

**FY 2022-23: MILITARY AND VETERANS AFFAIRS**  
**Summary: As Reported by the House Subcommittee**  
**House Bill 5788 (H-1)**



**Analyst: Michael Crossen**

IDG/IDT	FY 2021-22 YTD as of 2/9/22	FY 2022-23 Executive	FY 2022-23 House	FY 2022-23 Senate	FY 2022-23 Conference	Difference: House From FY 2021-22 YTD	
						Amount	%
	\$101,800	\$101,800	\$101,800			\$0	0.0
<b>Federal</b>	120,015,300	189,864,300	129,864,300			9,849,000	8.2
<b>Local</b>	0	0	0			0	--
<b>Private</b>	640,000	640,000	640,000			0	0.0
<b>Restricted</b>	21,336,700	18,794,900	18,794,900			(2,541,800)	(11.9)
<b>GF/GP</b>	78,758,800	145,865,000	79,765,100			1,006,300	1.3
<b>Gross</b>	<b>\$220,852,600</b>	<b>\$355,266,000</b>	<b>\$229,166,100</b>			<b>\$8,313,500</b>	<b>3.8</b>
<b>FTEs</b>	1,063.5	1,064.5	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)**

Executive provides \$115.0 million Gross (\$55.0 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 would include creating bathroom and shower space, and lactation rooms as required by 2015 Army directive. Funding would also support other armory modernization projects. House includes a \$100 placeholder.

	FY 2021-22 Year-to-Date (as of 2/9/22)	FY 2022-23 House Change
<b>Gross</b>	<b>\$31,000,000</b>	<b>\$100</b>
Federal	30,000,000	0
GF/GP	\$1,000,000	\$100

**2. Selfridge ANG Base Investment (One-Time)**

Executive provides \$6.1 million GF/GP to invest in projects to help position Selfridge Air National Guard Base to be competitive to support next generation aircraft flying missions. House concurs.

<b>Gross</b>	<b>NA</b>	<b>\$6,100,000</b>
GF/GP	NA	\$6,100,000

**3. MVFA Transition Funding (One-Time)**

Executive 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. House does not include.

<b>Gross</b>	<b>\$634,100</b>	<b>\$0</b>
GF/GP	\$634,100	\$0

**4. NG Tuition Assistance Expansion to Dependents**

Executive provides \$5.0 million GF/GP to allow transferability of Michigan National Guard Tuition Assistance Program benefits from eligible servicemembers to their dependent children up to age 26. Funding would require statutory change regarding eligible program recipients to implement. House does not include.

