SUBSTITUTE FOR SENATE BILL NO. 762

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2025; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1	PART 1
2	LINE-ITEM APPROPRIATIONS
3	Sec. 101. There is appropriated for the department of military
4	and veterans affairs for the fiscal year ending September 30, 2025
5	from the following funds:
6	DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
7	APPROPRIATION SUMMARY
8	Full-time equated unclassified positions 9.0
9	Full-time equated classified positions 1,051.0

G	ROSS APPROPRIATION		\$ 265,439,400
	otal interdepartmental grants and		
3	intradepartmental transfers		101,800
l A	DJUSTED GROSS APPROPRIATION		\$ 265,337,600
F F	ederal revenues:		
	otal federal revenues		144,036,800
S	pecial revenue funds:		
T	otal local revenues		0
T	otal private revenues		100,000
0 <u>T</u>	otal other state restricted revenues		13,221,400
1 s	tate general fund/general purpose		\$ 107,979,400
2 Se	c. 102. MILITARY		
3 F	'ull-time equated unclassified positions	9.0	
4 F	'ull-time equated classified positions	418.5	
5 U	nclassified salariesFTEs	9.0	\$ 1,823,400
5 H	eadquarters and armoriesFTEs	103.0	22,291,800
7 M	ichigan youth challeNGe academyFTEs	68.0	10,340,500
B M	ilitary family relief fund		150,000
9 M	Iilitary retirement		2,770,600
) <u> </u>	Iilitary training sites and support facilities-		
L	-FTEs	244.0	45,568,900
2 N	ational guard operations		600,500
3 N	ational guard tuition assistance fundFTEs	3.5	11,239,500
4 S	tarbase grant		2,322,000
5 G	ROSS APPROPRIATION		\$ 97,107,200
6 A	ppropriated from:		
7 <u>I</u>	nterdepartmental grant revenues:		
8 <u>I</u>	DG - state police		101,800

Federal revenues: DOD - DOA - NGB		63,690,100
Federal counternarcotics revenues		100,000
Special revenue funds:		
Private donations		90,00
Billeting fund		1,378,20
Military family relief fund		150,00
Morale, welfare, and recreation fund		100,00
National guard facilities rental fund		187,50
Test project fees		100,00
State general fund/general purpose		\$ 31,209,60
Sec. 103. MICHIGAN VETERANS AFFAIRS AGENCY		
Full-time equated classified positions	61.0	
County veteran service grantsFTEs	2.0	\$ 4,253,30
Michigan veterans affairs agency		
administrationFTEs	49.0	9,400,60
Veterans trust fund administrationFTEs	8.0	1,175,30
Veterans trust fund grants		2,500,00
Veterans service grantsFTEs	2.0	4,253,30
GROSS APPROPRIATION		\$ 21,582,50
Appropriated from:		
Special revenue funds:		
Private donations		10,00
		3,675,30
Michigan veterans trust fund		50,00
Michigan veterans trust fund Veterans license plate fund		00,00

State general fund/general purpose Sec. 106. INFORMATION TECHNOLOGY		\$ 1,500,00
Michigan national guard construction fund		1,000,00
Special revenue funds:		
DOD - DOA - NGB		30,000,00
Federal revenues:		
Appropriated from:		
GROSS APPROPRIATION		\$ 32,500,00
Special maintenance - veterans homes		500,00
Special maintenance - National Guard		30,000,00
Land and acquisitions		1,000,00
Armory maintenance		\$ 1,000,00
Sec. 105. CAPITAL OUTLAY		
State general fund/general purpose		\$ 35,931,80
Income and assessments		6,580,40
Special revenue funds:		
HHS - HCFA title XIX, Medicaid		8,469,90
HHS - HCFA, Medicare, hospital insurance		1,754,70
DVA - VHA		39,864,20
Federal revenues:		
Appropriated from:		
GROSS APPROPRIATION		\$ 92,601,00
Veterans cemeteryFTEs	0.5	90,20
Michigan veteran homes administrationFTEs	18.0	3,680,70
Information technology services and projects		1,734,30
Grand Rapids home for veteransFTEs	238.0	31,961,00
D.J. Jacobetti home for veteransFTEs	200.0	25,649,70
Chesterfield Township home for veteransFTEs	115.0	\$ 29,485,10

\$ 648,700
\$ 648,700
157,900
\$ 490,800
\$ 15,000,000
1,225,400
112,800
2,780,300
381,400
1,500,000
100
\$ 21,000,000
\$ 21,000,000
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20 PART 2

21 PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2024-2025

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for the fiscal year ending September 30, 2025, total state spending under part 1 from state sources is \$121,200,800.00 and state spending under part 1 from state sources to be paid to local units of government is \$4,178,000.00. The following itemized statement identifies appropriations from which

1 spending to local units of government will occur:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS 2 3 County veteran service grants Ś 4,041,500 Michigan veterans affairs agency administration 90,000 4 Military training sites and support facilities 46,500 5 TOTAL 4,178,000 6 \$

