

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

## Summary: Conference Committee Report Senate Bill 128 (S-2) CR-1



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	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Conference	Difference: Conference From FY 2014-15 YTD	
						Amount	%
IDG/IDT	\$100,000	\$99,300	\$99,300	\$99,300	\$99,300	(\$700)	(0.7)
Federal	90,362,800	90,208,600	90,208,600	90,208,600	90,208,600	(154,200)	(0.2)
Local	1,500,000	1,497,400	1,497,400	1,497,400	1,497,400	(2,600)	(0.2)
Private	740,000	739,600	739,600	739,600	739,600	(400)	(0.1)
Restricted	23,286,400	23,221,500	23,221,500	23,221,500	23,221,500	(64,900)	(0.3)
GF/GP	52,454,500	48,187,300	48,616,300	48,187,300	51,187,300	(1,267,200)	(2.4)
Gross	<b>\$168,443,700</b>	<b>\$163,953,700</b>	<b>\$164,382,700</b>	<b>\$163,953,700</b>	<b>\$166,953,700</b>	<b>(\$1,490,000)</b>	<b>(0.8)</b>
FTEs	898.5	897.5	897.5	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, House Bill 4110, 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

#### 1. Removal of FY 2014-15 One-Time Appropriations

Executive 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. House concurs. Senate concurs. Conference concurs.

	FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 Conference Change
Gross	<b>\$3,400,000</b>	<b>(\$3,400,000)</b>
GF/GP	\$3,400,000	(\$3,400,000)

#### 2. Income and Assessment Revenue Offsets

Executive 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). House concurs. Senate concurs. Conference concurs.

	FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 Conference Change
Gross	<b>\$0</b>	<b>\$0</b>
Restricted	(3,300,000)	0
GF/GP	\$3,300,00	\$0

#### 3. Chargeable Transient Quarters Program and Billeting Fund

Executive 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). House concurs. Senate concurs. Conference concurs.

	FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 Conference Change
Gross	<b>\$1,500,000</b>	<b>\$0</b>
Restricted	1,500,000	0

#### 4. Veteran Service Grants

Executive reduces funding by \$429,000 GF/GP for grants made to veteran service organizations (VSOs) to support veterans outreach services statewide. House restores funding by \$429,000 GF/GP. Senate restores funding by \$350,000 GF/GP and shifts \$100 to targeted outreach line item. Conference restores funding by \$400,000 GF/GP.

	FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 Conference Change
Gross	<b>\$3,762,500</b>	<b>(\$29,000)</b>
GF/GP	\$3,762,500	(\$29,000)

<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 Conference Change</b>
<b>5. National Guard Tuition Assistance Program</b> <u>Senate</u> reduces funding by \$600,000 to shift funds to Veteran Service Grants and Armory Maintenance. <u>Conference</u> concurs but shifts funds to Veteran Service Grants and Targeted Grants.	<b>Gross</b>	<b>\$4,341,600</b>	<b>(\$600,000)</b>
	GF/GP	\$4,341,600	(\$600,000)
<b>6. Special Maintenance- National Guard</b> <u>Senate</u> adds \$250,000 for armory maintenance projects. <u>Conference</u> does not include.	<b>Gross</b>	<b>\$15,000,000</b>	<b>\$0</b>
	Federal	15,000,000	0
	GF/GP	\$0	\$0
<b>5. Vacant Partnership Development Analyst Position</b> <u>Executive</u> reduces funding by \$117,300 GF/GP through proposed elimination of a vacant Partnership Development Analyst position. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	FTE	40.0	(1.0)
	<b>Gross</b>	<b>\$6,045,100</b>	<b>(\$117,300)</b>
	GF/GP	\$6,045,100	(\$117,300)
<b>6. Military Training Sites</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. <u>Senate</u> concurs. <u>Conference</u> concurs.	<b>Gross</b>	<b>\$33,450,600</b>	<b>(\$100,000)</b>
	Federal	30,295,600	0
	Restricted	1,500,000	0
	GF/GP	\$1,655,000	(\$100,000)
<b>7. Departmentwide Service</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. <u>Senate</u> concurs. <u>Conference</u> concurs.	<b>Gross</b>	<b>\$1,909,400</b>	<b>(\$100,000)</b>
	Federal	1,546,300	0
	GF/GP	\$363,100	(\$100,000)
<b>8. Counterdrug Program</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. <u>Senate</u> concurs. <u>Conference</u> concurs.	<b>Gross</b>	<b>\$50,000</b>	<b>\$50,000</b>
	Federal	50,000	50,000
<b>9. Targeted Grants</b> <u>Senate</u> adds placeholder line item of \$100 GF/GP for targeted outreach to veterans, shifted from Veteran Service Grant funding. <u>Conference</u> adds \$200,000 GF/GP.	<b>Gross</b>	<b>N/A</b>	<b>\$200,000</b>
	GF/GP	N/A	\$200,000
<b>10. One-Time Appropriations</b> <u>Conference</u> adds a one-time appropriation of \$3.0 million GF/GP to Special Maintenance – National Guard for armory maintenance.	<b>Gross</b>	<b>N/A</b>	<b>\$3,000,000</b>
	GF/GP	N/A	\$3,000,000
<b>10. Economics</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. <u>Senate</u> concurs. <u>Conference</u> concurs.	<b>Gross</b>	<b>N/A</b>	<b>(\$393,700)</b>
	IDG	N/A	(700)
	Federal	N/A	(204,200)
	Local	N/A	(2,600)
	Private	N/A	(400)
	Restricted	N/A	(64,900)
	GF/GP	N/A	(\$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. Senate concurs on: 205a, 205b, 205c, 205d, 212, 216, 217, 227, 301, 309, 701, 702, 1202, and 1203. Conference concurs on: 204, 205a, 205b, 205c, 205d, 212, 217, 227, 301, 701, and 702.

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

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. Senate retains. Conference concurs with Senate.

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

### **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. Senate concurs. Conference 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. Senate retains language concerning creating a culture free from sexual assault. Conference concurs by retaining House and Senate revisions.

### **Sec. 305. 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 312. House concurs. Senate concurs but changes to Section 305. Conference concurs with Senate.

### **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. Senate concurs with Executive. Conference concurs with House.

### **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. Senate concurs with Executive. Conference concurs with Senate.

### **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. Senate concurs. Conference 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. Senate does not include. Conference concurs with House but revised to intent language.

### **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. Senate deletes several subsections but does not merge sections. Conference concurs with Senate.

### **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. Senate retains 9-13. Conference concurs with Senate.

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

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. Senate retains current law. Conference concurs with Senate.

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

Language around performance standards in the D.J. Jacobetti Veterans' Home. Executive merges with Sec. 501. House concurs. Senate deletes several subsections but does not merge sections. Conference concurs with Senate.

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

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

### **Sec. 701 One-Time Appropriation – Special Maintenance - National Guard – NEW**

Authorizes the one-time appropriation for armory maintenance to be carried forward at the end of the fiscal year, directs for the maintenance and repair of military facilities, and requires quarterly report. Conference adds a new section.

<u>FY 2014-15 Supplemental Appropriations</u>		<u>FY 2014-15 Year-to-Date (as of 3/12/15)</u>	<u>FY 2014-15 Conference Change</u>	
<b>1. Michigan Youth ChalleNge Academy</b>		<b>Gross</b>	<b>\$4,549,200</b>	<b>\$4,995,700</b>
<u>Conference</u> increases federal and private spending authorizations for anticipated funding increases.		Federal	2,849,200	3,995,700
		Local	1,500,000	0
		Private	200,000	1,000,000
		GF/GP	\$0	\$0