

FY 2018-19: DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

Summary: As Passed by the Senate Senate Bill 861 (S-1) as Amended



Analyst: Kent Dell

	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Senate From FY 2017-18 YTD	
						Amount	%
IDG/IDT	\$101,800	\$101,800	\$101,800	\$101,800		\$0	0.0
Federal	92,334,100	98,170,200	98,170,200	98,170,200		5,836,100	6.3
Local	1,528,400	1,545,400	1,545,400	1,545,400		17,000	1.1
Private	640,000	630,000	630,000	630,000		(10,000)	(1.6)
Restricted	22,332,600	23,279,500	23,279,500	23,279,500		946,900	4.2
GF/GP	62,567,500	65,362,400	66,250,700	67,439,200		4,871,700	7.8
Gross	\$179,504,400	\$189,089,300	\$189,977,600	\$191,166,100		\$11,661,700	6.5
FTEs	913.5	913.5	921.5	913.5		0.0	0.0

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House.

Overview

The Department of Military and Veterans Affairs provides for the operations of the Michigan National Guard in support of the military and security needs of the state and the federal government. The department, through the Michigan Veterans Affairs Agency, also oversees state programs for veterans, including the state's veterans' homes, grants to veterans service organizations, and the Michigan Veterans Trust Fund.

Major Budget Changes From FY 2017-18 YTD Appropriations

1. National Guard Tuition Assistance Fund – Deposit

Executive includes \$2.5 million GF/GP increase to the National Guard Tuition Assistance Fund, which would total \$6.5 million restricted authorization. The department estimates that 1,332 service members will utilize the National Guard Tuition Assistance Program in FY 2018-19, up from 433 participants in FY 2014-15, the first fiscal year in which the program was implemented. House concurs. Senate concurs.

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Senate Change
Gross	\$4,007,000	\$2,500,000
GF/GP	\$4,007,000	\$2,500,000

2. D.J. Jacobetti Home for Veterans – CMS Certification

Executive includes \$1.1 million GF/GP to support staffing, and operational changes to assist with obtaining Centers for Medicare and Medicaid Services certification, which will increase access to federal revenues for medical care for resident veterans. House does not include additional funds for CMS certification and restructures funding for the D.J. Jacobetti Home for Veterans by separating \$2.1 million ongoing GF/GP appropriated in previous fiscal years for CMS certification into a separate line item. Senate concurs with the Executive.

	FTE	NA	0.0
Gross	NA	\$1,111,700	
Federal	NA	0	
Restricted	NA	0	
GF/GP	NA	\$1,111,700	

3. Camp Grayling – Operation Northern Strike

Executive includes \$750,000 GF/GP in support of the annual National Guard training operation, Northern Strike. Personnel support range control and operation, site maintenance, and logistics. House concurs and includes 8.0 FTEs. Senate concurs with the Executive.

	FTE	195.0	0.0
Gross	\$33,956,100	\$750,000	
Federal	30,760,500	0	
Restricted	1,617,800	0	
GF/GP	\$1,577,800	\$750,000	

4. National Guard Armory Sustainment, Restoration, and Modernization

Executive includes \$5.0 million federal authorization in order to expend matching funds provided by the U.S. National Guard Bureau in support of ongoing improvements to Michigan National Guard armories. State funds for National Guard armory maintenance are matched at a 50-50 ratio by the U.S. Department of Defense. House concurs. Senate concurs.

	FTE	195.0	0.0
Gross	\$15,000,000	\$5,000,000	
Federal	15,000,000	5,000,000	
GF/GP	\$0	\$0	

Major Budget Changes From FY 2017-18 YTD Appropriations		FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Senate Change
5. National Guard Land Purchases and Acquisitions	Gross	\$2,000,000	\$900,000
<u>Executive</u> includes \$900,000 restricted revenue authorization from the Michigan National Guard Construction Fund, in order to purchase, appraise, and survey land in support of continuing National Guard armory consolidation and improvement. <u>House</u> concurs. <u>Senate</u> concurs.	Restricted	2,000,000	900,000
	GF/GP	\$0	\$0
6. Michigan Veterans' Facility Authority – Staffing	Gross	\$1,000,000	\$500,000
<u>Executive</u> includes \$500,000 GF/GP to provide for staffing of the Michigan Veterans' Facility Authority as it becomes fully operational. <u>House</u> does not include. <u>Senate</u> concurs with the Executive.	GF/GP	\$1,000,000	\$500,000
7. Veteran Service Organization Grants Increase	Gross	NA	\$76,700
<u>House</u> shifts \$100 GF/GP from the Veterans Service Grants line item to create a placeholder for appropriations to the County Veteran Service Fund. <u>Senate</u> includes a 2% GF/GP increase for inflation.	GF/GP	NA	\$76,700
8. Vietnam Veteran Outreach (One-Time)	Gross	NA	\$1,000,000
<u>Senate</u> includes \$1.0 million one-time GF/GP to support an outreach program targeted at Vietnam Era veterans to assist them in obtaining U.S. Department of Veterans Affairs benefits.	GF/GP	NA	\$1,000,000
9. Armory Maintenance (One-Time)	Gross	NA	(\$1,500,000)
<u>Executive</u> removes FY 2017-18 one-time appropriations for armory sustainment, restoration, and modernization. <u>House</u> concurs with the Executive. <u>Senate</u> retains \$1.0 million one-time GF/GP.	GF/GP	NA	(\$1,500,000)
10. Grand Rapids Home for Veterans – Fall Monitoring Pilot	Gross	NA	\$100
<u>Senate</u> includes a \$100 GF/GP placeholder for an in-room fall monitoring pilot program at the Grand Rapids Home for Veterans.	GF/GP	NA	\$100
11. Technical Adjustments	Gross	NA	(\$145,000)
<u>Executive</u> aligns authorizations with expected revenues available from state restricted and private sources, and provides for net-zero internal transfers. <u>House</u> concurs. <u>Senate</u> concurs.	Private	NA	(10,000)
	Restricted	NA	(135,000)
	GF/GP	NA	\$0
12. Economic Adjustments	Gross	NA	\$1,468,200
<u>Executive</u> reflects increased costs of \$1.5 million Gross (\$433,200 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> concurs. <u>Senate</u> concurs.	Federal	NA	836,100
	Local	NA	17,000
	Restricted	NA	181,900
	GF/GP	NA	\$433,200