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

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

- (a) "CMS" means the United States Department of Health andHuman Services, Centers for Medicare and Medicaid Services.
- 15 (c) "DHHS" means the department of health and human services.
- 16 (d) "Director" means the director of the department.
- (e) "FTE" means full-time equated.
- 18 (f) "IDG" means interdepartmental grant.
- 19 (g) "MVAA" means the Michigan veterans affairs agency created20 by Executive Reorganization Order No. 2013-2, MCL 32.92.
 - (h) "MVFA" means the Michigan veterans' facility authority created under section 3 of the Michigan veterans' facility authority act, 2016 PA 560, MCL 36.103.
- (i) "MVH" means the Michigan veteran homes as that term is
 defined in the Michigan veterans' facility authority act, 2016 PA
 560, MCL 36.102.
 - (j) "MYCA" means the Michigan youth challeNGe academy.
- (k) "Standard report recipients" means the senate and houseappropriations subcommittees on the department budget, the senate

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- and house fiscal agencies, the senate and house policy offices, and
 the state budget office.
- $oldsymbol{3}$ (1) "USDVA" means the United States Department of Veterans Affairs.
- 5 (m) "USDVA-VHA" means the USDVA Veterans Health6 Administration.
 - (n) "VSO" means veterans service organization.
- 8 (o) "Veterans' facility" means that term as defined in section
 9 2 of the Michigan veterans' facility authority act, 2016 PA 560,
 10 MCL 36.102.
- 11 (p) "Work project" means that term as defined in section 404
 12 of the management and budget act, 1984 PA 431, MCL 18.1404, and
 13 that meets the criteria in section 451a(1) of the management and
 14 budget act, 1984 PA 431, MCL 18.1451a.
- 15 Sec. 204. The department shall use the internet to fulfill the 16 reporting requirements of this part. This requirement includes 17 transmitting reports to the standard report recipients by email and 18 posting the reports on an internet site.
 - Sec. 206. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds appropriated in part 1:
 - (a) The funds must not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available.
- (b) Preference must be given to goods or services, or both,
 manufactured or provided by Michigan businesses, if they are
 competitively priced and of comparable quality.
- (c) Preference must be given to goods or services, or both,

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

Sec. 207. The department shall not take disciplinary action against an employee of the department or a state agency for communicating with a member of the legislature or legislative staff, unless the communication is prohibited by law and the department or agency is exercising its authority as provided by law.

Sec. 208. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, the department shall prepare a report on out-of-state travel expenses not later than January 1. The report must list all travel by classified and unclassified employees outside this state in the previous fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The department shall submit the report to the standard report recipients and to the senate and house appropriations committees. The report must include all of the following information:

- (a) The dates of each travel occurrence.
- (b) The total transportation and related expenses of each travel occurrence and the proportion funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, and other revenues.

Sec. 209. (1) The department shall not use funds appropriated in part 1 to hire a person to provide legal services that are the responsibility of the attorney general. This section does not apply to legal services for bonding activities or to outside legal services that the attorney general authorizes.

(2) The department shall make timely reimbursement to the department of the attorney general for legal services provided by the department of the attorney general to the department. If the department fails to make timely reimbursement, the department of the attorney general may increase the amount billed to include a penalty for late reimbursement. As used in this section, "timely reimbursement" means reimbursement not later than 60 days after the department receives a bill for the legal services from the department of the attorney general.

Sec. 210. Not later than December 15, the state budget office shall prepare and submit a report that provides estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. The report must summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The state budget office shall submit the report to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 211. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$8,600,000.00 for federal contingency authorization. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

1 act, 1984 PA 431, MCL 18.1393.

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- (3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$250,000.00 for local contingency authorization. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.
 - (4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$100,000.00 for private contingency authorization. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.
- Sec. 212. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for the department:
 - (a) Fiscal year-to-date expenditures by category.
 - (b) Fiscal year-to-date expenditures by appropriation unit.
- (c) Fiscal year-to-date payments to a selected vendor,
 including the vendor name, payment date, payment amount, and
 payment description.
- (d) The number of active department employees by jobclassification.
 - (e) Job specifications and wage rates.
- Sec. 213. Not later than 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide an annual report on estimated state restricted fund balances, state restricted fund

projected revenues, and state restricted fund expenditures for the
previous 2 fiscal years. The report must be submitted to the
standard report recipients and to the chairpersons of the senate
and house appropriations committees.

Sec. 214. The department shall maintain, on a publicly accessible website, information that identifies, tracks, and regularly updates key metrics that are used to monitor and improve the department's performance.

Sec. 215. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director shall take all reasonable steps to ensure geographically-disadvantaged business enterprises compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with geographically-disadvantaged business enterprises for services, supplies, or both. As used in this section, "geographically-disadvantaged business enterprises" means that term as defined by Executive Directive No. 2019-08.

Sec. 216. On a quarterly basis, the department shall report on the number of full-time equated positions in pay status by civil service classification, including a comparison by line item of the number of FTEs authorized from funds appropriated in part 1 to the actual number of FTEs employed by the department at the end of the reporting period. The report must be submitted to the senate and house appropriations committees and to the standard report recipients.

Sec. 217. It is the intent of the legislature that the department maximize the efficiency of the state workforce and, if possible, prioritize in-person work and post its in-person, remote,

1 or hybrid work policy on its website.

Sec. 218. The department shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow federal and state guidelines for short-term and long-term retention of records. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 219. Not later than April 1, the department shall report on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year. The department shall submit the report to the standard report recipients, to the senate and house appropriations committees, and to the joint committee on administrative rules.

