

**SUBSTITUTE FOR
SENATE BILL NO. 878**

A bill to make, supplement, adjust, and consolidate appropriations for various state departments and agencies, the judicial branch, and the legislative branch for the fiscal year ending September 30, 2027; to provide for certain conditions on appropriations; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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ARTICLE 12
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
PART 1
LINE-ITEM APPROPRIATIONS
FOR FISCAL YEAR 2026-2027

1 Sec. 101. There is appropriated for the department of military
2 and veterans affairs for the fiscal year ending September 30, 2027,
3 from the following funds:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS		
APPROPRIATION SUMMARY		
6	Full-time equated unclassified positions	9.0
7	Full-time equated classified positions	967.0
8	GROSS APPROPRIATION	\$ 263,938,000
9	Total interdepartmental grants and	
10	intradepartmental transfers	101,800
11	ADJUSTED GROSS APPROPRIATION	\$ 263,836,200
12	Federal revenues:	
13	Total federal revenues	154,412,200
14	Special revenue funds:	
15	Total local revenues	0
16	Total private revenues	100,000
17	Total other state restricted revenues	12,973,100
18	State general fund/general purpose	\$ 96,350,900
19	Sec. 102. MILITARY	
20	Full-time equated unclassified positions	9.0
21	Full-time equated classified positions	422.5
22	Unclassified salaries--FTEs	9.0 \$ 1,934,400
23	Headquarters and armories--FTEs	103.0 24,312,800
24	Michigan youth challenge academy--FTEs	68.0 10,974,700
25	Military family relief fund	150,000
26	Military retirement	2,585,600
27	Military training sites and support facilities-	
28	-FTEs	240.0 47,066,500

1	National guard operations		600,500
2	Michigan national guard member benefit fund--		
3	FTEs	11.5	11,278,600
4	Starbase grant		2,322,000
5	GROSS APPROPRIATION		\$ 101,225,100
6	Appropriated from:		
7	Interdepartmental grant revenues:		
8	IDG - state police		101,800
9	Federal revenues:		
10	DOD - DOA - NGB		66,608,700
11	Federal counternarcotics revenues		100,000
12	Special revenue funds:		
13	Private donations		90,000
14	Billeting fund		1,378,500
15	Military family relief fund		150,000
16	Morale, welfare, and recreation fund		100,000
17	Rental fund		187,700
18	Test project fund		100,000
19	State general fund/general purpose		\$ 32,408,400
20	Sec. 103. MICHIGAN VETERANS AFFAIRS AGENCY		
21	Full-time equated classified positions	61.0	
22	County veteran service grants--FTEs	2.0	\$ 4,255,500
23	Michigan veterans affairs agency		
24	administration--FTEs	49.0	8,491,000
25	Veterans trust fund administration--FTEs	8.0	1,197,000
26	Veterans trust fund grants		2,500,000
27	Veterans service grants--FTEs	2.0	4,255,500
28	GROSS APPROPRIATION		\$ 20,699,000

1	Appropriated from:		
2	USDVA - VHA		758,800
3	Special revenue funds:		
4	Private donations		10,000
5	Michigan veterans trust fund		3,697,000
6	Veterans license plate fund		50,000
7	State general fund/general purpose	\$	16,183,200
8	Sec. 104. MICHIGAN VETERANS' FACILITY AUTHORITY		
9	Full-time equated classified positions	483.5	
10	Chesterfield Township home for veterans--FTEs	110.0	\$ 34,948,800
11	D.J. Jacobetti home for veterans--FTEs	179.0	26,759,200
12	Grand Rapids home for veterans--FTEs	176.0	40,244,700
13	Information technology services and projects		1,749,600
14	Michigan veteran homes administration--FTEs	18.0	4,972,000
15	Veterans cemetery--FTEs	0.5	134,500
16	GROSS APPROPRIATION	\$	108,808,800
17	Appropriated from:		
18	USDVA - VHA		46,653,700
19	HHS - HCFA, Medicare, hospital insurance		1,345,400
20	HHS - HCFA title XIX, Medicaid		8,781,300
21	Special revenue funds:		
22	Income and assessments		6,309,900
23	State general fund/general purpose	\$	45,718,500
24	Sec. 105. CAPITAL OUTLAY		
25	Armory maintenance	\$	1,000,000
26	Land and acquisitions		1,000,000
27	Special maintenance - National Guard		30,000,000
28	Special maintenance - veterans' homes		500,000

