SUBSTITUTE FOR HOUSE BILL NO. 5509

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2025; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1	PART 1
2	LINE-ITEM APPROPRIATIONS
3	Sec. 101. There is appropriated for the department of military
4	and veterans affairs for the fiscal year ending September 30, 2025
5	from the following funds:
6	DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
7	APPROPRIATION SUMMARY
8	Full-time equated unclassified positions 9.0
9	Full-time equated classified positions 1,051.0





GROSS APPROPRIATION		\$ 265,052,200
Interdepartmental grant revenues:		
Total interdepartmental grants and		
intradepartmental transfers		101,800
ADJUSTED GROSS APPROPRIATION		\$ 264,950,400
Federal revenues:		
Total federal revenues		144,036,80
Special revenue funds:		
Total local revenues		
Total private revenues		100,00
Total other state restricted revenues		13,221,40
State general fund/general purpose		\$ 107,592,20
ec. 102. MILITARY		
Full-time equated unclassified positions	9.0	
Full-time equated classified positions	418.5	
Unclassified salariesFTEs	9.0	\$ 1,823,40
Headquarters and armoriesFTEs	103.0	22,291,80
Michigan youth challeNGe academyFTEs	68.0	10,340,50
Military family relief fund		150,00
Military retirement		2,770,60
Military training sites and support facilities-		
-FTEs	244.0	45,568,90
National Guard operations		600,50
National Guard Operations	3.5	5,739,50
National Guard tuition assistance fundFTEs	3.3	
-		2,322,00
National Guard tuition assistance fundFTEs		\$ 2,322,00 91,607,20



1	IDG - state police		101,800
2	Federal revenues:		·
3	DOD - DOA - NGB		63,690,100
4	Federal counternarcotics revenues		100,000
5	Special revenue funds:		
6	Private donations		90,000
7	Billeting fund		1,378,200
8	Military family relief fund		150,000
9	Morale, welfare, and recreation fund		100,000
LO	National Guard facilities rental fund		187,500
L1	National Guard test projects fund		100,000
12	State general fund/general purpose		\$ 25,709,600
L3	Sec. 103. MICHIGAN VETERANS AFFAIRS AGENCY		
L 4	Full-time equated classified positions	61.0	
L5	County veteran service grantsFTEs	2.0	\$ 4,253,300
L6	Eliminating veteran homelessness grants		3,500,000
L 7	Michigan veterans affairs agency		
L8	administrationFTEs	49.0	9,400,600
L9	Veterans service grantsFTEs	2.0	4,253,300
20	Veterans trust fund administrationFTEs	8.0	1,175,300
21	Veterans trust fund grants		2,500,000
22	Veterans trust fund grants - peacetime veterans		100
23	GROSS APPROPRIATION		\$ 25,082,600
24	Appropriated from:		
25	Special revenue funds:		
26	Private donations		10,000
27	Michigan veterans trust fund		3,675,300
28	Veterans license plate fund		50,000



State general fund/general purpose		\$ 21,347,300
Sec. 104. MICHIGAN VETERANS' FACILITY AUTHORITY		
Full-time equated classified positions	571.5	
Chesterfield Township home for veteransFTEs	115.0	\$ 32,511,400
D.J. Jacobetti home for veteransFTEs	200.0	25,927,70
Grand Rapids home for veteransFTEs	238.0	38,827,50
Information technology services and projects		1,734,30
Michigan veteran homes administrationFTEs	18.0	4,622,60
Veterans cemeteryFTE	0.5	90,20
GROSS APPROPRIATION		\$ 103,713,70
Appropriated from:		
Federal revenues:		
USDVA - VHA		39,864,20
HHS-HCFA, Medicare, hospital insurance		1,754,70
HHS-HCFA, title XIX, Medicaid		8,469,90
Special revenue funds:		
Income and assessments		6,580,40
State general fund/general purpose		\$ 47,044,50
Sec. 105. CAPITAL OUTLAY		
Armory maintenance		\$ 1,000,00
Land and acquisitions		1,000,00
Special maintenance - National Guard		30,000,00
Special maintenance - veterans' facilities		500,00
GROSS APPROPRIATION		\$ 32,500,00
Appropriated from:		
Federal revenues:		
DOD - DOA - NGB		30,000,00
Special revenue funds:		



Veteran directory VETS ride pilot program GROSS APPROPRIATION Appropriated from: State general fund/general purpose	\$ 999,900 11,500,000
VETS ride pilot program	\$ ·
	999,900
Veteran directory	
	100
Veterans of foreign wars national home	1,000,00
Selfridge Air National Guard base	7,500,00
Eliminating veteran homelessness grants	\$ 2,000,00
Sec. 107. ONE-TIME APPROPRIATIONS	
State general fund/general purpose	\$ 490,800
DOD - DOA - NGB	157,900
Federal revenues:	
Appropriated from:	
GROSS APPROPRIATION	\$ 648,70
Information technology services and projects	\$ 648,70
Sec. 106. INFORMATION TECHNOLOGY	
State general fund/general purpose	\$ 1,500,00
	1,000,000

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20 PART 2

21 PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2024-2025

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for the fiscal year ending September 30, 2025, total state spending under part 1 from state sources is \$120,813,600.00 and state spending under part 1 from state sources to be paid to local units of government is \$4,674,700.00. The following itemized statement identifies appropriations from which

spending to local units of government will occur: 1

2	DEPARTMENT OF MILITARY AND VETERANS AFFAIRS		
3	County veteran service grants	\$	4,038,200
	Michigan veterans affairs agency administration		90,000
	Military training sites and support facilities		46,500
	VETS ride pilot program		500,000
,	TOTAL	Ś	4,674,700

Sec. 202. The appropriations under this part and part 1 are 9 subject to the management and budget act, 1984 PA 431, MCL 18.1101 10 to 18.1594.