Sec. 220. (1) From the funds appropriated in part 1, the department shall do the following:

- (a) Report any amounts of severance pay for a department director, deputy director, or other high-ranking department official not later than 14 days after a severance agreement with the director or official is signed. The name of the director or official and the amount of severance pay must be included in the report required by this subdivision.
- (b) Not later than February 1, report on the total amount of severance pay remitted to former department employees during the previous fiscal year and the total number of former department employees that were remitted severance pay during the previous fiscal year.
- (2) Reports required by this section must be submitted to the
 standard report recipients and to the senate and house
 appropriations committees.

- (3) As used in this section, "severance pay" means
 compensation that is both payable or paid on the termination of
 employment and in addition to either wages or benefits earned
 during the course of employment or generally applicable retirement
 benefits.
 - Sec. 221. To the extent possible, the department shall not expend appropriations under part 1 until all existing authorized work project funds available for the same purposes are exhausted.
- 9 Sec. 222. (1) Funds appropriated in part 1 must not be used to 10 restrict or impede a marginalized community's access to government 11 resources, programs, or facilities.
- (2) From the funds appropriated in part 1, local governments
 shall report any action or policy that attempts to restrict or
 interfere with the duties of the local health officer.
- Sec. 223. Funds appropriated in part 1 for capital outlay must be carried forward at the end of the fiscal year consistent with section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.
- Sec. 224. If the department intends to sell any department real property, the department shall submit notification of that intent to the standard report recipients 60 days before the public announcement of that intention.
- Sec. 225. The department shall provide biannual reports that include the following data:
- (a) A list of all major work projects, including a statusreport of each project.
- (b) The department's financial status, featuring a report of
 budgeted versus actual expenditures by part 1 line item, including
 a year-end projection of budget requirements.

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

Sec. 226. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under this part and part 1, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, inter-transfer funds within this part and part 1 for the particular department, board, commission, officer, or institution.

Sec. 229. The department shall annually submit an updated departmental strategic plan to the senate and house appropriations subcommittees on the department budget and the senate and house fiscal agencies.

MILITARY

Sec. 301. (1) Not later than September 30, the department shall report a list of the current unclassified positions, which shall include the official titles and responsibilities of each position.

- (2) Upon the department being granted a request for an additional unclassified employee position from the civil service commission, or for any substantive changes to the duties of an existing unclassified employee position, the department shall report on these changes within 15 days.
- Sec. 302. (1) The department shall operate and maintain National Guard armories and implement a system to measure the condition and adequacy of those armories.
 - (2) Not later than December 1, the department shall evaluate

armories and submit an annual report on the status of the armories that includes the following information:

- (a) An assessment of the grounds and facilities of each armory to objectively measure and determine the current facility condition and capability to support authorized manpower, unit training, and operations.
- (b) Recommendations for the placement of new armories, the relocation or consolidation of existing armories, or a change in the mission of units assigned to armories to ideally position the National Guard in current or projected population centers.
- (c) Recommendations for the enhanced use of armories to facilitate family support programs during deployments.
- (d) An analysis of the feasibility, potential costs, and benefits of use of armories shared with other local, state, or federal agencies to improve responses to local emergencies as well as the community support provided to armories.
- (e) An investment strategy and proposed funding amounts in a prioritized project list to correct the most critical facility shortfalls across the inventory of armories in this state.
- (f) A review of the status of construction activities and expenditures of the armory modernization project funded in section 107 of article 10 of 2022 PA 166 and section 104 of 2022 PA 194.
- Sec. 303. (1) The department shall maintain the MYCA to provide values, skills, education, and self-discipline instruction for at-risk youth as provided under 32 USC 509.
- (2) The department shall take steps to recruit candidates to the MYCA from economically-disadvantaged areas, including those with low-income and high-unemployment backgrounds.
- (3) The department shall partner with the DHHS to identify

youth who may be eligible for MYCA from those youth served by DHHS services programs. The department shall give these eligible youth priority for enrollment.

- (4) The department shall maintain the MYCA to graduate at least the target number of graduates consistent with the state's cooperative agreement with the National Guard Bureau regarding program operations.
- (5) The department shall ensure individual academic success as measured by the number of individuals who have received a general equivalency diploma, high school diploma, or high school credit recovery or by the improvement of tests of adult basic education scores, or both.
 - (6) Any unexpended and unencumbered private donations to support the MYCA at the close of this fiscal year do not lapse to the general fund and must be carried forward to the subsequent fiscal year.
- Sec. 304. (1) The department shall provide an annual report on the revenues, expenditures, and fund balance of the military family relief fund. The department shall itemize expenditures in the report by purpose, including, but not limited to, for advertising and assistance grants. The report must also include information on the number of applications for assistance received, approved, and denied.
- (2) From the funds appropriated in part 1, the department shall provide outreach to the Michigan families of members of the reserve component of the Armed Forces of the United States called into active duty on the availability of assistance through the military family relief fund.
- 29 (3) As used in this section, "military family relief fund"

means the military relief fund created in section 3 of the military
family relief fund act, 2004 PA 363, MCL 35.1213.