Major Boilerplate Changes From FY 2017-18

Sec. 210. Contingency Fund Authorization – REVISED

Provides for federal, state restricted, local, and private contingency fund spending authorizations to be utilized via legislative transfer when available revenues exceed appropriated revenues. Executive revised to increase total federal contingency fund authorization from \$10.0 million to \$12.0 million. House concurs. Senate concurs.

Sec. 215. Disciplinary Action Against State Employees – RETAINED

Forbids the department from taking disciplinary actions against employees who communicate with the Legislature. Executive deleted. House retains. Senate retains.

Sec. 219. Intention to Sell Department Property – RETAINED

Requires the department to notify the Legislature 60 days prior to publicly announcing the intention to sell department property. Executive deleted. House retains. Senate retains.

Sec. 301. Unclassified Positions – RETAINED

Establishes the unclassified positions within the department and requires the department to notify the Legislature 30 days prior to requesting changes in the unclassified positions from the Civil Service Commission. Executive deleted. House retains. Senate retains.

Major Boilerplate Changes From FY 2017-18

Sec. 303. Michigan Youth ChalleNGe Academy – REVISED

Provides for the standards and requirements of the Michigan National Guard's military-style academy for at-risk youth, the Michigan Youth ChalleNGe Academy. Executive revised to 1) specify that the department shall maintain the staffing and resources necessary to graduate 228 cadets annually, through two classes of 144 cadets and 2) require the department to measure cadet success through the Test of Adult Basic Education (TABE) scores, and/or high school credit recovery or receipt of a high school, or equivalent, diploma. House concurs. Senate concurs.

Sec. 402. Grand Rapids and D.J. Jacobetti Home for Veterans – REVISED

Provides for the service and care requirements of the state veterans homes. House revises to include additional standards for contractual mental health care services. Senate revises to include a \$100 placeholder for an in-room fall safety pilot program at the Grand Rapids Home for Veterans.

Sec. 403. D.J. Jacobetti Home for Veterans CMS Certification – REVISED

Requires increased funding for the D.J. Jacobetti Home for Veterans to be used toward achieving Centers for Medicare and Medicaid Services (CMS) certification standards. Executive revised to state that the purpose is to obtain CMS certification by October 1, 2018; previously June, 1 2018. House revises to state that the purpose is to obtain CMS certification by October 1, 2018 and includes additional reporting requirements if CMS certification is not obtained by the stated date. Senate concurs with the Executive.

Sec. 406. MVAA Outreach Services – REVISED

Requires the Michigan Veterans Affairs Agency to provide outreach and advisory services to Michigan veterans and to assist with filing for, and obtaining, military discharge papers (DD-214) and federal veterans benefits. Executive revised to remove a reporting requirement regarding the community assessment and regional service delivery model pilot program. House concurs. Senate concurs.

Sec. 407. Grants to Veterans Service Organizations – REVISED

Establishes the purpose and goals of grants issued by the Michigan Veterans Affairs Agency to Veterans Service Organizations operating in the state to assist veterans receive U.S. Department of Veterans Affairs veterans' benefits. Executive revised to remove the fixed hourly reimbursement rate cap of \$34.00 per hour. House retains the fixed hourly reimbursement rate cap of \$34.00 per hour and includes additional oversight and reporting requirements for monitoring the use of grant funds provided to Veterans Service Organizations. Senate concurs with the Executive.

Sec. 601. Armory Maintenance (One-Time) – RETAINED

Provides for the requirements of FY 2017-18 one-time appropriations for armory maintenance. Executive deleted. House concurs. Senate retains.

Sec. 701. Anticipated Appropriations – RETAINED

Establishes the intent of the Legislature to provide appropriations in the subsequent fiscal year, with adjustments reflecting expected revenues as determined by the Consensus Revenue Estimating Conference. Executive deleted. House retains and renumbers as section 601. Senate retains.

Sec. 702. MVAA Outreach – RETAINED

Establishes a goal of 100% contact with Michigan veterans and requires quarterly reporting to the appropriations subcommittees. Executive deleted. House retains and renumbers as section 602. Senate retains.

Sec. 703. MVAA Claims Services – RETAINED

Requires the Michigan Veterans Affairs Agency to maintain a minimum of 50% fully developed benefits claims to the U.S. Department of Veterans Affairs. Executive deleted. House retains and renumbers as section 603. Senate retains.