



## **Background Briefing**

# **MILITARY AND VETERANS AFFAIRS**

**Robin R. Risko, Senior Fiscal Analyst**

**December 2012**

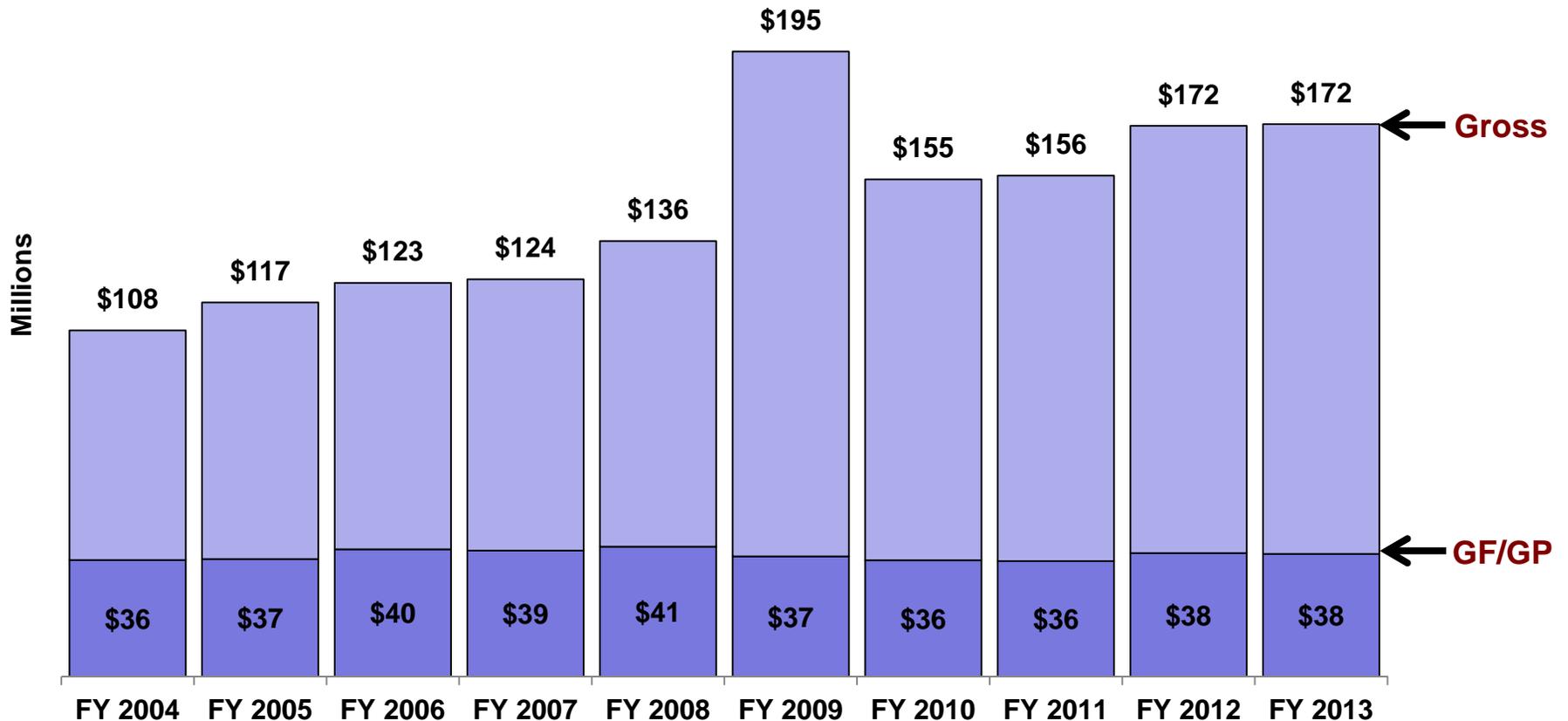
**The fiscal information in this background briefing is based on data through December 31, 2012.**

# **Military and Veterans Affairs**

- **The Michigan Department of Military and Veterans Affairs (DMVA) has three primary missions:**
  - **To execute the duties mandated by various state statutes and the Governor**
  - **To administer state regulated services**
  - **To ensure preparedness of the Michigan National Guard to assist both state and federal authorities**

