

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
Summary of FY 2022-23 Enacted
Public Act 166 of 2022 (House Bill 5783, Article 10)

Analyst: Michael Cnossen

	FY 2021-22 YTD as of 2/9/22	FY 2022-23 Enacted	Difference: Enacted From FY 2021-22 YTD	
			Amount	%
IDG/IDT	\$101,800	\$101,800	\$0	0.0
Federal	120,015,300	200,364,300	80,349,000	66.9
Local	0	0	0	--
Private	640,000	640,000	0	0.0
Restricted	21,336,700	18,794,900	(2,541,800)	(11.9)
GF/GP	78,758,800	127,465,000	48,706,200	61.8
Gross	\$220,852,600	\$347,366,000	\$126,513,400	57.3
FTEs	1,063.5	1,063.5	0.0	0.0

Notes:

- (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022.
- (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Military and Veterans Affairs (DMVA) provides for the operations of the Michigan National Guard in support of military and security needs of the state and federal government. The department, through the Michigan Veterans Affairs Agency, oversees state programs for veterans, grants to veterans service organizations, the County Veteran Service Fund, and the Michigan Veterans Trust Fund. The department also houses the independent Michigan Veterans Facility Authority, which manages and operates the state's three veterans homes.

Major Budget Changes from FY 2021-22 YTD Appropriations

1. Armory Modifications (One-Time)

Provides \$100.0 million Gross (\$40.0 million GF/GP) to make physical modifications to all Michigan National Guard armories, most of which were constructed before women were allowed to serve or when their numbers were low, to create equitable accommodations to female servicemembers. Projects will include creating bathroom and shower space, and lactation rooms as required by 2015 Army directive. Funding will also support other armory modernization projects.

	FY 2021-22 Year-to-Date (as of 2/9/22)	FY 2022-23 Enacted Change
Gross	\$31,000,000	\$100,000,000
Federal	30,000,000	60,000,000
GF/GP	\$1,000,000	\$40,000,000

2. State Veterans Cemetery (One-Time)

Provides \$12.0 million Gross (\$1.5 million GF/GP) to acquire, or to designate, state land as a state veterans cemetery and for supporting costs of engineering, designing, conducting environmental impact studies, preparing the land, and other ongoing expenses of operating a state veterans cemetery.

Gross	NA	\$12,000,000
Federal	NA	10,500,000
GF/GP	NA	\$1,500,000

3. Selfridge ANG Base Investment (One-Time)

Provides \$6.1 million GF/GP to invest in expansion projects to help position Selfridge Air National Guard Base to be competitive in securing next generation aircraft flying missions.

Gross	NA	\$6,100,000
GF/GP	NA	\$6,100,000

4. MVFA Veterans Homes Transition Funding (One-Time)

Provides \$6.0 million GF/GP to assist Michigan Veterans' Facility Authority achieve self-sufficiency as an independent administrative authority over Michigan veterans homes while veteran home membership grows and to maximize federal funding opportunities.

