

**SUBSTITUTE FOR
SENATE BILL NO. 175**

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2026; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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, 2026, from the following funds:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

APPROPRIATION SUMMARY

Full-time equated unclassified positions	9.0
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Full-time equated classified positions	1,056.0
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1	GROSS APPROPRIATION		\$ 291,580,100
2	Total interdepartmental grants and		
3	intradepartmental transfers	\$	101,800
4	ADJUSTED GROSS APPROPRIATION	\$	291,478,300
5	Federal revenues:		
6	Total federal revenues		148,840,000
7	Special revenue funds:		
8	Total local revenues		0
9	Total private revenues		100,000
10	Total other state restricted revenues		12,953,500
11	State general fund/general purpose	\$	129,584,800
12	Sec. 102. MILITARY		
13	Full-time equated unclassified positions	9.0	
14	Full-time equated classified positions	423.5	
15	Unclassified salaries--FTEs	9.0	\$ 1,878,100
16	Headquarters and armories--FTEs	104.0	23,231,200
17	Michigan youth challenge academy--FTEs	68.0	10,441,800
18	Military family relief fund		150,000
19	Military retirement		2,585,600
20	Military training sites and support facilities--		
21	-FTEs	240.0	46,533,200
22	National guard operations		600,500
23	Michigan national guard tuition assistance		
24	program--FTEs	11.5	11,244,800
25	Starbase grant		2,322,000
26	GROSS APPROPRIATION	\$	98,987,200
27	Appropriated from:		
28	Interdepartmental grant revenues:		



1	IDG - state police		101,800
2	Federal revenues:		
3	DOD - DOA - NGB		64,391,600
4	Federal counternarcotics revenues		100,000
5	Special revenue funds:		
6	Private donations		90,000
7	Billeting fund		1,377,800
8	Military family relief fund		150,000
9	Morale, welfare, and recreation fund		100,000
10	Rental fund		187,500
11	Test project fund		100,000
12	State general fund/general purpose	\$	32,388,500
13	Sec. 103. MICHIGAN VETERANS AFFAIRS AGENCY		
14	Full-time equated classified positions	61.0	
15	County veteran service grants--FTEs	2.0	\$ 4,255,500
16	Michigan veterans affairs agency		
17	administration--FTEs	49.0	10,120,100
18	Veterans trust fund administration--FTEs	8.0	1,185,200
19	Veterans trust fund grants		2,500,000
20	Veterans service grants--FTEs	2.0	4,255,500
21	GROSS APPROPRIATION	\$	22,316,300
22	Appropriated from:		
23	DVA - VHA		753,400
24	Special revenue funds:		
25	Private donations		10,000
26	Michigan veterans trust fund		3,685,200
27	Veterans license plate fund		50,000
28	State general fund/general purpose	\$	17,817,700



1	Sec. 104. MICHIGAN VETERANS FACILITY AUTHORITY		
2	Full-time equated classified positions	571.5	
3	Chesterfield Township home for veterans--FTEs	115.0	\$ 34,663,700
4	D.J. Jacobetti home for veterans--FTEs	200.0	26,342,500
5	Grand Rapids home for veterans--FTEs	238.0	39,801,000
6	Information technology services and projects		1,738,100
7	Michigan veteran homes administration--FTEs	18.0	4,920,500
8	Veterans cemetery--FTEs	0.5	133,100
9	GROSS APPROPRIATION		\$ 107,598,900
10	Appropriated from:		
11	Federal revenues:		
12	DVA - VHA		43,346,800
13	HHS - HCFA, Medicare, hospital insurance		1,345,300
14	HHS - HCFA title XIX, Medicaid		8,745,000
15	Special revenue funds:		
16	Income and assessments		6,303,000
17	State general fund/general purpose		\$ 47,858,800
18	Sec. 105. CAPITAL OUTLAY		
19	Armory maintenance	\$	1,000,000
20	Land and acquisitions		1,000,000
21	Special maintenance - National Guard		30,000,000
22	Special maintenance - veterans homes		500,000
23	GROSS APPROPRIATION		\$ 32,500,000
24	Appropriated from:		
25	Federal revenues:		
26	DOD - DOA - NGB		30,000,000
27	Special revenue funds:		
28	Michigan national guard construction fund		1,000,000



1	State general fund/general purpose	\$	1,500,000
2	Sec. 106. INFORMATION TECHNOLOGY		
3	Information technology services and projects	\$	677,700
4	GROSS APPROPRIATION	\$	677,700
5	Appropriated from:		
6	Federal revenues:		
7	DOD - DOA - NGB		157,900
8	State general fund/general purpose	\$	519,800
9	Sec. 107. ONE-TIME APPROPRIATIONS		
10	Selfridge air national guard base	\$	26,000,000
11	Eliminating veteran homelessness grants		2,500,000
12	Mitigating loss of federal funds		1,000,000
13	GROSS APPROPRIATION	\$	29,500,000
14	Appropriated from:		
15	Federal revenues:		
16	Special revenue funds:		
17	State general fund/general purpose	\$	29,500,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

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, 2026, total state spending under part 1 from state sources is \$142,538,300.00 and state spending under part 1 from state sources to be paid to local units of government is \$4,178,000.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:



DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

County veteran service grants	\$	4,041,200
Michigan veterans affairs agency administration		90,000
Military training sites and support facilities		46,500
TOTAL	\$	4,178,000

Sec. 202. The appropriations 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) "CMS" means the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services.

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

(c) "DHHS" means the department of health and human services.

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

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

(f) "IDG" means interdepartmental grant.

(g) "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 appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and



1 the state budget office.

2 (l) "USDVA" means the United States Department of Veterans
3 Affairs.

4 (m) "USDVA-VHA" means the USDVA Veterans Health
5 Administration.

6 (n) "VSO" means veterans service organization.

7 (o) "Veterans' facility" means that term as defined in section
8 2 of the Michigan veterans' facility authority act, 2016 PA 560,
9 MCL 36.102.

10 (p) "Work project" means that term as defined in section 404
11 of the management and budget act, 1984 PA 431, MCL 18.1404, and
12 that meets the criteria in section 451a(1) of the management and
13 budget act, 1984 PA 431, MCL 18.1451a.

14 Sec. 204. The department or agency shall use the internet to
15 fulfill the reporting requirements of this part. This requirement
16 includes transmitting reports to the standard report recipients by
17 email and posting the reports on an internet site.

18 Sec. 205. To the extent permissible under section 261 of the
19 management and budget act, 1984 PA 431, MCL 18.1261, all of the
20 following apply to the expenditure of funds appropriated in part 1:

21 (a) The funds must not be used for the purchase of foreign
22 goods or services, or both, if competitively priced and of
23 comparable quality American goods or services, or both, are
24 available.

25 (b) Preference must be given to goods or services, or both,
26 manufactured or provided by Michigan businesses, if they are
27 competitively priced and of comparable quality.

