

**SUBSTITUTE FOR  
SENATE BILL NO. 861**

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2019; 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, 2019, 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..... \$ 191,166,000

1	Interdepartmental grant revenues:	
2	IDG from department of state police .....	101,800
3	Total interdepartmental grants and intradepartmental	
4	transfers .....	101,800
5	ADJUSTED GROSS APPROPRIATION .....	\$ 191,064,200
6	Federal revenues:	
7	Other federal revenues .....	98,170,200
8	Total federal revenues .....	98,170,200
9	Special revenue funds:	
10	Local revenues .....	1,545,400
11	Total local revenues .....	1,545,400
12	Private revenues .....	630,000
13	Total private revenues .....	630,000
14	Other state restricted revenues .....	23,279,500
15	Total other state restricted revenues .....	23,279,500
16	State general fund/general purpose .....	\$ 67,439,100
17	State general fund/general purpose schedule:	
18	Ongoing state general fund/general	
19	purpose .....	65,439,100
20	One-time state general fund/general	
21	purpose .....	2,000,000
22	<b>Sec. 102. MILITARY</b>	
23	Full-time equated unclassified positions .....	9.0
24	Full-time equated classified positions .....	333.0
25	Unclassified salaries .....	\$ 1,497,700
26	Departmentwide .....	1,876,300
27	Headquarters and armories--86.0 FTE positions .....	17,452,100

1	Michigan youth challenge program--50.0 FTE positions .	5,323,000
2	Military family relief fund.....	600,000
3	Military training sites and support	
4	facilities--195.0 FTE positions.....	34,911,300
5	National Guard operations.....	398,200
6	National Guard tuition assistance fund--2.0 FTE	
7	positions .....	6,506,700
8	Starbase grant.....	<u>2,322,000</u>
9	GROSS APPROPRIATION.....	\$ 70,887,300
10	Appropriated from:	
11	Interdepartmental grant revenues:	
12	IDG from department of state police.....	101,800
13	Federal revenues:	
14	Other federal revenues.....	47,661,000
15	Special revenue funds:	
16	Local revenues.....	1,545,400
17	Private revenues.....	90,000
18	Other state restricted revenues.....	2,433,200
19	State general fund/general purpose.....	\$ 19,055,900
20	<b>Sec. 103. MICHIGAN VETERANS AFFAIRS AGENCY</b>	
21	Full-time equated classified positions..... 224.5	
22	Board of managers (veterans homes).....	\$ 940,000
23	D.J. Jacobetti home for veterans--179.5 FTE positions	23,687,200
24	Michigan veterans affairs agency	
25	administration--39.0 FTE positions.....	7,136,500
26	Michigan veterans facility authority.....	1,500,000
27	Veterans trust fund administration--6.0 FTE positions	1,480,100

1	Veterans trust fund grants.....		3,746,500
2	Targeted grants.....		200,000
3	Veterans service grants.....		<u>3,912,200</u>
4	GROSS APPROPRIATION.....	\$	42,602,500
5	Appropriated from:		
6	Federal revenues:		
7	Other federal revenues.....		8,516,300
8	Special revenue funds:		
9	Private revenues.....		540,000
10	Other state restricted revenues.....		10,833,900
11	State general fund/general purpose.....	\$	22,712,300
12	<b>Sec. 104. GRAND RAPIDS HOME FOR VETERANS</b>		
13	Full-time equated classified positions.....	347.0	
14	Veterans home operations.....	\$	<<8,989,800>>
15	Purchased services.....		10,342,700
16	Salaries, wages, and fringe benefits--347.0 FTE		
17	positions .....		<u>31,536,800</u>
18	GROSS APPROPRIATION.....	\$	50,869,200
19	Appropriated from:		
20	Federal revenues:		
21	Other federal revenues.....		21,413,900
22	Special revenue funds:		
23	Other state restricted revenues.....		6,693,000
	State general fund/general purpose.....	\$	<<22,762,400>>
24	<b>Sec. 105. CAPITAL OUTLAY</b>		
25	Land and acquisitions.....	\$	2,900,000
26	Special maintenance - National Guard.....		20,000,000

