

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..... \$ 180,004,400

1	Total interdepartmental grants and intradepartmental		
2	transfers		101,800
3	ADJUSTED GROSS APPROPRIATION.....	\$	179,902,600
4	Total federal revenues.....		92,334,100
5	Total local revenues.....		1,528,400
6	Total private revenues.....		640,000
7	Total other state restricted revenues.....		22,332,600
8	State general fund/general purpose.....	\$	63,067,500
9	State general fund/general purpose schedule:		
10	Ongoing state general fund/general		
11	purpose		63,067,500
12	One-time state general fund/general		
13	purpose		0
14	Sec. 102. MILITARY		
15	Full-time equated unclassified positions.....		9.0
16	Full-time equated classified positions.....		333.0
17	Unclassified positions.....	\$	1,468,300
18	Departmentwide.....		1,853,100
19	Headquarters and armories--88.0 FTE positions.....		17,317,800
20	Michigan youth challenge program--50.0 FTE positions.		5,259,100
21	Military family relief fund.....		600,000
22	Military training sites and support facilities--195.0		
23	FTE positions		33,956,100
24	National Guard operations.....		398,200
25	National Guard tuition assistance fund.....		4,007,000
26	Starbase grant.....		<u>2,322,000</u>
27	GROSS APPROPRIATION.....	\$	67,181,600

1	Appropriated from:		
2	Interdepartmental grant revenues:		
3	IDG from department of state police.....		101,800
4	Federal revenues:		
5	Other federal revenues.....		47,200,100
6	Special revenue funds:		
7	Local revenues.....		1,528,400
8	Private revenues.....		100,000
9	Other state restricted revenues.....		2,567,800
10	State general fund/general purpose.....	\$	15,683,500
11	Sec. 103. MICHIGAN VETERANS AFFAIRS AGENCY		
12	Full-time equated classified positions.....	224.5	
13	Board of managers (veterans homes).....	\$	940,000
14	D.J. Jacobetti home for veterans--179.5 FTE positions		22,275,500
15	Michigan veterans affairs agency administration--39.0		
16	FTE positions		7,061,200
17	Michigan veterans facility authority.....		1,500,000
18	Veterans trust fund administration--6.0 FTE positions		1,468,900
19	Veterans trust fund grants.....		3,746,500
20	Targeted grants.....		200,000
21	Veterans service grants.....		<u>3,835,500</u>
22	GROSS APPROPRIATION.....	\$	41,027,600
23	Appropriated from:		
24	Federal revenues:		
25	Other federal revenues.....		8,396,100
26	Special revenue funds:		
27	Private revenues.....		540,000

1	Other state restricted revenues	10,730,100
2	State general fund/general purpose	\$ 21,361,400
3	Sec. 104. GRAND RAPIDS HOME FOR VETERANS	
4	Full-time equated classified positions.....	347.0
5	Veterans home operations	\$ 9,007,800
6	Purchased services	10,342,700
7	Salaries, wages, and fringe benefits--347.0 FTE	
8	positions	<u>31,054,000</u>
9	GROSS APPROPRIATION	\$ 50,404,500
10	Appropriated from:	
11	Federal revenues:	
12	Other federal revenues	21,165,600
13	Special revenue funds:	
14	Other state restricted revenues	6,620,200
15	State general fund/general purpose	\$ 22,618,700
16	Sec. 105. CAPITAL OUTLAY	
17	Land and acquisitions	\$ 2,000,000
18	Special maintenance - National Guard	15,000,000
19	Special maintenance - veterans' homes	500,000
20	Armory maintenance	<u>2,500,000</u>
21	GROSS APPROPRIATION	\$ 20,000,000
22	Appropriated from:	
23	Federal revenues:	
24	Other federal revenues	15,000,000
25	Special revenue funds:	
26	Other state restricted revenues	2,000,000
27	State general fund/general purpose	\$ 3,000,000

