



Background Briefing

MILITARY AND VETERANS AFFAIRS

Mark Wolf, Senior Fiscal Analyst

December 2013

The fiscal information in this background briefing is based on data through December 31, 2013.

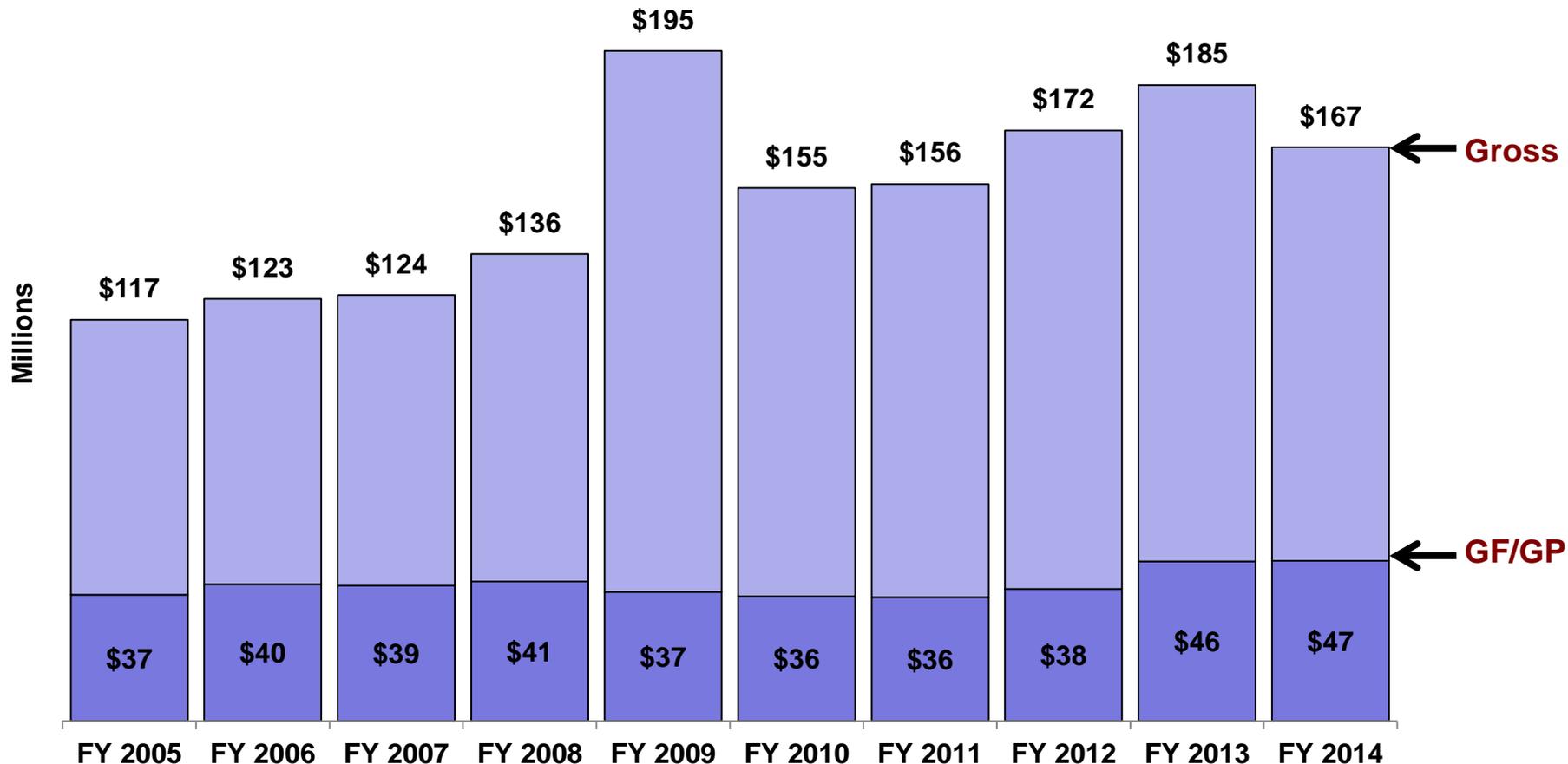
Military and Veterans Affairs

The Michigan Department of Military and Veterans Affairs serves the dual purpose of providing an operational military force in support of state and federal homeland security needs and providing a network of services and programs in support of the state's veteran population and their families.

- The Michigan National Guard serves to protect the lives and property of Michigan citizens during times of emergency response and civil unrest in order to preserve peace, order, and public safety under the direction of the Governor, and to assist the federal government in defending the sovereign interest of the United States.
- Executive Order 2013-2 established the Michigan Veterans Affairs Agency, which has oversight responsibility over the delivery of services and programs to veterans, including the operation of the state's veterans homes in Marquette and Grand Rapids.

Military and Veterans Affairs: Gross Appropriations

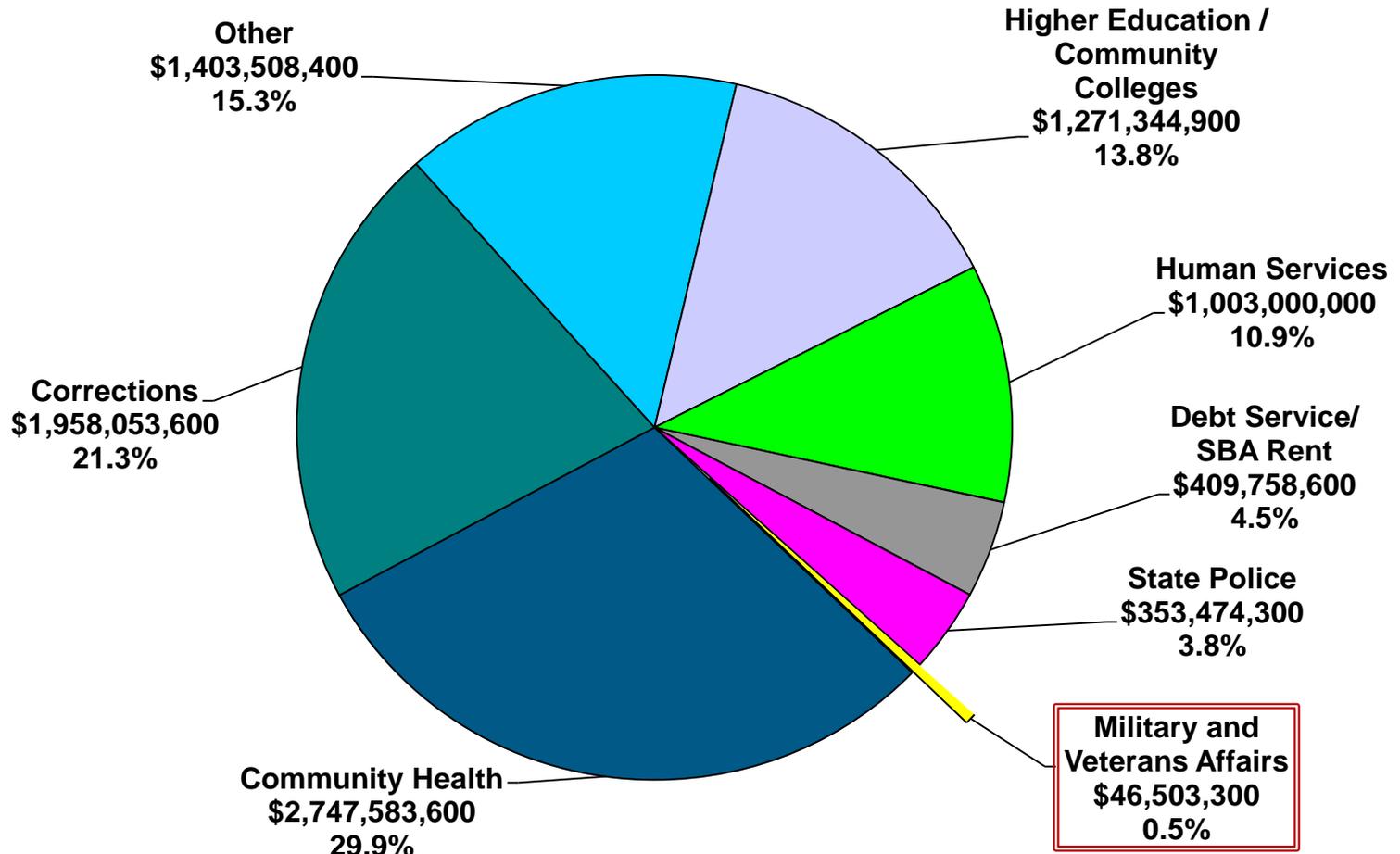
Significant increase in **FY 2009** is due to appropriations for capital outlay projects being included in the department's budget. Increase in **FY 2012** is due to the inclusion foreclosure settlement funds, the pre-funding of retiree health care, and one-time appropriation of \$3.9 million. Increases in **FY 2013** are due to the inclusion of several "one-time" appropriations and the funding for the establishment and the Michigan Veterans Affairs Agency.



Military and Veterans Affairs Share of State GF/GP

Military and Veterans Affairs makes up 0.5% of the total state GF/GP budget

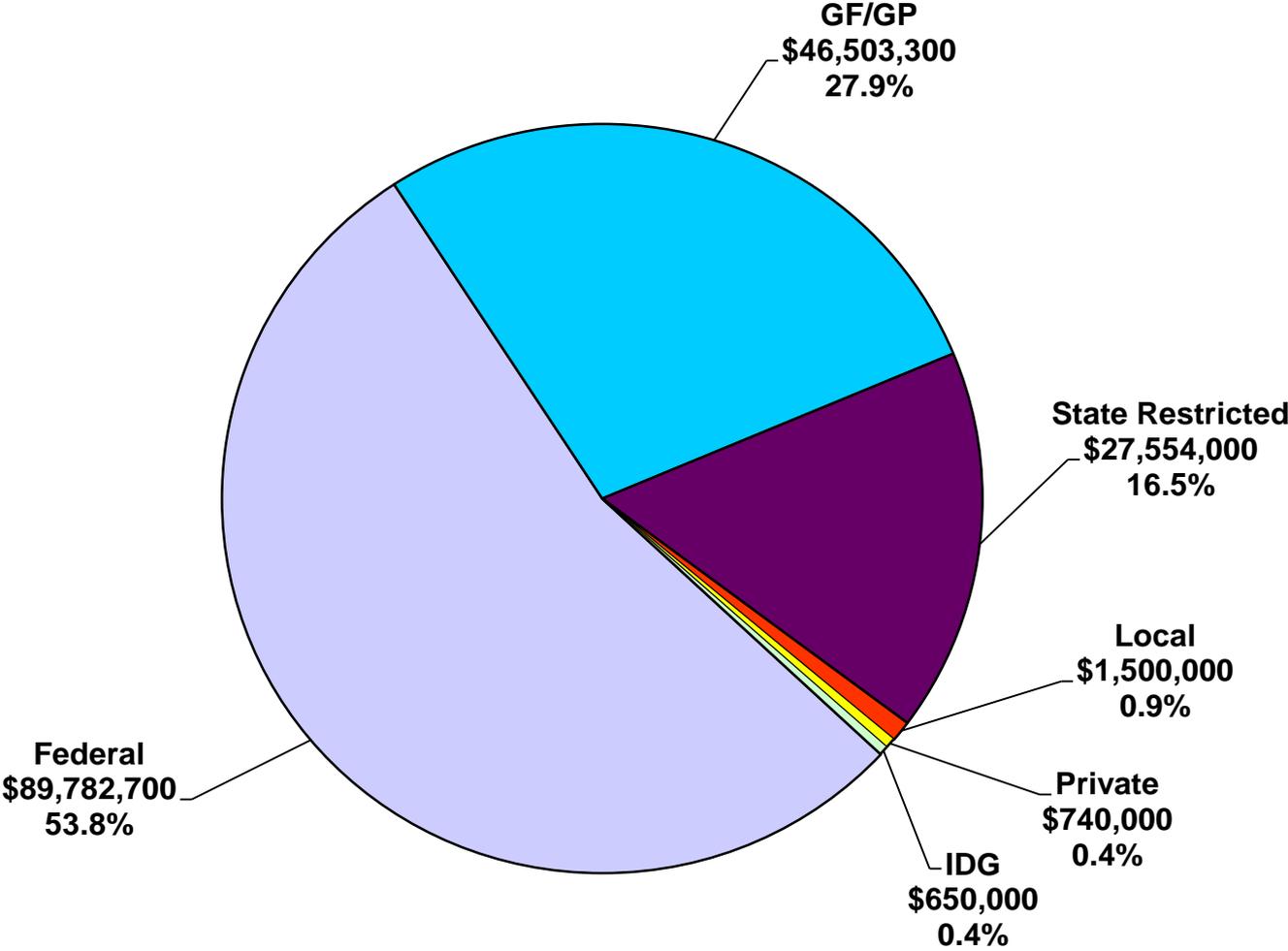
FY 2013-14 GF/GP Total = \$9,193,226,700



