



Senate Fiscal Agency
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BILL ANALYSIS



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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 CONFERENCE	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	888.5	898.5	10.0	1.1
GROSS	168,953,700	174,100,200	5,146,500	3.0
Less:				
Interdepartmental Grants Received	99,300	101,800	2,500	2.5
ADJUSTED GROSS.....	168,854,400	173,998,400	5,144,000	3.0
Less:				
Federal Funds.....	90,208,600	91,793,600	1,585,000	1.8
Local and Private	2,237,000	2,265,200	28,200	1.3
TOTAL STATE SPENDING.....	76,408,800	79,939,600	3,530,800	4.6
Less:				
Other State Restricted Funds.....	23,221,500	24,696,000	1,474,500	6.3
GENERAL FUND/GENERAL PURPOSE.....	53,187,300	55,243,600	2,056,300	3.9
PAYMENTS TO LOCALS	102,400	102,400	0	0.0

FY 2015-16 Year-to-Date Gross Appropriation \$168,953,700

Changes from FY 2015-16 Year-to-Date:

Items Included by the Senate and House

1. **Armory Infrastructure Upgrades.** Governor, Senate, and House recommended \$2.5 million in one-time GF/GP funding to support installation of upgraded Army National Guard network connections. 2,500,000
2. **D.J. Jacobetti Veterans Home.** Governor, Senate, and House recommended \$1,120,000 GF/GP to adjust nurse staffing level and renovate home to Medicaid specifications. 1,120,000
3. **Veterans Homes' Restricted Fund Shortfall.** Governor, Senate, and House recommended \$2.3 million GF/GP be used to supplant an equal amount of expected income and assessment restricted revenue shortfall due to a declining census at the homes. 0
4. **Elimination of FY 2015-16 One-Time Funding.** Governor, Senate, and House recommended the elimination of one-time funding of \$3.0 million GF/GP for Special Maintenance - National Guard. (3,000,000)
5. **Adjustment of Federal Funds Based on Anticipated Revenue.** Governor, Senate, and House recommended adjustments to reflect actual funds received, including increases of \$1.5 million for armory operations, \$214,000 for the D.J. Jacobetti Home, decreases of \$1.1 million in Medicare funds for the Grand Rapids Veterans Home, and \$100,000 for the D.J. Jacobetti Veterans Home 518,900
6. **Five-Year Early-Out Deferred Sick Leave Payments.** Governor, Senate, and House recommended the elimination of payments, as Department obligations will be satisfied as of FY 2015-16 for employees who opted into the 2010 early retirement program, which deferred sick leave payments over five years for a savings of \$125,800 Gross, \$5,600 GF/GP. (125,800)

7. Adjustment for FY 2015-16 Supplemental. An adjustment to reflect FY 2015-16 supplemental (Public Act 3 of 2016) which provided \$2.0 million in GF/GP support for National Guard efforts related to the Flint emergency.	(2,000,000)
8. Economic Adjustments. Includes \$28,200 Gross and \$9,300 GF/GP for OPEB and \$2,146,800 Gross and \$714,200 GF/GP for other economic adjustments.	2,175,000
<u>Conference Agreement on Items of Difference</u>	
9. Grand Rapids Veterans Home. Governor and Senate recommended one-time capital outlay funds of \$5.0 million GF/GP to renovate fourth floor of home to Medicaid specifications. House included \$100, with boilerplate transfer authority. Conference included \$1.0 million.	1,000,000
10. National Guard Tuition Assistance Funding Adjustment. Governor recommended the adjustment of funding from a GF/GP appropriation of \$3,741,600 for FY 2015-16 to a restricted revenue amount of \$3.5 million -- which necessitates a GF/GP appropriation to the Fund for FY 2016-17, to align with expected expenditures. The Senate reduced the Governor's recommended GF/GP appropriation to the National Guard Tuition Assistance Fund by \$337,300 GF/GP. House reduced Governor's amount by \$2.2 million. Conference included \$3,505,000 for the program's appropriation and \$60,000 for deposit into the Fund.	(181,600)
11. Youth Challenge Program. Senate added 10 FTEs and \$710,000 Gross (\$210,000 Local and \$500,000 GF/GP) to address recent audit findings. Conference included \$710,000 GF/GP.	710,000
12. Camp Grayling Housing. Senate added \$300,000 GF/GP to Capital Outlay/National Guard to assist with commander housing construction at Camp Grayling. Conference concurred.	300,000
13. Veterans' Service Grants. Senate provided a 1.0% economic increase of \$37,300 for Veterans' Service Grants. Conference included \$30,000.	30,000
14. Grand Rapids Home for Veterans Staffing Increase. House included \$500,000 GF/GP. Conference included \$1.8 million for new vendor contract.	1,800,000
15. Homeless Veterans. Conference included funds to assist homeless veterans.	300,000
16. Veterans Home Planning. House included \$100 (shifted from home operations line item) placeholder for planning. Conference concurred.	0
17. FY 2016-17 One-Time Gross Appropriations. Conference included \$3.8 million in one-time funding, including \$2.5 million for Armory Maintenance, \$1.0 million for Grand Rapids Home Medicaid Certification and \$300,000 for Homeless Veterans.	
Total Changes	\$5,146,500
FY 2016-17 Conference Report Ongoing/One-Time Gross Appropriation	\$174,100,200
Amount Over/(Under) GF/GP Target: \$0	