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

10 PART 2
 11 PROVISIONS CONCERNING APPROPRIATIONS
 12 FOR FISCAL YEAR 2017-2018

13 GENERAL SECTIONS

14 Sec. 201. Pursuant to section 30 of article IX of the state
 15 constitution of 1963, total state spending from state resources
 16 under part 1 for fiscal year 2017-2018 is \$85,400,000.00 and state
 17 spending from state resources to be paid to local units of
 18 government for fiscal year 2017-2018 is \$142,400.00. The itemized
 19 statement below identifies appropriations from which spending to
 20 local units of government will occur:

21	DEPARTMENT OF MILITARY AND VETERANS AFFAIRS	
22	Military training sites and support facilities.....	\$ 52,400
23	MVAA administration.....	\$ <u>90,000</u>
24	TOTAL.....	\$ 142,400

25 Sec. 202. The appropriations authorized under this part and

1 part 1 are subject to the management and budget act, 1984 PA 431,
2 MCL 18.1101 to 18.1594.

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

4 (a) "Core services" means that phrase as defined in section
5 373 of the management and budget act, 1984 PA 431, MCL 18.1373.

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

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

9 (d) "DJJHV" means the D.J. Jacobetti home for veterans.

10 (e) "FTE" means full-time equated.

11 (f) "GRHV" means the Grand Rapids home for veterans.

12 (g) "HVAC" means heating, ventilation, and air conditioning.

13 (h) "Michigan veterans' facility authority" means the
14 authority created under section 3 of the Michigan veterans'
15 facility authority act, 2016 PA 560, MCL 36.103.

16 (i) "MVAA" means the Michigan veterans affairs agency.

17 (j) "Subcommittees" means the subcommittees of the senate and
18 house appropriations committees with jurisdiction over the budget
19 of the department.

20 (k) "Support services" means an activity, such as information
21 technology, accounting, human resources, legal, and other support
22 functions that are required to support the ongoing delivery of core
23 services.

24 (l) "USDVA" means the United States Department of Veterans
25 Affairs.

26 (m) "USDVA-VHA" means the USDVA Veterans Health
27 Administration.

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

2 (o) "Work project" means that term as defined in section 404
3 of the management and budget act, 1984 PA 431, MCL 18.1404, and
4 that meets the criteria in section 451a(1) of the management and
5 budget act, 1984 PA 431, MCL 18.1451a.

6 Sec. 206. (1) In addition to the funds appropriated in part 1,
7 there is appropriated an amount not to exceed \$10,000,000.00 for
8 federal contingency funds. These funds are not available for
9 expenditure until they have been transferred to another line item
10 in part 1 under section 393(2) of the management and budget act,
11 1984 PA 431, MCL 18.1393.

12 (2) In addition to the funds appropriated in part 1, there is
13 appropriated an amount not to exceed \$3,000,000.00 for state
14 restricted 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 (3) In addition to the funds appropriated in part 1, there is
19 appropriated an amount not to exceed \$500,000.00 for local
20 contingency funds. These funds are not available for expenditure
21 until they have been transferred to another line item in part 1
22 under section 393(2) of the management and budget act, 1984 PA 431,
23 MCL 18.1393.

24 (4) In addition to the funds appropriated in part 1, there is
25 appropriated an amount not to exceed \$100,000.00 for private
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 Sec. 207. The department shall cooperate with the department
4 of technology, management, and budget to maintain a searchable
5 website accessible by the public at no cost that includes, but is
6 not limited to, all of the following:

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

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

9 (c) Fiscal year-to-date payments to a selected vendor,
10 including the vendor name, payment date, payment amount, and
11 payment description.

12 (d) The number of active department employees by job
13 classification.

14 (e) Job specifications and wage rates.

15 Sec. 208. The department and agencies receiving appropriations
16 in part 1 shall use the internet to fulfill the reporting
17 requirements of this part. This requirement may include
18 transmission of reports via electronic mail to the recipients
19 identified for each reporting requirement, or it may include
20 placement of reports on an internet or intranet site.

