

**SUBSTITUTE FOR
SENATE BILL NO. 197**

A bill to make and supplement appropriations for the department of military and veterans affairs for the fiscal years ending September 30, 2023 and September 30, 2024; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

LINE-ITEM APPROPRIATIONS
FOR FISCAL YEAR 2023-2024

Sec. 101. There is appropriated for the department of military and veterans affairs for the fiscal year ending September 30, 2024, from the following funds:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

APPROPRIATION SUMMARY

1	Full-time equated unclassified positions	9.0	
2	Full-time equated classified positions	1,072.5	
3	GROSS APPROPRIATION		\$ 240,154,100
4	Total interdepartmental grants and		
5	intradepartmental transfers		\$ 101,800
6	ADJUSTED GROSS APPROPRIATION		240,052,300
7	Federal revenues:		
8	Total federal revenues		134,445,400
9	Special revenue funds:		
10	Total local revenues		0
11	Total private revenues		100,000
12	Total other state restricted revenues		14,213,400
13	State general fund/general purpose		\$ 91,293,500
14	Sec. 102. MILITARY		
15	Full-time equated unclassified positions	9.0	
16	Full-time equated classified positions	440.0	
17	Unclassified salaries--FTEs	9.0	\$ 1,736,600
18	Headquarters and armories--FTEs	106.5	21,881,000
19	Michigan youth challenge academy--FTEs	68.0	10,145,400
20	Military family relief fund		150,000
21	Military retirement		1,351,000
22	Military training sites and support facilities--		
23	-FTEs	263.0	44,500,900
24	National guard operations		300,500
25	National guard tuition assistance fund--FTEs	2.5	6,520,700
26	Starbase grant		2,322,000
27	GROSS APPROPRIATION		\$ 88,908,100
28	Appropriated from:		

1	Interdepartmental grant revenues:		
2	IDG - state police		101,800
3	Federal revenues:		
4	DOD - DOA - NGB		62,274,200
5	Federal counternarcotics revenues		100,000
6	Special revenue funds:		
7	Private donations		90,000
8	Billeting fund		1,377,000
9	Military family relief fund		150,000
10	Morale, welfare, and recreation fund		100,000
11	Rental fees		187,300
12	Test project fees		100,000
13	State general fund/general purpose	\$	24,427,800
14	Sec. 103. MICHIGAN VETERANS AFFAIRS AGENCY		
15	Full-time equated classified positions	61.0	
16	County veteran service grants--FTEs	2.0	\$ 4,250,000
17	Michigan veterans affairs agency		
18	administration--FTEs	49.0	9,265,800
19	Veterans trust fund administration--FTEs	8.0	1,164,400
20	Veterans trust fund grants		2,500,000
21	Veterans service grants--FTEs	2.0	4,250,000
22	GROSS APPROPRIATION	\$	21,430,200
23	Appropriated from:		
24	Special revenue funds:		
25	Private donations		10,000
26	Michigan veterans trust fund		3,664,400
27	Veterans license plate fund		50,000
28	State general fund/general purpose	\$	17,705,800

1	Sec. 104. MICHIGAN VETERANS FACILITY AUTHORITY		
2	Full-time equated classified positions	571.5	
3	Chesterfield Township home for veterans--FTEs	115.0	\$ 26,856,500
4	D.J. Jacobetti home for veterans--FTEs	200.0	23,347,200
5	Grand Rapids home for veterans--FTEs	238.0	28,175,400
6	Information technology services and projects		1,687,900
7	Michigan veteran homes administration--FTEs	18.0	3,581,300
8	Veterans cemetery--FTEs	0.5	84,800
9	GROSS APPROPRIATION		\$ 83,733,100
10	Appropriated from:		
11	Federal revenues:		
12	DVA - VHA		31,700,100
13	HHS - HCFA, Medicare, hospital insurance		1,409,200
14	HHS - HCFA title XIX, Medicaid		8,808,200
15	Special revenue funds:		
16	Income and assessments		7,572,700
17	Lease revenue		12,000
18	State general fund/general purpose		\$ 34,230,900
19	Sec. 105. CAPITAL OUTLAY		
20	Armory maintenance		\$ 1,000,000
21	Land and acquisitions		1,000,000
22	Special maintenance - National Guard		30,000,000
23	Special maintenance - veterans homes		500,000
24	GROSS APPROPRIATION		\$ 32,500,000
25	Appropriated from:		
26	Federal revenues:		
27	DOD - DOA - NGB		30,000,000
28	Special revenue funds:		

1	Michigan national guard construction fund		1,000,000
2	State general fund/general purpose	\$	1,500,000
3	Sec. 106. INFORMATION TECHNOLOGY		
4	Information technology services and projects	\$	582,700
5	GROSS APPROPRIATION	\$	582,700
6	Appropriated from:		
7	Federal revenues:		
8	DOD - DOA - NGB		153,700
9	State general fund/general purpose	\$	429,000
10	Sec. 107. ONE-TIME APPROPRIATIONS		
11	Selfridge air national guard base		10,000,000
12	MVFA facilities transition funding		3,000,000
13	GROSS APPROPRIATION	\$	13,000,000
14	Appropriated from:		
15	Special revenue funds:		
16	State general fund/general purpose	\$	13,000,000
17			
18	PART 1A		
19	LINE-ITEM APPROPRIATIONS		
20	FOR FISCAL YEAR 2022-2023		
21	Sec. 150. There is appropriated for the department of military		
22	and veterans affairs for the fiscal year ending September 30, 2023,		
23	from the following funds:		
24	DEPARTMENT OF MILITARY AND VETERANS AFFAIRS		
25	APPROPRIATION SUMMARY		
26	GROSS APPROPRIATION	\$	1,500,000
27	Total interdepartmental grants and		
28	intradepartmental transfers	\$	0