1	GROSS APPROPRIATION	\$ 32,500,000
2	Appropriated from:	
3	Federal revenues:	
4	DOD - DOA - NGB	30,000,000
5	Special revenue funds:	
6	Michigan national guard construction fund	1,000,000
7	State general fund/general purpose	\$ 1,500,000
8	Sec. 106. INFORMATION TECHNOLOGY	
9	Information technology services and projects	\$ 705,100
10	GROSS APPROPRIATION	\$ 705,100
11	Appropriated from:	
12	Federal revenues:	
13	DOD - DOA - NGB	164,300
14	State general fund/general purpose	\$ 540,800

PART 1A

LINE-ITEM APPROPRIATIONS
FOR FISCAL YEAR 2025-2026

Sec. 150. There is appropriated for the department of military and veterans affairs to supplement appropriations for the fiscal year ending September 30, 2026, from the following funds:

22	DEPARTMENT OF MILITARY AND VETERANS AFFAIRS	
23	APPROPRIATION SUMMARY	
24	Full-time equated unclassified positions	0.0
25	Full-time equated classified positions	0.0
26	GROSS APPROPRIATION	\$ 152,000,000
27	Total interdepartmental grants and	
28	intradepartmental transfers	0

1	ADJUSTED GROSS APPROPRIATION	\$	152,000,000
2	Federal revenues:		
3	Total federal revenues		0
4	Special revenue funds:		
5	Total local revenues		0
6	Total private revenues		0
7	Total other state restricted revenues		152,000,000
8	State general fund/general purpose	\$	0
9	Sec. 151. ONE-TIME APPROPRIATIONS		
10	Selfridge Air National Guard base	\$	152,000,000
11	GROSS APPROPRIATION	\$	152,000,000
12	Appropriated from:		
13	Special revenue funds:		
14	State restricted revenue		152,000,000
15	State general fund/general purpose	\$	0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2026-2027

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, 2027, total state spending under part 1 from state sources is \$109,324,000.00 and state spending under part 1 from state sources to be paid to local units of government is \$4,088,000.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

1	County veteran service grants	\$	4,041,500
2	Military training sites and support facilities		46,500
3	TOTAL	\$	4,088,000

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

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

8 (a) "CMS" means the United States Department of Health and
9 Human Services, Centers for Medicare and Medicaid Services.

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

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

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

14 (e) "FTE" means full-time equated position in the classified
15 service of this state.

16 (f) "IDG" means interdepartmental grant.

17 (g) "MVAA" means the Michigan veterans affairs agency created
18 by Executive Reorganization Order No. 2013-2, MCL 32.92.

19 (h) "MVFA" means the Michigan veterans' facility authority
20 created under section 3 of the Michigan veterans' facility
21 authority act, 2016 PA 560, MCL 36.103.

22 (i) "MVH" means the Michigan veteran homes as that term is
23 defined in the Michigan veterans' facility authority act, 2016 PA
24 560, MCL 36.102.

25 (j) "MYCA" means the Michigan youth challenge academy.

26 (k) "Standard report recipients" means the senate and house
27 appropriations subcommittees on the department budget, the senate
28 and house fiscal agencies, the senate and house policy offices, and
29 the state budget office.

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

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

5 (n) "Veterans' facility" means that term as defined in section
6 2 of the Michigan veterans' facility authority act, 2016 PA 560,
7 MCL 36.102.

8 (o) "VSO" means veterans service organization.

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

13 Sec. 204. A department or agency shall use the internet to
14 fulfill the reporting requirements of this part and shall make each
15 report readily accessible to the public and conspicuously post each
16 required report in a single archivable location on the department's
17 or agency's Michigan.gov website not later than the due date
18 required for each report. In addition to placing all reports
19 required in the current fiscal year on the department's or agency's
20 website, the department or agency shall maintain on its website all
21 reports placed on the website from previous fiscal years posted by
22 fiscal year in the same single archivable location. The department
23 or agency shall also transmit all required reports for the current
24 fiscal year to the standard report recipients and any other
25 required recipients by email.

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

29 (a) The funds must not be used for the purchase of foreign

1 goods or services, or both, if competitively priced and of
2 comparable quality American goods or services, or both, are
3 available.

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

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

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

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

28 (a) The dates of each travel occurrence.

29 (b) The total transportation and related expenses of each

1 travel occurrence and the proportion funded with state general
2 fund/general purpose revenues, state restricted revenues, federal
3 revenues, local revenues, and private revenues, including specific
4 sources of state restricted, federal, local, and private revenues.