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

- 12 (a) "CMS" means the United States Department of Health and 13 Human Services, Centers for Medicare and Medicaid Services.
- 14 (b) "Department" means the department of military and veterans 15 affairs.
 - (c) "DHHS" means the department of health and human services.
- 17 (d) "Director" means the director of the department.
- 18 (e) "FTE" means full-time equated.
 - (f) "IDG" means interdepartmental grant.
 - (q) "MVAA" means the Michigan veterans affairs agency created by Executive Reorganization Order No. 2013-2, MCL 32.92.
 - (h) "MVFA" means the Michigan veterans' facility authority created under section 3 of the Michigan veterans' facility authority act, 2016 PA 560, MCL 36.103.
 - (i) "MVH" means the Michigan veteran homes as that term is defined in the Michigan veterans' facility authority act, 2016 PA 560, MCL 36.102.
 - (j) "MYCA" means the Michigan youth challenGe academy.
- (k) "Standard report recipients" means the senate and house 29

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- appropriations subcommittees on the department budget, the senate
 and house fiscal agencies, the senate and house policy offices, and
 the state budget office.
- $oldsymbol{4}$ (1) "USDVA" means the United States Department of Veterans Affairs.
- 6 (m) "USDVA-VHA" means the USDVA Veterans Health7 Administration.
 - (n) "VSO" means veterans service organization.
- 9 (o) "Veterans' facility" means that term as defined in section 10 2 of the Michigan veterans' facility authority act, 2016 PA 560, 11 MCL 36.102.
- 12 (p) "Work project" means that term as defined in section 404
 13 of the management and budget act, 1984 PA 431, MCL 18.1404, and
 14 that meets the criteria in section 451a(1) of the management and
 15 budget act, 1984 PA 431, MCL 18.1451a.
- Sec. 204. The department shall use the internet to fulfill the reporting requirements of this part. This requirement includes transmitting reports to the standard report recipients by email and posting the reports on an internet site.
 - Sec. 205. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds appropriated in part 1:
 - (a) The funds must not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available.
- (b) Preference must be given to goods or services, or both,
 manufactured or provided by Michigan businesses, if they are
 competitively priced and of comparable quality.

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(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 206. The department shall not take disciplinary action against an employee of the department or a state agency for communicating with a member of the legislature or legislative staff, unless the communication is prohibited by law and the department or agency is exercising its authority as provided by law.

Sec. 207. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, the department shall prepare a report on out-of-state travel expenses not later than January 1. The report must list all travel by classified and unclassified employees outside this state in the previous fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The department shall submit the report to the standard report recipients and to the senate and house appropriations committees. The report must include all of the following information:

- (a) The dates of each travel occurrence.
- (b) The total transportation and related expenses of each travel occurrence and the proportion funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, and other revenues.

Sec. 208. The department shall not use funds appropriated in part 1 to hire a person to provide legal services that are the responsibility of the attorney general. This section does not apply to legal services for bonding activities or to outside legal

services that the attorney general authorizes.

 Sec. 209. Not later than December 15, the state budget office shall prepare and submit a report that provides estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. The report must summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The state budget office shall submit the report to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 210. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$8,600,000.00 for federal contingency authorization. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

- (2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$1,100,000.00 for state restricted contingency authorization. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.
- (3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$250,000.00 for local contingency authorization. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.
- (4) In addition to the funds appropriated in part 1, there is

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

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

- (a) Fiscal year-to-date expenditures by category.
- (b) Fiscal year-to-date expenditures by appropriation unit.
- (c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.
- 15 (d) The number of active department employees by job 16 classification.
 - (e) Job specifications and wage rates.

Sec. 212. Not later than 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous 2 fiscal years. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 214. (1) Funds appropriated in part 1 must not be used to restrict or impede a marginalized community's access to government resources, programs, or facilities.

(2) From the funds appropriated in part 1, local governments

shall report any action or policy that attempts to restrict or interfere with the duties of a local health officer.

Sec. 215. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director shall take all reasonable steps to ensure geographically-disadvantaged business enterprises compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with geographically-disadvantaged business enterprises for services, supplies, or both. As used in this section, "geographically-disadvantaged business enterprises" means that term as defined by Executive Directive No. 2019-08.

Sec. 216. On a quarterly basis, the department shall report on the number of full-time equated positions in pay status by civil service classification, including a comparison by line item of the number of FTEs authorized from funds appropriated in part 1 to the actual number of FTEs employed by the department at the end of the reporting period. The report must be submitted to the senate and house appropriations committees and to the standard report recipients.

Sec. 217. It is the intent of the legislature that the department maximize the efficiency of the state workforce and, if possible, prioritize in-person work and post its in-person, remote, or hybrid work policy on its website.

Sec. 219. The department shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow federal and state guidelines for short-term and long-term retention of records. The department may electronically retain copies of reports unless otherwise required by federal and state

1 guidelines.

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Sec. 220. Not later than April 1, the department shall report on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year. The department shall submit the report to the standard report recipients, to the senate and house appropriations committees, and to the joint committee on administrative rules.

Sec. 222. To the extent possible, the department shall not expend appropriations under part 1 until all existing authorized work project funds available for the same purposes are exhausted.

Sec. 223. Funds appropriated in part 1 for capital outlay must be carried forward at the end of the fiscal year consistent with section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

15 Sec. 224. If the department intends to sell any department 16 real property, the department shall submit notification of that 17 intent to the standard report recipients 60 days before the public 18 announcement of that intention.