1	ADJUSTED GROSS APPROPRIATION		1,500,000
2	Federal revenues:		
3	Total federal revenues		0
4	Special revenue funds:		
5	Total local revenues		0
6	Total private revenues		0
7	Total other state restricted revenues		0
8	State general fund/general purpose	\$	1,500,000
9	Sec. 151. ONE-TIME APPROPRIATIONS		
10	Selfridge air national guard base		1,500,000
11	GROSS APPROPRIATION	\$	1,500,000
12	Appropriated from:		
13	State general fund/general purpose	\$	1,500,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2023-2024

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources under part 1 for the fiscal year ending September 30, 2024 is \$146,009,900.00 and state spending from state sources to be paid to local units of government for the fiscal year ending September 30, 2024 is \$4,178,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

27	DEPARTMENT OF MILITARY AND VETERANS AFFAIRS		
28	County veteran service grants	\$	4,041,500

1	Michigan veterans affairs agency administration	90,000
2	Military training sites and support facilities	46,500
3	TOTAL	\$ 4,178,000

4 Sec. 202. The appropriations authorized under this part and
5 part 1 are subject to the management and budget act, 1984 PA 431,
6 MCL 18.1101 to 18.1594.

7 Sec. 203. As used in this part and part 1:

8 (a) "CENA" means competency evaluated nursing assistant.

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

11 (c) "Director" means the director of the department.

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

13 (e) "HVAC" means heating, ventilation, and air conditioning.

14 (f) "IDG" means interdepartmental grant.

15 (g) "MVAA" means the Michigan veterans affairs agency created
16 by Executive Reorganization Order No. 2013-2, MCL 32.92.

17 (h) "MVFA" means the Michigan veterans' facility authority
18 created under section 3 of the Michigan veterans' facility
19 authority act, 2016 PA 560, MCL 36.103.

20 (i) "MVH" means the Michigan veteran homes as that term is
21 defined in the Michigan veterans' facility authority act, 2016 PA
22 560, MCL 36.102.

23 (j) "Subcommittees" means the subcommittees of the senate and
24 house appropriations committees with jurisdiction over the budget
25 of the department.

26 (k) "USDVA" means the United States Department of Veterans
27 Affairs.

28 (l) "USDVA-NCA" means the USDVA National Cemetery
29 Administration.

1 (m) "USDVA-VHA" means the USDVA Veterans Health
2 Administration.

3 (n) "VSO" means veterans service organization.

4 (o) "Veterans' facility" means that term as defined in section
5 2 of the Michigan veterans' facility authority act, 2016 PA 560,
6 MCL 36.102.

7 (p) "Work project" means that term as defined in section 404
8 of the management and budget act, 1984 PA 431, MCL 18.1404, and
9 that meets the criteria in section 451a(1) of the management and
10 budget act, 1984 PA 431, MCL 18.1451a.

11 Sec. 204. The department and agencies receiving appropriations
12 in part 1 shall use the internet to fulfill the reporting
13 requirements of this part. This requirement shall include
14 transmission of reports via email to the recipients identified for
15 each reporting requirement, and it shall include placement of
16 reports on an internet site.

17 Sec. 205. To the extent permissible under section 261 of the
18 management and budget act, 1984 PA 431, MCL 18.1261, all of the
19 following apply:

20 (a) Funds appropriated in part 1 must not be used for the
21 purchase of foreign goods or services, or both, if competitively
22 priced and of comparable quality American goods or services, or
23 both, are available.

24 (b) Preference must be given to goods or services, or both,
25 manufactured or provided by Michigan businesses, if they are
26 competitively priced and of comparable quality.

27 (c) Preference must be given to goods or services, or both,
28 that are manufactured or provided by Michigan businesses owned and
29 operated by veterans, if they are competitively priced and of

1 comparable quality.

2 Sec. 206. The department shall not take disciplinary action
3 against an employee of the department or departmental agency in the
4 state classified civil service because the employee communicates
5 with a member of the senate or house or a member's staff, unless
6 the communication is prohibited by law and the department or agency
7 taking disciplinary action is exercising its authority as provided
8 by law.

9 Sec. 207. Consistent with section 217 of the management and
10 budget act, 1984 PA 431, MCL 18.1217, the department and agencies
11 receiving appropriations in part 1 shall prepare a report on out-
12 of-state travel expenses not later than January 1 of each year. The
13 travel report shall be a listing of all travel by classified and
14 unclassified employees outside this state in the immediately
15 preceding fiscal year that was funded in whole or in part with
16 funds appropriated in the department's budget. The travel report
17 shall include the following information:

18 (a) The dates of each travel occurrence.

19 (b) The transportation and related costs of each travel
20 occurrence, including the proportion funded with state general
21 fund/general purpose revenues, the proportion funded with state
22 restricted revenues, the proportion funded with federal revenues,
23 and the proportion funded with other revenues.

24 Sec. 208. Funds appropriated in part 1 shall not be used by a
25 principal executive department, state agency, or authority to hire
26 a person to provide legal services that are the responsibility of
27 the attorney general. This prohibition does not apply to legal
28 services for bonding activities and for those outside services that
29 the attorney general authorizes.

1 Sec. 209. Not later than December 31, the state budget office
2 shall prepare and transmit a report that provides for estimates of
3 the total general fund/general purpose appropriation lapses at the
4 close of the prior fiscal year. This report shall summarize the
5 projected year-end general fund/general purpose appropriation
6 lapses by major departmental program or program areas. The report
7 shall be transmitted to the chairpersons of the senate and house
8 appropriations committees, the subcommittees, and the senate and
9 house fiscal agencies.

10 Sec. 210. (1) In addition to the funds appropriated in part 1,
11 there is appropriated an amount not to exceed \$8,600,000.00 for
12 federal contingency authorization. These funds are not available
13 for expenditure until they have been transferred to another line
14 item in part 1 under section 393(2) of the management and budget
15 act, 1984 PA 431, MCL 18.1393.

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

22 (3) In addition to the funds appropriated in part 1, there is
23 appropriated an amount not to exceed \$250,000.00 for local
24 contingency authorization. These funds are not available for
25 expenditure until they have been transferred to another line item
26 in part 1 under section 393(2) of the management and budget act,
27 1984 PA 431, MCL 18.1393.