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

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

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

26 (3) In addition to the funds appropriated in part 1, there is
27 appropriated an amount not to exceed \$250,000.00 for local
28 contingency authorization. These funds are not available for
29 expenditure until they have been transferred to another line item

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

3 (4) In addition to the funds appropriated in part 1, there is
4 appropriated an amount not to exceed \$100,000.00 for private
5 contingency authorization. These funds are not available for
6 expenditure until they have been transferred to another line item
7 in part 1 under section 393(2) of the management and budget act,
8 1984 PA 431, MCL 18.1393.

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

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

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

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

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

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

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

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

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

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

24 Sec. 216. On a quarterly basis, the department or agency
25 receiving appropriations in part 1 shall report on the number of
26 full-time equated positions in pay status by civil service
27 classification, including a comparison by line item of the number
28 of full-time equated positions authorized from funds appropriated
29 in part 1 to the actual number of full-time equated positions

1 employed by the department at the end of the reporting period. The
2 report must be submitted to the standard report recipients and to
3 the senate and house appropriations committees.

4 Sec. 217. The state budget director shall take steps to ensure
5 that all state fiscal recovery funds allocated to this state under
6 the American rescue plan act of 2021, Public Law 117-2, are
7 expended by December 31, 2026, as required by law. Any state fiscal
8 recovery funds that would otherwise lapse after September 30, 2026
9 are automatically reappropriated for the same purpose as originally
10 authorized and available for expenditure through December 31, 2026
11 and any subsequent financial close out period.

12 Sec. 218. (1) The state budget director shall take steps to
13 ensure that all state fiscal recovery funds allocated to this state
14 under the American rescue plan act of 2021, Public Law 117-2, are
15 expended by December 31, 2026, as required by law. The state budget
16 director may reallocate appropriated funds for the purpose of fully
17 utilizing state fiscal recovery funds that are in jeopardy of not
18 meeting the expenditure deadline for reasons that may include, but
19 are not limited to, completed projects coming in under budget or
20 funds unable to be fully used by subrecipients. The state budget
21 director shall reallocate any of the funds reallocated under this
22 subsection to the programs or purposes specified in this section.
23 Any funds reallocated are unappropriated and immediately
24 reappropriated for the following purposes:

25 (a) To reclassify general fund/general purpose appropriations
26 for payroll and covered benefits for eligible public health and
27 safety employees at the department of corrections.

28 (b) To reclassify general fund/general purpose appropriations
29 for payroll and covered benefits for eligible public health and

1 safety employees at the department of state police.

2 (2) All applicable guidance, implementation, and reporting
3 provisions of the American rescue plan act of 2021, Public Law 117-
4 2, must be followed for state fiscal recovery funds reallocated and
5 reappropriated under subsection (1).

6 (3) The state budget director shall notify the senate and the
7 house appropriations committees not later than 1 business day after
8 making any reallocations under subsection (1). The notification
9 must include the authorized program under which funds were
10 originally appropriated, the amount of the reallocation, the
11 program, or programs, or purpose, and the department to which the
12 funds are being reallocated under subsection (1), and the amount
13 reallocated to each program or purpose.

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

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

28 Sec. 222. To the extent possible, the department shall not
29 expend appropriations under part 1 until all existing authorized

1 work project funds available for the same purposes are exhausted.

2 Sec. 223. Funds appropriated in part 1 for capital outlay must
3 be carried forward at the end of the fiscal year consistent with
4 section 248 of the management and budget act, 1984 PA 431, MCL
5 18.1248.

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

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

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

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

17 (c) The number of active employees at the close of the
18 reporting period by job classification and departmental branch of
19 service.

20 Sec. 226. (1) Not later than 30 days after enactment of this
21 act, the house of representatives and senate shall provide to the
22 state budget office a jointly agreed-upon list of legislatively
23 directed spending items funded in part 1 as defined in section 364
24 of the management and budget act, 1984 PA 431, MCL 18.364. The list
25 must include all information and documents pertaining to the funded
26 items as publicly disclosed in accordance with sections 364 and
27 364a of the management and budget act, 1984 PA 431, MCL 18.364 and
28 18.364a.

29 (2) In accordance with section 364(4) of the management and

1 budget act, 1984 PA 431, MCL 18.1364, the department or agency
2 administering the grant shall post a report in a publicly
3 accessible location on its website beginning March 15 of the
4 current fiscal year. The department or agency shall update the
5 report and shall post an updated report not later than June 15 of
6 the current fiscal year and again not later than September 15 of
7 the current fiscal year. The department shall include in the report
8 the most comprehensive information the department has available at
9 the time of posting for grants awarded.

10 Sec. 227. (1) Money privately donated to the department in
11 excess of the appropriation in part 1 is appropriated and available
12 for expenditure for departmental operations and for the purpose
13 designated by the private source, if specified.

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

18 (3) If a private donation received is \$10,000.00 or more, the
19 department must submit a report within 14 calendar days after
20 receiving that donation that provides the amount of the donation
21 and the purpose for which the money will be expended, if known.

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

28 Sec. 233. (1) The department shall maximize utilization of the
29 department's in-person state workforce. The department shall

1 prioritize occupancy utilization of office space for each division
2 within the department. Employees with job responsibilities that
3 require the employees to serve in their capacities outside of an
4 office shall be monitored each pay period to ensure all work hours
5 reported on the timesheet were actually worked.

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

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

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

21 (a) A list of all work project accounts.

22 (b) The status of all work project accounts, including amounts
23 expended, amounts encumbered, and available balances for each
24 account.

25 (c) The amount of funds that lapsed from any previously
26 designated work project accounts, the name and description of the
27 work project account, and the funds that received the lapsed
28 amounts.

29 Sec. 236. Total authorized appropriations from all sources

1 under part 1 for legacy costs for the fiscal year ending September
2 30, 2027 are estimated at \$9,082,500.00. From this amount, total
3 appropriations for pension-related legacy costs for the department
4 are estimated at \$9,082,500.00. Total appropriations for retiree
5 health care legacy costs for the department are estimated at \$0.00.

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

14 Sec. 239. A department or agency that receives an
15 appropriation under this part or part 1 must provide an annual
16 report to the standard report recipients detailing federal policy
17 changes that do, or are expected to do, any of the following:

18 (a) Affect the operations of the department, including
19 reductions in federal revenue. For federal revenue reductions, the
20 annual report must detail the impact on the department or agency
21 and residents of this state, including, but not limited to, all of
22 the following information:

23 (i) The amount of additional state revenue required to replace
24 the lost federal revenue.

25 (ii) The services the department or agency will have to reduce
26 or eliminate due to the lost revenue.

27 (iii) The anticipated fiscal impact on residents of this state.

28 (b) Affect an industry, community, population, or other group
29 regulated or served by, or that otherwise engages with, the

1 department or agency.

2 (c) Create a regulatory gap that could negatively impact the
3 public.

4 (d) Increase the department's or agency's costs.

5 (e) Reduce or eliminate a program that provides services to
6 residents of this state.

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

10 Sec. 241. (1) In addition to any other requirements under this
11 part, if the department is authorized under this part to expend
12 funds in addition to those appropriated in part 1, the department
13 must do all of the following:

14 (a) Not later than November 1, provide a report to the
15 chairpersons of the house and senate appropriations committees, the
16 house and senate fiscal agencies, and the state budget office that
17 details all of the following:

18 (i) The type of funding received during the previous fiscal
19 year that was authorized in part 2 of the article that made
20 appropriations for the department in the previous fiscal year.

21 (ii) When the funding was received.

22 (iii) The amount of funding received.

23 (iv) How much of the funding was spent and for what purpose or
24 purposes.

25 (b) Not later than 60 days after receipt of funds authorized
26 under this part, provide a report to the chairpersons of the house
27 and senate appropriations committees, the house and senate fiscal
28 agencies, and the state budget office that details all of the
29 following:

- 1 (i) The type of funding received.
2 (ii) When the funding was received.
3 (iii) The amount of funding received.
4 (iv) The anticipated or actual amount to be spent and the
5 specified purpose or purposes.

6 (c) Not later than February 15, provide a report to the
7 chairpersons of the house and senate appropriations committees, the
8 house and senate fiscal agencies, and the state budget office with
9 an estimate of funding authorized by this part that the department
10 anticipates it will receive in the subsequent fiscal year,
11 identifying all of the following:

- 12 (i) The type or types of funding anticipated.
13 (ii) The amount or amounts of funding anticipated.
14 (iii) The purpose or purposes of the funding.

15 (2) If another reporting requirement under this part would
16 provide substantially similar information on a substantially
17 similar time frame as would be reported under subsection (1),
18 subsection (1) does not apply.

19

20 **MILITARY**

21 Sec. 301. (1) Not later than October 30, the department shall
22 report a list of the current unclassified positions, which shall
23 include the official titles and responsibilities of each position.