<b>Gross</b>	<b>\$6,515,200</b>	<b>\$0</b>
GF/GP	\$6,515,200	\$0

<b><u>Major Budget Changes from FY 2021-22 YTD Appropriations</u></b>		<b><u>FY 2021-22 Year-to-Date (as of 2/9/22)</u></b>	<b><u>FY 2022-23 House Change</u></b>
<b>5. Grand Rapids Home for Veterans Transition Costs (One-Time)</b>	<b>Gross</b>	<b>\$6,456,000</b>	<b>\$0</b>
<u>Executive</u> 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	0
<u>House</u> concurs.	Restricted	560,000	0
	GF/GP	\$4,065,000	\$0
<b>6. Veterans Outreach Programming (One-Time)</b>	<b>Gross</b>	<b>NA</b>	<b>\$1,200,000</b>
<u>Executive</u> 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 would 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
<u>House</u> provides \$1.2 million GF/GP for veteran outreach but directs funding to the Buddy-to-Buddy volunteer mentorship program to support peer-to-peer mentorship outreach.			
<b>7. Military Retirement</b>	<b>Gross</b>	<b>\$875,000</b>	<b>\$582,000</b>
<u>Executive</u> 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. <u>House</u> concurs.	GF/GP	\$875,000	\$582,000
<b>8. Statewide Contracted Security Cost Increase</b>	<b>Gross</b>	<b>NA</b>	<b>\$251,400</b>
<u>Executive</u> provides \$251,400 GF/GP to support increased costs statewide of contracted security services at Grand Rapids and Chesterfield Township homes for veterans. <u>House</u> concurs.	GF/GP	NA	\$251,400
<b>9. Veterans Cemetery Feasibility Study</b>	<b>Gross</b>	<b>NA</b>	<b>\$250,000</b>
<u>Executive</u> 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. <u>House</u> concurs.	GF/GP	NA	\$250,000
<b>10. Veterans Homes GF/GP, Medicaid Offset</b>	<b>Gross</b>	<b>\$37,211,000</b>	<b>\$0</b>
<u>Executive</u> 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. <u>House</u> concurs.	Federal	4,997,700	6,000,000
	GF/GP	\$32,213,300	(\$6,000,000)
<b>11. Removal of FY 2021-22 One-Time Funding</b>	<b>Gross</b>	<b>\$2,500,000</b>	<b>(\$2,500,000)</b>
<u>Executive</u> eliminates \$2.5 million GF/GP for record consolidation and digitization project. \$6.5 million Gross (\$4.1 million GF/GP) of FY 2021-22 remains for Grand Rapids Home for Veterans transition costs as described under item number 5. <u>House</u> concurs.	GF/GP	\$2,500,000	(\$2,500,000)
<b>12. Departmentwide Line Item Split</b>	<b>Gross</b>	<b>\$1,803,600</b>	<b>\$0</b>
<u>Executive</u> reallocates \$1.8 million Gross (\$293,300 GF/GP) of current year Departmentwide line item, which supports cost 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. <u>House</u> concurs.	Federal	1,510,300	0
	GF/GP	\$293,300	\$0
<b>13. Consolidation of MVFA Administration Line Item</b>	<b>Gross</b>	<b>\$634,100</b>	<b>\$0</b>
<u>Executive</u> reallocates \$634,100 GF/GP to current year Michigan Veterans' Facility Authority line item to Michigan Veterans Homes Administration and Information Technology Services and Projects line items. <u>House</u> concurs.	GF/GP	\$634,100	\$0

<b><u>Major Budget Changes from FY 2021-22 YTD Appropriations</u></b>		<b><u>FY 2021-22 Year-to-Date (as of 2/9/22)</u></b>	<b><u>FY 2022-23 House Change</u></b>
<b>14. D.J. Jacobetti Federal and Restricted Correction</b>		<b>Gross</b>	<b>\$0</b>
<u>Executive</u> 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 Executive Recommended budget. <u>House</u> concurs.		Federal	0
		Restricted	2,745,100
		GF/GP	\$0
			\$0
<b>15. D.J. Jacobetti Capital Improvements (One-Time)</b>		<b>Gross</b>	<b>NA</b>
<u>House</u> provides a \$100 GF/GP placeholder for capital improvements at the D.J. Jacobetti Home for Veterans facility. <u>Executive</u> does not include.		GF/GP	NA
			\$100
<b>16. Michigan Volunteer Defense Force</b>		<b>Gross</b>	<b>NA</b>
<u>House</u> provides \$100,000 GF/GP to support ongoing costs of uniforms, training, equipment, and operations of the Michigan Volunteer Defense Force. <u>Executive</u> does not include.		GF/GP	NA
			\$100,000
<b>17. National Guard Operations</b>		<b>Gross</b>	<b>\$298,200</b>
<u>House</u> reduces \$35,000 GF/GP to the National Guard Operations line item to reflect the transfer of funding for the Michigan Volunteer Defense Force to its own line item. <u>Executive</u> does not include.		IDG	101,800
		Federal	100,000
		GF/GP	96,400
			(\$35,000)
<b>18. Armory Maintenance</b>		<b>Gross</b>	<b>\$1,000,000</b>
<u>House</u> reduces funding for armory maintenance projects for sustainment, restoration, and modernization by \$165,100 GF/GP. <u>Executive</u> does not include.		GF/GP	\$1,000,000
			(\$165,100)
<b>19. Economic Adjustments</b>		<b>Gross</b>	<b>NA</b>
<u>Executive</u> includes 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. <u>House</u> concurs.		Federal	NA
		Restricted	NA
		GF/GP	NA
			\$2,530,000
			1,103,900
			203,300
			\$1,222,800

**Major Boilerplate Changes from FY 2021-22**

**Sec. 206. Disciplinary Action Against State Employees – RETAINED**

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 deemed this section unenforceable in FY 2021-22) Executive deletes. House retains.

