

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning

Senate Bill No. 187, entitled

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2014; and to provide for the expenditure of the appropriations.

Recommends:

First: That the House recede from the Substitute of the House as passed by the House.

Second: That the Senate and House agree to the Substitute of the Senate as passed by the Senate, amended to read as follows:

(attached)

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2014; and to provide for the expenditure of the appropriations.

Patrick Colbeck

Nancy E. Jenkins

Roger Kahn

Peter MacGregor

Vincent Gregory

Sarah Roberts

Conferees for the Senate

Conferees for the House

**SUBSTITUTE FOR
SENATE BILL NO. 187**

A bill to make appropriations for the department of military and veterans affairs for the fiscal year ending September 30, 2014; 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. Subject to the conditions set forth in this act, the
4 amounts listed in this part for the department of military and
5 veterans affairs are appropriated for the fiscal year ending
6 September 30, 2014 from the funds indicated in this part. The
7 following is a summary of the appropriations in this part:

8 **DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

9 APPROPRIATION SUMMARY

1	Full-time equated unclassified positions.....	9.0	
2	Full-time equated classified positions.....	889.5	
3	GROSS APPROPRIATION.....		\$ 166,730,000
4	Total interdepartmental grants and intradepartmental		
5	transfers		650,000
6	Schedule of interdepartmental grant revenue sources:		
7	IDG, state police	650,000	
8	ADJUSTED GROSS APPROPRIATION.....		\$ 166,080,000
9	Total federal revenues.....		89,782,700
10	Schedule of federal revenue sources:		
11	DOD-DOA-NGB	59,893,200	
12	DVA-VHA	26,817,000	
13	HHS-HCFA, Medicare, hospital insurance.....	2,934,900	
14	HHS-HCFA, title XIX, Medicaid.....	87,600	
15	Federal counter narcotics revenues.....	50,000	
16	Total local revenues.....		1,500,000
17	Schedule of local revenue sources:		
18	Local - school aid fund	1,500,000	
19	Total private revenues.....		740,000
20	Schedule of private revenue sources:		
21	Private - veterans' home post and posthumous		
22	funds	540,000	
23	Private donations	200,000	
24	Total other state restricted revenues		27,554,000
25	Schedule of restricted revenue sources:		
26	Rental fees	346,400	
27	Mackinac Bridge authority	70,000	

1	Test project fees	100,000	
2	Income and assessments	19,832,100	
3	Lease revenue	12,200	
4	Michigan veterans trust fund	5,193,300	
5	Michigan national guard construction fund..	1,000,000	
6	Military family relief fund	1,000,000	
7	State general fund/general purpose.....	\$	46,503,300
8	State general fund/general purpose schedule:		
9	Ongoing state general fund/general		
10	purpose	41,003,300	
11	One-time state general fund/general		
12	purpose	5,500,000	
13	Sec. 102. MILITARY		
14	Full-time equated unclassified positions.....	9.0	
15	Full-time equated classified positions.....	324.0	
16	Unclassified positions.....	\$	1,336,700
17	Military.....		<u>56,732,300</u>
18	GROSS APPROPRIATION.....	\$	58,069,000
19	Appropriated from:		
20	Interdepartmental grant revenues.....		650,000
21	Federal revenues.....		43,051,200
22	Local revenues.....		1,500,000
23	Private revenues.....		200,000
24	State restricted revenues.....		1,517,800
25	State general fund/general purpose.....	\$	11,150,000
26	Schedule of programs:		
27	Armories and joint force readiness.....	14,476,300	

1	Maintenance and operations of national		
2	guard training facilities and air bases .	31,734,300	
3	ChalleNGe program	4,502,000	
4	Military family relief fund	600,000	
5	Support services	1,973,200	
6	Starbase grant	2,322,000	
7	Information technology services and		
8	projects	1,124,500	
9	Sec. 103. MICHIGAN VETERANS AFFAIRS AGENCY		
10	Full-time equated classified positions.....	565.5	
11	Michigan veterans affairs agency.....	\$	13,114,900
12	Homes.....		<u>68,194,900</u>
13	GROSS APPROPRIATION.....	\$	81,309,800
14	Appropriated from:		
15	Federal revenues.....		29,431,500
16	Private revenues.....		540,000
17	State restricted revenues.....		25,036,200
18	State general fund/general purpose.....	\$	26,302,100
19	Schedule of programs:		
20	Veterans affairs agency administration.....	5,017,000	
21	Veterans advice, advocacy, and assistance		
22	grants	2,904,600	
23	Veterans' trust fund administration.....	1,446,800	
24	Veterans' trust fund grants	3,746,500	
25	Grand Rapids veterans' home	47,869,900	
26	Board of managers (Grand Rapids home).....	665,000	
27	D.J. Jacobetti veterans' home.....	19,385,000	

