

# FY 2015-16: DEPARTMENT OF MILITARY AND VETERANS AFFAIRS



## Summary: As Passed by the House Article XIV, House Bill 4102 (H-1) as Amended

Analyst: Perry Zielak

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	Difference: House From FY 2014-15 YTD	
						Amount	%
IDG/IDT	\$100,000	\$99,300	\$99,300			(\$700)	(0.7)
<b>Federal</b>	90,362,800	90,208,600	90,208,600			(154,200)	(0.2)
<b>Local</b>	1,500,000	1,497,400	1,497,400			(2,600)	(0.2)
<b>Private</b>	740,000	739,600	739,600			(400)	(0.1)
<b>Restricted</b>	23,286,400	23,221,500	23,221,500			(64,900)	(0.3)
<b>GF/GP</b>	52,454,500	48,187,300	48,616,300			(3,838,200)	(7.3)
<b>Gross</b>	<b>\$168,443,700</b>	<b>\$163,953,700</b>	<b>\$164,382,700</b>			<b>(\$4,061,000)</b>	<b>(2.4)</b>
FTEs	898.5	897.5	897.5			(1.0)	(0.1)

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

### 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 2014-15 YTD Appropriations

		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
<b>1. Removal of FY 2014-15 One-Time Appropriations</b>	<b>Gross</b>	<b>\$3,400,000</b>	<b>(\$3,400,000)</b>
<u>Executive</u> eliminates one-time funding of \$3.4 million GF/GP: \$3.0 million GF/GP for Special Maintenance – Veterans' Homes; and \$400,000 GF/GP for National Guard Tuition Assistance Program Reserve. <u>House</u> concurs.	GF/GP	\$3,400,000	(\$3,400,000)
<b>2. Income and Assessment Revenue Offsets</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<u>Executive</u> continues increase of ongoing funding of \$3.3 million GF/GP to offset income and assessment restricted revenue shortfalls at the Grand Rapids and D.J. Jacobetti Veterans' Homes due to declining member census and the inability of veterans to pay the maximum assessment. Offsets were originally made for FY 2014-15 in HB 4112 (H-1). <u>House</u> concurs.	Restricted	(3,300,000)	0
	GF/GP	\$3,300,000	\$0
<b>3. Chargeable Transient Quarters Program and Billeting Fund</b>	<b>Gross</b>	<b>\$1,500,000</b>	<b>\$0</b>
<u>Executive</u> continues establishment of ongoing funding of \$1.5 million state restricted revenue to reinstate the Chargeable Transient Quarters program and Billeting Fund for ongoing operations in National Guard lodging facilities at Fort Custer and Camp Grayling. Change was originally made for FY 2014-15 in HB 4112 (H-1). <u>House</u> concurs.	Restricted	1,500,000	0
<b>4. Veteran Service Grants</b>	<b>Gross</b>	<b>\$3,762,500</b>	<b>\$0</b>
<u>Executive</u> reduces funding by \$429,000 GF/GP for grants made to veteran service organizations (VSOs) to support veterans outreach services statewide. <u>House</u> restores funding by \$429,000 GF/GP.	GF/GP	\$3,762,500	\$0
<b>5. Vacant Partnership Development Analyst Position</b>	FTE	40.0	(1.0)
<u>Executive</u> reduces funding by \$117,300 GF/GP through proposed elimination of a vacant Partnership Development Analyst position. <u>House</u> concurs.	<b>Gross</b>	<b>\$6,045,100</b>	<b>(\$117,300)</b>
	GF/GP	\$6,045,100	(\$117,300)

<b>Major Budget Changes From FY 2014-15 YTD Appropriations</b>		<b>FY 2014-15 Year-to-Date (as of 3/12/15)</b>	<b>FY 2015-16 House Change</b>
<b>6. Military Training Sites</b>	<b>Gross</b>	<b>\$33,450,600</b>	<b>(\$100,000)</b>
<u>Executive</u> reduces funding by \$100,000 GF/GP by eliminating Air National Guard Fire Protection Activities at the Battle Creek Air National Guard Base and Alpena Combat Readiness Training Center. <u>House</u> concurs.	Federal	30,295,600	0
	Restricted	1,500,000	0
	GF/GP	\$1,655,000	(\$100,000)
<b>7. Departmentwide Service</b>	<b>Gross</b>	<b>\$1,909,400</b>	<b>(\$100,000)</b>
<u>Executive</u> reduces funding by \$100,000 GF/GP through savings gained by increased departmentwide efficiencies within contractual services, supplies, and materials. <u>House</u> concurs.	Federal	1,546,300	0
	GF/GP	\$363,100	(\$100,000)
<b>8. Counterdrug Program</b>	<b>Gross</b>	<b>\$50,000</b>	<b>\$50,000</b>
<u>Executive</u> increases authorization by \$50,000 Federal for Counterdrug Program (formerly Counter Narcotic Operations) to collect more revenue that may be used for investigations, law enforcement training, equipment and operations, asset accounting and tracking, awards and memorials. <u>House</u> concurs.	Federal	50,000	50,000
<b>9. Economics</b>	<b>Gross</b>	<b>NA</b>	<b>(\$393,700)</b>
<u>Executive</u> implements net cost reductions of \$393,700 Gross (\$120,900 GF/GP) for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reduction in actuarially-required retirement rates, and other economic adjustments. <u>House</u> concurs.	IDG	NA	(700)
	Federal	NA	(204,200)
	Local	NA	(2,600)
	Private	NA	(400)
	Restricted	NA	(64,900)
	GF/GP	NA	(\$120,900)