SOURCES OF FUNDING

Military and Veterans Affairs Funding Sources

FY 2013-14 Military and Veterans Affairs Budget = \$166,730,000
(Includes one-time appropriations of \$5,500,000)



DEPARTMENT APPROPRIATIONS

Military and Veterans Affairs Appropriations

The DMVA budget is allocated into the following major spending areas:

▪ Military

- Unclassified Positions
- Armories and Joint Force Readiness
- Maintenance and Operations of National Guard Training Facilities and Air Bases
- ChalleNGe Program
- Military Family Relief Fund
- Support Services
- Starbase Grant
- Information Technology Services and Projects

▪ Capital Outlay

- Special Maintenance – Headquarters and armories
- Special Maintenance – Veterans' Homes
- Land Acquisitions and Appraisals

▪ Michigan Veterans Affairs Agency

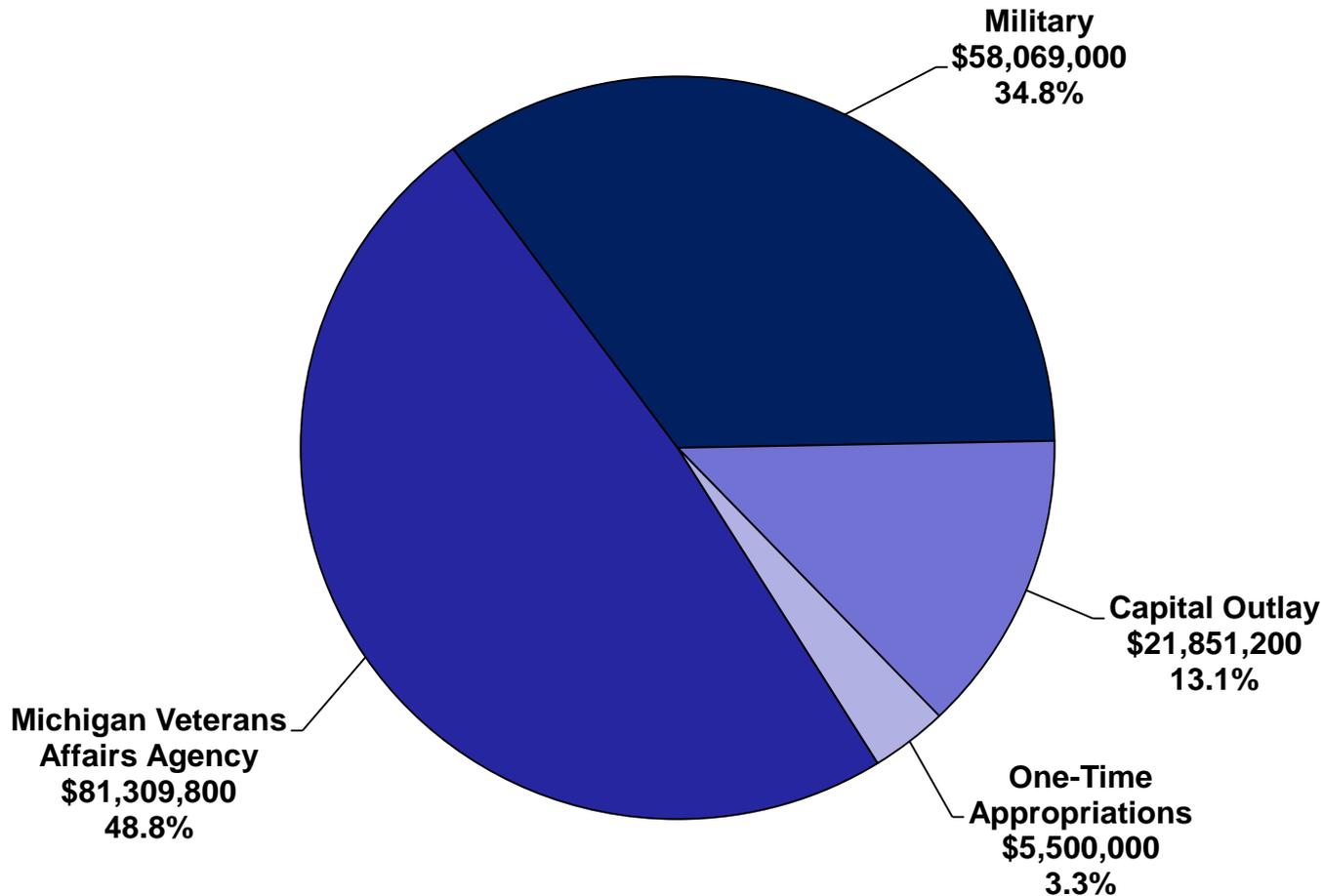
- Veterans Affairs Agency Administration
- Veterans Advice, Advocacy, and Assistance Grants
- Veterans' Trust Fund Administration
- Veterans' Trust Fund Grants
- Grand Rapids Veterans' Home
- Board of Managers (Grand Rapids Home)
- D.J. Jacobetti Veterans' Home
- Board of Managers (Jacobetti Home)

▪ One-time Appropriations

- Veterans Service Delivery Initiative
- County Counselor Education and Training Expenses
- Veterans Affairs Agency Computer Upgrade

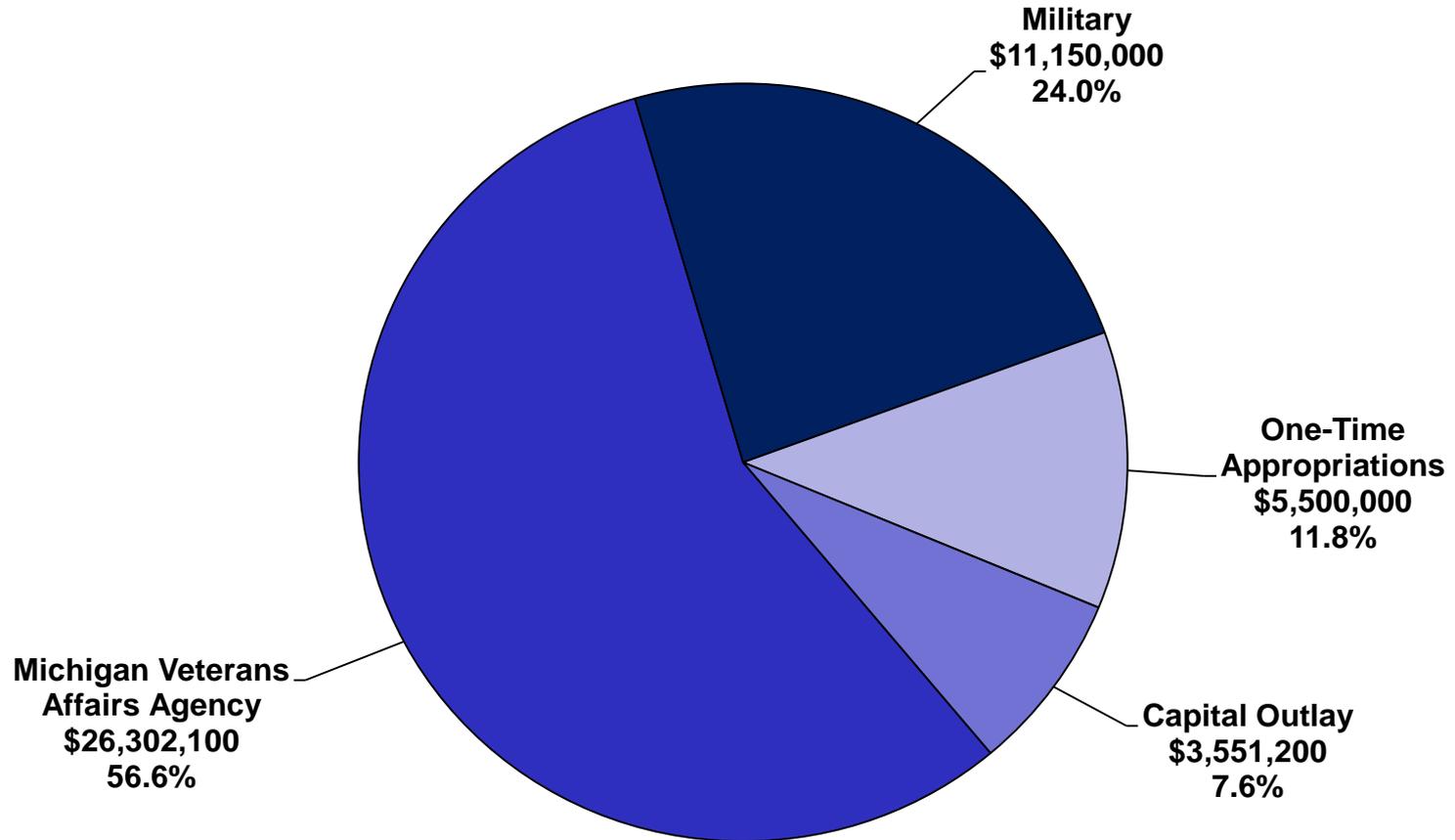
Military and Veterans Affairs Appropriations

FY 2013-14 Military and Veterans Affairs Total Budget = \$166,730,000
(Includes one-time appropriations of \$5,500,000 GF/GP)



Military and Veterans Affairs Appropriations

FY 2013-14 Military and Veterans Affairs GF/GP Budget = \$46,503,300
(Includes a one-time GF/GP appropriation of \$5,500,000)



MAJOR BUDGET TOPICS

Military – Michigan National Guard

Funds the Michigan National Guard and military responsibilities of the department. Under the National Defense Act, the Michigan Army and Air National Guard are reserve components of the United States Army and Air Force, apportioned and assigned to this state.

— **Armories and Joint Force Readiness (\$14,476,300)**

- Supports Executive and general administrative functions for the DMVA and the National Guard.
- Includes the day-to-day operational maintenance of the 44 state-owned armories (readiness centers) and other sites.

— **Military Training Sites and Support Facilities (\$31,734,300)**

Physical operations and maintenance of Michigan National Guard training sites:

- **Army National Guard (ARNG) Sites:** Camp Grayling, Fort Custer Training Center
- **Air National Guard (ANG) Sites:** Alpena Combat Readiness Training Center (CRTC), Battle Creek ANG Base, Selfridge ANG Base

The training sites are federally owned, with the federal government directly providing the equipment and personnel (technicians) to maintain the equipment.

