

Act No. 22
Public Acts of 2025
Approved by the Governor
October 7, 2025
Filed with the Secretary of State
October 7, 2025
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**STATE OF MICHIGAN
103RD LEGISLATURE
REGULAR SESSION OF 2025**

Introduced by Rep. Bollin

ENROLLED HOUSE BILL No. 4706

AN ACT to make, supplement, adjust, and consolidate appropriations for various state departments and agencies, the judicial branch, and the legislative branch for the fiscal years ending September 30, 2025 and September 30, 2026; to provide for certain conditions on appropriations; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

ARTICLE 12

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

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		
Full-time equated classified positions	967.0		
GROSS APPROPRIATION		\$	290,166,300
Total interdepartmental grants and intradepartmental transfers			101,800
ADJUSTED GROSS APPROPRIATION			290,064,500
Federal revenues:			
Total federal revenues			148,840,000
Special revenue funds:			
Total local revenues			0
Total private revenues			100,000
Total other state restricted revenues			12,953,500
State general fund/general purpose		\$	128,171,000
Sec. 102. MILITARY			
Full-time equated unclassified positions	9.0		
Full-time equated classified positions	422.5		
Unclassified salaries—FTEs	9.0	\$	1,878,100
Headquarters and armories—FTEs	103.0		23,056,200
Michigan youth challenge academy—FTEs	68.0		10,441,800
Military family relief fund			150,000
Military retirement			2,585,600
Military training sites and support facilities—FTEs	240.0		46,533,200
National Guard operations			600,500
Michigan National Guard member benefit fund—FTEs	11.5		11,244,800
Starbase grant			2,322,000
GROSS APPROPRIATION		\$	98,812,200
Appropriated from:			
Interdepartmental grant revenues:			
IDG - state police			101,800
Federal revenues:			
DOD - DOA - NGB			64,391,600

For Fiscal Year
Ending Sept. 30,
2026

Federal counternarcotics revenues		\$	100,000
Special revenue funds:			
Private donations			90,000
Billeting fund			1,377,800
Military family relief fund			150,000
Morale, welfare, and recreation fund			100,000
Rental fund			187,500
Test project fund			100,000
State general fund/general purpose		\$	32,213,500
Sec. 103. MICHIGAN VETERANS AFFAIRS AGENCY			
Full-time equated classified positions	61.0		
County veteran service grants—FTEs	2.0	\$	4,255,500
Michigan veterans affairs agency administration—FTEs	49.0		8,381,300
Veterans trust fund administration—FTEs	8.0		1,185,200
Veterans trust fund grants			2,500,000
Veterans service grants—FTEs	2.0		4,255,500
GROSS APPROPRIATION		\$	20,577,500
Appropriated from:			
Federal revenues:			
DVA - VHA			753,400
Special revenue funds:			
Private donations			10,000
Michigan veterans trust fund			3,685,200
Veterans license plate fund			50,000
State general fund/general purpose		\$	16,078,900
Sec. 104. MICHIGAN VETERANS FACILITY AUTHORITY			
Full-time equated classified positions	483.5		
Chesterfield Township home for veterans—FTEs	110.0	\$	34,663,700
D.J. Jacobetti home for veterans—FTEs	179.0		26,342,500
Grand Rapids home for veterans—FTEs	176.0		39,801,000
Information technology services and projects			1,738,100
Michigan veteran homes administration—FTEs	18.0		4,920,500
Veterans cemetery—FTEs	0.5		133,100
GROSS APPROPRIATION		\$	107,598,900
Appropriated from:			
Federal revenues:			
DVA - VHA			43,346,800
HHS - HCFA, Medicare, hospital insurance			1,345,300
HHS - HCFA title XIX, Medicaid			8,745,000
Special revenue funds:			
Income and assessments			6,303,000
State general fund/general purpose		\$	47,858,800
Sec. 105. CAPITAL OUTLAY			
Armory maintenance		\$	1,000,000
Land and acquisitions			1,000,000
Special maintenance - National Guard			30,000,000
Special maintenance - veterans homes			500,000
GROSS APPROPRIATION		\$	32,500,000
Appropriated from:			
Federal revenues:			
DOD - DOA - NGB			30,000,000
Special revenue funds:			
Michigan National Guard construction fund			1,000,000
State general fund/general purpose		\$	1,500,000