Sec. 305. (1) The department shall do all of the following:

- (a) Provide Army and Air National Guard forces, when directed, for state and local emergencies and in support of national military requirements.
- (b) Operate and maintain Army National Guard training facilities, including Fort Custer and Camp Grayling.
- 9 (c) Maintain a system that measures the condition and adequacy10 of air facilities using both quality and functionality criteria.
- (d) Operate and maintain Air National Guard air bases,
 including Selfridge Air National Guard base, Battle Creek Air
 National Guard base, and Alpena combat readiness training center.
- 14 (2) Not later than March 1, the department shall report the
 15 following information:
- 16 (a) The apportioned and assigned strength of the Michigan Army17 National Guard.
- 18 (b) The apportioned and assigned strength of the Michigan Air19 National Guard.
- (c) Recruiting, retention, and attrition data, including
 measurement against stated performance goals, for the Michigan Army
 National Guard.
- (d) Recruiting, retention, and attrition data, including
 measurement against stated performance goals, for the Michigan Air
 National Guard.
- Sec. 306. There is created and established under the
 jurisdiction and control of the department a revolving account to
 be known as the billeting fund account. All of the fees and other
 revenues generated from the operation of the chargeable transient

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- 1 quarters program must be deposited in the billeting fund account.
- 2 Appropriations must be made from the account for the support of
- 3 program operations and the maintenance and operations of the
- 4 chargeable transient quarters program and must not exceed the
- 5 estimated revenues for the fiscal year in which they are made,
- 6 together with unexpended balances from prior years. Not later than
- 7 December 15, the department shall submit an annual report of
- 8 operations and expenditures regarding the billeting fund account
- 9 for the previous fiscal year.

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- Sec. 307. (1) The department shall maintain a National Guard tuition assistance program under the Michigan national guard tuition assistance act, 2014 PA 259, MCL 32.431 to 32.433.
- (2) The objective of the National Guard tuition assistance program is to bolster military readiness by increasing recruitment and retention of Michigan Army and Air National Guard members, to fill federally authorized strength levels for the state, to improve the Michigan Army and Air National Guard's competitive draw from other military enlistment options in the state, to enhance the ability of the Michigan Army and Air National Guard to compete for guard members and federal dollars with surrounding states, and to increase the pool of eligible candidates within the Michigan Army and Air National Guard to become commissioned officers.
- (3) The department shall make efforts to increase the number of guard members who have received a credential or are still enrolled in the Michigan National Guard tuition assistance program after their initial term of enlistment. To evaluate the effectiveness of the program, the department shall monitor the number of new recruits and new reenlistments and the percentage of those who become participants in the program to determine whether

- the percentage of authorized Michigan Army and Air National Guard strength obtained and retained is competitive in comparison with the neighboring army and air national guards from Illinois, Indiana, Ohio, and Wisconsin.
 - (4) Not later than March 1, the department shall provide a report on the Michigan National Guard tuition assistance program. The report shall include the following information for the previous fiscal year:
 - (a) The number of National Guard members, spouses, and children receiving tuition assistance, broken down by the number of each type of recipient.
- 12 (b) The educational institution from which those guard members
 13 received education or training under the program, broken down by
 14 the number of each type of program recipient.
- 15 (c) The total amount of financial assistance received by each educational institution, for each type of program recipient.
 - (d) The total funds expended on the program for financial assistance.
- (e) The total funds expended on the program for administrativecosts of the department.
 - (f) The total number of applications for tuition assistance denied.
 - (g) A list of any educational institutions and training programs removed from eligibility and the rationale for that removal.
- 26 (h) An explanation of any identified barriers to the 27 successful utilization of the program, or other unmet needs of the 28 program and applicable proposals for legislative action to address 29 those barriers and needs.

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

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

Sec. 309. There is created and established under the jurisdiction and control of the department a revolving account to be known as the test project fees account. All of the fees and other revenues generated from the operation of the test project program shall be deposited in the test project fees account. Funds in the account shall be available for expenditure for the support of program operations as appropriated in part 1. Money remaining in the account at the end of the year does not lapse and must be carried forward to the subsequent fiscal year.

Sec. 310. The morale, welfare, and recreation fund is created within the state treasury. The state treasurer may receive money or other assets from any source for deposit into the fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments. The department shall be the administrator of the fund

- 1 for auditing purposes. All of the fees and other revenues generated
- 2 from the operation of the morale, welfare, and recreation program
- 3 must be deposited in the morale, welfare, and recreation fund.
- 4 Money in the fund is available for expenditure for the support of
- 5 program operations as appropriated in part 1. Money remaining in
- 6 the fund at the end of the year does not lapse and must be carried
- 7 forward to the subsequent fiscal year.
- 8 Sec. 311. (1) The National Guard facilities rental fund is
- 9 created in the state treasury.
- 10 (2) The state treasurer shall deposit money and other assets
- 11 received from any source into the fund. The state treasurer shall
- 12 direct the investment of the money in the fund and shall credit
- interest and earnings from the investments to the fund.
- 14 (3) All of the fees and other revenues generated from the
- 15 operation of the National Guard facilities rental program must be
- 16 deposited in the fund.
- 17 (4) Money in the fund at the close of the fiscal year remains
- in the fund and does not lapse to the general fund.
- 19 (5) The department is the administrator of the fund for
- 20 auditing purposes.
- 21 (6) The department shall expend money from the fund as
- 22 appropriated in part 1 to support the National Guard facilities
- 23 rental program operations.
- Sec. 312. (1) The department shall take all steps necessary to
- 25 carry out, implement, and maintain the guidelines established under
- 26 section 251(5) of the Michigan military act, 1967 PA 150, MCL
- 27 32.651, for membership goals in the Michigan volunteer defense
- 28 force.
- 29 (2) Not later than February 1, the department shall annually

provide the report required under section 251(7) of the Michigan military act, 1967 PA 150, MCL 32.651.