The state maintains the physical properties, with state employees generally including buildings trades professionals, maintenance mechanics, other laborers, as well as environmental resource staff, and fire/crash rescue officers

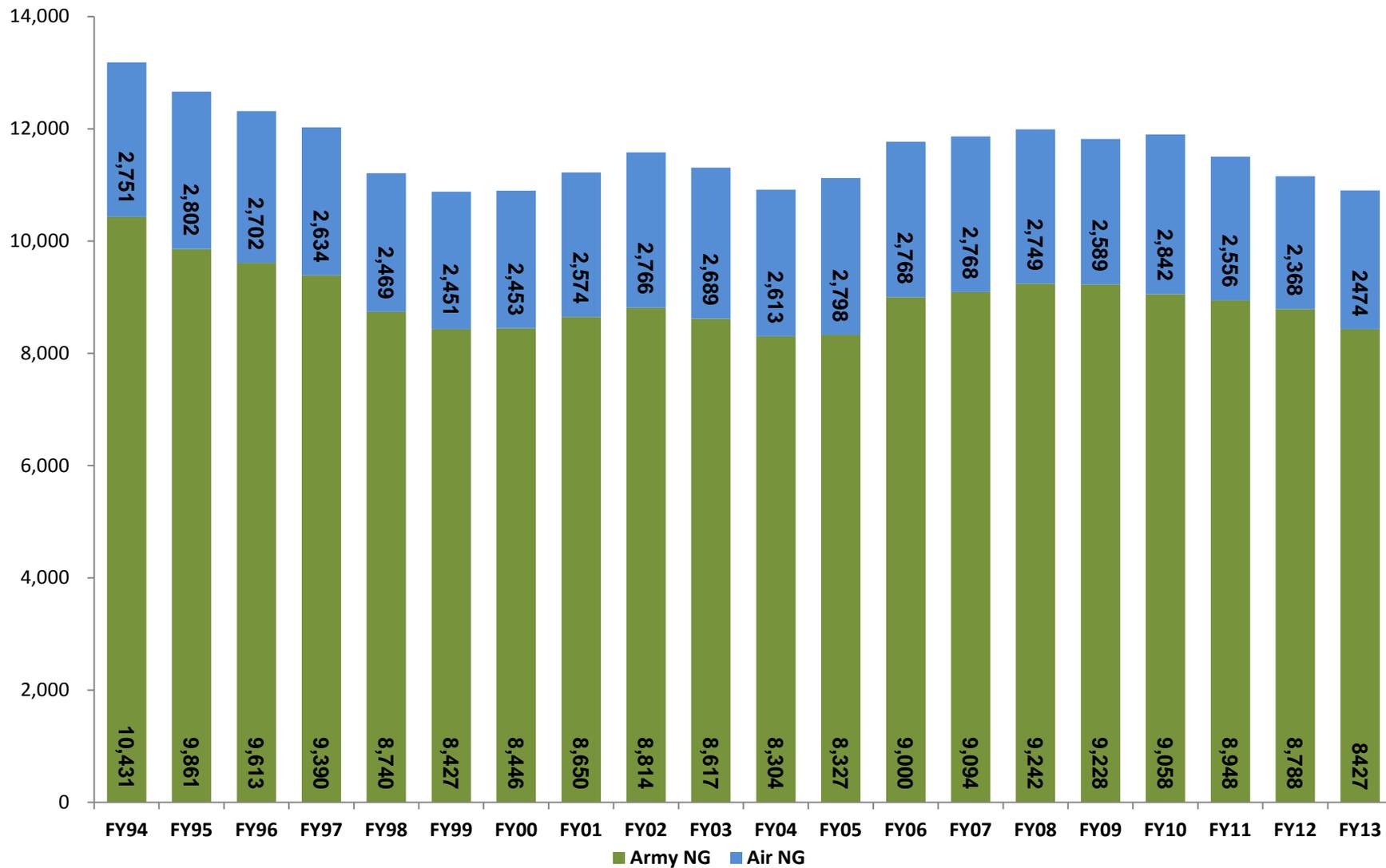
National Guard Armories



44 State-Owned Armories

- “Readiness Centers”
- “Home Base” for MIARNG Units

Michigan National Guard – Assigned Strength

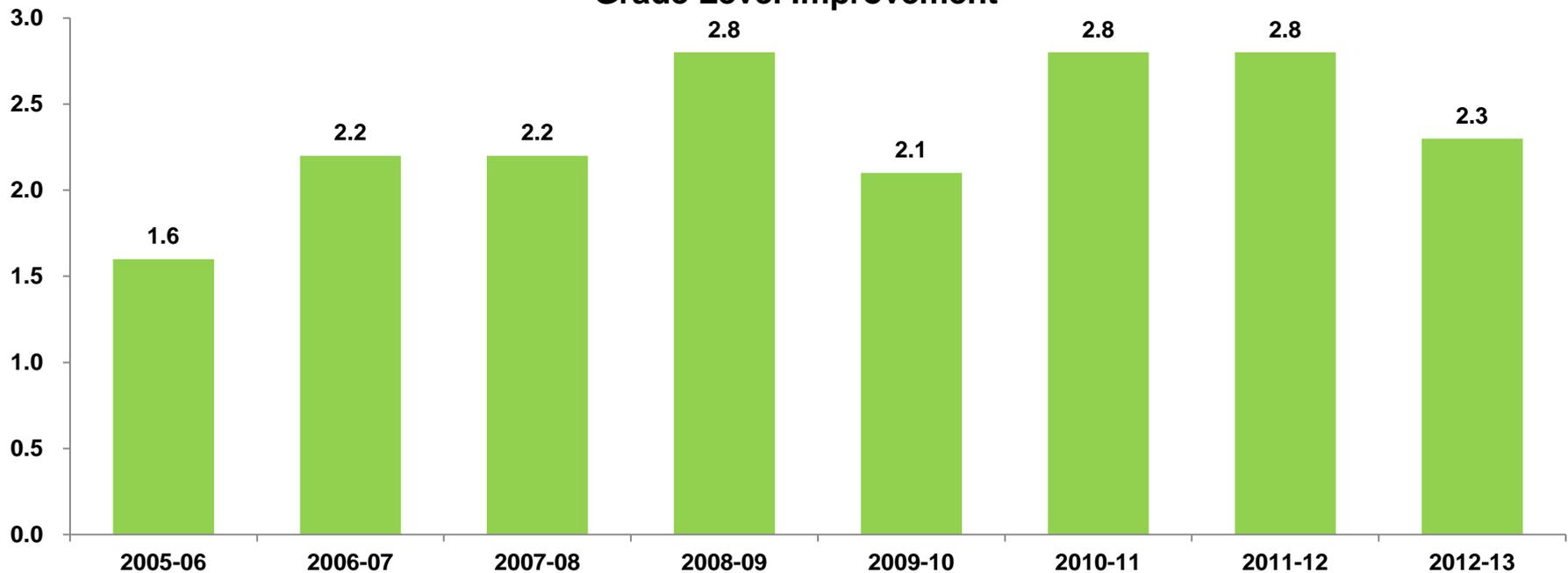


Michigan Youth ChalleNGe Academy

– Youth ChalleNGe Program (\$4,502,000)

- Voluntary boot-camp style program for 16- to 18-year old high school dropouts,
- 22-week residential program each year in Battle Creek and 12-month mentoring program.
- Academic, vocational, and fiduciary services are provided by the Marshall Public Schools
- Funded at a 75%-25% federal-state share.

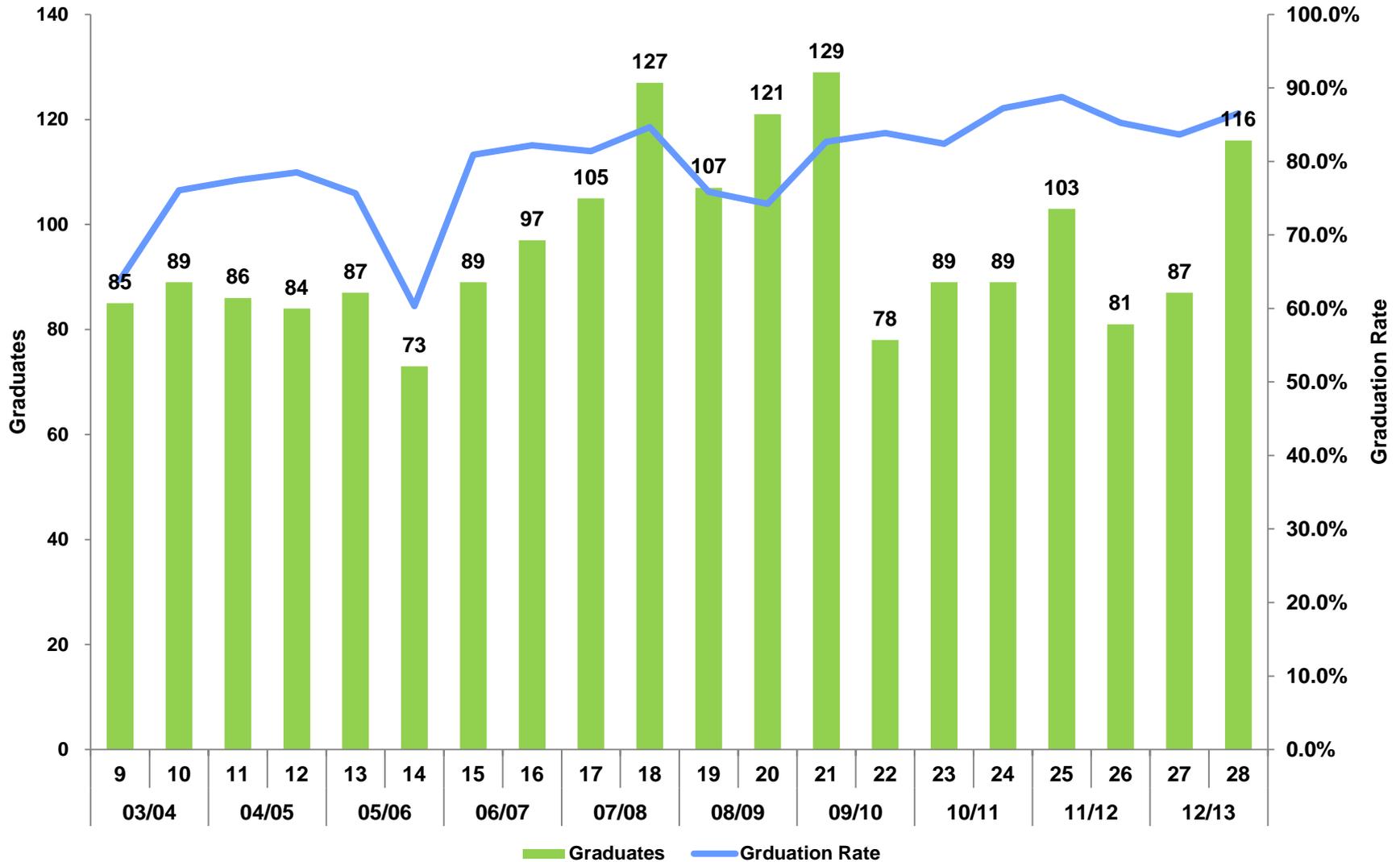
**MYCA Graduates
Tests of Adult Basic Education (TABE)
Grade Level Improvement**



Note: The TABE tests various subjects, including reading and mathematics, providing a Grade Level Equivalent (GLE) score that ranges from 0 to 12.9. (A score of 12.9 represents the student is proficient at the 12th Grade, 9 month level.) The chart above shows the increase in equivalent grade levels for MYCA cadets taking the exam when they enter and exit the program.