1	Special maintenance - veterans homes .....	<u>500,000</u>
2	GROSS APPROPRIATION.....	\$ 23,400,000
3	Appropriated from:	
4	Federal revenues:	
5	Other federal revenues.....	20,000,000
6	Special revenue funds:	
7	Other state restricted revenues.....	2,900,000
8	State general fund/general purpose.....	\$ 500,000
9	<b>Sec. 106. INFORMATION TECHNOLOGY</b>	
10	Information technology services and projects .....	\$ <u>1,407,000</u>
11	GROSS APPROPRIATION.....	\$ 1,407,000
12	Appropriated from:	
13	Federal revenues:	
14	Other federal revenues.....	579,000
15	Special revenue funds:	
16	Other state restricted revenues.....	419,400
17	State general fund/general purpose.....	\$ 408,600
18	<b>Sec. 107. ONE-TIME APPROPRIATIONS</b>	
19	Armory maintenance.....	\$ 1,000,000
20	Vietnam veterans outreach.....	<u>1,000,000</u>
21	GROSS APPROPRIATION.....	\$ 2,000,000
22	Appropriated from:	
23	State general fund/general purpose.....	\$ 2,000,000

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PART 2

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PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2018-2019

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GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources under part 1 for fiscal year 2018-2019 is \$90,718,600.00 and state spending from state sources to be paid to local units of government for fiscal year 2018-2019 is \$142,400.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

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

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

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

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

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

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

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

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

(f) "IDG" means interdepartmental grant.

(g) "Michigan veterans' facility authority" means the authority created under section 3 of the Michigan veterans'

1 facility authority act, 2016 PA 560, MCL 36.103.

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

3 (i) "Subcommittees" means the subcommittees of the senate and  
4 house appropriations committees with jurisdiction over the budget  
5 of the department.

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

10 (k) "USDVA" means the United States Department of Veterans  
11 Affairs.

12 (l) "USDVA-VHA" means the USDVA Veterans Health  
13 Administration.

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

15 (n) "Work project" means that term as defined in section 404  
16 of the management and budget act, 1984 PA 431, MCL 18.1404, and  
17 that meets the criteria in section 451a(1) of the management and  
18 budget act, 1984 PA 431, MCL 18.1451a.

19 Sec. 204. The department and agencies receiving appropriations  
20 in part 1 shall use the internet to fulfill the reporting  
21 requirements of this part. This requirement may include  
22 transmission of reports via electronic mail to the recipients  
23 identified for each reporting requirement, or it may include  
24 placement of reports on an internet or intranet site.

25 Sec. 205. Funds appropriated in part 1 shall not be used for  
26 the purchase of foreign goods or services, or both, if  
27 competitively priced and of comparable quality American goods or

1 services, or both, are available. Preference must be given to goods  
2 or services, or both, manufactured or provided by Michigan  
3 businesses, if they are competitively priced and of comparable  
4 quality. In addition, preference shall be given to goods or  
5 services, or both, that are manufactured or provided by Michigan  
6 businesses owned and operated by veterans, if they are  
7 competitively priced and of comparable quality.

8       Sec. 206. The director shall take all reasonable steps to  
9 ensure businesses in deprived and depressed communities compete for  
10 and perform contracts to provide services or supplies, or both. The  
11 director shall strongly encourage firms with which the department  
12 contracts to subcontract with certified businesses in depressed and  
13 deprived communities for services or supplies, or both.

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

24       (a) The dates of each travel occurrence.

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



1 restricted revenues, the proportion funded with federal revenues,  
2 and the proportion funded with other revenues.

3       Sec. 208. Funds appropriated in part 1 shall not be used by a  
4 principal executive department, state agency, or authority to hire  
5 a person to provide legal services that are the responsibility of  
6 the attorney general. This prohibition does not apply to legal  
7 services for bonding activities and for those outside services that  
8 the attorney general authorizes.

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

18       Sec. 210. (1) In addition to the funds appropriated in part 1,  
19 there is appropriated an amount not to exceed \$12,000,000.00 for  
20 federal contingency funds. These funds are not available for  
21 expenditure until they have been transferred to another line item  
22 in part 1 under section 393(2) of the management and budget act,  
23 1984 PA 431, MCL 18.1393.

24       (2) In addition to the funds appropriated in part 1, there is  
25 appropriated an amount not to exceed \$3,000,000.00 for state  
26 restricted contingency funds. These funds are not available for  
27 expenditure until they have been transferred to another line item

1 in part 1 under section 393(2) of the management and budget act,  
2 1984 PA 431, MCL 18.1393.

3 (3) In addition to the funds appropriated in part 1, there is  
4 appropriated an amount not to exceed \$500,000.00 for local  
5 contingency funds. These funds are not available for expenditure  
6 until they have been transferred to another line item in part 1  
7 under section 393(2) of the management and budget act, 1984 PA 431,  
8 MCL 18.1393.