1 Board of managers (Jacobetti home)..... 275,000

2 **Sec. 104. CAPITAL OUTLAY**

3 Special maintenance - headquarters and armories..... \$ 20,351,200

4 Special maintenance - veterans' homes..... 500,000

5 Land acquisitions and appraisals..... 1,000,000

6 GROSS APPROPRIATION..... \$ 21,851,200

7 Appropriated from:

8 Federal revenues..... 17,300,000

9 State restricted revenues..... 1,000,000

10 State general fund/general purpose..... \$ 3,551,200

11 **Sec. 105. ONE-TIME APPROPRIATIONS**

12 Veterans service delivery initiative..... \$ 3,955,000

13 County counselor education and training expenses..... 45,000

14 Veterans affairs agency computer upgrade..... 1,500,000

15 GROSS APPROPRIATION..... \$ 5,500,000

16 Appropriated from:

17 State general fund/ general purpose..... \$ 5,500,000

18 **PART 2**

19 **PROVISIONS CONCERNING APPROPRIATIONS**

20 **FOR FISCAL YEAR 2013-2014**

21 **GENERAL SECTIONS**

22 Sec. 201. Pursuant to section 30 of article IX of the state

23 constitution of 1963, total state spending from state resources

24 under part 1 for fiscal year 2013-2014 is \$74,057,300.00 and state

25 spending from state resources to be paid to local units of

government for fiscal year 2013-2014 is \$165,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

Headquarters and armories..... \$ 70,000

Schedule of programs:

Payments in lieu of taxes 70,000

Veterans affairs agency administration..... \$ 50,000

Schedule of programs:

County counselor education and training

expenses 50,000

One-time appropriations: county counselor education and

training expenses 45,000

TOTAL..... \$ 165,000

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

Sec. 203. As used in this act:

(a) "Agency" means the Michigan veterans affairs agency.

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

(c) "DOD" means the United States department of defense.

(d) "DOD-DOA-NGB" means the DOD department of the army, national guard bureau.

(e) "DVA" means the United States department of veterans affairs.

(f) "DVA-VHA" means the DVA veterans health administration.

1 (g) "FTE" means full-time equated.

2 (h) "HHS" means the United States department of health and
3 human services.

4 (i) "IDG" means interdepartmental grant.

5 (j) "Large veterans service organization" means a VSO that can
6 certify that its membership exceeds 30,000 individuals.

7 (k) "Medium veterans service organization" means a VSO that
8 can certify that its membership is between 2,500 and 30,000
9 individuals.

10 (l) "Small veterans service organization" means a VSO that can
11 certify that its membership is between 1,000 and 2,499 individuals.

12 (m) "Subcommittees" means all members of the subcommittees of
13 the senate and house appropriations committees with jurisdiction
14 over the budget of the department.

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

16 (o) "Work project" means a group of activities featuring a
17 fixed duration, budget, and scope that is expected to cause a
18 measurable change in the delivery, efficiency, or effectiveness of
19 1 or more operations.

20 Sec. 204. The appropriations from part 1 for interdepartmental
21 grant funds received by the department from sources outside the
22 department consist of \$650,000.00 from the department of state
23 police.

24 Sec. 206. (1) In addition to the funds appropriated in part 1,
25 there is appropriated an amount not to exceed \$10,000,000.00 for
26 federal contingency funds. These funds are not available for
27 expenditure until they have been transferred to another line item

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

3 (2) In addition to the funds appropriated in part 1, there is
4 appropriated an amount not to exceed \$2,000,000.00 for state
5 restricted contingency funds. These funds are not available for
6 expenditure until they have been transferred to another line item
7 in this act under section 393(2) of the management and budget act,
8 1984 PA 431, MCL 18.1393.

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

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

21 Sec. 207. The department shall cooperate with the department
22 of technology, management, and budget to maintain a searchable
23 website that is accessible by the public at no cost that includes,
24 but is not limited to, all of the following:

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

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

27 (c) Fiscal year-to-date payments to a selected vendor,

1 including the vendor name, payment date, payment amount, and
2 payment description.

3 (d) The number of active department employees by job
4 classification.

5 (e) Job specifications and wage rates.

6 Sec. 208. The departments and agencies receiving
7 appropriations in part 1 shall use the Internet to fulfill the
8 reporting requirements of this act. This requirement may include
9 transmission of reports via electronic mail to the recipients
10 identified for each reporting requirement, or it may include
11 placement of reports on an Internet or Intranet site.