Michigan Youth Challenge Academy

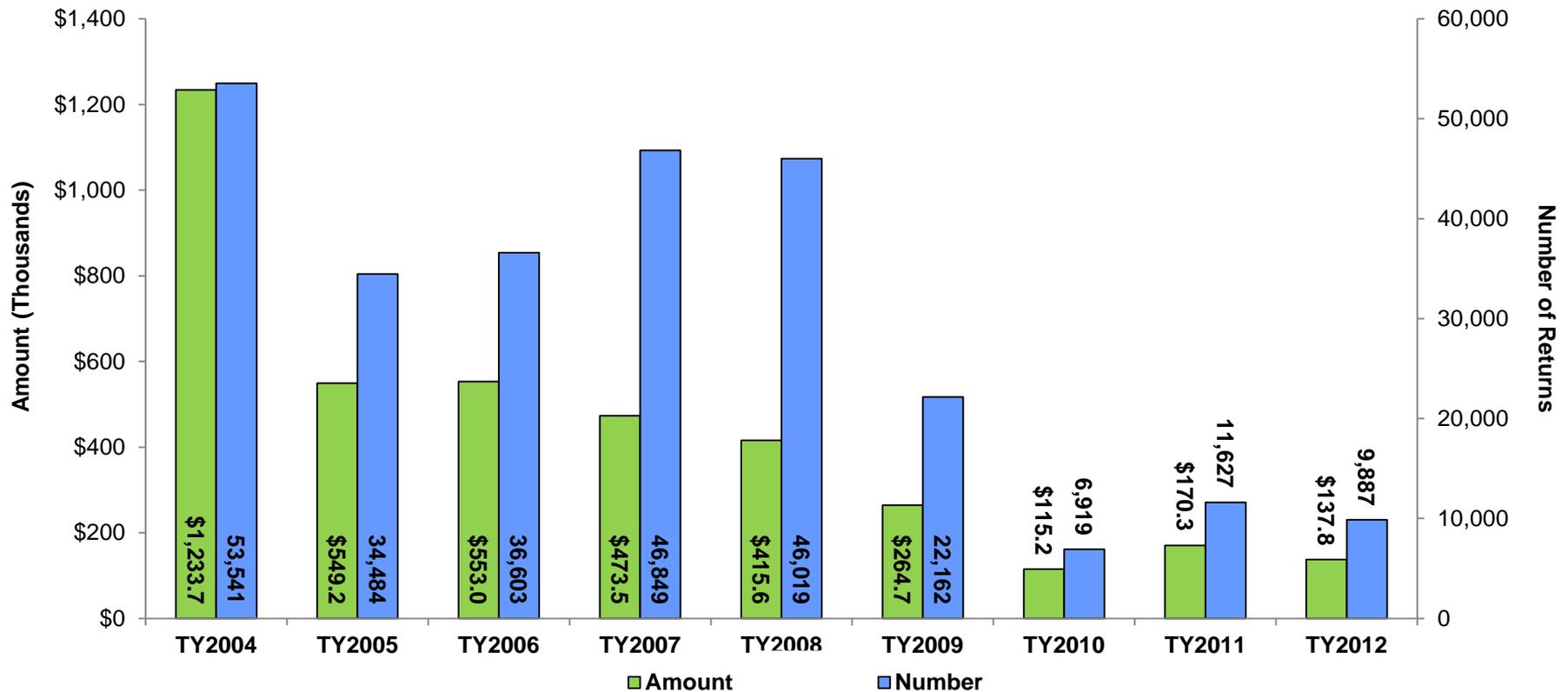
Michigan Youth Challenge Academy Graduates



Military Family Relief Fund

Provides emergency grant assistance to families of members of the reserved component called into active duty, with revenue generated through voluntary contributions made through a check-off on the state income tax. (\$600,000)

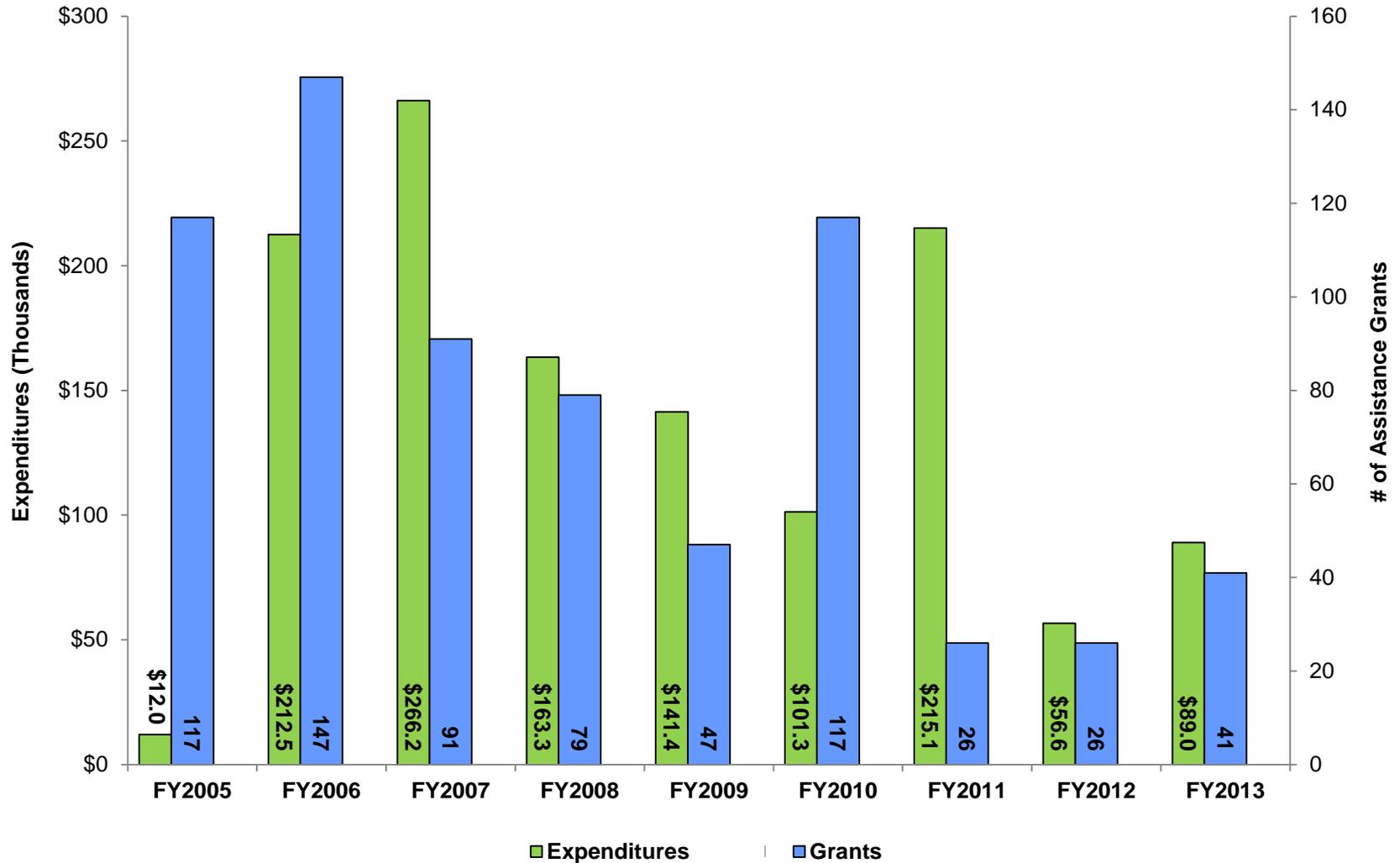
**Income Tax Check-off Activities
Tax Years 2004 - 2012 (YTD)**



Source: Department of Treasury. Note: Figures shown as TY2012 returns represent all tax returns processed in calendar year 2013 through mid-September and, therefore, could include figures (likely a small amount) from prior tax years not just returns for TY2012.

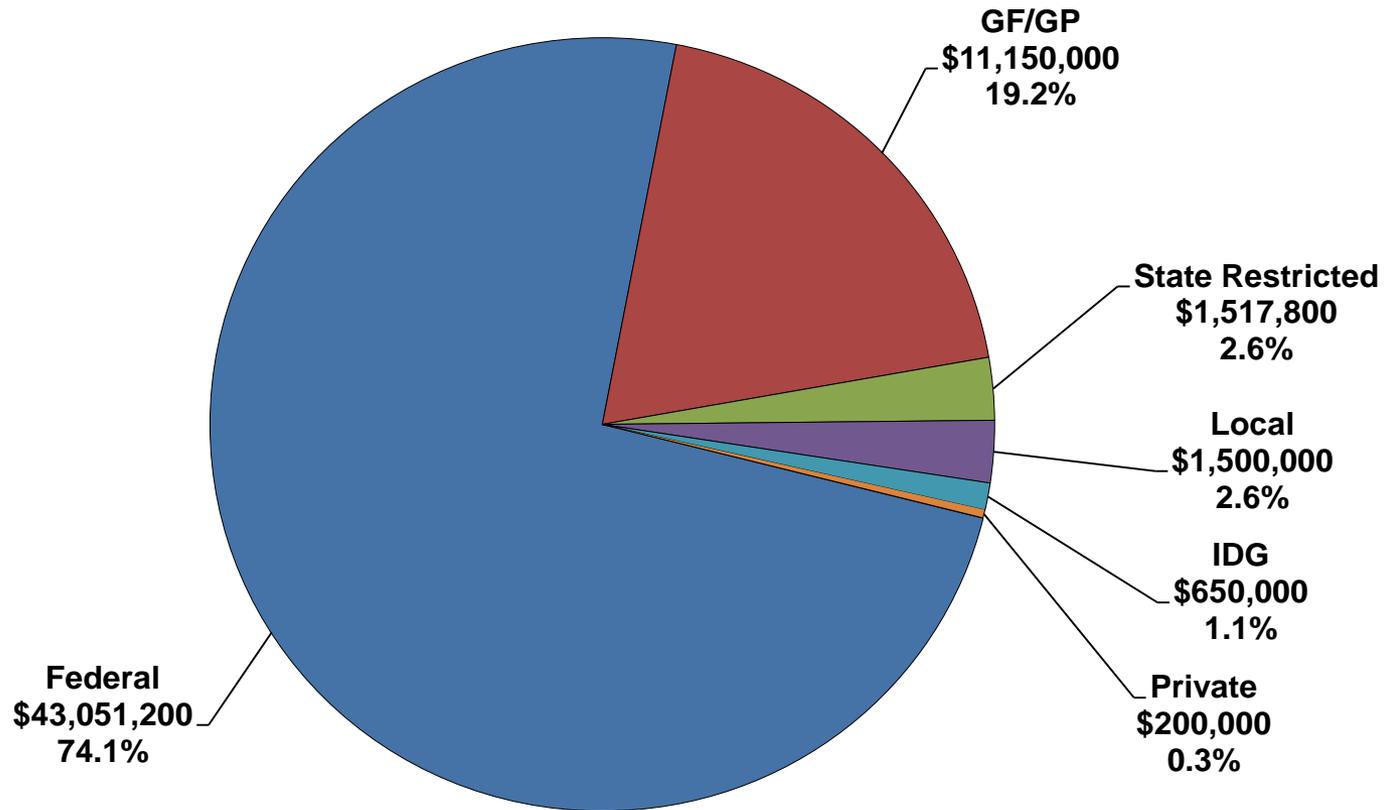
Military Family Relief Funds

Military Family Relief Fund
Expenditures and Grant Awards
Fiscal Years 2005 - 2013 (YTD)