Sec. 313. The Michigan Army National Guard and Air National Guard shall work to provide a culture that is free of sexual assault, through an environment of prevention, education and training, response capability, victim support, reporting procedures, and appropriate accountability that enhances the safety and well-being of all guard members.

MICHIGAN VETERANS AFFAIRS AGENCY

Sec. 404. (1) Money privately donated to the department for the MVAA in excess of the appropriation in part 1 is appropriated and available for expenditure for the benefit and life enrichment of veterans and for the purpose designated by the private source, if specified and in compliance with this section.

- (2) Any unexpended and unencumbered private donations to support the MVAA at the close of this fiscal year do not lapse to the general fund and must be carried forward to the subsequent fiscal year.
- (3) Not later than December 15, the department must submit a report that provides the amount of private donations received by the department for the MVAA and the purpose for which the funds will be expended, if known. In addition to the annual report required under this subsection, if a donation described under this section is \$10,000.00 or greater, the department must submit a report within 14 calendar days after receiving that donation providing the amount of the donation and the purpose for which the funds will be expended, if known.
- Sec. 405. (1) The MVAA shall provide a report annually on the

- financial status of the Michigan veterans' trust fund. The report 1 must include the number and amount of emergency grants, state 2 operating and administrative expenses, and county administrative 3 4 expenses.
 - (2) The Michigan veterans' trust fund board together with the MVAA shall provide emergency grants for disbursement from the Michigan veterans' trust fund, as provided under the following program authorities:
- (a) Sections 37, 38, and 39 of article IX of the state 10 constitution of 1963.
 - (b) 1946 (1st Ex Sess) PA 9, MCL 35.602 to 35.610.
 - (c) R 35.1 to R 35.7 of the Michigan Administrative Code.
- (d) R 35.621 to R 35.623 of the Michigan Administrative Code. 13
 - (3) Not later than February 1, the MVAA shall provide a detailed report of the Michigan veterans' trust fund that includes, for the previous fiscal year, the following information on grants provided from the emergency grant program:
 - (a) Details concerning the methodology of allocations and the selection of emergency grant program authorized agents.
 - (b) A description of how the emergency grant program is administered in each county.
 - (c) A detailed breakdown of trust fund expenditures for that fiscal year, including the amount distributed to each county for operating costs, administrative costs and emergency grants.
 - (d) The number of approved applications, by category of assistance, and the number of denied applications, by reason of denial.
- (e) A description of the MVAA's efforts to reduce program 28 29 administrative costs and maintain the Michigan veterans' trust fund

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- 1 corpus at or above its original amount of \$50,000,000.00.
- 2 Sec. 406. The MVAA shall do all of the following:
- (a) Provide outreach services to Michigan veterans to advise
 them on the benefits to which they are entitled, as provided under
 Executive Reorganization Order No. 2013-2, MCL 32.92.
 - (b) Develop and operate an outreach program that communicates benefit eligibility information to at least 50% of Michigan's population of veterans, as assessed by annual census estimates, with a goal of reaching 100% and enabling 100% to access benefit information online.
- 11 (c) 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.
- (d) Fulfill requests for military discharge certificates (DD-upon request.
- (e) Provide a report annually providing, to the extent known, data on the estimated number of homeless veterans, by county, in this state.
- 20 (f) Provide a report annually on the percentage of Michigan 21 veterans contacted through its outreach programs, with a goal of 22 90%, and report that percentage biannually on the status of 23 outreach.
- Sec. 408. From the funds appropriated in part 1, the MVAA shall provide for the regional coordination of services and shall do all of the following:
- (a) Coordinate with veteran benefit counselors throughout aspecified region.
- 29 (b) Coordinate services with all state departments and

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- agencies, including the DHHS, the department of corrections, and regional workforce and economic development agencies.
 - (c) Coordinate activities among local foundations, nonprofit organizations, and community groups to improve accessibility, enrollment, and utilization of the array of health care, education, employment assistance, and quality of life services provided at the local level.
 - (d) Work with MVAA service officers, county veteran counselors, VSO service officers, and other service providers to increase awareness of available mental health care resources and support services veterans may be eligible to receive.
 - (e) Coordinate with the DHHS to identify Medicaid recipients who are veterans and who may be eligible for federal veterans health care benefits or other benefits, to the extent that the identification does not violate applicable confidentiality requirements.
- (f) Collaborate with the department of corrections to create and maintain a process by which prisoners can obtain a copy of their DD-214 form or other military discharge documentation if necessary.
- (g) Coordinate with agencies and organizations that provide training for veterans service officers in emerging topics and issues, such as military sexual trauma, post-traumatic stress disorder, depression, anxiety, substance abuse, or other mental health issues.
- Sec. 410. (1) The MVAA shall provide claims processing services to Michigan veterans in support of benefit claims submitted to the USDVA for the health, financial, and memorial benefits for which they are eligible. The MVAA shall report

annually on the number of benefit claims, by type, submitted to the USDVA by MVAA and maintain the staffing and resources necessary to process a minimum of 500 claims per year.