Sec. 106. INFORMATION TECHNOLOGY		
Information technology services and projects	\$	677,700
GROSS APPROPRIATION	\$	677,700
Appropriated from:		
Federal revenues:		
DOD - DOA - NGB		157,900
State general fund/general purpose	\$	519,800
Sec. 107. ONE-TIME APPROPRIATIONS		
Selfridge Air National Guard base	\$	26,000,000
Veterans nonprofit improvement grants		4,000,000
GROSS APPROPRIATION	\$	30,000,000
Appropriated from:		
State general fund/general purpose	\$	30,000,000

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 \$141,124,500.00 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	\$	4,041,500
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 position in the classified service of this state.

(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 the state budget office.

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

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

(n) "VSO" means veterans service organization.

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

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

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

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

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

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

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

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

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

(a) The dates of each travel occurrence.

(b) The total transportation and related expenses of each travel occurrence and the proportion funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, local revenues, and private revenues, including specific sources of state restricted, federal, local, and private revenues.

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

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

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

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

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

Sec. 211. (1) The department or agency shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for the department or each agency:

- (a) Fiscal year-to-date expenditures by category.
- (b) Fiscal year-to-date expenditures by appropriation unit.
- (c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(2) The department shall cooperate with the department of technology, management, and budget to update the searchable website on a quarterly basis.

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

Sec. 213. (1) Funds appropriated in part 1 must not be used to restrict or impede a marginalized community's access to government resources, programs, or facilities.

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

Sec. 214. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under part 1, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, inter-transfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 215. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director of each department or agency receiving appropriations in part 1 shall take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified geographically disadvantaged business enterprises for services, supplies, or both. As used in this section, "geographically disadvantaged business enterprises" means that term as defined in Executive Directive No. 2023-1.

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

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

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

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

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

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

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

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

Sec. 226. (1) Not later than 30 days after enactment of this act, the legislature shall provide to the department and the state budget director a list of legislatively directed spending items, which may be referred to in this section as grants or direct appropriation grants, funded in part 1 consistent with the house or senate rules and this section. The list must include all information and documents pertaining to the funded items as publicly disclosed in accordance with the house or senate rules and this section.

(2) Notwithstanding any other conditions or requirements for direct appropriation grants, the department shall perform, at a minimum, at least all of the following activities to administer the grants described in subsection (1):

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

(b) Verify to the extent possible that a grant recipient is a not-for-profit entity and will use funds as publicly disclosed and for a public purpose that serves the economic prosperity, health, safety, or general welfare of the residents of this state.

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

(d) Disburse the grant money per the grant disbursement schedule in the executed grant agreement on a reimbursement basis after the grantee has provided sufficient documentation, as determined by the department, to verify that expenditures were made in accordance with the project purpose.

(e) If the state budget director determines that information provided by the grantee does not meet the disclosure requirements, that the grant will be used to pay a tax lien, delinquent tax, or other obligation owed to this state, or that the grant will create a conflict of interest, the department shall not release the grant money to the grantee. Money that is not released under this subdivision lapses at the end of the fiscal year. There is not a conflict of interest if the sponsoring legislator certifies that the sponsoring legislator's immediate family members, legislative staff members that have worked for the sponsoring legislator within the past 2 years, and the sponsoring legislator do not have a direct or indirect pecuniary interest in the legislatively directed spending item.

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

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

(b) A description of the project for which the grant money will be expended, including tentative timelines and the estimated budget. Project budget must include how all grant money will be used and must indicate if any grant money will be provided to a third party or subrecipient. The department shall not reimburse expenditures that are outside of the project purpose, as stated in the executed grant agreement, from appropriations in part 1. The grantee shall return to the state treasury any interest in excess of \$1,000.00 earned on the grant money while unexpended and in possession of the grantee.

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

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

(e) A clawback provision that allows the department of treasury to recoup or otherwise collect any grant money that is declined, unspent, or otherwise misused.

(f) The documents publicly disclosed under subsection (1).

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

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

(6) The grant recipient shall expend all grant money awarded and complete all projects not later than September 30, 2030. If at that time any unexpended money remains, the grant recipient shall return that money to the state treasury. If a grant recipient does not provide information sufficient to execute a grant agreement not later than June 1, 2026, the department shall return money associated with the grant to the state treasury.