24 (2) Upon the department being granted a request for an
25 additional unclassified employee position from the civil service
26 commission, or for any substantive changes to the duties of an
27 existing unclassified employee position, the department shall
28 report on these changes within 15 days.

29 Sec. 302. (1) The department shall operate and maintain

1 National Guard armories and implement a system to measure the
2 condition and adequacy of those armories.

3 (2) Not later than January 15, the department shall evaluate
4 armories and submit an annual report on the status of the armories
5 that includes the following information:

6 (a) An assessment of the grounds and facilities of each armory
7 to objectively measure and determine the current facility condition
8 and capability to support authorized manpower, unit training, and
9 operations.

10 (b) Recommendations for the placement of new armories, the
11 relocation or consolidation of existing armories, or a change in
12 the mission of units assigned to armories to ideally position the
13 National Guard in current or projected population centers.

14 (c) Recommendations for the enhanced use of armories to
15 facilitate family support programs during deployments.

16 (d) An analysis of the feasibility, potential costs, and
17 benefits of use of armories shared with other local, state, or
18 federal agencies to improve responses to local emergencies as well
19 as the community support provided to armories.

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

23 (f) A review of the status of construction activities and
24 expenditures of the armory modernization project funded in section
25 107 of article 10 of 2022 PA 166 and section 104 of 2022 PA 194.

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

29 (2) The department shall take steps to recruit candidates to

1 the MYCA from economically disadvantaged areas, including those
2 with low-income and high-unemployment backgrounds.

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

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

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

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

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

27 (2) From the funds appropriated in part 1, the department
28 shall provide outreach to the Michigan families of members of the
29 reserve component of the Armed Forces of the United States called

1 into active duty on the availability of assistance through the
2 military family relief fund.

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

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

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

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

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

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

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

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

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

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

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

28 (2) The state treasurer shall deposit money and other assets
29 received from any source into the fund. The state treasurer shall

1 direct the investment of money in the fund and credit interest and
2 earnings from the investments to the fund.

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

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

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

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

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

16 Sec. 307. (1) From the funds appropriated in part 1 for
17 Michigan National Guard member benefit program, the department
18 shall maintain a Michigan National Guard tuition assistance program
19 as provided under the Michigan National Guard tuition assistance
20 act, 2014 PA 259, MCL 32.431 to 32.434. The Michigan National Guard
21 tuition assistance program must do all of the following:

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

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

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

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

1 surrounding states.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 Sec. 308. The department shall maintain the starbase program
27 at Air National Guard facilities, as provided under 10 USC 2193b,
28 to improve the knowledge, skills, and interest of students,
29 primarily in the fifth grade, in math, science, and technology. The

1 starbase program is to specifically target minority and at-risk
2 students for participation.

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

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

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

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

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

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

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

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

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

26 (4) All of the fees and other revenues generated from the
27 operation of the morale, welfare, and recreation program must be
28 deposited in the morale, welfare, and recreation fund. Money in the
29 fund is available for expenditure for the support of program

1 operations as appropriated in part 1.

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

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

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

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

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

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

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

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

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

28 Sec. 314. (1) From the funds appropriated in part 1 for the
29 Michigan National Guard member benefit fund, the department shall

1 create and administer a Tricare premium reimbursement program, as
2 provided under the Tricare premium reimbursement program act, 2025
3 PA 36, MCL 32.471 to 32.475.

4 (2) Not later than March 1, the department shall provide a
5 report on the Tricare premium reimbursement program. The report
6 must include, but is not limited to, the following information:

7 (a) The number of eligible members receiving assistance under
8 the program, broken down by service branch and including the amount
9 of the assistance issued, and the total number of National Guard
10 members by service branch.

11 (b) The total funds expended on Tricare premium
12 reimbursements.

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

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

17 Sec. 315. (1) From the funds appropriated in part 1 for the
18 Michigan National Guard member benefit fund, the department shall
19 create and administer a child care assistance program as provided
20 under the Michigan National Guard child care assistance act, 2025
21 PA 37, MCL 32.451 to 32.455.

22 (2) Not later than March 1, the department shall provide a
23 report on the Michigan National Guard child care assistance
24 program. The report must include, but is not limited to, the
25 following information:

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

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

3 (c) The hourly rate paid.