28 (c) Preference must be given to goods or services, or both,
29 that are manufactured or provided by Michigan businesses owned and



1 operated by veterans, if they are competitively priced and of
2 comparable quality.

3 (d) Preference must be given to goods or services, or both,
4 that are manufactured in facilities that employ union members.

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

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

22 (a) The dates of each travel occurrence.

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

27 Sec. 208. The department shall not use funds appropriated in
28 part 1 to hire a person to provide legal services that are the
29 responsibility of the attorney general. This section does not apply



1 to legal services for bonding activities or to outside legal
2 services that the attorney general authorizes.

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

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

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

24 (3) In addition to the funds appropriated in part 1, there is
25 appropriated an amount not to exceed \$250,000.00 for local
26 contingency authorization. These funds are not available for
27 expenditure until they have been transferred to another line item
28 in part 1 under section 393(2) of the management and budget act,
29 1984 PA 431, MCL 18.1393.



1 (4) In addition to the funds appropriated in part 1, there is
2 appropriated an amount not to exceed \$100,000.00 for private
3 contingency authorization. These funds are not available for
4 expenditure until they have been transferred to another line item
5 in part 1 under section 393(2) of the management and budget act,
6 1984 PA 431, MCL 18.1393.

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

12 (a) Fiscal year-to-date expenditures by category.

13 (b) Fiscal year-to-date expenditures by appropriation unit.

14 (c) Fiscal year-to-date payments to a selected vendor,
15 including the vendor name, payment date, payment amount, and
16 payment description.

17 (d) The number of active employees by job classification.

18 (e) Job specifications and wage rates.

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

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



1 (2) From the funds appropriated in part 1, local governments
2 shall report any action or policy that attempts to restrict or
3 interfere with the duties of a local health officer.

4 Sec. 215. To the extent permissible under the management and
5 budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director shall
6 take all reasonable steps to ensure geographically-disadvantaged
7 business enterprises compete for and perform contracts to provide
8 services or supplies, or both. The director shall strongly
9 encourage firms with which the department contracts to subcontract
10 with geographically-disadvantaged business enterprises for
11 services, supplies, or both. As used in this section,
12 "geographically-disadvantaged business enterprises" means that term
13 as defined by Executive Directive No. 2023-1.

14 Sec. 216. On a quarterly basis, the department shall submit to
15 the senate and house appropriations committees and to the standard
16 report recipients a report that includes all of the following
17 information:

18 (a) The number of FTE positions by pay status and civil
19 service classification.

20 (b) A comparison by line item of the number of FTEs authorized
21 from funds appropriated in part 1 to the actual number of FTEs
22 employed by the department at the end of the reporting period.

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

29 Sec. 220. Not later than April 1, the department shall report



1 on each specific policy change made to implement a public act
2 affecting the department that took effect during the previous
3 calendar year. The department shall submit the report to the
4 standard report recipients, to the senate and house appropriations
5 committees, and to the joint committee on administrative rules.

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

9 Sec. 223. Funds appropriated in part 1 for capital outlay must
10 be carried forward at the end of the fiscal year consistent with
11 section 248 of the management and budget act, 1984 PA 431, MCL
12 18.1248.

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

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

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

21 (b) The department's financial status, featuring a report of
22 budgeted versus actual expenditures by part 1 line item, including
23 a year-end projection of budget requirements.

24 (c) The number of active employees at the close of the
25 reporting period by job classification and departmental branch of
26 service.

27 Sec. 229. Not later than January 1, the department shall
28 submit an updated departmental strategic plan to the senate and
29 house appropriations subcommittees on the department budget and the



1 senate and house fiscal agencies.

2 Sec. 230. The state budget director shall take steps to ensure
3 that all state fiscal recovery funds allocated to this state under
4 the American rescue plan act of 2021, Public Law 117-2, are
5 expended by December 31, 2026, as required by law. A department or
6 agency receiving an appropriation under this part or part 1 must
7 notify the standard report recipients if an appropriation of funds
8 described under this section is projected to lapse.

9 Sec. 231. (1) General fund appropriations in part 1 shall not
10 be expended for items if federal funding or private grant funding
11 is available for the same expenditures.

12 (2) If the department is required to make a reduction in
13 expenditures under section 395(1) or (2) of the management and
14 budget act, 1984 PA 431, MCL 18.1395, for any appropriation under
15 this part or part 1, the department must notify the standard report
16 recipients not later than 10 days after the reduction. The
17 notification must include, but not be limited to, the following:

18 (a) A description of the fund source that is insufficient to
19 support the expenditures being reduced and the amount of the
20 reduction.

21 (b) A description of the cause for the reduction, if any such
22 cause is known.

23 (c) A description of the functions of state government or
24 services to residents that will be affected by the reduction.

25 Sec. 232. (1) Within 10 days after the effective date of this
26 act, the department must provide a report to the standard report
27 recipients containing the following information:

28 (a) A list of any sections in this part that the department
29 determines to be unenforceable, with a detailed legal rationale for



1 those determinations, as applicable.

2 (b) If a determination under subdivision (a) would affect the
3 operations of a program or programs within the department, the
4 department must report the estimated difference in cost between the
5 policy outlined in the section determined to be unenforceable and
6 the policy the department intends to pursue.

7 (2) The department may coordinate with the executive office of
8 the governor or other state departments or agencies to compile a
9 statewide report for any departments or agencies required to submit
10 a report substantially similar to the report described under
11 subsection (1).

12 Sec. 233. The department must provide a quarterly report to
13 the standard report recipients detailing federal policy changes
14 that do, or are expected to do, any of the following:

15 (a) Affect the operations of the department.

16 (b) Affect an industry, community, population, or other group
17 regulated or served by, or that otherwise engages with, the
18 department.

19 (c) Affect regulations that currently protect the public to
20 the extent that the regulations affect an industry, community,
21 population, or other group regulated or served by, or that
22 otherwise engages with, the department.

23 (d) Create a regulatory gap that could negatively impact the
24 public.

25 Sec. 234. (1) For any grant program or project funded in part
26 1 intended for a single recipient organization or unit of local
27 government, the grant program or project is for a public purpose
28 and the department shall follow procurement statutes of this state,
29 including any bidding requirements, unless the department can fully



1 validate, through information detailed in this part or public
2 supporting documents, both of the following:

3 (a) The specific organization or unit of local government that
4 will receive or administer the funds.

5 (b) How the funds will be administered and expended.

6 (2) To be eligible to receive a grant described in subsection
7 (1), both of the following must occur:

8 (a) A recipient must submit the application under subsection
9 (3) not later than 60 days after the effective date of this act.

10 (b) A recipient must be 1 of the following:

11 (i) A unit of local government, as that term is defined in
12 section 115 of the management and budget act, 1984 PA 431, MCL
13 18.1115.

14 (ii) An institution of higher education.

15 (iii) A state agency, as that term is defined in section 115 of
16 the management and budget act, 1984 PA 431, MCL 18.1115.