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

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

5 Sec. 211. From the funds appropriated in part 1, the
6 department shall provide to the department of technology,
7 management, and budget information sufficient to maintain a
8 searchable website accessible by the public at no cost that
9 includes, but is not limited to, all of the following for each
10 department or agency:

- 11 (a) Fiscal year-to-date expenditures by category.
- 12 (b) Fiscal year-to-date expenditures by appropriation unit.
- 13 (c) Fiscal year-to-date payments to a selected vendor,
14 including the vendor name, payment date, payment amount, and
15 payment description.
- 16 (d) The number of active department employees by job
17 classification.
- 18 (e) Job specifications and wage rates.

19 Sec. 212. Within 14 days after the release of the executive
20 budget recommendation, the department shall provide to the state
21 budget office information sufficient to provide the senate and
22 house appropriations chairs, the subcommittees chairs, and the
23 senate and house fiscal agencies with an annual report on estimated
24 state restricted fund balances, state restricted fund projected
25 revenues, and state restricted fund expenditures for the prior 2
26 fiscal years.

27 Sec. 213. The department shall maintain, on a publicly
28 accessible website, a department scorecard that identifies, tracks,
29 and regularly updates key metrics that are used to monitor and

1 improve the department's performance.

2 Sec. 215. To the extent permissible under the management and
3 budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director shall
4 take all reasonable steps to ensure geographically disadvantaged
5 business enterprises compete for and perform contracts to provide
6 services or supplies, or both. The director shall strongly
7 encourage firms with which the department contracts to subcontract
8 with certified businesses in depressed and deprived communities for
9 services, supplies, or both.

10 Sec. 216. (1) On a quarterly basis, the department shall
11 report the following information:

12 (a) The number of FTEs in pay status by type of staff and
13 civil service classification.

14 (b) A comparison by line item of the number of FTEs authorized
15 from funds appropriated in part 1 to the actual number of FTEs
16 employed by the department at the end of the reporting period.

17 (2) By March 1 of the current fiscal year, the department
18 shall report to the senate and house appropriations committees, the
19 subcommittees, and the senate and house fiscal agencies the
20 following information:

21 (a) Number of employees that were engaged in remote work in
22 2023.

23 (b) Number of employees authorized to work remotely and the
24 actual number of those working remotely in the current reporting
25 period.

26 (c) Estimated net cost savings achieved by remote work.

27 (d) Reduced use of office space associated with remote work.

28 Sec. 217. Appropriations in part 1 shall, to the extent
29 possible by the department, not be expended until all existing work

1 project authorization available for the same purposes is exhausted.

2 Sec. 219. The departments and agencies receiving
3 appropriations in part 1 shall receive and retain copies of all
4 reports funded from appropriations in part 1. Federal and state
5 guidelines for short-term and long-term retention of records shall
6 be followed. The department may electronically retain copies of
7 reports unless otherwise required by federal and state guidelines.

8 Sec. 220. The department shall report no later than April 1 on
9 each specific policy change made to implement a public act
10 affecting the department that took effect during the prior calendar
11 year to the senate and house appropriations committees, the
12 subcommittees, the joint committee on administrative rules, and the
13 senate and house fiscal agencies.

14 Sec. 221. The department shall provide biannual reports which
15 shall provide the following data:

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

18 (b) The department's financial status, featuring a report of
19 budgeted versus actual expenditures by part 1 line item including a
20 year-end projection of budget requirements.

21 (c) The number of active employees at the close of the
22 reporting period by job classification and departmental branch of
23 service.

24 Sec. 222. It is the intent of the legislature that departments
25 and agencies maximize the efficiency of the state workforce and,
26 where possible, prioritize in-person work. Each department, agency,
27 board, or commission that receives funding under part 1 must post
28 its in-person, remote, or hybrid work policy on its website.

29 Sec. 223. The appropriations in part 1 for capital outlay

1 shall be carried forward at the end of the fiscal year consistent
2 with section 248 of the management and budget act, 1984 PA 431, MCL
3 18.1248.

4 Sec. 224. Sixty days prior to the public announcement of the
5 intention to sell any department real property, the department
6 shall submit notification of that intent to the subcommittees and
7 the senate and house fiscal agencies.

8 Sec. 226. Except as otherwise provided under this part, any
9 report required to be provided by the department or agencies
10 appropriated funds in part 1 shall be provided to the
11 subcommittees, the senate and house fiscal agencies, and the state
12 budget office.

13 Sec. 227. (1) From the funds appropriated in part 1, the
14 department and agencies that receive funding shall do all of the
15 following:

16 (a) Report any amounts of severance pay for a department or
17 agency director, deputy director, or other high-ranking department
18 or agency official not later than 14 days after a severance
19 agreement with the director or official is signed. The name of the
20 director or official and the amount of severance pay must be
21 included in the report required by this subdivision.

22 (b) Maintain an internet site that posts any severance pay in
23 excess of 6 weeks of wages, regardless of the position held by the
24 former department or agency employee receiving severance pay.

25 (c) By February 1, report to the subcommittees, the house and
26 senate fiscal agencies, the house and senate policy offices, and
27 the state budget office on the total amount of severance pay
28 remitted to former department or agency employees during the prior
29 fiscal year and the total number of former department or agency

1 employees that were remitted severance pay during the prior fiscal
2 year.

3 (2) As used in this section, "severance pay" means
4 compensation that is both payable or paid upon the termination of
5 employment and in addition to either wages or benefits earned
6 during the course of employment or generally applicable retirement
7 benefits.

8 Sec. 229. The department shall provide annually to the
9 subcommittees and the senate and house fiscal agencies its updated
10 departmental strategic plan.

11

12 **MILITARY**

13 Sec. 301. (1) The department shall report to the subcommittees
14 and house and senate fiscal agencies by September 30 a list of the
15 current unclassified positions, which shall include the official
16 titles and responsibilities of each position.

17 (2) Upon the department being granted a request for an
18 additional unclassified employee position from the civil service
19 commission, or for any substantive changes to the duties of an
20 existing unclassified employee position, the department shall
21 notify the subcommittees, the senate and house fiscal agencies, and
22 the state budget office within 15 days.