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

1 services, or both, that are manufactured or provided by Michigan
2 businesses owned and operated by veterans, if they are
3 competitively priced and of comparable quality.

4 Sec. 210. The director shall take all reasonable steps to
5 ensure businesses in deprived and depressed communities compete for
6 and perform contracts to provide services or supplies, or both. The
7 director shall strongly encourage firms with which the department
8 contracts to subcontract with certified businesses in depressed and
9 deprived communities for services, supplies, or both.

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

13 Sec. 218. The department and agencies receiving appropriations
14 in part 1 shall prepare a report on out-of-state travel expenses
15 not later than January 1 of each year. The travel report shall be a
16 listing of all travel by classified and unclassified employees
17 outside this state in the fiscal year ending September 30, 2017
18 that was funded in whole or in part with funds appropriated in the
19 department's budget. The report shall be submitted to the senate
20 and house appropriations committees, the house and senate fiscal
21 agencies, and the state budget director. The report shall include
22 the following information:

23 (a) The dates of each travel occurrence.

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

1 and the proportion funded with other revenues.

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

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

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

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

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

17 (e) Evidence of efficiencies and management of funds within
18 established appropriations.

19 Sec. 222. The appropriations in part 1 are for the core
20 services, support services, and work projects of the department,
21 including, but not limited to, the following core services:

22 (a) Armories and joint force readiness.

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

24 (c) Michigan youth challeNGe academy.

25 (d) Military family relief fund.

26 (e) Starbase grant.

27 (f) National Guard tuition assistance program.

1 (g) Michigan veterans affairs agency administration.

2 (h) Veterans service grants.

3 (i) Veterans' trust fund administration.

4 (j) Veterans' trust fund grants.

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

6 (l) Grand Rapids home for veterans.

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

8 Sec. 225. Funds appropriated in part 1 shall not be used by a
9 principal executive department, state agency, or authority to hire
10 a person to provide legal services that are the responsibility of
11 the attorney general. This prohibition does not apply to legal
12 services for bonding activities and for those outside services that
13 the attorney general authorizes.

14 Sec. 228. Not later than November 30, the state budget office
15 shall prepare and transmit a report that provides for estimates of
16 the total general fund/general purpose appropriations lapses at the
17 close of the prior fiscal year. This report shall summarize the
18 projected year-end general fund/general purpose appropriations
19 lapses by major departmental program or program areas. The report
20 shall be transmitted to the chairpersons of the senate and house
21 appropriations committees, the subcommittees, and the senate and
22 house fiscal agencies.

23 Sec. 229. Within 14 days after the release of the executive
24 budget recommendation, the department shall cooperate with the
25 state budget office to provide the senate and house appropriations
26 chairs, the subcommittees, and the senate and house fiscal agencies
27 with an annual report on estimated state restricted fund balances,

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

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

8 Sec. 231. Total authorized appropriations from all sources
9 under part 1 for legacy costs for the fiscal year ending September
10 30, 2018 are \$18,602,500.00. From this amount, total agency
11 appropriations for pension-related legacy costs are estimated at
12 \$10,314,600.00. Total agency appropriations for retiree health care
13 legacy costs are estimated at \$8,287,900.00.

14 Sec. 232. The appropriations in part 1 for capital outlay
15 shall be carried forward at the end of the fiscal year consistent
16 with section 248 of the management and budget act, 1984 PA 431, MCL
17 18.1248.

18 Sec. 233. Sixty days prior to the public announcement of the
19 intention to sell any department real property, the department
20 shall submit notification of that intent to the subcommittees and
21 the senate and house fiscal agencies.

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 the veteran 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 established under the jurisdiction and
22 control of the department a revolving account to be known as the
23 billeting fund account. All of the fees and other revenues
24 generated from the operation of the chargeable transient quarters
25 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 (6) Any unexpended private donations to support the Michigan
2 youth challenge academy at the close of the fiscal year shall not
3 lapse to the general fund but shall be carried forward to the
4 subsequent fiscal year.