# Military and Veterans Affairs: Gross Appropriations

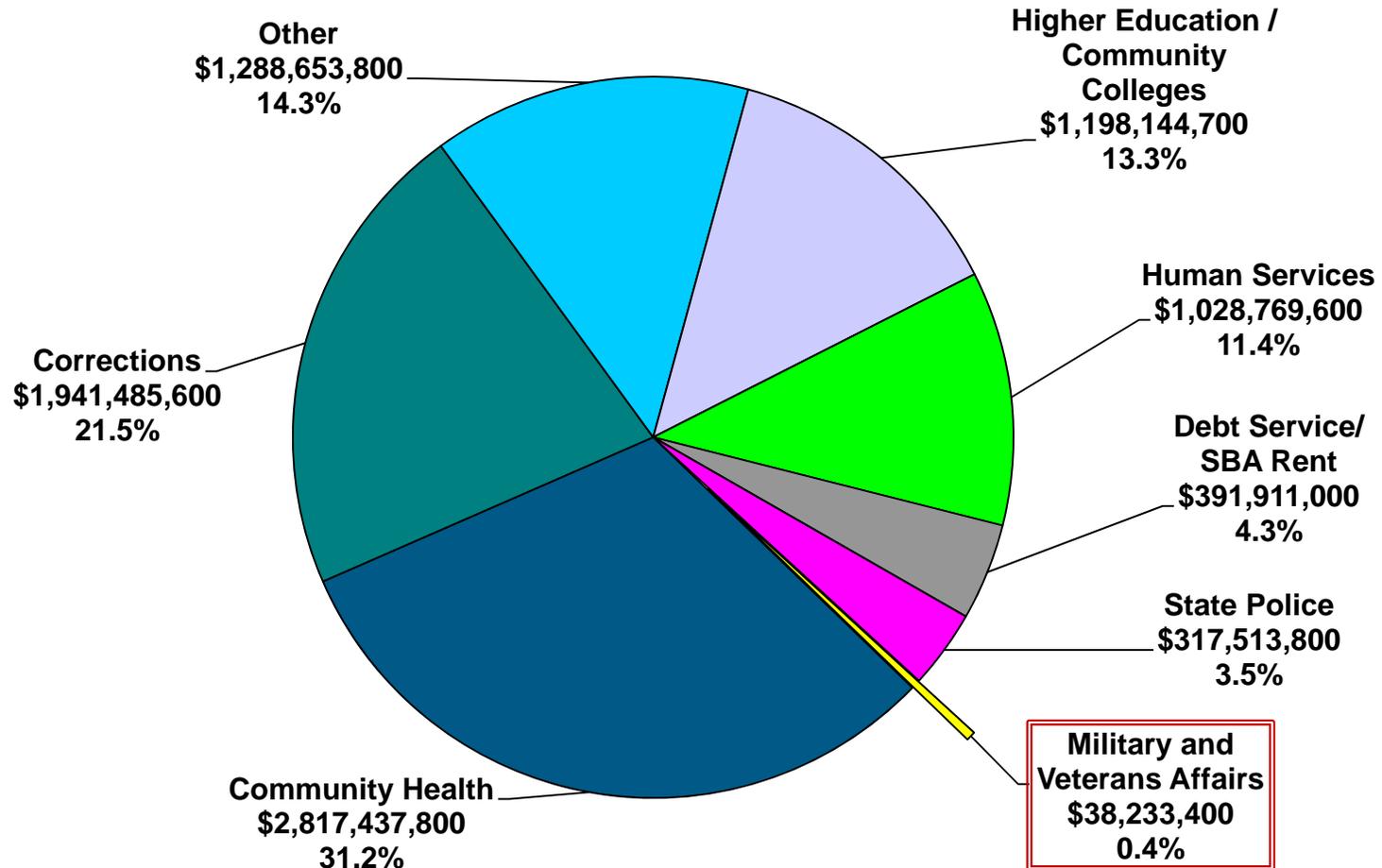
Increase in FY 2008 is due to additional federal revenues made available for the veterans' homes. Significant increase in FY 2009 is due to appropriations for capital outlay projects being included in the department's budget. Increase in FY 2012 is due to the restoration of privatization savings, the inclusion of funds awarded to the state under the joint state-federal foreclosure settlement, the pre-funding of retiree health care, and the inclusion of a one-time appropriation of \$3.9 million. One-time appropriation of \$18.6 million is included in FY 2013. Over time, increases in federal funding have resulted in decreased GF/GP.