23 Sec. 302. (1) From the funds appropriated in part 1 for
24 military operations, effective and efficient executive direction
25 and administrative leadership shall be provided to the department.

26 (2) The department shall operate and maintain National Guard
27 armories.

28 (3) The department shall evaluate armories and submit a report
29 biannually, on the status of the armories.

1 (4) The department shall maintain a system to measure the
2 condition and adequacy of the armories.

3 (5) The Michigan Army National Guard and Air National Guard
4 shall work to provide a culture that is free of sexual assault,
5 through an environment of prevention, education and training,
6 response capability, victim support, reporting procedures, and
7 appropriate accountability that enhances the safety and well-being
8 of all guard members.

9 (6) By December 1, the department shall report the following
10 information:

11 (a) An assessment of the grounds and facilities of each armory
12 to objectively measure and determine the current facility condition
13 and capability to support authorized manpower, unit training, and
14 operations.

15 (b) Recommendations for the placement of new armories, the
16 relocation or consolidation of existing armories, or a change in
17 the mission of units assigned to armories to ideally position the
18 National Guard in current or projected population centers.

19 (c) Recommendations for the enhanced use of armories to
20 facilitate family support programs during deployments.

21 (d) An analysis of the feasibility, potential costs, and
22 benefits of use of armories shared with other local, state, or
23 federal agencies to improve responses to local emergencies as well
24 as the community support provided to armories.

25 (e) An investment strategy and proposed funding amounts in a
26 prioritized project list to correct the most critical facility
27 shortfalls across the inventory of armories in this state.

28 (f) A review of the status of construction activities and
29 expenditures of the armory modernization project funded in section

1 107 of 2022 PA 166 and section 104 of 2022 PA 194.

2 Sec. 303. (1) The department shall maintain the Michigan youth
3 challeNGe academy to provide values, skills, education, and self-
4 discipline instruction for at-risk youth as provided under 32 USC
5 509.

6 (2) The department shall take steps to recruit candidates to
7 the challeNGe academy from economically disadvantaged areas,
8 including those with low-income and high-unemployment backgrounds.

9 (3) The department shall partner with the department of health
10 and human services to identify youth who may be eligible for the
11 challeNGe academy from those youth served by department of health
12 and human services programs. These eligible youth shall be given
13 priority for enrollment in the academy.

14 (4) The department shall maintain the Michigan youth challeNGe
15 academy to graduate at least the target number of graduates
16 consistent with the state's cooperative agreement with the National
17 Guard Bureau regarding program operations.

18 (5) The department shall ensure individual academic success as
19 measured by the number of individuals who have received a general
20 equivalency diploma, high school diploma, or high school credit
21 recovery or by the improvement of tests of adult basic education
22 scores, or both.

23 (6) Any unexpended private donations to support the Michigan
24 youth challeNGe academy at the close of this fiscal year shall not
25 lapse to the general fund but shall be carried forward to the
26 subsequent fiscal year.

27 Sec. 304. (1) The department shall provide an annual report on
28 the revenues, expenditures, and fund balance of the Michigan
29 military family relief fund created in section 3 of the military

1 family relief fund act, 2004 PA 363, MCL 35.1213. Expenditures must
2 be itemized by purpose, including, but not limited to, for
3 advertising and assistance grants. This report shall also include
4 information on the number of applications for assistance received,
5 approved, and denied.

6 (2) From the funds appropriated in part 1, the department
7 shall provide sufficient staffing and other resources to provide
8 outreach to the Michigan families of members of the reserve
9 component of the Armed Forces of the United States called into
10 active duty and to support the processing and approval of grant
11 applications for this fiscal year under the Michigan military
12 relief fund created in section 3 of the military family relief fund
13 act, 2004 PA 363, MCL 35.1213, and report those applications
14 annually.

15 Sec. 305. (1) The department shall provide Army and Air
16 National Guard forces, when directed, for state and local
17 emergencies and in support of national military requirements.

18 (2) The department shall operate and maintain Army National
19 Guard training facilities, including Fort Custer and Camp Grayling.

20 (3) The department shall maintain a system that measures the
21 condition and adequacy of air facilities using both quality and
22 functionality criteria.

23 (4) The department shall operate and maintain Air National
24 Guard air bases, including Selfridge Air National Guard base,
25 Battle Creek Air National Guard base, and Alpena combat readiness
26 training center.

27 (5) The department shall provide the following information
28 annually:

29 (a) The apportioned and assigned strength of the Michigan Army

1 National Guard.

2 (b) The apportioned and assigned strength of the Michigan Air
3 National Guard.

4 (c) Recruiting, retention, and attrition data, including
5 measurement against stated performance goals, for the Michigan Army
6 National Guard.

7 (d) Recruiting, retention, and attrition data, including
8 measurement against stated performance goals, for the Michigan Air
9 National Guard.

10 Sec. 306. There is created and established under the
11 jurisdiction and control of the department a revolving account to
12 be known as the billeting fund account. All of the fees and other
13 revenues generated from the operation of the chargeable transient
14 quarters program shall be deposited in the billeting fund account.
15 Appropriations will be made from the account for the support of
16 program operations and the maintenance and operations of the
17 chargeable transient quarters program and will not exceed the
18 estimated revenues for the fiscal year in which they are made,
19 together with unexpended balances from prior years. The department
20 shall submit an annual report by December 15 of operations and
21 expenditures regarding the billeting fund account for the prior
22 fiscal year.

23 Sec. 307. (1) The department shall maintain a National Guard
24 tuition assistance program under section 3 of the Michigan national
25 guard tuition assistance act, 2014 PA 259, MCL 32.433, for eligible
26 persons as defined in section 2 of the Michigan national guard
27 tuition assistance act, 2014 PA 259, MCL 32.432.

28 (2) The objective of the National Guard tuition assistance
29 program is to bolster military readiness by increasing recruitment

1 and retention of Michigan Army and Air National Guard members, to
2 fill federally authorized strength levels for the state, to improve
3 the Michigan Army and Air National Guard's competitive draw from
4 other military enlistment options in the state, to enhance the
5 ability of the Michigan Army and Air National Guard to compete for
6 guard members and federal dollars with surrounding states, and to
7 increase the pool of eligible candidates within the Michigan Army
8 and Air National Guard to become commissioned officers.