17 (iv) An entity registered with the department of licensing and
18 regulatory affairs or the department of attorney general that has
19 been in existence for at least the 12 months preceding the
20 effective date of this act.

21 (v) Another entity that can demonstrate, through state or
22 federal tax filings or other state or federal government records,
23 that it has been in existence for at least the 12 months preceding
24 the effective date of this act.

25 (3) Notwithstanding any other conditions or requirements for
26 direct appropriation grants, the department shall work with the
27 state budget office to perform at least all of the following
28 activities to administer the grants described in subsection (1):

29 (a) Develop a standard application process using the



1 electronic submission portal developed by the state budget office,
2 grantee reporting requirements, and any other necessary
3 documentation, including sponsorship information as specified under
4 subsection (4). If the electronic submission portal identified in
5 this subdivision is not fully functional by 60 days after the
6 effective date of this act, the state budget office shall ensure
7 that the standard application process and form are available
8 promptly and paper submission is acceptable. The state budget
9 office shall promptly submit application material received to the
10 department for departmental review.

11 (b) Establish a process to review, complete, and execute a
12 grant agreement with a grant recipient. The department shall not
13 execute a grant agreement unless all necessary documentation has
14 been submitted and reviewed.

15 (c) Verify to the extent possible that a grant recipient will
16 use funds for a public purpose that serves the economic prosperity,
17 health, safety, or general welfare of the residents of this state.

18 (d) Review and verify all necessary information to ensure the
19 grant recipient is reasonably able to execute the grant agreement,
20 perform its fiduciary duty, and comply with all applicable state
21 and federal statutes. The department may deduct the cost of
22 background checks and any other efforts performed as part of this
23 verification from the amount of the designated grant award.

24 (e) Establish a standard timeline to review all documents
25 submitted by grant recipients and provide a response within 45
26 business days stating whether submitted documents by a grant
27 recipient are sufficient or in need of additional information. If
28 additional information is needed, the 60-day deadline in subsection
29 (2) is considered to have been met if a sponsor has been identified



1 for that grant. If a grant recipient does not provide information
2 sufficient to execute a grant agreement not later than 60 days
3 after being notified by the department of grant approval, the
4 department shall return funds associated with the grant to the
5 state treasury.

6 (f) Make an initial disbursement of up to 50% of the grant to
7 the grant recipient not later than 60 days after a grant agreement
8 has been executed. Disbursements must be consistent with part II,
9 chapter 10, section 200 of the Financial Management Guide.

10 (g) Disburse the funds remaining after the initial
11 disbursement under subdivision (f) per the grant disbursement
12 schedule in the executed grant agreement on a reimbursement basis
13 after the grantee has provided sufficient documentation, as
14 determined by the department, to verify that expenditures were made
15 in accordance with the project purpose.

16 (4) The process for the identification and sponsorship of a
17 grant described in subsection (1) is as follows:

18 (a) Not later than the effective date of this act, the state
19 budget office shall provide an initial list of grants that require
20 legislative sponsorship to the legislature and shall make public an
21 initial list of grants that likely will be sponsored by the
22 department or by the state budget office.

23 (b) A sponsor of a grant described in subsection (1) must be a
24 legislator, the department, or the state budget office.

25 (c) A legislative sponsor must be identified through a letter
26 submitted by that legislator's office to the department and state
27 budget director containing the name of the grant recipient, the
28 intended amount of the grant, a certification from that legislator
29 that the grant is for a public purpose, and specific citation of



1 the section and subsection of the public act that authorizes the
2 grant, as applicable.

3 (d) Within 10 business days after the effective date of this
4 act, the senate and house of representatives shall compile an
5 initial list of legislative grant sponsors for their respective
6 chambers and submit those compiled lists to the state budget office
7 and the department, and the state budget office shall identify
8 department- or state budget office-sponsored grants. The state
9 budget director may grant an extension of this deadline of not more
10 than 30 days on a case-by-case basis. The state budget office shall
11 make the compiled lists public within 14 business days after the
12 effective date of this act.

13 (e) Not later than 60 days after the effective date of this
14 act, the state budget office shall publish a final list of grants
15 requiring sponsorship. If a legislative sponsor is not identified
16 within 60 days after the effective date of this act, the department
17 shall do 1 of the following:

18 (i) Identify the department or the state budget office as the
19 sponsor.

20 (ii) Decline to execute the grant agreement and lapse the
21 associated funds at the end of the fiscal year.

22 (f) At any point during the fiscal year, legislative grant
23 sponsors may be added to a grant request.

24 (5) An executed grant agreement under this section between the
25 department and a grant recipient must include at least all of the
26 following:

27 (a) All necessary identifying information for the grant
28 recipient, including any tax and financial information for the
29 department to administer funds under this section.



1 (b) A description of the project for which the grant funds
2 will be expended, including tentative timelines and the estimated
3 budget. The department shall not reimburse expenditures that are
4 outside of the project purpose, as stated in the executed grant
5 agreement, from appropriations in part 1. The grantee shall return
6 to the treasury any interest in excess of \$1,000.00 earned on the
7 grant funds while unexpended and in possession of the grantee.

8 (c) Unless otherwise specified in department policy, a
9 requirement that funds appropriated for the grants described in
10 subsection (1) may be used only for expenditures that occur on or
11 after the effective date of this act.

12 (d) A requirement for reporting by the grant recipient to the
13 department and the legislative sponsor that provides the status of
14 the project and an accounting of all funds expended by the grant
15 recipient, as determined by the department.

16 (e) A claw-back provision that allows the department of
17 treasury to recoup or otherwise collect any funds that are
18 declined, unspent, or otherwise misused.

19 (f) The signed legislative sponsorship letter required under
20 subsection (4), incorporated into the grant agreement and included
21 as an appendix or attachment.

22 (g) If a grant recipient has provided information sufficient
23 to execute a grant agreement, the state budget office shall
24 promptly transmit that information to the department for the
25 department's review of the grant application. If a grant recipient
26 has provided information sufficient to execute a grant agreement
27 within 60 days after the effective date of this act, but the grant
28 application needs technical fixes or additional legislative action,
29 as identified by the state budget office, the 60-day deadline in



1 this subdivision is considered to have been met, if a sponsor has
2 been identified for that grant. If a grant recipient does not
3 provide information sufficient to execute a grant agreement not
4 later than 60 days after being notified by the department of grant
5 approval, the department shall return funds associated with the
6 grant to the state treasury.

7 (6) If appropriate to improve the administration or oversight
8 of a grant described in subsection (1), the department may adopt a
9 memorandum of understanding with another state department to
10 perform the required duties under this section.

11 (7) A grant recipient shall respond to all reasonable
12 information requests from the department related to grant
13 expenditures and retain grant records for not less than 7 years,
14 and the grant may be subject to monitoring, site visits, and audits
15 as determined by the department. The grant agreement required under
16 this section must include signed assurance by the chief executive
17 officer or other executive officer of the grant recipient that the
18 requirements of this subsection will be met.