# Military and Veterans Affairs Share of State GF/GP

Military and Veterans Affairs makes up 0.4% of the total state GF/GP budget

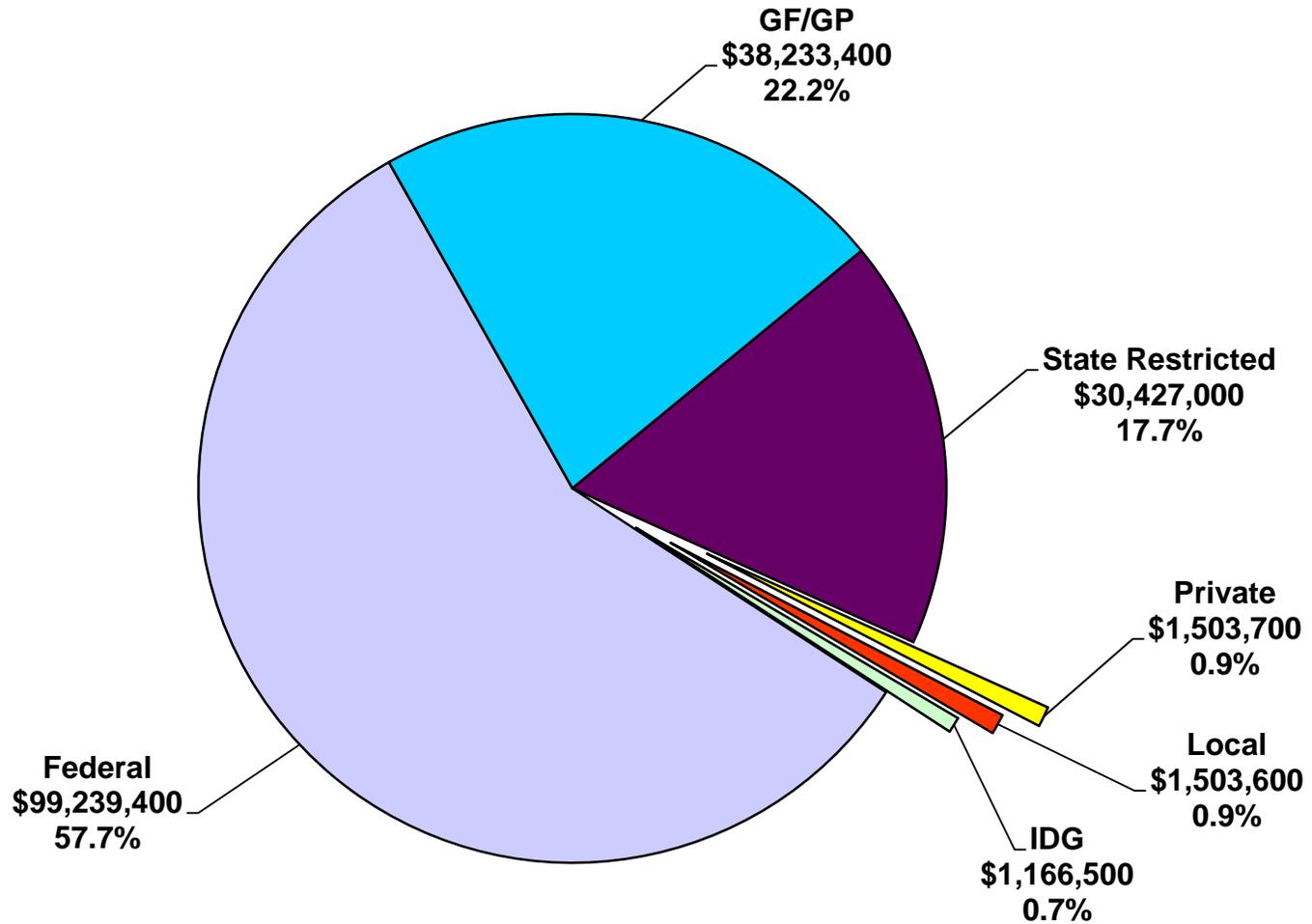
FY 2012-13 GF/GP Total = \$9,022,149,700



# **SOURCES OF FUNDING**

# Military and Veterans Affairs Funding Sources

FY 2012-13 Military and Veterans Affairs Budget = \$172,073,600  
(Includes one-time appropriations of \$18,607,900)