Gross	\$634,100	\$6,000,000
GF/GP	\$634,100	\$6,000,000

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<u>Major Budget Changes from FY 2021-22 YTD Appropriations</u>		FY 2021-22 Year-to-Date (as of 2/9/22)	FY 2022-23 Enacted Change
5. Grand Rapids Home for Veterans Transition Costs (One-Time)		Gross	\$6,456,000
Provides \$6.5 million Gross (\$4.1 million GF/GP) to continue operating certain portions of old home facility and offer services to accommodate some residents remaining in the old facility as they await moving to new living arrangements. This recommendation would retain a FY 2021-22 one-time appropriation for a \$0 change in FY 2022-23.		Federal	1,831,000
		Restricted	560,000
		GF/GP	\$4,065,000
			\$0
6. Veterans Suicide Outreach Programming (One-Time)		Gross	NA
Provides \$1.2 million GF/GP to conduct an outreach campaign targeting current and former servicemembers and their families on reducing suicide incidents. The campaign will be part of Governor's Challenge effort, in partnership with VA Substance Abuse and Mental Health Services Administration, to develop suicide prevention policy.		GF/GP	NA
			\$1,200,000
			\$1,200,000
7. Military Retirement		Gross	\$875,000
Provides \$582,000 GF/GP for the Military Retirement System to meet anticipated retirement obligations based on annual actuarial valuation of military retirement pension benefits.		GF/GP	\$875,000
			\$582,000
			\$582,000
8. Statewide Contracted Security Cost Increase		Gross	NA
Provides \$251,400 GF/GP to support increased costs statewide of contracted security services at Grand Rapids and Chesterfield Township homes for veterans.		GF/GP	NA
			\$251,400
			\$251,400
9. Veterans Cemetery Feasibility Study		Gross	NA
Provides \$250,000 GF/GP for a professional study to evaluate need for new state veterans cemetery in northern Michigan, to determine best locations, and to provide preliminary estimates on design, and construction and operational costs.		GF/GP	NA
			\$250,000
			\$250,000
10. Veterans Homes GF/GP, Medicaid Offset		Gross	\$37,211,000
Decreases \$6.0 million GF/GP and increases Title XIX Medicaid federal revenue authorization by \$6.0 million to align authorization with increased reimbursements from utilization of CMS certified accommodations.		Federal	4,997,700
		GF/GP	\$32,213,300
			6,000,000
			(\$6,000,000)
11. Removal of FY 2021-22 One-Time Funding		Gross	\$2,500,000
Eliminates \$2.5 million GF/GP for record consolidation and digitization project.		GF/GP	\$2,500,000
			(\$2,500,000)
			(\$2,500,000)
12. Departmentwide Line Item Split		Gross	\$1,803,600
Reallocates \$1.8 million Gross (\$293,300 GF/GP) of current year Departmentwide line item, which supports costs of travel, equipment, worker's compensation, vehicle liability insurance, rent, training, and safety supplies related to department offices and National Guard facility staff, to Headquarters and Armories and Military Training Sites and Support Facilities line items for \$0 net change.		Federal	1,510,300
		GF/GP	\$293,300
			0
			\$0
13. Consolidation of MVFA Administration Line Item		Gross	\$634,100
Reallocates \$634,100 GF/GP from current year Michigan Veterans' Facility Authority line item to Michigan Veterans Homes Administration and Information Technology Services and Projects line items.		GF/GP	\$634,100
			\$0
			\$0
14. D.J. Jacobetti Federal and Restricted Correction		Gross	\$2,745,100
Swaps \$2.7 million in state restricted Income and Assessments revenue authorization with federal VA revenue to correct for an inadvertent error in the FY 2021-22 budget.		Federal	0
		Restricted	2,745,100
		GF/GP	\$0
			2,745,100
			(\$2,745,100)
			\$0
			\$0

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<u>Major Budget Changes from FY 2021-22 YTD Appropriations</u>		FY 2021-22 Year-to-Date (as of 2/9/22)	FY 2022-23 Enacted Change
15. Michigan Volunteer Defense Force (One-Time)	Gross	NA	\$100,000
Provides \$100,000 GF/GP to support ongoing costs of uniforms, training, equipment, and operations of the Michigan Volunteer Defense Force.	GF/GP	NA	\$100,000
16. Economic Adjustments	Gross	NA	\$2,530,000
Provides for increased costs of \$2.5 million Gross (\$1.2 million GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2022 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Federal	NA	1,103,900
	Restricted	NA	203,300
	GF/GP	NA	\$1,222,800

Major Boilerplate Changes from FY 2021-22

Sec. 206. Disciplinary Action Against State Employees – RETAINED (UNENFORCEABLE)

Prohibits departments from taking disciplinary action against employees in the state classified civil service for communicating with legislators or their staff; stipulates disciplinary action may be taken if the communication is prohibited by law and disciplinary action is exercised as authorized by law. *(Governor's signing letter states this section is unenforceable.)*

Sec. 218. State Administrative Board Transfers – RETAINED (UNENFORCEABLE)

Authorizes legislature, by concurrent resolution adopted by majority of members elected to and serving in each house, to inter-transfer funds if State Administrative Board transfers funds. *(Governor's signing letter states this section is unenforceable.)*

Sec. 222. Department Core Services – DELETED

Lists core services of department; requires appropriations to be used for core services.

Sec. 222. Prioritization of State Workforce In-person Work – NEW

States that the intent of the legislature is to maximize efficiency of the state workforce and, where possible, prioritize in-person work; requires each department and agency to post its in-person, remote, or hybrid work policy on its website.

Sec. 224. Intention to Sell Department Property – RETAINED (UNENFORCEABLE)

Requires department to provide a 60-day notice of intent to sell property. *(Governor's signing letter states this section is unenforceable.)*

Sec. 226. Standard Report Recipients – NEW

Requires all reports required by boilerplate to be sent to Senate and House appropriations subcommittees with jurisdiction over DMVA budget, Senate and House fiscal agencies, and State Budget Office, unless stated otherwise.

Sec. 303. Michigan Youth Challenge Academy – REVISED

Requires department to maintain proper levels of staffing and resources to operate Michigan Youth Challenge Academy as provided under federal law; lists specific operating requirement and performance metrics. Revised to change graduate target number to be consistent with state's cooperative agreement with National Guard Bureau instead of 114 students per cohort.

Sec. 304. Military Family Relief Fund – REVISED

Requires DMVA to provide grant funding from Military Family Relief Fund, outreach services to military families of members of reserve component called into active duty, and biannual reports on financial activities of fund. Revised to require reports biannually and to include number of applications received, approved, and denied.

Sec. 307. National Guard Tuition Assistance Program – REVISED

Requires DMVA to establish and maintain tuition assistance program for members of Michigan National Guard and other eligible members as defined in 2014 PA 259; states program's objectives, performance metrics, and reporting requirements. Revised to set graduation and retention benchmark goal to be consistent with the cooperative agreement with the National Guard Bureau and to add information required in annual report.

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Major Boilerplate Changes from FY 2021-22

Sec. 312. Michigan Volunteer Defense Force Funding Report – DELETED

Requires department to report amount of appropriated funds that will be made available to Michigan Volunteer Defense Force, list of any restrictions or stipulations on those funds, and explanation of any restrictions or stipulations.

Sec. 312. Michigan Volunteer Defense Force – NEW

Requires the department to maintain guidelines for membership goals in the Michigan Volunteer Defense Force (MVDF) and to carry out those guidelines; requires the department to provide the report required under the Michigan Military Act, MCL 32.561, to the appropriation subcommitteeS on the DMVA budget and the fiscal agencies, which includes regulations on MVDF missions, training and equipment needs, requirements and procedures for membership in the MVDF, and procedures for coordinating MVDF operations with law enforcement agencies and relief authorities.

Sec. 313. National Guard COVID-19 Vaccine Waiver Report – NEW

Requires the department to report on figures of vaccine waiver requests by National Guard members that are received, denied, appealed, and the reasons stated for the requests.

Sec. 314. National Guard Retirement Request Processing Time Report – NEW

Requires the department to report on the average number of days taken to process National Guard retirement requests and the number of requests for which processing exceeded 120 days.

Sec. 404. MVAA Private Donations – REVISED

Authorizes receipt of private donations to MVAA in excess of funds appropriated and permits expenditure of those funds for purpose designated by donor, if specified; requires department to give notification of receipt of donation within 14 calendar days, including amount of donation and purpose for which funds will be expended, if known. Revised to require quarterly reports of donations under \$10,000 and notification to the legislature within 14 days of donations of \$10,000 or more; requires all private donations to be used for the benefit and life enrichment of veterans.

Sec. 405. Veterans' Trust Fund Grants – REVISED

Requires MVAA to report on Michigan Veterans Trust Fund financial status, awarded grants, and operating and administrative expenses; establishes a minimum processing requirement of 2,000 applications. Revised to delete the minimum processing requirement.

Sec. 406. MVAA Outreach Services – REVISED

Requires MVAA to provide outreach services to veterans, communicate information on available VA benefits, process requests for military discharge documents, digitize military medical and discharge documents, and assist in processing claims for VA benefits; requires report providing estimate of state's homeless veterans population. Revised to require report annually, to restructure section formatting, and to eliminate requirement to continue digitization of veterans records.

Sec. 411. Grants to Veterans Service Organizations – REVISED

Requires MVAA to provide grants to veterans service organizations (VSOs) in a manner consistent with MVAA performance goals and objectives; requires quarterly reports from grantees on claims and services provided; requires grant recipients to meet performance metrics, specifies basic parameters of grant agreement, including regional service delivery; requires reports on grant activities. Revised to specify grants must be awarded to Congressionally-chartered VSOs; adds that the competitive grant process must include various new requirements including that grants be used to support efforts to connect veterans and their dependents with federal compensation and pension benefits, state veterans benefits, and other available local assistance, that a regional service model to ensure provision of services include veterans and their dependents within tribal communities and that it is as close to the communities they live in as possible, that virtual meetings are sufficient for adequate VSO grantee service, that innovative approaches are fostered for grantees' use when providing services, that license fees associated with the claims data system are considered an allowable expenditure for grant reimbursement, and that the MVAA review and audit grantees' expenditures of grant funds.

