ability to pay.
<b>GENERAL FUND/ GENERAL PURPOSE</b>	<b>\$4,635,000</b>	<b>The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues.</b>

## SECTION 108: VETERANS' AFFAIRS DIRECTORATE

*In 1997, the Department was reorganized to place greater emphasis on the various veterans' programs it oversees. As part of this reorganization, Veterans' Affairs Directorate was established to oversee these responsibilities in a coordinated manner.*

*Public Act 9 of 1946 established the \$50.0 million Michigan Veterans' Trust Fund. The majority of the earnings from the trust fund are used for the Emergency Grant Program, which provides grants to veterans in temporary financial difficulty. Earnings are also used for the Tuition Grant Program, which provides college tuition for the children of veterans killed or disabled in the line of duty pursuant to 1935 PA 245, as well as the administrative costs of the fund. The fund is overseen by a board of seven members appointed by the Governor. The State Constitution was amended in 1996 to require the approval of the trust fund board for any expenditures or transfers from the fund.*

Full-time equated classified positions	16.0	Full-time equated (FTE) positions in the state classified service.
Veterans' affairs directorate administration – 3.0 FTE positions	\$302,900	Operations of the Veterans' Affairs Directorate. Line item includes \$50,000 for county veterans counselor training. Funding Source(s): GF/GP 302,900  <i>Related Boilerplate Section(s): 704</i>
Administration – 13.0 FTE positions	1,081,800	State-level administrative costs of the Emergency Grant and Tuition Grant Programs funded by the Veterans Trust Fund. Funding Source(s): Restricted 1,081,800  <i>Related Boilerplate Section(s): None</i>
Veterans' trust fund grants	3,746,500	Spending authority for Emergency Grant and Tuition Grant Programs; includes administrative costs of county committees that distribute emergency grants. Funding Source(s): Restricted 3,746,500  <i>Related Boilerplate Section(s): 703, 705</i>
<b>GROSS APPROPRIATION</b>	<b>\$5,131,200</b>	<b>Total of all applicable line item appropriations.</b>
Michigan veterans' trust fund	4,828,300	Investment earnings from the principal of the trust fund.
<b>GENERAL FUND/ GENERAL PURPOSE</b>	<b>\$302,900</b>	<b>The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues.</b>

## SECTION 109: INFORMATION TECHNOLOGY

*The Department of Information Technology (DIT) is responsible for managing the state's information technology resources. This appropriation unit consolidates funds associated with the Department of Military and Veterans Affairs' information technology functions, to be passed through to DIT.*

Information technology services and projects	\$1,172,000	Funds passed through as an IDG to DIT for information technology services and projects provided by that department.
		Funding Source(s):
		Federal            582,400
		Restricted        176,100
		GF/GP            413,500

*Related Boilerplate Section(s): 221, 223*

<b>GROSS APPROPRIATION</b>	<b>\$1,172,000</b>	<b>Total of all applicable line item appropriations.</b>
DOD-DOA-NGB	157,800	Revenues received from National Guard Bureau (NGB), Department of Army (DOA), U.S. Department of Defense (DOD).
DVA-VHA	277,600	Per diem payment revenues received from Veterans Health Administration (VHA), U.S. Department of Veterans Affairs (DVA), based on the number and level of care of eligible veterans at state's veterans homes.
HHS, Medicare	8,200	Revenues received by the two veterans homes from the U.S. Department of Health and Human Services (HHS) through Medicare reimbursement payments.
Income and assessments	314,900	Revenues received from state veterans home residents based on ability to pay.
<b>GENERAL FUND/ GENERAL PURPOSE</b>	<b>\$413,500</b>	<b>The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues.</b>

## BOILERPLATE SECTION INFORMATION

**Sec. 201. *Payments to Locals***

Itemizes payments to locals from funds appropriated.

**Sec. 202. *Management and Budget Act***

Subjects appropriations to Management and Budget Act.

**Sec. 203. *Terms and Acronyms***

Defines various terms and acronyms used in act.

**Sec. 204. *Department of Civil Service 1% Charge***

Provides for payment of constitutionally-authorized 1% charge to Department of Civil Service.