19 (8) The grant recipient shall expend all funds awarded and
20 complete all projects not later than September 30, 2030. If at that
21 time any unexpended funds remain, the grant recipient shall return
22 those funds to the state treasury.

23 (9) Any funds that are granted to a state department are
24 appropriated in that department for the purpose of the intended
25 grant.

26 (10) The state budget director may, on a case-by-case basis,
27 extend the deadline in subsection (8) on request by a grant
28 recipient if a sponsor has been identified for the grant. The state
29 budget director shall notify the chairs of the senate and house of



1 representatives appropriations committees not later than 5 days
2 after an extension is granted.

3 (11) By March 1 of the current fiscal year, the state budget
4 office shall post a report in a publicly accessible location on its
5 website. The report must list the grant recipient, project purpose,
6 and location of the project for each grant described in subsection
7 (1), the status of funds allocated and disbursed under the grant
8 agreement, and the legislative sponsor, if applicable. After March
9 1, the state budget office shall update the report monthly and
10 shall post the updated report each month. The state budget office
11 shall include in the report the most comprehensive information the
12 office has available at the time of posting for grants awarded. The
13 state budget office may compile the information required in this
14 report across all departments. The department shall assist the
15 state budget office with the compilation of the report required
16 under this subsection.

17 (12) On request, beginning 75 days after the effective date of
18 this act, the state budget office shall release information
19 received for grant applications.

20 (13) As applicable, the legislative sponsor of a grant
21 described in subsection (1) shall not sponsor a grant, or ask
22 another legislator to sponsor a grant, if there is a conflict of
23 interest related to the grant recipient.

24 (14) If the department reasonably determines that the funds
25 allocated for an executed grant agreement under this section were
26 misused or that use of the funds was misrepresented by the grant
27 recipient, the department shall not award any additional funds
28 under the executed grant agreement and shall refer the grant for
29 review following internal audit protocols.



MILITARY

Sec. 301. (1) Not later than October 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



1 as the community support provided to armories.

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

5 (f) A review of the status of construction activities and
6 expenditures of the armory modernization project funded in section
7 107 of article 10 of 2022 PA 166 and section 104 of 2022 PA 194.

8 Sec. 303. (1) The department shall maintain the MYCA to
9 provide values, skills, education, and self-discipline instruction
10 for at-risk youth as provided under 32 USC 509.

11 (2) The department shall take steps to recruit candidates to
12 the MYCA from economically-disadvantaged areas, including those
13 with low-income and high-unemployment backgrounds.

14 (3) The department shall partner with the DHHS to identify
15 youth who may be eligible for MYCA from those youth served by DHHS
16 services programs. The department shall give these eligible youth
17 priority for enrollment.

18 (4) The department shall maintain the MYCA to graduate at
19 least the target number of graduates consistent with the state's
20 cooperative agreement with the National Guard Bureau regarding
21 program operations.

22 (5) The department shall monitor individual academic success
23 as measured by the number of individuals who have received a
24 general equivalency diploma, high school diploma, or high school
25 credit recovery or by the improvement of tests of adult basic
26 education scores, or both.

27 (6) Any unexpended and unencumbered private donations to
28 support the MYCA at the close of this fiscal year do not lapse to
29 the general fund and must be carried forward to the subsequent



1 fiscal year.

2 Sec. 304. (1) Not later than January 15, the department shall
3 provide a report on the revenues, expenditures, and fund balance of
4 the military family relief fund. The department shall itemize
5 expenditures in the report by purpose, including, but not limited
6 to, for advertising and assistance grants. The report must also
7 include information on the number of applications for assistance
8 received, approved, and denied for the previous fiscal year.

9 (2) From the funds appropriated in part 1, the department
10 shall provide outreach to the Michigan families of members of the
11 reserve component of the Armed Forces of the United States called
12 into active duty on the availability of assistance through the
13 military family relief fund.

14 (3) As used in this section, "military family relief fund"
15 means the military relief fund created in section 3 of the military
16 family relief fund act, 2004 PA 363, MCL 35.1213.

17 Sec. 305. (1) The department shall do all of the following:

18 (a) Provide Army and Air National Guard forces, when directed,
19 for state and local emergencies and in support of national military
20 requirements.

21 (b) Operate and maintain Army National Guard training
22 facilities, including Fort Custer and Camp Grayling.

23 (c) Maintain a system that measures the condition and adequacy
24 of air facilities using both quality and functionality criteria.

25 (d) Operate and maintain Air National Guard air bases,
26 including Selfridge Air National Guard base, Battle Creek Air
27 National Guard base, and Alpena combat readiness training center.

28 (2) Not later than March 1, the department shall report the
29 following information for the previous calendar year:



1 (a) The apportioned and assigned strength of the Michigan Army
2 National Guard.

3 (b) The apportioned and assigned strength of the Michigan Air
4 National Guard.

5 (c) Recruiting, retention, and attrition data, including
6 measurement against stated performance goals, for the Michigan Army
7 National Guard.

8 (d) Recruiting, retention, and attrition data, including
9 measurement against stated performance goals, for the Michigan Air
10 National Guard.

11 Sec. 306. (1) The billeting fund is created within the state
12 treasury.

13 (2) The state treasurer shall deposit money and other assets
14 received from any source into the fund. The state treasurer shall
15 direct the investment of money in the fund and credit interest and
16 earnings from the investments to the fund.

17 (3) All of the fees and other revenues generated from the
18 operation of the chargeable transient quarters program must be
19 deposited in the fund.

20 (4) Money in the fund at the close of the fiscal year remains
21 in the fund and does not lapse to the general fund.

22 (5) The department is the administrator of the fund for
23 auditing purposes.

24 (6) The department shall expend money from the fund to support
25 program operations and the maintenance and operations of the
26 chargeable transient quarters program as appropriated in part 1.

27 (7) Not later than January 15, the department shall submit an
28 annual report of operations and expenditures regarding the fund for
29 the previous fiscal year.



1 Sec. 307. (1) The department shall maintain a Michigan
2 National Guard tuition assistance program under the Michigan
3 National Guard tuition assistance act, 2014 PA 259, MCL 32.431 to
4 32.434. The Michigan National Guard tuition assistance program must
5 do all of the following:

6 (a) Bolster military readiness by increasing recruitment and
7 retention of Michigan Army and Air National Guard members.

8 (b) Fill federally authorized strength levels for the state.

9 (c) Improve the Michigan Army and Air National Guard's
10 competitive draw from other military enlistment options in the
11 state.

12 (d) Enhance the ability of the Michigan Army and Air National
13 Guard to compete for guard members and federal dollars with
14 surrounding states.

15 (e) Increase the pool of eligible candidates within the
16 Michigan Army and Air National Guard to become commissioned
17 officers.

18 (2) The department shall make efforts to increase the number
19 of National Guard members who have received a credential or are
20 still enrolled in the Michigan National Guard tuition assistance
21 program after their initial term of enlistment. To evaluate the
22 effectiveness of the program, the department shall monitor the
23 number of new recruits and new reenlistments and the percentage of
24 those who become participants in the program to determine whether
25 the percentage of authorized Michigan Army and Air National Guard
26 strength obtained and retained is competitive in comparison with
27 the neighboring army and air national guards from Illinois,
28 Indiana, Ohio, and Wisconsin.

29 (3) Not later than March 1, the department shall provide a



1 report on the Michigan National Guard tuition assistance program.
2 The report must include the following information for the previous
3 fiscal year:

4 (a) The number of guard members, spouses, and children
5 receiving tuition assistance, broken down by the number of each
6 type of recipient.

7 (b) The educational institutions from which those guard
8 members received education or training under the program, broken
9 down by the number of each type of recipient.

10 (c) The total amount of financial assistance received by each
11 educational institution.

12 (d) The total funds expended on the program for financial
13 assistance for each type of recipient.

14 (e) The total funds expended on the program for administrative
15 costs of the department.

16 (f) The total number of applications for tuition assistance
17 denied.

18 (g) A list of any educational institutions and training
19 programs removed from eligibility and the rationale for that
20 removal.

21 (h) The balance of the Michigan National Guard tuition
22 assistance fund at the close of the fiscal year.

23 (i) An explanation of any identified barriers to the
24 successful utilization of the program, or other unmet needs of the
25 program and applicable proposals for legislative action to address
26 those barriers and needs.

27 (4) The general fund/general purpose funds appropriated in
28 part 1 for the Michigan National Guard tuition assistance fund must
29 be deposited into the restricted Michigan National Guard tuition



1 assistance fund. All funds in the restricted Michigan National
2 Guard tuition assistance fund are appropriated and available for
3 expenditure to support the Michigan National Guard tuition
4 assistance program.

5 (5) As used in this section, "Michigan National Guard tuition
6 assistance fund" means the Michigan National Guard tuition
7 assistance fund created in section 4 of the Michigan National Guard
8 tuition assistance act, 2014 PA 259, MCL 32.434.

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

15 Sec. 309. (1) The National Guard test projects fund is created
16 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.

21 (3) All of the fees and other revenues generated from the
22 operation of the test projects program shall be deposited in the
23 fund.

24 (4) Money in the fund at the close of the fiscal year remains
25 in the fund and does not lapse to the general fund.

26 (5) The department is the administrator of the fund for
27 auditing purposes.

28 (6) Money in the fund shall be available for expenditure for
29 the support of program operations as appropriated in part 1.



1 Sec. 310. (1) The morale, welfare, and recreation fund is
2 created within the state treasury.

3 (2) The state treasurer shall deposit money and other assets
4 received from any source into the fund. The state treasurer shall
5 direct the investment of money in the fund and shall credit
6 interest and earnings from the investments to the fund.

7 (3) The department is the administrator of the fund for
8 auditing purposes.

9 (4) All of the fees and other revenues generated from the
10 operation of the morale, welfare, and recreation program must be
11 deposited in the morale, welfare, and recreation fund. Money in the
12 fund is available for expenditure for the support of program
13 operations as appropriated in part 1.

14 (5) Money remaining in the fund at the close of the fiscal
15 year remains in the fund and does not lapse to the general fund.

16 Sec. 311. (1) The National Guard facilities rental fund is
17 created in the state treasury.

18 (2) The state treasurer shall deposit money and other assets
19 received from any source into the fund. The state treasurer shall
20 direct the investment of money in the fund and shall credit
21 interest and earnings from the investments to the fund.

22 (3) All of the fees and other revenues generated from the
23 operation of the National Guard facilities rental program must be
24 deposited in the fund.

25 (4) Money in the fund at the close of the fiscal year remains
26 in the fund and does not lapse to the general fund.

27 (5) The department is the administrator of the fund for
28 auditing purposes.

29 (6) Money in the fund is available for expenditure for the



1 support of program operations as appropriated in part 1.

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

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

11 Sec. 314. (1) Subject to subsection (3), the department shall
12 maintain a child care assistance program.

13 (2) Not later than March 1, the department shall provide a
14 report on the child care assistance program that includes the
15 following information:

16 (a) The number of members eligible for child care assistance
17 under the program, by service branch, receiving a child care
18 stipend and the total number of National Guard members by service
19 branch.

20 (b) The number of children for whom a stipend is paid and the
21 associated number of hours paid, by an eligible member's service
22 branch.

23 (c) The hourly rate paid.

24 (d) Program expenditures paid for child care stipends.

25 (e) Program expenditures paid for administrative costs.

26 (f) Other pertinent information on the program's operations
27 and administration.

28 (3) This section does not apply unless legislation of the
29 103rd Legislature creating a child care assistance program is



1 enacted into law.

2 Sec. 315. (1) Subject to subsection (7), the Michigan National
3 Guard member benefit fund is created within the state treasury.

4 (2) The state treasurer shall deposit money and other assets
5 received from any source into the fund. The state treasurer shall
6 direct the investment of money in the fund and credit interest and
7 earnings from the investments to the fund.

8 (3) Money in the fund at the close of the fiscal year remains
9 in the fund and does not lapse to the general fund.

10 (4) The department is the administrator of the fund for
11 auditing purposes.

12 (5) Money in the fund shall be available for expenditure for
13 the support of the following programs:

14 (a) The Michigan National Guard tuition assistance program
15 created under the Michigan National Guard tuitions assistance act,
16 2014 PA 259, MCL 32.431 to 32.434, and maintained under section
17 307.

18 (b) The child care assistance program maintained under section
19 314.

20 (6) Not later than March 1, the department shall provide a
21 report detailing the revenues, the expenditures from the fund
22 delineated by each program under subsection (5), and the starting
23 and year-end balances of the fund.

24 (7) This section does not apply unless legislation of the
25 103rd Legislature creating a child care assistance program is
26 enacted into law.

27
28 **MICHIGAN VETERANS AFFAIRS AGENCY**

29 Sec. 404. (1) Money privately donated to the department for



1 the MVAA in excess of the appropriation in part 1 is appropriated
2 and available for expenditure for the benefit and life enrichment
3 of veterans and for the purpose designated by the private source,
4 if specified and in compliance with this section.

5 (2) Any unexpended and unencumbered private donations to
6 support the MVAA at the close of this fiscal year do not lapse to
7 the general fund and must be carried forward to the subsequent
8 fiscal year.

9 (3) Not later than January 15, the department must submit a
10 report that provides an itemized listing of private donations
11 received by the department for the MVAA for the previous fiscal
12 year and the purpose for which the funds will be, or were,
13 expended, if known. In addition to the annual report required under
14 this subsection, if a donation described under this section is
15 \$10,000.00 or greater, the department must submit a report within
16 14 calendar days after receiving that donation providing the amount
17 of the donation and the purpose for which the funds will be
18 expended, if known.