### **Major Boilerplate Changes From FY 2014-15**

#### **Executive Boilerplate Deletions**

In general, the Executive Budget deletes many sections of boilerplate including legislative reporting requirements, providing guidance, and placing conditions on appropriations, and earmarks of funding for specific purposes. The list below includes major changes to boilerplate, but is not a comprehensive list of all sections or language deleted. The following is a list of current year boilerplate sections recommended for deletion: 204, 205a, 205b, 205c, 205d, 212, 215, 216, 217, 227, 233, 234, 300, 301, 309, 311, 400(6), 701, 702, 1201, 1202, and 1203. House concurs on: 204, 212, 215, 217, 227, 234, 300, 301, 701, and 702.

#### **Sec. 300. Unclassified Positions – DELETED**

Lists titles of unclassified positions currently in the department; requires the department to notify the subcommittees prior to submitting requests for additional unclassified positions or requests for substantive changes to the duties of existing unclassified positions. Executive deletes section. House concurs.

#### **Sec. 301. Support Services – DELETED**

Requires DMVA to provide effective and efficient administrative leadership and administrative support for its operations, including ensuring proper accountability of state funds, adherence to state financial and administrative guidelines, and proper fiscal controls in the procurement of goods and services. Executive deletes section. House concurs.

#### **Sec. 302. Armories and Joint Force Readiness – REVISED**

Requires DMVA to provide for the executive-level administration of the department, the operations of Michigan military establishment, and the maintenance of operation of National Guard armories as provided under listed laws and regulations, requires reporting requirements on the current state of the armories, a development strategy for physical improvements, consolidations, and establishing new armories. Executive deletes reporting requirements and revises subsections. House concurs with revisions but retains reporting requirements.

#### **Sec. 309. Starbase Grant – REVISED**

Requires DMVA to maintain a Starbase program, providing programs in mathematics, science, and technology to K-12 students, at Air National Guard facilities. Executive deletes section. House retains section with revision clarifying program is for fourth and fifth grade students.

#### **Sec. 310. National Guard Tuition Assistance Program – REVISED**

Language on establishing and maintaining a tuition assistance program for members of the Michigan National Guard. Executive deletes program's performance metrics. House retains program's performance metrics.

#### **Sec. 312. Billeting Fund Account – NEW**

Authorizes the creating of the billeting fund account for funds received from the operation of the Chargeable Transient Quarter Program, requires annual report of operations and expenditures. Executive adds new section. House concurs.

## **Major Boilerplate Changes From FY 2014-15**

### **Sec. 400(6). Veterans Advisory Board – DELETED**

Establishes a five-member advisory board representing small, medium, and large veterans service organizations to assist the MVAA in developing plans and service delivery initiatives that assist it in meeting its performance goals and objectives. Executive deletes section. House concurs.

### **Sec. 407. Veterans' Trust Fund Administration – REVISED**

Requires DMVA to provide emergency grants from the MVTF as provided by listed legal authorities; requires an annual report on MVTF financial and grant activities. House adds a new subsection limiting administrative costs to \$550,000; directs \$400,000 towards creation of online application and \$450,000 towards a regional office model.

### **Sec. 501. Veterans' Home Service and Care Requirements – REVISED**

Language around performance standards in the veterans' home. Executive merges Grand Rapids Veterans' Home and D.J. Jacobetti Veterans' Home boilerplate, deletes several subsections. House concurs with merged boilerplate and majority of deletions.

### **Sec. 501(9)-(13). Veterans' Home Competency Evaluated Nursing Assistants (CENAs) – RETAINED**

Requires that contractors that provide nursing assistants (CENAs) at the home meet certain performance standards regarding pre-service and in-service training and experience. Executive deletes subsections. House concurs with deletion of subsection 9 but retains 10-13.

### **Sec. 502. Board of Managers – REVISED**

Provides that the Board of Managers shall exercise certain regulatory and governance authority over the veterans' homes. Executive merges Grand Rapids and D.J. Jacobetti board of managers boilerplate. House concurs.

### **Sec. 503(1)-(18). D.J. Jacobetti Veterans' Home – DELETED**

Language around performance standards in the D.J. Jacobetti Veterans' Home. Executive merges with Sec. 501. House concurs.

### **Sec. 504. Board of Managers – DELETED**

Provides that the Board of Managers shall exercise certain regulatory and governance authority over the veterans' homes. Executive merges with Sec. 502. House concurs.