5 **MILITARY FAMILY RELIEF FUND**

6 Sec. 308. (1) The department shall provide grants for
7 disbursement from the military family relief fund, as provided
8 under the military family relief fund act, 2004 PA 363, MCL 35.1211
9 to 35.1216, and R 200.5 to R 200.95 of the Michigan Administrative
10 Code.

11 (2) The department shall provide information on the revenues,
12 expenditures for advertising and assistance grants, and fund
13 balance of the Michigan military family relief fund, as provided
14 under section 219.

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

21 **STARBASE GRANT**

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

1 **NATIONAL GUARD TUITION ASSISTANCE PROGRAM**

2 Sec. 310. (1) The department shall maintain a National Guard
3 tuition assistance program for members of the Michigan Air and Army
4 National Guard.

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

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

25 (4) The general fund/general purpose funds appropriated in
26 part 1 for the National Guard tuition assistance fund shall be
27 deposited to the restricted Michigan national guard tuition

1 assistance fund created in section 4 of the Michigan national guard
2 tuition assistance act, 2014 PA 259, MCL 32.434. All funds in the
3 national guard tuition assistance fund not to exceed \$4,007,000.00
4 are appropriated and available for expenditure to support the
5 Michigan national guard tuition assistance program.

6 **MICHIGAN VETERANS AFFAIRS AGENCY**

7 **MICHIGAN VETERANS AFFAIRS AGENCY ADMINISTRATION**

8 Sec. 400. (1) The MVAA shall provide outreach services to
9 Michigan veterans that advise them on the benefits to which they
10 are entitled, as provided under Executive Reorganization Order No.
11 2013-2, MCL 32.92. The MVAA shall also do the following:

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

18 (b) Communicate veteran benefit information pertaining to the
19 Michigan military family relief fund, Michigan veterans' trust
20 fund, and USDVA health, financial, and memorial benefits to which
21 they are entitled.

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

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

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

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

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

10 (ii) A summary of the activities and strategies developed to
11 date under the MVAA community assessment and regional service
12 delivery model pilot.

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

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

17 (b) Regional coordinators shall provide the following
18 services:

19 (i) Coordinate veteran benefit counselors' efforts throughout
20 a specified region.

21 (ii) Coordinate services with the department of health and
22 human services and the department of corrections.

23 (iii) Coordinate with regional workforce and economic
24 development agencies.

25 (iv) Coordinate activities among local foundations, nonprofit
26 organizations, and community groups to improve accessibility,
27 enrollment, and utilization of the array of health care, education,

1 employment assistance, and quality of life services provided at the
2 local level.

3 (c) The MVAA may work with MVAA service officers, regional
4 coordinators, county veteran counselors, VSO service officers, and
5 other service providers to incorporate the provision of information
6 relating to mental health care resources into their daily
7 operations to aid veterans in understanding the mental health care
8 support services they may be eligible to receive.

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

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

18 (f) The MVAA shall ensure that all MVAA service officers, VSO
19 service officers, and regional coordinators receive appropriate
20 training in processing applications for benefits payable to
21 veterans due to military sexual trauma, post-traumatic stress
22 disorder, depression, anxiety, substance abuse, or other mental
23 health issues.

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

1 (a) Report the following information as provided in section
2 219:

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

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

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

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

17 (5) From the funds appropriated in part 1 for MVAA operations,
18 the MVAA shall provide grant assistance to enhance the capacity and
19 capabilities of counties in providing benefit claims assistance.
20 These funds shall be used to continue the implementation of an
21 internet-based data system, to increase the number of county
22 veterans counselors, and to increase the number of counties that
23 provide service to veterans through county veterans counselors. The
24 MVAA shall provide a report, as provided in section 219, on the
25 expenditures and activities of the grant funds directed by this
26 subsection.

