

DRAFT 1  
**SUBSTITUTE FOR**  
**HOUSE BILL NO. 4228**

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

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

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PART 1

LINE-ITEM APPROPRIATIONS

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

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

APPROPRIATION SUMMARY

Full-time equated unclassified positions ..... 9.0

Full-time equated classified positions ..... 904.5

GROSS APPROPRIATION ..... \$ 179,004,400



1	Interdepartmental grant and intradepartmental		
2	transfer revenues:		
3	Total interdepartmental grants and intradepartmental		
4	transfers.....		101,800
5	ADJUSTED GROSS APPROPRIATION .....	\$	178,902,600
6	Federal revenues:		
7	Total federal revenues .....		92,334,100
8	Special revenue funds:		
9	Total local revenues .....		1,528,400
10	Total private revenues .....		640,000
11	Total other state restricted revenues .....		22,332,600
12	State general fund/general purpose .....	\$	62,067,500
13	State general fund/general purpose schedule:		
14	Ongoing state general fund/general		
15	purpose .....	59,567,500	
16	One-time state general fund/general		
17	purpose .....	2,500,000	
18	<b>Sec. 102. MILITARY</b>		
19	Full-time equated unclassified positions .....	9.0	
20	Full-time equated classified positions .....	333.0	
21	Unclassified salaries--9.0 FTE positions .....		\$ 1,468,300
22	Departmentwide .....		1,853,100
23	Headquarters and armories--88.0 FTE positions .....		17,317,800
24	Michigan youth challenge academy--50.0 FTE positions .		5,259,100
25	Military family relief fund .....		600,000
26	Military training sites and support facilities--195.0		
27	FTE positions.....		33,956,100



1	National Guard operations .....	398,200
2	National Guard tuition assistance fund .....	3,507,000
3	Starbase grant .....	<u>2,322,000</u>
4	GROSS APPROPRIATION .....	\$ 66,681,600
5	Appropriated from:	
6	Interdepartmental grant and intradepartmental	
7	transfer revenues:	
8	Total interdepartmental grants and intradepartmental	
9	transfers.....	101,800
10	Federal revenues:	
11	Total federal revenues .....	47,200,100
12	Special revenue funds:	
13	Total local revenues .....	1,528,400
14	Total private revenues .....	100,000
15	Total other state restricted revenues .....	2,567,800
16	State general fund/general purpose .....	\$ 15,183,500
17	<b>Sec. 103. MICHIGAN VETERANS AFFAIRS AGENCY</b>	
18	Full-time equated classified positions .....	224.5
19	Board of managers (veterans' homes) .....	\$ 940,000
20	D.J. Jacobetti home for veterans--179.5 FTE positions	22,275,500
21	Michigan veterans affairs agency administration--39.0	
22	FTE positions.....	7,133,200
23	Michigan veterans facility authority .....	1,000,000
24	Targeted grants .....	200,000
25	Veterans service grants .....	3,763,500
26	Veterans' trust fund administration--6.0 FTE positions	1,468,900
27	Veterans' trust fund grants .....	<u>3,746,500</u>



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



1	Federal revenues:	
2	Total federal revenues .....	15,000,000
3	Special revenue funds:	
4	Total other state restricted revenues .....	2,000,000
5	State general fund/general purpose .....	\$ 500,000
6	<b>Sec. 106. INFORMATION TECHNOLOGY</b>	
7	Information technology services and projects .....	\$ <u>1,390,700</u>
8	GROSS APPROPRIATION .....	\$ 1,390,700
9	Appropriated from:	
10	Federal revenues:	
11	Total federal revenues .....	572,300
12	Special revenue funds:	
13	Total other state restricted revenues .....	414,500
14	State general fund/general purpose .....	\$ 403,900
15	<b>Sec. 107. ONE-TIME APPROPRIATIONS</b>	
16	Armory maintenance .....	\$ <u>2,500,000</u>
17	GROSS APPROPRIATION .....	\$ 2,500,000
18	Appropriated from:	
19	State general fund/general purpose .....	\$ 2,500,000

