

SUBSTITUTE FOR

SENATE BILL NO. 794

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2017; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 PART 1

2 LINE-ITEM APPROPRIATIONS

3 Sec. 101. There is appropriated for the department of military
4 and veterans affairs for the fiscal year ending September 30, 2017,
5 from the following funds:

6 DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

7 APPROPRIATION SUMMARY

8	Full-time equated unclassified positions.....	9.0
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9	Full-time equated classified positions.....	898.5
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1	GROSS APPROPRIATION.....	\$	176,710,200
2	Total interdepartmental grants and intradepartmental		
3	transfers		101,800
4	Schedule of interdepartmental grant revenue sources:		
5	IDG, state police		101,800
6	ADJUSTED GROSS APPROPRIATION.....	\$	176,608,400
7	Total federal revenues.....		91,793,600
8	Schedule of federal revenue sources:		
9	DOD-DOA-NGB		61,969,000
10	DVA-VHA		27,825,100
11	HHS-HCFA, Medicare, hospital insurance.....		1,809,700
12	HHS-HCFA, title XIX, Medicaid.....		89,800
13	Federal counter narcotics revenues.....		100,000
14	Total local revenues.....		1,732,400
15	Schedule of local revenue sources:		
16	Local - school aid fund		1,732,400
17	Total private revenues.....		742,800
18	Schedule of private revenue sources:		
19	Private - veterans' homes post and posthumous		
20	funds		540,000
21	Private donations		202,800
22	Total other state restricted revenues.....		24,696,000
23	Schedule of restricted revenue sources:		
24	Billeting fund		1,517,800
25	Rental fees		346,400
26	Mackinac Bridge Authority		70,000
27	Test project fees		100,000

1	Income and assessments	11,933,300	
2	Lease revenue	12,200	
3	Michigan veterans trust fund	5,211,300	
4	Michigan national guard tuition assistance		
5	fund	3,505,000	
6	Michigan national guard armory		
7	construction fund	1,000,000	
8	Military family relief fund	1,000,000	
9	State general fund/general purpose	\$	57,643,600
10	State general fund/general purpose schedule:		
11	Ongoing state general fund/general		
12	purpose	50,143,600	
13	One-time state general fund/general		
14	purpose	7,500,000	
15	Sec. 102. MILITARY		
16	Full-time equated unclassified positions.....	9.0	
17	Full-time equated classified positions.....	334.0	
18	Unclassified positions.....	\$	1,425,500
19	Departmental and National Guard operations		<u>67,125,600</u>
20	GROSS APPROPRIATION	\$	68,551,100
21	Appropriated from:		
22	Interdepartmental grant revenues.....		101,800
23	Federal revenues.....		47,488,100
24	Local revenues.....		1,732,400
25	Private revenues.....		202,800
26	State restricted revenues.....		6,551,800
27	State general fund/general purpose	\$	12,474,200

1	Schedule of programs:		
2	Unclassified salaries	1,425,500	
3	Support services	1,839,100	
4	Armories and joint force readiness.....	17,592,300	
5	National Guard training facilities and air		
6	bases	33,793,000	
7	Michigan youth challenge program.....	5,326,900	
8	Military family relief fund	600,000	
9	Starbase grant	2,322,000	
10	National guard tuition assistance program..	3,505,000	
11	National guard tuition assistance fund.....	762,700	
12	Information technology services and		
13	projects	1,384,600	
14	Sec. 103. MICHIGAN VETERANS AFFAIRS AGENCY		
15	Full-time equated classified positions.....	564.5	
16	Michigan veterans affairs agency.....	\$	16,239,400
17	Veterans' homes.....		<u>67,619,700</u>
18	GROSS APPROPRIATION.....	\$	83,859,100
19	Appropriated from:		
20	Federal revenues.....		29,305,500
21	Private revenues.....		540,000
22	State restricted revenues.....		17,144,200
23	State general fund/general purpose.....	\$	36,869,400
24	Schedule of programs:		
25	Veterans affairs agency administration.....	7,057,300	
26	Veterans service grants	3,770,800	
27	Targeted grants	200,000	

1	Veterans' trust fund administration.....	1,464,800	
2	Veterans' trust fund grants	3,746,500	
3	Grand Rapids veterans' home	45,429,100	
4	Board of managers (Grand Rapids home).....	665,000	
5	D.J. Jacobetti veterans' home.....	21,250,600	
6	Board of managers (DJJHV)	275,000	
7	Sec. 104. CAPITAL OUTLAY		
8	Capital outlay.....	\$	<u>16,800,000</u>
9	GROSS APPROPRIATION.....	\$	16,800,000
10	Appropriated from:		
11	Federal revenues.....		15,000,000
12	State restricted revenues.....		1,000,000
13	State general fund/general purpose.....	\$	800,000
14	Schedule of programs:		
15	Special maintenance - National Guard.....	15,300,000	
16	Special maintenance - veterans' home.....	500,000	
17	Land acquisitions and appraisals.....	1,000,000	
18	Sec. 105. ONE-TIME APPROPRIATIONS		
19	Capital outlay - Grand Rapids home for		
20	veterans - Medicaid certification pilot.....	\$	5,000,000
21	Armory infrastructure upgrades.....		<u>2,500,000</u>
22	GROSS APPROPRIATION.....	\$	7,500,000
23	Appropriated from:		
24	State general fund/general purpose.....	\$	7,500,000

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PART 2

PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2016-2017

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2016-2017 is \$82,339,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2016-2017 is \$102,400.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

National Guard training facilities and air bases	\$	52,400
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Schedule of programs:

Payments in lieu of taxes		52,400
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Michigan veterans affairs agency administration	\$	50,000
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Schedule of programs:

County counselor education and training

expenses	50,000	
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TOTAL	\$	102,400
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Sec. 202. The appropriations authorized under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

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

(a) "Core services" means that phrase as defined in section 373 of the management and budget act, 1984 PA 431, MCL 18.1373.