**Sec. 210. Contingency Authorization – RETAINED**

Appropriates up to \$8.6 million in federal, \$1.1 million in local, and \$100,000 in private contingency authorization; authorizes expenditure of funds after legislative transfer to specific line items. Executive revises to appropriate up to \$12.0 million in federal, \$3.0 million in state restricted, and \$500,000 in local contingency funds. House retains.

**Sec. 216. FTE Vacancies and Remote Work Report – RETAINED**

Requires department to provide quarterly report on FTE counts by classification and actual FTE position counts compared to authorized FTE position counts; requires report on number of employees engaged in remote work in 2021, number of employees authorized to work remotely, and actual number working remotely, estimated net cost savings from remote work, and reduced use of office space associated with remote work. Executive deletes. House retains and updates year to 2022.

**Sec. 217. Work Project Expenditures –RETAINED**

Prohibits appropriations from being expended in cases where existing work project authorization is available for the same expenditures. (Governor deemed this section unenforceable in FY 2021-22) Executive deletes. House retains.

## **Major Boilerplate Changes from FY 2021-22**

### **Sec. 218. State Administrative Board Transfers – RETAINED**

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 deemed this section unenforceable in FY 2021-22)* Executive deletes. House retains.

### **Sec. 219. Receipt and Retention of Required Reports – RETAINED**

Requires department to receive and retain copies of all reports required in Article VIII; requires federal and state guidelines to be followed for short-term and long-term retention of records; authorizes department to electronically retain copies of reports unless otherwise required by federal and state guidelines. Executive deletes. House retains.

### **Sec. 220. Reporting Requirement on Policy Changes – DELETED**

Requires department to report on policy changes made in order to implement enacted legislation. Executive deletes. House concurs.

### **Sec. 221. Biannual Reporting on Achieving Requirements – RETAINED**

Requires department to provide biannual reports on status of work projects, financial status, and employment levels. Executive revises to eliminate requirement to report number of active employees by job classification and departmental branch of service. House retains.

### **Sec. 222. Department Core Services – DELETED**

Lists core services of department; requires appropriations to be used for core services. Executive deletes. House concurs.

### **Sec. 224. Intention to Sell Department Property – RETAINED**

Requires department to provide a 60-day notice of intent to sell property. *(Governor deemed this section unenforceable in FY 2021-22)*. Executive deletes. House retains.

### **Sec. 225. Court Settlements Report – RETAINED**

Requires department to report tentative plans for required payment of any court judgment against department and details regarding timing and budget impact the payment will have on department. Executive deletes. House retains.

### **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. Executive adds. House concurs.

### **Sec. 226. 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. Executive revises to add authorization of private donations for Michigan Veterans Homes and Michigan Veterans' Facility Authority and moves to Michigan Veterans' Facility Authority unit as section 451. House concurs

### **Sec. 227. Severance Pay Report – RETAINED**

Requires department and agencies to report name and any amount of severance pay given to high-ranking department officials; requires department and agencies to maintain an internet site and post severance pay in excess of 6 weeks of wages for former department or agency employees; requires department and agencies to submit annual report on total amount of severance pay remitted to former employees during prior fiscal year and total number of those employees; defines "severance pay". Executive deletes. House retains.

### **Sec. 228. Prohibitions on State Employer COVID-19 Vaccine Status Verifications – DELETED**

Prohibits various state government entities from requiring proof of COVID-19 vaccination as condition of accessing state services or facilities, producing COVID-19 vaccine passports, developing, or making existing databases public, accessing individuals COVID-19 vaccine status, and requiring proof of receiving COVID-19 vaccine as condition of employment; prohibits state entities from subjecting an individual to negative consequences because of COVID-19 vaccine status; allows an individual to provide proof of COVID-19 vaccine status with consent; exempts certain individuals from federally mandated vaccine policies. Executive deletes. House retains.

### **Sec. 301. Unclassified Positions – REVISED**

Appropriates funding to support unclassified positions; requires department to notify subcommittees prior to submitting requests for additional unclassified positions or requests for substantive changes to duties of existing unclassified positions; requires quarterly report listing current unclassified positions with official titles and responsibilities. Executive revises to eliminate requirement of notifying legislature before submitting requests for additional unclassified positions. House revises to require quarterly report listing current unclassified positions to be submitted annually.

## **Major Boilerplate Changes from FY 2021-22**

### ***Sec. 303. Michigan Youth Challenge Academy – RETAINED***

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. Executive revises to change graduate target number to be consistent with state's cooperative agreement with National Guard Bureau instead of 114 students per cohort. House retains.