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

15 Sec. 211. The department shall cooperate with the department  
16 of technology, management and budget to maintain a searchable  
17 website accessible by the public at no cost that includes, but is  
18 not limited to, all of the following:

- 19 (a) Fiscal year-to-date expenditures by category.  
20 (b) Fiscal year-to-date expenditures by appropriation unit.  
21 (c) Fiscal year-to-date payments to a selected vendor,  
22 including the vendor name, payment date, payment amount, and  
23 payment description.  
24 (d) The number of active department employees by job  
25 classification.  
26 (e) Job specifications and wage rates.

27 Sec. 212. Within 14 days after the release of the executive

1 budget recommendation for that respective fiscal year, the  
2 department shall cooperate with the state budget office to provide  
3 the senate and house appropriations chairs, the senate and house  
4 appropriations subcommittees chairs, and the senate and house  
5 fiscal agencies with an annual report on estimated state restricted  
6 fund balances, state restricted fund projected revenues, and state  
7 restricted fund expenditures for the fiscal years ending September  
8 30, 2018 and September 30, 2019.

9       Sec. 213. The department shall maintain, on a publicly  
10 accessible website, a department scorecard that identifies, tracks,  
11 and regularly updates key metrics that are used to monitor and  
12 improve the department's performance.

13       Sec. 214. Total authorized appropriations from all sources  
14 under part 1 for legacy costs for the fiscal year ending September  
15 30, 2019 are estimated at \$17,509,500.00. From this amount, total  
16 agency appropriations for pension-related legacy costs are  
17 estimated at \$8,072,200.00. Total agency appropriations for retiree  
18 health care legacy costs are estimated at \$9,437,300.00.

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

22       Sec. 216. The department shall provide quarterly reports to  
23 the subcommittees on military and veterans affairs, the senate and  
24 house fiscal agencies, and the state budget office, which shall  
25 provide the following data:

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

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

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

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

11 (e) Evidence of efficiencies and management of funds within  
12 established appropriations.

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

16 (a) Armories and joint force readiness.

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

18 (c) Michigan youth challenge academy.

19 (d) Military family relief fund.

20 (e) Starbase grant.

21 (f) National Guard tuition assistance program.

22 (g) Michigan veterans affairs agency administration.

23 (h) Veterans service grants.

24 (i) Veterans' trust fund administration.

25 (j) Veterans' trust fund grants.

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

27 (l) Grand Rapids home for veterans.

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

2 (n) Michigan veterans' facility authority.

3 Sec. 218. The appropriations in part 1 for capital outlay  
4 shall be carried forward at the end of the fiscal year consistent  
5 with section 248 of the management and budget act, 1984 PA 431, MCL  
6 18.1248.

7 Sec. 219. Sixty days prior to the public announcement of the  
8 intention to sell any department real property, the department  
9 shall submit notification of that intent to the subcommittees on  
10 military and veterans affairs and the senate and house fiscal  
11 agencies.

12 **MILITARY**

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

23 (2) Not less than 30 days prior to the department submitting a  
24 request for an additional unclassified employee position from the  
25 civil service commission, or for any substantive change to the  
26 duties of an existing unclassified employee position, the

1 department shall notify the subcommittees on military and veterans  
2 affairs and the senate and house fiscal agencies.

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

6 (2) The department shall operate and maintain National Guard  
7 armories.

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

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

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

18 (6) By December 1, the department shall report the following  
19 information to the subcommittees on military and veterans affairs,  
20 the senate and house fiscal agencies, and the state budget office:

21 (a) An assessment of the grounds and facilities of each armory  
22 to objectively measure and determine the current facility condition  
23 and capability to support authorized manpower, unit training, and  
24 operations.

25 (b) Recommendations for the placement of new armories, the  
26 relocation or consolidation of existing armories, or a change in  
27 the mission of units assigned to armories to ideally position the

1 National Guard in current or projected population centers.

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

4 (d) An analysis of the feasibility, potential costs, and  
5 benefits of use of armories shared with other local, state, or  
6 federal agencies to improve responses to local emergencies as well  
7 as the community support provided to armories.

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

11 Sec. 303. (1) The department shall maintain the Michigan youth  
12 challenge academy to provide values, skills, education, and self-  
13 discipline instruction for at-risk youth as provided under 32 USC  
14 509.

15 (2) The department shall take steps to recruit candidates to  
16 the challenge academy from economically disadvantaged areas,  
17 including those with low-income and high-unemployment backgrounds.