Sec. 225. The department shall provide biannual reports that include the following data:

- (a) A list of all major work projects, including a status report of each project.
- (b) The department's financial status, featuring a report of budgeted versus actual expenditures by part 1 line item, including a year-end projection of budget requirements.
- (c) The number of active employees at the close of the reporting period by job classification and departmental branch of service.
- Sec. 229. The department shall annually submit an updated

departmental strategic plan to the senate and house appropriations subcommittees on the department budget and the senate and house fiscal agencies.

MILITARY

- Sec. 301. (1) Not later than September 30, the department shall report a list of the current unclassified positions, which shall include the official titles and responsibilities of each position.
- (2) Upon the department being granted a request for an additional unclassified employee position from the civil service commission, or for any substantive changes to the duties of an existing unclassified employee position, the department shall report on these changes within 15 days.
- Sec. 302. (1) The department shall operate and maintain National Guard armories and implement a system to measure the condition and adequacy of those armories.
- (2) Not later than December 1, the department shall evaluate armories and submit an annual report on the status of the armories that includes the following information:
- (a) An assessment of the grounds and facilities of each armory to objectively measure and determine the current facility condition and capability to support authorized manpower, unit training, and operations.
- (b) Recommendations for the placement of new armories, the relocation or consolidation of existing armories, or a change in the mission of units assigned to armories to ideally position the National Guard in current or projected population centers.
 - (c) Recommendations for the enhanced use of armories to

facilitate family support programs during deployments.

- (d) An analysis of the feasibility, potential costs, and benefits of use of armories shared with other local, state, or federal agencies to improve responses to local emergencies as well as the community support provided to armories.
- (e) An investment strategy and proposed funding amounts in a prioritized project list to correct the most critical facility shortfalls across the inventory of armories in this state.
- (f) A review of the status of construction activities and expenditures of the armory modernization project funded in section 107 of article 10 of 2022 PA 166 and section 104 of 2022 PA 194.
- Sec. 303. (1) The department shall maintain the MYCA to provide values, skills, education, and self-discipline instruction for at-risk youth as provided under 32 USC 509.
- (2) The department shall take steps to recruit candidates to the MYCA from economically-disadvantaged areas, including those with low-income and high-unemployment backgrounds.
- (3) The department shall partner with the DHHS to identify youth who may be eligible for MYCA from those youth served by DHHS services programs. The department shall give these eligible youth priority for enrollment.
- (4) The department shall maintain the MYCA to graduate at least the target number of graduates consistent with the state's cooperative agreement with the National Guard Bureau regarding program operations.
- (5) The department shall ensure individual academic success as measured by the number of individuals who have received a general equivalency diploma, high school diploma, or high school credit recovery or by the improvement of tests of adult basic education

1 scores, or both.

- 2 (6) Any unexpended and unencumbered private donations to
 3 support the MYCA at the close of this fiscal year do not lapse to
 4 the general fund and must be carried forward to the subsequent
 5 fiscal year.
 - Sec. 304. (1) By December 15, the department shall provide a report on the revenues, expenditures, and fund balance of the military family relief fund. The department shall itemize expenditures in the report by purpose, including, but not limited to, for advertising and assistance grants. The report must also include information on the number of applications for assistance received, approved, and denied.
 - (2) From the funds appropriated in part 1, the department shall provide outreach to the Michigan families of members of the reserve component of the Armed Forces of the United States called into active duty on the availability of assistance through the military family relief fund.
 - (3) As used in this section, "military family relief fund" means the military relief fund created in section 3 of the military family relief fund act, 2004 PA 363, MCL 35.1213.
 - Sec. 305. (1) The department shall do all of the following:
 - (a) Provide Army and Air National Guard forces, when directed, for state and local emergencies and in support of national military requirements.
 - (b) Operate and maintain Army National Guard training facilities, including Fort Custer and Camp Grayling.
 - (c) Maintain a system that measures the condition and adequacy of air facilities using both quality and functionality criteria.
 - (d) Operate and maintain Air National Guard air bases,

- including Selfridge Air National Guard base, Battle Creek Air
 National Guard base, and Alpena combat readiness training center.
 - (2) Not later than March 1, the department shall report the following information for the previous calendar year:
 - (a) The apportioned and assigned strength of the Michigan Army National Guard.
- 7 (b) The apportioned and assigned strength of the Michigan Air8 National Guard.
- 9 (c) Recruiting, retention, and attrition data, including
 10 measurement against stated performance goals, for the Michigan Army
 11 National Guard.
- (d) Recruiting, retention, and attrition data, including
 measurement against stated performance goals, for the Michigan Air
 National Guard.
- 15 Sec. 306. (1) The billeting fund is created within the state treasury.
- 17 (2) The state treasurer shall deposit money and other assets 18 received from any source into the fund. The state treasurer shall 19 direct the investment of money in the fund and credit interest and 20 earnings from the investments to the fund.
 - (3) All of the fees and other revenues generated from the operation of the chargeable transient quarters program must be deposited in the fund.
 - (4) Money in the fund at the close of the fiscal year remains in the fund and does not lapse to the general fund.
 - (5) The department is the administrator of the fund for auditing purposes.
- (6) The department shall expend money from the fund to supportprogram operations and the maintenance and operations of the

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- chargeable transient quarters program as appropriated in part 1.
- (7) Not later than December 15, the department shall submit an
 annual report of operations and expenditures regarding the fund for
 the previous fiscal year.
 - Sec. 307. (1) The department shall maintain a Michigan National Guard tuition assistance program under the Michigan National Guard tuition assistance act, 2014 PA 259, MCL 32.431 to 32.433. The Michigan National Guard tuition assistance program must do all of the following:
 - (a) Bolster military readiness by increasing recruitment and retention of Michigan Army and Air National Guard members.
 - (b) Fill federally authorized strength levels for the state.
- (c) Improve the Michigan Army and Air National Guard'scompetitive draw from other military enlistment options in thestate.
 - (d) Enhance the ability of the Michigan Army and Air National Guard to compete for guard members and federal dollars with surrounding states.
 - (e) Increase the pool of eligible candidates within the Michigan Army and Air National Guard to become commissioned officers.
 - of guard members who have received a credential or are still enrolled in the Michigan National Guard tuition assistance program after their initial term of enlistment. To evaluate the effectiveness of the program, the department shall monitor the number of new recruits and new reenlistments and the percentage of those who become participants in the program to determine whether the percentage of authorized Michigan Army and Air National Guard

- strength obtained and retained is competitive in comparison with
 the neighboring army and air national guards from Illinois,
 Indiana, Ohio, and Wisconsin.
 - (3) Not later than March 1, the department shall provide a report on the Michigan National Guard tuition assistance program. The report must include the following information for the previous fiscal year:
 - (a) The number of guard members, spouses, and children receiving tuition assistance, broken down by the number of each type of recipient.
 - (b) The educational institutions from which those guard members received education or training under the program, broken down by the number of each type of recipient.
- 14 (c) The total amount of financial assistance received by each
 15 educational institution.
- 16 (d) The total funds expended on the program for financial17 assistance for each type of recipient.
 - (e) The total funds expended on the program for administrative costs of the department.
- 20 (f) The total number of applications for tuition assistance21 denied.
 - (g) A list of any educational institutions and training programs removed from eligibility and the rationale for that removal.
 - (h) The balance of the Michigan National Guard tuition assistance fund at the close of the fiscal year.
- (i) An explanation of any identified barriers to the
 successful utilization of the program, or other unmet needs of the
 program and applicable proposals for legislative action to address

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those barriers and needs.

- (4) The general fund/general purpose funds appropriated in part 1 for the National Guard tuition assistance fund must be deposited into the restricted Michigan National Guard tuition assistance fund. All funds in the restricted Michigan National Guard tuition assistance fund are appropriated and available for expenditure to support the Michigan National Guard tuition assistance program.
- (5) As used in this section, "Michigan National Guard tuition assistance fund" means the Michigan National Guard tuition assistance fund created in section 4 of the Michigan National Guard tuition assistance act, 2014 PA 259, MCL 32.434.
- Sec. 308. The department shall maintain the starbase program at Air National Guard facilities, as provided under 10 USC 2193b, to improve the knowledge, skills, and interest of students, primarily in the fifth grade, in math, science, and technology. The starbase program is to specifically target minority and at-risk students for participation.
- Sec. 309. (1) The National Guard test projects fund is created within the state treasury.
 - (2) The state treasurer shall deposit money and other assets received from any source into the fund. The state treasurer shall direct the investment of money in the fund and credit interest and earnings from the investments to the fund.
 - (3) All of the fees and other revenues generated from the operation of the test projects program shall be deposited in the fund.
- (4) Money in the fund at the close of the fiscal year remainsin the fund and does not lapse to the general fund.

- (5) The department is the administrator of the fund for auditing purposes.
 - (6) Money in the fund shall be available for expenditure for the support of program operations as appropriated in part 1.
 - Sec. 310. (1) The morale, welfare, and recreation fund is created within the state treasury.
 - (2) The state treasurer shall deposit money and other assets received from any source into the fund. The state treasurer shall direct the investment of money in the fund and shall credit interest and earnings from the investments to the fund.
 - (3) The department is the administrator of the fund for auditing purposes.
- (4) All of the fees and other revenues generated from the operation of the morale, welfare, and recreation program must be deposited in the morale, welfare, and recreation fund. Money in the fund is available for expenditure for the support of program operations as appropriated in part 1.
- (5) Money remaining in the fund at the close of the fiscal year remains in the fund and does not lapse to the general fund.
- Sec. 311. (1) The National Guard facilities rental fund is created in the state treasury.
- (2) The state treasurer shall deposit money and other assets received from any source into the fund. The state treasurer shall direct the investment of money in the fund and shall credit interest and earnings from the investments to the fund.
- (3) All of the fees and other revenues generated from the operation of the National Guard facilities rental program must be deposited in the fund.
 - (4) Money in the fund at the close of the fiscal year remains

in the fund and does not lapse to the general fund.

- (5) The department is the administrator of the fund for auditing purposes.
- (6) Money in the fund is available for expenditure for the support of program operations as appropriated in part 1.

Sec. 312. Not later than February 1, the department shall provide the report required under section 251(7) of the Michigan military act, 1967 PA 150, MCL 32.651.

Sec. 313. The Michigan Army National Guard and Air National Guard shall work to provide a culture that is free of sexual assault, through an environment of prevention, education and training, response capability, victim support, reporting procedures, and appropriate accountability that enhances the safety and well-being of all guard members.

MICHIGAN VETERANS AFFAIRS AGENCY

Sec. 404. (1) Money privately donated to the department for the MVAA in excess of the appropriation in part 1 is appropriated and available for expenditure for the benefit and life enrichment of veterans and for the purpose designated by the private source, if specified and in compliance with this section.

