

**SUBSTITUTE FOR
SENATE BILL NO. 146**

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2018; 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

Sec. 101. There is appropriated for the department of military and veterans affairs for the fiscal year ending September 30, 2018, from the following funds:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
APPROPRIATION SUMMARY

Full-time equated unclassified positions 9.0
Full-time equated classified positions 904.5

GROSS APPROPRIATION \$ 179,504,400

1	Interdepartmental grant revenues:	
2	IDG from department of state police	101,800
3	Total interdepartmental grants and intradepartmental	
4	transfers.....	101,800
5	ADJUSTED GROSS APPROPRIATION	\$ 179,402,600
6	Federal revenues:	
7	Other federal revenues	92,334,100
8	Total federal revenues	92,334,100
9	Special revenue funds:	
10	Local revenues	1,528,400
11	Total local revenues	1,528,400
12	Private revenues	640,000
13	Total private revenues	640,000
14	Other state restricted revenues	22,332,600
15	Total other state restricted revenues	22,332,600
16	State general fund/general purpose	\$ 62,567,500
17	State general fund/general purpose schedule:	
18	Ongoing state general fund/general	
19	purpose	62,567,500
20	One-time state general fund/general	
21	purpose	0
22	Sec. 102. MILITARY	
23	Full-time equated unclassified positions	9.0
24	Full-time equated classified positions	333.0
25	Unclassified salaries--9.0 FTE positions	\$ 1,468,300
26	Departmentwide	1,853,100
27	Headquarters and armories--88.0 FTE positions	17,317,800

1	Michigan youth challenge academy--50.0 FTE positions .	5,259,100
2	Military family relief fund	600,000
3	Military training sites and support	
4	facilities--195.0 FTE positions	33,956,100
5	National Guard operations	398,200
6	National Guard tuition assistance fund	4,007,000
7	Starbase grant	<u>2,322,000</u>
8	GROSS APPROPRIATION	\$ 67,181,600
9	Appropriated from:	
10	Interdepartmental grant revenues:	
11	IDG from department of state police	101,800
12	Federal revenues:	
13	Other federal revenues	47,200,100
14	Special revenue funds:	
15	Local revenues	1,528,400
16	Private revenues	100,000
17	Other state restricted revenues	2,567,800
18	State general fund/general purpose	\$ 15,683,500
19	Sec. 103. MICHIGAN VETERANS AFFAIRS AGENCY	
20	Full-time equated classified positions	224.5
21	Board of managers (veterans homes)	\$ 940,000
22	D.J. Jacobetti home for veterans---179.5 FTE positions	22,275,500
23	Michigan veterans affairs agency	
24	administration---39.0 FTE positions	7,061,200
25	Michigan veterans facility authority	1,000,000
26	Veterans trust fund administration---6.0 FTE positions	1,468,900
27	Veterans trust fund grants	3,746,500

1	Targeted grants	200,000
2	Veterans service grants	<u>3,835,500</u>
3	GROSS APPROPRIATION	\$ 40,527,600
4	Appropriated from:	
5	Federal revenues:	
6	Other federal revenues	8,396,100
7	Special revenue funds:	
8	Private revenues	540,000
9	Other state restricted revenues	10,730,100
10	State general fund/general purpose	\$ 20,861,400
11	Sec. 104. GRAND RAPIDS HOME FOR VETERANS	
12	Full-time equated classified positions	347.0
13	Veterans home operations	\$ 9,007,800
14	Purchased services	10,342,700
15	Salaries, wages, and fringe benefits---347.0 FTE	
16	positions.....	<u>31,054,000</u>
17	GROSS APPROPRIATION	\$ 50,404,500
18	Appropriated from:	
19	Federal revenues:	
20	Other federal revenues	21,165,600
21	Special revenue funds:	
22	Other state restricted revenues	6,620,200
23	State general fund/general purpose	\$ 22,618,700
24	Sec. 105. CAPITAL OUTLAY	
25	Land and acquisitions	\$ 2,000,000
26	Special maintenance - National Guard	15,000,000
27	Special maintenance - veterans homes	500,000