19 Sec. 405. (1) The Michigan veterans' trust fund board together
20 with the MVAA shall provide emergency grants for disbursement from
21 the Michigan veterans' trust fund, as provided under the following
22 program authorities:

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

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

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

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

28 (2) Not later than January 31, the MVAA shall provide a
29 detailed report of the Michigan veterans' trust fund that includes,



1 for the previous fiscal year, the following information:

2 (a) Details concerning the methodology of allocations and the
3 selection of emergency grant program authorized agents.

4 (b) A description of how the emergency grant program is
5 administered in each county.

6 (c) A detailed breakdown of the Michigan veterans' trust fund
7 expenditures for the emergency grant program, including the amount
8 distributed to each county for operating costs, administrative
9 costs and emergency grants.

10 (d) Expenditures for state operating costs and administrative
11 costs.

12 (e) The number of approved emergency grant applications, by
13 category of assistance, and the number of denied applications, by
14 reason of denial.

15 (f) A description of the MVAA's efforts to reduce program
16 administrative costs and maintain the Michigan veterans' trust fund
17 corpus at or above its original amount of \$50,000,000.00.

18 (g) The overall financial status of the Michigan veterans'
19 trust fund, including revenues and year-end balance.

20 (h) Expenditures for program partnerships, delineated by
21 organization, and expenditures for any other program initiatives.

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

23 (a) Provide outreach services to Michigan veterans to advise
24 them on the benefits to which they are entitled, as provided under
25 Executive Reorganization Order No. 2013-2, MCL 32.92.

26 (b) Develop and operate an outreach program that communicates
27 benefit eligibility information to at least 50% of Michigan's
28 population of veterans, as assessed by annual census estimates,
29 with a goal of reaching 100% and enabling 100% to access benefit



1 information online.

2 (c) Communicate veteran benefit information pertaining to the
3 Michigan military family relief fund, Michigan veterans' trust
4 fund, and USDVA health, financial, and memorial benefits to which
5 veterans are entitled.

6 (d) Fulfill requests for military discharge certificates (DD-
7 214) upon request.

8 (e) Not later than January 15, submit a report providing, to
9 the extent known, data on the estimated number of homeless
10 veterans, by county, in this state.

11 (f) Not later than January 1, submit a report on the
12 percentage of Michigan veterans contacted through its outreach
13 programs, with a goal of 90%, and report that percentage on the
14 status of outreach.

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

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

20 (b) Coordinate services with all state departments and
21 agencies.

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

24 (d) Coordinate activities among 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
28 local level.

29 (e) Work with MVAA service officers, county veteran



1 counselors, VSO service officers, and other service providers to
2 increase awareness of available mental health care resources and
3 support services veterans may be eligible to receive.

4 (f) Coordinate with the DHHS to identify Medicaid recipients
5 who are veterans and who may be eligible for federal veterans
6 health care benefits or other benefits, to the extent that the
7 identification does not violate applicable confidentiality
8 requirements.

9 (g) Collaborate with the department of corrections to create
10 and maintain a process by which prisoners can obtain a copy of
11 their DD-214 form or other military discharge documentation if
12 necessary.

13 (h) Ensure that all MVAA service officers and VSO service
14 officers receive appropriate training in processing applications
15 for benefits payable to veterans due to military sexual trauma,
16 post-traumatic stress disorder, depression, anxiety, substance use
17 disorder, or other mental health issues.

18 Sec. 410. (1) The MVAA shall provide claims processing
19 services to Michigan veterans in support of benefit claims
20 submitted to the USDVA for the health, financial, and memorial
21 benefits for which they are eligible. The MVAA shall report
22 annually on the number of benefit claims, by type, submitted to the
23 USDVA by MVAA and maintain the staffing and resources necessary to
24 process a minimum of 500 claims per year.

25 (2) The MVAA shall develop and implement a process to ensure
26 that all county veterans counselors receive the training and
27 accreditation necessary to provide quality services to veterans and
28 shall report information annually on the number and percentage of
29 county veterans counselors trained by the MVAA, and the number and



1 percentage who received funding from the MVAA to attend training,
2 with an overall goal of 100% of county veterans counselors trained.

3 (3) From the funds appropriated in part 1 for MVAA, the MVAA
4 is authorized to expend up to \$100,000.00 to hire legal services to
5 represent veterans benefit cases before federal court to maintain
6 accreditation under 38 CFR 14.628(d)(1)(iv).

7 Sec. 411. (1) From the funds appropriated in part 1 for
8 veterans service grants, the MVAA shall establish, administer, and
9 award competitive grants to 1 or more congressionally chartered
10 VSOs or a coalition of VSOs. The MVAA shall award grants to support
11 efforts to connect veterans and their dependents with federal
12 compensation and pension benefits and state veterans' benefits,
13 including emergency grants through the Michigan veterans' trust
14 fund and other local or nonprofit assistance that may be available
15 to veterans and their dependents. The MVAA shall establish a
16 competitive grant process that satisfies all of the following:

17 (a) Utilizes a service provision model to provide services
18 across the state and can be tracked regionally to ensure that
19 veterans and their dependents in this state, including those within
20 tribal communities, are provided with services, advocacy, and
21 outreach as close to the communities in which they live as
22 possible.

23 (b) Ensures that grantees are providing adequate veteran
24 services and advocacy, through in-person and virtual meetings, that
25 enables the organization to meet performance goals established in
26 the grant agreement.

27 (c) Fosters innovative and transformative approaches and
28 techniques for the grantee to use when providing services,
29 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 their earliest release date.

(f) Ensures that each grantee is issued performance goals.

(g) Ensures that each grantee expends grant awards as 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.

(ii) The number and type of claims originated and submitted by the grantee to the USDVA.

(iii) The number and type of claims originated by an organization other than the grantee and submitted by the grantee to 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



1 act, 1984 PA 431, MCL 18.1141 and 18.1485.

2 (b) When establishing, modifying, or amending the competitive
3 grant process described in subsection (1), consult and collaborate
4 with congressionally chartered VSOs in the state, or a coalition of
5 VSOs, and other stakeholders to ensure a comprehensive approach to
6 providing services, advocacy, and outreach to veterans and their
7 dependents.

8 (c) Provide notice to current grantees of any MVAA-proposed
9 modifications or amendments to the competitive grant process and
10 provide those grantees with an opportunity to respond through
11 written communication.

12 (d) Assess the accuracy rate of claims reported by grantees.

13 (e) Review and audit grantees' expenditure of grant funds to
14 ensure compliance with the grant agreement, as provided under
15 section 470 of the management and budget act, 1984 PA 431, MCL
16 18.1470.

17 (3) Not later than January 15, the MVAA shall provide a report
18 summarizing grant activities for the previous fiscal year,
19 including the amount of expenditures, number of service and
20 advocacy hours, number of claims for benefits submitted by type of
21 claim, and other information deemed appropriate by the MVAA.