**Sec. 205. *State Classified Service Hiring Freeze***

Imposes hiring freeze on state classified civil service; exempts internal transfers and provides for other exceptions.

**Sec. 207. *Privatization Plans***

Requires submission of project plan to Legislature 60 days before beginning any effort to privatize.

**Sec. 208. *Reporting Via Internet***

Directs Department to use Internet for reporting requirements.

**Sec. 209. *American Goods and Services***

Prohibits purchase of foreign goods and services if comparably priced American goods and services are available.

**Sec. 210. *Deprived and Depressed Communities***

Requires reasonable steps be taken to ensure businesses in deprived and depressed communities compete for and perform state contracts.

**Sec. 211. *Records Retention***

Directs Department to follow federal guidelines and state laws regarding retention of records.

**Sec. 212. *National Guard Education Assistance Program***

Provides for Michigan National Guard Education Assistance Program; sets expenditure limit of \$1.3 million; allows 50% tuition reimbursement for National Guard members up to \$2,000 per year; provides for administration of program by Department and authorizes expenditures for promotion of program and recruitment efforts.

**Sec. 213. *Armory Closure or Consolidation***

Requires Department to consult with appropriations subcommittees regarding projected closing or consolidation of any National Guard armories.

**Sec. 214. *Military Cemeteries***

States legislative intent that, should necessary legislation be enacted and funds become available, funds be appropriated for state military cemeteries in Crawford and Dickinson Counties.

**Sec. 221. *Information Technology – User Fees***

Directs Department to pay user fees to Department of Information Technology, subject to an interagency agreement.

**Sec. 223. *Information Technology – Work Projects***

Allows amounts appropriated for information technology to be designated as work projects pursuant to Management and Budget Act.

**Sec. 225. *Out of State Travel Limitations***

Prohibits out-of-state travel except when certain conditions apply.

**Sec. 301. *Armory Rental Fee***

Allows Department to charge a reasonable fee for rental of an armory.

**Sec. 302. Challenge Program – Revenue Sources**

Provides private donations to Challenge Program not lapse to General Fund at close of fiscal year; encourages Department to identify alternative sources of revenue to replace \$1,340,700 GF/GP appropriated for Challenge Program (technical error: actual GF/GP appropriation is \$600,000); allows Department to charge fee for program participants from families with incomes that exceed 200% of federal poverty guidelines.

**Sec. 304. Challenge Program – Partnership with FIA**

Directs Department to partner with Family Independence Agency (FIA) to identify youth for Challenge Program; grants such youth priority for enrollment in program.

**Sec. 501. Grant to Veterans Service Organizations (VSOs)**

Restricts use of grant funds to costs related to accredited veterans service advocacy officers and support/managerial staff; specifies requirements for receipt of grant funds by VSOs; sets requirements for grant to a newly-founded VSO; requires an accounting of expenditures, budget request, and various other information be submitted by each VSO to Department and Legislature.

**Sec. 601. Veterans and Veterans' Families**

Prohibits use of veterans homes appropriations for any purpose other than veterans and veterans' families.

**Sec. 602. Veterans Homes Annual Report**

Requires annual report containing specified information regarding the two veterans homes.

**Sec. 603. Board of Managers Appropriations**

Provides funds appropriated for Board of Managers of veterans homes may be expended for facility improvements at the homes and other purposes benefiting veterans.

**Sec. 703. Veterans' Trust Fund Annual Report**

Requires annual report on emergency and tuition grants provided from Veterans' Trust Fund and other fund-related information.

**Sec. 704. County Veterans Counselor Training**

Directs Veterans Affairs Directorate to assist county veterans counselors in obtaining training.

**Sec. 705. Veterans' Trust Fund Survivors Tuition Program**

Provides legislative intent to enact legislation prior to enactment of fiscal year 2005-06 appropriations bill for a dedicated funding source for the Veterans Survivors Tuition Program; states legislative intent to only expend interest earned by Veterans' Trust Fund and to earmark funds each year to fund the corpus until the Veterans' Trust Fund reaches the original \$50 million amount.