1	Armory maintenance	<u>2,500,000</u>
2	GROSS APPROPRIATION	\$ 20,000,000
3	Appropriated from:	
4	Federal revenues:	
5	Other federal revenues	15,000,000
6	Special revenue funds:	
7	Other state restricted revenues	2,000,000
8	State general fund/general purpose	\$ 3,000,000
9	Sec. 106. INFORMATION TECHNOLOGY	
10	Information technology services and projects	\$ <u>1,390,700</u>
11	GROSS APPROPRIATION	\$ 1,390,700
12	Appropriated from:	
13	Federal revenues:	
14	Other federal revenues	572,300
15	Special revenue funds:	
16	Other state restricted revenues	414,500
17	State general fund/general purpose	\$ 403,900

18 PART 2
19 PROVISIONS CONCERNING APPROPRIATIONS
20 FOR FISCAL YEAR 2017-2018

21 **GENERAL SECTIONS**

22 Sec. 201. Pursuant to section 30 of article IX of the state
23 constitution of 1963, total state spending from state sources under
24 part 1 for fiscal year 2017-2018 is \$84,900,100.00 and state
25 spending from state sources to be paid to local units of government

1 for fiscal year 2017-2018 is \$142,400.00. The itemized statement
2 below identifies appropriations from which spending to local units
3 of government will occur:

4 DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

5	Michigan veterans affairs agency administration	\$	90,000
6	Military training sites and support facilities	\$	<u>52,400</u>
7	TOTAL	\$	142,400

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

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

12 (a) "Core services" means that phrase as defined in section
13 373 of the management and budget act, 1984 PA 431, MCL 18.1373.

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

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

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

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

19 (f) "IDG" means interdepartmental grant.

20 (g) "Michigan veterans' facility authority" means the
21 authority created under section 3 of the Michigan veterans'
22 facility authority act, 2016 PA 560, MCL 36.103.

23 (h) "MVAA" means the Michigan veterans affairs agency.

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

27 (j) "Support services" means an activity, such as information

1 technology, accounting, human resources, legal, and other support
2 functions that are required to support the ongoing delivery of core
3 services.

4 (k) "USDVA" means the United States Department of Veterans
5 Affairs.

6 (l) "USDVA-VHA" means the USDVA Veterans Health
7 Administration.

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

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

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

19 Sec. 205. Funds appropriated in part 1 shall not be used for
20 the purchase of foreign goods or services, or both, if
21 competitively priced and of comparable quality American goods or
22 services, or both, are available. Preference must be given to goods
23 or services, or both, manufactured or provided by Michigan
24 businesses, if they are competitively priced and of comparable
25 quality. In addition, preference shall be given to goods or
26 services, or both, that are manufactured or provided by Michigan
27 businesses owned and operated by veterans, if they are

1 competitively priced and of comparable quality.

2 Sec. 206. The director shall take all reasonable steps to
3 ensure businesses in deprived and depressed communities compete for
4 and perform contracts to provide services or supplies, or both. The
5 director shall strongly encourage firms with which the department
6 contracts to subcontract with certified businesses in depressed and
7 deprived communities for services or supplies, or both.

8 Sec. 207. The department and agencies receiving appropriations
9 in part 1 shall prepare a report on out-of-state travel expenses
10 not later than January 1 of each year. The travel report shall be a
11 listing of all travel by classified and unclassified employees
12 outside this state in the immediately preceding fiscal year that
13 was funded in whole or in part with funds appropriated in the
14 department's budget. The department and agencies shall submit the
15 report to the senate and house appropriations committees, the house
16 and senate fiscal agencies, and the state budget director. The
17 report 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

1 services for bonding activities and for those outside services that
2 the attorney general authorizes.

3 Sec. 209. Not later than November 30, the state budget office
4 shall prepare and transmit a report that provides for estimates of
5 the total general fund/general purpose appropriation lapses at the
6 close of the immediately preceding fiscal year. This report shall
7 summarize the projected year-end general fund/general purpose
8 appropriation lapses by major departmental program or program
9 areas. The report shall be transmitted to the chairpersons of the
10 senate and house appropriations committees, the subcommittees, and
11 the senate and house fiscal agencies.

12 Sec. 210. (1) In addition to the funds appropriated in part 1,
13 there is appropriated an amount not to exceed \$10,000,000.00 for
14 federal contingency funds. These funds are not available for
15 expenditure until they have been transferred to another line item
16 in part 1 under section 393(2) of the management and budget act,
17 1984 PA 431, MCL 18.1393.