- (2) Any unexpended and unencumbered private donations to support the MVAA at the close of this fiscal year do not lapse to the general fund and must be carried forward to the subsequent fiscal year.
- (3) Not later than December 15, the department must submit a report that provides the amount of private donations received by the department for the MVAA and the purpose for which the funds will be expended, if known. In addition to the annual report

- required under this subsection, if a donation described under this section is \$10,000.00 or greater, the department must submit a report within 14 calendar days after receiving that donation providing the amount of the donation and the purpose for which the funds will be expended, if known.
 - Sec. 405. (1) The Michigan veterans' trust fund board together with the MVAA shall provide emergency grants for disbursement from the Michigan veterans' trust fund, as provided under the following program authorities:
- 10 (a) Sections 37, 38, and 39 of article IX of the state constitution of 1963.
 - (b) 1946 (1st Ex Sess) PA 9, MCL 35.602 to 35.610.
 - (c) R 35.1 to R 35.7 of the Michigan Administrative Code.
- 14 (d) R 35.621 to R 35.623 of the Michigan Administrative Code.
- 15 (2) Not later than February 1, the MVAA shall provide a
 16 detailed report of the Michigan veterans' trust fund that includes,
 17 for the previous fiscal year, the following information:
 - (a) Details concerning the methodology of allocations and the selection of emergency grant program authorized agents.
 - (b) A description of how the emergency grant program is administered in each county.
 - (c) A detailed breakdown of the Michigan veterans' trust fund expenditures for the emergency grant program, including the amount distributed to each county for operating costs, administrative costs and emergency grants.
 - (d) Expenditures for state operating costs and administrative costs.
- (e) The number of approved emergency grant applications, bycategory of assistance, and the number of denied applications, by

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1 reason of denial.

- (f) A description of the MVAA's efforts to reduce program administrative costs and maintain the Michigan veterans' trust fund corpus at or above its original amount of \$50,000,000.00.
- (g) The overall financial status of the Michigan veterans' trust fund, including revenues and year-end balance.
- (h) Expenditures for program partnerships, delineated by organization, and expenditures for any other program initiatives.

Sec. 406. The MVAA shall do all of the following:

- (a) Provide outreach services to Michigan veterans to advise them on the benefits to which they are entitled, as provided under Executive Reorganization Order No. 2013-2, MCL 32.92.
- (b) Develop and operate an outreach program that communicates benefit eligibility information to at least 50% of Michigan's population of veterans, as assessed by annual census estimates, with a goal of reaching 100% and enabling 100% to access benefit information online.
- (c) Communicate veteran benefit information pertaining to the Michigan military family relief fund, Michigan veterans' trust fund, and USDVA health, financial, and memorial benefits to which veterans are entitled.
- (d) Fulfill requests for military discharge certificates (DD-214) upon request.
 - (e) Provide a report annually providing, to the extent known, data on the estimated number of homeless veterans, by county, in this state.
- 27 (f) Provide a report annually on the percentage of Michigan 28 veterans contacted through its outreach programs, with a goal of 29 90%, and report that percentage biannually on the status of

1 outreach.

Sec. 408. (1) From the funds appropriated in part 1, the MVAA shall provide for the regional coordination of services and do all of the following:

- (a) Coordinate with veteran benefit counselors throughout a specified region.
- (b) Coordinate services with all state departments and agencies.
- (c) Coordinate with regional workforce and economic development agencies.
- (d) Coordinate activities among local foundations, nonprofit organizations, and community groups to improve accessibility, enrollment, and utilization of the array of health care, education, employment assistance, and quality of life services provided at the local level.
- (e) Work with MVAA service officers, county veteran counselors, VSO service officers, and other service providers to increase awareness of available mental health care resources and support services veterans may be eligible to receive.
- (f) Coordinate with the DHHS to identify Medicaid recipients who are veterans and who may be eligible for federal veterans health care benefits or other benefits, to the extent that the identification does not violate applicable confidentiality requirements.
- (g) Collaborate with the department of corrections to create and maintain a process by which prisoners can obtain a copy of their DD-214 form or other military discharge documentation if necessary.
 - (h) Ensure that all MVAA service officers and VSO service

- officers receive appropriate training in processing applications for benefits payable to veterans due to military sexual trauma, post-traumatic stress disorder, depression, anxiety, substance abuse, or other mental health issues.
- (2) From the funds appropriated in part 1, the MVAA may work with MVAA service officers, county veteran counselors, VSO service officers, and other service providers to incorporate the provision of information relating to mental health care resources into their daily operations to aid veterans in understanding the mental health care support services they may be eligible to receive.
- Sec. 410. (1) The MVAA shall provide claims processing services to Michigan veterans, with the goal of processing a minimum of 500 claims per year, in support of benefit claims submitted to the USDVA for the health, financial, and memorial benefits for which they are eligible. The MVAA shall report annually on the number of benefit claims, by type, submitted to the USDVA by MVAA.
- (2) The MVAA shall develop and implement a process to ensure that all county counselors receive the training and accreditation necessary to provide quality services to veterans and shall report information annually on the number and percentage of county veterans counselors trained by the MVAA, and the number and percentage who received funding from the MVAA to attend training, with an overall goal of 100% of county veterans counselors trained.
- (3) From the funds appropriated in part 1 for MVAA, the MVAA is authorized to expend up to \$100,000.00 to hire legal services to represent veterans benefit cases before federal court to maintain accreditation under 38 CFR 14.628(d)(1)(iv).
- 29 Sec. 411. (1) From the funds appropriated in part 1 for

veterans service grants, the MVAA shall establish, administer, and 1 award competitive grants to 1 or more congressionally chartered VSOs or a coalition of VSOs. The MVAA shall award grants to support 3 efforts to connect veterans and their dependents with federal compensation and pension benefits and state veterans' benefits, 6 including emergency grants through the Michigan veterans' trust 7 fund and other local or nonprofit assistance that may be available to veterans and their dependents. The MVAA shall establish a 8 competitive grant process that satisfies all of the following: 9