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

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

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

10 Sec. 316. (1) The general fund/general purpose funds
11 appropriated in part 1 for the Michigan National Guard member
12 benefit fund must be deposited into the restricted Michigan
13 National Guard member benefit fund. All funds in the restricted
14 Michigan National Guard member benefit fund are appropriated and
15 available for expenditure to support the Michigan National Guard's
16 tuition assistance program, Tricare premium reimbursement program,
17 and child care assistance program.

18 (2) As used in this section, "Michigan National Guard member
19 benefit fund" means the Michigan National Guard member benefit fund
20 created in section 3 of the Michigan National Guard member benefit
21 fund act, 2025 PA 31, MCL 32.493.

22
23 **MICHIGAN VETERANS AFFAIRS AGENCY**

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

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

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

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

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

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

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

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

11 (c) A detailed breakdown of the Michigan veterans' trust fund
12 expenditures for the emergency grant program, including the amount
13 distributed to each county for operating costs, administrative
14 costs and emergency grants.

15 (d) Expenditures for state operating costs and administrative
16 costs.

17 (e) The number of approved emergency grant applications, by
18 category of assistance, and the number of denied applications, by
19 reason of denial.

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

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

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

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

28 (a) Provide outreach services to Michigan veterans to advise
29 them on the benefits to which they are entitled, as provided under

1 Executive Reorganization Order No. 2013-2, MCL 32.92.

2 (b) Develop and operate an outreach program that communicates
3 benefit eligibility information to at least 50% of Michigan's
4 population of veterans, as assessed by annual census estimates,
5 with a goal of reaching 100% and enabling 100% to access benefit
6 information online.

7 (c) Communicate veteran benefit information pertaining to the
8 Michigan military family relief fund, Michigan veterans' trust
9 fund, and USDVA health, financial, and memorial benefits to which
10 veterans are entitled.

11 (d) Fulfill requests for military discharge certificates (DD-
12 214) upon request.

13 (e) Not later than March 1, submit a report providing, to the
14 extent known, data on the estimated number of homeless veterans, by
15 county, in this state.

16 (f) Not later than March 1, submit a report on the percentage
17 of Michigan veterans contacted through its outreach programs, with
18 a goal of 90%, and report that percentage on the status of
19 outreach.

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

23 (a) Coordinate with veteran benefit counselors throughout a
24 specified region.

25 (b) Coordinate services with all state departments and
26 agencies.

27 (c) Coordinate with regional workforce and economic
28 development agencies.

29 (d) Coordinate activities among local foundations, nonprofit

1 organizations, and community groups to improve accessibility,
2 enrollment, and utilization of the array of health care, education,
3 employment assistance, and quality of life services provided at the
4 local level.

5 (e) Work with MVAA service officers, county veteran
6 counselors, VSO service officers, and other service providers to
7 increase awareness of available mental health care resources and
8 support services veterans may be eligible to receive.

9 (f) Coordinate with the DHHS to identify Medicaid recipients
10 who are veterans and who may be eligible for federal veterans
11 health care benefits or other benefits, to the extent that the
12 identification does not violate applicable confidentiality
13 requirements.

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

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

23 (i) Not later than March 1, submit a report on the activities
24 and outcomes of its outreach services, including the percentage of
25 Michigan veterans contacted through its outreach programs.

26 Sec. 410. (1) The MVAA shall provide claims processing
27 services to Michigan veterans in support of benefit claims
28 submitted to the USDVA for the health, financial, and memorial
29 benefits for which they are eligible. The MVAA shall report

1 annually on the number of benefit claims, by type, submitted to the
2 USDVA by MVAA and maintain the staffing and resources necessary to
3 process a minimum of 500 claims per year.

4 (2) The MVAA shall develop and implement a process to ensure
5 that all county veterans counselors receive the training and
6 accreditation necessary to provide quality services to veterans,
7 and not later than March 1, the MVAA shall provide a report for the
8 previous fiscal year that includes information on the number and
9 percentage of county veterans counselors trained by the MVAA, the
10 number and percentage who received funding from the MVAA to attend
11 training, and a description of the training provided, with an
12 overall goal of 100% of county veterans trained.

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

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

27 (a) Utilizes a service provision model to provide services
28 across the state and can be tracked regionally to ensure that
29 veterans and their dependents in this state, including those within

1 tribal communities, are provided with services, advocacy, and
2 outreach as close to the communities in which they live as
3 possible.

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

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

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

16 (e) Requires grantees, in coordination with the MVAA, to
17 provide services to incarcerated veterans who are within 1 year of
18 their earliest release date.