12 Sec. 209. Funds appropriated in part 1 shall not be used for
13 the purchase of foreign goods or services, or both, if
14 competitively priced and of comparable quality American goods or
15 services, or both, are available. Preference shall be given to
16 goods or services, or both, manufactured or provided by Michigan
17 businesses, if they are competitively priced and of comparable
18 quality. In addition, preference shall be given to goods or
19 services, or both, that are manufactured or provided by Michigan
20 businesses owned and operated by veterans, if they are
21 competitively priced and of comparable quality. In addition,
22 preference shall be given to goods or services, or both, that are
23 manufactured or provided by Michigan small businesses that have
24 veterans compose at least 35% of their total workforce. As used in
25 this section, "veteran" means that term as defined in section 261
26 of the management and budget act, 1984 PA 431, MCL 18.1261. As used
27 in this section, "small business" means that term as defined in

1 section 7a of the administrative procedures act of 1969, 1969 PA
2 306, MCL 24.207a.

3 Sec. 210. The department shall take all reasonable steps to
4 ensure businesses in deprived and depressed communities compete for
5 and perform contracts to provide services or supplies, or both. The
6 director of the department shall strongly encourage firms with
7 which the department contracts to subcontract with certified
8 businesses in depressed and deprived communities for services,
9 supplies, or both.

10 Sec. 212. The departments and agencies receiving
11 appropriations in part 1 shall receive and retain copies of all
12 reports funded from appropriations in part 1. Federal and state
13 guidelines for short-term and long-term retention of records shall
14 be followed. The department may electronically retain copies of
15 reports unless otherwise required by federal and state guidelines.

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

19 Sec. 216. (1) Notwithstanding any other provision of this act,
20 the schedule of programs in part 1 lists programs which may, but
21 are not required to be, funded under this act.

22 (2) Notwithstanding any other provisions of this act, the
23 schedule of revenue sources in part 1 may or may not be received
24 from the funding entities listed.

25 (3) Any funding required by statute is not subject to funding
26 flexibility and shall be funded in accordance with that statute.

27 Sec. 217. The department shall improve its budgetary

1 efficiency pertaining to the delivery of core services delineated
2 in section 222 by doing all of the following:

3 (a) Prioritizing personnel over buildings in budgetary
4 efficiency considerations.

5 (b) Pursuing the physical or virtual consolidation of support
6 service functions such as information technology, human resources,
7 and accounting as a means of improving standardization and
8 efficiency.

9 (c) Seeking expenditure reductions whenever possible through
10 the streamlining of existing service delivery activities.

11 (d) Identifying efficiencies that can be gained via the
12 reduction or elimination of programs, policies, and practices which
13 have outlived their usefulness.

14 Sec. 218. The departments and agencies receiving
15 appropriations in part 1 shall prepare a report on out-of-state
16 travel expenses not later than January 1 of each year. The travel
17 report shall be a listing of all travel by classified and
18 unclassified employees outside this state in the immediately
19 preceding fiscal year that was funded in whole or in part with
20 funds appropriated in the department's budget. The report shall be
21 submitted to the senate and house appropriations committees, the
22 house and senate fiscal agencies, and the state budget director.
23 The report shall include the following information:

24 (a) The dates of each travel occurrence.

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

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

3 Sec. 219. (1) The department shall provide quarterly reports,
4 beginning October 1, to the subcommittees and the senate and house
5 fiscal agencies, which provide the following data:

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

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

14 (c) Evidence of efficiencies and management of funds within
15 established appropriations, documented through the DTMB monthly
16 expenditure report as described in section 301(3) of this part.

17 (d) A list of armory closings and projected closings.

18 (e) A list of property sales as described in section 223 of
19 this part.

20 (f) A report on the status of performance metrics cited in
21 this act.

22 (g) A list of the performance measures, outcomes, and
23 initiatives developed by the agency in the strategic plan required
24 by section 501 of 2013 PA 9.

25 (h) The number of active employees at the close of the fiscal
26 quarter by job classification and program.

27 (2) The department shall provide a corrective action plan

1 within 30 days of a quarterly report under this section for any
2 requirements of this part that have not been achieved. The
3 department shall provide a monthly status of corrective action
4 plans.

5 (3) The department shall provide a summary of fund shifts,
6 that have been approved by the state budget office, that have
7 occurred between items listed in the schedule of programs mentioned
8 in part 1 on a quarterly basis to the subcommittees and the senate
9 and house fiscal agencies.

10 (4) The Grand Rapids and D.J. Jacobetti veterans' homes shall
11 provide to the subcommittees the results of the veterans' homes
12 annual veterans' affairs inspection and their corrective action
13 plans.

14 (5) The Grand Rapids and D.J. Jacobetti veterans' homes shall
15 provide a list of maintenance projects, and their respective costs,
16 funded from the special maintenance appropriations in part 1.