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

- 1 (c) "Director" means director of the department.
- 2 (d) "DJJHV" means the D.J. Jacobetti home for veterans.
- 3 (e) "DOD" means the United States Department of Defense.
- 4 (f) "DOD-DOA-NGB" means the DOD Department of the Army,
5 National Guard Bureau.
- 6 (g) "FTE" means full-time equated.
- 7 (h) "GRHV" means the Grand Rapids home for veterans.
- 8 (i) "HCFA" means the Health Care Financing Administration, now
9 renamed the Centers for Medicare and Medicaid Services.
- 10 (j) "HHS" means the United States Department of Health and
11 Human Services.
- 12 (k) "HVAC" means heating, ventilation, and air conditioning.
- 13 (l) "IDG" means interdepartmental grant.
- 14 (m) "MVAA" means the Michigan veterans affairs agency.
- 15 (n) "Subcommittees" means all members of the subcommittees of
16 the senate and house appropriations committees with jurisdiction
17 over the budget of the department.
- 18 (o) "USDVA" means the United States Department of Veterans
19 Affairs.
- 20 (p) "USDVA-VHA" means the USDVA Veterans Health
21 Administration.
- 22 (q) "Veterans' homes" means the Grand Rapids home for veterans
23 and the D.J. Jacobetti home for veterans.
- 24 (r) "VSO" means veterans service organization.
- 25 (s) "Work project" means that term as defined in section 404
26 of the management and budget act, 1984 PA 431, MCL 18.1404, and
27 that meets the criteria in section 451a(1) of the management and

1 budget act, 1984 PA 431, MCL 18.1451a.

2 Sec. 206. (1) In addition to the funds appropriated in part 1,
3 there is appropriated an amount not to exceed \$10,000,000.00 for
4 federal contingency funds. These funds are not available for
5 expenditure until they have been transferred to another line item
6 in part 1 under section 393(2) of the management and budget act,
7 1984 PA 431, MCL 18.1393.

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

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

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

26 Sec. 207. The department shall cooperate with the department
27 of technology, management, and budget to maintain a searchable

1 website that is accessible by the public at no cost that includes,
2 but is not limited to, all of the following:

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

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

5 (c) Fiscal year-to-date payments to a selected vendor,
6 including the vendor name, payment date, payment amount, and
7 payment description.

8 (d) The number of active department employees by job
9 classification.

10 (e) Job specifications and wage rates.

11 Sec. 208. The departments and agencies receiving
12 appropriations in part 1 shall use the Internet to fulfill the
13 reporting requirements of this part. This requirement may include
14 transmission of reports via electronic mail to the recipients
15 identified for each reporting requirement, or it may include
16 placement of reports on an Internet or Intranet site.

17 Sec. 209. Funds appropriated in this part and part 1 shall not
18 be used for the purchase of foreign goods or services, or both, if
19 competitively priced and of comparable quality American goods or
20 services, or both, are available. Preference shall be given to
21 goods or services, or both, manufactured or provided by Michigan
22 businesses, if they are competitively priced and of comparable
23 quality. In addition, preference shall be given to goods or
24 services, or both, that are manufactured or provided by Michigan
25 businesses owned and operated by veterans, if they are
26 competitively priced and of comparable quality.

27 Sec. 210. The department shall take all reasonable steps to

1 ensure businesses in deprived and depressed communities compete for
2 and perform contracts to provide services or supplies, or both. The
3 director of the department shall strongly encourage firms with
4 which the department contracts to subcontract with certified
5 businesses in depressed and deprived communities for services,
6 supplies, or both.

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

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

13 (2) Notwithstanding any other provisions of this part, the
14 schedule of revenue sources in part 1 may or may not be received
15 from the funding entities listed.

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

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

1 (a) The dates of each travel occurrence.

2 (b) The total transportation and related costs of each travel
3 occurrence, including the proportion funded with state general
4 fund/general purpose revenues, the proportion funded with state
5 restricted revenues, the proportion funded with federal revenues,
6 and the proportion funded with other revenues.

7 Sec. 219. The department shall provide quarterly reports to
8 the subcommittees, the senate and house fiscal agencies, and the
9 state budget office, which shall provide the following data:

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

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

18 (c) A report on the status of performance metrics cited in
19 this part and information required to be reported in this part.

20 (d) The number of active employees at the close of the fiscal
21 quarter by job classification and program.

