

## MICHIGAN VETERANS' FACILITY AUTHORITY

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**Senate Bill 1109 (S-1) as reported from House committee**  
**Sponsor: Sen. Winnie Brinks**

Analysis available at  
<http://www.legislature.mi.gov>

**Senate Bill 1110 (H-2) as reported from House committee**  
**Sponsor: Sen. Tom Barrett**

**House Committee: Government Operations**  
**Senate Committee: Families, Seniors and Veterans**  
**Complete to 12-16-20**

*(Enacted as Public Acts 350 and 351 of 2020)*

### SUMMARY:

Taken together, Senate Bills 1109 and 1110 would amend the Michigan Veterans' Facility Authority Act<sup>1</sup> to do the following:

- Dissolve the Michigan Veterans Facilities Board of Managers and instead require the Michigan Veterans' Facility Authority to provide general oversight and governance of Michigan veteran homes and veterans' facilities. (Currently<sup>2</sup> the board of managers has authority over the Grand Rapids and D.J. Jacobetti Homes for Veterans.)
- Create an appeals board in the authority to hear appeals regarding admissions decisions, involuntary dismissals, and certain requests for interment. (Membership on the appeals board would be offered to current members of the board of managers.)
- Establish revised and consolidated eligibility requirements for admission to a facility.
- Require the authority to provide fiduciary oversight for funds held in Michigan veteran homes on behalf of facility residents.
- Require Michigan veteran homes to prepare and publish a quarterly report.

**Senate Bill 1110** would repeal the following public acts:

- 1885 PA 152 (known as the Michigan Veterans' Facility Act), which authorizes the establishment of veterans' homes in Michigan, creates a board of managers to govern and supervise them, provides for powers and duties of the board, and establishes admission eligibility requirements for veterans.<sup>3</sup>
- 1901 PA 54, which allows the commandant of the veterans' home to be appointed guardian for a resident under certain circumstances.<sup>4</sup>

<sup>1</sup> See <https://www.legislature.mi.gov/documents/2015-2016/billanalysis/House/pdf/2015-HLA-1097-8A0B2FD9.pdf>

<sup>2</sup> See the January 2017 HFA Fiscal Focus, "Michigan Veterans' Facilities," by Kent Dell:  
[https://www.house.mi.gov/hfa/PDF/Alpha/Michigan\\_Veterans\\_Facilities\\_Fiscal\\_Focus.pdf](https://www.house.mi.gov/hfa/PDF/Alpha/Michigan_Veterans_Facilities_Fiscal_Focus.pdf)

<sup>3</sup> <https://www.legislature.mi.gov/documents/mcl/pdf/mcl-Act-152-of-1885.pdf>

<sup>4</sup> <https://www.legislature.mi.gov/documents/mcl/pdf/mcl-Act-54-of-1901.pdf>

- 1905 PA 313, which allows the board of managers to spend money in the Post Fund and the Posthumous Fund for the benefit of the veterans' home and its residents.<sup>5</sup>
- 1921 PA 15, which establishes admission eligibility requirements for dependents (spouses, former spouses, surviving spouses, and parents) of certain service members.<sup>6</sup>

#### Authority oversight

The bill would require the Michigan Veteran's Facility Authority to provide general oversight and governance of *Michigan veteran homes* and veterans' facilities in Michigan. The authority would promulgate rules to implement the act. Rules promulgated by the board of managers under 1885 PA 152 would remain in effect unless they conflict with the act. The authority could amend or rescind the rules.

*Michigan veteran homes* would mean the administrative entity that centrally manages and operates veterans' facilities in Michigan.

In addition, the authority would have to review and revise a system of oversight and governance for Michigan veteran homes, including all rules, regulations, and laws necessary for effective management and to preserve the health and welfare of veterans' facility residents.

#### Authority employment

The bill would provide that employees of the authority are state employees, except for positions the authority fills using alternative methods of service delivery in accordance with civil service rules and regulations. The authority would be subject to all established civil service rules and regulations pertaining to employment and hiring practices. Employees of a veterans' facility established under 1885 PA 152 would continue in their current employment status when the bill takes effect, and any changes to the compensation, benefits, or employment status of these and future employees would have to be made in accordance with established civil service rules and regulations.

#### Admission to veterans' facility

The following individuals would be eligible for admission to a veterans' facility:

- A veteran eligible for U.S. Department of Veterans Affairs health care or financial assistance for long-term nursing or day care.
- A *dependent* of a veteran eligible for admission as described above or of a veteran who was so eligible at the time of his or her death.

*Dependent* would mean a *Gold Star parent* or a widow, widower, spouse, or former spouse of a veteran.

*Gold Star parent* would mean an individual whose son or daughter died while serving in the U.S. Armed Forces or in forces incorporated as part of the U.S.

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<sup>5</sup> <https://www.legislature.mi.gov/documents/mcl/pdf/mcl-Act-313-of-1905.pdf>

<sup>6</sup> <https://www.legislature.mi.gov/documents/mcl/pdf/mcl-Act-15-of-1921.pdf>

Armed Forces if the son or daughter meets any of the eligibility criteria specified in 10 USC 1126(a)(1) to (3) for a Gold Star lapel button.<sup>7</sup>

[For current eligibility requirements, see section 11 of 1885 PA 152 (for veterans)<sup>8</sup> and section 1 of 1921 PA 15 (for dependents).<sup>9</sup>]

#### Charges and accounts

As a condition of admission, each veteran and dependent would have to agree to pay an amount based on his or her income and assets to support the care and services he or she receives at the facility. A resident could be dismissed from the facility for failing to pay. Michigan veteran homes would have to annually determine the per diem maintenance rate and present it to the authority board of directors for approval.

