

# FY 2019-20: MILITARY AND VETERANS AFFAIRS

## Summary: House Bill 4616 (H-1)



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	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Enacted	Difference: House From FY 2018-19 YTD	
						Amount	%
IDG/IDT	\$101,800	\$101,800	\$101,800			\$0	0.0
Federal	98,170,200	106,177,200	106,130,200			7,960,000	8.1
Local	1,545,400	0	0			(1,545,400)	(100.0)
Private	630,000	630,000	630,000			0	0.0
Restricted	23,279,500	23,908,600	23,503,700			224,200	1.0
GF/GP	75,912,400	70,284,900	72,082,200			(3,830,200)	(5.0)
							1.4
Gross	\$199,639,300	\$201,102,500	\$202,447,900			\$2,808,600	
FTEs	921.5	933.5	933.5			12.0	1.3

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (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 operation 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, oversees state programs for veterans, including the state's veterans homes, grants to veterans service organizations, County Veterans Service Fund grants, and the Michigan Veterans Trust Fund.

### Major Budget Changes From FY 2018-19 YTD Appropriations

#### 1. CMS Certification Revenue Adjustment

Executive authorizes an increase of \$1.8 million in federal funds and a reduction of \$900,000 GF/GP to reflect a net increase of \$900,000 Gross in anticipated federal revenue following Centers for Medicare/Medicaid Services certification of facilities at the D.J. Jacobetti Home for Veterans. House concurs.

	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 House Change
Gross	\$23,687,200	\$900,000
Federal	8,516,300	1,800,000
Restricted	5,157,300	0
GF/GP	\$10,013,600	(\$900,000)

#### 2. IT User Service Rate Change

Executive includes \$105,000 GF/GP to reflect adjusted DTMB IT service charges which now include user fees in addition to desktop fees which has raised service costs to the department due to an exceptionally high number of users. House concurs.

Gross	\$1,407,000	\$105,000
Federal	579,000	0
Restricted	419,400	0
GF/GP	\$408,600	\$105,000

#### 3. Selfridge Air Base

Executive includes \$400,000 GF/GP and 12.0 FTE positions required to receive federal match funding of 75%, or \$1.2 million federal, for personnel and maintenance at Selfridge Air National Guard Base. Authorization of federal funds is already available for this line. House concurs.

FTE	203.0	12.0
Gross	\$36,411,300	\$400,000
Federal	31,002,800	0
Restricted	1,567,800	0
GF/GP	\$3,840,700	\$400,000

#### 4. Military Retirement Transfer from DTMB to DMVA

Executive transfers \$5.2 million GF/GP from DTMB to the department for military retirement payment obligations. House concurs.

Gross	NA	\$5,244,800
GF/GP	NA	\$5,244,800

#### 5. Military Retirement Payment Reduction

Executive decreases retirement payment obligations by \$4.2 million GF/GP based on updated actuarial assumptions following a lump-sum payment of \$35.8 million appropriated in 2018 PA 618 to reduce the unfunded actuarial accrued liability for pension. House concurs.

Gross	NA	(\$4,244,800)
GF/GP	NA	(\$4,244,800)