### ***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. Executive revises to require reports annually and to include number of applications received, approved, and denied. House revises by setting due dates for biannual reporting and requires expenditures by purpose and the number of applications received, approved, and denied to be reported.

### ***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. Executive revises to eliminate graduation and continuing enrollment benchmark goal and adds information required in annual report, including data on benefits received by spouses and dependent children. House revises section formatting but retains current year benchmark goal and reporting requirements.

### ***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. Executive retains. House deletes.

### ***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 subcommittee 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. House adds. Executive does not include.

### ***Sec. 406(1). 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. Executive revises to eliminate veteran outreach goal benchmarks and requirement to continue digitization of veterans records; changes biannual report to annual; restructures section formatting. House revises to require report annually and restructure section formatting.

### ***Sec. 406(3). MVAA Benefits Counseling Services – REVISED***

Requires MVAA to assist veterans in filing claims for VA benefits; establishes a capacity metric of 500 claims per year; requires biannual data on number and type of claims activities. Executive revises to eliminate minimum number of claims processed annually and renumbers as section 410. House revises to renumber as section 410.

### ***Sec. 406(4). County Veterans Services – REVISED***

Requires MVAA to provide training to county veterans counselors (CVCs); establishes performance metrics for training and CVC-filed claims for VA benefits; requires biannual reports on number and percentage of CVCs requesting training by MVAA. Executive revises to eliminate goal of 100% CVCs trained and renumbers as section 410(2). House revises to renumber as section 410(2).

## **Major Boilerplate Changes from FY 2021-22**

### **Sec. 407. 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. Executive revises to specify grants must be awarded to Congressionally-chartered VSOs; adds that the competitive grant process must include various new requirements including that grants shall 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 a allowable expenditure for grant reimbursement, and that the MVAA shall review and audit grantees' expenditures of grant funds; renumbers as section 411. House concurs.

### **Sec. 409. Interagency Agreement with Department of Health and Human Services – RETAINED**

Requires department to enter into cooperative agreement with DHHS to identify veteran Medicaid recipients who may be eligible for other benefits; requires annual report of number of veterans identified and referred for additional benefits under agreement. (*Governor deemed this section unenforceable in FY 2021-22.* Executive deletes. House retains.

### **Sec. 410. 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. Executive revises to appropriate \$260,000 for administrative costs. House revises to add an annual expenditures report on grant funding.

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

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

### **Sec. 452(1)-(3), (10)-(19). Veterans Homes Service and Care Requirements – REVISED**

Requires Michigan veterans homes to meet applicable standards of care as provided under listed federal and state legal authorities; specifies standards around issues concerning psychiatric care, monitoring of comprehensive care plans, supply inventory, pharmaceutical inventory, controls over donated goods and monies, and personal funds of residents; requires information on complaint process to be conspicuously posted at home; requires Michigan veterans homes and Michigan Veteran Facility Authority policies to be posted on MVAA website; requires department to report budgeting and quality of care metrics to the legislature, including health and safety issues, status of Centers for Medicare and Medicaid Services (CMS) certification, resident member demographics, upgrades to facilities, and financial status of homes; requires Michigan veteran homes to provide annual or for-cause surveys conducted by entity with oversight over veterans homes to look into potentially serious compliance or patient care issues and to report any corresponding corrective action plans from Michigan veteran homes. Executive revises to require Michigan Veterans Homes to post agenda and minutes of public meetings of Michigan Veterans' Facility Authority Board and divides section into sections 452 to 462. House concurs.

### **Sec. 453. Veterans Homes CMS Certification Reporting – RETAINED**

Requires department to report to legislature regarding improvements in full-spectrum health care resulting from facility upgrades to obtain CMS certification. (*Governor deemed this section unenforceable in FY 2021-22.* Executive deletes. House retains.

### **Sec. 464. Non-Fiduciary Member Funds – NEW**

Appropriates funds held by state on non-fiduciary basis for members of veterans facility 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. Executive adds. House concurs.

### **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. Executive deletes. House concurs.

**Major Boilerplate Changes from FY 2021-22**

***Sec. 602. 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. Executive adds. House includes but revises to direct funds to the Buddy-to-Buddy program