Sec. 413. County Veterans Service Fund – REVISED

Requires funds appropriated for County Veteran Service Fund to be deposited into County Veteran Service Fund created in 2018 PA 210; stipulates funds are available for expenditure to support county veterans' services grants; authorizes up to \$200,000 to be used to cover costs associated with administration and providing technical assistance to counties participating in grant program. Revised to reduce amount to be deposited into the County Veteran Service Fund and appropriate a corresponding amount for a separate county veteran service grant; authorizes up to \$210,500 to be used for administrative costs; adds requirement for annual expenditure report.

Sec. 451. Michigan Veteran's Facility Authority – DELETED

Requires Michigan Veterans' Facility Authority to exercise certain regulatory and governance authority over Michigan veterans homes.

Major Boilerplate Changes from FY 2021-22

Sec. 451. Private Donations to Veteran Homes – REVISED

Appropriates money privately donated to Grand Rapids Home for Veterans, D.J. Jacobetti Home for Veterans, and Chesterfield Township Home for Veterans, and permits its use for the purpose designated by private donor. Revised to require quarterly reports of donations under \$10,000 and notification to the legislature within 14 days of donations of \$10,000 or more; requires all private donations to be used for the benefit and life enrichment of veterans.

Sec. 456. Veterans Homes Service and Care Requirements – REVISED

Directs all complaints of abuse or neglect at a veterans home to be referred to the director of nursing or their designee; requires the director, or their designee, to report those complaints on a monthly basis. Revised to require the instructions on the process by which individuals can register complaints to be displayed in high-traffic areas throughout the veterans homes.

Sec. 462. Veterans Homes CMS Certification Reporting – RETAINED (UNENFORCEABLE)

Requires department to report to legislature regarding improvements in full-spectrum health care resulting from facility upgrades to obtain CMS certification. *(Governor's signing letter states this section is unenforceable.)*

Sec. 463. Non-Fiduciary Member Funds – NEW

Appropriates funds held by state on non-fiduciary basis for members of veterans facilities to be used to pay medical expenses, assessments, and other expenses by that member; authorizes private revenue to not lapse at close of fiscal year.

Sec. 601. Record Consolidation and Digitization – DELETED

Requires funding to be used to digitize, index, and store all veterans' records under control of MVAA and to develop and implement computer platform to provide veterans and organizations that serve them better accessibility and timely delivery of veterans records upon request; requires biannual report on progress made on project; expresses intent of legislature that various veteran service entities have access to service members' and veterans' records.

Sec. 601. State Veterans Cemetery – NEW

Requires one-time funds to be used to acquire or to designate state land as a state veterans cemetery and for supporting costs of engineering, designing, conducting environmental impact studies, preparing the land, expenses for applying for and receiving federal funds, and other ongoing expenses of operating a state veterans cemetery; authorizes unexpended funds to not lapse at close of fiscal year and carry forward to FY 2026-27.

Sec. 602. Report on Veteran Homes Plan for Federal Revenue Support – NEW

Requires the MVFA to provide a detailed strategy, action plan, and timeline for the MVFA to transition the state's veterans' homes to be fully supported by federal and state restricted revenues and to not require state GF/GP revenue.

Sec. 603. Veteran Outreach Program Work Project Authorization – NEW

Authorizes unexpended funds appropriated for veterans suicide prevention outreach to not lapse at close of fiscal year and carry forward to FY 2025-26 to provide outreach to prevent suicide among service members, veterans, and their families.

FY 2021-22 Supplemental Appropriation Items
Public Act 166 of 2022 (House Bill 5783, Article 15)

1. Contracted Security Services Cost Increase

Includes \$251,400 GF/GP to support increased costs of contracted security services at the Grand Rapids and Chesterfield Township homes for veterans.

**Appropriation
Change**

Gross	\$251,400
GF/GP	\$251,400