Major Budget Changes From FY 2018-19 YTD Appropriations		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 House Change	
<b>6. Land and Acquisitions Increase</b>		<b>Gross</b>	<b>\$2,900,000</b>	<b>\$400,000</b>
<u>Executive</u> increases authorization for land acquisitions and appraisals by \$400,000 should land become available by \$400,000. <u>House</u> concurs.	Restricted	2,900,000	400,000	
	GF/GP	\$0	\$0	
<b>7. Youth ChalleNge Academy SAF Shift</b>		FTE	50.0	0.0
<u>Executive</u> replaces \$1.6 million of School Aid Funding (SAF) for the at-risk youth education and job placement program with \$1.6 million GF/GP to align use of SAF funding with more traditional K-12 education spending. <u>House</u> concurs.	<b>Gross</b>	<b>\$6,023,000</b>	<b>\$0</b>	
	Federal	2,970,300	0	
	Local	1,545,400	(1,557,800)	
	Private	90,000	0	
	GF/GP	\$1,417,300	\$1,557,800	
<b>8. County Veterans Services Targeted Grants</b>		<b>Gross</b>	<b>\$200,000</b>	<b>(\$200,000)</b>
<u>Executive</u> eliminates \$200,000 GF/GP for grants to counties for targeted outreach to veterans that may not be connected to Veteran Service Organizations. <u>House</u> concurs.	GF/GP	\$200,000	(\$200,000)	
<b>9. Grand Rapids Home for Veterans</b>		FTE	347.0	0.0
<u>House</u> increases authorization for the Grand Rapids Home for Veterans by \$200,000 GF/GP.	<b>Gross</b>	<b>\$50,869,200</b>	<b>\$200,000</b>	
	Federal	21,413,900	0	
	Restricted	6,693,000	0	
	GF/GP	\$22,762,300	\$200,000	
<b>10. Federal and State Restricted Alignment with Available Revenues</b>		<b>Gross</b>	<b>NA</b>	<b>\$5,527,800</b>
<u>Executive</u> authorizes \$5.5 million Gross to align restricted and federal funding authorizations with available revenues. Authorizations include \$3.0 million federal for the Headquarters and Armories line, \$1.5 million federal for the Michigan Youth ChalleNge Academy line, \$1.0 million federal for the Military Training Sites and Support Facilities line, and \$27,800 state restricted for the Grand Rapids Home for Veterans. The increase recognizes available funds previously appropriated through contingency fund transfers. <u>House</u> concurs.	Federal	NA	5,500,000	
	Restricted	NA	27,800	
	GF/GP	NA	\$0	
<b>11. Removal of One-Time Appropriations</b>		<b>Gross</b>	<b>\$5,875,000</b>	<b>(\$5,875,000)</b>
<u>Executive</u> eliminates \$5.9 million GF/GP of one-time funding appropriated in FY 2018-19. These items are \$1.0 million for armory sustainment, restoration, and modernization, \$600,000 for an outreach program to connect Vietnam Era veterans with U.S. Department of Veterans Affairs benefits, \$275,000 for an in-room video monitoring pilot program at the Grand Rapids Home for Veterans, \$1.5 million for maintenance costs at Camp Grayling, and \$2.5 million for the National Guard Tuition Assistance Fund. <u>House</u> concurs.	GF/GP	\$5,875,000	(\$5,875,000)	
<b>12. FTE Transfers from Grand Rapids Home for Veterans</b>		FTE	NA	0.0
<u>Executive</u> transfers 22.5 FTE positions to the D.J. Jacobetti Home for Veterans and 3.0 FTE positions to the Veterans Facility Authority from the Grand Rapids Home for Veterans to align FTE positions with department operations for a net change of 0.0 FTE positions. The Grand Rapids Home for Veterans has excess FTE positions authorization as a result of decreasing residents and staffing needs at the home. <u>House</u> concurs.	<b>Gross</b>	<b>NA</b>	<b>\$0</b>	
	GF/GP	NA	\$0	
<b>13. County Veteran Service Fund</b>		<b>Gross</b>	<b>\$4,200,000</b>	<b>\$0</b>
<u>Executive</u> decreases \$2.1 million GF/GP for grants to counties for veteran services to include advocacy, advice, and assistance with obtaining eligible benefits. <u>House</u> retains	GF/GP	\$4,200,000	\$0	

<b>Major Budget Changes From FY 2018-19 YTD Appropriations</b>		<b>FY 2018-19 Year-to-Date (as of 3/5/19)</b>	<b>FY 2019-20 House Change</b>
<b>14. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$1,305,400</b>
<u>Executive</u> reflects increased costs of \$1.3 million Gross (\$384,700 GF/GP) for negotiated salary and wage increases (2.0% ongoing, 2.0% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> concurs.	Federal	NA	707,000
	Local	NA	12,400
	Restricted	NA	201,300
	GF/GP	NA	\$384,700
<b>15. Administrative Efficiencies</b>	<b>Gross</b>	<b>NA</b>	<b>(\$825,000)</b>
<u>House</u> reduces operational funding throughout the budget by \$825,000 Gross (373,100 GF/GP), reflecting a 3% reduction from the Executive recommended budget to be achieved through administrative efficiencies.	Federal	NA	(47,000)
	Restricted	NA	(404,900)
	GF/GP	NA	(\$373,100)
<b>16. Information Technology Reduction</b>	<b>Gross</b>	<b>\$1,407,000</b>	<b>(\$129,700)</b>
<u>House</u> reduces funding available for information technology services and projects by \$129,700 GF/GP, or 25% from the Executive recommended budget.	Federal	579,000	0
	Restricted	419,400	0
	GF/GP	\$408,600	(\$129,700)
<b>17. Buddy-to-Buddy Veterans Program Placeholder</b>	<b>Gross</b>	<b>\$0</b>	<b>\$100</b>
<u>House</u> adds a \$100 placeholder for the volunteer peer-to-peer program, developed in partnership with the Michigan Army National Guard, that offers support and resources for Michigan service members and veterans.	GF/GP	\$0	\$100