- (2) The MVAA shall develop and implement a process to ensure that all county counselors receive the training and accreditation necessary to provide quality services to veterans and shall report information annually on the number and percentage of county veterans counselors trained by the MVAA, and the number and percentage who received funding from the MVAA to attend training, with an overall goal of 100% of county veterans counselors trained.
- (3) From the funds appropriated in part 1 for MVAA, the MVAA is authorized to expend up to \$100,000.00 to hire legal services to represent veterans benefit cases before federal court to maintain accreditation under 38 CFR 14.628(d)(1)(iv).
- Sec. 411. (1) From the funds appropriated in part 1 for veterans service grants, the MVAA shall establish, administer, and award competitive grants to 1 or more congressionally chartered VSOs or a coalition of VSOs. The MVAA shall award grants to support efforts to connect veterans and their dependents with federal compensation and pension benefits and state veterans' benefits, including emergency grants through the Michigan veterans' trust fund and other local or nonproject assistance that may be available to veterans and their dependents. The MVAA shall establish a competitive grant process that satisfies all of the following:
- (a) Utilizes a regional service delivery model to ensure that veterans and their dependents in this state, including those within tribal communities, are provided with services, advocacy, and outreach as close to the communities in which they live as possible.

- (b) Ensures that grantees are providing adequate veteran services and advocacy, through in-person and virtual meetings, that enables the organization to meet performance goals established in the grant agreement.
- (c) Fosters innovative and transformative approaches and techniques for the grantee to use when providing services, advocacy, and outreach for veterans and their dependents.
- (d) Requires grantees to use an MVAA-designated internet-based claims data system to manage caseloads. License fees associated with the claims data system described in this subdivision are considered an allowable expenditure and may be reimbursed with grant funds.
- (e) Requires grantees, in coordination with the MVAA, to
 provide services to incarcerated veterans who are within 1 year of
 their earliest release date.
 - (f) Ensures that each grantee is issued performance goals.
- (g) Ensures that each grantee expends grant awards asprescribed in the grant agreement.
- - (i) An accounting for all grant fund expenditures.
- 22 (ii) The number and type of claims originated and submitted by the grantee to the USDVA.
- (iii) The number and type of claims originated by anorganization other than the grantee and submitted by the grantee tothe USDVA.
 - (iv) The services provided to veterans and their dependents.
- (v) Progress in achieving monthly performance benchmark goals.
- 29 (i) Ensures that each grantee is issued monthly performance

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- benchmark goals that each grantee must aim to achieve and require
 each grantee to report to the MVAA, in order to ensure that
 benchmark goals are being achieved, or on target to be achieved, in
 the fiscal year.
 - (2) The MVAA shall do all of the following:
 - (a) Follow all generally accepted accounting principles in accordance with sections 141 and 485 of the management and budget act, 1984 PA 431, MCL 18.1141 and 18.1485.
 - (b) When establishing, modifying, or amending the competitive grant process described in subsection (1), consult and collaborate with congressionally chartered VSOs in the state, or a coalition of VSOs, and other stakeholders to ensure a comprehensive approach to providing services, advocacy, and outreach to veterans and their dependents.
 - (c) Provide notice to current grantees of any MVAA-proposed modifications or amendments to the competitive grant process and provide those grantees with an opportunity to respond through written communication.
 - (d) Assess the accuracy rate of claims reported by grantees.
 - (e) Review and audit grantees' expenditure of grant funds to ensure compliance with the grant agreement, as provided under section 470 of the management and budget act, 1984 PA 431, MCL 18.1470.
 - (3) Not later than March 1, the MVAA shall provide a report summarizing grant activities for the previous fiscal year, including the amount of expenditures, number of service and advocacy hours, number of claims for benefits submitted by type of claim, and other information deemed appropriate by the MVAA.
- 29 (4) From the funds appropriated in part 1 for veterans service

- grants, \$211,800.00 must be allocated to cover necessary administrative and implementation costs incurred by the MVAA.
- (5) The unexpended funds appropriated in part 1 for veterans service grants are designated as a work project appropriation and any unencumbered or unallotted funds do not lapse at the end of the fiscal year and must be available for expenditure for projects under this section until the projects have been completed.
- Sec. 413. (1) The funds appropriated in part 1 for county veteran service grants must be deposited into the restricted county veteran service fund created in section 3a of 1953 PA 192, MCL 35.623a. All available funds in the restricted county veteran service fund are appropriated and available for expenditure as provided by law.
- 14 (2) From the restricted county veteran service fund created in 15 section 3a of 1953 PA 192, MCL 35.623a, \$211,800.00 must be 16 allocated to the MVAA to cover necessary administrative and 17 implementation costs incurred by the MVAA.
- 18 (3) The MVAA shall provide a report not later than December 31
 19 that includes the following information for the previous fiscal
 20 year:
 - (a) A list of counties that received a grant under this section.
 - (b) The total amount of grant funding each county received including any amount of funding provided under the emergent need relief program pursuant to section 3a(10) of 1953 PA 192, MCL 35.623a.
 - (c) A summary of each county's expenditures of grant funding.
- (d) The amount of any unexpended grant funding disbursed tothe counties that has been recovered and returned to the county

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veteran service fund.