9 (3) The department shall make efforts to increase the number
10 of guard members who have received a credential or are still
11 enrolled in the Michigan National Guard tuition assistance program
12 after their initial term of enlistment. To evaluate the
13 effectiveness of the program, the department shall monitor the
14 number of new recruits and new reenlistments and the percentage of
15 those who become participants in the program to determine whether
16 the percentage of authorized Michigan Army and Air National Guard
17 strength obtained and retained is competitive in comparison with
18 the neighboring army and air national guards from Illinois,
19 Indiana, Ohio, and Wisconsin.

20 (4) Not later than March 1, the department shall provide a
21 report on the Michigan National Guard tuition assistance program.
22 The report shall include the following information for the prior
23 fiscal year:

24 (a) The number of guard members receiving tuition assistance.

25 (b) The educational institution from which those guard members
26 received education or training under the program.

27 (c) The total amount of financial assistance received by each
28 educational institution.

29 (d) The total funds expended on the program for financial

1 assistance.

2 (e) The total funds expended on the program for administrative
3 costs of the department.

4 (f) The total number of applications for tuition assistance
5 denied.

6 (g) A list of any educational and training programs removed
7 from eligibility and the rationale for their removal.

8 (h) An explanation of any identified barriers to the
9 successful utilization of the program, or other unmet needs of the
10 program and applicable proposals for legislative action to address
11 those barriers and needs.

12 (5) The general fund/general purpose funds appropriated in
13 part 1 for the National Guard tuition assistance fund shall be
14 deposited into the restricted Michigan national guard tuition
15 assistance fund created in section 4 of the Michigan National Guard
16 tuition assistance act, 2014 PA 259, MCL 32.434. All funds in the
17 restricted Michigan national guard tuition assistance fund are
18 appropriated and available for expenditure to support the Michigan
19 National Guard tuition assistance program.

20 Sec. 308. The department shall maintain the starbase program
21 at Air National Guard facilities, as provided under 10 USC 2193b,
22 to improve the knowledge, skills, and interest of students,
23 primarily in the fifth grade, in math, science, and technology. The
24 starbase program is to specifically target minority and at-risk
25 students for participation.

26 Sec. 309. There is created and established under the
27 jurisdiction and control of the department a revolving account to
28 be known as the test project fees account. All of the fees and
29 other revenues generated from the operation of the test project

1 program shall be deposited in the test project fees fund account.
2 Funds in the account shall be available for expenditure for the
3 support of program operations as appropriated in part 1. Money
4 remaining in the account at the end of the year shall not lapse and
5 shall carry forward to the subsequent fiscal year.

6 Sec. 310. The morale, welfare, and recreation fund is created
7 within the state treasury. The state treasurer may receive money or
8 other assets from any source for deposit into the fund. The state
9 treasurer shall direct the investment of the fund. The state
10 treasurer shall credit to the fund interest and earnings from fund
11 investments. The department shall be the administrator of the fund
12 for auditing purposes. All of the fees and other revenues generated
13 from the operation of the morale, welfare, and recreation program
14 shall be deposited in the morale, welfare, and recreation fund
15 account. Money in the fund shall be available for expenditure for
16 the support of program operations as appropriated in part 1. Money
17 remaining in the fund at the end of the year shall not lapse and
18 shall carry forward to the subsequent fiscal year.

19 Sec. 311. There is created and established under the
20 jurisdiction and control of the department a revolving account to
21 be known as the rental fees account. All of the fees and other
22 revenues generated from the operation of the rental fees program
23 shall be deposited in the rental fees fund account. Money in the
24 account shall be available for expenditure for the support of
25 program operations as appropriated in part 1. Money remaining in
26 the account at the end of the year shall not lapse and shall carry
27 forward to the subsequent fiscal year.

28 Sec. 312. (1) The department shall maintain the guidelines
29 established under section 251(5) of the Michigan military act, 1967

1 PA 150, MCL 32.651, for membership goals in the Michigan volunteer
2 defense force and take all steps necessary to carry out and
3 implement those guidelines.

4 (2) The department shall provide annually to the subcommittees
5 and house and senate fiscal agencies by February 1 the report
6 required under section 251(7) of the Michigan military act, 1967 PA
7 150, MCL 32.651.

8

9 **MICHIGAN VETERANS AFFAIRS AGENCY**

10 Sec. 404. (1) Money privately donated to the department for
11 the Michigan veterans affairs agency administration in excess of
12 the appropriation in part 1 is appropriated and may be used for the
13 benefit and life enrichment of veterans and for the purpose
14 designated by the private source, if specified and in compliance
15 with this section.

16 (2) The department must submit an annual report that provides
17 the amount of private donations received by the department for the
18 Michigan veterans affairs agency administration and the purpose for
19 which the funds will be expended, if known. In addition to the
20 report required under this subsection, if a donation described
21 under this section is \$10,000.00 or greater, the department must
22 submit a report within 14 calendar days after receiving that
23 donation providing the amount of the donation and the purpose for
24 which the funds will be expended, if known.

25 (3) Any unexpended and unencumbered private donations to
26 support the MVAA at the close of this fiscal year shall not lapse
27 to the general fund but shall be carried forward to the subsequent
28 fiscal year.

29 Sec. 405. (1) The MVAA shall provide a report annually on the

1 financial status of the Michigan veterans' trust fund, including
2 the number and amount of emergency grants, state operating and
3 administrative expenses, and county administrative expenses.

4 (2) The Michigan veterans' trust fund board together with the
5 MVAA shall provide emergency grants for disbursement from the
6 Michigan veterans' trust fund, as provided under the following
7 program authorities:

8 (a) Sections 37, 38, and 39 of article IX of the state
9 constitution of 1963.

10 (b) 1946 (1st Ex Sess) PA 9, MCL 35.602 to 35.610.

11 (c) R 35.1 to R 35.7 of the Michigan Administrative Code.