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

20 (g) Ensures that each grantee expends grant awards as
21 prescribed in the grant agreement.

22 (h) Requires each grantee to report not less than quarterly on
23 all of the following:

24 (i) An accounting for all grant fund expenditures.

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

27 (iii) The number and type of claims originated by an
28 organization other than the grantee and submitted by the grantee to
29 the USDVA.

1 (iv) The services provided to veterans and their dependents.

2 (v) Progress in achieving monthly performance benchmark goals.

3 (i) Ensures that each grantee is issued monthly performance
4 benchmark goals that each grantee must aim to achieve and require
5 each grantee to report to the MVAA, in order to ensure that
6 benchmark goals are being achieved, or on target to be achieved, in
7 the fiscal year.

8 (2) The MVAA shall do all of the following:

9 (a) Follow all generally accepted accounting principles in
10 accordance with sections 141 and 485 of the management and budget
11 act, 1984 PA 431, MCL 18.1141 and 18.1485.

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

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

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

23 (e) Review and audit grantees' expenditure of grant funds to
24 ensure compliance with the grant agreement, as provided under
25 section 470 of the management and budget act, 1984 PA 431, MCL
26 18.1470.

27 (3) Not later than January 15, the MVAA shall provide a report
28 summarizing grant activities for the previous fiscal year,
29 including the amount of expenditures, number of service and

1 advocacy hours, number of claims for benefits submitted by type of
2 claim, and other information deemed appropriate by the MVAA.

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

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

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

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

18 (c) The tentative completion date is September 30, 2028.

19 Sec. 413. (1) The funds appropriated in part 1 for county
20 veteran service grants must be deposited into the restricted county
21 veteran service fund created in section 3a of 1953 PA 192, MCL
22 35.623a. All available funds in the restricted county veteran
23 service fund are appropriated and available for expenditure as
24 provided by law.

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

29 (3) The MVAA shall provide a report not later than January 31

1 that includes the following information for the previous fiscal
2 year:

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

8 (b) The base, per capita, and total amounts of grant funding
9 each county received under section 3a(6) of 1953 PA 192, MCL
10 35.623a, including any amount of funding provided under the
11 emergent need relief program pursuant to section 3a(10) of 1953 PA
12 192, MCL 35.623a.

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

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

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

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

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

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

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

29 (j) The amount expended by the MVAA for grant administration

1 and implementation costs.

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

4 (4) The MVAA shall notify the legislature not later than 30
5 days after any changes, alterations, or modifications are made to
6 the amount of grant funding awarded to a county under section 3a of
7 1953 PA 192, MCL 35.623a.

8 (5) On a quarterly and annual basis, but not more than
9 quarterly, a county that receives grant funding under section 3a of
10 1953 PA 192, MCL 35.623a, shall submit a report to the MVAA that
11 includes, but is not limited to, all of the following:

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

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

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

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

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

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

1 and applicable law.

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

- 6 (a) Payroll and salaries.
- 7 (b) Staff onboarding and training.
- 8 (c) Office space.
- 9 (d) Information technology and equipment.

10 Sec. 414. (1) The veterans service fund is created in the
11 state treasury.

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

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

18 (4) The department is the administrator of the fund for
19 auditing purposes.

20 (5) The department shall expend money in the fund, as provided
21 by law.

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

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

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

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

1 municipalities, and nonprofit organizations that could assist in
2 eliminating homelessness among veterans in this state.
3 Recommendations under this subdivision must minimize additional
4 costs to local units of government.

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

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

19

20 **MICHIGAN VETERANS' FACILITY AUTHORITY**

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

29 (2) Appropriations in part 1 for a veterans' facility shall

1 not be used for any purpose other than expenses related to the
2 operations of the veterans' facility.

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

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

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

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

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

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

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

28 (a) Provide board-certified psychiatric care for all resident
29 members with mental health disorders in order to ensure that those

1 resident members receive needed services in a professional and
2 timely manner.

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

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

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

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

14 (b) Calculating resident member maintenance assessments in
15 order to accurately calculate resident member maintenance
16 assessments for each billing cycle and ensure that all past due
17 resident member maintenance assessments are addressed within 30
18 days.

19 (c) Monetary donations and donated goods.

20 (d) The handling of resident member funds to ensure the
21 release of funds within 15 calendar days upon the resident member
22 leaving the home and to ensure that a representative of a resident
23 member is provided a full accounting of that resident member's
24 funds within 30 calendar days after the death of that resident
25 member.

26 (e) Financial reporting and accounting.