18 (2) In addition to the funds appropriated in part 1, there is
19 appropriated an amount not to exceed \$3,000,000.00 for state
20 restricted contingency funds. These funds are not available for
21 expenditure until they have been transferred to another line item
22 in part 1 under section 393(2) of the management and budget act,
23 1984 PA 431, MCL 18.1393.

24 (3) In addition to the funds appropriated in part 1, there is
25 appropriated an amount not to exceed \$500,000.00 for local
26 contingency funds. These funds are not available for expenditure
27 until they have been transferred to another line item in part 1

1 under section 393(2) of the management and budget act, 1984 PA 431,
2 MCL 18.1393.

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

9 Sec. 211. The department shall cooperate with the department
10 of technology, management and budget to maintain a searchable
11 website accessible by the public at no cost that includes, but is
12 not limited to, all of the following:

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

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

15 (c) Fiscal year-to-date payments to a selected vendor,
16 including the vendor name, payment date, payment amount, and
17 payment description.

18 (d) The number of active department employees by job
19 classification.

20 (e) Job specifications and wage rates.

21 Sec. 212. Within 14 days after the release of the executive
22 budget recommendation for that respective fiscal year, the
23 department shall cooperate with the state budget office to provide
24 the senate and house appropriations chairs, the senate and house
25 appropriations subcommittees chairs, and the senate and house
26 fiscal agencies with an annual report on estimated state restricted
27 fund balances, state restricted fund projected revenues, and state

1 restricted fund expenditures for the fiscal years ending September
2 30, 2017 and September 30, 2018.

3 Sec. 213. The department shall maintain, on a publicly
4 accessible website, a department scorecard that identifies, tracks,
5 and regularly updates key metrics that are used to monitor and
6 improve the department's performance.

7 Sec. 214. Total authorized appropriations from all sources
8 under part 1 for legacy costs for the fiscal year ending September
9 30, 2018 are estimated at \$17,075,800.00. From this amount, total
10 agency appropriations for pension-related legacy costs are
11 estimated at \$8,787,300.00. Total agency appropriations for retiree
12 health care legacy costs are estimated at \$8,288,500.00.

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

16 Sec. 216. The department shall provide quarterly reports to
17 the subcommittees, the senate and house fiscal agencies, and the
18 state budget office, which shall provide the following data:

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

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

27 (c) A report on the status of performance metrics cited in

1 this part and information required to be reported in this part.

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

4 (e) Evidence of efficiencies and management of funds within
5 established appropriations.

6 Sec. 217. The appropriations in part 1 are for the core
7 services, support services, and work projects of the department,
8 including, but not limited to, the following core services:

9 (a) Armories and joint force readiness.

10 (b) National Guard training facilities and air bases.

11 (c) Michigan youth challenge academy.

12 (d) Military family relief fund.

13 (e) Starbase grant.

14 (f) National Guard tuition assistance program.

15 (g) Michigan veterans affairs agency administration.

16 (h) Veterans service grants.

17 (i) Veterans' trust fund administration.

18 (j) Veterans' trust fund grants.

19 (k) Board of managers (veterans homes).

20 (l) Grand Rapids home for veterans.

21 (m) D.J. Jacobetti home for veterans.

22 (n) Michigan veterans' facility authority.

23 Sec. 218. The appropriations in part 1 for capital outlay
24 shall be carried forward at the end of the fiscal year consistent
25 with section 248 of the management and budget act, 1984 PA 431, MCL
26 18.1248.

27 Sec. 219. Sixty days prior to the public announcement of the

1 intention to sell any department real property, the department
2 shall submit notification of that intent to the subcommittees and
3 the senate and house fiscal agencies.

4 **MILITARY**

5 Sec. 301. (1) From the funds appropriated in part 1, there is
6 funding to support unclassified employee positions as authorized by
7 section 5 of article XI of the state constitution of 1963. These
8 positions include the following: department director - the adjutant
9 general for Michigan; assistant adjutant general - army; assistant
10 adjutant general - installations; assistant adjutant general - air;
11 senior policy executive - Michigan veterans affairs agency; senior
12 deputy director - state operations; director - strategy and policy;
13 chief executive officer for the veteran health system; and director
14 - Michigan veterans affairs agency.