(7) Any grant money that is awarded to a state department is appropriated in that department for the purpose of the intended grant.

(8) Except as otherwise provided in subsection (9), beginning March 15 of the current fiscal year, the department shall post a report in a publicly accessible location on its website. The report must list the grant recipient, project purpose, and location of the project for each grant described in subsection (1), the status of money allocated and disbursed under the grant agreement, and the legislative sponsor, if applicable. The department shall update the report and post the updated report in a publicly accessible location on its website not later than June 15 of the current fiscal year and again not later than September 15 of the current fiscal year. The department shall include in the report the most comprehensive information the department has available at the time of posting for grants awarded.

(9) If the state budget office determines that it is more efficient for the state budget office to compile all affected departments' information and post a report of the compiled information rather than the report required under subsection (8) being posted by individual departments, the state budget office may compile that information across all affected departments and post the compiled report and any updates on the same time schedule as identified in subsection (8).

(10) If the department reasonably determines that the money allocated for an executed grant agreement under this section was misused or that use of the money was misrepresented by the grant recipient, the department shall not award any additional funds under the executed grant agreement and shall refer the grant for review following internal audit protocols, which may include referral for criminal investigation.

Sec. 227. A department or agency required to submit a report under this part shall make each report readily accessible to the public and conspicuously post each required report in a single archivable location on the department's or agency's Michigan.gov website not later than the due date required for each report. In addition to placing all reports required in the current fiscal year on the department's or agency's website, the department or agency shall maintain on its website all reports placed on the website from previous fiscal years posted by fiscal year in the same single archivable location.

Sec. 229. By April 1, the department shall provide to the standard report recipients a copy of its annual strategic plan prepared in compliance with section 363 of the management and budget act, 1984 PA 431, MCL 18.1363. The plan must include the mission, vision, goals, strategies, and performance measures of the department.

Sec. 233. (1) The department shall maximize utilization of the department's in-person state workforce. The department shall prioritize occupancy utilization of office space for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of an office shall be monitored each pay period to ensure all work hours reported on the timesheet were actually worked.

(2) The department shall comply with requirements set by the office of the state employer on in-person work and utilization and occupancy rates of state buildings to ensure in-person work is optimized and occupancy rates are 80% or higher, subject to market conditions.

(3) The department shall adhere to the rules and regulations of civil service, which state that the standard biweekly work period for a full-time employee in the classified service of this state is the equivalent of 80 hours of work. The department shall establish policies and processes to ensure all employees are working their jobs during agreed-upon business hours.

Sec. 234. (1) The department shall require as a condition of each contract or subcontract that a prequalified contractor or prequalified subcontractor agrees to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States.

(2) The department may verify this information directly or may require the contractors and subcontractors to verify the information and submit a certification to the department. The department shall submit a report to the standard report recipients not later than March 1 that describes the processes it has developed and implemented under this section.

(3) As used in this section, “E-Verify” means an internet-based system operated by the Department of Homeland Security, United States Citizenship and Immigration Services, in partnership with the Social Security Administration.

Sec. 235. Not later than 6 months after the state budget office issues work project letters, the department shall submit an annual report that summarizes all work project accounts. The report must include all of the following:

- (a) A list of all work project accounts.
- (b) The status of all work project accounts, including amounts expended, amounts encumbered, and available balances for each account.
- (c) The amount of funds that lapsed from any previously designated work project accounts, the name and description of the work project account, and the funds that received the lapsed amounts.

Sec. 236. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at \$11,475,400.00. From this amount, total appropriations for pension-related legacy costs for the department are estimated at \$10,350,100.00. Total appropriations for retiree health care legacy costs for the department are estimated at \$1,125,300.00.

Sec. 237. Not later than November 15, the department shall disclose on a publicly accessible website private and other third-party funds received by the department in the previous fiscal year. The report must include the amount of funding received, the specific source of funding received, the purpose for which funding was expended, and the amount of any remaining funds. The department shall submit the report to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 239. The department shall provide an annual report to the standard report recipients detailing federal policy changes that do, or are expected to do, any of the following:

- (a) Affect the operations of the department, including reductions in federal revenue.
- (b) Affect an industry, community, population, or other group regulated or served by, or that otherwise engages with, the department.
- (c) Create a regulatory gap that could negatively impact the public.