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

28 (a) All policies adopted by the MVFA and the veterans'
29 facility related to the administrative operations of the veterans'

1 facility.

2 (b) The agenda and minutes of public meetings of the MVFA
3 board.

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

10 (3) Not later than January 15, the MVH shall provide a report
11 on the following:

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

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

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

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

27 (6) In addition to the information required under section
28 12(1) of the Michigan veterans' facility authority act, 2016 PA
29 560, MCL 36.112, not later than January 31, the MVFA shall provide

1 a report detailing the strategies and actions taken to maximize
2 revenues from non-general fund sources and cost savings strategies.

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

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

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

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

25

26 **CAPITAL OUTLAY**

27 Sec. 601. (1) The department shall provide for the acquisition
28 and disposition of National Guard armories, facilities, and lands
29 as provided under sections 368, 382, and 382a of the Michigan

1 military act, 1967 PA 150, MCL 32.768, 32.782, and 32.782a.

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

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

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

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

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

29

1 PART 2A
2 PROVISIONS CONCERNING APPROPRIATIONS
3 FOR FISCAL YEAR 2025-2026
4

5 **GENERAL SECTIONS**

6 Sec. 1201. In accordance with section 30 of article IX of the
7 state constitution of 1963, for the fiscal year ending September
8 30, 2026, total state spending from state sources under part 1A is
9 \$152,000,000.00 and total state spending from state sources under
10 part 1A to be paid to local units of government is \$0.00.

11 Sec. 1202. The appropriations under this part and part 1A are
12 subject to the management and budget act, 1984 PA 431, MCL 18.1101
13 to 18.1594.
14

15 **DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

16 Sec. 1301. (1) Funds appropriated in part 1A for Selfridge Air
17 National Guard Base must be used to support costs of runway
18 encroachment solutions while complying with air installation
19 compatible use zone program recommendations, including, but not
20 limited to, all of the following:

21 (a) Capital improvements necessary to shift the runway to the
22 north and repair the airfield and nonairfield features of the base
23 and surrounding community impacted by the shift.

24 (b) Infrastructure projects including, but not limited to,
25 roadways repairs, vehicle access to the base and to the museum,
26 stormwater drain and culvert repairs and modernization, force
27 protection features, airfield features, and taxiway extensions.

28 (2) Unexpended funds appropriated in part 1A for Selfridge Air
29 National Guard Base are designated as a work project appropriation.

1 Unencumbered or unallotted funds shall not lapse at the end of the
2 fiscal year and shall be available for expenditures under this
3 section until the project has been completed. The following is in
4 compliance with section 451a of the management and budget act, 1984
5 PA 431, MCL 18.1451a:

6 (a) The purpose of the project is to support costs of runway
7 encroachment solutions.

8 (b) The project will be accomplished by utilizing state
9 employees, contracts with service providers, or both.

10 (c) The total estimated cost of the project is
11 \$152,000,000.00.

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

13 Sec. 1302. (1) The department shall identify 1 or more of the
14 following methods for funding Selfridge Air National Guard Base
15 under part 1A:

16 (a) Unobligated work project account balances associated with
17 the strategic outreach and attraction reserve fund created in
18 section 4 of the Michigan trust fund act, 2000 PA 489, MCL 12.254,
19 or other lapsed account balances determined by the state budget
20 director.

21 (b) Unobligated general fund/general purpose or federal
22 appropriations that are eligible to support Selfridge Air National
23 Guard Base infrastructure improvements.

24 (c) Special obligation bond financing through the Michigan
25 strategic fund created in section 5 of the Michigan strategic fund
26 act, 1984 PA 270, MCL 125.2005.

27 (2) The department must make every effort to fully utilize the
28 funding options and available revenues identified in subsection
29 (1). After identifying 1 or more of the funding sources under

1 subsection (1) and amounts available from those funding sources
2 that will be used to support Selfridge Air National Guard Base, the
3 department shall identify any remaining costs.

4 (3) Pursuant to section 352 of the management and budget act,
5 1984 PA 431, MCL 18.1352, there is appropriated from the
6 countercyclical budget and economic stabilization fund created
7 under section 351 of the management and budget act, 1984 PA 431,
8 MCL 18.1351, an amount equal to the amount identified by the
9 department under subsection (2) to support remaining costs for
10 Selfridge Air National Guard Base appropriated in part 1A. The
11 annual growth rate for the current calendar year was estimated to
12 be less than 0% at the most recent consensus revenue estimating
13 conference.