17 Sec. 220. The department shall provide the following data to
18 the subcommittees and the senate and house fiscal agencies on an
19 annual basis:

20 (a) Using information received from the grant recipients in
21 section 401 of this part, a progress report on metric requirements,
22 copies of certified financial audits and tax reports of grant
23 recipients, a listing from grant recipients of expenditures by
24 spending category, including a listing of individual salaries of
25 each officer and administrative staff, a listing of volunteer hours
26 including the hours, series, and donations provided to residents of
27 the Grand Rapids veterans' home and the D.J. Jacobetti veterans'

1 home. The department shall provide within the report a specific
2 notification whether any veterans grant recipients failed to comply
3 with established reporting requirements.

4 (b) The Grand Rapids veterans' home and the D.J. Jacobetti
5 veterans' home shall produce a report including an accounting of
6 member populations and bed space available, a description and
7 accounting of services and activities provided to members,
8 financial information, and current state nursing home licensure
9 status.

10 (c) A detailed report of the Michigan veterans' trust fund
11 that includes information on grants provided from the emergency
12 grant program, including details concerning the methodology of
13 allocations, the selection of emergency grant program authorized
14 agents, a description of how the emergency grant program is
15 administered in each county, and a detailed breakdown of trust fund
16 expenditures for that year, including the amount distributed to
17 each county for administrative costs and emergency grants. The
18 report shall also provide an update on the department's efforts to
19 reduce program administrative costs and maintain the Michigan
20 veterans' trust fund corpus to its original amount of at least
21 \$50,000,000.00.

22 Sec. 222. The appropriations in part 1 are for the core
23 services, support services, and work projects of the department,
24 including, but not limited to, the following core services:
25 armories and joint forces readiness; maintenance and operation of
26 army national guard training facilities and air bases; veterans
27 affairs agency administration; veterans' trust fund administration;

1 veterans advice, advocacy, and assistance grants; the military
2 family relief fund; the challenge program; and the Grand Rapids
3 veterans' home and the D.J. Jacobetti veterans' home. As used in
4 this section, "core services" means that phrase as defined in
5 section 373 of the management and budget act, 1984 PA 431, MCL
6 18.1373.

7 Sec. 223. Sixty days prior to the public announcement of the
8 intention to sell any department property, the department shall
9 submit notification of that intent to the subcommittees and the
10 senate and house fiscal agencies.

11 Sec. 225. Funds appropriated in part 1 shall not be used by
12 the department to hire a person to provide legal services that are
13 the responsibility of the attorney general. This prohibition does
14 not apply to legal services for bonding activities and for those
15 activities that the attorney general authorizes.

16 Sec. 227. The department shall not exclude public employee
17 unions from the bid process.

18 Sec. 228. Not later than November 30, the state budget office
19 shall prepare and transmit a report that provides for estimates of
20 the total general fund/general purpose appropriations lapses at the
21 close of the fiscal year. This report shall summarize the projected
22 year-end general fund/general purpose appropriations lapses by
23 major departmental program or program areas. The report shall be
24 transmitted to the office of the state budget, the chairpersons of
25 the senate and house standing committees on appropriations, the
26 subcommittees, and the senate and house fiscal agencies.

27 Sec. 229. Within 14 days after the release of the executive

1 budget recommendation, the department shall cooperate with the
2 state budget office to provide the senate and house appropriations
3 chairs, the subcommittees, and the senate and house fiscal agencies
4 with an annual report on estimated state restricted fund balances,
5 state restricted fund projected revenues, and state restricted fund
6 expenditures for the fiscal years ending September 30, 2013 and
7 September 30, 2014.

8 Sec. 230. The department shall maintain, on a publicly
9 accessible website, a department scorecard that identifies, tracks,
10 and regularly updates key metrics that are used to monitor and
11 improve the agency's performance.

12 **MILITARY**

13 Sec. 300. (1) From the funds appropriated in part 1, there is
14 funding to support unclassified employee positions as authorized by
15 section 5 of article XI of the state constitution of 1963. These
16 positions include the following: department director - the adjutant
17 general for Michigan; assistant adjutant general - army; assistant
18 adjutant general - installations; assistant adjutant general - air;
19 senior policy executive - Michigan veterans affairs agency; deputy
20 director - installations command; director - strategy and policy;
21 director - public safety project; and director - Michigan veterans
22 affairs agency.

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

1 department shall notify the subcommittees and the senate and house
2 fiscal agencies.

3 **ARMORIES AND JOINT FORCE READINESS**

4 Sec. 301. (1) The department shall provide administrative
5 support for department operations.

6 (2) The department shall maintain the staffing and resources
7 necessary to ensure proper accountability of state funds.

8 (3) The department shall maintain the staffing and resources
9 necessary to adhere to the state of Michigan financial management
10 guide for accounting, contracting, purchasing, budgeting, and
11 financial reporting and the administrative guide to state
12 government.