Sec. 240. The department shall report on any court settlement that may require further legislative review of state statutory programs or regulations.

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 January 15, the department shall evaluate armories and submit an annual report on the status of the armories that includes the following information:

- (a) An assessment of the grounds and facilities of each armory to objectively measure and determine the current facility condition and capability to support authorized manpower, unit training, and operations.
- (b) Recommendations for the placement of new armories, the relocation or consolidation of existing armories, or a change in the mission of units assigned to armories to ideally position the National Guard in current or projected population centers.
- (c) Recommendations for the enhanced use of armories to facilitate family support programs during deployments.
- (d) An analysis of the feasibility, potential costs, and benefits of use of armories shared with other local, state, or federal agencies to improve responses to local emergencies as well as the community support provided to armories.
- (e) An investment strategy and proposed funding amounts in a prioritized project list to correct the most critical facility shortfalls across the inventory of armories in this state.
- (f) A review of the status of construction activities and expenditures of the armory modernization project funded in section 107 of article 10 of 2022 PA 166 and section 104 of 2022 PA 194.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 307. (1) From the funds appropriated in part 1 for Michigan National Guard member benefit program, the department shall maintain a Michigan National Guard tuition assistance program as provided under the

Michigan National Guard tuition assistance act, 2014 PA 259, MCL 32.431 to 32.434. The Michigan National Guard tuition assistance program must do all of the following:

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

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

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

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

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

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

(3) Not later than March 1, the department shall provide a report on the Michigan National Guard tuition assistance program. The report must include, but is not limited to, the following information for the previous fiscal year:

(a) The number of guard members, spouses, children, and dependents that received tuition assistance, broken down by the number of each type of recipient.

(b) The educational institutions from which those guard members, spouses, children, and dependents received education or training under the program, broken down by the number of each type of recipient and each type of educational or training program for which tuition assistance was received.

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

(d) The total funds expended on the program for financial assistance for each type of recipient and each type of educational or training program.

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

(f) For each FTE position appropriated in part 1 for the Michigan National Guard tuition assistance program, a description of the position's functions, assigned responsibilities, and, if applicable, the length of time that the position has been vacant.

(g) The total number of applications for tuition assistance approved and denied.

(h) The number of guard members, spouses, children, and dependents receiving tuition assistance who successfully completed an educational or training program for which tuition assistance was received.

(i) A description of each educational or training program offered through the Michigan National Guard tuition assistance program.

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

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

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

Sec. 309. (1) The National Guard test projects fund is created within the state treasury.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(6) Money in the fund is available for expenditure for the support of program operations as appropriated in part 1.

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

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

Sec. 314. (1) From the funds appropriated in part 1 for Michigan National Guard member benefit fund, the department shall create and administer a Tricare premium reimbursement program.

(2) The department may reimburse eligible members for a premium paid for any of the following:

(a) Individual coverage under the Tricare dental program.

(b) Individual coverage through the Tricare reserve select program.

(3) The department shall promulgate rules under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, as necessary, to implement and administer the Tricare premium reimbursement program created in subsection (1).

(4) As used in this section:

(a) "Eligible member" means a member of the Michigan National Guard who is eligible for coverage under the Tricare dental program or the Tricare reserve select program and meets any other eligibility criteria established by the department.

(b) "Tricare dental program" means a voluntary dental health insurance plan for eligible members who are not on active duty and are not covered by a traditional assistance management program, an existing health insurance program through an employer, or a private market plan.

(c) "Tricare reserve select program" means a voluntary health insurance plan for eligible members who are not on active duty and are not covered by a traditional assistance management program, an existing health insurance program through an employer, or a private market plan.

Sec. 315. (1) From the funds appropriated in part 1 for Michigan National Guard member benefit fund, the department shall create and administer a child care assistance program as provided under the Michigan National Guard child care assistance act.

(2) To receive assistance under the child care assistance program, an eligible member must submit an application to the department. If there is sufficient money in the Michigan National Guard member benefit fund, the department shall approve, subject to the limitations under subsection (3), an application to cover the amount of child care assistance requested in the application if either of the following applies:

(a) The eligible member is a single parent.