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- (e) The balance of the county veteran service fund after the previous fiscal year-end book closing.
- (f) A list of counties that have requested funds in the current fiscal year, the amount requested by each county, and the total of these amounts.
- (g) A list of counties that did not request funds in the current fiscal year.
- 9 (h) The amount of any funds recovered by the MVAA through the10 MVAA's finding of misused grant funds.
- (i) An explanation of any obstacles or reasons for counties
 not applying for or spending their eligible amount of grant
 funding.
- 14 (j) The amount expended by the MVAA for grant administration15 and implementation costs.
- Sec. 414. Not later than February 1, the department shall provide a report on the status of the construction, operations, and finances of the state veterans cemetery under the veterans cemetery act, 2022 PA 267, MCL 35.1251 to 35.1259.
- Sec. 416. From the funds appropriated in part 1, the
 department may contract with or provide grants to local health care
 providers to accelerate the clinical research and deployment of
 promising investigational treatments for suicide prevention that
- 24 have been granted breakthrough therapy designation by the United
- 25 States Food and Drug Administration and are eligible for expanded
- 26 access as defined by the United States Food and Drug
- 27 Administration, specifically for the treatment of post-traumatic
- 28 stress disorder, major depressive disorder, or treatment-resistant
- 29 depression in veterans of the United States military and first

responders. From the funds appropriated in part 1, the department may also hire up to 3 FTE staff to facilitate and administer this grant program.

MICHIGAN VETERANS' FACILITY AUTHORITY

Sec. 501. (1) Money privately donated to the MVH, the MVFA, or a veterans' facility in excess of the appropriation in part 1 is appropriated and is available for expenditure for the benefit and life enrichment of resident members and for the purpose designated by the private source, if specified and in compliance with this section.

- (2) Not later than December 15, the MVH must submit a report that provides the amount of the private donations described under subsection (1) and the purpose for which the funds will be expended, if known. In addition to the annual report required under this subsection, if the MVH, the MVFA, or a veterans' facility receives a private donation that is \$10,000.00 or greater, the MVH must submit a report within 14 calendar days after receiving that donation providing the amount of the donation and the purpose for which the funds are to be expended, if known.
- (3) Any unexpended and unencumbered private donations to support the MVH at the close of this fiscal year do not lapse to the general fund and must be carried forward to the subsequent fiscal year.
- Sec. 502. (1) From the funds appropriated in part 1, the MVH and the MVFA shall provide compassionate and quality nursing care services at each veterans' facility in this state so that resident members can achieve their highest potential of wellness, independence, self-worth, and dignity. The MVFA and the MVH shall

- provide nursing care services to veterans in accordance with 1 federal standards and report the results of the annual USDVA and 2 CMS surveys and certification as proof of compliance. 3
 - (2) Appropriations in part 1 for a veterans' facility shall not be used for any purpose other than expenses related to the operations of the veterans' facility.

Sec. 503. All contractors providing health care services at a veterans' facility shall provide services in a manner that complies with applicable USDVA and CMS regulations for state veterans' homes 9 10 and skilled nursing facilities, any rules governing the operation 11 of nursing homes licensed in this state, and any training and 12 education requirements associated with staff licensure or 13 certification.

- 14 Sec. 504. (1) The MVFA shall report and investigate all 15 complaints of abuse or neglect at a veterans' facility in 16 compliance with USDVA and CMS regulations for state veterans' homes 17 and skilled nursing facilities. The MVFA shall report on a bimonthly basis the following information: 18
- 19 (a) A description of the process by which resident members and 20 others may file complaints of alleged abuse or neglect at a 21 veterans' facility.
 - (b) Summary statistics on the number and general nature of complaints of abuse or neglect.
 - (c) Summary statistics on the final disposition of complaints of abuse or neglect received.
- 26 (2) The MVFA shall display in high-traffic areas throughout 27 the veterans' facility the process by which visitors, resident members, and staff of the veterans' facility may register 28 29 complaints.

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1 Sec. 505. The MVH shall do the following regarding member care:

- (a) Provide board-certified psychiatric care for all resident members with mental health disorders in order to ensure that those resident members receive needed services in a professional and timely manner.
- (b) Provide all resident members and staff a safe and secure environment.
- (c) Ensure that the veterans' facility effectively develops, executes, and monitors all comprehensive care plans in accordance with federal regulations and the veterans' facility's internal policies, with a goal that a comprehensive care plan is fully developed for all resident members.
- 14 Sec. 506. The MVH shall establish and implement internal controls regarding all of the following:
- (a) The use and management of food, maintenance, andpharmaceutical and medical supply inventories.
 - (b) Calculating resident member maintenance assessments in order to accurately calculate resident member maintenance assessments for each billing cycle and ensure that all past due resident member maintenance assessments are addressed within 30 days.
 - (c) Monetary donations and donated goods.
 - (d) The handling of resident member funds to ensure the release of funds within 15 calendar days upon the resident member leaving the home and to ensure that a representative of a resident member is provided a full accounting of that resident member's funds within 30 calendar days after the death of that resident member.

- 1 (e) Financial reporting and accounting.
- 2 Sec. 507. (1) The MVH shall post on its website the following:
- 3 (a) All policies adopted by the MVFA and the veterans'
- facility related to the administrative operations of the veterans'facility.
- 6 (b) The agenda and minutes of public meetings of the MVFA7 board.
 - (2) The MVH shall provide a report with copies of each veterans' facility's USDVA State Veteran Home quarterly report.