- (a) Utilizes a service provision model to provide services across the state and can be tracked regionally to ensure that veterans and their dependents in this state, including those within tribal communities, are provided with services, advocacy, and outreach as close to the communities in which they live as possible.
- (b) Ensures that grantees are providing adequate veteran services and advocacy, through in-person and virtual meetings, that enables the organization to meet performance goals established in the grant agreement.
- (c) Fosters innovative and transformative approaches and techniques for the grantee to use when providing services, advocacy, and outreach for veterans and their dependents.
- (d) Requires grantees to use an MVAA-designated internet-based claims data system to manage caseloads. License fees associated with the claims data system described in this subdivision are considered an allowable expenditure and may be reimbursed with grant funds.
- (e) Requires grantees, in coordination with the MVAA, to provide services to incarcerated veterans who are within 1 year of

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- 2 (f) Ensures that each grantee is issued performance goals.
- 3 (g) Ensures that each grantee expends grant awards as4 prescribed in the grant agreement.
 - (h) Requires each grantee to report not less than quarterly on all of the following:
 - (i) An accounting for all grant fund expenditures.
- $oldsymbol{8}$ (ii) The number and type of claims originated and submitted by the grantee to the USDVA.
- 10 (iii) The number and type of claims originated by an11 organization other than the grantee and submitted by the grantee to12 the USDVA.
 - (iv) The services provided to veterans and their dependents.
 - (v) Progress in achieving monthly performance benchmark goals.
 - (i) Ensures that each grantee is issued monthly performance benchmark goals that each grantee must aim to achieve and require each grantee to report to the MVAA, in order to ensure that benchmark goals are being achieved, or on target to be achieved, in the fiscal year.
 - (2) The MVAA shall do all of the following:
 - (a) Follow all generally accepted accounting principles in accordance with sections 141 and 485 of the management and budget act, 1984 PA 431, MCL 18.1141 and 18.1485.
 - (b) When establishing, modifying, or amending the competitive grant process described in subsection (1), consult and collaborate with congressionally chartered VSOs in the state, or a coalition of VSOs, and other stakeholders to ensure a comprehensive approach to providing services, advocacy, and outreach to veterans and their dependents.



- (c) Provide notice to current grantees of any MVAA-proposed modifications or amendments to the competitive grant process and provide those grantees with an opportunity to respond through written communication.
 - (d) Assess the accuracy rate of claims reported by grantees.
- (e) Review and audit grantees' expenditure of grant funds to ensure compliance with the grant agreement, as provided under section 470 of the management and budget act, 1984 PA 431, MCL 18.1470.
- (3) Not later than March 1, the MVAA shall provide a report summarizing grant activities for the previous fiscal year, including the amount of expenditures, number of service and advocacy hours, number of claims for benefits submitted by type of claim, and other information deemed appropriate by the MVAA.
- (4) From the funds appropriated in part 1 for veterans service grants, \$211,800.00 must be allocated to cover necessary administrative and implementation costs incurred by the MVAA.
 - Sec. 413. (1) The funds appropriated in part 1 for county veteran service grants must be deposited into the restricted county veteran service fund created in section 3a of 1953 PA 192, MCL 35.623a. All available funds in the restricted county veteran service fund are appropriated and available for expenditure as provided by law.
- (2) From the restricted county veteran service fund created in section 3a of 1953 PA 192, MCL 35.623a, \$211,800.00 must be allocated to the MVAA to cover necessary administrative and implementation costs incurred by the MVAA.
- (3) The MVAA shall provide a report not later than December 31 that includes the following information for the previous fiscal

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- 2 (a) A list of counties that received a grant under this3 section.
 - (b) The total amount of grant funding each county received including any amount of funding provided under the emergent need relief program pursuant to section 3a(10) of 1953 PA 192, MCL 35.623a.
 - (c) A summary of each county's expenditures of grant funding.
- 9 (d) The amount of any unexpended grant funding disbursed to
 10 the counties that has been recovered and returned to the county
 11 veteran service fund.
- (e) The balance of the county veteran service fund after theprevious fiscal year-end book closing.
- (f) A list of counties that have requested funds in the current fiscal year, the amount requested by each county, and the total of these amounts.
- (h) The amount of any funds recovered by the MVAA through theMVAA's finding of misused grant funds.
 - (i) An explanation of any obstacles or reasons for counties not applying for or spending their eligible amount of grant funding.
 - (j) The amount expended by the MVAA for grant administration and implementation costs.
- Sec. 414. Not later than February 1, the department shall provide a report on the status of the construction, operations, and finances of the state veterans cemetery funded in article 10 of 2022 PA 166.

Sec. 415. From the funds appropriated in part 1 for Michigan veterans affairs agency administration, the MVAA shall complete a study and submit a report to the standard report recipients not later than January 1, 2025. The MVAA may partner with any additional stakeholders the MVAA deems necessary for completing the study. The study and report must include all of the following:

- (a) An analysis on the scope of homelessness among the state's veteran population.
 - (b) Challenges to securing housing for homeless veterans.
- (c) Recommendations for future long-term partnerships between the Michigan state housing development authority, the MVAA, municipalities, and nonprofit organizations that could assist in eliminating homelessness among veterans in this state.

 Recommendations under this subdivision must minimize additional costs to local units of government.

