

FY 2012-13: MILITARY AND VETERANS AFFAIRS
Summary: As Passed by the Senate*
Senate Bill 959 (S-1)



Analyst: Robin R. Risko

* Information in this document labeled "House" reflects Article XIII of House Bill 5365 (H-2) as amended, as passed by the House.

| | FY 2011-12 YTD as of 2/9/12 | FY 2012-13 Revised Executive | FY 2012-13 House | FY 2012-13 Senate | FY 2012-13 Enacted | Difference: Senate From FY 2011-12 YTD | |
|-------------------|--------------------------------|------------------------------------|----------------------|----------------------|-----------------------|-------------------------------------------|------------|
| | | | | | | Amount | % |
| IDG/IDT | \$3,963,300 | \$1,166,500 | \$11,166,500 | \$1,166,500 | | (2,796,800) | (70.6) |
| Federal | 87,877,900 | 99,239,400 | 99,239,400 | 99,239,400 | | 11,361,500 | 12.9 |
| Local | 765,600 | 769,200 | 769,200 | 1,503,600 | | 738,000 | 96.4 |
| Private | 1,448,000 | 1,503,700 | 1,503,700 | 1,503,700 | | 55,700 | 3.8 |
| Restricted | 28,506,400 | 30,427,000 | 30,427,000 | 30,427,000 | | 1,920,600 | 6.7 |
| GF/GP | 33,983,700 | 34,733,400 | 34,411,600 | 34,733,400 | | 749,700 | 2.2 |
| Gross | \$156,544,900 | \$167,839,200 | \$177,517,400 | \$168,573,600 | | \$12,028,700 | 7.7 |
| FTEs | 826.0 | 826.0 | 826.0 | 841.0 | | 15.0 | 1.8 |

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683.
(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

Overview

The Department of Military and Veterans Affairs has three primary missions: to execute duties as specified in various state statutes and by the Governor, to administer state regulated services, and to ensure preparedness of the Michigan National Guard to assist both state and federal authorities. The Michigan National Guard serves to protect the lives and property of Michigan citizens during times of natural disaster and civil unrest, to preserve peace, order, and public safety at the direction of the Governor, and to assist the federal government in defending sovereign interests of the United States when they are threatened or violated. The department also oversees state programs for veterans, the state's veterans' homes in Grand Rapids and Marquette, grants to veterans service organizations, and the Michigan Veterans' Trust Fund.

| Major Budget Changes From FY 2011-12 YTD Appropriations | | FY 2011-12 Year-to-Date (as of 2/9/12) | FY 2012-13 Senate Change |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------------------------------------|-----------------------------------------|
| 1. Capital Outlay - Replace Flint Armory | Gross | \$0 | \$12,000,000 |
| <u>Executive</u> includes one-time funding for construction of a new armory in Flint, to replace the existing 87-year-old facility. <u>House</u> concurs. <u>Senate</u> concurs. | Federal | 0 | 9,000,000 |
| | Restricted | 0 | 3,000,000 |
| 2. Armory Maintenance | Gross | \$651,200 | \$2,400,000 |
| <u>Executive</u> includes an additional on-going appropriation of \$2.4 million GF/GP to address the backlog of special maintenance projects at the state's 43 armories. <u>House</u> includes an additional on-going appropriation of \$2.0 million GF/GP. The difference between the Executive and House is \$446,800. Of that, \$321,800 is reduced from the Executive recommendation in order to meet House GF/GP targets and \$125,000 is reduced in order to hold the veterans service organization grants harmless and fund the Veterans Certification Officer proposed by the Executive. (See #5 and #6 below) <u>Senate</u> concurs with Executive. | GF/GP | \$651,200 | \$2,400,000 |
| 3. Military Retirement Program | FTE | 1.0 | (1.0) |
| <u>Executive</u> includes an additional \$150,000 GF/GP to cover full-year costs of mandatory retirement payments required pursuant to 1967 PA 150, the Michigan Military Act, and then transfers all costs associated with the Military Retirement program to the Office of Retirement Services within the Department of Technology, Management, and Budget (\$3,981,700 GF/GP). <u>House</u> concurs. <u>Senate</u> concurs. | Gross | \$3,831,700 | (\$3,831,700) |
| | GF/GP | \$3,831,700 | (\$3,831,700) |