12 (d) R 35.621 to R 35.623 of the Michigan Administrative Code.

13 (3) No later than February 1, the MVAA shall provide a
14 detailed report of the Michigan veterans' trust fund that includes,
15 for the prior fiscal year, information on grants provided from the
16 emergency grant program, including details concerning the
17 methodology of allocations, the selection of emergency grant
18 program authorized agents, a description of how the emergency grant
19 program is administered in each county, the selection of authorized
20 agents, and a detailed breakdown of trust fund expenditures for
21 that year, including the amount distributed to each county for
22 operating costs, administrative costs and emergency grants. The
23 report shall also include the number of approved applications, by
24 category of assistance, and the number of denied applications, by
25 reason of denial. The report shall also provide an update on the
26 department's efforts to reduce program administrative costs and
27 maintain the Michigan veterans' trust fund corpus at or above its
28 original amount of at least \$50,000,000.00.

29 Sec. 406. (1) The MVAA shall provide outreach services to

1 Michigan veterans to advise them on the benefits to which they are
2 entitled, as provided under Executive Reorganization Order No.
3 2013-2, MCL 32.92.

4 (2) The MVAA shall also do the following:

5 (a) Develop and operate an outreach program that communicates
6 benefit eligibility information to at least 50% of Michigan's
7 population of veterans, as assessed by annual census estimates,
8 with a goal of reaching 100% and enabling 100% to access benefit
9 information online.

10 (b) Communicate veteran benefit information pertaining to the
11 Michigan military family relief fund, Michigan veterans' trust
12 fund, and USDVA health, financial, and memorial benefits to which
13 veterans are entitled.

14 (c) Fulfill requests for military discharge certificates (DD-
15 214) upon request.

16 (d) Provide a report annually providing, to the extent known,
17 data on the estimated number of homeless veterans, by county, in
18 this state.

19 (e) Provide a report annually on the percentage of Michigan
20 veterans contacted through its outreach programs, with a goal of
21 90%, and report that percentage to the subcommittees biannually on
22 the status of outreach.

23 Sec. 408. From the funds appropriated in part 1, the MVAA
24 shall provide for the regional coordination of services, as
25 follows:

26 (a) The MVAA shall coordinate with veteran benefit counselors
27 throughout a specified region.

28 (b) The MVAA shall coordinate services with the department of
29 health and human services and the department of corrections.

1 (c) The MVAA shall coordinate with regional workforce and
2 economic development agencies.

3 (d) The MVAA shall coordinate activities among local
4 foundations, nonprofit organizations, and community groups to
5 improve accessibility, enrollment, and utilization of the array of
6 health care, education, employment assistance, and quality of life
7 services provided at the local level.

8 (e) The MVAA may work with MVAA service officers, county
9 veteran counselors, VSO service officers, and other service
10 providers to incorporate the provision of information relating to
11 mental health care resources into their daily operations to aid
12 veterans in understanding the mental health care support services
13 they may be eligible to receive.

14 (f) The MVAA shall coordinate with the department of health
15 and human services to identify Medicaid recipients who are veterans
16 and who may be eligible for federal veterans health care benefits
17 or other benefits, to the extent that the identification does not
18 violate applicable confidentiality requirements.

19 (g) The MVAA shall collaborate with the department of
20 corrections to create and maintain a process by which prisoners can
21 obtain a copy of their DD-214 form or other military discharge
22 documentation if necessary.

23 (h) The MVAA shall ensure that all MVAA service officers and
24 VSO service officers receive appropriate training in processing
25 applications for benefits payable to veterans due to military
26 sexual trauma, post-traumatic stress disorder, depression, anxiety,
27 substance abuse, or other mental health issues.

28 Sec. 410. (1) The MVAA shall provide claims processing
29 services to Michigan veterans in support of benefit claims

1 submitted to the USDVA for the health, financial, and memorial
2 benefits for which they are eligible, and shall do both of the
3 following:

4 (a) Report annually on the number of benefit claims, by type,
5 submitted to the USDVA by MVAA.

6 (b) Maintain the staffing and resources necessary to process a
7 minimum of 500 claims per year.

8 (2) The MVAA shall develop and implement a process to ensure
9 that all county counselors receive the training and accreditation
10 necessary to provide quality services to veterans and shall report
11 information annually on the number and percentage of county
12 veterans counselors trained by the MVAA, and the number and
13 percentage who received funding from the MVAA to attend training,
14 with an overall goal of 100% of county veterans counselors trained.

15 (3) From the funds appropriated in part 1 for MVAA, the MVAA
16 is authorized to expend up to \$50,000.00 to hire legal services to
17 represent veterans benefit cases before federal court to maintain
18 accreditation under 38 CFR 14.628(d) (1) (iv).

19 Sec. 411. (1) From the funds appropriated in part 1 for
20 veterans service grants, the MVAA shall establish, administer, and
21 award competitive grants to 1 or more congressionally chartered
22 VSOs or a coalition of VSOs. Grants shall be used to support
23 efforts to connect veterans and their dependents with federal
24 compensation and pension benefits and state veterans' benefits,
25 including emergency grants through the Michigan veterans' trust
26 fund and other local or nonproject assistance that may be available
27 to veterans and their dependents. The competitive grant process
28 shall include all of the following:

29 (a) Using a regional service delivery model to ensure that

1 veterans and their dependents in this state, including those within
2 tribal communities, are provided with services, advocacy, and
3 outreach as close to the communities in which they live as
4 possible.

5 (b) Ensure that grantees are providing adequate veteran
6 services and advocacy, through in-person and virtual meetings, that
7 enables the organization to meet performance goals established in
8 the grant agreement.

9 (c) Foster innovative and transformative approaches and
10 techniques for the grantee to use when providing services,
11 advocacy, and outreach for veterans and their dependents.

12 (d) Require grantees to use an MVAA-designated internet-based
13 claims data system to manage caseloads. License fees associated
14 with the claims data system described in this subdivision are
15 considered an allowable expenditure and may be reimbursed with
16 grant funds.