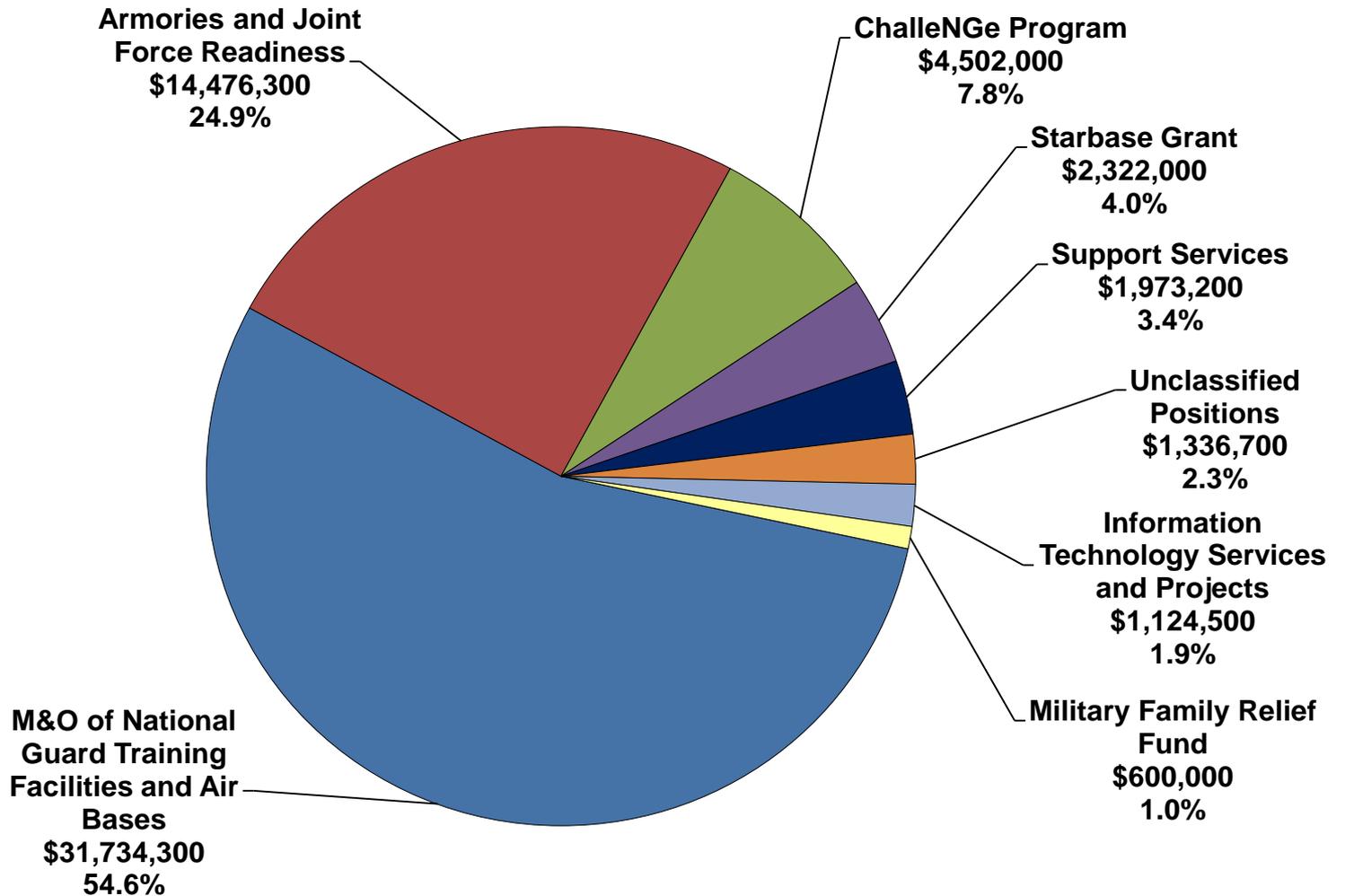
Military (Fund Sources)

FY 2013-14 Total Appropriation = \$58,069,000



Military (Scheduled Programs)

FY 2013-14 Total Appropriation = \$58,069,000



Michigan Veterans Affairs Agency (MVAA)

- Established by Executive Order 2013-2 (MCL 32.92), effective March 20, 2013.

- **MVAA responsibilities include:**
 - Coordinating state services and benefits for veterans, and re-engineer processes and procedures where necessary. **(New)**
 - Operating of the state veterans' homes. **(Existing)**
 - Administering the Michigan Veterans' Trust Fund (MVTF) **(Existing)**
 - Coordinating applications for federal benefits submitted through the state, counties, and veterans service organizations. **(Expanded)**
 - Coordinating other community support programs available to veterans – “No Wrong Door” **(New)**

- **Appropriations**
 - **FY 2012-13 Supplemental Budget – 2013 PA 9 (SB 233):** Authorized \$3.0 GF/GP for partial year operations.
 - **FY 2013-14 Enacted Budget – 2013 PA 59, Article XIV (HB 4328):** Authorizes \$8.6 million for on-going and “one-time” costs

Michigan Veterans Affairs Agency (MVAA)

MVAA Strategic Plan

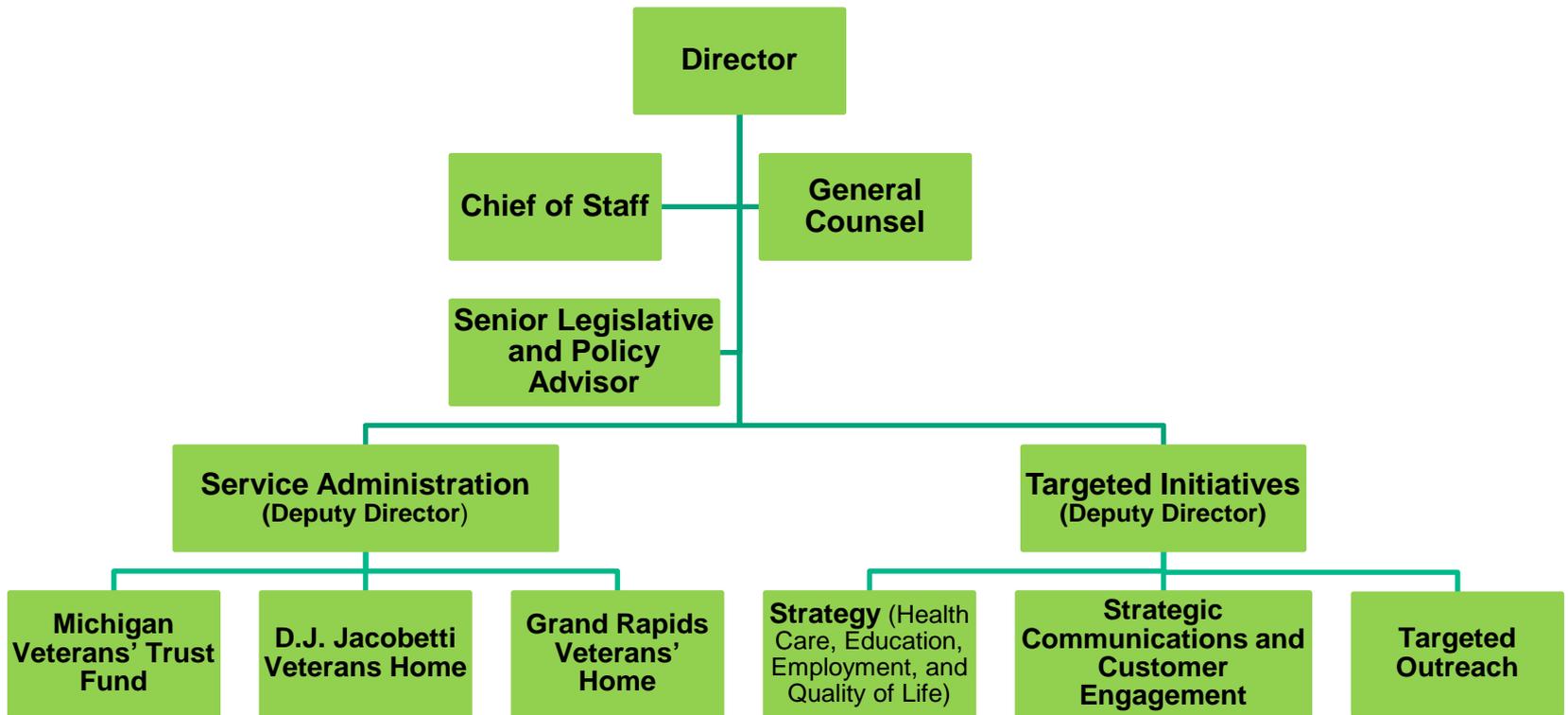
MVAA Mission Statement

To serve as the central coordinating point, connecting those who have served in the United States Armed Forces and their families to services and benefits throughout the state of Michigan.

- **Goal 1: Develop and Maintain a Strong MVAA**
 - Focusing on employee readiness, business processes, and infrastructure needs
- **Goal 2: Improve Communications**
 - MVAA communications with veterans and their families, stakeholders, and partners
 - Defined communications plan and strategy
- **Goal 3: Improve and Enhance Veterans' Service Delivery**
 - Assisting the transition to civilian life
 - Improve claims process through accredited service officers and county counselors, standardized submission process and management system,
 - Reviewing barriers to receiving available benefits
 - Central information portal – “One Stop Shop”
- **Goal 4: Enhance Interagency Collaboration and Leverage Partnerships**
 - Improve coordination of services among public and private organizations.
- **Goal 5: Define and Promote Veterans Through Legislative Actions**
 - Develop a legislative agenda

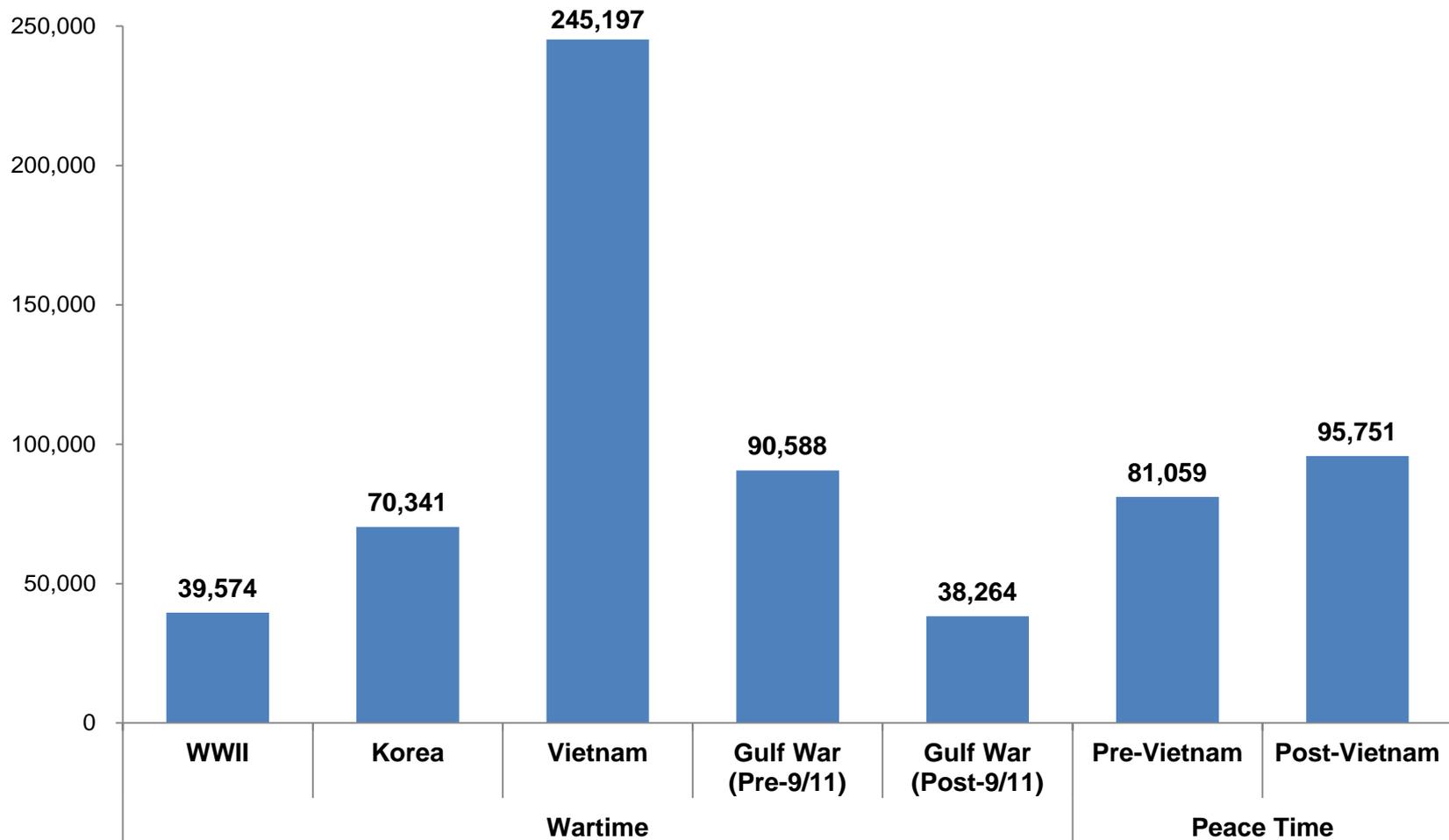
Michigan Veterans Affairs Agency (MVAA)

MVAA Organizational Chart



Michigan Veterans Affairs Agency (MVAA)

Michigan Veterans Population (est.)

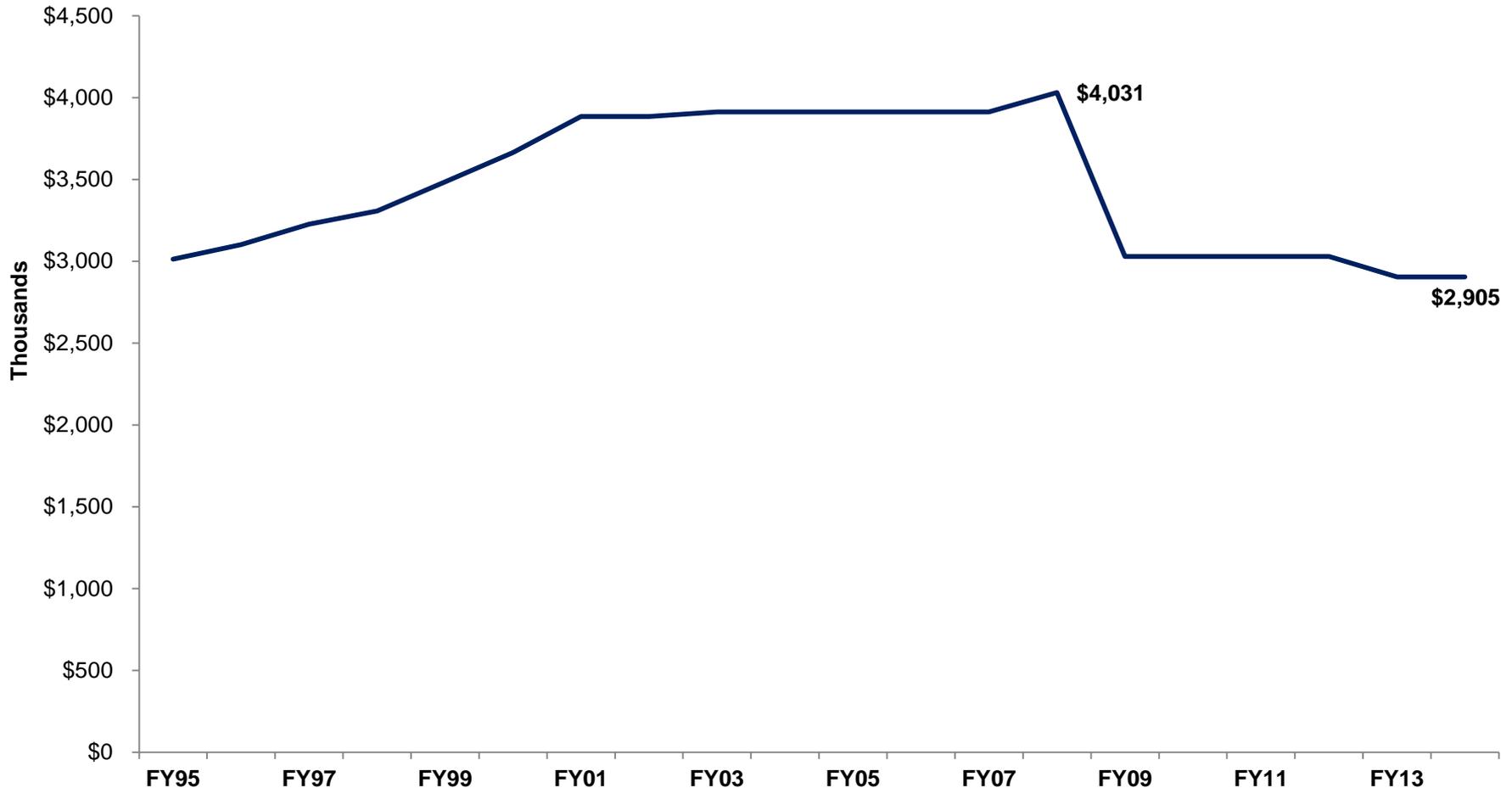


Source: U.S. Department of Veterans Affairs, Office of the Actuary – VetPop 2011.

Note: Veterans who have served in multiple theaters are counted only in the theater in which they first served.

Veterans Advice, Advocacy, and Assistance

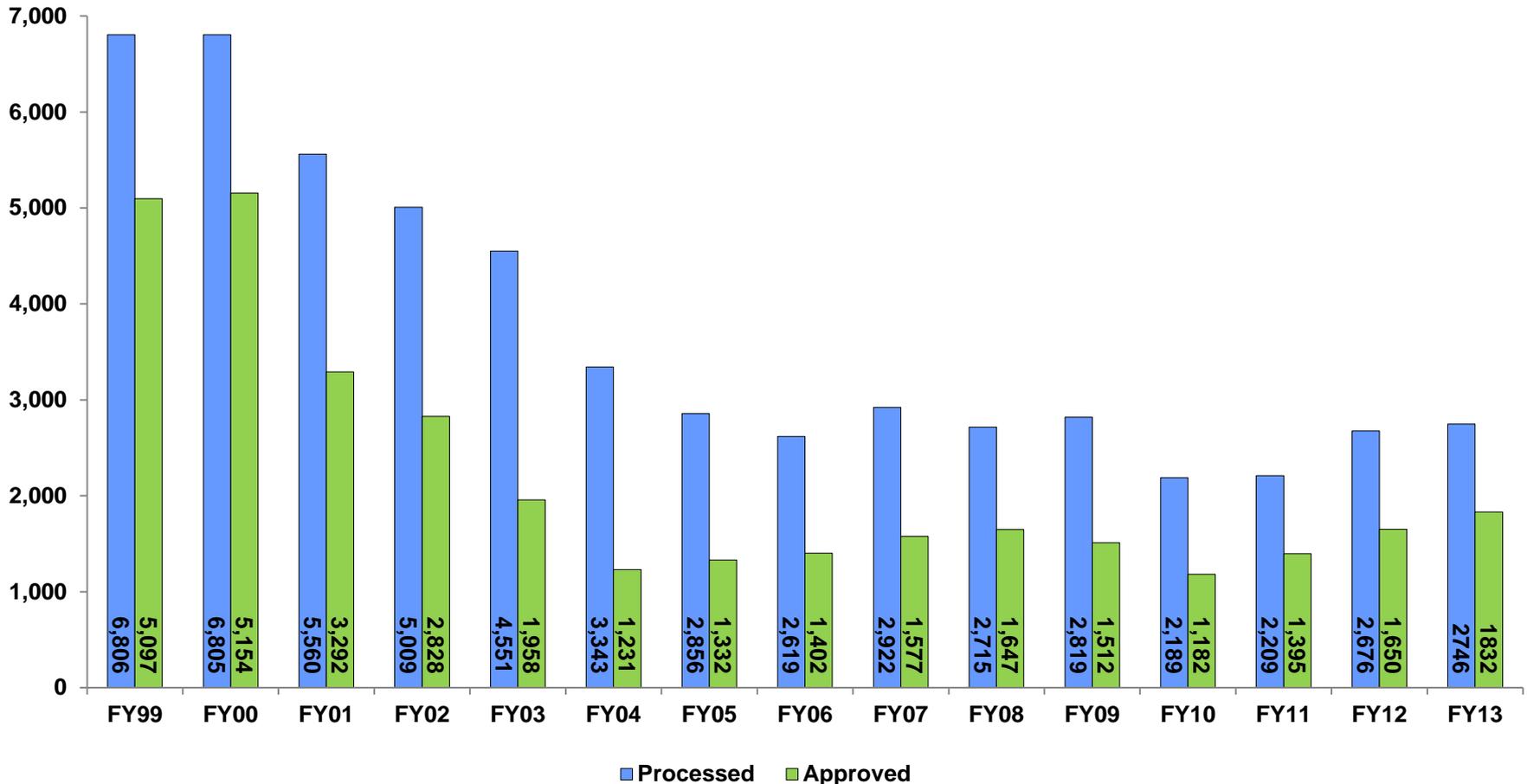
Grant assistance made to several Congressionally chartered veterans' service organizations (VSOs), provided annually since 1927. No permanent statutory authority, just boilerplate requirements. FY 2013-14 provides no specific boilerplate requirements, giving MVAA significant discretion in awarding grants.



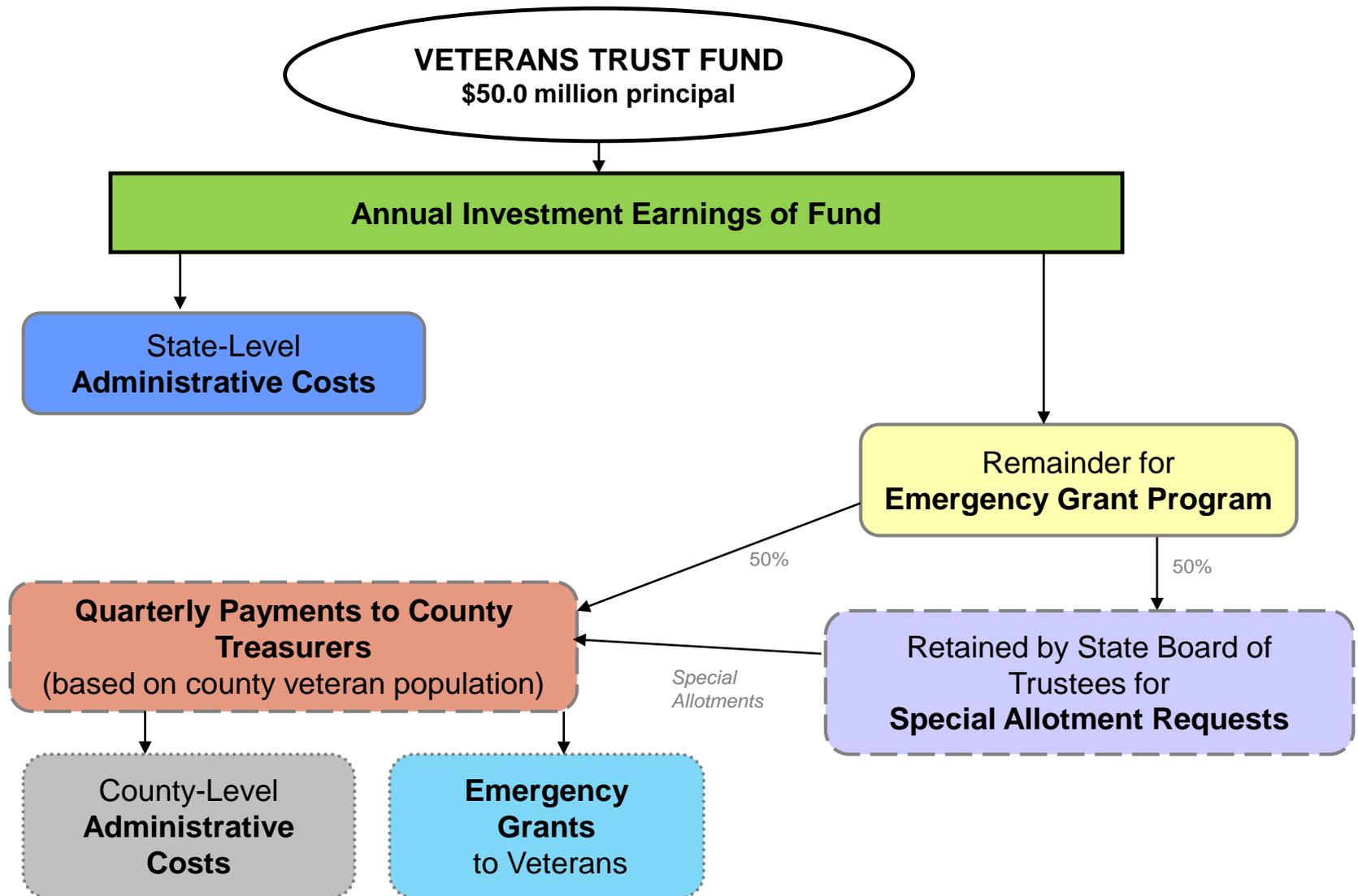
Michigan Veterans' Trust Fund

Established in 1946 with \$50.0 million principal; trust fund investment earnings provide emergency financial assistance grants to veterans for temporary, unforeseen hardships – housing, utilities, food, medical, transportation, and taxes. .

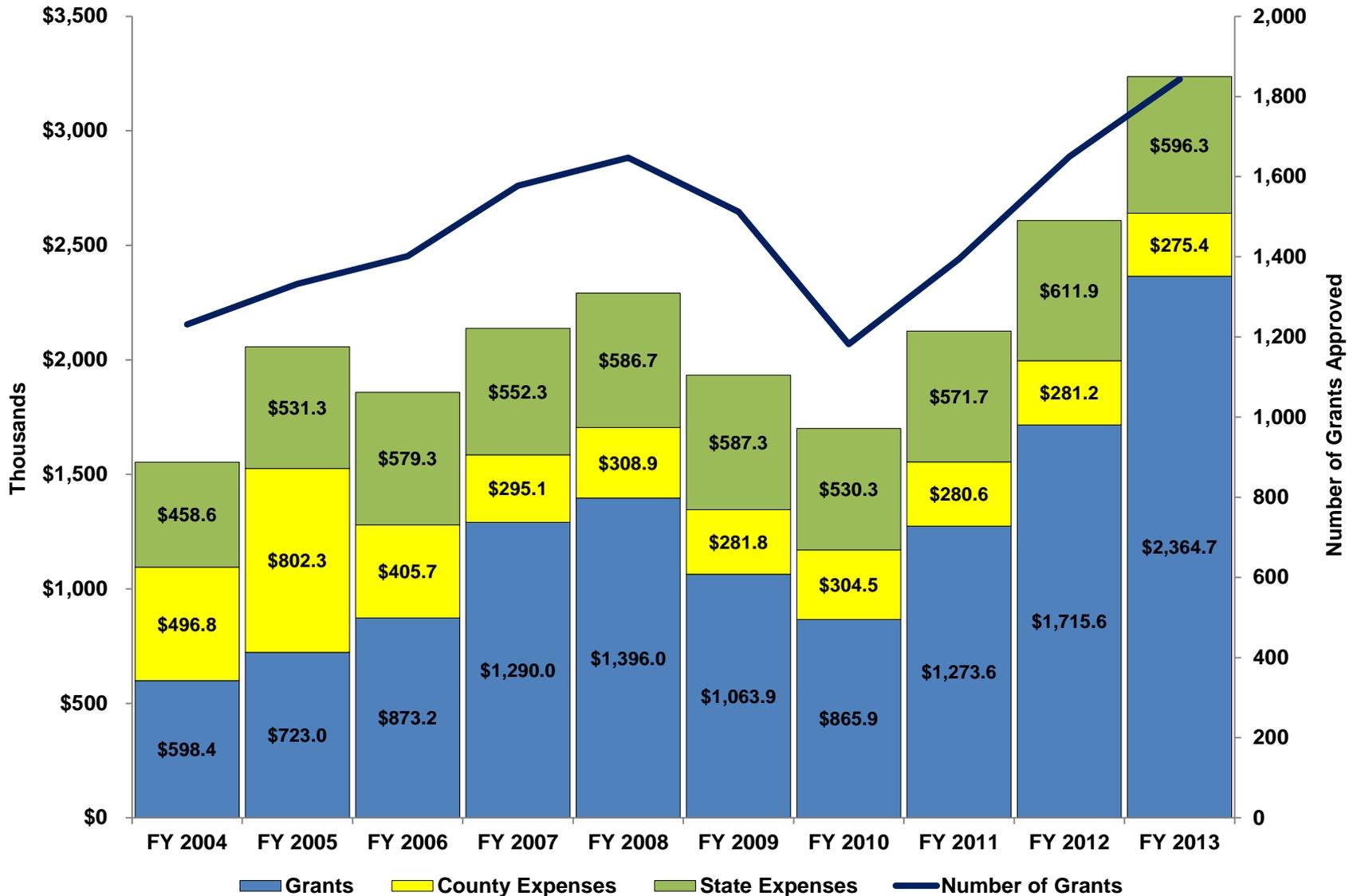
MVTF Application Activities



Michigan Veterans' Trust Fund Distribution

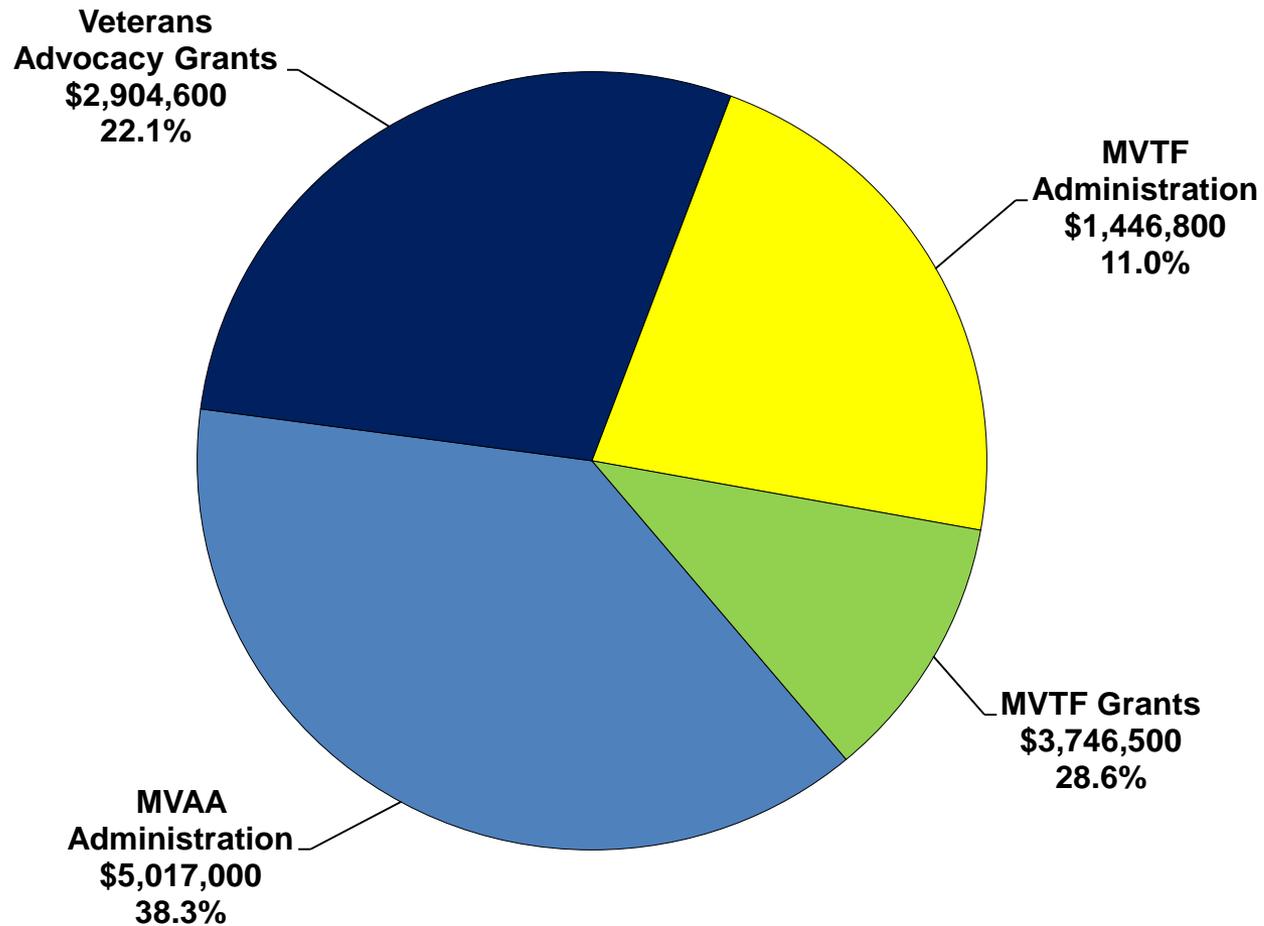


Michigan Veterans' Trust Fund Expenditures



Michigan Veterans Affairs Agency (Programs)

FY 2013-14 Total Appropriation = \$13,114,900
(Excluding the Veterans' Homes)



Veterans' Homes

The state's veterans' homes provide traditional skilled nursing care, residential domiciliary care, and other special needs care for residents with Alzheimer's or dementia.

- **Grand Rapids Veterans' Home (GRVH):** Established by 1885 PA 152, located on 90+ acres in north Grand Rapids.
 - Skilled Nursing Bed Capacity: 450 (incl. 115 special needs beds)
 - Domiciliary Bed Capacity: 140

- **D.J. Jacobetti Veterans Home (DJJVH):** Established in 1981, at the site of the former St. Mary's Hospital in Marquette.
 - Skilled Nursing Bed Capacity: 182
 - Domiciliary Bed Capacity: 22

Board of Managers – A 7-member board responsible for general oversight and supervision of the homes – setting policies and establishing rates.

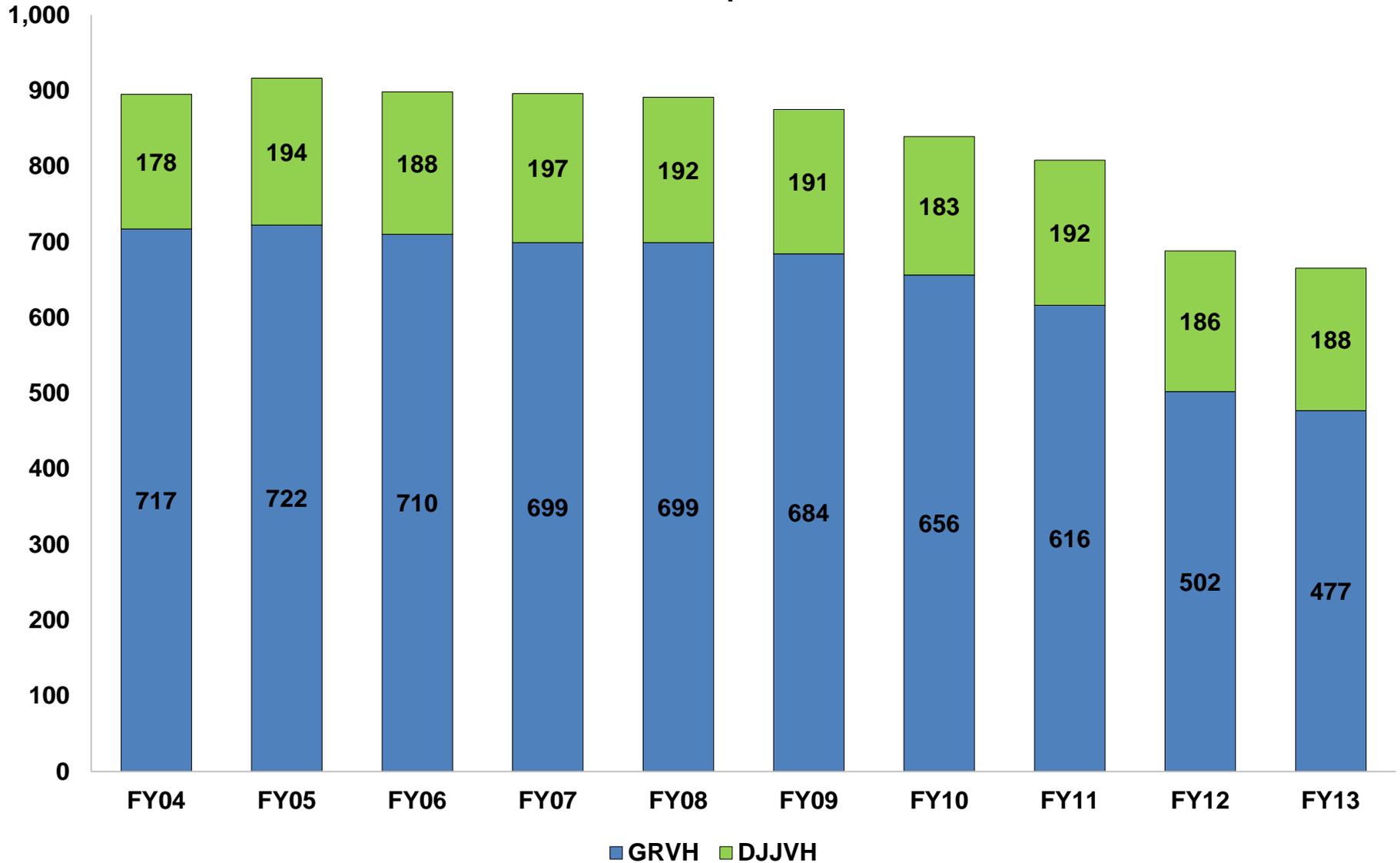
Eligibility – Michigan residents who are veterans of the U.S. armed forces honorably discharged or released under conditions other than dishonorable.

Veterans who served in active duty or enlisted since 1980-81 must have served 24 continuous months or the full period for which they were called to active duty.

Spouses of veterans may be admitted, subject to space limitations.

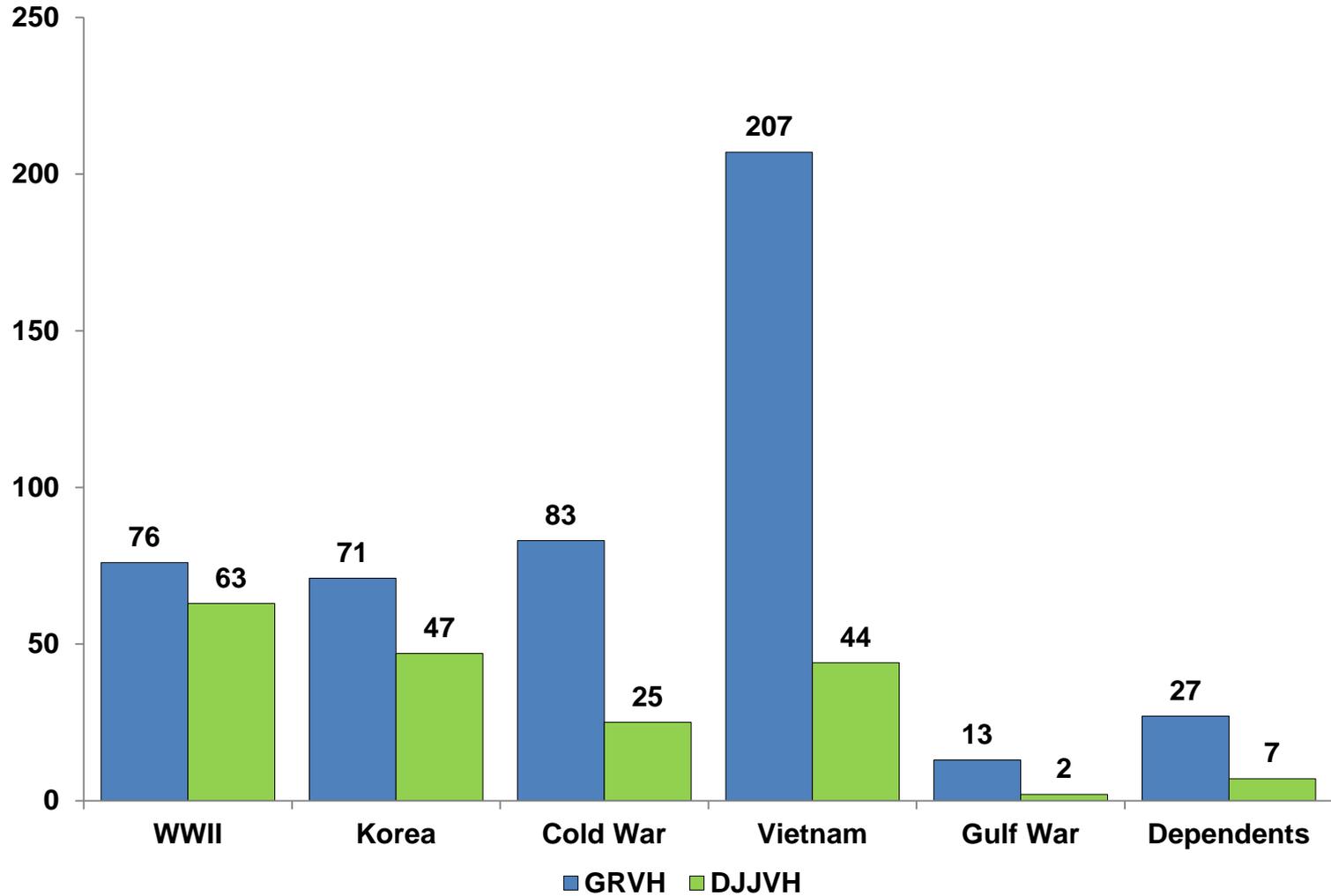
Veterans' Homes

Fiscal Year End Population Census



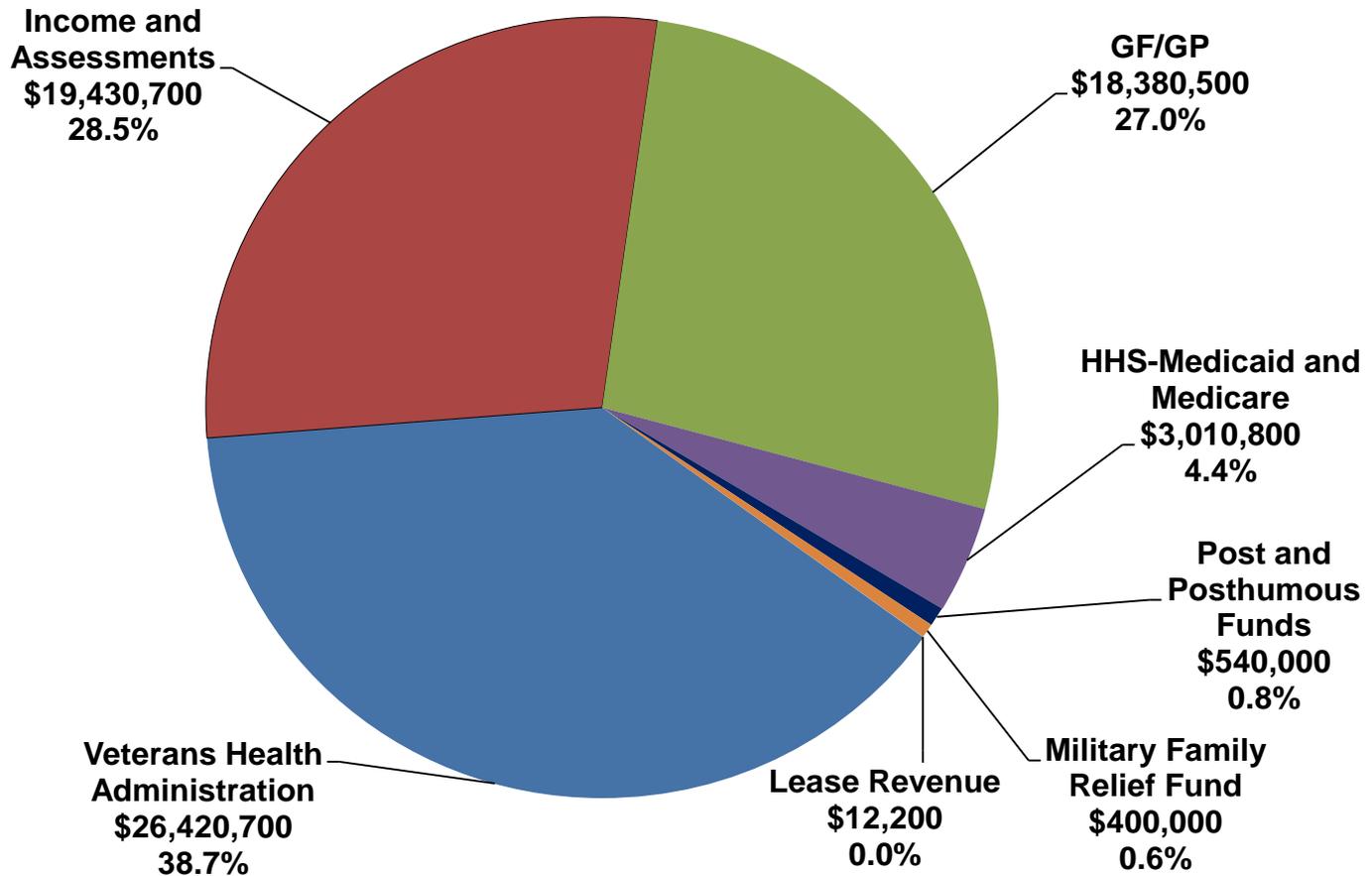
Veterans' Homes

Population by Period of Service
(as of September 30, 2013)



Veterans' Homes Funding Sources

FY 2013-14 Total Appropriation = \$68,194,900



Capital Outlay

FY 2013-14 Total Appropriation = \$21,851,200

– Special Maintenance – Headquarters and Armories: \$20,351,200

- Includes basic facilities improvements, such as heating and air conditioning systems, parking lots, roofs, fencing, electronic security systems.
- Costs generally shared on a 1:1 state-federal basis

– Special Maintenance – Veterans' Homes: \$500,000

- Grand Rapids: \$225,000
- Jacobetti: \$275,000

– Land Acquisitions and Appraisals: \$1,000,000

- Authorization to acquire new properties
- Future Project: Acquire a suitable facility to replace the Flint armory.

One-Time Appropriations

FY 2013-14 Total Appropriation = \$5,500,000

- **Veterans Service Delivery Initiative: \$3,955,000**
 - MAAA service delivery design and development
- **County Counselor Education and Training Expenses: \$45,000**
 - Travel costs for county veterans counselors to attend the national conference of the National Association of County Veterans Service Officers in Grand Rapids (Jan. 2014)
- **Veterans Affairs Agency Computer Upgrade: \$1,500,000**
 - Integrate the Pure Michigan Talent Connect website into the Hero 2 Hired (H2H) platform to translate veterans' military education and experience into the education and experience for civilian employment.

**For more information about the
Military and Veterans Affairs budget,
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