27 (6) From the funds appropriated in part 1 for MVAA, the MVAA

1 is authorized to expend up to \$50,000.00 to hire legal services to
2 represent veterans benefit cases before federal court to maintain
3 accreditation under 38 CFR 14.628(d)(1)(iv).

4 **VETERANS SERVICE ORGANIZATION GRANTS**

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

13 (a) Ensure that each VSO that receives grants is issued
14 performance standards.

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

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

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

20 (a) The provision of service to veterans statewide, using a
21 regional service delivery model, with services provided at
22 specified locations and times, including service provided in state
23 correctional facilities.

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

25 (c) A specified number of service hours within each geographic
26 region of this state, with a statewide goal based on both
27 appropriations for the fiscal year ending September 30, 2018 for

1 the VSO grant program and the fixed hourly service rate under
2 subsection (2)(b). The statewide goal will include service hours
3 provided to eligible incarcerated veterans within 1 year of their
4 earliest release date.

5 (d) Use of an MVAA-designated internet-based claims data
6 system.

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

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

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

19 **VETERANS' TRUST FUND ADMINISTRATION**

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

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

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

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

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

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

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

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, the board of managers, and the
5 Michigan veterans' facility authority shall provide compassionate
6 and quality nursing and domiciliary care services at the Grand
7 Rapids and D.J. Jacobetti homes for veterans so that members can
8 achieve their highest potential of wellness, independence, self-
9 worth, and dignity.

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

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

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

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

25 (6) Any contractor providing competency evaluated nursing
26 assistants to the Grand Rapids home for veterans shall ensure that
27 each CENA is competent in the basic skills needed to perform his or

1 her assigned duties at the home.

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

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

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

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

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

23 (9) The Grand Rapids and D.J. Jacobetti homes for veterans
24 shall provide an on-site, board-certified psychiatrist for all
25 resident members with mental health disorders in order to ensure
26 that those resident members receive needed services in a
27 professional and timely manner. The Grand Rapids and D.J. Jacobetti

1 homes for veterans shall provide all members and staff a safe and
2 secure environment.

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

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

11 (12) The Grand Rapids and D.J. Jacobetti homes for veterans
12 shall establish sufficient controls for calculating resident member
13 maintenance assessments in order to accurately calculate resident
14 member maintenance assessments for each billing cycle. The Grand
15 Rapids and D.J. Jacobetti homes for veterans shall establish
16 sufficient controls to ensure that all past due resident member
17 maintenance assessments are addressed within 30 days.

18 (13) The Grand Rapids and D.J. Jacobetti homes for veterans
19 shall establish sufficient controls over monetary donations and
20 donated goods.

21 (14) The Grand Rapids and D.J. Jacobetti homes for veterans
22 shall implement sufficient controls over the handling of resident
23 member funds to ensure the release of funds within 3 business days
24 upon the resident member leaving the home and to ensure that a
25 representative of a resident member is provided a full accounting
26 of that resident member's funds within 10 business days of the
27 death of that resident member.

1 (15) The MVAA shall post on its website all policies adopted
2 by the board of managers, the Michigan veterans' facility
3 authority, and the home related to the administrative operations of
4 the home.

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

9 (17) The MVAA shall report its findings regarding the state
10 veterans' homes' compliance with the requirements and standards
11 under this section in a quarterly report to the legislature and the
12 state budget office. The quarterly reports shall include, but are
13 not limited to, the following information:

14 (a) Quality of care metrics, including:

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

17 (ii) Sentinel events reported to the USDVA.

18 (iii) Fall and wound reports.

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

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

23 (b) Quarterly budget update.

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

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

1 (ii) By care setting, payment source, and associated revenue
2 projections.

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

6 (i) Infrastructure/capital outlay improvements.

7 (ii) Information technology updates.

8 (iii) Financial management.