20 PART 2  
21 PROVISIONS CONCERNING APPROPRIATIONS  
22 FOR FISCAL YEAR 2017-2018

23 **GENERAL SECTIONS**

24 Sec. 201. Pursuant to section 30 of article IX of the state  
25 constitution of 1963, total state spending from state resources



1 under part 1 for fiscal year 2017-2018 is \$84,400,100.00 and state  
2 spending from state resources to be paid to local units of  
3 government for fiscal year 2017-2018 is \$142,400.00. The itemized  
4 statement below identifies appropriations from which spending to  
5 local units of government will occur:

6 DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

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

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

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

14 (a) "Core services" means that phrase as defined in section  
15 373 of the management and budget act, 1984 PA 431, MCL 18.1373.

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

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

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

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

21 (f) "IDG" means interdepartmental grant.

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

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

26 (i) "Subcommittees" means the subcommittees of the senate and  
27 house appropriations committees with jurisdiction over the budget



1 of the department.

2 (j) "Support services" means an activity, such as information  
3 technology, accounting, human resources, legal, and other support  
4 functions that are required to support the ongoing delivery of core  
5 services.

6 (k) "USDVA" means the United States Department of Veterans  
7 Affairs.

8 (l) "USDVA-VHA" means the USDVA Veterans Health  
9 Administration.

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

11 (n) "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 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. 205. Funds appropriated in part 1 must 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 must be given to goods  
25 or services, or both, manufactured or provided by Michigan  
26 businesses, if they are competitively priced and of comparable  
27 quality. In addition, preference must 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. 206. 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 or supplies, or both.

10 Sec. 207. The department and agencies receiving appropriations  
11 in part 1 shall prepare a report on out-of-state travel expenses  
12 not later than January 1 of each year. The travel report must be a  
13 listing of all travel by classified and unclassified employees  
14 outside this state in the fiscal year ending September 30, 2017  
15 that was funded in whole or in part with funds appropriated in the  
16 department's budget. The department and agencies shall submit the  
17 report to the senate and house appropriations committees, the house  
18 and senate fiscal agencies, and the state budget director. The  
19 report must include the following information:

20 (a) The dates of each travel occurrence.

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

26 Sec. 208. Funds appropriated in part 1 must not be used by a  
27 principal executive department, state agency, or authority to hire



1 a person to provide legal services that are the responsibility of  
2 the attorney general. This prohibition does not apply to legal  
3 services for bonding activities and for those outside services that  
4 the attorney general authorizes.

5 Sec. 209. Not later than November 30, the state budget office  
6 shall prepare and transmit a report that provides for estimates of  
7 the total general fund/general purpose appropriation lapses at the  
8 close of the fiscal year ending September 30, 2017. This report  
9 shall summarize the projected year-end general fund/general purpose  
10 appropriation lapses by major departmental program or program  
11 areas. The report shall be transmitted to the chairpersons of the  
12 senate and house appropriations committees, the subcommittees, and  
13 the senate and house fiscal agencies.

14 Sec. 210. (1) In addition to the funds appropriated in part 1,  
15 there is appropriated an amount not to exceed \$10,000,000.00 for  
16 federal contingency funds. These funds are not available for  
17 expenditure until they have been transferred to another line item  
18 in part 1 under section 393(2) of the management and budget act,  
19 1984 PA 431, MCL 18.1393.

20 (2) In addition to the funds appropriated in part 1, there is  
21 appropriated an amount not to exceed \$2,000,000.00 for state  
22 restricted contingency funds. These funds are not available for  
23 expenditure until they have been transferred to another line item  
24 in part 1 under section 393(2) of the management and budget act,  
25 1984 PA 431, MCL 18.1393.

26 (3) In addition to the funds appropriated in part 1, there is  
27 appropriated an amount not to exceed \$100,000.00 for local



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

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

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

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

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

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

20 (d) The number of active department employees by job  
21 classification.

22 (e) Job specifications and wage rates.