| Major Budget Changes From FY 2011-12 YTD Appropriations | | FY 2011-12 Year-to-Date (as of 2/9/12) | FY 2012-13 Senate Change |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------------------------------------------|-----------------------------------------|
| 4. Additional Unclassified Positions | Gross | \$665,000 | \$500,000 |
| <u>Executive</u> reflects a transfer of \$500,000 GF/GP to Unclassified Military Personnel to fully fund current unclassified positions. (\$200,000 GF/GP is transferred from Headquarters and Armories, \$150,000 GF/GP from the Grand Rapids Veterans' Home, and \$150,000 GF/GP from the D.J. Jacobetti Veterans' Home) <u>House</u> concurs. <u>Senate</u> concurs. | GF/GP | \$665,000 | \$500,000 |
| 5. Veterans Affairs Directorate Administration | FTE | 2.0 | 1.0 |
| <u>Executive</u> reflects a transfer of \$125,000 GF/GP to fund a Veterans Affairs Certification Officer and \$125,000 GF/GP to cover a funding shortfall. (\$125,000 GF/GP is transferred from veterans service organization grants, \$75,000 GF/GP from the Grand Rapids Veterans' Home, and \$50,000 GF/GP from the D.J. Jacobetti Veterans' Home) <u>House</u> concurs, but transfers the \$125,000 GF/GP for the Veterans Affairs Certification Officer from the Special Maintenance - State line item instead of from the veterans service organization grants. <u>Senate</u> concurs with Executive. | Gross GF/GP | \$205,300 \$205,300 | \$250,000 \$250,000 |
| 6. Veterans Service Organization Grants | Gross | \$3,029,600 | (\$125,200) |
| <u>Executive</u> reduces grant funding for veterans service organizations by \$125,000 GF/GP and transfers the funding to the Veterans Affairs Directorate Administration. <u>House</u> does not reduce grant funding for veterans service organizations. (See #5 above) <u>Senate</u> reduces grant funding by \$125,200 GF/GP; transfers \$125,000 to the Veterans Affairs Directorate Administration and uses \$200 to create two \$100 placeholders. (See #20 below) | GF/GP | \$3,029,600 | (\$125,200) |
| 7. Transfers to Fund Increases | Gross | N/A | (\$625,000) |
| <u>Executive</u> reduces funding by \$225,000 GF/GP for the Grand Rapids Veterans' Home, by \$200,000 GF/GP for the D.J. Jacobetti Veterans' Home, and by \$200,000 GF/GP for Headquarters and Armories and transfers the funding to Unclassified Military Personnel and Veterans Affairs Directorate Administration. <u>House</u> concurs. <u>Senate</u> concurs. (See #4 and #5 above) | GF/GP | N/A | (\$625,000) |
| 8. Grand Rapids Veterans' Home Restricted Funding | Gross | \$16,176,500 | (\$2,000,000) |
| <u>Executive</u> reduces the budget to more accurately reflect the amount of Income and Assessment revenue received at the Grand Rapids Veterans' Home. <u>House</u> concurs. <u>Senate</u> concurs. | Restricted | 16,176,500 | (2,000,000) |
| 9. D. J. Jacobetti Veterans' Home Fund Source Shift | Gross | \$11,450,900 | \$0 |
| <u>Executive</u> increases the federal Veterans Health Administration fund source and reduces the Income and Assessments fund source at the D.J. Jacobetti Veterans' Home to more accurately reflect the amount of revenue received at the home. <u>House</u> concurs. <u>Senate</u> concurs. | Federal | 6,137,700 | 250,000 |
| | Restricted | 5,313,200 | (250,000) |
| 10. Federal Revenue Adjustment | Gross | \$24,294,100 | \$425,000 |
| <u>Executive</u> increases federal funding authorization by \$225,000 for the Grand Rapids Veterans' Home and by \$200,000 and for the D.J. Jacobetti Veterans' Home in order to reflect the amount of federal funding being made available. <u>House</u> concurs. <u>Senate</u> concurs. | Federal | 24,294,100 | 425,000 |
| 11. Savings from Privatization of Staff | Gross | N/A | (\$921,300) |
| <u>Executive</u> reflects a reduction of \$921,300 GF/GP in anticipation of additional savings resulting from privatizing resident care aide positions at the Grand Rapids Veterans' Home. <u>House</u> concurs. <u>Senate</u> concurs. | GF/GP | N/A | (\$921,300) |
| 12. Economic Adjustments | Gross | N/A | \$1,564,400 |
| <u>Executive</u> includes \$1.6 million Gross (\$546,800 GF/GP) for negotiated salary and wage increases, the actuarially-required retirement rate increase, reduced employer health insurance costs due to the 20% employee contribution, workers' compensation costs, and food and fuel costs. <u>House</u> concurs. <u>Senate</u> concurs. | IDG | N/A | (2,797,500) |
| | Federal | N/A | 2,979,000 |
| | Private | N/A | 51,500 |
| | Restricted | N/A | 784,600 |
| | GF/GP | N/A | \$546,800 |
| 13. Remove One-Time Capital Outlay Funding | Gross | \$1,700,000 | (\$1,700,000) |
| <u>Executive</u> removes one-time Capital Outlay funding appropriated in the FY 2011-12 budget for construction of a light demolition range at Camp Grayling. <u>House</u> concurs. <u>Senate</u> concurs. | Federal | 1,700,000 | (1,700,000) |