#### **Major Boilerplate Changes From FY 2018-19**

##### ***Sec. 215. Disciplinary Action Against State Employees – RETAINED***

Prohibits departments from taking disciplinary action against employees for communicating with legislators or their staff. Executive deletes. House retains.

##### ***Sec. 216. Quarterly Reporting on Achieving Requirements – REVISED***

Requires the department to provide quarterly reports on the status of work projects, its financial status, evidence of efficiencies, corrective action plans for requirements not achieved, the department's performance against metrics stated in the act, and employment levels. Executive revises to require reports biannually. House concurs.

##### ***Sec. 301. 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. House concurs.

##### ***Sec. 307. National Guard Tuition Assistance Program – REVISED***

Requires DMVA to establish and maintain a tuition assistance program for members of the Michigan National Guard; states the program's objectives and performance metrics. Executive revises performance metric by establishing a goal of 55% of National Guard members having received a credential or who are still enrolled in the Tuition Assistance Program after their initial term of enlistment. House revises performance metric by establishing a goal of 55%, or the current graduation rate of students at four-year universities in Michigan, whichever is higher, of National Guard members having received a credential or who are still enrolled in the Tuition Assistance Program after their initial term of enlistment

##### ***Sec. 402(15). Grand Rapids Home for Veterans (GRHV) and D.J. Jacobetti Home for Veterans (DJJHV) Service and Care Requirements – REVISED***

Requires the GRHV and DJJHV to meet applicable standards of care as provided under listed federal and state legal authorities; specifies standards around issues concerning psychiatric care, the monitoring of comprehensive care plans, supply inventory, pharmaceutical inventory, controls over donated goods and monies, and the personal funds of residents. Executive revises to require funds of residents who have left the home to be released within 30 calendar days after leaving the home instead of 3 business days and requires a full accounting of a resident's funds be sent to a representative of that resident within 30 calendar days of the resident member's death instead of 10 business days. House concurs.

## **Major Boilerplate Changes From FY 2018-19**

### ***Sec. 402(20). Grand Rapids Home for Veterans (GRHV) and D.J. Jacobetti Home for Veterans (DJJHV) Service and Care Requirements – REVISED***

Requires the department to report the status of Centers for Medicare and Medicaid Services (CMS) certification. Executive deletes. House revises by requiring reports to be submitted biannually in accordance with section 216.

### ***Sec. 402(21). GRHV Video Monitoring Pilot Project – DELETED***

Permits funds appropriated for Grand Rapids Home for Veterans Video Monitoring Pilot Project to be expended for an in-room safety monitoring program at GRHV; states the purpose of the project is to determine if a video monitoring system can improve safety at GRHV; permits the MVAA to contract with a third-party to develop the program; requires the MVAA to provide a report regarding the feasibility of the pilot project with input from industry experts and recommendations from MVAA prior to expending appropriated funds. Executive deletes. House concurs.

### ***Sec. 403. DJJHV CMS Certification – DELETED***

Requires the department to pursue CMS certification for DJJHV; requires CMS certification completion by June 1, 2018; requires standards of care to improve with CMS certification. Executive deletes. House concurs.

### ***Sec. 404. GRHV and DJJHV CMS Certification Reporting – REVISED***

Requires the department to report to the legislature quarterly regarding improvements in full-spectrum health care resulting from facility upgrades to obtain CMS certification. Executive deletes. House revises by requiring the current quality of care of all health care services to meet or exceed the standards required for CMS certification.

### ***Sec. 405(1). Veterans' Trust Fund Grants – RETAINED***

Requires the MVAA to report on the Michigan Veterans Trust Fund financial status, awarded grants, and administrative expenses. Executive revises by adding program expenses to be reported. House retains current language.

### ***Sec. 405(3). Veterans Trust Fund Administration – REVISED***

Requires the MVAA to provide emergency grants from the Michigan Veterans Trust Fund (MVTF) as provided by listed legal authorities; requires an annual report on MVTF financial and grant activities, and efforts to reduce administrative costs and maintain the corpus at \$50.0 million; and requires unexpended funds to lapse back to the MVTF. Executive revises by renumbering Sec. 408 as Sec. 405(3); changing report due date from December to Feb. 1; requiring MVAA to report on efforts to grow the trust's corpus for future generations, instead of maintain at \$50.0 million. House concurs.

### ***Sec. 406(1). MVAA Outreach Services – REVISED***

Requires the MVAA to provide outreach services to veterans, communicate information on available VA benefits, process requests for military discharge documents, digitize military medical and discharge documents, and assist in processing claims for VA benefits; requires quarterly reports on the MVAA's performance against the performance outcomes, measures, and objectives stated in its strategic plan developed under 2013 PA 9; requires a report by April 1 providing an estimate on the state's homeless veterans population. Executive revises to require the agency to provide the percentage of Michigan veterans contacted, with a goal of 100% of veterans contacted, and to report upon outreach findings to the subcommittees; eliminates subsection (5) pertaining to targeted grants to counties. House revises by eliminating goal of 100%.

### ***Sec. 407. Grants to Veterans Service Organizations – REVISED***

Requires MVAA to provide grants to veterans service organizations (VSOs) in a manner that is consistent with MVAA performance goals and objectives; requires quarterly reports from grantees on claims and services provided; requires grant recipients to meet performance metrics, including a goal that 40% of VSO-filed claims for VA benefits be considered fully developed by the VA; Specifies the basic parameters of the grant agreement, including regional service delivery, payment of a fixed hourly rate of \$34.00 per hour, the provision of service hours based upon appropriations and the fixed hourly rate, including in state correctional facilities; and requires quarterly reports on claims activities. Executive revises reporting requirements to require grantees of VSO grants to submit information on claims submitted by the grantees to the USDVA. House concurs.

### ***Sec. 409. County Veterans Service Fund – NEW***

Requires funds appropriated for the County Veteran Service Fund to be deposited into the County Veteran Service Fund created in 2018 PA 210 and that funds are available for expenditure to support County veterans' services grants. Executive adds. House concurs.

### ***Sec. 410. Veterans Cemetery – NEW***

Requires the MVAA to conduct a needs, feasibility, and cost assessment of establishing and maintaining a new veterans cemetery in the upper peninsula of the state; requires the assessment to consider the availability of federal funds for its determinations; requires the MVAA to report the findings of its assessment by not later than the end of the fiscal year. House adds.

## **Major Boilerplate Changes From FY 2018-19**

### ***Sec. 601. Armory Maintenance – DELETED***

Authorizes capital outlay appropriations to be carried forward at the end of the fiscal year, and requires appropriations to be expended in accordance with sections 302 and 305 of the department budget act to modernize and repair National Guard facilities. Executive deletes. House concurs.

### ***Sec. 602. Vietnam Era Veterans Outreach – DELETED***

Requires funds appropriated for Vietnam Veterans Outreach to be used by the MVAA for outreach to Vietnam veterans and their families to inform them about and connect them with eligible VA benefits; requires coordination among specified veteran organizations for outreach activities; requires an advertising campaign to reach 70% of the targeted audience four times each; requires the project to increase subscriptions to the MVAA Vietnam Quarterly newsletter; requires the MVAA to assess the efficacy of the program by annually comparing benchmarks specified in this section and provide quarterly reports on the effectiveness of the program; authorizes unexpended and unencumbered funds to not lapse and to carry forward to the next fiscal year. Executive deletes. House concurs.

### ***Sec. 701. Anticipated Appropriations – DELETED***

Expresses legislative intent to provide the same appropriations for FY 2019-20 as provided in FY 2018-19, except for where adjustments are made for caseload and related costs, federal fund match rates, economic factors, and available revenue. Executive deletes. House concurs.

### ***Sec. 702. MVAA Outreach – DELETED***

Requires MVAA to provide quarterly reports on the percentage of Michigan veterans contacted through its outreach activities, with a goal of contacting 100% of Michigan veterans. Executive deletes. House concurs.

### ***Sec. 703. MVAA Claims Services – DELETED***

Requires that 50% of MVAA-filed claims for VA benefits be fully-developed. Executive deletes. House concurs.