23 Sec. 212. Within 14 days after the release of the executive  
24 budget recommendation for that respective fiscal year, the  
25 department shall cooperate with the state budget office to provide  
26 the senate and house appropriations chairs, the senate and house  
27 appropriations subcommittees chairs, and the senate and house



1 fiscal agencies with an annual report on estimated state restricted  
2 fund balances, state restricted fund projected revenues, and state  
3 restricted fund expenditures for the fiscal years ending September  
4 30, 2017 and September 30, 2018.

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

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

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

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

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

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



1 specified service level requirements.

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

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

6 (e) Evidence of efficiencies and management of funds within  
7 established appropriations.

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

11 (a) Armories and joint force readiness.

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

13 (c) Michigan youth challeNGe academy.

14 (d) Military family relief fund.

15 (e) Starbase grant.

16 (f) National Guard tuition assistance program.

17 (g) Michigan veterans affairs agency administration.

18 (h) Veterans service grants.

19 (i) Veterans' trust fund administration.

20 (j) Veterans' trust fund grants.

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

22 (l) Grand Rapids home for veterans.

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

24 (n) Michigan veterans' facility authority.

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



1 18.1248.

2 Sec. 219. Sixty days prior to the public announcement of the  
3 intention to sell any department real property, the department  
4 shall submit notification of that intent to the subcommittees and  
5 the senate and house fiscal agencies.

6 **MILITARY**

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

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

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

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



1 armories.

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

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

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

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

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

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

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

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



1 as the community support provided to armories.

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

5 Sec. 303. (1) The department shall maintain the Michigan youth  
6 challenge academy to provide values, skills, education, and self-  
7 discipline instruction for at-risk youth as provided under 32 USC  
8 509.

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

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

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

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

23 (6) Any unexpended private donations to support the Michigan  
24 youth challenge academy at the close of the fiscal year ending  
25 September 30, 2018 shall not lapse to the general fund but shall be  
26 carried forward to the subsequent fiscal year.

27 Sec. 304. (1) The department shall provide grants for



1 disbursement from the military family relief fund, as provided  
2 under the military family relief fund act, 2004 PA 363, MCL 35.1211  
3 to 35.1216, and R 200.5 to R 200.95 of the Michigan Administrative  
4 Code.

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

9 (3) The department shall provide sufficient staffing and other  
10 resources to provide outreach to the Michigan families of members  
11 of the reserve component of the Armed Forces of the United States  
12 called into active duty and to support the processing and approval  
13 of grant applications for the fiscal year ending September 30, 2018  
14 under the Michigan military relief fund and report those  
15 applications as provided in section 216.

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

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

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

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



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

3 (a) The apportioned and assigned strength of the Michigan Army  
4 National Guard.

5 (b) The apportioned and assigned strength of the Michigan Air  
6 National Guard.

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

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

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



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

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

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

## 12 **MICHIGAN VETERANS AFFAIRS AGENCY**

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

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

25 (2) The department shall provide resources necessary to  
26 provide nursing care services to veterans in accordance with



1 federal standards and provide the results of the annual USDVA  
2 survey and certification as proof of compliance.

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

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

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

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

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

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



1 managers may specify a more frequent reporting period to the home  
2 administrator, board of managers, agency, subcommittees, senate and  
3 house fiscal agencies, and state budget office the following  
4 information:

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

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

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

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

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

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

27 (12) The Grand Rapids and D.J. Jacobetti homes for veterans



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

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

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

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

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

25 (17) The MVAA shall report its findings regarding the state  
26 veterans' homes' compliance with the requirements and standards  
27 under this section in a quarterly report to the legislature and the



1 state budget office. The quarterly reports shall include, but are  
2 not limited to, all of the following information:

3 (a) Quality of care metrics, including:

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

6 (ii) Sentinel events reported to the USDVA.

7 (iii) Fall and wound reports.

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

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

12 (b) Quarterly budget update.

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

15 (i) By demographics, including period of service, gender, and  
16 age.

17 (ii) By care setting, payment source, and associated revenue  
18 projections.