15 (2) Not less than 30 days prior to the department submitting a
16 request for an additional unclassified employee position from the
17 civil service commission, or for any substantive change to the
18 duties of an existing unclassified employee position, the
19 department shall notify the subcommittees and the senate and house
20 fiscal agencies.

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

24 (2) The department shall operate and maintain National Guard
25 armories.

26 (3) The department shall evaluate armories and submit a

1 quarterly report on the status of the armories.

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

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

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

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

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

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

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

27 (e) An investment strategy and proposed funding amounts in a

1 prioritized project list to correct the most critical facility
2 shortfalls across the inventory of armories in this state.

3 Sec. 303. (1) The department shall maintain the Michigan youth
4 challenge academy to provide values, skills, education, and self-
5 discipline instruction for at-risk youth as provided under 32 USC
6 509.

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

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

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

18 (5) The department shall ensure that the average grade level
19 increase for Michigan youth challenge academy graduates is 2 years
20 as measured with the tests of adult basic education (TABE) metrics.

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

25 Sec. 304. (1) The department shall provide grants for
26 disbursement from the military family relief fund, as provided
27 under the military family relief fund act, 2004 PA 363, MCL 35.1211

1 to 35.1216, and R 200.5 to R 200.95 of the Michigan Administrative
2 Code.

3 (2) The department shall provide information on the revenues,
4 expenditures for advertising and assistance grants, and fund
5 balance of the Michigan military family relief fund, as provided
6 under section 216.

7 (3) The department shall provide sufficient staffing and other
8 resources to provide outreach to the Michigan families of members
9 of the reserve component of the Armed Forces of the United States
10 called into active duty and to support the processing and approval
11 of grant applications for this fiscal year under the Michigan
12 military relief fund and report those applications as provided in
13 section 216.

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

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

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

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

26 (5) The department shall provide the following information as
27 provided under section 216:

1 (a) The apportioned and assigned strength of the Michigan Army
2 National Guard.

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

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

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

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

26 Sec. 307. (1) The department shall maintain a National Guard
27 tuition assistance program for members of the Michigan Army and Air

1 National Guard.

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

13 (3) The department shall make efforts to increase the number
14 of Michigan Army and Air National Guard members participating in
15 the program to 1,100 during the fourth year of the program's
16 existence. To evaluate the effectiveness of the program, the
17 department shall monitor the number of new recruits and new
18 reenlistments and the percentage of those who become participants
19 in the program to determine whether the percentage of authorized
20 Michigan Army and Air National Guard strength obtained and retained
21 is competitive in comparison with the neighboring army and air
22 national guards from Illinois, Indiana, Ohio, and Wisconsin.

23 (4) The general fund/general purpose funds appropriated in
24 part 1 for the National Guard tuition assistance fund shall be
25 deposited to the restricted Michigan National Guard tuition
26 assistance fund created in section 4 of the Michigan National Guard
27 tuition assistance act, 2014 PA 259, MCL 32.434. All funds in the

1 restricted Michigan National Guard tuition assistance fund are
2 appropriated and available for expenditure to support the Michigan
3 National Guard tuition assistance program.

4 Sec. 308. The department shall maintain the starbase program
5 at Air National Guard facilities, as provided under 10 USC 2193b,
6 to improve the knowledge, skills, and interest of students,
7 primarily in the fifth grade, in math, science, and technology. The
8 starbase program is to specifically target minority and at-risk
9 students for participation.

10 **MICHIGAN VETERANS AFFAIRS AGENCY**

11 Sec. 401. The board of managers and Michigan veterans'
12 facility authority shall exercise certain regulatory and governance
13 authority regarding admission and member affairs at the Grand
14 Rapids and D.J. Jacobetti homes for veterans. The board of managers
15 shall also work to represent the interest of the veterans'
16 community in both advisory and advocacy roles.

17 Sec. 402. (1) The MVAA, the board of managers, and the
18 Michigan veterans' facility authority shall provide compassionate
19 and quality nursing and domiciliary care services at the Grand
20 Rapids and D.J. Jacobetti homes for veterans so that members can
21 achieve their highest potential of wellness, independence, self-
22 worth, and dignity.