22 (4) From the funds appropriated in part 1 for veterans service
23 grants, \$214,000.00 must be allocated to cover necessary
24 administrative and implementation costs incurred by the MVAA.

25 (5) The unexpended funds appropriated in part 1 for veterans
26 service grants are designated as a work project appropriation, and
27 any unencumbered or unallotted funds do not lapse at the end of the
28 fiscal year and must be available for expenditures for projects
29 under this section until the projects have been completed. The



1 following is in compliance with section 451a of the management and
2 budget act, 1984 PA 431, MCL 18.1451a:

3 (a) The purpose of the project is to administer and award
4 competitive grants to 1 or more congressionally chartered VSOs or a
5 coalition of VSOs.

6 (b) The project will be accomplished by state employees and
7 grantees.

8 (c) The tentative completion date is September 30, 2027.

9 Sec. 413. (1) The funds appropriated in part 1 for county
10 veteran service grants must be deposited into the restricted county
11 veteran service fund created in section 3a of 1953 PA 192, MCL
12 35.623a. All available funds in the restricted county veteran
13 service fund are appropriated and available for expenditure as
14 provided by law.

15 (2) From the restricted county veteran service fund created in
16 section 3a of 1953 PA 192, MCL 35.623a, \$214,000.00 must be
17 allocated to the MVAA to cover necessary administrative and
18 implementation costs incurred by the MVAA.

19 (3) The MVAA shall provide a report not later than January 15
20 that includes the following information for the previous fiscal
21 year:

22 (a) A list of counties that received a grant under this
23 section.

24 (b) The total amount of grant funding each county received
25 including any amount of funding provided under the emergent need
26 relief program pursuant to section 3a(10) of 1953 PA 192, MCL
27 35.623a.

28 (c) A summary of each county's expenditures of grant funding.

29 (d) The amount of any unexpended grant funding disbursed to



1 the counties that has been recovered and returned to the county
2 veteran service fund.

3 (e) The balance of the county veteran service fund at the
4 close of the fiscal year.

5 (f) A list of counties that have requested funds in the
6 current fiscal year, the amount requested by each county, and the
7 total of these amounts.

8 (g) A list of counties that did not request funds in the
9 current fiscal year.

10 (h) The amount of any funds recovered by the MVAA through the
11 MVAA's finding of misused grant funds.

12 (i) An explanation of any obstacles or reasons for counties
13 not applying for or spending their eligible amount of grant
14 funding.

15 (j) The amount expended by the MVAA for grant administration
16 and implementation costs.

17 Sec. 414. Not later than February 1, the department shall
18 provide a report on the status of the construction, operations, and
19 finances of the state veterans cemetery under the veterans cemetery
20 act, 2022 PA 267, MCL 35.1251 to 35.1259.

21 Sec. 415. Not later than January 1, the MVAA shall submit a
22 report that includes all of the following:

23 (a) An analysis on the scope of homelessness among the state's
24 veteran population, including the estimated number of homeless
25 veterans, by county.

26 (b) Challenges to securing housing for homeless veterans.

27 (c) Recommendations for future long-term partnerships between
28 the Michigan state housing development authority, the MVAA,
29 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.

(d) Activities of the MVAA in the previous fiscal year to support homeless veterans or eliminate homelessness among veterans.

Sec. 416. From the funds appropriated in part 1, the department may partner with the DHHS to facilitate and administer a program to contract with or provide grants to local health care providers to accelerate the clinical research and deployment of promising investigational treatments for suicide prevention that have been granted breakthrough therapy designation by the United States Food and Drug Administration and are eligible for expanded access as defined by the United States Food and Drug Administration, specifically for the treatment of post-traumatic stress disorder, major depressive disorder, or treatment-resistant depression in veterans of the United States military and first responders.

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) Any unexpended or unencumbered private donations to support the MVH, the MVFA, or a veterans facility at the close of the fiscal year do not lapse to the general fund and must be carried forward to the subsequent fiscal year.



1 (3) Not later than January 31, the MVH must submit a report
2 that provides an itemized listing of the private donations received
3 by the MVH, the MVHA, or a veterans facility and the purpose for
4 which the funds will be, or were, expended, if known. In addition
5 to the annual report required under this subsection, if the MVH,
6 the MVFA, or a veterans' facility receives a private donation that
7 is \$10,000.00 or greater, the MVH must submit a report within 14
8 calendar days after receiving that donation providing the amount of
9 the donation and the purpose for which the funds are to be
10 expended, if known.

11 Sec. 502. (1) From the funds appropriated in part 1, the MVH
12 and the MVFA shall provide compassionate and quality nursing care
13 services at each veterans' facility in this state so that resident
14 members can achieve their highest potential of wellness,
15 independence, self-worth, and dignity. The MVFA and the MVH shall
16 provide nursing care services to veterans in accordance with
17 federal standards and report the results of the annual USDVA and
18 CMS surveys and certification as proof of compliance.

19 (2) Appropriations in part 1 for a veterans' facility shall
20 not be used for any purpose other than expenses related to the
21 operations of the veterans' facility.

22 Sec. 503. All contractors providing health care services at a
23 veterans' facility shall provide services in a manner that complies
24 with applicable USDVA and CMS regulations for state veterans' homes
25 and skilled nursing facilities, any rules governing the operation
26 of nursing homes licensed in this state, and any training and
27 education requirements associated with staff licensure or
28 certification.

29 Sec. 504. (1) The MVFA shall report and investigate all



1 complaints of abuse or neglect at a veterans' facility in
2 compliance with USDVA and CMS regulations for state veterans' homes
3 and skilled nursing facilities. The MVFA shall report on a
4 bimonthly basis the following information:

5 (a) A description of the process by which resident members and
6 others may file complaints of alleged abuse or neglect at a
7 veterans' facility.

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

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

12 (2) The MVFA shall display in high-traffic areas throughout
13 the veterans' facility the process by which visitors, resident
14 members, and staff of the veterans' facility may register
15 complaints.

16 Sec. 505. The MVH shall do the following regarding member
17 care:

18 (a) Provide board-certified psychiatric care for all resident
19 members with mental health disorders in order to ensure that those
20 resident members receive needed services in a professional and
21 timely manner.

22 (b) Provide all resident members and staff a safe and secure
23 environment.

24 (c) Ensure that the veterans' facility effectively develops,
25 executes, and monitors all comprehensive care plans in accordance
26 with federal regulations and the veterans' facility's internal
27 policies, with a goal that a comprehensive care plan is fully
28 developed for all resident members.

29 Sec. 506. The MVH shall establish and implement internal



1 controls regarding all of the following:

2 (a) The use and management of food, maintenance, and
3 pharmaceutical and medical supply inventories.

4 (b) Calculating resident member maintenance assessments in
5 order to accurately calculate resident member maintenance
6 assessments for each billing cycle and ensure that all past due
7 resident member maintenance assessments are addressed within 30
8 days.