13 (4) The department shall ensure fiscal controls relating to
14 procurement of goods and services and other expenditures.

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

18 (2) The department shall operate and maintain national guard
19 armories.

20 (3) The department shall provide resources necessary to ensure
21 that armories are maintained in accordance with army regulations.

22 (4) The department shall evaluate armories for consolidation,
23 energy, and utility efficiency and identify work projects that
24 would improve this efficiency and submit a quarterly report on the
25 status and activities of the armories as provided in section 219.

26 (5) The department shall establish a system that measures the
27 condition and adequacy of armory facilities using both quality and

1 functionality criteria based off the installation status report-
2 infrastructure inspections that are conducted annually as a
3 requirement set forth by the national guard.

4 **MAINTENANCE AND OPERATIONS OF NATIONAL GUARD TRAINING FACILITIES**
5 **AND AIR BASES**

6 Sec. 304. (1) The department shall provide army and air
7 national guard forces, when directed, for state and local
8 emergencies and in support of national military requirements.

9 (2) The department shall operate and maintain army national
10 guard training facilities, including Fort Custer and Camp Grayling.

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

14 (4) The department shall operate and maintain air national
15 guard air bases, including Selfridge air national guard base,
16 Battle Creek air national guard base, and Alpena combat readiness
17 training center.

18 **CHALLENGE PROGRAM**

19 Sec. 307. (1) The department shall maintain the Michigan youth
20 challenge academy to provide values, skills, education, and self-
21 discipline instruction for at-risk youth.

22 (2) The department shall provide the staffing and resources
23 necessary to train 144 cadets simultaneously at the Michigan youth
24 challenge academy.

25 (3) The department shall ensure that the average grade level
26 increase for Michigan youth challenge academy graduates is 2 years
27 as measured with the test adult basic education (TABE) metrics.

1 MILITARY FAMILY RELIEF FUND

2 Sec. 308. (1) The department shall provide grants for
3 disbursement from the military family relief fund.

4 (2) The department shall provide quarterly reports to the
5 subcommittees on the revenues, expenditures, and fund balance of
6 the Michigan military family relief fund.

7 (3) The department shall provide quarterly reports to the
8 subcommittees on the applications received for assistance from the
9 Michigan military family relief fund.

10 (4) The department shall provide sufficient staffing and other
11 resources to provide outreach to the Michigan families of members
12 of the reserve component of the armed forces called into active
13 duty and to support the processing and approval of at least 60
14 grant applications for fiscal year 2013-2014 under the Michigan
15 military relief fund and report those applications at quarterly
16 legislative hearings of the subcommittees.

17 MICHIGAN VETERANS AFFAIRS AGENCY**18 MICHIGAN VETERANS AFFAIRS AGENCY ADMINISTRATION**

19 Sec. 401. (1) The Michigan veterans affairs agency shall
20 provide outreach services to Michigan veterans that advise them on
21 the benefits to which they are entitled.

22 (2) The agency shall maintain the staffing partnerships and
23 other resources necessary to develop and operate an outreach
24 program that will communicate benefit eligibility information to
25 35% of the Michigan veterans population as determined by most
26 recent census data.

1 (3) The agency shall communicate veteran benefit information
2 pertaining to the Michigan military family relief fund, Michigan
3 veterans' trust fund, and United States department of veterans
4 affairs health, financial, and memorial benefits to which they are
5 entitled.

6 (4) The agency shall provide sufficient staffing and other
7 resources to approve at least 5,295 requests for military discharge
8 certificates (DD-214) for fiscal year 2013-2014 and report to the
9 subcommittees quarterly.

10 (5) From the funds appropriated in part 1, the department
11 shall continue the process to digitize all medical records and
12 military discharge documents which are currently on paper and
13 microfilm.

14 (6) The agency shall provide claims processing services to
15 Michigan veterans in support of benefit claims submitted to the
16 United States department of veteran affairs for the health,
17 financial, and memorial benefits for which they are eligible.

18 (7) The agency shall maintain the staffing and resources
19 necessary to process a minimum of 500 claims per year.

20 (8) The agency shall ensure that a minimum of 20% of the
21 claims submitted by agency personnel are fully developed claims as
22 tracked by the United States department of veterans affairs and
23 report on this effort at quarterly legislative hearings of the
24 subcommittees.

25 (9) The agency shall provide training support for county
26 veterans counselors.

27 (10) The agency shall provide resources necessary to provide

1 county veterans counselors with training to ensure quality benefit
2 counseling services to veterans. From the funds appropriated in
3 part 1, \$50,000.00 shall be allocated for training support.

4 (11) The Michigan veterans affairs agency and the Michigan
5 veterans' trust fund administration shall take steps to assist the
6 county veterans counselors of this state to obtain training
7 necessary for the execution of their duties.