23 (2) The department shall provide resources necessary to
24 provide nursing care services to veterans in accordance with
25 federal standards and provide the results of the annual USDVA
26 survey and certification as proof of compliance.

1 (3) Appropriations in part 1 for the Grand Rapids and the D.J.
2 Jacobetti homes for veterans shall not be used for any purpose
3 other than for veterans and veterans' families.

4 (4) Any contractor providing competency evaluated nursing
5 assistants (CENA) to the Grand Rapids home for veterans shall
6 ensure that each CENA has at least 8 hours of training on
7 information provided by the home.

8 (5) Any contractor providing competency evaluated nursing
9 assistants to the Grand Rapids home for veterans shall ensure that
10 each CENA has at least 1 eight-hour shift of shadowing at the
11 veterans' home.

12 (6) Any contractor providing competency evaluated nursing
13 assistants to the Grand Rapids home for veterans shall ensure that
14 each CENA is competent in the basic skills needed to perform his or
15 her assigned duties at the home.

16 (7) The Grand Rapids home for veterans shall provide each CENA
17 at least 12 hours of in-service training once that individual has
18 been assigned to the home.

19 (8) All complaints of abusive or neglectful care at the Grand
20 Rapids and the D.J. Jacobetti homes for veterans by a resident
21 member, a resident member's family or legal guardian, or staff of
22 the veterans' homes received by a supervisor shall be referred to
23 the director of nursing or his or her designee upon receipt of the
24 complaint. The director of nursing or his or her designee shall
25 report on not less than a monthly basis, except that the board of
26 managers may specify a more frequent reporting period to the home
27 administrator, board of managers, agency, subcommittees, senate and

1 house fiscal agencies, and state budget office the following
2 information:

3 (a) A description of the process by which resident members and
4 others may file complaints of alleged abuse or neglect at the Grand
5 Rapids and the D.J. Jacobetti homes for veterans.

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

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

10 (9) The Grand Rapids and D.J. Jacobetti homes for veterans
11 shall provide an on-site, board-certified psychiatrist for all
12 resident members with mental health disorders in order to ensure
13 that those resident members receive needed services in a
14 professional and timely manner. The Grand Rapids and D.J. Jacobetti
15 homes for veterans shall provide all members and staff a safe and
16 secure environment.

17 (10) The Grand Rapids and D.J. Jacobetti homes for veterans
18 shall ensure that they effectively develop, execute, and monitor
19 all comprehensive care plans in accordance with federal regulations
20 and their internal policies, with a goal that a comprehensive care
21 plan is fully developed for all resident members.

22 (11) The Grand Rapids and D.J. Jacobetti homes for veterans
23 shall implement controls over their food, maintenance supplies,
24 pharmaceuticals, and medical supplies inventories.

25 (12) The Grand Rapids and D.J. Jacobetti homes for veterans
26 shall establish sufficient controls for calculating resident member
27 maintenance assessments in order to accurately calculate resident

1 member maintenance assessments for each billing cycle. The Grand
2 Rapids and D.J. Jacobetti homes for veterans shall establish
3 sufficient controls to ensure that all past due resident member
4 maintenance assessments are addressed within 30 days.

5 (13) The Grand Rapids and D.J. Jacobetti homes for veterans
6 shall establish sufficient controls over monetary donations and
7 donated goods.

8 (14) The Grand Rapids and D.J. Jacobetti homes for veterans
9 shall implement sufficient controls over the handling of resident
10 member funds to ensure the release of funds within 3 business days
11 upon the resident member leaving the home and to ensure that a
12 representative of a resident member is provided a full accounting
13 of that resident member's funds within 10 business days of the
14 death of that resident member.

15 (15) The MVAA shall post on its website all policies adopted
16 by the board of managers, the Michigan veterans' facility
17 authority, and the veterans' homes related to the administrative
18 operations of the veterans' homes.

19 (16) The process by which visitors, residents, and employees
20 of the Grand Rapids and D.J. Jacobetti homes for veterans may
21 register complaints shall be displayed in high-traffic areas
22 throughout the home.