Money collected as described above and from the U.S. Department of Veterans' Affairs in direct payment for services to veterans at the veterans' facilities would have to be deposited in the Veterans' Facility Operation Fund (described below).

The authority would have to provide fiduciary oversight, along with the state treasury, for all funds held by Michigan veteran homes on behalf of members residing at each veterans' facility.

Michigan veteran homes could deduct funeral or burial costs or any other amounts owed from money held on behalf of a deceased resident, with the remaining money remitted to the resident's next of kin. If after two years a surviving relative could not be found, money held for the resident would have to be deposited in the Charitable Support Fund (described below).

#### Funds

The authority could receive money held in the Post Fund and Posthumous Fund created by 1905 PA 313 and the Veterans' Facility Operation Fund created in section 11 of 1885 PA 152.

The authority and Michigan veteran homes would have to do all of the following:

- Create and maintain a Charitable Support Fund into which the Post Fund and Posthumous Fund would be deposited. Gifts not specifically directed for the use and benefit of the state would have to be deposited into the Charitable Support Fund.
- Spend money in the Charitable Support Fund, with board approval, to benefit the members of Michigan veteran homes and support facility operations.
- Create and maintain a separate, segregated account for the Veterans' Facility Operation Fund. Money in this fund would support veterans' facility operations and services.

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<sup>7</sup> <https://www.govinfo.gov/content/pkg/USCODE-2010-title10/pdf/USCODE-2010-title10-subtitleA-partII-chap57-sec1126.pdf>

<sup>8</sup> <https://www.legislature.mi.gov/documents/mcl/pdf/mcl-36-11.pdf>

<sup>9</sup> <https://www.legislature.mi.gov/documents/mcl/pdf/mcl-36-31.pdf>

### Report

The Michigan veteran homes on behalf of the authority (or a successor entity) would have to submit a quarterly written report to the governor, the Senate and House committees on veterans affairs, and the Senate and House appropriations subcommittees for the Department of Military and Veterans Affairs (DMVA) and post the report on its public website. The report would be due by January 1, April 1, July 1, and October 1 of each year and would have to contain all of the following information for each state veterans' facility:

- Staffing levels and their comparison with industry standards.
- The number of patient complaints, the average time to review and respond, and the response to each complaint.
- The timeliness of pharmaceutical drug distribution.
- The security provided for pharmaceutical drugs in the facility.
- How patient money is accounted for and who supervises patient spending accounts.
- The number of resident deaths that occurred since the previous report.

[These reporting requirements are contained in section 9 of 1885 PA 152, which the bill would repeal. Those reports are required to be filed by the Michigan Veterans Affairs Agency, its successor agency, or DMVA about the Grand Rapids and D.J. Jacobetti Homes for Veterans.]

MCL 36.102 et seq.

**Senate Bill 1109** would create in the authority an appeals board to hear appeals regarding admissions decisions, involuntary dismissals, and requests for interment at a cemetery maintained and managed by Michigan veteran homes. The board of directors of the authority (“authority board”) could delegate other responsibilities. The appeals board would consist of five members appointed by the authority board as follows:

- To represent the interests of the American Legion, one member from a list of three individuals submitted by the American Legion.
- To represent the interests of the Veterans of Foreign Wars of the United States (VFW), one member from a list of three individuals submitted by the VFW.
- To represent the interests of the Disabled American Veterans (DAV), one member from a list of three individuals submitted by the DAV.
- Two members who are veterans and have had interactions or involvement at one or more veterans' facilities in the previous two years.

The authority board could ask a nominating organization for a new list of individuals if it finds that no one on the first list is qualified or appropriate to serve on the board. If the organization failed to submit a new list within 14 days, the authority board would fill the vacancy with a veteran who has had interactions or involvement at one or more veterans' facilities in the previous two years.

The authority board would establish the terms of appeals board members. In making the initial appointments, the authority board would have to first consider the most recent members of the board of managers under 1885 PA 152. If not enough members of that

board wanted to serve on the appeals board, the authority board would then have to consider all eligible applicants.

A decision of the appeals board would be the decision of the authority and could be appealed to the circuit court. The authority board could review and alter any appeals board decision.

Finally, the bill would provide for R 32.71 to 32.89 of the Michigan Administrative Code<sup>10</sup> to remain in effect unless they conflict with the act. (These are rules created by the board of managers under 1885 PA 152.) The authority could amend or rescind the rules.

MCL 36.106b

Senate Bills 1109 and 1110 are tie-barred to one another, which means that neither bill could take effect unless both were enacted.

### **FISCAL IMPACT:**

The bills would have no apparent fiscal impact on the state or local units of government.

The bills would implement budget changes enacted in the state's annual appropriations act, 2020 PA 166, which eliminated funding for the Board of Managers and transferred authorization of spending from the Post and Posthumous Fund and residents' assessments in the Veterans' Facility Operation Fund to the Michigan Veterans' Facility Authority.

### **POSITIONS:**

A representative of the Department of Military and Veterans Affairs testified in support of the bills. (12-16-20)

Legislative Analyst: Rick Yuille  
Fiscal Analyst: Michael Cnossen

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.

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<sup>10</sup> [https://dtmb.state.mi.us/ORRDocs/AdminCode/1787\\_2018-008MA\\_AdminCode.pdf](https://dtmb.state.mi.us/ORRDocs/AdminCode/1787_2018-008MA_AdminCode.pdf)