9 (c) Monetary donations and donated goods.

10 (d) The handling of resident member funds to ensure the
11 release of funds within 15 calendar days upon the resident member
12 leaving the home and to ensure that a representative of a resident
13 member is provided a full accounting of that resident member's
14 funds within 30 calendar days after the death of that resident
15 member.

16 (e) Financial reporting and accounting.

17 Sec. 507. (1) The MVH shall post on its website the following:

18 (a) All policies adopted by the MVFA and the veterans'
19 facility related to the administrative operations of the veterans'
20 facility.

21 (b) The agenda and minutes of public meetings of the MVFA
22 board.

23 (2) The MVH shall provide a report with copies of each
24 veterans' facility's USDVA State Veteran Home quarterly report.
25 These quarterly reports shall also be posted on the MVH website and
26 these reports must include statistics and information that
27 demonstrates the performance of MVH compared to available state and
28 national veterans' homes or nursing homes.

29 (3) Not later than January 31, the MVH shall provide a report



1 on the following:

2 (a) Census data for each veterans' facility, including
3 information on level of care, service era of its resident members,
4 payer source, and average income and assessment rate.

5 (b) Per patient daily care hours provided by each veterans'
6 facility, by level of care.

7 (4) The MVH shall provide a bimonthly report on the financial
8 status of each veterans' facility and central MVFA/MVH
9 administration. Information shall include, but not be limited to,
10 actual year-to-date and projected year-end revenues and
11 expenditures, by fund source.

12 (5) The MVH shall provide a report on the results of any
13 annual or for-cause survey conducted by any entity with oversight
14 over the veterans' facility and any corresponding corrective action
15 plan. This information shall also be made available publicly
16 through the MVH website.

17 (6) In addition to the information required under section
18 12(1) of the Michigan veterans' facility authority act, 2016 PA
19 560, MCL 36.112, not later than January 31, the MVFA shall provide
20 a report detailing the strategies and actions taken to maximize
21 revenues from non-general fund sources and cost savings strategies.

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



1 Sec. 509. Not later than January 31, the MVFA shall provide a
2 report on the construction, operation, and finances of the new
3 Marquette veterans home funded in article 14 of 2022 PA 166.

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

8 Sec. 511. The department, with the approval of the state
9 budget office, is authorized to realign federal revenues sources of
10 the MVFA. This realignment of federal fund sourcing must not
11 produce a gross increase or decrease in the total authorization for
12 the individual MVFA line-item appropriations. The department shall
13 provide a quarterly report to the standard report recipients on
14 actions taken under this section.

15
16 **CAPITAL OUTLAY**

17 Sec. 601. (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 annually.

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

29 (2) Not later than January 15, the department shall provide a



1 report providing information on the status, projected costs, and
2 projected completion date of current and planned special
3 maintenance projects at the armories and other National Guard
4 facilities funded from capital outlay appropriations made in part 1
5 and in previous fiscal years.

6 Sec. 603. (1) The appropriations for special maintenance -
7 veterans' facility must be expended in accordance with the
8 requirements of section 502 and must be expended according to the
9 maintenance priorities of the MVFA to repair and modernize the
10 state's veterans' facility, which may include physical plant
11 expansions, renovations, or enhancements, and other projects
12 designed to enhance the quality of life and medical care of
13 resident members.

14 (2) Not later than January 15, the MVH shall provide a report
15 providing information on the status, projected costs, and projected
16 completion date of current and planned special maintenance projects
17 at each veterans' facility funded from capital outlay
18 appropriations made in part 1 and in previous fiscal years.

19
20 **ONE-TIME APPROPRIATIONS**

21 Sec. 701. (1) From the funds appropriated in part 1 for
22 eliminating veteran homelessness grants, the MVAA shall create and
23 operate a grant program that provides grants not to exceed
24 \$250,000.00 to Michigan-based nonprofit organizations that provide,
25 or assist in providing, housing for homeless veterans or their
26 families, or both. The MVAA shall award grants to support efforts
27 to reduce or eliminate homelessness among veterans in this state by
28 supporting costs of housing veterans or their families, or both.
29 The MVAA shall develop criteria for determining grant eligibility



1 in accordance with this section. A grant must be disbursed within
2 60 days after the date that the MVAA receives a completed and
3 signed grant agreement from the nonprofit organization requesting
4 the grant. Grant funding must be used to support costs related to
5 housing or other activities that assist homeless veterans and their
6 families to avoid homelessness.

7 (2) Not later than January 1, the MVAA shall provide a report
8 summarizing grant activities for the fiscal year ending September
9 30, 2026, and shall include the following information for each
10 grant issued under this grant program:

11 (a) The name of each grant recipient.

12 (b) The location, city, and county of each grant recipient.

13 (c) The amount of the grant provided.

14 (d) A brief summary of expenditures of grant funding.

15 (3) The unexpended funds appropriated in part 1 for
16 eliminating veteran homelessness grants are designated as a work
17 project appropriation, and any unencumbered or unallotted funds do
18 not lapse at the end of the fiscal year and must be available for
19 expenditures for projects under this section until the projects
20 have been completed. The following is in compliance with section
21 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

22 (a) The purpose of the project is to make grants to Michigan-
23 based nonprofit organizations that provide, or assist in providing,
24 shelter and housing for veterans or their families, or both. The
25 grants must support efforts to reduce or eliminate homelessness
26 among veterans in this state by supporting costs of sheltering and
27 housing veterans or their families, or both.

28 (b) The project will be accomplished by state employees and
29 grantees.



1 (c) The total estimated cost of the project is \$2,500,000.00.

2 (d) The tentative completion date is September 30, 2029.

3 (4) As used in this section:

4 (a) "Veteran" means an individual who served in the United
5 States Armed Forces, including the reserve components and National
6 Guard, and was discharged or released under conditions other than
7 dishonorable. Veteran includes an individual who died while on
8 active duty in the United States Armed Forces.

9 (b) "Homeless" means that term as defined in section 103 of
10 the McKinney-Vento homeless assistance act of 2009, 42 USC 11302.

11 Sec. 702. Funds appropriated in part 1 for Selfridge Air
12 National Guard Base must be used to support costs of complying with
13 air installation compatible use zone program recommendations,
14 including, but not limited to, both of the following:

15 (a) Capital improvements necessary to shift the runway to the
16 north and repair airfield and non-airfield features of the base and
17 surrounding community impacted by the shift.

18 (b) Infrastructure projects repairing roadways, vehicle access
19 to the base and museum, stormwater drain and culvert repairs and
20 modernization, force protection features, and airfield features.

21 Sec. 703. From the funds appropriated in part 1 for mitigating
22 loss of federal funds, the department shall attempt to reach out to
23 those veterans who have jobs that have been adversely impacted or
24 lost due to reductions in federal funds and use its resources to
25 help reengage those veterans back into the workforce.