17 (e) A provision that requires grantees, in coordination with
18 the MVAA, to provide services to incarcerated veterans who are
19 within 1 year of their earliest release date.

20 (f) Ensure that each grantee is issued performance goals.

21 (g) Ensure that each grantee expends grant awards as
22 prescribed in the grant agreement.

23 (h) Require each grantee to report not less than quarterly on
24 all of the following:

25 (i) An accounting for all grant fund expenditures.

26 (ii) The number and type of claims originated and submitted by
27 the grantee to the USDVA.

28 (iii) The number and type of claims originated by an
29 organization other than the grantee and submitted by the grantee to

1 the USDVA.

2 (iv) The services provided to veterans and their dependents.

3 (v) Progress in achieving monthly performance benchmark goals.

4 (i) Ensure that each grantee is issued monthly performance
5 benchmark goals that each grantee must aim to achieve and require
6 each grantee to report to the MVAA, in order to ensure that
7 benchmark goals are being achieved, or on target to be achieved, in
8 the fiscal year.

9 (2) The MVAA shall do all of the following:

10 (a) Follow all generally accepted accounting principles in
11 accordance with sections 141 and 485 of the management and budget
12 act, 1984 PA 431, MCL 18.1141 and 18.1485.

13 (b) When establishing, modifying, or amending the competitive
14 grant process described in subsection (1), consult and collaborate
15 with congressionally chartered VSOs in the state, or a coalition of
16 VSOs, and other stakeholders to ensure a comprehensive approach to
17 providing services, advocacy, and outreach to veterans and their
18 dependents.

19 (c) Provide notice to current grantees of any MVAA-proposed
20 modifications or amendments to the competitive grant process and
21 provide those grantees with an opportunity to respond through
22 written communication.

23 (d) Assess the accuracy rate of claims reported by grantees.

24 (e) Review and audit grantees' expenditure of grant funds to
25 ensure compliance with the grant agreement, as provided under
26 section 470 of the management and budget act, 1984 PA 431, MCL
27 18.1470.

28 (3) By March 1, the MVAA shall provide a report summarizing
29 grant activities for the prior fiscal year, including the amount of

1 expenditures, number of service and advocacy hours, number of
2 claims for benefits submitted by type of claim, and other
3 information deemed appropriate by the MVAA.

4 (4) From the funds appropriated in part 1 for veterans service
5 grants, \$208,500.00 must be allocated to cover necessary
6 administrative and implementation costs incurred by the MVAA.

7 (5) The unexpended funds appropriated in part 1 for veterans
8 service grants are designated as a work project appropriation and
9 any unencumbered or unallotted funds shall not lapse at the end of
10 the fiscal year and shall be available for expenditure for projects
11 under this section until the projects have been completed.

12 Sec. 412. The department shall continue to cooperate with the
13 department of health and human services to identify Medicaid
14 recipients who are veterans and who may be eligible for federal
15 veterans' health benefits or other benefits and refer those
16 veterans to the department for assistance in securing additional
17 benefits.

18 Sec. 413. (1) The funds appropriated in part 1 for county
19 veteran service grants shall be deposited to the restricted county
20 veteran service fund created in section 3a of 1953 PA 192, MCL
21 35.623a. All funds in the restricted county veteran service fund
22 are appropriated and available for expenditure to support county
23 veteran service grants.

24 (2) From the funds deposited under subsection (1) to the
25 restricted county veteran service fund, \$208,500.00 shall be
26 allocated to the MVAA to be used to cover costs associated with
27 administering and providing technical assistance to counties for
28 this grant program.

29 (3) The MVAA shall provide a report by December 15 that

1 includes the following:

2 (a) A list of counties that received a grant under this
3 section in the prior fiscal year.

4 (b) The total amount of grant funding each county received in
5 the prior fiscal year including any amount of funding provided
6 under the emergent need relief program pursuant to section 3a(10)
7 of 1953 PA 192, MCL 35.623a.

8 (c) A summary of each county's expenditures of grant funding.

9 (d) The amount of any unexpended grant funding disbursed to
10 the counties that has been recovered and returned to the county
11 veteran service fund.

12 (e) The balance of the county veteran service fund after the
13 prior fiscal year-end book closing.

14 (f) A list of counties that have requested funds in the
15 current fiscal year, the amount requested by each county, and the
16 total of these amounts.

17 (g) A list of counties that did not request funds in the
18 current fiscal year.

19 (h) The amount of any funds recovered by the MVAA through the
20 MVAA's finding of misused grant funds.

21 (i) An explanation of any obstacles or reasons for counties
22 not applying for or spending their eligible amount of grant
23 funding.

24 Sec. 414. By February 1, the department shall provide a report
25 on the status of the construction, operations, and finances of the
26 state veterans cemetery authorized under the veterans cemetery act,
27 2022 PA 267, MCL 35.1251 to 35.1259.

28 Sec. 415. From the funds appropriated in part 1, the
29 department may contract with or provide grants to local health care

1 providers to accelerate the clinical research and deployment of
2 promising investigational treatments for suicide prevention that
3 have been granted breakthrough therapy designation by the United
4 States Food and Drug Administration, and are eligible for expanded
5 access as defined by the United States Food and Drug
6 Administration, specifically for the treatment of post-traumatic
7 stress disorder, major depressive disorder, or treatment-resistant
8 depression in Michigan veterans of the United States military and
9 first responders. In addition, from the funds appropriated in part
10 1, the department may hire up to 3 FTE staff to facilitate and
11 administer this grant program.

12

13 **MICHIGAN VETERANS' FACILITY AUTHORITY**

14 Sec. 451. Money privately donated to the MVH, the MVFA, or a
15 veterans' facility in excess of the appropriation in part 1 is
16 appropriated and may be used for the benefit and life enrichment of
17 resident members and for the purpose designated by the private
18 source, if specified and in compliance with this section. A report
19 must be submitted to the subcommittees within 14 calendar days
20 after the MVH, MVHA, or veterans' facility receives a donation that
21 is \$10,000.00 or greater and the report must include the purpose
22 for which the donated funds are to be spent, if known.