23 (17) The MVAA shall report its findings regarding the state
24 veterans' homes' compliance with the requirements and standards
25 under this section in a quarterly report to the legislature and the
26 state budget office. The quarterly reports shall include, but are
27 not limited to, all of the following information:

1 (a) Quality of care metrics, including:

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

4 (ii) Sentinel events reported to the USDVA.

5 (iii) Fall and wound reports.

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

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

10 (b) Quarterly budget update.

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

13 (i) By demographics, including period of service, gender, and
14 age.

15 (ii) By care setting, payment source, and associated revenue
16 projections.

17 (d) Updates related to the modernization of the Grand Rapids
18 and D.J. Jacobetti homes for veterans, including information
19 related to the following:

20 (i) Infrastructure/capital outlay improvements.

21 (ii) Information technology updates.

22 (iii) Financial management.

23 (e) Updates on corrective action status related to any audit
24 and survey findings until those findings have been fully addressed.

25 (18) The Grand Rapids and D.J. Jacobetti homes for veterans
26 shall provide to the subcommittees, the senate and house fiscal
27 agencies, and the state budget office the results of any annual or

1 for-cause survey conducted by the USDVA-VHA and any corresponding
2 corrective action plan. This information shall also be made
3 available publicly through the department's or MVAA's website.

4 (19) The MVAA shall provide to the legislature and the state
5 budget office quarterly reports regarding the status of Medicaid
6 certification efforts, including, but not limited to, descriptions
7 of incremental milestones, associated expenditures, and the
8 percentage of plan completed.

9 Sec. 403. (1) From the increased funds appropriated in part 1
10 for the D.J. Jacobetti home for veterans, the department shall
11 pursue compliance with current Centers for Medicare and Medicaid
12 Services certification standards. The purpose of this expansion is
13 to obtain Medicaid certification by June 1, 2018, to increase the
14 ability to fully utilize all federal funding available to cover the
15 cost of care of eligible veterans living at the D.J. Jacobetti home
16 for veterans, and to improve overall quality of care for all
17 veterans living at the D.J. Jacobetti home for veterans.

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

21 (a) The quality of care to members of the D.J. Jacobetti home
22 for veterans shall increase as a result of increased direct care
23 staffing ratios.

24 (b) The quality of the care environment at the D.J. Jacobetti
25 home for veterans shall increase as a result of facility updates
26 made according to Medicaid specifications to increase members'
27 access to private and semi-private accommodations.

1 (c) The quality of care for members of the D.J. Jacobetti home
2 for veterans shall increase as a result of increased ability
3 efforts to implement long-term care, evidence-based best practices
4 at the D.J. Jacobetti home for veterans.

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

7 (e) The fiscal stability of the D.J. Jacobetti home for
8 veterans shall improve due to increased efforts to collect
9 available federal revenue.

10 Sec. 404. The department shall ensure that the quality of care
11 for members of the Grand Rapids and D.J. Jacobetti homes for
12 veterans shall exceed the current quality of care for the full
13 spectrum of health care services as a result of the upgrades made
14 to the homes to meet the Centers for Medicare and Medicaid Services
15 certification standards. The department shall provide a quarterly
16 report to the subcommittees, which contains evidence that the
17 quality of care for the full spectrum of health care services has
18 improved due to those upgrades.

19 Sec. 405. (1) The MVAA shall provide a report, as provided
20 under section 216, on the financial status of the Michigan
21 veterans' trust fund, including the number and amount of emergency
22 grants, state administrative expenses, and county administrative
23 expenses.

24 (2) The Michigan veterans' trust fund board together with the
25 agency shall maintain the staffing and resources necessary to
26 process a minimum of 2,000 applications for veterans' trust fund
27 emergency grants.

1 Sec. 406. (1) The MVAA shall provide outreach services to
2 Michigan veterans to advise them on the benefits to which they are
3 entitled, as provided under Executive Reorganization Order No.
4 2013-2, MCL 32.92. The MVAA shall also do the following:

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

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

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

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

20 (e) Provide a report, as provided under section 216, on the
21 MVAA's performance on the performance measures, outcomes, and
22 initiatives developed by the agency in the strategic plan required
23 by section 501 of 2013 PA 9.

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

27 (i) To the extent known, data on the estimated number of

1 homeless veterans, by county, in this state.