 These quarterly reports shall also be posted on the MVH website.
 - (3) The MVH shall provide bimonthly reports on the following:
- (a) Census data for each veterans' facility, including
 information on level of care, service era of its resident members,
 payer source, and average income and assessment rate.
- 15 (b) Per patient daily care hours provided by each veterans'16 facility, by level of care.
 - (c) Financial status of each veterans' facility and central MVFA/MVH administration. Information shall include, but not be limited to, actual year-to-date and projected year-end revenues and expenditures, by fund source.
 - (4) The MVH shall provide a report on the results of any annual or for-cause survey conducted by any entity with oversight over the veterans' facility and any corresponding corrective action plan. This information shall also be made available publicly through the MVH website.
- (5) In addition to the information required under section
 12(1) of the Michigan veterans' facility authority act, 2016 PA
 560, MCL 36.112, the MVFA shall provide a report detailing the
 strategies and actions taken to maximize revenues from non-general

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fund sources and cost savings strategies.

Sec. 508. In addition to the funds appropriated in part 1, private revenues held by the MVH on a nonfiduciary basis for a resident member of a veterans' facility are appropriated to pay medical expenses, member assessments, and other expenses incurred by that resident member. Any unexpended or unencumbered private revenues held on a nonfiduciary basis by the MVH at the close of the fiscal year do not lapse to the general fund and must be carried forward into the subsequent fiscal year.

Sec. 509. Not later than March 1, the MVFA shall provide a report on the construction, operation, and finances of the new Marquette veterans home funded in article 14 of 2022 PA 166.

Sec. 510. Except as otherwise provided by law, any unexpended and unencumbered federal revenues received by the MVFA do not lapse to the state general fund and must be carried forward into the subsequent fiscal year.

CAPITAL OUTLAY

Sec. 601. (1) The department shall provide for the acquisition and disposition of National Guard armories, facilities, and lands as provided under sections 368, 382, and 382a of the Michigan military act, 1967 PA 150, MCL 32.768, 32.782, and 32.782a.

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

Sec. 602. (1) The appropriations for special maintenance - National Guard must be expended in accordance with the requirements of sections 302 and 305 of this part and must be expended according to the maintenance priorities of the department to repair and modernize military training sites and support facilities, including

armories.

(2) Not later than January 15, the department shall provide an annual report providing information on the status, projected costs, and projected completion date of current and planned special maintenance projects at the armories and other National Guard facilities funded from capital outlay appropriations made in part 1 and in previous fiscal years.

Sec. 603. (1) The appropriations for special maintenance - veterans' facility must be expended in accordance with the requirements of section 452 of this part and must be expended according to the maintenance priorities of the MVFA to repair and modernize the state's veterans' facility, which may include physical plant expansions, renovations, or enhancements, and other projects designed to enhance the quality of life and medical care of resident members.

(2) Not later than January 15, the MVH shall provide an annual report providing information on the status, projected costs, and projected completion date of current and planned special maintenance projects at each veterans' facility funded from capital outlay appropriations made in part 1 and in previous fiscal years.

Sec. 604. The appropriations for armory maintenance must be expended in accordance with the requirements of sections 302 and 305 of this part and must be expended according to the maintenance priorities of the department to repair and modernize military training sites and support facilities, including armories.

ONE-TIME APPROPRIATIONS

Sec. 701. (1) From the funds appropriated in part 1 for eliminating veteran homelessness grants, the MVAA shall create and

- operate a grant program that provides grants to Michigan-based 1 nonprofit organizations that provide, or assist in providing, 2 housing for homeless veterans or their families, or both. The 3 grants must support efforts to reduce or eliminate homelessness 4 5 among veterans in this state by supporting costs of housing 6 veterans or their families, or both. The MVAA shall develop 7 criteria for determining grant eligibility in accordance with this 8 section. A grant must be disbursed within 60 days after the date that the MVAA receives a completed and signed grant agreement from 9 10 the nonprofit organization requesting the grant. Grant funding must 11 be used to support costs related to housing or other activities 12 that assist homeless veterans and their families to avoid 13 homelessness.
- 14 (2) Not later than December 31, 2025, the MVAA shall provide a 15 report summarizing grant activities for the fiscal year ending 16 September 30, 2025, and shall include the following information for 17 each grant issued under this grant program:
 - (a) The name of each grant recipient.
 - (b) The location, city, and county of each grant recipient.
 - (c) The amount of the grant provided to each grant recipient.
 - (d) A brief summary of each grant recipient's expenditures of grant funding.
 - (3) As used in this section:
 - (a) "Veteran" means an individual who served in the United States Armed Forces, including the reserve components and National Guard, and was discharged or released under conditions other than dishonorable. Veteran includes an individual who died while on active duty in the United States Armed Forces.
- 29 (b) "Homeless" means that term as defined in section 103 of

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- 1 the McKinney-Vento homeless assistance act of 2009, 42 USC 11302.
 - Sec. 702. Funds appropriated in part 1 for Selfridge Air National Guard base must be used to support costs of complying with air installation compatible use zone program recommendations, including, but not limited to, both of the following:
 - (a) Capital improvements necessary to shift the runway to the north and repair airfield and nonairfield features of the base and surrounding community impacted by the shift.
 - (b) Infrastructure projects repairing roadways, vehicle access to the base and museum, stormwater drain and culvert repairs and modernization, force protection features, and airfield features.

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