MICHIGAN VETERANS' FACILITY AUTHORITY

Sec. 501. (1) Money privately donated to the MVH, the MVFA, or a veterans' facility in excess of the appropriation in part 1 is appropriated and is available for expenditure for the benefit and life enrichment of resident members and for the purpose designated by the private source, if specified and in compliance with this section.

(2) Not later than December 15, the MVH must submit a report that provides the amount of the private donations described under subsection (1) and the purpose for which the funds will be expended, if known. In addition to the annual report required under this subsection, if the MVH, the MVFA, or a veterans' facility receives a private donation that is \$10,000.00 or greater, the MVH

must submit a report within 14 calendar days after receiving that donation providing the amount of the donation and the purpose for which the funds are to be expended, if known.

- (3) Any unexpended and unencumbered private donations to support the MVH at the close of this fiscal year do not lapse to the general fund and must be carried forward to the subsequent fiscal year.
- Sec. 502. (1) From the funds appropriated in part 1, the MVH and the MVFA shall provide compassionate and quality nursing care services at each veterans' facility in this state so that resident members can achieve their highest potential of wellness, independence, self-worth, and dignity. The MVFA and the MVH shall provide nursing care services to veterans in accordance with federal standards and report the results of the annual USDVA and CMS surveys and certification as proof of compliance.
- 16 (2) Appropriations in part 1 for a veterans' facility shall
 17 not be used for any purpose other than expenses related to the
 18 operations of the veterans' facility.
 - Sec. 503. All contractors providing health care services at a veterans' facility shall provide services in a manner that complies with applicable USDVA and CMS regulations for state veterans' homes and skilled nursing facilities, any rules governing the operation of nursing homes licensed in this state, and any training and education requirements associated with staff licensure or certification.
 - Sec. 504. (1) The MVFA shall report and investigate all complaints of abuse or neglect at a veterans' facility in compliance with USDVA and CMS regulations for state veterans' homes and skilled nursing facilities. The MVFA shall report on a

bimonthly basis the following information:

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- (a) A description of the process by which resident members and others may file complaints of alleged abuse or neglect at a veterans' facility.
- (b) Summary statistics on the number and general nature of complaints of abuse or neglect.
- (c) Summary statistics on the final disposition of complaints of abuse or neglect received.
- 9 (2) The MVFA shall display in high-traffic areas throughout 10 the veterans' facility the process by which visitors, resident 11 members, and staff of the veterans' facility may register 12 complaints.
- 13 Sec. 505. The MVH shall do the following regarding member 14 care:
 - (a) Provide board-certified psychiatric care for all resident members with mental health disorders in order to ensure that those resident members receive needed services in a professional and timely manner.
 - (b) Provide all resident members and staff a safe and secure environment.
 - (c) Ensure that the veterans' facility effectively develops, executes, and monitors all comprehensive care plans in accordance with federal regulations and the veterans' facility's internal policies, with a goal that a comprehensive care plan is fully developed for all resident members.
- Sec. 506. The MVH shall establish and implement internal controls regarding all of the following:
- (a) The use and management of food, maintenance, andpharmaceutical and medical supply inventories.

- (b) Calculating resident member maintenance assessments in order to accurately calculate resident member maintenance assessments for each billing cycle and ensure that all past due resident member maintenance assessments are addressed within 30 days.
 - (c) Monetary donations and donated goods.
 - (d) The handling of resident member funds to ensure the release of funds within 15 calendar days upon the resident member leaving the home and to ensure that a representative of a resident member is provided a full accounting of that resident member's funds within 30 calendar days after the death of that resident member.
- (e) Financial reporting and accounting.
- 14 Sec. 507. (1) The MVH shall post on its website the following:
- 15 (a) All policies adopted by the MVFA and the veterans'
- facility related to the administrative operations of the veterans'
 facility.
- 18 (b) The agenda and minutes of public meetings of the MVFA19 board.
 - (2) The MVH shall provide a report with copies of each veterans' facility's USDVA State Veteran Home quarterly report. These quarterly reports shall also be posted on the MVH website.
 - (3) The MVH shall provide bimonthly reports on the following:
 - (a) Census data for each veterans' facility, including information on level of care, service era of its resident members, payer source, and average income and assessment rate.
 - (b) Per patient daily care hours provided by each veterans' facility, by level of care.
- 29 (c) Financial status of each veterans' facility and central

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MVFA/MVH administration. Information shall include, but not be limited to, actual year-to-date and projected year-end revenues and expenditures, by fund source.

- (4) The MVH shall provide a report on the results of any annual or for-cause survey conducted by any entity with oversight over the veterans' facility and any corresponding corrective action plan. This information shall also be made available publicly through the MVH website.
- (5) In addition to the information required under section 12(1) of the Michigan veterans' facility authority act, 2016 PA 560, MCL 36.112, the MVFA shall provide a report detailing the strategies and actions taken to maximize revenues from non-general fund sources and cost savings strategies.

Sec. 508. In addition to the funds appropriated in part 1, private revenues held by the MVH on a nonfiduciary basis for a resident member of a veterans' facility are appropriated to pay medical expenses, member assessments, and other expenses incurred by that resident member. Any unexpended or unencumbered private revenues held on a nonfiduciary basis by the MVH at the close of the fiscal year do not lapse to the general fund and must be carried forward into the subsequent fiscal year.

Sec. 509. Not later than March 1, the MVFA shall provide a report on the construction, operation, and finances of the new Marquette veterans home funded in article 14 of 2022 PA 166.

Sec. 510. Except as otherwise provided by law, any unexpended and unencumbered federal revenues received by the MVFA do not lapse to the state general fund and must be carried forward into the subsequent fiscal year.