22 (e) A summary of fund shifts, that have been approved by the
23 state budget office, that have occurred between items listed in the
24 schedule of programs mentioned in part 1.

25 (f) Evidence of efficiencies and management of funds within
26 established appropriations.

27 Sec. 222. The appropriations in part 1 are for the core

1 services, support services, and work projects of the department,
2 including, but not limited to, the following core services:

- 3 (a) Armories and joint force readiness.
- 4 (b) National Guard training facilities and air bases.
- 5 (c) Michigan youth challenge academy.
- 6 (d) Military family relief fund.
- 7 (e) Starbase grant.
- 8 (f) National Guard tuition assistance program.
- 9 (g) Michigan veterans affairs agency administration.
- 10 (h) Veterans service grants.
- 11 (i) Veterans' trust fund administration.
- 12 (j) Veterans' trust fund grants.
- 13 (k) Grand Rapids home for veterans.
- 14 (l) D.J. Jacobetti home for veterans.
- 15 (m) Board of managers (Grand Rapids and D.J. Jacobetti homes
16 for veterans).

17 Sec. 225. Funds appropriated in this part and part 1 shall not
18 be used by a principal executive department, state agency, or
19 authority to hire a person to provide legal services that are the
20 responsibility of the attorney general. This prohibition does not
21 apply to legal services for bonding activities and for those
22 activities that the attorney general authorizes.

23 Sec. 228. Not later than November 30, the state budget office
24 shall prepare and transmit a report that provides for estimates of
25 the total general fund/general purpose appropriations lapses at the
26 close of the prior fiscal year. This report shall summarize the
27 projected year-end general fund/general purpose appropriations

1 lapses by major departmental program or program areas. The report
2 shall be transmitted to the office of the state budget, the
3 chairpersons of the senate and house standing committees on
4 appropriations, the subcommittees, and the senate and house fiscal
5 agencies.

6 Sec. 229. Within 14 days after the release of the executive
7 budget recommendation, the department shall cooperate with the
8 state budget office to provide the senate and house appropriations
9 chairs, the subcommittees, and the senate and house fiscal agencies
10 with an annual report on estimated state restricted fund balances,
11 state restricted fund projected revenues, and state restricted fund
12 expenditures for the fiscal years ending September 30, 2016 and
13 September 30, 2017.

14 Sec. 230. The department shall maintain, on a publicly
15 accessible website, a department scorecard that identifies, tracks,
16 and regularly updates key metrics that are used to monitor and
17 improve the agency's performance.

18 Sec. 231. Total authorized appropriations from all sources
19 under part 1 for legacy costs for the fiscal year ending September
20 30, 2017 are \$18,602,500.00. From this amount, total agency
21 appropriations for pension-related legacy costs are estimated at
22 \$10,314,600.00, and total agency appropriations for retiree health
23 care legacy costs are estimated at \$8,287,900.00.

24 Sec. 232. The appropriations in part 1 for capital outlay
25 shall be carried forward at the end of the fiscal year consistent
26 with section 248 of the management and budget act, 1984 PA 431, MCL
27 18.1248.

1 Sec. 233. Sixty days prior to the public announcement of the
2 intention to sell any department real property, the department
3 shall submit notification of that intent to the subcommittees and
4 the senate and house fiscal agencies.

5 Sec. 234. The one-time appropriations in part 1 for special
6 maintenance shall be carried forward at the end of the fiscal year
7 consistent with section 248 of the management and budget act, 1984
8 PA 431, MCL 18.1248.

9 Sec. 240. In addition to the metrics required under section
10 447 of the management and budget act, 1984 PA 431, MCL 18.1447, for
11 each new program or program enhancement for which funds in excess
12 of \$500,000.00 are appropriated in part 1, the department shall
13 provide not later than November 1, 2015 a list of program-specific
14 metrics intended to measure its performance based on a return on
15 taxpayer investment. The department shall deliver the program-
16 specific metrics to members of the senate and house subcommittees
17 that have subject matter jurisdiction for this budget, fiscal
18 agencies, and the state budget director. The department shall
19 provide an update on its progress in tracking program-specific
20 metrics and the status of program success at an appropriations
21 subcommittee meeting called for by the subcommittee chair.

22 **MILITARY**

23 **UNCLASSIFIED POSITIONS**

24 Sec. 300. (1) From the funds appropriated in part 1, there is
25 funding to support unclassified employee positions as authorized by
26 section 5 of article XI of the state constitution of 1963. These

1 positions include the following: department director - the adjutant
2 general for Michigan; assistant adjutant general - army; assistant
3 adjutant general - installations; assistant adjutant general - air;
4 senior policy executive - Michigan veterans affairs agency; senior
5 deputy director - state operations; director - strategy and policy;
6 chief executive officer for veterans health system; and director -
7 Michigan veterans affairs agency.

8 (2) Not less than 30 days prior to the department submitting a
9 request for an additional unclassified employee position from the
10 civil service commission, or for any substantive change to the
11 duties of an existing unclassified employee position, the
12 department shall notify the subcommittees and the senate and house
13 fiscal agencies.

14 **ARMORIES AND JOINT FORCE READINESS**

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

18 (2) The department shall operate and maintain National Guard
19 armories.

20 (3) The department shall evaluate armories and submit a
21 quarterly report on the status of the armories.

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

24 (5) The Michigan Army National Guard and Air National Guard
25 shall work to provide a culture that is free of sexual assault,
26 through an environment of prevention, education and training,
27 response capability, victim support, reporting procedures, and

1 appropriate accountability that enhances the safety and well-being
2 of all guard members.

3 (6) By December 1, the department shall report the following
4 information to the subcommittees, the senate and house fiscal
5 agencies, and the state budget office:

6 (a) An assessment of the grounds and facilities of each armory
7 to objectively measure and determine the current facility condition
8 and capability to support authorized manpower, unit training, and
9 operations.

10 (b) Recommendations for the placement of new armories, the
11 relocation or consolidation of existing armories, or a change in
12 the mission of units assigned to armories to ideally position the
13 National Guard in current or projected population centers.

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

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

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

23 **NATIONAL GUARD TRAINING FACILITIES AND AIR BASES**

24 Sec. 304. (1) The department shall provide Army and Air
25 National Guard forces, when directed, for state and local
26 emergencies and in support of national military requirements.

27 (2) The department shall operate and maintain Army National

1 Guard training facilities, including Fort Custer and Camp Grayling.

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

5 (4) The department shall operate and maintain Air National
6 Guard air bases, including Selfridge Air National Guard base,
7 Battle Creek Air National Guard base, and Alpena combat readiness
8 training center.

9 (5) The department shall provide the following information as
10 provided under section 219:

11 (a) The apportioned and assigned strength of the Michigan Army
12 National Guard.

13 (b) The apportioned and assigned strength of the Michigan Air
14 National Guard.

15 (c) Recruiting, retention, and attrition data, including
16 measurement against stated performance goals, for the Michigan Army
17 National Guard.

18 (d) Recruiting, retention, and attrition data, including
19 measurement against stated performance goals, for the Michigan Air
20 National Guard.

21 Sec. 305. There is hereby created and established under the
22 jurisdiction and control of the department a revolving account to
23 be known as the billeting fund account. All of the fees and other
24 revenues generated from the operation of the chargeable transient
25 quarters program shall be deposited in the billeting fund account.
26 Appropriations will be made from the account for the support of
27 program operations and the maintenance and operations of the

1 chargeable transient quarters program and will not exceed the
2 estimated revenues for the fiscal year in which they are made,
3 together with unexpended balances from prior years. The department
4 shall submit an annual report of operations and expenditures
5 regarding the billeting fund account to the appropriations
6 committees of the senate and house of representatives, the house
7 and senate fiscal agencies, and the state budget office at the end
8 of the fiscal year.

9 **MICHIGAN YOUTH CHALLENGE ACADEMY**

10 Sec. 307. (1) The department shall maintain the Michigan youth
11 challenge academy to provide values, skills, education, and self-
12 discipline instruction for at-risk youth as provided under 32 USC
13 509.

14 (2) The department shall take steps to recruit candidates to
15 the challenge program from economically disadvantaged areas,
16 including those with low-income and high-unemployment backgrounds.

17 (3) The department shall partner with the department of health
18 and human services to identify youth who may be eligible for the
19 challenge program from those youth served by department of health
20 and human services programs. These eligible youth shall be given
21 priority for enrollment in the program.

22 (4) The department shall maintain the staffing and resources
23 necessary to train at least 144 cadets simultaneously at the
24 Michigan youth challenge academy.

25 (5) The department shall ensure that the average grade level
26 increase for Michigan youth challenge academy graduates is 2 years
27 as measured with the test adult basic education (TABE) metrics.

1 MILITARY FAMILY RELIEF FUND

2 Sec. 308. (1) The department shall provide grants for
3 disbursement from the military family relief fund, as provided
4 under the military family relief fund act, 2004 PA 363, MCL 35.1211
5 to 35.1216, and R 200.5 to R 200.95 of the Michigan administrative
6 code.

7 (2) The department shall provide information on the revenues,
8 expenditures for advertising and assistance grants, and fund
9 balance of the Michigan military family relief fund, as provided
10 under section 219.

11 (3) The department shall provide sufficient staffing and other
12 resources to provide outreach to the Michigan families of members
13 of the reserve component of the armed forces called into active
14 duty and to support the processing and approval of at least 60
15 grant applications this fiscal year under the Michigan military
16 relief fund and report those applications as provided in section
17 219.

18 STARBASE GRANT

19 Sec. 309. The department shall maintain the starbase program
20 at Air National Guard facilities, as provided under 10 USC 2193b,
21 to improve the knowledge, skills, and interest of students,
22 primarily in the fifth grade, in math, science, and technology. The
23 starbase program is to specifically target minority and at-risk
24 students for participation.

25 NATIONAL GUARD TUITION ASSISTANCE PROGRAM

26 Sec. 310. (1) The department shall establish and maintain a
27 National Guard tuition assistance program for members of the

1 Michigan Air and Army National Guard.

2 (2) The objective of the National Guard tuition program is to
3 bolster military readiness by increasing recruitment and retention
4 of Michigan Air and Army National Guard service members (and to
5 fill federally authorized strength levels for the state), improve
6 the Michigan Air and Army National Guard's competitive draw from
7 other military enlistment options in the state, enhance the ability
8 of the Michigan Air and Army National Guard to compete for members
9 and federal dollars with surrounding states, and increase the pool
10 of eligible candidates within the Michigan Air and Army National
11 Guard to become commissioned officers.

12 (3) The department shall make efforts to increase the number
13 of Michigan Air and Army National Guard members participating in
14 the program to 1,000 during the third year of the program's
15 existence. To evaluate the effectiveness of the program, the
16 department shall monitor the number of new recruits and new
17 reenlistments and the percentage of those who become participants
18 in the program to determine whether the percentage of authorized
19 Michigan Air and Army National Guard strength obtained and retained
20 is competitive in comparison with the neighboring air and army
21 national guards from the states of Illinois, Indiana, Ohio, and
22 Wisconsin.

23 (4) From the funds appropriated in part 1, the National Guard
24 tuition assistance program shall be supported with revenue from the
25 Michigan national guard tuition assistance fund created in section
26 4 of the Michigan national guard tuition assistance act, 2014 PA
27 259, MCL 32.434. As provided in section 4 of the Michigan national

guard tuition assistance act, 2014 PA 259, MCL 32.434, unexpended funds remaining in the Michigan national guard tuition assistance fund at the end of the fiscal year shall not lapse to the general fund.

INFORMATION TECHNOLOGY SERVICES AND PROJECTS

Sec. 311. The funds appropriated in part 1 for information technology services and projects shall be used as a pass through via an IDG to the department of technology, management, and budget for technology services, including maintenance and repair services, and technology projects, to maximize the operational efficiency and effectiveness of the department.

MICHIGAN VETERANS AFFAIRS AGENCY

MICHIGAN VETERANS AFFAIRS AGENCY ADMINISTRATION

Sec. 400. (1) The MVAA agency shall provide outreach services to Michigan veterans that advise them on the benefits to which they are entitled, as provided under Executive Reorganization Order No. 2013-2, MCL 32.92. The MVAA shall also do the following:

(a) Maintain the staffing partnerships and other resources necessary to develop and operate an outreach program that will communicate benefit eligibility information to at least 50% of Michigan's population of veterans, as assessed by annual census estimates, with a goal of reaching 100% and enabling 100% to access benefit information online.

(b) Communicate veteran benefit information pertaining to the Michigan military family relief fund, Michigan veterans' trust fund, and USDVA health, financial, and memorial benefits to which

1 they are entitled.

2 (c) Provide sufficient staffing and other resources to approve
3 requests for military discharge certificates (DD-214) annually.

4 (d) Continue the process to digitize all medical records,
5 military discharge documents, and burial records that are currently
6 on paper and microfilm.

7 (e) Provide a report, as provided under section 219, on the
8 MVAA's performance on the performance measures, outcomes, and
9 initiatives developed by the agency in the strategic plan required
10 by section 501 of 2013 PA 9.

11 (f) Provide a report to the subcommittees, senate and house
12 fiscal agencies, and the state budget office no later than April 1
13 providing for the following:

14 (i) To the extent known, data on the estimated number of
15 homeless veterans, by county, in this state.

16 (ii) A summary of the activities and strategies developed to
17 date under the MVAA community assessment and regional service
18 delivery model pilot.

19 (2) From the funds appropriated in part 1, the MVAA shall
20 provide for the regional coordination of services, as follows:

21 (a) Regional coordinators shall be selected by the MVAA
22 through a grant agreement with VSOs or by other means.

23 (b) Regional coordinators shall provide the following
24 services:

25 (i) Coordinate veteran benefit counselors' efforts throughout
26 a specified region.

27 (ii) Coordinate services with the department of health and

1 human services and the department of corrections.

2 (iii) Coordinate with regional workforce and economic
3 development agencies.

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

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

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

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

24 (f) The MVAA shall ensure that all MVAA service officers, VSO
25 service officers, and regional coordinators receive appropriate
26 training in processing applications for benefits payable to
27 veterans due to military sexual trauma, post-traumatic stress

1 disorder, depression, anxiety, substance abuse, or other mental
2 health issues.

3 (3) The MVAA shall provide claims processing services to
4 Michigan veterans in support of benefit claims submitted to the
5 USDVA for the health, financial, and memorial benefits for which
6 they are eligible, and shall do all of the following:

7 (a) Report the following information as provided in section
8 219:

9 (i) The number of benefit claims, by type, submitted to the
10 USDVA by MVAA and coalition partner veteran service officers.

11 (ii) The number of fully developed claims, submitted to the
12 USDVA, with an overall goal of 40% of benefit claims submitted that
13 are considered fully developed by the USDVA.

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

16 (4) The MVAA shall maintain staffing and resources necessary
17 to develop and implement a process to ensure that all county
18 counselors receive the training and accreditation necessary to
19 provide quality services to our veterans. The MVAA shall report
20 information as provided in section 219 on the number and percentage
21 of county veterans counselors requesting training by the MVAA, with
22 an overall goal of 100% of county veterans counselors trained.