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|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------------------------------------|-----------------------------------------|
| 14. Capital Outlay - Land Acquisitions and Appraisals | Gross | \$0 | \$250,000 |
| <u>Executive</u> includes authorization for the department to spend up to \$250,000 on land acquisitions and appraisals should land become available. <u>House</u> concurs. <u>Senate</u> concurs. | Restricted | 0 | 250,000 |
| 15. One-Time Appropriations - Employee Lump Sum Payments | Gross | NA | \$707,900 |
| <u>Executive</u> includes a one-time appropriation, in boilerplate section 13-701, of \$707,900 Gross (\$155,900 GF/GP) for the negotiated one-time lump sum payments to state employees. <u>House</u> concurs, but appropriates the funding in a line item. <u>Senate</u> concurs with House. | IDG | NA | 700 |
| | Federal | NA | 407,500 |
| | Local | NA | 3,600 |
| | Private | NA | 4,200 |
| | Restricted | NA | 136,000 |
| | GF/GP | NA | \$155,900 |
| 16. One-Time Appropriations - Special Maintenance State | Gross | \$0 | \$2,400,000 |
| <u>Executive</u> includes a one-time appropriation, in boilerplate section 13-701, of \$2.4 million GF/GP for addressing the backlog of special maintenance projects at the state's 43 armories. <u>House</u> concurs with the \$2.4 million GF/GP, includes an additional \$324,800 in IDG funding being made available from the Department of Human Services, and appropriates the funding in a line item. <u>Senate</u> concurs with Executive, but appropriates the funding in a line item. | IDG | 0 | 0 |
| | GF/GP | \$0 | \$2,400,000 |
| 17. One-Time Appropriations - Special Maintenance Grand Rapids Veterans' Home | Gross | \$0 | \$0 |
| <u>House</u> includes a one-time line item appropriation of \$4.4 million for special maintenance projects at the Grand Rapids Veterans' Home to be funded with IDG funding being made available from the Department of Human Services. <u>Senate</u> does not include. | IDG | 0 | 0 |
| 18. One-Time Appropriations - Special Maintenance D.J. Jacobetti Veterans' Home | Gross | \$0 | \$0 |
| <u>House</u> includes a one-time line item appropriation of \$1.6 million for special maintenance projects at the D. J. Jacobetti Veterans' Home to be funded with IDG funding being made available from the Department of Human Services. <u>Senate</u> does not include. | IDG | 0 | 0 |
| 19. One-Time Appropriations - Veterans Advice, Advocacy and Assistance Grants | Gross | \$0 | \$0 |
| <u>House</u> includes a one-time line item appropriation of \$2.0 million for veterans service organization grants to be funded with IDG funding being made available from the Department of Human Services. <u>Senate</u> does not include. | IDG | 0 | 0 |
| 20. One-Time Appropriations - Michigan Veterans Coalition Initiatives | Gross | \$0 | \$200 |
| <u>House</u> includes a one-time line item appropriation of \$1.7 million for Michigan Veterans Coalition initiatives to be funded with IDG funding being made available from the Department of Human Services. Proposed initiatives include: establishing and implementing a college campus program to assist veterans on campus with enrolling in the veterans affairs health care system and with filing claims for disabilities; and implementing an Internet-based data system, in collaboration with the Michigan Association of County Veterans Counselors, to ensure that Michigan's veterans and their families receive professional assistance, advocacy, and counseling to obtain and receive benefits. <u>Senate</u> includes two \$100 GF/GP placeholders, one for each of the initiatives. | IDG | 0 | 0 |
| | GF/GP | \$0 | \$200 |
| 21. One-Time Appropriations - Pilot Grant Program for Counties | Gross | \$0 | \$0 |
| <u>House</u> includes a \$100 placeholder for a pilot grant program for counties to fund additional accredited veterans service officers. The intent is for grants to be made available to Kent County, Wayne County, and other underserved counties based on need of veterans services. <u>Senate</u> does not include. | IDG | 0 | 0 |