2 (ii) A summary of the activities and strategies developed to
3 date under the MVAA community assessment and regional service
4 delivery model pilot.

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

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

9 (b) Regional coordinators shall provide the following
10 services:

11 (i) Coordinate veteran benefit counselors' efforts throughout
12 a specified region.

13 (ii) Coordinate services with the department of health and
14 human services and the department of corrections.

15 (iii) Coordinate with regional workforce and economic
16 development agencies.

17 (iv) Coordinate activities among local foundations, nonprofit
18 organizations, and community groups to improve accessibility,
19 enrollment, and utilization of the array of health care, education,
20 employment assistance, and quality of life services provided at the
21 local level.

22 (c) The MVAA may work with MVAA service officers, regional
23 coordinators, county veteran counselors, VSO service officers, and
24 other service providers to incorporate the provision of information
25 relating to mental health care resources into their daily
26 operations to aid veterans in understanding the mental health care
27 support services they may be eligible to receive.

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

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

10 (f) The MVAA shall ensure that all MVAA service officers, VSO
11 service officers, and regional coordinators receive appropriate
12 training in processing applications for benefits payable to
13 veterans due to military sexual trauma, post-traumatic stress
14 disorder, depression, anxiety, substance abuse, or other mental
15 health issues.

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

20 (a) Report the following information as provided in section
21 216:

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

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

27 (b) Maintain the staffing and resources necessary to process a

1 minimum of 500 claims per year.

2 (4) The MVAA shall maintain staffing and resources necessary
3 to develop and implement a process to ensure that all county
4 counselors receive the training and accreditation necessary to
5 provide quality services to veterans. The MVAA shall report
6 information as provided in section 216 on the number and percentage
7 of county veterans counselors requesting training by the MVAA, with
8 an overall goal of 100% of county veterans counselors trained.

9 (5) From the funds appropriated in part 1 for MVAA operations,
10 the MVAA shall provide grant assistance to enhance the capacity and
11 capabilities of counties in providing benefit claims assistance.
12 These funds must be used to continue the implementation of an
13 internet-based data system, to increase the number of county
14 veterans counselors, and to increase the number of counties that
15 provide service to veterans through county veterans counselors. The
16 MVAA shall provide a report, as provided in section 216, on the
17 expenditures and activities of the grant funds directed by this
18 subsection.

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

23 Sec. 407. (1) The MVAA shall disburse VSO grants to achieve
24 agency goals and performance objectives in partnership with the
25 VSOs. Grants to VSOs will be disbursed to fund programs and
26 projects which are determined by the agency to meet agency
27 performance objectives and ensure that VSOs communicate the

1 availability of emergency grants through the Michigan veterans'
2 trust fund. In disbursing veterans service organization grants, the
3 MVAA shall do the following:

4 (a) Ensure that each VSO that receives grants is issued
5 performance standards.

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

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

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

11 (a) The provision of service to veterans statewide, using a
12 regional service delivery model, with services provided at
13 specified locations and times, including service provided in state
14 correctional facilities.

15 (b) The payment of a fixed hourly service rate of \$34.00 per
16 hour.

17 (c) A specified number of service hours within each geographic
18 region of this state, with a statewide goal based on both
19 appropriations for the fiscal year ending September 30, 2018 for
20 the VSO grant program and the fixed hourly service rate under
21 subsection (2)(b). The statewide goal will include service hours
22 provided to eligible incarcerated veterans within 1 year of their
23 earliest release date.

24 (d) Use of an MVAA-designated internet-based claims data
25 system.

26 (3) The MVAA shall report the following information as
27 provided in section 216:

1 (a) A summary of activities supported through the
2 appropriation in part 1 for VSO grants, including, separately for
3 each service region, the amount of expenditures to date, number of
4 service hours, number of claims for benefits submitted by type of
5 claim, and other information deemed appropriate by the MVAA.

6 (b) The number of fully developed claims, by type, submitted
7 to the USDVA by VSOs, with an overall goal of 40% of benefit claims
8 submitted that are considered fully developed by the USDVA.