Boilerplate Changes from FY 2015-16 Year-to-Date:

Items Included by the Senate and House

1. **Unclassified Positions.** Governor, Senate, and House amended list of unclassified employees by removing "Director, Public Safety Group" and added the position of "Chief Executive Officer for Veteran Health System". (Sec. 300)
2. **Starbase Grant.** Governor, Senate, and House amended language to designate the educational program to be targeted toward fifth graders as opposed to both fourth and fifth graders. (Sec. 309)

3. **D.J. Jacobetti Home for Veterans' Medicaid/Medicare Initiative.** Governor, Senate, and House added a new section concerning the Department using appropriations for the pursuit of Medicaid/Medicare certification standards for the D.J. Jacobetti Home for Veterans. A new section requires the Department to report quarterly on a number of quality-of-care metrics, complaints, budget updates, member demographics, revenue collection, home renovations, and improvements, information technology, and updates related to corrective actions required by any audit or survey finding. (Sec. 501)

Conference Agreement on Items of Difference

4. **Schedule of Programs in Part 1 Guidelines.** Governor and Senate included language, House and Conference did not include. (Sec. 216)
5. **Quarterly Fund Shift Reporting.** House and Conference removed a requirement that fund shifts between schedule of program lines be reported. (Sec. 219)
6. **Military Family Relief Fund.** House and Conference removed minimum grant requirements from existing guidelines. (Sec. 308)
7. **National Guard Tuition Assistance Program.** Governor, Senate, and House added a new subsection stating the intent that the program shall be funded with revenue from the Michigan National Guard Tuition Assistance Fund and that unexpended funds shall not lapse to the General Fund at the end of the fiscal year. Conference included Senate version. (Sec. 310)
8. **Michigan Veterans' Trust Fund Administration.** Governor, Senate, and House removed a section, which required that up to \$550,000 shall be spent on administration, up to \$400,000 on an Internet application site, and up to \$450,000 on a regional office model. House and Conference added requirement that unexpended funds must revert back to Fund's corpus. (Sec. 407)
9. **Grand Rapids and D.J. Jacobetti Homes for Veterans.** Governor and Senate amended language by combining separate (but duplicate) boilerplate sections for each home into a single controlling section and added language which states the results of the annual United States Department of Veterans' Affairs survey and certification as proof of compliance with Federal standards for the homes; removed requirements that evaluated nursing assistants, have one year of nursing home experience; and added a new subsection requiring a quarterly report regarding the status of Medicaid certification efforts and progress. Senate and House added language to include when referring to "director of nursing" additionally, "his or her designee". Conference combines aspects of both Senate- and House-passed versions of language. (Sec. 501)
10. **Grand Rapids Home for Veterans Staffing Shortfall.** House included language directing \$500,000 to address staff funding shortfalls at veterans home. Conference did not include. (Sec. 501b)
11. **Medicare and Medicaid.** Governor, Senate, and House added language providing guidelines for seeking Medicare and Medicaid certification including performance metrics. Conference included Senate version. (Sec. 502)
12. **Medicaid and Medicare Standards.** Senate and Conference included language requiring assurance (with a report) that upgrades to meet certification result in a higher standard of care at the veterans homes. (Sec.503)
13. **Veterans' Homes Planning.** House and Conference included language outlining the purpose of funding for veterans' homes planning efforts. (Sec. 605)
14. **Armory Infrastructure Upgrade (one-time).** Governor, Senate, and House included differing language guidelines for the one-time appropriation for Armory Infrastructure Upgrade. Conference included language in concert with Federal matching requirements and specified that the funds would carry forward into the subsequent fiscal year. (Sec. 701)
15. **Medicaid Certification Fund.** House included language requiring funds only could be spent via transfer from a fund created in boilerplate language. Conference did not include. (Sec. 702)

Date Completed: 5-31-16

Fiscal Analyst: Bruce Baker

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberation.