

FY 2014-15: DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
Summary: As Reported by House Subcommittee
House Bill 5307 (H-1) Draft 2



Analyst: Mark Wolf

	FY 2013-14 YTD as of 2/5/14	FY 2014-15 Executive	FY 2014-15 House	FY 2014-15 Senate	FY 2014-15 Enacted	Difference: House From FY 2013-14 YTD	
						Amount	%
IDG/IDT	\$650,000	\$100,000	\$100,000			(\$550,000)	(84.6)
Federal	89,782,700	90,362,800	90,362,800			580,100	0.6
Local	1,500,000	1,500,000	1,500,000			0	0.0
Private	740,000	740,000	740,000			0	0.0
Restricted	27,554,000	25,086,400	25,086,400			(2,467,600)	(9.0)
GF/GP	46,503,300	55,805,700	48,805,700			2,302,400	5.0
Gross	\$166,730,000	\$173,594,900	\$166,594,900			(\$135,100)	(0.1)
FTEs	898.5	898.5	898.5			0.0	0.0

Notes: (1) FY 2013-14 year-to-date figures include mid-year budget adjustments through February 5, 2014. (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.

Part 1 (line items) of HB 5307 (H-1) Draft 2 follows a line item/schedule of programs structure for the DMVA budget that is similar (but not the same) to the structure of the FY 2013-14 budget. The budget continues to roll-up to many of the smaller program lines into the major program areas. There are four basic "core services" for the department: (1) Department and National Guard Operations, (2) National Guard Programs, (3) Michigan Veterans Affairs Agency, and (4) Veterans' Homes. These core services are the fixed legal line items, which fund several component (sub-core) services that, together, comprise a core service. These component (sub-core) services appear within a schedule of programs for each line item (core service). The department remains free to transfer funds between scheduled programs within a line item, subject to approval by the State Budget Office. Transfers between the line items (core services) would continue to be subject to the legislative transfer process – i.e. approval by the Senate and House appropriations committees. Appropriations for capital outlay and one-time appropriations, which in prior years have adhered to fixed line items, are now provided using the schedule of programs structure, allowing funding flexibility among those programs.

Part 2 (boilerplate) is significantly reorganized, although much of the existing language remains intact. The bill continues to provide subheadings in boilerplate denoting the component (sub-core) services (scheduled programs) in part 1. Generally, each of these programs has a pair of related boilerplate sections (Sec. ### and Sec. ###a). The first section (Sec. ###) describes the legal authority and other requirements under which a particular program operates. This includes specific references to the applicable state and federal laws (MCL/USC) and regulations (MAC/CFR), or provides direction on how the appropriations in part 1 are to be carried out where there is no applicable legal authority outside of the budget bill itself (e.g., VSO grants) or in addition to the applicable legal authority (e.g., GRVH). The second section in each pairing (Sec. ###a) describes the performance metrics or other reporting requirements that apply to each program. Generally, these sections continue, but expand upon, the language from FY 2013-14, with this information largely reported on a quarterly basis.

Major Budget Changes From FY 2013-14 YTD Appropriations	FY 2013-14 Year-to-Date (as of 2/5/14)	FY 2014-15 House Change
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Items of Difference Between the Executive and the House

1. Veterans Service Grants

House: Increases the base grant to veterans' service organizations by \$500,000 GF/GP ongoing, and adds boilerplate language providing a few basic parameters to be specified by the MVAA in structuring the VSO grant agreement.

Gross	\$2,904,600	\$500,000
GF/GP	\$2,904,600	\$500,000

Major Budget Changes From FY 2013-14 YTD Appropriations		FY 2013-14 Year-to-Date (as of 2/5/14)	FY 2014-15 House Change
2. Veterans' Homes – Special Maintenance			
<u>Executive:</u> Appropriates \$3.0 million GF/GP as a “one-time” appropriation for various maintenance projects at the state’s two veterans’ homes. This one-time appropriation would be separate from an ongoing \$500,000 GF/GP appropriation for maintenance at the homes. The ongoing appropriation is unchanged.	Gross GF/GP	\$500,000 \$500,000	\$2,500,000 \$2,500,000
<u>House:</u> Reduces the one-time appropriation by \$500,000 GF/GP.			
3. National Guard Tuition Assistance Program			
<u>Executive:</u> Adds \$5.0 million GF/GP (1.0 transferred FTE) to reestablish a state tuition assistance (TA) program for National Guard members in active drilling status (1 weekend/month and 2 weeks/year). The program would cover 100% of tuition and fees, up to \$4,500 per year, for programs leading to a certificate, associate’s degree, baccalaureate degree, or master’s degree. Guard members could not pursue a lateral or lower degree, must remain in good standing, and must maintain a 2.0/4.0 GPA. The aim is to aid recruiting and retention efforts, as most other states provide this type of benefit, supplementing available federal education benefits. The state previously provided a TA program from FY 2000 to FY 2009, but ended the program amid state budget reductions and declining utilization rates largely due to the expanded availability of federal education benefits following Post-9/11 active duty service. However, federal active duty deployments are becoming less frequent, and recent changes to the Army’s TA program now provide benefits to service members (including National Guard members in active drilling status) after one year of service (rather than making TA available upon completion of their initial training, and cap assistance at 16 semester hours per year.	FTE Gross GF/GP	N/A N/A N/A	1.0 \$2,000,000 \$2,000,000
<u>House:</u> Concurs on the establishment of the program, but reduces the appropriation to \$2.0 million, with the expectation being that the first year costs of the program would not reach \$5.0 million. Unexpended funds would lapse to the General Fund.			
4. National Guard Armories – Special Maintenance			
<u>Executive:</u> Adds \$4.0 million GF/GP as a “one-time” appropriation for various maintenance projects at the state’s National Guard armories. Projects would include repairs and maintenance to roofs, parking lots, plumbing, heating/cooling systems, etc. This one-time appropriation would be in addition to the ongoing appropriations for armory maintenance, which the Executive reduces by \$2.3 million Federal to align the spending authorization with actual available revenues.	Gross Federal GF/GP	\$20,351,200 17,300,000 \$3,051,200	(\$2,300,000) (2,300,000) \$0
<u>House:</u> Does not concur with the one-time appropriation of \$4.0 million. Note: 2014 PA 34 (SB 608) appropriates \$7.2 million for armory maintenance in FY 2014, essentially pulling forward the FY 2015 \$4.0 million appropriation requested by the Executive.			
Items Agreed to by the Executive and the House			
5. Veterans Service Regional Coordinators			
<u>Executive:</u> Adds \$750,000 GF/GP for veterans service organizations (or others) to hire 10 regional coordinators who would be responsible for managing the workload of VSO service officers, monitoring service officer performance, and ensuring compliance with grant and boilerplate performance requirements. These coordinators would also serve as a liaison to other public and private agencies serving veterans.	Gross GF/GP	N/A N/A	\$750,000 \$750,000
<u>House:</u> Concurs with the Executive, but adds boilerplate Section 401 providing some direction on how the funds would be used.			

Major Budget Changes From FY 2013-14 YTD Appropriations		FY 2013-14 Year-to-Date (as of 2/5/14)	FY 2014-15 House Change
6. County Veterans Counselors (CVCs)	Gross	N/A	\$250,000
<u>Executive:</u> Adds \$250,000 to counties to expand the veterans claims processing capabilities of their county veterans service departments. These funds would be used to support technology improvements, such as the acquisition of an electronic claims management system, to hire additional VA-accredited counselors, or to establish a veterans service department either directly through county employees or through service agreements with neighboring counties. The department provided a similar grant program in FY 2012-13 through the availability of a one-time appropriation.	GF/GP	N/A	\$250,000
<u>House:</u> Concur with the Executive, but adds boilerplate Section 404 providing some direction on how the funds would be used and Section 404a requiring a report on how the funds were used.			
7. Annualize MVAA Staffing Costs	Gross	\$5,017,000	\$1,200,000
<u>Executive:</u> Adds \$1.2 million GF/GP to annualize the full-year, full-staffing costs for the Michigan Veterans Affairs Agency. Ostensibly, the FY 2013-14 budget did not support the full-year costs for the full-staffing compliment of the MVAA, recognizing that while the agency was being established, some positions would remain vacant after the start of the fiscal year, as the agency continued to define its work plan and operations.	GF/GP	\$5,017,000	\$1,200,000
<u>House:</u> Concur with the Executive.			
8. Grand Rapids Veteran' Home (GRVH) Fund Sourcing	Gross	\$47,869,900	(\$2,275,000)
<u>Executive:</u> Adjusts the fund sourcing for the GRVH to better align spending authority with actual revenues and expenditures. These adjustments include a reduction in excess authorization from Income and Assessment revenue (paid by resident members) by \$2.5 million, as continuing renovations to members' rooms (from 4/room to 2/room or 1/room) have reduced the home's member census, thus generating less Income and Assessment revenue. Over the years the home has also seen an increase in members with a disability rating of 70%-100% for whom the home receives a higher per diem payment from the VA, which represents the full cost of care, thereby no longer requiring any additional assessments paid by the member. Because Income and Assessment revenue has been over-appropriated, annual economics adjustments (for salaries, benefits, etc.) charged to Income and Assessment revenues have actually been paid from available GF/GP funds. The Executive adds \$225,000 GF/GP to account for that shift in costs.	Federal	21,650,300	0
	Restricted	13,951,900	(2,500,000)
	GF/GP	\$12,267,700	\$225,000
<u>House:</u> Concur with the Executive.			
9. National Guard Armories – Operations	Gross	\$13,705,300	\$2,000,000
<u>Executive:</u> Adds \$2.0 million from funds received through the National Guard Bureau to reflect the availability of additional federal NGB funds for the cost of utilities and related services (snow/trash removal, etc.) at the state's armories. A similar adjustment was made in FY 2013 through a September 2013 Legislative Transfer.	Federal	5,780,700	2,000,000
	Restricted	346,400	0
	GF/GP	\$7,578,200	\$0
<u>House:</u> Concur with the Executive			
10. Economics Adjustments	Gross	N/A	\$1,289,800
Reflects increased costs of \$1.3 million Gross (\$377,400 GF/GP) for negotiated salary and wage amounts (2.0% base increase plus 0.5% lump sum payments), actuarially-required retirement rate increases, and other economic adjustments. Insurance costs held flat due to recent state employee health plan revisions.	Federal	N/A	730,000
	Restricted	N/A	182,400
	GF/GP	N/A	\$377,400
11. Homeland Security – Align Authorization	Gross	\$650,000	(\$550,000)
Reduces appropriations by \$550,000 IDG-State Police to eliminate excess authorization for this program line. This program line has not been used to any great degree in recent years. The remaining \$100,000 authorization would provide the department with sufficient spending authority should the need arise.	IDG	650,000	(550,000)

<u>Major Budget Changes From FY 2013-14 YTD Appropriations</u>		<u>FY 2013-14 Year-to-Date (as of 2/5/14)</u>	<u>FY 2014-15 House Change</u>
12. D.J. Jacobetti Veterans' Home – Align Authorization	Gross	\$19,385,000	\$0
Adjusts authorization between VA per diem payments and Income and Assessment Revenue.	Federal	7,781,200	150,000
	Restricted	5,491,000	(150,000)
	GF/GP	\$6,112,800	\$0

Major Boilerplate Changes From FY 2013-14

Sec. 201. State Spending and State Appropriations Paid to Local Units of Government – REVISED

Specifies total state spending from state resources and payments to local units of government from state resources. Executive and House – update to reflect FY 2015 appropriations.

Sec. 202. Appropriations Subject to the Management and Budget Act – RETAINED

Subjects appropriations to the Management and Budget Act (1984 PA 431). Executive and House – retain.

Sec. 203. Terms and Acronyms – REVISED

Defines various terms and acronyms contained in the bill. Executive – deletes a number of definitions related to specific fund sources. House – retains definitions deleted by the Executive, and revises or adds other definitions for terms and acronyms used in the bill.

Sec. 204. Interdepartmental Grant Funding Received – DELETED

Lists the specific amounts of funding receives through interdepartmental grants. Executive and House – delete.

Sec. 205a. National Guard Bureau Funding – NEW

Lists the specific programs, by Catalog of Federal Domestic Assistance (CFDA) number, through which National Guard Bureau funds are provided. House – adds.

Sec. 205b. Veterans Health Administration Funding – NEW

Lists the specific programs, by Catalog of Federal Domestic Assistance (CFDA) number, through which Veterans Health Administration funds are provided. House – adds.

Sec. 205c. Medicare Funding – NEW

Lists the specific programs, by Catalog of Federal Domestic Assistance (CFDA) number, through which CMS Medicare funds are provided. House – adds.

Sec. 205d. Medicaid Funding – NEW

Lists the specific programs, by Catalog of Federal Domestic Assistance (CFDA) number, through which CMS Medicaid funds are provided. House – adds.

Sec. 206. Contingency Fund Transfers – RETAINED

Appropriations up to \$10.0 million in federal, \$2.0 million in state restricted, \$100,000 million in local, and \$100,000 in private contingency funds; authorizes expenditure of funds after the legislative transfer of spending authority to specific line items. Executive and House – retain.

Sec. 207. Transparency Website – RETAINED

Requires the department to cooperate with the Department of Technology, Management, and Budget (DTMB) to maintain a publicly accessible website that provides data on the department's expenditures, payments to vendors, and number of active employees (including job specifications and wage rates). Executive and House – retain.

Sec. 208. Internet Availability of Required Reports – RETAINED

Requires the use of the internet and email to fulfill reporting requirements under the bill. Executive and House – retain.

Sec. 209. Purchasing Preferences – RETAINED

Prohibits the purchase of foreign goods and services if American-sourced goods and services are competitively priced and of comparable quality; give preference to goods and services from Michigan businesses, veteran-owned Michigan businesses, and Michigan small businesses where veterans comprise at least 35% of the workforce. Executive – deletes the preference based on veterans' workforce. House – retains.

Sec. 210. Business in Deprived and Depressed Communities – RETAINED

Requires the department to take reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts. Executive and House – retain.

Sec. 212. Records Retention Requirements – DELETED

Requires the department to adhere to federal and state guidelines regarding the retention of records. Executive and House – delete.

Major Boilerplate Changes From FY 2013-14

Sec. 215. Communications with the Legislature – RETAINED

Prohibits the department from taking disciplinary action against employees for communicating with legislators or legislative staff. Executive – deletes. House – retains.

Sec. 216. Schedule of Programs Disclaimer – RETAINED

Provides that the programs funded through the schedule of programs included in the bill may not be funded at the levels specified in the bill; provides that funding in the schedule of revenues may not be received from the fund sources listed; and provides that notwithstanding the funding flexibility provided by the schedule of program appropriations, funding shall be made in accordance with any applicable statute. Executive – deletes the provision concerning the schedule of revenues, which is not included in Part 1. House – retains language concerning the schedule of revenues, which is included in Part 1.

Sec. 217. Budgetary Efficiencies – RETAINED

Requires the department to improve its budgetary efficiency by prioritizing personnel over buildings, pursuing consolidation of support services; seeking expenditure reductions, and identifying efficiencies that can be gained through the reduction or elimination of programs. Executive – deletes. House – retains.

Sec. 218. Out-of-State Travel – RETAINED

Requires the department to report out-of-state travel expenses paid in whole or in part with state appropriations. Executive and House – retain.

Sec. 219. Quarterly Performance Metrics – REVISED

Requires the department to provide quarterly reports on the status of work projects, finances, performance against stated performance metrics, internal fund shifts, corrective action plans, employees and job classifications, armory closings, and property sales. Executive – deletes the reporting requirement on property sales. House – adds quarterly reporting requirements for populations at the veterans' homes, the financial status of the veterans' homes, the collection of resident assessments at the veterans' homes, volunteer hours at the veterans' homes, the financial status of the Michigan veterans' trust fund, activities funded through the VSO grants, armory maintenance projects (including those funded through the 2014 PA 34), and veterans' service delivery initiative activities funded through 2014 PA 34.

Sec. 220. Annual Veterans Data Reporting – REVISED

Requires the department to report annually on various services to veterans, including financial audits and tax reports of the VSOs, expenditure detail on VSO grants, data on VSO volunteer hours and donations to the veterans' homes, population census data and financial data of the two veterans' homes, and financial detail pertaining to the Michigan Veterans' Trust Fund (MVTF). Executive – retains. House – deletes the section, but moves portions of the required information to a quarterly reporting requirement (under Section 219), or an annual reporting requirement for the MVTF (under Section 407a).

Sec. 222. DMVA Core Services – REVISED

Lists the core services of the department and requires appropriations to be used for those services. Executive – retains. House – revises the list to establish four basic core services: (1) DMVA and National Guard operations, (2) National Guard Programs, (3) MVAA, and (4) veterans' homes.

Sec. 223. Notice of Property Sales – DELETED

Requires the department to provide a 60-day notice of intent to sell property. Executive and House – delete.

Sec. 225. Attorney General Legal Services – RETAINED

Prohibits using appropriations to hire a person to provide legal services that are the responsibility of the attorney general; does not apply to legal services for bonding activities or activities authorized by the attorney general. Executive and House – retain.

Sec. 227. Bid Process – RETAINED

Prohibits the exclusion of public employee unions from the bid process for contract services. Executive – deletes. House – retains.

Sec. 228. General Fund Lapses – RETAINED

Requires the State Budget Office to provide a report on estimated general fund lapses at the close of the fiscal year by November 30. Executive – removes the subcommittees from the list of report recipients. House – retained.

Sec. 229. Report on State Restricted Funds – REVISED

Requires the department and the State Budget Office to provide a report on projected state restricted fund revenues, expenditures, and balances for FYs 2013 and 2014. Executive and House – updates fiscal years.

Sec. 230. Performance Metrics Website – RETAINED

Requires the department to maintain a publicly accessible website that identifies and tracks its performance against key metrics used to monitor and improve the department's performance. Executive and House – retain.

Sec. 231. Retirement Costs – NEW

States that FY 2015 legacy retirement costs total \$20,013,100 Gross, including pension costs of \$11,180,100 and retiree health care costs of \$8,833,000. Executive and House – add.

DEPARTMENT AND NATIONAL GUARD OPERATIONS

Sec. 300. Unclassified Positions – REVISED

Lists titles of unclassified positions; requires the department to notify the subcommittees prior to submitting requests for additional unclassified positions or requests for changes to the duties of existing unclassified positions. Executive – deletes. House – updates position titles.

Armories and Joint Force Readiness

Sec. 302 Department and National Guard Operations – REVISED

Requires the department to provide effective and administrative support for the department's operations, including ensuring proper accountability of state funds, adherence to state financial and administrative guidelines, and proper fiscal controls related to purchasing operations. (FY 2014 Section 301.) Executive – deletes. House – lists the specific legal and regulatory authorities under which the department provides Executive-level administration and administrative support for the department and the National Guard.

Sec. 302a. Headquarters and Armories – REVISED

Requires the department to provide effective and efficient executive direction for the department, to operate and maintain national guard armories, to evaluate the status of armories for potential consolidation and other efficiency improvements, and to measure the condition and adequacy of armories. (FY 2014 Section 302.) Executive – specifies that operations and maintenance of the armories would be within the constraints of the available funding. House – moves language regarding executive administration to Section 302. Retains existing language regarding the evaluation of armories. Also requires a report due December 1 providing an assessment of current armory conditions, short-term and long-term armory maintenance and construction needs, and recommendations for new armories and consolidations.

Maintenance and Operations of National Guard Training Facilities and Air Bases

Sec. 304. National Guard Forces and Facilities – RETAINED

Requires the department to provide Army National Guard (ARNG) and Air National Guard (ANG) forces, when directed, in support of state and local emergencies, and in support of federal military requirements; requires the department to operate and maintain ARNG facilities (including Fort Custer and Camp Grayling) and ANG facilities, including Selfridge ANG Base, Battle Creek ANG Base, and the Alpena Combat Readiness Training Center. Executive and House – retain.

Sec. 304a. National Guard Strength Data – NEW

Requires quarterly reports on apportioned and assigned strength, and recruiting, retention, and attrition data for the National Guard. House – adds.

ChalleNGe Program

Sec. 307. Michigan Youth ChalleNGe Academy (MYCA) Program Authority – NEW

Requires the department to operate the MYCA as provided under 32 USC 509.

Sec. 307a. Michigan Youth ChalleNGe Academy (MYCA) Performance Measures – REVISED

Requires the department to maintain proper staffing levels to operate the MYCA; establishes performance goals of training 144 cadets at the MYCA and having MYCA cadets improve two grade levels on the test of adult basic education (TABE). (FY 2014 Section 307.) Executive – adds language requiring DMVA to recruit disadvantaged youth for the MYCA and to work with the Department of Human Services to identify youth potentially eligible for the MYCA. House – deletes the general language regarding operation of the program, in favor of the new language in Sec. 307; does not include language recommended by the Executive; retains the existing performance metrics.

Military Family Relief Fund

Sec. 308. Military Family Relief Fund (MFRF) Program Authority – NEW

Requires the department to provide grant funding from the Military Family Relief Fund under the Military Relief Fund Act, 2004 PA 363 and related administrative rules. House – adds.

Sec. 308a. Military Family Relief Fund (MFRF) Performance Measures – REVISED

Requires the department to provide grant funding from the Military Family Relief Fund, outreach services to military families of members of the reserve component called into active duty, and quarterly reports on the fund's finances; establishes a performance goal of processing 60 applications for assistance. Executive – updates the fiscal year. House – deletes the general language regarding the administrative of the MFRF in favor of the new language in Sec. 308; revises the quarterly reporting requirement to include expenditures on advertising costs (which is permitted under EHB 4811).

Starbase Grant

Sec. 309. Starbase Grant Program Authority – NEW

Requires the department to maintain a Starbase program as provided under 10 USC 2193b.

MICHIGAN VETERANS AFFAIRS AGENCY

MVAA Operations

Sec. 400. MVAA Program Authority – NEW

Requires the MVAA to provide assistance to Michigan veterans as provided under Executive Reorganization Order 2013-2.

Sec. 400a. MVAA Performance Measures – REVISED

Requires the department to provide outreach services to veterans, communicate information on available VA benefits to 35% of the veterans population, process 5,295 requests for military discharge documents (DD-214s), and digitize military medical and discharge documents. Executive – keeps the requirement that the department process DD-214s, but deletes the specific performance goal. House – retains the performance requirements, but increases the metric for DD-214s to 5,660 and state's the goal is to provide outreach services reaching 100% of the veterans population.

Sec. 401. Regional Service Coordination – NEW

Requires that the funds appropriated in part 1 be used, in part, to establish regional coordinators, selected by the MVAA through a grant agreement with veterans service organizations or by other means; requires regional coordinators to coordinate benefit counseling and the delivery of services to veterans within specified regions, in coordination with DHS, DCH, DOC, regional workforce and economic development agencies, and among local foundations, non-profits and other community groups; permits the MVAA to work with service officers and other organizations regarding referrals to mental health services; requires the MVAA to work with DHS/DCH in participating in the federal Public Assistance Reporting Information System (PARIS) to identify Medicaid recipients who may be eligible for VA benefits; requires the MVAA to work with DOC in assisting incarcerated veterans in obtaining their DD-214 form.

Sec. 402. MVAA Veterans Service Officers Program Authority – REVISED

Requires the MVAA to assist veterans in filing claims for federal benefits to the VA, establishing a metric of 500 claims per year, with a goal of 20% of MVAA-filed claims considered to be “fully developed” by the VA. Executive – retains. House – retains, with some editorial changes.

Sec. 402a. MVAA Veterans Service Officers Performance Measures – REVISED

Establishes a metric of 500 MVAA-filed claims per year, with a goal of 20% of claims considered to be “fully developed” by the VA. Executive – retains. House – deletes the specific requirement of 500 MVAA-filed claims per year; requires quarterly report on MVAA-filed claims (number, type, approval status, percentage considered to be fully developed); establish goal that 50% of MVAA-filed claims be considered fully developed by the VA.

Sec. 403. County Veterans Counselors Program Authority – REVISED

Requires the MVAA to provide training to county veterans counselors; allocates \$50,000 in training support. Executive – retains. House – retains, but made editorial changes.

Sec. 403a. County Veterans Counselors Performance Information – REVISED

Requires MVAA quarterly report on the training provided to CVCs, and requires that at least 20% of CVC-filed claims be considered fully-developed by the VA. Executive – retains. House – continues the quarterly report on training to CVCs, but establishes an overall goal of training 100% of CVCs; establishes a goal that 50% of CVC-filed claims be considered fully-developed by the VA.

Sec. 404. Grant Support for County Veterans Counselors – NEW

Specifies that the funds appropriated in part 1 be used, in part, to enhance the capacity and capabilities of CVCs, by providing grant funding to implement an Internet-based data system, to increase the number of CVCs, and to increase the number of counties that provide benefit counseling services.

Sec. 404a. Grant Support for County Veterans Counselors Report – NEW

Requires a quarterly report on how CVC enhancement grants are expended.

Sec. 405. Veterans Advisory Board – RETAINED

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

Veterans Service Grants

Sec. 406. Grants to Veterans Service Organizations Program Authority – REVISED

Establishes program requirements for veterans service grants. Executive – retains. House – specifies the basic parameters of the grant program, which would be specified by the MVAA as part of the grant agreement. These include, service under a regional service delivery model, at specified times/locations, including state correctional facilities; the payment of a fixed hourly rate; and a specified number of service hours, with a statewide goal of at least 106,750 hours including 6,240 hours at state correctional facilities.

Sec. 406a. Grants to Veterans Service Organizations Performance Information – REVISED

Requires the department to provide grants to veterans service organizations (VSOs) in a manner that is consistent with MVAA performance goals and objectives. Requires grant recipients to meet performance metrics, including a goal that 20% of claims be considered “fully developed” by the VA. Executive – retains. House – Requires quarterly report on the claims submissions by the VSOs to the VA, including the number of claims submitted, by type, as well as the status of submitted claims – approved/denied/pending. Also requires data on the number of fully developed claims submitted by the VSOs, with a goal of 50% of all claims considered to be fully developed by the VA.

Veterans' Trust Fund

Sec. 407. Veterans' Trust Fund Program Authority – NEW

Lists the specific statutes and constitutional provisions that establish and direct the operation of the Michigan Veterans' Trust Fund. House – adds.

Sec. 407a. Veterans' Trust Fund Performance Information – REVISED

Requires the department to maintain the staffing and resources to process at least 2,000 applications for grant assistance from the MVTF. Executive – retains. House – Eliminates the existing performance goal; incorporates existing language requiring an annual report on MVTF activities from Sec. 220, and specifies a reporting deadline of December 1 for prior year activities.

Grand Rapids Veterans' Home (GRVH)

501(1)-(7). Basic Service and Standards of Care (Program Authority) – REVISED

Requires the GRVH to meet certain performance standards related to medical services, transportation, laundry service, and nutrition services provided to resident members of the home; requires the home to meet applicable standards of care established by the VA. Executive – retains. House – eliminates general language requiring adherence to federal standards, and, instead, lists specific federal and state laws and regulations applicable to the operations of the home.

Sec. 501(8)-(12). GRVH 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 and House – retain.

Sec. 501(13). GRVH Report on Abusive and Neglectful Care – REVISED

Requires that complaints of alleged abuse or neglect received by a supervisor at the home be reported to the director of nursing within 10 days, and requires that the director of nursing provide information on the nature and final disposition of complaints received at least monthly to the home administrator, Board of Managers, Michigan Veterans Affairs Agency, subcommittees, and legislative fiscal agencies. Also requires a report by November 30, 2013 – required under FY 2014 Sec. 501(25) – on the complaint management process utilized by the home. Executive – deletes the one-time complaints management process report. House – deletes the one-time complaints management process report; requires reports of abusive or neglectful care to be reported by a supervisor to the director of nursing upon receipt of a complaint; adds the State Budget Office as a recipient of the monthly report on abusive or neglectful care.

Sec. 501(14)-(22). GRVH Specific Performance Requirements – REVISED

Requires the GRVH to meet certain specific requirements concerning psychiatric care, the monitoring of comprehensive care plans, supply inventory, pharmaceutical inventory, controls over donated goods and monies, personal funds of residents, and direct care nursing staff levels. The GRVH must also provide quarterly reports on the performance standards established in the section. Executive – retains. House – retains the performance requirements that are specific to GRVH; adds a requirement that the policies adopted by the home and the board of managers be posted on the MVAA's website.

Sec. 501a. GRVH Performance Information – REVISED

Requires quarterly reports on the specific performance requirements for GRVH. Executive – retains. House – expands the reporting requirements, and moves a portion of those to Sec. 219.

D.J. Jacobetti Veterans' Home (DJJVH)

Sec. 502. DJJVH Service and Care Requirements (Program Authority) – REVISED

Requires the DJJVH to meet certain performance standards related to medical services, transportation, laundry service, and nutrition services provided to resident members of the home, the training and experience of CENAs; requires the home to meet applicable standards of care established by the VA; establishes a reporting protocol on complaints of alleged abuse and neglect. Executive – retains. House – includes a specific listing of the federal and state laws and regulations applicable to the operations of the home; requires reports of abusive or neglectful care to be reported by a supervisor to the director of nursing upon receipt of a complaint; adds the State Budget Office as a recipient of the monthly report on abusive or neglectful care; adds a requirement that the policies adopted by the home and the board of managers be posted on the MVAA's website.

CAPITAL OUTLAY

Sec. 601. Capital Outlay Carryforward – RETAINED

Authorizes capital outlay appropriations to be carried forward at the end of the fiscal year, consistent with provisions outlined in the Management and Budget Act. Executive and House – retain.

ONE-TIME APPROPRIATIONS

Sec. 701. Capital Outlay Carryforward (One-Time) – NEW

Authorizes capital outlay appropriations to be carried forward at the end of the fiscal year, consistent with provisions outlined in the Management and Budget Act. House – adds.

Department of Military and Veterans Affairs
FY 2014-15 Appropriation

	FY 2013-14 YTD as of 2/5/14	FY 2014-15 Executive	FY 2014-15 House	Difference from FY14 YTD				House v. Executive	
				Exec \$	Exec %	House \$	House %	\$ Chg	% Chg
IDG/IDT	\$650,000	\$100,000	\$100,000	(\$550,000)	(84.6%)	(\$550,000)	(84.6%)	\$0	0.0%
Federal	\$89,782,700	\$90,362,800	\$90,362,800	\$580,100	0.6%	\$580,100	0.6%	\$0	0.0%
Local	\$1,500,000	\$1,500,000	\$1,500,000	\$0	0.0%	\$0	0.0%	\$0	0.0%
Private	\$740,000	\$740,000	\$740,000	\$0	0.0%	\$0	0.0%	\$0	0.0%
Restricted	\$27,554,000	\$25,086,400	\$25,086,400	(\$2,467,600)	(9.0%)	(\$2,467,600)	(9.0%)	\$0	0.0%
GF/GP	\$46,503,300	\$55,805,700	\$48,805,700	\$9,302,400	20.0%	\$2,302,400	5.0%	(\$7,000,000)	(12.5%)
Gross	\$166,730,000	\$173,594,900	\$166,594,900	\$6,864,900	4.1%	(\$135,100)	(0.1%)	(\$7,000,000)	(4.0%)
FTEs	898.5	898.5	898.5	0.0	0.0%	0.0	0.0%	0.0	0.0%
Ongoing GF/GP	\$41,003,300	\$48,805,700	\$46,305,700	\$7,802,400	19.0%	\$5,302,400	12.9%	(\$2,500,000)	(5.1%)
One-Time GF/GP	\$5,500,000	\$7,000,000	\$2,500,000	\$1,500,000	27.3%	(\$3,000,000)	(54.5%)	(\$4,500,000)	(64.3%)
Total GF/GP	\$46,503,300	\$55,805,700	\$48,805,700	\$9,302,400	20.0%	\$2,302,400	5.0%	(\$7,000,000)	(12.5%)

Department of Military and Veterans Affairs
Fiscal Year 2014-15
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	Gross	IDG	Federal	Local	Private	Restricted	GF/GP	FTEs
FY 2013-14 Year-to-Date Appropriations	\$166,730,000	\$650,000	\$89,782,700	\$1,500,000	\$740,000	\$27,554,000	\$46,503,300	898.5
Changes from FY 2013-14 Year-to-Date (YTD) Appropriation								
Programmatic Changes								
1. Michigan National Guard Tuition Assistance Program	\$2,000,000	\$0	\$0	\$0	\$0	\$0	\$2,000,000	0.0
2. MVAA Regional Veterans Service Coordinators	\$750,000	\$0	\$0	\$0	\$0	\$0	\$750,000	0.0
3. County Veterans Service Enhancements	\$250,000	\$0	\$0	\$0	\$0	\$0	\$250,000	0.0
4. Veterans Service Grants	\$500,000	\$0	\$0	\$0	\$0	\$0	\$500,000	0.0
Current Services Baseline Adjustments								
5. Grand Rapids' Veterans Home Staffing Costs	(\$2,275,000)	\$0	\$0	\$0	\$0	(\$2,500,000)	\$225,000	0.0
6. Annualize MVAA Staffing Costs	\$1,200,000	\$0	\$0	\$0	\$0	\$0	\$1,200,000	0.0
Economic Adjustments								
7. DMVA Economics	\$1,277,800	\$0	\$722,300	\$0	\$0	\$176,600	\$378,900	0.0
8. DTMB (IT) Economics	\$12,100	\$0	\$7,800	\$0	\$0	\$5,800	(\$1,500)	0.0
One-Time Appropriations								
9. FY15: Special Maintenance - Headquarters and Armories	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0
10. FY15: Special Maintenance - Veterans Homes	\$2,500,000	\$0	\$0	\$0	\$0	\$0	\$2,500,000	0.0
11. FY14: Veterans Service Delivery Initiative	(\$3,955,000)	\$0	\$0	\$0	\$0	\$0	(\$3,955,000)	0.0
12. FY14: County Counselor Education and Training Expenses	(\$45,000)	\$0	\$0	\$0	\$0	\$0	(\$45,000)	0.0
13. FY14: Veterans Affairs Agency Computer Upgrade (H2H)	(\$1,500,000)	\$0	\$0	\$0	\$0	\$0	(\$1,500,000)	0.0
Technical Adjustments (Align Spending Authorization)								
14. Special Maintenance - Headquarters and Armories	(\$2,300,000)	\$0	(\$2,300,000)	\$0	\$0	\$0	\$0	0.0
15. D.J. Jacobetti Home - Income and Assessment Revenues	(\$150,000)	\$0	\$0	\$0	\$0	(\$150,000)	\$0	0.0
16. D.J. Jacobetti Home - Veterans Health Administrative Revenues	\$150,000	\$0	\$150,000	\$0	\$0	\$0	\$0	0.0
17. IDG-State Police (Homeland Security)	(\$550,000)	(\$550,000)	\$0	\$0	\$0	\$0	\$0	0.0
18. Headquarter and Armories (Operations)	\$2,000,000	\$0	\$2,000,000	\$0	\$0	\$0	\$0	0.0
Total	\$166,594,900	\$100,000	\$90,362,800	\$1,500,000	\$740,000	\$25,086,400	\$48,805,700	898.5
Executive Changes from FY 2014 YTD Appropriation	(\$135,100)	(\$550,000)	\$580,100	\$0	\$0	(\$2,467,600)	\$2,302,400	0.0
Percentage Change from FY 2014 YTD Appropriation	-0.1%	-84.6%	0.6%	0.0%	0.0%	-9.0%	5.0%	0.0%

Note: The FY 2013-14 YTD appropriation includes supplementals, legislative transfers, contingency transfers, and Executive Order actions through February 5, 2014

Department of Military and Veterans Affairs (DMVA)
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Sec. 102. Department and National Guard Operations