23 (5) From the funds appropriated in part 1 for MVAA operations,
24 the MVAA shall provide grant assistance to enhance the capacity and
25 capabilities of counties in providing benefit claims assistance.
26 These funds shall be used to continue the implementation of an
27 Internet-based data system, to increase the number of county

1 veterans counselors, and to increase the number of counties that
2 provide service to veterans through county veterans counselors. The
3 MVAA shall provide a report, as provided in section 219, on the
4 expenditures and activities of the grant funds directed by this
5 subsection.

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

10 **VETERANS SERVICE ORGANIZATION GRANTS**

11 Sec. 406. (1) The MVAA shall disburse VSO grants to assist
12 them to achieve agency goals and performance objectives in
13 partnership with the VSOs. Grants to VSOs will be disbursed to fund
14 programs and projects which are determined by the agency to meet
15 agency performance objectives and ensure that VSOs communicate the
16 availability of emergency grants through the Michigan veterans'
17 trust fund. In disbursing veterans service organization grants, the
18 MVAA shall do the following:

19 (a) Ensure that each VSO that receives grants is issued
20 performance standards.

21 (b) Ensure that each VSO that receives grant funds uses those
22 funds for veterans advocacy and outreach.

23 (c) Monitor the performance of each VSO that receives grants.

24 (2) Veterans service organization grants awarded by the MVAA
25 shall provide for the following, as developed by the MVAA:

26 (a) The provision of service to veterans statewide, using a
27 regional service delivery model, with services provided at

1 specified locations and times, including service provided in state
2 correctional facilities.

3 (b) The payment of a fixed hourly service rate.

4 (c) A specified number of service hours within each geographic
5 region of this state, with a statewide goal of at least 116,500
6 hours, including service hours provided to eligible incarcerated
7 veterans within 1 year of their earliest release date.

8 (d) Use of an MVAA-designated Internet-based claims data
9 system.

10 (3) The MVAA shall report the following information as
11 provided in section 219:

12 (a) A summary of activities supported through the
13 appropriation in part 1 for veterans service organization grants,
14 including separately for each service region, the amount of
15 expenditures to date, number of service hours, number of claims for
16 benefits submitted by type of claim, and other information deemed
17 appropriate by the MVAA.

18 (b) The number of fully developed claims, by type, submitted
19 to the USDVA by veterans service organizations, with an overall
20 goal of 40% of benefit claims submitted that are considered fully
21 developed by the USDVA.

22 **VETERANS' TRUST FUND ADMINISTRATION**

23 Sec. 407. (1) The Michigan veterans' trust fund board together
24 with the MVAA shall provide emergency grants for disbursement from
25 the Michigan veterans' trust fund, as provided under the following
26 program authorities:

27 (a) Sections 37, 38, and 39 of article IX of the state

1 constitution of 1963.

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

3 (c) R 35.1 to R 35.7 of the Michigan administrative code.

4 (d) R 35.621 to R 35.623 of the Michigan administrative code.

5 (2) No later than December 1, the MVAA shall provide a
6 detailed report of the Michigan veterans' trust fund that includes,
7 for the prior fiscal year, information on grants provided from the
8 emergency grant program, including details concerning the
9 methodology of allocations, the selection of emergency grant
10 program authorized agents, a description of how the emergency grant
11 program is administered in each county, and a detailed breakdown of
12 trust fund expenditures for that year, including the amount
13 distributed to each county for administrative costs and emergency
14 grants. The report shall also include the number of approved
15 applications, by category of assistance, and the number of denied
16 applications, by reason of denial. The report shall also provide an
17 update on the department's efforts to reduce program administrative
18 costs and maintain the Michigan veterans' trust fund corpus to its
19 original amount of at least \$50,000,000.00.

20 **VETERANS' TRUST FUND GRANTS**

21 Sec. 408. (1) The MVAA shall provide a report, as provided
22 under section 219, on the financial status of the Michigan
23 veterans' trust fund, including the number and amount of emergency
24 grants, state administrative expenses, and county administrative
25 expenses.

26 (2) The Michigan veterans' trust fund board together with the
27 agency shall maintain the staffing and resources necessary to

1 process a minimum of 2,000 applications for veterans' trust fund
2 emergency grants.

3 **GRAND RAPIDS AND D.J. JACOBETTI HOMES FOR VETERANS**

4 Sec. 501. (1) The MVAA and the board of managers shall provide
5 compassionate and quality nursing and domiciliary care services at
6 the Grand Rapids and D.J. Jacobetti homes for veterans so that
7 members can achieve their highest potential of wellness,
8 independence, self-worth, and dignity.

9 (2) The department shall provide resources necessary to
10 provide nursing care services to veterans in accordance with
11 federal standards and provide the results of the annual USDVA
12 survey and certification as proof of compliance, including the
13 following:

14 (a) A licensed minimum number of 403 residents in skilled
15 nursing beds at the Grand Rapids home for veterans and 158 at the
16 D.J. Jacobetti home for veterans.

17 (b) A licensed minimum number of 72 residents in domiciliary
18 beds at the Grand Rapids home for veterans and 11 at the D.J.
19 Jacobetti home for veterans.

20 (3) Appropriations in part 1 for the veterans' homes shall not
21 be used for any purpose other than for veterans and veterans'
22 families.