(b) The eligible member's spouse is also an eligible member.

(3) The department shall issue a stipend at a rate established annually by the department to each eligible member who applies and is approved for child care assistance under the program. The department shall determine the amount of child care assistance that may be provided under this subsection for each fiscal year. The amount of child care assistance determined by the department under this subsection applies to all eligible members who apply and are approved under the program. The department shall not approve child care assistance for more than 12 hours a day for weekend drills and annual training and for not more than 39 days a year.

(4) The department shall promulgate rules under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, as necessary to implement and administer the child care assistance program.

(5) Not later than March 1, the department shall provide a report on the child care assistance program. The report must include, but is not limited to, the following information:

(a) The number of eligible members receiving child care assistance under the program, broken down by service branch and including the amount of the stipend issued, and the total number of National Guard members by service branch.

(b) The number of children for whom a stipend was paid and the associated number of hours paid broken down by service branch.

(c) The hourly rate paid.

(d) The total funds expended on the program for child care stipends.

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

(f) Any other pertinent information, as determined by the department, on the program's operations and administration.

(6) As used in this section:

(a) "Child care assistance program" or "program" means the child care assistance program created under the Michigan National Guard child care assistance act.

(b) "Eligible member" means that term as defined in section 2 of the Michigan National Guard child care assistance act.

Sec. 316. (1) The general fund/general purpose funds appropriated in part 1 for the Michigan National Guard member benefit fund must be deposited into the restricted Michigan National Guard member benefit fund. All funds in the restricted Michigan National Guard member benefit fund are appropriated and available for expenditure to support the Michigan National Guard's tuition assistance program, Tricare premium reimbursement program, and childcare assistance program.

(2) As used in this section, "Michigan National Guard member benefit fund" means the Michigan National Guard member benefit fund created in section 3 of the Michigan National Guard member benefit fund act.

MICHIGAN VETERANS AFFAIRS AGENCY

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

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

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

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

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

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

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

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

(2) Not later than January 15, the MVAA shall provide a detailed report of the Michigan veterans' trust fund that includes, for the previous fiscal year, the following information:

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

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

- (c) A detailed breakdown of the Michigan veterans' trust fund expenditures for the emergency grant program, including the amount distributed to each county for operating costs, administrative costs and emergency grants.
- (d) Expenditures for state operating costs and administrative costs.
- (e) The number of approved emergency grant applications, by category of assistance, and the number of denied applications, by reason of denial.
- (f) A description of the MVAA's efforts to reduce program administrative costs and maintain the Michigan veterans' trust fund corpus at or above its original amount of \$50,000,000.00.
- (g) The overall financial status of the Michigan veterans' trust fund, including revenues and year-end balance.
- (h) Expenditures for program partnerships, delineated by organization, and expenditures for any other program initiatives.

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

- (a) Provide outreach services to Michigan veterans to advise them on the benefits to which they are entitled, as provided under Executive Reorganization Order No. 2013-2, MCL 32.92.
- (b) Develop and operate an outreach program that communicates benefit eligibility information to at least 50% of Michigan's population of veterans, as assessed by annual census estimates, with a goal of reaching 100% and enabling 100% to access benefit information online.
- (c) Communicate veteran benefit information pertaining to the Michigan military family relief fund, Michigan veterans' trust fund, and USDVA health, financial, and memorial benefits to which veterans are entitled.
- (d) Fulfill requests for military discharge certificates (DD-214) upon request.
- (e) Not later than January 15, submit a report providing, to the extent known, data on the estimated number of homeless veterans, by county, in this state.
- (f) Not later than January 1, submit a report on the percentage of Michigan veterans contacted through its outreach programs, with a goal of 90%, and report that percentage on the status of outreach.

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

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

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

(2) The MVAA shall develop and implement a process to ensure that all county veterans counselors receive the training and accreditation necessary to provide quality services to veterans and shall report information annually on the number and percentage of county veterans counselors trained by the MVAA, and the number and percentage who received funding from the MVAA to attend training, with an overall goal of 100% of county veterans counselors trained.

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

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

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

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

(c) Fosters innovative and transformative approaches and techniques for the grantee to use when providing services, advocacy, and outreach for veterans and their dependents.