	Gross	IDG	Federal	Local	Private	Restricted	GF/GP	FTEs
Unclassified Positions	\$1,370,100	\$0	\$0	\$0	\$0	\$0	\$1,370,100	9.0
Subtotal: Unclassified Positions	\$1,370,100	\$0	\$0	\$0	\$0	\$0	\$1,370,100	9.0
Headquarters and Armories	\$15,865,500	\$0	\$7,863,500	\$0	\$0	\$346,400	\$7,655,600	78.0
Military Appeals Tribunal	\$900	\$0	\$0	\$0	\$0	\$0	\$900	0.0
State Active Duty	\$100,100	\$0	\$0	\$0	\$0	\$70,000	\$30,100	0.0
Homeland Security	\$100,000	\$100,000	\$0	\$0	\$0	\$0	\$0	0.0
Michigan Emergency Volunteers	\$20,000	\$0	\$0	\$0	\$0	\$0	\$20,000	0.0
Counter Narcotic Operations	\$50,000	\$0	\$50,000	\$0	\$0	\$0	\$0	0.0
Subtotal: Armories and Joint Force Readiness	\$16,136,500	\$100,000	\$7,913,500	\$0	\$0	\$416,400	\$7,706,600	78.0
Departmentwide Accounts	\$1,909,400	\$0	\$1,546,300	\$0	\$0	\$0	\$363,100	0.0
Information Technology Services and Projects	\$1,136,600	\$0	\$562,400	\$0	\$0	\$407,200	\$167,000	0.0
Subtotal: Support Services	\$3,046,000	\$0	\$2,108,700	\$0	\$0	\$407,200	\$530,100	0.0
Military Training Sites and Support Facilities	\$31,950,600	\$0	\$30,295,600	\$0	\$0	\$0	\$1,655,000	205.0
Military Training Sites and Support Facilities Test Projects	\$100,000	\$0	\$0	\$0	\$0	\$100,000	\$0	0.0
Subtotal: Military Training Sites and Support Facilities	\$32,050,600	\$0	\$30,295,600	\$0	\$0	\$100,000	\$1,655,000	205.0
Starbase Grant	\$2,322,000	\$0	\$2,322,000	\$0	\$0	\$0	\$0	0.0
ChalleNGe Program	\$4,549,200	\$0	\$2,849,200	\$1,500,000	\$200,000	\$0	\$0	40.0
Military Family Relief Fund	\$600,000	\$0	\$0	\$0	\$0	\$600,000	\$0	0.0
Michigan National Guard Tuition Assistance Program	\$2,000,000	\$0	\$0	\$0	\$0	\$0	\$2,000,000	1.0
Subtotal: National Guard Programs	\$9,471,200	\$0	\$5,171,200	\$1,500,000	\$200,000	\$600,000	\$2,000,000	41.0
Total Department and National Guard Operations	\$62,074,400	\$100,000	\$45,489,000	\$1,500,000	\$200,000	\$1,523,600	\$13,261,800	333.0

Department of Military and Veterans Affairs (DMVA)
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	Gross	IDG	Federal	Local	Private	Restricted	GF/GP	FTEs
Sec. 103. Michigan Veterans Affairs Agency								
Veterans Service Grants	\$3,404,600	\$0	\$0	\$0	\$0	\$0	\$3,404,600	0.0
MVAA Operations	\$7,295,100	\$0	\$0	\$0	\$0	\$0	\$7,295,100	40.0
Veterans' Trust Fund Administration	\$1,455,200	\$0	\$0	\$0	\$0	\$1,455,200	\$0	6.0
Veterans' Trust Fund Grants	\$3,746,500	\$0	\$0	\$0	\$0	\$3,746,500	\$0	0.0
Subtotal: Michigan Veterans Affairs Agency	\$15,901,400	\$0	\$0	\$0	\$0	\$5,201,700	\$10,699,700	46.0
Grand Rapids Veterans' Home	\$46,012,600	\$0	\$21,848,400	\$0	\$0	\$11,556,800	\$12,607,400	355.0
Board of Managers (Grand Rapids)	\$665,000	\$0	\$0	\$0	\$415,000	\$250,000	\$0	0.0
DJ Jacobetti Veterans' Home	\$19,615,300	\$0	\$8,025,400	\$0	\$0	\$5,404,300	\$6,185,600	164.5
Board of Managers (Jacobetti)	\$275,000	\$0	\$0	\$0	\$125,000	\$150,000	\$0	0.0
Subtotal: Veterans' Homes	\$66,567,900	\$0	\$29,873,800	\$0	\$540,000	\$17,361,100	\$18,793,000	519.5
Total Michigan Veterans Affairs Agency	\$82,469,300	\$0	\$29,873,800	\$0	\$540,000	\$22,562,800	\$29,492,700	565.5
Sec. 104 Capital Outlay								
Special Maintenance - National Guard Armories and Facilities	\$18,051,200	\$0	\$15,000,000	\$0	\$0	\$0	\$3,051,200	0.0
Special Maintenance - Veterans Homes	\$500,000	\$0	\$0	\$0	\$0	\$0	\$500,000	0.0
Land Acquisitions	\$1,000,000	\$0	\$0	\$0	\$0	\$1,000,000	\$0	0.0
Subtotal: Capital Outlay	\$19,551,200	\$0	\$15,000,000	\$0	\$0	\$1,000,000	\$3,551,200	0.0
Total Capital Outlay	\$19,551,200	\$0	\$15,000,000	\$0	\$0	\$1,000,000	\$3,551,200	0.0
Sec. 105. One-Time Appropriations								
Special Maintenance - Headquarters and Armories	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Special Maintenance - Veterans Homes	\$2,500,000	\$0	\$0	\$0	\$0	\$0	\$2,500,000	0.0
Subtotal: Capital Outlay	\$2,500,000	\$0	\$0	\$0	\$0	\$0	\$2,500,000	0.0
Total One-Time Appropriations	\$2,500,000	\$0	\$0	\$0	\$0	\$0	\$2,500,000	0.0
FY 2015 Part 1 Appropriations Totals	\$166,594,900	\$100,000	\$90,362,800	\$1,500,000	\$740,000	\$25,086,400	\$48,805,700	898.5

Ongoing State General Fund/General Purpose (GF/GP) \$46,305,700
One-Time State General Fund/General Purpose (GF/GP) \$2,500,000