8 (12) The agency shall provide the percentage of county
9 counselors trained by the department at quarterly legislative
10 hearings of the subcommittees.

11 (13) The agency shall provide the percentages of fully
12 developed claims submitted by county counselors trained by the
13 department with a goal of 20% at quarterly legislative hearings of
14 the subcommittees.

15 (14) The agency shall create a 5-member advisory board
16 consisting of presidents or commanders from 2 large veterans
17 service organizations, 2 medium veterans service organizations, and
18 1 small veterans service organization. The board shall meet no less
19 than twice a year, without reimbursement by the agency, and shall
20 assist the agency in developing plans, reviewing service delivery
21 initiatives, and identifying services and projects that assist in
22 meeting agency performance objectives.

23 **VETERANS ADVICE, ADVOCACY, AND ASSISTANCE GRANTS**

24 Sec. 402. (1) The agency shall manage the disbursement of
25 veterans advice, advocacy, and assistance grants to veterans
26 service organizations.

27 (2) The agency shall work to ensure that a minimum of 20% of

1 the claims submitted by the VSO on behalf of our veterans are fully
2 developed claims as tracked by the United States department of
3 veterans affairs and report on this effort at quarterly legislative
4 hearings of the subcommittees.

5 (3) The agency shall disburse VSO grants to assist them to
6 achieve agency goals and performance objectives in partnership with
7 the VSOs. Grants to VSOs will be disbursed to fund programs and
8 projects which are determined by the agency to meet agency
9 performance objectives.

10 **VETERANS TRUST FUND ADMINISTRATION**

11 Sec. 405. (1) The Michigan veterans' trust fund board together
12 with the agency shall provide emergency grants for disbursement
13 from the Michigan veterans' trust fund.

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

18 **GRAND RAPIDS VETERANS' HOME**

19 Sec. 501. (1) The department shall provide compassionate,
20 quality interdisciplinary care at the state's Grand Rapids
21 veterans' home so that members can achieve their highest potential
22 of wellness, independence, self-worth, and dignity.

23 (2) The department shall provide resources necessary to
24 provide adequate nursing care services to veterans in accordance
25 with federal standards, including the following:

26 (a) A licensed minimum number of 403 residents in skilled
27 nursing beds at the Grand Rapids veterans' home.

1 (b) A licensed minimum number of 72 residents in domiciliary
2 beds at the Grand Rapids veterans' home.

3 (3) The Grand Rapids veterans' home shall ensure that its
4 medical staffing is in accordance with United States department of
5 veterans administration standards.

6 (4) The Grand Rapids veterans' home shall ensure that
7 transportation is assured for each resident for every medical
8 appointment outside the veterans' home.

9 (5) The Grand Rapids veterans' home shall ensure that each
10 member resident receives daily laundry service.

11 (6) The Grand Rapids veterans' home shall ensure that
12 maintenance and custodial services are provided for each home in
13 accordance with applicable local, state, and federal standards.

14 (7) The Grand Rapids veterans' home shall ensure that each
15 resident receives a medical and care assessment including a dietary
16 plan upon admission to the home, with meals and snacks provided in
17 accordance with the plan and R 325.20803 of the Michigan
18 administrative code.

19 (8) Appropriations in this act for the Grand Rapids veterans'
20 home shall not be used for any purpose other than for veterans and
21 veterans' families.

22 (9) Any contractor providing competency evaluated nursing
23 assistants (CENA) to the Grand Rapids veterans' home shall ensure
24 that each CENA has at least 8 hours of training on information
25 provided by the veterans' home.

26 (10) Any contractor providing competency evaluated nursing
27 assistants to the Grand Rapids veterans' home shall ensure that

1 each CENA has at least 1 eight-hour shift of shadowing at the
2 veterans' home.

3 (11) Any contractor providing competency evaluated nursing
4 assistants to the Grand Rapids veterans' home shall ensure that
5 each CENA is competent in the basic skills needed to perform his or
6 her assigned duties at the veterans' home.

7 (12) Any contractor providing competency evaluated nursing
8 assistants to the Grand Rapids veterans' home shall ensure that
9 each CENA has at least 1 year of experience in long-term care.

10 (13) The Grand Rapids veterans' home shall provide each CENA
11 at least 12 hours of in-service training once that individual has
12 been assigned to the veterans' home.

13 (14) The Grand Rapids veterans' home shall ensure that care
14 services are provided to each resident of the veterans' home in
15 accordance with standards set by the United States department of
16 veterans' affairs.