(d) Requires grantees to use an MVAA-designated internet-based claims data system to manage caseloads. License fees associated with the claims data system described in this subdivision are considered an allowable expenditure and may be reimbursed with grant funds.

(e) Requires grantees, in coordination with the MVAA, to provide services to incarcerated veterans who are within 1 year of 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 act, 1984 PA 431, MCL 18.1141 and 18.1485.

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) A list of counties that received a grant under this section and details concerning the methodology of allocations, including, but not limited to, all program information distributed by the MVAA to counties and any applicable timelines and deadlines imposed by the MVAA.

(b) The base, per capita, and total amounts of grant funding each county received under section 3a(6) of 1953 PA 192, MCL 35.623a, including any amount of funding provided under the emergent need relief program pursuant to section 3a(10) of 1953 PA 192, MCL 35.623a.

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

(d) The amount of any unexpended grant funding disbursed to the counties that has been recovered and returned to the county veteran service fund.

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

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

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

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

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

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

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

(4) The MVAA shall notify the legislature not later than 30 days after any changes, alterations, or modifications are made to the amount of grant funding awarded to a county under section 3a of 1953 PA 192, MCL 35.623a.

(5) On a quarterly and annual basis, but not more than quarterly, a county that receives grant funding under section 3a of 1953 PA 192, MCL 35.623a, shall submit a report to the MVAA that includes, but is not limited to, all of the following:

(a) A line-item accounting of all expenditures made using grant funds, including, but not limited to, salaries, training, outreach, equipment, transportation, and operational expenses.

(b) A breakdown of the number of veterans served using grant funds, including the number of veterans assisted, the types of services provided, and the number and types of claims submitted.

(c) A comparison of the costs associated with delivering services or products to veterans to the amount of grant funding spent on delivering those services or products.

(d) A verification of county match funding, including documentation that the county has maintained at least 70% of the funding level from the previous fiscal year for veteran services.

(e) A description of how county expenditures align with the intended outcomes of the county veteran service grant program, including any challenges or deviations from planned activities.

(f) A certification, signed by the county veteran service officer and a county fiscal officer, affirming that all expenditures comply with county veteran service grant conditions and applicable law.

(6) A county that receives grant funding under section 3a of 1953 PA 192, MCL 35.623a, shall use the grant funding only for allowable expenditures. As used in this subsection, "allowable expenditures" means any of the following:

(a) Payroll and salaries.

(b) Staff onboarding and training.

(c) Office space.

(d) Information technology and equipment.

Sec. 415. Not later than January 15, the MVAA shall submit a report that includes all of the following:

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

(b) Challenges to securing housing for homeless veterans.

(c) Recommendations for future long-term partnerships between the Michigan state housing development authority, the MVAA, municipalities, and nonprofit organizations that could assist in eliminating homelessness among veterans in this state. Recommendations under this subdivision must minimize additional costs to local units of government.

(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.

(3) Not later than January 15, the MVH must submit a report that provides an itemized listing of the private donations received by the MVH, the MVFA, or a veterans facility and the purpose for which the funds will be, or were, expended, if known. In addition to the annual report required under this subsection, if the MVH, the MVFA, or a veterans' facility receives a private donation that is \$10,000.00 or greater, the MVH must submit a report within 14 calendar days after receiving that donation providing the amount of the donation and the purpose for which the funds are to be expended, if known.

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

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

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

Sec. 504. (1) The MVFA shall report and investigate all complaints of abuse or neglect at a veterans' facility in compliance with USDVA and CMS regulations for state veterans' homes and skilled nursing facilities. The MVFA shall report on a bimonthly basis the following information:

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

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

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

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

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

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

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

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

Sec. 506. The MVH shall establish and implement internal controls regarding all of the following:

- (a) The use and management of food, maintenance, and pharmaceutical and medical supply inventories.
- (b) Calculating resident member maintenance assessments in order to accurately calculate resident member maintenance assessments for each billing cycle and ensure that all past due resident member maintenance assessments are addressed within 30 days.
- (c) Monetary donations and donated goods.
- (d) The handling of resident member funds to ensure the release of funds within 15 calendar days upon the resident member leaving the home and to ensure that a representative of a resident member is provided a full accounting of that resident member's funds within 30 calendar days after the death of that resident member.
- (e) Financial reporting and accounting.