Fourth Floor, North Tower, Anderson Building  
 124 North Capitol Avenue, Lansing, Michigan 48933  
 P.O. Box 30014, Lansing, Michigan 48909-7514  
 Phone: 517-373-8080 FAX: 517-373-5874  
 www.house.mi.gov/hfa



**Mitchell E. Bean, Director**  
**Bill Fairgrieve, Deputy Director**

**ECONOMIC AND REVENUE FORECAST ▪ TAX ANALYSIS ▪ REVENUE SHARING** ..... **Rebecca Ross, Senior Economist**  
 Jim Stansell, Economist

**EDUCATION AND REGULATORY** ..... **Mary Ann Cleary, Associate Director**  
 Community Colleges ▪ Higher Education ..... Kyle I. Jen, Senior Analyst  
 Education ▪ School Aid ..... Mary Ann Cleary, Associate Director; Laurie Cummings, Senior Analyst  
 Labor and Economic Growth ..... Richard Child, Senior Analyst  
 Transportation ..... William E. Hamilton, Senior Analyst

**FISCAL OVERSIGHT, AUDIT AND LITIGATION** ..... **William E. Hamilton, Senior Analyst**

**GENERAL GOVERNMENT** ..... **Al Valenzio, Associate Director**  
 Agriculture ..... William E. Hamilton, Senior Analyst  
 Capital Outlay ▪ Retirement ▪ Supplementals ..... Al Valenzio, Associate Director  
 Corrections ▪ Judiciary ..... Marilyn Peterson, Senior Analyst  
 Environmental Quality ▪ Natural Resources ▪ History, Arts, and Libraries ▪  
 Clean Michigan Initiative ▪ Federal Funds Monitoring ▪ Natural Resources Trust Fund .... Kirk Lindquist, Senior Analyst  
 Attorney General ▪ Civil Rights ▪ Civil Service ▪ Executive Office ▪  
 Information Technology ▪ Legislature ▪ Lottery ▪ Management and Budget ▪ State ..... Robin Risko, Senior Analyst  
 Treasury ..... Robin Risko, Senior Analyst; Viola Bay Wild, Fiscal Analyst  
 Military and Veterans Affairs ▪ State Police ..... Jan Wisniewski, Senior Analyst  
 Legislative Transfers ..... Margaret Alston, Senior Analyst

**HUMAN SERVICES** ..... **Bill Fairgrieve, Deputy Director**  
 Community Health: Medicaid ..... Steve Stauff, Senior Analyst  
 Mental Health ▪ Substance Abuse ..... Margaret Alston, Senior Analyst  
 Public Health ▪ Aging ..... Susan Frey, Senior Analyst  
 Family Independence Agency ..... Robert Schneider, Senior Analyst; Bill Fairgrieve, Deputy Director

**LEGISLATIVE ANALYSIS** ..... **Chris Couch, Associate Director**  
 Edith Best, Joan Hunault, Sue Stutzky, Mark Wolf, Legislative Analysts

**SUPPORT STAFF**

Office Manager ..... Sharon Risko, Administrative Assistant  
 Publications and Data ..... Jeanne Dee, Administrative Assistant  
 Community Health ▪ Corrections ▪ Family Independence Agency ▪ Judiciary ▪  
 HFA Library ..... Tumai Burris, Budget Assistant  
 Agriculture ▪ Community Colleges ▪ Education ▪ Higher Education ▪ School Aid ▪  
 Transportation ▪ Transfers ▪ HFA Internet ▪ Bill Analysis ..... Barbara Graves, Budget Assistant  
 Capital Outlay ▪ Environmental Quality ▪ General Government ▪ History, Arts, & Libraries ▪  
 Labor and Economic Growth ▪ Military and Veterans Affairs ▪ Natural Resources ▪  
 Retirement ▪ State Police ▪ Supplementals ..... Kim O’Berry, Budget Assistant  
 Facilities Coordinator ..... Ericah Caughey, Receptionist



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House Fiscal Agency  
P.O. Box 30014  
Lansing, MI 48909-7514  
(517) 373-8080  
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