23 (4) Any contractor providing competency evaluated nursing
24 assistants (CENA) to either of the veterans' homes shall ensure
25 that each CENA has at least 8 hours of training on information
26 provided by the home.

27 (5) Any contractor providing competency evaluated nursing

1 assistants to either of the veterans' homes shall ensure that each
2 CENA has at least 1 eight-hour shift of shadowing at the veterans'
3 home.

4 (6) Any contractor providing competency evaluated nursing
5 assistants to either of the veterans' homes shall ensure that each
6 CENA is competent in the basic skills needed to perform his or her
7 assigned duties at the home.

8 (7) The veterans' homes shall provide each CENA at least 12
9 hours of in-service training once that individual has been assigned
10 to the home.

11 (8) All complaints of abusive or neglectful care at the
12 veterans' homes by a resident member, a resident member's family or
13 legal guardian, or staff of the veterans' home, received by a
14 supervisor shall be referred to the director of nursing or his or
15 her designee upon receipt of such complaint. The director of
16 nursing or his or her designee shall report on not less than a
17 monthly basis, except that the board of managers may specify a more
18 frequent reporting period, to the home administrator, board of
19 managers, agency, subcommittees, the senate and house fiscal
20 agencies, and the state budget office the following information:

21 (a) A description of the process by which resident members and
22 others may file complaints of alleged abuse or neglect at the
23 veterans' homes.

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

26 (c) Summary statistics on the final disposition of complaints
27 of abuse or neglect received.

1 (9) The veterans' homes shall provide an on-site, board-
2 certified psychiatrist for all resident members with mental health
3 disorders in order to ensure that those resident members receive
4 needed services in a professional and timely manner. The veterans'
5 homes shall provide all members and staff a safe and secure
6 environment.

7 (10) The veterans' homes shall ensure that it effectively
8 develops, executes, and monitors all comprehensive care plans in
9 accordance with federal regulations and its internal policies, with
10 a goal that a comprehensive care plan is fully developed for all
11 resident members.

12 (11) The veterans' homes shall implement controls over its
13 food, maintenance supplies, and medical supplies inventories.

14 (12) The veterans' homes shall implement controls over its
15 pharmaceutical inventory.

16 (13) The veterans' homes shall establish sufficient controls
17 for calculating resident member maintenance assessments in order to
18 accurately calculate resident member maintenance assessments for
19 each billing cycle. The veterans' homes shall establish sufficient
20 controls to ensure that all past due resident member maintenance
21 assessments are addressed within 30 days.

22 (14) The veterans' homes shall establish sufficient controls
23 over monetary donations and donated goods.

24 (15) The veterans' homes shall implement sufficient controls
25 over the handling of resident member funds to ensure the release of
26 funds within 3 business days upon the resident member leaving the
27 home and to ensure that a representative of a resident member is

1 provided a full accounting of that resident member's funds within
2 10 business days of the death of that resident member.

3 (16) The MVAA shall post on its website all policies adopted
4 by the board of managers and the home related to the administrative
5 operations of the home.

6 (17) The process by which visitors, residents, and employees
7 of the veterans' homes may register complaints shall be displayed
8 in high-traffic areas throughout the home.

9 (18) The MVAA shall report its findings regarding the veterans
10 homes' compliance with the requirements and standards under this
11 section as provided in section 219. The quarterly reports shall
12 include, but are not limited to, the following information:

13 (a) Quality of care metrics, including:

14 (i) The number of patient care hours and staffing levels
15 measured against USDVA-VHA standards.

16 (ii) Sentinel events reported to the USDVA.

17 (iii) Fall and wound reports.

18 (iv) Complaint reports, including abuse and neglect complaints
19 and outcomes of complaint investigations.

20 (v) Additional minimum data set quality of care indicators
21 used to measure quality of care in long-term care facilities.

22 (b) Quarterly budget update.

23 (c) An accounting of resident member populations at the Grand
24 Rapids and D.J. Jacobetti homes for veterans as follows:

25 (i) By demographics, including period of service, gender, and
26 age.

27 (ii) By care setting, payment source, and associated revenue

1 projections.

2 (d) Updates related to the modernization of the veterans
3 homes, including information related to the following:

4 (i) Infrastructure/capital outlay improvements.

5 (ii) Information technology updates.

6 (iii) Financial management.

7 (e) Updates on corrective action status related to any audit
8 and survey findings until such findings have been fully addressed.

9 (19) The veterans' homes shall provide to the subcommittees,
10 the senate and house fiscal agencies, and the state budget office
11 the results of any annual or for-cause survey conducted by the
12 USDVA-VHA and any corresponding corrective action plan. This
13 information shall also be made available publicly through the
14 department's or MVAA's website.

15 (20) The MVAA shall provide to the legislature and the state
16 budget office quarterly reports regarding the status of Medicaid
17 certification efforts, including, but not limited to, descriptions
18 of incremental milestones, associated expenditures, and the percent
19 of plan completed.

20 Sec. 502. (1) From the increased funds appropriated in part 1
21 for the D.J. Jacobetti home for veterans, the department shall
22 pursue compliance with current Centers for Medicare and Medicaid
23 Services certification standards by the end of the current fiscal
24 year. The purpose of this expansion will be to obtain Medicaid
25 certification during fiscal year 2016-2017, to increase the ability
26 to fully utilize all federal funding available to cover the cost of
27 care of eligible veterans living at DJJHV, and to improve overall

1 quality of care for all veterans living at DJJHV.