CAPITAL OUTLAY

Sec. 601. (1) The department shall provide for the acquisition and disposition of National Guard armories, facilities, and lands as provided under sections 368, 382, and 382a of the Michigan military act, 1967 PA 150, MCL 32.768, 32.782, and 32.782a.

(2) The department shall provide a listing of property sales and acquisitions annually.

Sec. 602. (1) The appropriations for armory maintenance and special maintenance - National Guard must be expended in accordance with the requirements of sections 302 and 305 of this part and must be expended according to the maintenance priorities of the department to repair and modernize military training sites and support facilities, including armories.

(2) Not later than January 15, the department shall provide a report providing information on the status, projected costs, and projected completion date of current and planned special maintenance projects at the armories and other National Guard facilities funded from capital outlay appropriations made in part 1 and in previous fiscal years.

Sec. 603. (1) The appropriations for special maintenance - veterans' facility must be expended in accordance with the requirements of section 452 of this part and must be expended according to the maintenance priorities of the MVFA to repair and modernize the state's veterans' facility, which may include physical plant expansions, renovations, or enhancements, and other projects designed to enhance the quality of life and medical care of resident members.

(2) Not later than January 15, the MVH shall provide a report providing information on the status, projected costs, and projected

completion date of current and planned special maintenance projects at each veterans' facility funded from capital outlay appropriations made in part 1 and in previous fiscal years.

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ONE-TIME APPROPRIATIONS

- Sec. 701. (1) From the funds appropriated in part 1 for eliminating veteran homelessness grants, the MVAA shall create and operate a grant program that provides grants not to exceed \$250,000.00 to Michigan-based nonprofit organizations that provide, or assist in providing, housing for homeless veterans or their families, or both. The MVAA shall award grants to support efforts to reduce or eliminate homelessness among veterans in this state by supporting costs of housing veterans or their families, or both. The MVAA shall develop criteria for determining grant eligibility in accordance with this section. The MVAA shall not award more than 1 grant to any 1 nonprofit organization. A grant must be disbursed within 60 days after the date that the MVAA receives a completed and signed grant agreement from the nonprofit organization requesting the grant. Grant funding must be used to support costs related to housing or other activities that assist homeless veterans and their families to avoid homelessness.
- (2) Not later than December 31, the MVAA shall provide a report summarizing grant activities for the fiscal year ending September 30, 2025, and shall include the following information for each grant issued under this grant program:
 - (a) The name of each grant recipient.
 - (b) The location, city, and county of each grant recipient.
 - (c) The amount of the grant provided.
- 29 (d) A brief summary of expenditures of grant funding.

- (3) The unexpended funds appropriated in part 1 for eliminating veteran homelessness grants are designated as a work project appropriation, and any unencumbered or unallotted funds do not lapse at the end of the fiscal year and must be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:
- (a) The purpose of the project is to make grants to Michigan-based nonprofit organizations that provide, or assist in providing, shelter and housing for veterans or their families, or both. The grants must support efforts to reduce or eliminate homelessness among veterans in this state by supporting costs of sheltering and housing veterans or their families, or both.
- 14 (b) The project will be accomplished by state employees and15 grantees.
 - (c) The total estimated cost of the project is \$5,500,000.00.
 - (d) The tentative completion date is September 30, 2028.
 - (4) As used in this section:
 - (a) "Veteran" means an individual who served in the United States Armed Forces, including the reserve components and National Guard, and was discharged or released under conditions other than dishonorable. Veteran includes an individual who died while on active duty in the United States Armed Forces.
 - (b) "Homeless" means that term as defined in section 103 of the McKinney-Vento homeless assistance act of 2009, 42 USC 11302.
 - Sec. 702. Funds appropriated in part 1 for Selfridge Air National Guard Base must be used to support costs of complying with air installation compatible use zone program recommendations, including, but not limited to, both of the following:

- (a) Capital improvements necessary to shift the runway to the north and repair airfield and non-airfield features of the base and surrounding community impacted by the shift.
- (b) Infrastructure projects repairing roadways, vehicle access to the base and museum, stormwater drain and culvert repairs and modernization, force protection features, and airfield features.

Sec. 703. (1) From funds appropriated in part 1 for VETS ride pilot program, the MVAA shall create the VETS ride pilot program to provide veterans free transportation for medical purposes, health care appointments, or for receiving assistance in filing claims for veterans benefits from a VSO service officer.

- (2) To qualify for free transportation for health care purposes, a veteran must live not less than 30 miles from a USDVA health care facility. To qualify for free transportation for benefits assistance, a veteran must live not less than 30 miles from a VSO office.
- (3) The MVAA shall provide grants to eligible organizations to reimburse costs of providing veterans transportation under the VETS ride pilot program. If an eligible organization provides transportation under this program to a veteran for medical purposes or a health care appointment at a facility that is not a USDVA health care facility, the fact that the facility was not a USDVA health care facility is not a basis for denial of reimbursement of costs for that transportation to the eligible organization under this program. Eligible organizations include any of the following:
 - (a) Municipal and county transit authorities.
- (b) Nonprofit or for-profit organizations whose primary mission is providing transportation services.
 - (4) The MVAA shall establish program guidelines, eligibility

criteria, and appropriate grant recipient reporting requirements. 1 2 The MVAA shall disburse funds until September 30, 2025, or until 3 funds are depleted, whichever occurs first. The MVAA shall submit a report to the standard report recipients on or before December 31, 4 2026. The report must include the distribution of the grant 5 disbursements, the amount of unexpended funds, if any, and 6 7 information on applicants that did not receive a grant, if any, 8 including the reason the applicants did not receive a grant.