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

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

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

22 Sec. 502. (1) From the increased funds appropriated in part 1
23 for the D.J. Jacobetti home for veterans, the department shall
24 pursue compliance with current Centers for Medicare and Medicaid
25 Services certification standards. The purpose of this expansion
26 will be to obtain Medicaid certification during fiscal year 2017-
27 2018, to increase the ability to fully utilize all federal funding

1 available to cover the cost of care of eligible veterans living at
2 DJJHV, and to improve overall quality of care for all veterans
3 living at DJJHV.

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

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

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

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

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

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

20 Sec. 503. The department shall ensure that the quality of care
21 for members of the Grand Rapids and D.J. Jacobetti homes for
22 veterans shall exceed the current quality of care for the full
23 spectrum of health care services as a result of the upgrades made
24 to the homes to meet the Centers for Medicare and Medicaid Services
25 certification standards. The department shall provide a quarterly
26 report to the subcommittees which contains evidence that the
27 quality of care for the full spectrum of health care services has

1 improved due to those upgrades.

2 **BOARD OF MANAGERS (VETERANS HOMES)**

3 Sec. 504. The board of managers and the Michigan veterans'
4 facility authority shall exercise certain regulatory and governance
5 authority regarding admission and member affairs at the Grand
6 Rapids and D.J. Jacobetti homes for veterans. The board of managers
7 shall also work to represent the interest of the veterans'
8 community in both advisory and advocacy roles.

9 **CAPITAL OUTLAY**

10 **SPECIAL MAINTENANCE - NATIONAL GUARD**

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

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

23 (3) The department shall provide a quarterly report as
24 provided under section 219 providing information on the status,
25 projected costs, and projected completion date of current and
26 planned special maintenance projects at the armories and other

1 National Guard facilities funded from capital outlay appropriations
2 made in part 1 and in prior appropriations years.

3 **SPECIAL MAINTENANCE - VETERANS' HOMES**

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

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

16 (3) The MVAA shall provide a quarterly report as provided
17 under section 219 providing information on the status, projected
18 costs, and projected completion date of current and planned special
19 maintenance projects at the Grand Rapids home for veterans and D.J.
20 Jacobetti home for veterans funded from capital outlay
21 appropriations made in part 1 and in prior appropriations years.

22 **ARMORY MAINTENANCE**

23 Sec. 604. (1) The appropriations in part 1 for armory
24 maintenance shall be carried forward at the end of the fiscal year
25 consistent with section 248 of the management and budget act, 1984
26 PA 431, MCL 18.1248.

27 (2) The appropriations for armory maintenance shall be

1 expended in accordance with the requirements of sections 302 and
2 304 and shall be expended according to the maintenance priorities
3 of the department to repair and modernize military training sites
4 and support facilities, including armories.

5 **LAND AND ACQUISITIONS**

6 Sec. 605. (1) The department shall provide for the acquisition
7 and disposition of National Guard armories, facilities, and lands
8 as provided under sections 368, 382, and 382a of the Michigan
9 military act, 1967 PA 150, MCL 32.768, 32.782, and 32.782a.

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

12 PART 2A

13 PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS

14 FOR FISCAL YEAR 2018-2019

15 **GENERAL SECTIONS**

16 Sec. 1201. It is the intent of the legislature to provide
17 appropriations for the fiscal year ending on September 30, 2019 for
18 the line items listed in part 1. The fiscal year 2018-2019
19 appropriations are anticipated to be the same as those for fiscal
20 year 2017-2018, excluding appropriations designated as one-time
21 appropriations and adjusting for changes in caseload and related
22 costs, federal fund match rates, economic factors, and available
23 revenue. These adjustments will be determined after the January
24 2018 consensus revenue estimating conference.

25 Sec. 1202. The veterans affairs agency shall provide the

1 percentage of Michigan veterans contacted, with a goal of 100%, and
2 report upon those outreach findings to the subcommittees at
3 quarterly legislative hearings.

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