17 (15) All complaints of abuse or neglect at the Grand Rapids
18 veterans' home by a resident member, a resident member's family or
19 legal guardian, or staff of the veterans' home, received by a
20 supervisor shall be referred to the director of nursing within 10
21 days of receiving such complaint. The board of managers may
22 establish a policy that requires reports on allegations of abuse or
23 neglect to be reported to the director of nursing more frequently.
24 The director of nursing shall report on not less than a monthly
25 basis, except that the board of managers may specify a more
26 frequent reporting period, to the home administrator, board of
27 managers, agency, subcommittees, and the senate and house fiscal

1 agencies the following information:

2 (a) A description of the process by which resident members and
3 others may file complaints of alleged abuse or neglect at the Grand
4 Rapids veterans' home.

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

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

9 (16) The Grand Rapids veterans' home shall provide an on-site,
10 board-certified psychiatrist for all resident members with mental
11 health disorders in order to ensure that those resident members
12 receive needed services in a professional and timely manner. The
13 Grand Rapids veterans' home shall provide all members and staff a
14 safe and secure environment.

15 (17) The Grand Rapids veterans' home shall ensure that it
16 effectively develops, executes, and monitors all comprehensive care
17 plans in accordance with federal regulations and its internal
18 policies, with a goal that a comprehensive care plan is fully
19 developed for all resident members.

20 (18) The Grand Rapids veterans' home shall implement controls
21 over its food, maintenance supplies, and medical supplies
22 inventories.

23 (19) The Grand Rapids veterans' home shall implement controls
24 over its pharmaceutical inventory.

25 (20) The Grand Rapids veterans' home shall establish
26 sufficient controls for calculating resident member maintenance
27 assessments in order to accurately calculate resident member

1 maintenance assessments for each billing cycle. The Grand Rapids
2 veterans' home shall establish sufficient controls to ensure that
3 all past due resident member maintenance assessments are addressed
4 within 30 days.

5 (21) The Grand Rapids veterans' home shall establish
6 sufficient controls over monetary donations and donated goods.

7 (22) The Grand Rapids veterans' home shall implement
8 sufficient controls over the handling of resident member funds to
9 ensure the release of funds within 3 business days upon the
10 resident member leaving the home and to ensure that a
11 representative of a resident member is provided a full accounting
12 of that resident member's funds within 10 business days of the
13 death of that resident member.

14 (23) The Grand Rapids veterans' home shall ensure that it
15 meets a minimum standard of 2.5 patient care hours per patient, per
16 day, each day, 7 days a week.

17 (24) Except as provided in subsection (15), the department
18 shall report its findings regarding the Grand Rapids veterans'
19 home's compliance with the requirements and standards under this
20 section at quarterly legislative hearings of the subcommittees. The
21 quarterly report shall include, but is not limited to, the
22 following information:

23 (a) The number of patient care hours and staffing levels
24 measured against the standard set forth in subsection (23).

25 (b) The number and dollar value of lost and discarded
26 prescriptions and the number of early prescription refills.

27 (c) The dollar value of monetary donations received, the

1 number of donated goods received, and the number of donated goods
2 disposed of.

3 (d) The number of resident member maintenance assessments
4 calculated each month.

5 (25) Not later than November 30, 2013, the department shall
6 provide the subcommittees with a report documenting the complaint
7 management process utilized by the Grand Rapids veterans' home. The
8 report shall include, but is not limited to, the following:

9 (a) A copy of the form submitted by complainants.

10 (b) A description of the process by which complaints are
11 reviewed by the staff of the Grand Rapids veterans' home.

12 (c) A description of the roles and responsibilities of all
13 stakeholders in the complaint process.

14 (d) An issue resolution status report.

15 (e) The process by which status reports are reviewed,
16 including the frequency of those reviews.

17 **D.J. JACOBETTI VETERANS' HOME**

18 Sec. 502. (1) The department shall provide compassionate,
19 quality interdisciplinary care at the state's D.J. Jacobetti
20 veterans' home so that members can achieve their highest potential
21 of wellness, independence, self-worth, and dignity.

22 (2) The department shall provide resources necessary to
23 provide adequate nursing care services to veterans in accordance
24 with federal standards, including the following:

25 (a) A licensed minimum number of 158 residents in skilled
26 nursing beds at the D.J. Jacobetti veterans' home.

27 (b) A licensed minimum number of 11 residents in domiciliary

1 beds at the D.J. Jacobetti veterans' home.

2 (3) The D.J. Jacobetti veterans' home shall ensure that its
3 medical staffing is in accordance with United States department of
4 veterans administration standards.

5 (4) The D.J. Jacobetti veterans' home shall ensure that
6 transportation is assured for each resident for every medical
7 appointment outside the veterans' home.

8 (5) The D.J. Jacobetti veterans' home shall ensure that each
9 member resident receives daily laundry service.

10 (6) The D.J. Jacobetti veterans' home shall ensure that
11 maintenance and custodial services are provided for the home in
12 accordance with applicable local, state and federal standards.