23 Sec. 452. (1) The MVH and the MVFA shall provide compassionate
24 and quality nursing care services at each veterans' facility in
25 this state so that resident members can achieve their highest
26 potential of wellness, independence, self-worth, and dignity.

27 (2) From the funds appropriated in part 1, the MVFA and the
28 MVH shall provide nursing care services to veterans in accordance
29 with federal standards and report the results of the annual USDVA

1 and Centers for Medicare and Medicaid Services surveys and
2 certification as proof of compliance.

3 (3) Appropriations in part 1 for a veterans' facility shall
4 not be used for any purpose other than expenses related to the
5 operations of the veterans' facility, resident members, and their
6 families.

7 Sec. 454. Any contractor providing CENAs to a veterans'
8 facility shall ensure all of the following:

9 (a) That each CENA has at least 8 hours of training on
10 information provided by the veterans' facility.

11 (b) That each CENA has at least one 8-hour shift of shadowing
12 at the veterans' facility.

13 (c) That each CENA is competent in the basic skills needed to
14 perform his or her assigned duties at the veterans' facility.

15 (d) That each CENA is provided at least 12 hours of in-service
16 training once that individual has been assigned to the veterans'
17 facility.

18 Sec. 456. (1) All complaints of abuse or neglect at a
19 veterans' facility shall be reported and investigated in compliance
20 with USDVA and Centers for Medicare and Medicaid Services
21 regulations for state veterans' homes and skilled nursing
22 facilities. The MVFA shall report on a bimonthly basis the
23 following information:

24 (a) A description of the process by which resident members and
25 others may file complaints of alleged abuse or neglect at a
26 veterans' facility.

27 (b) Summary statistics on the number and general nature of
28 complaints of abuse or neglect.

29 (c) Summary statistics on the final disposition of complaints

1 of abuse or neglect received.

2 (2) The process by which visitors, resident members, and staff
3 of the veterans' facility may register complaints must be displayed
4 in high-traffic areas throughout the veterans' facility.

5 Sec. 460. The MVH shall establish and implement internal
6 controls regarding all of the following:

7 (a) The use and management of food, maintenance, and
8 pharmaceutical and medical supply inventories.

9 (b) Calculating resident member maintenance assessments in
10 order to accurately calculate resident member maintenance
11 assessments for each billing cycle and ensure that all past due
12 resident member maintenance assessments are addressed within 30
13 days.

14 (c) Monetary donations and donated goods.

15 (d) The handling of resident member funds to ensure the
16 release of funds within 15 calendar days upon the resident member
17 leaving the home and to ensure that a representative of a resident
18 member is provided a full accounting of that resident member's
19 funds within 30 calendar days after the death of that resident
20 member.

21 (e) Financial reporting and accounting.

22 Sec. 461. (1) The MVH shall provide bimonthly reports on the
23 following:

24 (a) Census data for each veterans' facility, including
25 information on level of care, service era, payer source, and
26 average income and assessment rate of its resident members.

27 (b) Per-patient daily care hours provided by each veterans'
28 facility, by level of care.

29 (c) Financial status of each veterans' facility and central

1 MVFA/MVH administration. Information must include, but is not
2 limited to, actual year-to-date and projected year-end revenues and
3 expenditures, by fund source.

4 (2) In addition to the information required under section
5 12(1) of the Michigan veterans' facility authority act, 2016 PA
6 560, MCL 36.112, the MVFA shall provide a report detailing the
7 strategies and actions taken to maximize revenues from nongeneral
8 fund sources and cost savings strategies.

9 Sec. 463. In addition to the funds appropriated in part 1,
10 private revenues held by the MVH on a nonfiduciary basis for a
11 resident member of a veterans' facility are appropriated to pay
12 medical expenses, member assessments, and other expenses incurred
13 by that resident member. Any unexpended or unencumbered private
14 revenues held on a nonfiduciary basis by the MVH at the close of
15 the fiscal year shall not lapse to the general fund but shall be
16 carried forward into the subsequent fiscal year.

17 Sec. 464. By March 1, the MVFA shall provide a report on the
18 construction, operation, and finances of the new Marquette veterans
19 home funded in article 14 of 2022 PA 166.

20 Sec. 465. Except as otherwise provided by law, any unexpended
21 and unencumbered federal revenues received by the MVFA shall not
22 lapse to the state general fund, but shall be carried forward into
23 the subsequent fiscal year.

24

25 **CAPITAL OUTLAY**

26 Sec. 501. (1) The department shall provide for the acquisition
27 and disposition of National Guard armories, facilities, and lands
28 as provided under sections 368, 382, and 382a of the Michigan
29 military act, 1967 PA 150, MCL 32.768, 32.782, and 32.782a.

1 (2) The department shall provide a listing of property sales
2 and acquisitions annually.

3 Sec. 502. (1) The appropriations for special maintenance -
4 National Guard shall be expended in accordance with the
5 requirements of sections 302 and 305 of this part and shall be
6 expended according to the maintenance priorities of the department
7 to repair and modernize military training sites and support
8 facilities, including armories, which may include projects such as
9 roof, HVAC, or boiler replacement, interior renovations, facility
10 expansion, improvements to parking facilities, and other projects.

11 (2) The department shall provide a report annually providing
12 information on the status, projected costs, and projected
13 completion date of current and planned special maintenance projects
14 at the armories and other National Guard facilities funded from
15 capital outlay appropriations made in part 1 and in prior
16 appropriations years.

17 Sec. 503. (1) The appropriations for special maintenance -
18 veterans' facility shall be expended in accordance with the
19 requirements of section 452 of this part and shall be expended
20 according to the maintenance priorities of the MVFA to repair and
21 modernize the state's veterans' facility, which may include
22 physical plant expansions, renovations, or enhancements, and other
23 projects designed to enhance the quality of life and medical care
24 of resident members.

25 (2) The MVH shall provide a report annually providing
26 information on the status, projected costs, and projected
27 completion date of current and planned special maintenance projects
28 at each veterans' facility funded from capital outlay
29 appropriations made in part 1 and in prior appropriations years.