| <u>Major Budget Changes From FY 2011-12 YTD Appropriations</u> | | FY 2011-12 Year-to-Date (as of 2/9/12) | FY 2012-13 Senate Change |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------------------------------------|-----------------------------------------|
| 22. One-Time Appropriations - Data Upgrades and Digitization | Gross | \$0 | \$0 |
| <u>House</u> includes a \$100 placeholder for department data upgrades and digitization of all medical records and military discharge documents. <u>Senate</u> does not include. | IDG | 0 | 0 |
| 23. ChalleNGe Program | FTE | 25.0 | 15.0 |
| <u>Senate</u> includes additional FTE positions and funding for the ChalleNGe Program. | Gross | \$4,186,900 | \$734,400 |
| | Local | 4,186,900 | 734,400 |
| 24. Anticipated FY 2013-14 Budget Changes | | | |
| <u>House</u> and <u>Senate</u> include an anticipated increase in funding from the FY 2012-13 levels of \$2.4 million Gross (\$535,600 GF/GP) for economic adjustments in FY 2013-14. (Boilerplate intent language only; would not be binding appropriations.) | | | |

Major Boilerplate Changes From FY 2011-12

GENERAL SECTIONS OF BOILERPLATE

Sec. 207. Transparency Website – DELETED

Requires the department to maintain a searchable website accessible by the public at no cost that includes expenditure data, data on payments made to vendors, and data on number of active employees, job specifications, and wage rates. Executive retains. House retains. Senate deletes.

Sec. 208. Internet Availability of Required Reports – DELETED

Requires the department to use the Internet to fulfill reporting requirements; authorizes transmission of reports via e-mail. Executive retains. House retains. Senate deletes.

Sec. 211. Information Technology Work Project Account – DELETED

Designates the appropriation for information technology as a work project account. Executive deletes. House retains. Senate deletes.

Sec. 213. Out-of-State Travel Restrictions – DELETED

Limits out-of-state travel; authorizes the State Budget Director to grant exceptions to allow travel; requires a monthly report on the number of exceptions granted. Executive deletes. House deletes, but includes a new section on out-of-state travel. Senate deletes.

Sec. 214. Information Technology Services – DELETED

Requires the department to pay user fees to DTMB for technology-related services and projects. Executive deletes. House retains. Senate deletes.

Sec. 218. GF/GP Savings from Department Incentive Pool – DELETED

Requires unused GF/GP obtained as a result of efficiencies to be designated as the department incentive pool balance; requires funds associated with GF/GP supplemental requests to be debited against the department incentive pool balance if supplemental requests do not meet specified criteria; specifies how the positive year-end balance of the department incentive pool balance shall be allocated. Executive deletes. House deletes. Senate deletes.

MILITARY

Sec. 302. National Guard Armories – REVISED

Requires the department to properly operate and maintain armories in the state. Senate adds requirement that the department establish a system that measures the condition and adequacy of armory facilities, and identify and upgrade 15 red armories to yellow or green facilities.

VETERANS AND COMMUNITY OUTREACH

Sec. 401. Veterans Advice, Advocacy, and Assistance – REVISED

Requires the department to provide advice, advocacy, and assistance services to veterans, to maintain proper levels of staffing and resources, to distribute grant funding, to take steps to improve coordination of veterans benefits counseling, and to increase its responsibility in administration, management, oversight, and outreach of delivery of services. Senate adds requirement that the department increase the percentage of veterans who become aware of their eligibility for education benefits, and increase the percentage of veterans who become aware of job training and placement opportunities.

HOMES

Sec. 501. (2) Veterans' Homes – REVISED

Requires the department to provide resources necessary to provide adequate nursing care services to a licensed maximum capacity of 618 skilled nursing and 140 domiciliary beds at the Grand Rapids Veterans' Home and 182 skilled nursing and 59 domiciliary beds at the D.J. Jacobetti Veterans' Home. Executive deletes. House retains and revises by deleting the specified numbers of beds. Senate retains and revises by deleting the maximum capacity of beds and including a minimum capacity.

Major Boilerplate Changes From FY 2011-12

ANTICIPATED APPROPRIATIONS

Sec. 1201. Anticipated FY 2013-14 Appropriations – NEW

States legislative intent to provide appropriations for FY 2013-14, adjusting FY 2012-13 amounts based on economic and other factors. (See item #24 under Major Budget Changes for specific anticipated appropriation adjustments.)