18 (3) The department shall partner with the department of health  
19 and human services to identify youth who may be eligible for the  
20 challenge academy from those youth served by department of health  
21 and human services programs. These eligible youth shall be given  
22 priority for enrollment in the academy.

23 (4) The department shall maintain the staffing and resources  
24 necessary to train at least 114 students per cohort (228 annually).

25 (5) The department shall ensure individual academic success as  
26 measured by the number of individuals who have received a general  
27 equivalency diploma, high school diploma, or high school credit

1 recovery or by the improvement of tests of adult basic education  
2 scores, or both.

3 (6) Any unexpended private donations to support the Michigan  
4 youth challenge academy at the close of this fiscal year shall not  
5 lapse to the general fund but shall be carried forward to the  
6 subsequent fiscal year.

7 Sec. 304. (1) The department shall provide grants for  
8 disbursement from the military family relief fund, as provided  
9 under the military family relief fund act, 2004 PA 363, MCL 35.1211  
10 to 35.1216, and R 200.5 to R 200.95 of the Michigan Administrative  
11 Code.

12 (2) The department shall provide information on the revenues,  
13 expenditures for advertising and assistance grants, and fund  
14 balance of the Michigan military family relief fund, as provided  
15 under section 216 of this part.

16 (3) The department shall provide sufficient staffing and other  
17 resources to provide outreach to the Michigan families of members  
18 of the reserve component of the Armed Forces of the United States  
19 called into active duty and to support the processing and approval  
20 of grant applications for this fiscal year under the Michigan  
21 military relief fund and report those applications as provided in  
22 section 216 of this part.

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

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



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

4           (4) The department shall operate and maintain Air National  
5 Guard air bases, including Selfridge Air National Guard base,  
6 Battle Creek Air National Guard base, and Alpena combat readiness  
7 training center.

8           (5) The department shall provide the following information as  
9 provided under section 216 of this part:

10           (a) The apportioned and assigned strength of the Michigan Army  
11 National Guard.

12           (b) The apportioned and assigned strength of the Michigan Air  
13 National Guard.

14           (c) Recruiting, retention, and attrition data, including  
15 measurement against stated performance goals, for the Michigan Army  
16 National Guard.

17           (d) Recruiting, retention, and attrition data, including  
18 measurement against stated performance goals, for the Michigan Air  
19 National Guard.

20           Sec. 306. There is created and established under the  
21 jurisdiction and control of the department a revolving account to  
22 be known as the billeting fund account. All of the fees and other  
23 revenues generated from the operation of the chargeable transient  
24 quarters program shall be deposited in the billeting fund account.  
25 Appropriations will be made from the account for the support of  
26 program operations and the maintenance and operations of the  
27 chargeable transient quarters program and will not exceed the

1 estimated revenues for the fiscal year in which they are made,  
2 together with unexpended balances from prior years. The department  
3 shall submit an annual report of operations and expenditures  
4 regarding the billeting fund account to the appropriations  
5 committees of the senate and house of representatives, the senate  
6 and house fiscal agencies, and the state budget office at the end  
7 of the fiscal year.

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

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

22       (3) The department shall make efforts to increase the number  
23 of Michigan Army and Air National Guard members participating in  
24 the program to 1,100 during the fifth year of the program's  
25 existence. To evaluate the effectiveness of the program, the  
26 department shall monitor the number of new recruits and new  
27 reenlistments and the percentage of those who become participants

1 in the program to determine whether the percentage of authorized  
2 Michigan Army and Air National Guard strength obtained and retained  
3 is competitive in comparison with the neighboring army and air  
4 national guards from Illinois, Indiana, Ohio, and Wisconsin.

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

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

19 **MICHIGAN VETERANS AFFAIRS AGENCY**

20 Sec. 401. The board of managers and Michigan veterans'  
21 facility authority shall exercise certain regulatory and governance  
22 authority regarding admission and member affairs at the Grand  
23 Rapids and D.J. Jacobetti homes for veterans. The board of managers  
24 shall also work to represent the interest of the veterans'  
25 community in both advisory and advocacy roles.

26 Sec. 402. (1) The MVAA, the board of managers, and the

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

6 (2) The department shall provide resources necessary to  
7 provide nursing care services to veterans in accordance with  
8 federal standards and provide the results of the annual USDVA  
9 survey and certification as proof of compliance.

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

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

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

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

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

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

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

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

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

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

26           (10) The Grand Rapids and D.J. Jacobetti homes for veterans  
27 shall ensure that they effectively develop, execute, and monitor

1 all comprehensive care plans in accordance with federal regulations  
2 and their internal policies, with a goal that a comprehensive care  
3 plan is fully developed for all resident members.

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

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

14 (13) The Grand Rapids and D.J. Jacobetti homes for veterans  
15 shall establish sufficient controls over monetary donations and  
16 donated goods.

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

24 (15) The MVAA shall post on its website all policies adopted  
25 by the board of managers, the Michigan veterans' facility  
26 authority, and the veterans' homes related to the administrative  
27 operations of the veterans' homes.

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

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

10           (a) Quality of care metrics, including:

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

13           (ii) Sentinel events reported to the USDVA.

14           (iii) Fall and wound reports.

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

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

19           (b) Quarterly budget update.

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

22           (i) By demographics, including period of service, gender, and  
23 age.

24           (ii) By care setting, payment source, and associated revenue  
25 projections.

26           (d) Updates related to the modernization of the Grand Rapids  
27 and D.J. Jacobetti homes for veterans, including information

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1 related to the following:

2 (i) Infrastructure/capital outlay improvements.

3 (ii) Information technology updates.

4 (iii) Financial management.

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

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

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

<<(20) From the funds appropriated in part 1 for veterans home  
operations, \$100.00 shall be expended for a member in-room safety  
monitoring pilot program at the Grand Rapids home for veterans. The  
purpose of the pilot program is to determine if a specific, existing  
video monitoring system can improve member safety and reduce fall rates  
at the Grand Rapids home for veterans. In order to achieve this goal, the  
department shall contract with a third party that has developed a best-  
in-class, continuous virtual patient engagement platform that enables  
both visual and audio monitoring of members.>>

19 Sec. 403. (1) From the increased funds appropriated in part 1  
20 for the D.J. Jacobetti home for veterans, the department shall  
21 pursue compliance with current Centers for Medicare and Medicaid  
22 Services certification standards. The purpose of this expansion is  
23 to obtain Medicaid certification by October 1, 2018, to increase  
24 the ability to fully utilize all federal funding available to cover  
25 the cost of care of eligible veterans living at the D.J. Jacobetti  
26 home for veterans, and to improve overall quality of care for all  
27 veterans living at the D.J. Jacobetti home for veterans.



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

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

7 (b) The quality of the care environment at the D.J. Jacobetti  
8 home for veterans shall increase as a result of facility updates  
9 made according to Medicaid specifications to increase members'  
10 access to private and semi-private accommodations.

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

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

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

20 Sec. 404. The department shall ensure that the quality of care  
21 for members of the Grand Rapids and D.J. Jacobetti homes for  
22 veterans shall exceed the current quality of care for the full  
23 spectrum of health care services as a result of the upgrades made  
24 to the homes to meet the Centers for Medicare and Medicaid Services  
25 certification standards. The department shall provide a quarterly  
26 report to the subcommittees, which contains evidence that the  
27 quality of care for the full spectrum of health care services has

1 improved due to those upgrades.

2       Sec. 405. (1) The MVAA shall provide a report, as provided  
3 under section 216 of this part, on the financial status of the  
4 Michigan veterans' trust fund, including the number and amount of  
5 emergency grants, state administrative expenses, and county  
6 administrative expenses.

7       (2) The Michigan veterans' trust fund board together with the  
8 agency shall maintain the staffing and resources necessary to  
9 process a minimum of 2,000 applications for veterans' trust fund  
10 emergency grants.

11       Sec. 406. (1) The MVAA shall provide outreach services to  
12 Michigan veterans to advise them on the benefits to which they are  
13 entitled, as provided under Executive Reorganization Order No.  
14 2013-2, MCL 32.92. The MVAA shall also do the following:

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

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

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

27       (d) Continue the process to digitize all medical records,

1 military discharge documents, and burial records that are currently  
2 on paper and microfilm.

3 (e) Provide a report, as provided under section 216 of this  
4 part, on the MVAA's performance on the performance measures,  
5 outcomes, and initiatives developed by the agency in the strategic  
6 plan required by section 501 of 2013 PA 9.

7 (f) Provide a report to the subcommittees on military and  
8 veterans affairs, the senate and house fiscal agencies, and the  
9 state budget office no later than April 1 providing, to the extent  
10 known, data on the estimated number of homeless veterans, by  
11 county, in this state.

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

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

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

18 (i) Coordinate with veteran benefit counselors throughout a  
19 specified region.

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

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

24 (iv) Coordinate with local foundations, nonprofit  
25 organizations, and community groups to improve accessibility,  
26 enrollment, and utilization of the array of health care, education,  
27 employment assistance, and quality of life services provided at the

1 local level.

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

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

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

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

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

27 (a) Report the following information as provided in section

1 216 of this part:

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

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

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

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

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

26 (6) From the funds appropriated in part 1 for MVAA, the MVAA  
27 is authorized to expend up to \$50,000.00 to hire legal services to

1 represent veterans benefit cases before federal court to maintain  
2 accreditation under 38 CFR 14.628(d)(1)(iv).

3 Sec. 407. (1) The MVAA shall disburse VSO grants to achieve  
4 agency goals and performance objectives in partnership with the  
5 VSOs. Grants to VSOs will be disbursed to fund programs and  
6 projects which are determined by the agency to meet agency  
7 performance objectives and ensure that VSOs communicate the  
8 availability of emergency grants through the Michigan veterans'  
9 trust fund. In disbursing veterans service organization grants, the  
10 MVAA shall do the following:

11 (a) Ensure that each VSO that receives grants is issued  
12 performance standards.

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

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

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

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

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

23 (c) A specified number of service hours within each geographic  
24 region of this state, with a statewide goal based on both  
25 appropriations for the fiscal year ending September 30, 2019 for  
26 the VSO grant program and the fixed hourly service rate under  
27 subsection (2)(b). The statewide goal will include service hours

1 provided to eligible incarcerated veterans within 1 year of their  
2 earliest release date.

3 (d) Use of an MVAA-designated internet-based claims data  
4 system.

5 (3) The MVAA shall report the following information as  
6 provided in section 216 of this part:

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

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

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

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

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

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

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

24 (2) No later than December 1, the MVAA shall provide a  
25 detailed report of the Michigan veterans' trust fund that includes,  
26 for the immediately preceding fiscal year, information on grants  
27 provided from the emergency grant program, including details

1 concerning the methodology of allocations, the selection of  
2 emergency grant program authorized agents, a description of how the  
3 emergency grant program is administered in each county, and a  
4 detailed breakdown of trust fund expenditures for that year,  
5 including the amount distributed to each county for administrative  
6 costs and emergency grants. The report shall also include the  
7 number of approved applications, by category of assistance, and the  
8 number of denied applications, by reason of denial. The report  
9 shall also provide an update on the department's efforts to reduce  
10 program administrative costs and maintain the Michigan veterans'  
11 trust fund corpus to its original amount of at least  
12 \$50,000,000.00.

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

#### 16 **CAPITAL OUTLAY**

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

21 (2) The department shall provide a listing of property sales  
22 and acquisitions as provided under section 216 of this part.

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



1           (2) The appropriations for special maintenance - National  
2 Guard shall be expended in accordance with the requirements of  
3 sections 302 and 305 of this part and shall be expended according  
4 to the maintenance priorities of the department to repair and  
5 modernize military training sites and support facilities, including  
6 armories, which may include projects such as roof, HVAC, or boiler  
7 replacement, interior renovations, facility expansion, improvements  
8 to parking facilities, and other projects.

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

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

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

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

8 **ONE-TIME APPROPRIATIONS**

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

13 (2) The appropriations for armory maintenance shall be  
14 expended in accordance with the requirements of sections 302 and  
15 305 of this part and shall be expended according to the maintenance  
16 priorities of the department to repair and modernize military  
17 training sites and support facilities, including armories.

18

## PART 2A

19

## PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS

20

FOR FISCAL YEAR 2019-2020

21

**GENERAL SECTIONS**

22

23

24

Sec. 701. It is the intent of the legislature to provide  
appropriations for the fiscal year ending on September 30, 2020 for  
the line items listed in part 1. The fiscal year 2019-2020

1 appropriations are anticipated to be the same as those for fiscal  
2 year 2018-2019, excluding appropriations designated as one-time  
3 appropriations and adjusting for changes in caseload and related  
4 costs, federal fund match rates, economic factors, and available  
5 revenue. These adjustments will be determined after the January  
6 2019 consensus revenue estimating conference.

7       Sec. 702. The veterans affairs agency shall provide the  
8 percentage of Michigan veterans contacted, with a goal of 100%, and  
9 report upon those outreach findings to the subcommittees on  
10 military and veterans affairs at quarterly legislative hearings.

11       Sec. 703. The veterans affairs agency shall maintain a minimum  
12 50% fully developed claims as determined by the USDVA.