13 (7) The D.J. Jacobetti veterans' home shall ensure that each
14 resident receives a medical and care assessment including a dietary
15 plan upon admission to the home, with meals and snacks provided in
16 accordance with the plan and R 325.20803 of the Michigan
17 administrative code.

18 (8) Appropriations in this act for the D.J. Jacobetti
19 veterans' home shall not be used for any purpose other than for
20 veterans and veterans' families.

21 (9) Any contractor providing competency evaluated nursing
22 assistants (CENA) to the D.J. Jacobetti veterans' home shall ensure
23 that each CENA has at least 8 hours of training on information
24 provided by the veterans' home.

25 (10) Any contractor providing competency evaluated nursing
26 assistants to the D.J. Jacobetti veterans' home shall ensure that
27 each CENA has at least 1 eight-hour shift of shadowing at the

1 veterans' home.

2 (11) Any contractor providing competency evaluated nursing
3 assistants to the D.J. Jacobetti veterans' home shall ensure that
4 each CENA is competent in the basic skills needed to perform his or
5 her assigned duties at the veterans' home.

6 (12) Any contractor providing competency evaluated nursing
7 assistants to the D.J. Jacobetti veterans' home shall ensure that
8 each CENA has at least 1 year of experience in long-term care.

9 (13) The D.J. Jacobetti veterans' home shall provide each CENA
10 at least 12 hours of in-service training once that individual has
11 been assigned to the veterans' home.

12 (14) The D.J. Jacobetti veterans' home shall ensure that care
13 services are provided to each resident of the veterans' home in
14 accordance with standards set by the United States department of
15 veterans affairs.

16 (15) All complaints of abuse or neglect at the D.J. Jacobetti
17 veterans' home by a resident member, a resident member's family or
18 legal guardian, or staff of the veterans' home, received by a
19 supervisor shall be referred to the director of nursing within 10
20 days of receiving such complaint. The board of managers may
21 establish a policy that requires reports on allegations of abuse or
22 neglect to be reported to the director of nursing more frequently.
23 The director of nursing shall report on not less than a monthly
24 basis, except that the board of managers may specify a more
25 frequent reporting period, to the home administrator, board of
26 managers, agency, subcommittees, and the senate and house fiscal
27 agencies the following information:

1 (a) A description of the process by which resident members and
2 others may file complaints of alleged abuse or neglect at the D.J.
3 Jacobetti veterans' home.

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

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

8 **CAPITAL OUTLAY**

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

13 **ONE-TIME APPROPRIATIONS**

14 Sec. 701. The 1-time appropriations in part 1 for county
15 counselor education and training expenses are to be expended for
16 costs associated with the attendance of county veterans counselors
17 at the national conference of the national association of county
18 veterans service officers to be held in Michigan in 2014 and are in
19 addition to the funds allocated in section 401.

20 Sec. 702. The 1-time appropriation in part 1 for the veterans
21 service delivery initiative may be expended by the agency to
22 operate a college campus outreach program and shall be expended by
23 the agency to establish the infrastructure to achieve its goals and
24 performance objectives, including the performance measures,
25 outcomes, and initiatives developed by the agency in its strategic

1 plan.

2 Sec. 703. The 1-time appropriations in part 1 for veterans
3 affairs agency computer upgrade are to be expended for the
4 integration of the hero 2 hired platform with the Pure Michigan
5 talent connect jobs site. The appropriation shall increase the
6 ability of the agency to link potential employers to veterans and
7 service members by adding a military occupational code translator,
8 thus removing barriers to employment, and adding 14,000 veterans
9 and service members to the Pure Michigan talent connect employment
10 system. The integration of the hero 2 hired system with the Pure
11 Michigan talent connect shall be available for soft launch by April
12 1, 2014 and fully operational by September 30, 2014. The agency
13 shall report quarterly to the subcommittees on the progress of
14 their compliance with this section.

15 PART 2A

16 PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS

17 FOR FISCAL YEAR 2014-2015

18 GENERAL SECTIONS

19 Sec. 1201. It is the intent of the legislature to provide
20 appropriations for the fiscal year ending on September 30, 2015 for
21 the line items listed in part 1. The fiscal year 2014-2015
22 appropriations are anticipated to be the same as those for fiscal
23 year 2013-2014, excluding economic factors, and available revenue.
24 These adjustments will be determined after the January 2014
25 consensus revenue estimating conference.

1 Sec. 1202. It is the intent of the legislature that the
2 department identify the amounts for normal retirement costs and
3 legacy retirement costs for the fiscal year ending on September 30,
4 2015 for the line items listed in part 1.

5 Sec. 1203. The veterans affairs agency shall provide the
6 percentage of Michigan veterans contacted with a goal of 100% and
7 report upon those outreach findings at quarterly legislative
8 hearings to the subcommittees.