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

- (a) All policies adopted by the MVFA and the veterans' facility related to the administrative operations of the veterans' facility.
- (b) The agenda and minutes of public meetings of the MVFA board.
- (2) The MVH shall provide a report with copies of each veterans' facility's USDVA State Veteran Home quarterly report. These quarterly reports shall also be posted on the MVH website and these reports must include statistics and information that demonstrates the performance of MVH compared to available state and national veterans' homes or nursing homes.
- (3) Not later than January 15, the MVH shall provide a report on the following:
 - (a) Census data for each veterans' facility, including information on level of care, service era of its resident members, payer source, and average income and assessment rate.
 - (b) Per patient daily care hours provided by each veterans' facility, by level of care.
- (4) The MVH shall provide a bimonthly report on the financial status of each veterans' facility and central MVFA/MVH administration. Information shall include, but not be limited to, actual year-to-date and projected year-end revenues and expenditures, by fund source.
- (5) The MVH shall provide a report on the results of any annual or for-cause survey conducted by any entity with oversight over the veterans' facility and any corresponding corrective action plan. This information shall also be made available publicly through the MVH website.
- (6) In addition to the information required under section 12(1) of the Michigan veterans' facility authority act, 2016 PA 560, MCL 36.112, not later than January 31, the MVFA shall provide a report detailing the strategies and actions taken to maximize revenues from non-general fund sources and cost savings strategies.

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

Sec. 509. Not later than January 15, the MVFA shall provide a report on the construction, operation, and finances of the new Marquette veterans home funded in article 14 of 2022 PA 166.

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

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

CAPITAL OUTLAY

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

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

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

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

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

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

ONE-TIME APPROPRIATIONS

Sec. 701. Funds appropriated in part 1 for Selfridge Air National Guard Base must be used to support costs of complying with air installation compatible use zone program recommendations, including, but not limited to, both of the following:

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

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

Sec. 702. (1) From the funds appropriated in part 1 for veterans nonprofit improvement grants, the MVAA shall create and operate a competitive grant program that provides grants not to exceed \$300,000.00 to nonprofit organizations that provide, or assist in providing, services to veterans residing in this state. The MVAA shall award grants to support efforts to improve or upgrade facilities that are owned by the nonprofit organization requesting the grant. Priority must be given to applicants with demonstrable deterioration in infrastructure, as evidenced by facility condition assessments, safety inspection reports, code violations, or deferred maintenance records. Additional priority is given to applicants that can demonstrate increased liability exposure resulting from facility disrepair, including documented legal claims, insurance notices, incident reports, or other evidence of potential harm to staff, residents, or visitors. Further priority shall be given to applicants that serve a higher volume of veterans on an ongoing basis, as demonstrated by program enrollment records, service logs, or other verifiable documentation of veteran engagement. Grant funding must be used to support costs related to improving or upgrading facilities owned by the nonprofit organization requesting the grant.

(2) The MVAA shall require a nonprofit organization requesting a grant described in subsection (1) to submit a grant application. The grant application required under this subsection must include, but is not limited to, an itemized list of the facilities and proposed improvements to those facilities, broken down by the subunit of the nonprofit organization that operates the facilities, if applicable.

(3) From the funds appropriated in part 1 for veterans nonprofit improvement grants, \$300,000.00 must be allocated to cover necessary administrative and implementation costs incurred by the MVAA.

(4) Not later than January 15, the MVAA shall provide a report summarizing grant activities for the fiscal year ending September 30, 2026 and shall include the following information for each grant issued under this grant program:

(a) The name of each grant recipient.

(b) The amount of the grant provided.

(c) The street address of each facility for which grant funds were expended under this section.

(d) A brief summary of grant expenditures, broken down by each grant recipient.

(5) As used in this section:

(a) “Facility” means a building or structure and a building’s or structure’s grounds, approaches, services, and appurtenances that are owned by a nonprofit organization, including, but not limited to, office buildings, recreational structures, garages, warehouses, parking lots, or any other framework or project situated on a parcel owned by a nonprofit organization.

(b) “Nonprofit organization” means a statewide chapter organization that satisfies the requirements to be exempt from taxation under section 501(c)(19) of the internal revenue code of 1986, 26 USC 501.