9 Sec. 408. (1) The Michigan veterans' trust fund board together
10 with the MVAA shall provide emergency grants for disbursement from
11 the Michigan veterans' trust fund, as provided under the following
12 program authorities:

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

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

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

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

18 (2) No later than December 1, the MVAA shall provide a
19 detailed report of the Michigan veterans' trust fund that includes,
20 for the immediately preceding fiscal year, information on grants
21 provided from the emergency grant program, including details
22 concerning the methodology of allocations, the selection of
23 emergency grant program authorized agents, a description of how the
24 emergency grant program is administered in each county, and a
25 detailed breakdown of trust fund expenditures for that year,
26 including the amount distributed to each county for administrative
27 costs and emergency grants. The report shall also include the

1 number of approved applications, by category of assistance, and the
2 number of denied applications, by reason of denial. The report
3 shall also provide an update on the department's efforts to reduce
4 program administrative costs and maintain the Michigan veterans'
5 trust fund corpus to its original amount of at least
6 \$50,000,000.00.

7 (3) Any funds not expended or encumbered at the end of the
8 current fiscal year shall be deposited into the Michigan veterans'
9 trust fund corpus.

10 **CAPITAL OUTLAY**

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

15 (2) The department shall provide a listing of property sales
16 and acquisitions as provided under section 216.

17 Sec. 502. (1) The appropriations in part 1 for special
18 maintenance - National Guard shall be carried forward at the end of
19 the fiscal year consistent with section 248 of the management and
20 budget act, 1984 PA 431, MCL 18.1248.

21 (2) The appropriations for special maintenance - National
22 Guard shall be expended in accordance with the requirements of
23 sections 302 and 305 and shall be expended according to the
24 maintenance priorities of the department to repair and modernize
25 military training sites and support facilities, including armories,
26 which may include projects such as roof, HVAC, or boiler

1 replacement, interior renovations, facility expansion, improvements
2 to parking facilities, and other projects.

3 (3) The department shall provide a quarterly report as
4 provided under section 216 providing information on the status,
5 projected costs, and projected completion date of current and
6 planned special maintenance projects at the armories and other
7 National Guard facilities funded from capital outlay appropriations
8 made in part 1 and in prior appropriations years.

9 Sec. 503. (1) The appropriations in part 1 for special
10 maintenance - veterans homes shall be carried forward at the end of
11 the fiscal year consistent with section 248 of the management and
12 budget act, 1984 PA 431, MCL 18.1248.

13 (2) The appropriations for special maintenance - veterans
14 homes shall be expended in accordance with the requirements of
15 section 402 and shall be expended according to the maintenance
16 priorities of the department to repair and modernize the state's
17 veterans' homes, which may include projects such as roof, HVAC, or
18 boiler replacement, interior renovations, facility expansion,
19 improvements to parking facilities, and other projects designed to
20 enhance the quality of life and medical care of members.

21 (3) The MVAA shall provide a quarterly report as provided
22 under section 216 providing information on the status, projected
23 costs, and projected completion date of current and planned special
24 maintenance projects at the Grand Rapids home for veterans and D.J.
25 Jacobetti home for veterans funded from capital outlay
26 appropriations made in part 1 and in prior appropriations years.

27 Sec. 504. (1) The appropriations in part 1 for armory

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

4 (2) The appropriations for armory maintenance shall be
5 expended in accordance with the requirements of sections 302 and
6 305 and shall be expended according to the maintenance priorities
7 of the department to repair and modernize military training sites
8 and support facilities, including armories.

9 PART 2A

10 PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS

11 FOR FISCAL YEAR 2018-2019

12 **GENERAL SECTIONS**

13 Sec. 601. It is the intent of the legislature to provide
14 appropriations for the fiscal year ending on September 30, 2019 for
15 the line items listed in part 1. The fiscal year 2018-2019
16 appropriations are anticipated to be the same as those for fiscal
17 year 2017-2018, excluding appropriations designated as one-time
18 appropriations and adjusting for changes in caseload and related
19 costs, federal fund match rates, economic factors, and available
20 revenue. These adjustments will be determined after the January
21 2018 consensus revenue estimating conference.

22 Sec. 602. The veterans affairs agency shall provide the
23 percentage of Michigan veterans contacted, with a goal of 100%, and
24 report upon those outreach findings to the subcommittees at
25 quarterly legislative hearings.

1 Sec. 603. The veterans affairs agency shall maintain a minimum
2 50% fully developed claims as determined by the USDVA.