2 (2) The department shall identify specific outcomes and
3 performance measures for this initiative, including, but not
4 limited to, the following:

5 (a) The quality of care to members of DJJHV shall increase as
6 a result of increased direct care staffing ratios.

7 (b) The quality of the care environment at DJJHV shall
8 increase as a result of facility updates made according to Medicaid
9 specifications to increase members' access to private and semi-
10 private accommodations.

11 (c) The quality of care for members of DJJHV shall increase as
12 a result of increased ability efforts to implement long-term care
13 evidence-based best practices at DJJHV.

14 (d) The collection of available federal Medicaid revenue shall
15 increase as a result of Medicaid certification.

16 (e) The fiscal stability of DJJHV shall improve due to
17 increased efforts to collect available federal revenue.

18 Sec. 502a. The department shall ensure that the quality of
19 care for members of the veterans' homes shall exceed the current
20 quality of care for the full spectrum of health care services as a
21 result of the upgrades made to the homes to meet the Centers for
22 Medicare and Medicaid Services certification standards. The
23 department shall provide a quarterly report to the subcommittees
24 which contains evidence that the quality of care for the full
25 spectrum of health care services has improved due to those
26 upgrades.

27 **BOARD OF MANAGERS (VETERANS' HOMES)**

1 Sec. 504. The board of managers shall exercise certain
2 regulatory and governance authority regarding admission and member
3 affairs at the veterans' homes. The board of managers shall also
4 work to represent the interest of the veterans' community in both
5 advisory and advocacy roles.

6 **CAPITAL OUTLAY**

7 **SPECIAL MAINTENANCE - NATIONAL GUARD**

8 Sec. 601. (1) The appropriations in part 1 for special
9 maintenance - National Guard shall be carried forward at the end of
10 the fiscal year consistent with section 248 of the management and
11 budget act, 1984 PA 431, MCL 18.1248.

12 (2) The appropriations for special maintenance - National
13 Guard shall be expended in accordance with the requirements of
14 sections 302 and 304 and shall be expended according to the
15 maintenance priorities of the department to repair and modernize
16 military training sites and support facilities, including armories,
17 which may include projects such as roof, HVAC, or boiler
18 replacement, interior renovations, facility expansion, improvements
19 to parking facilities, and other projects.

20 (3) The department shall provide a quarterly report as
21 provided under section 219 providing information on the status,
22 projected costs, and projected completion date of current and
23 planned special maintenance projects at the armories and other
24 National Guard facilities funded from capital outlay appropriations
25 made in part 1 and in prior appropriations years.

26 **SPECIAL MAINTENANCE - VETERANS' HOMES**

1 Sec. 603. (1) The appropriations in part 1 for special
2 maintenance - veterans' homes shall be carried forward at the end
3 of the fiscal year consistent with section 248 of the management
4 and budget act, 1984 PA 431, MCL 18.1248.

5 (2) The appropriations for special maintenance - veterans'
6 homes shall be expended in accordance with the requirements of
7 section 501 and shall be expended according to the maintenance
8 priorities of the department to repair and modernize the state's
9 veterans' homes, which may include projects such as roof, HVAC, or
10 boiler replacement, interior renovations, facility expansion,
11 improvements to parking facilities, and other projects designed to
12 enhance the quality of life and medical care of members.

13 (3) The MVAA shall provide a quarterly report as provided
14 under section 219 providing information on the status, projected
15 costs, and projected completion date of current and planned special
16 maintenance projects at veterans' homes funded from capital outlay
17 appropriations made in part 1 and in prior appropriations years.

18 **LAND AND ACQUISITIONS**

19 Sec. 604. (1) The department shall provide for the acquisition
20 and disposition of National Guard armories, facilities, and lands
21 as provided under sections 368, 382, and 382a of the Michigan
22 military act, 1967 PA 150, MCL 32.768, 32.782, and 32.782a.

23 (2) The department shall provide a listing of property sales
24 and acquisitions as provided under section 219.

25 **ONE-TIME APPROPRIATIONS**

26 Sec. 701. From the increased funds appropriated in part 1 for

armory infrastructure, the department shall upgrade Army National Guard network connections. The purpose of the increased funds for armory infrastructure is for the modernization of armory information technology infrastructure and improvements to best ensure National Guard network capacity and connectivity in times of emergency.

PART 2A

PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS
FOR FISCAL YEAR 2017-2018

GENERAL SECTIONS

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2018 for the line items listed in part 1. The fiscal year 2017-2018 appropriations are anticipated to be the same as those for fiscal year 2016-2017, excluding appropriations designated as one-time appropriations and adjusting for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2016 consensus revenue estimating conference.

Sec. 1202. The veterans affairs agency shall provide the percentage of Michigan veterans contacted, with a goal of 100%, and report upon those outreach findings to the subcommittees at quarterly legislative hearings.

Sec. 1203. The veterans affairs agency shall maintain a minimum 50% fully developed claims as determined by the USDVA.