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

22 (i) Infrastructure/capital outlay improvements.

23 (ii) Information technology updates.

24 (iii) Financial management.

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

27 (18) The Grand Rapids and D.J. Jacobetti homes for veterans



1 shall provide to the subcommittees, the senate and house fiscal  
2 agencies, and the state budget office the results of any annual or  
3 for-cause survey conducted by the USDVA-VHA and any corresponding  
4 corrective action plan. This information shall also be made  
5 available publicly through the department's or MVAA's website.

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

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

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

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

26 (b) The quality of the care environment at the D.J. Jacobetti  
27 home for veterans shall increase as a result of facility updates



1 made according to Medicaid specifications to increase members'  
2 access to private and semi-private accommodations.

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

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

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

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

21 Sec. 405. (1) The MVAA shall provide a report, as provided  
22 under section 216, 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 Sec. 406. (1) The MVAA shall provide outreach services to  
4 Michigan veterans to advise them on the benefits to which they are  
5 entitled, as provided under Executive Reorganization Order No.  
6 2013-2, MCL 32.92. The MVAA shall also do the following:

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

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

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

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

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

26 (f) Provide a report to the subcommittees, the senate and  
27 house fiscal agencies, and the state budget office no later than



1 April 1 providing for the following:

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

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

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

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

11 (b) Regional coordinators shall provide the following  
12 services:

13 (i) Coordinate veteran benefit counselors' efforts throughout  
14 a specified region.

15 (ii) Coordinate services with the department of health and  
16 human services and the department of corrections.

17 (iii) Coordinate with regional workforce and economic  
18 development agencies.

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

24 (c) The MVAA may work with MVAA service officers, regional  
25 coordinators, county veteran counselors, VSO service officers, and  
26 other service providers to incorporate the provision of information  
27 relating to mental health care resources into their daily



1 operations to aid veterans in understanding the mental health care  
2 support services they may be eligible to receive.

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

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

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

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

22 (a) Report the following information as provided in section  
23 216:

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

26 (ii) The number of fully developed claims submitted to the  
27 USDVA, with an overall goal of 40% of benefit claims submitted that



1 are considered fully developed by the USDVA.

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

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

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

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

25 Sec. 407. (1) The MVAA shall disburse VSO grants to achieve  
26 agency goals and performance objectives in partnership with the  
27 VSOs. Grants to VSOs will be disbursed to fund programs and



1 projects which are determined by the agency to meet agency  
2 performance objectives and ensure that VSOs communicate the  
3 availability of emergency grants through the Michigan veterans'  
4 trust fund. In disbursing veterans service organization grants, the  
5 MVAA shall do the following:

6 (a) Ensure that each VSO that receives grants is issued  
7 performance standards.

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

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

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

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

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

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

26 (d) Use of an MVAA-designated internet-based claims data  
27 system.



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

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

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

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

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

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

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

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

20 (2) No later than December 1, the MVAA shall provide a  
21 detailed report of the Michigan veterans' trust fund that includes,  
22 for the fiscal year ending September 30, 2017, information on  
23 grants provided from the emergency grant program, including details  
24 concerning the methodology of allocations, the selection of  
25 emergency grant program authorized agents, a description of how the  
26 emergency grant program is administered in each county, and a  
27 detailed breakdown of trust fund expenditures for that year,



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

8 (3) Any funds not expended or encumbered at the end of the  
9 fiscal year ending September 30, 2018 must be deposited into the  
10 Michigan veterans' trust fund corpus.

#### 11 **CAPITAL OUTLAY**

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

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

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

22 (2) The appropriations for special maintenance - National  
23 Guard shall be expended in accordance with the requirements of  
24 sections 302 and 305 and shall be expended according to the  
25 maintenance priorities of the department to repair and modernize  
26 military training sites and support facilities, including armories,



1 which may include projects such as roof, HVAC, or boiler  
2 replacement, interior renovations, facility expansion, improvements  
3 to parking facilities, and other projects.

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

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

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

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





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.