# **DEPARTMENT APPROPRIATIONS**

# Military and Veterans Affairs Appropriations

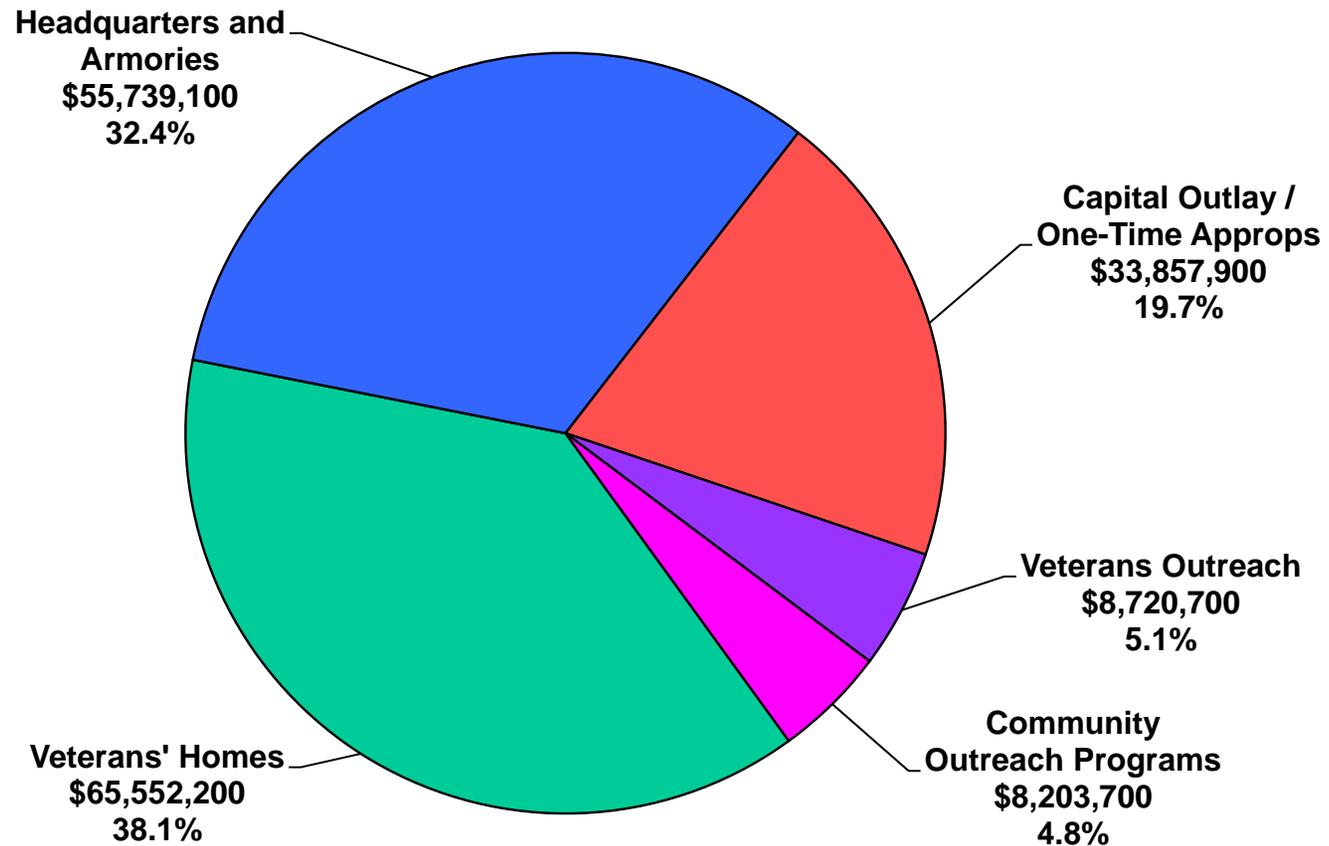
The Military and Veterans Affairs budget is allocated into the following major spending areas:

- Headquarters and Armories
- Veterans Outreach
- Community Outreach Programs
- Veterans Homes
- Capital Outlay and One-Time Appropriations

Appropriations are contained in 15 line items, by major spending areas, in the appropriations bill. Schedules of Programs appear for most of the line items with anticipated appropriation amounts. The Schedules of Programs are informational in nature and the anticipated appropriation amounts can be adjusted administratively, without legislative approval, within the larger line items into which the programs have been rolled up. Boilerplate language in the bill states that Schedules of Programs are not required to be funded as presented in the bill.

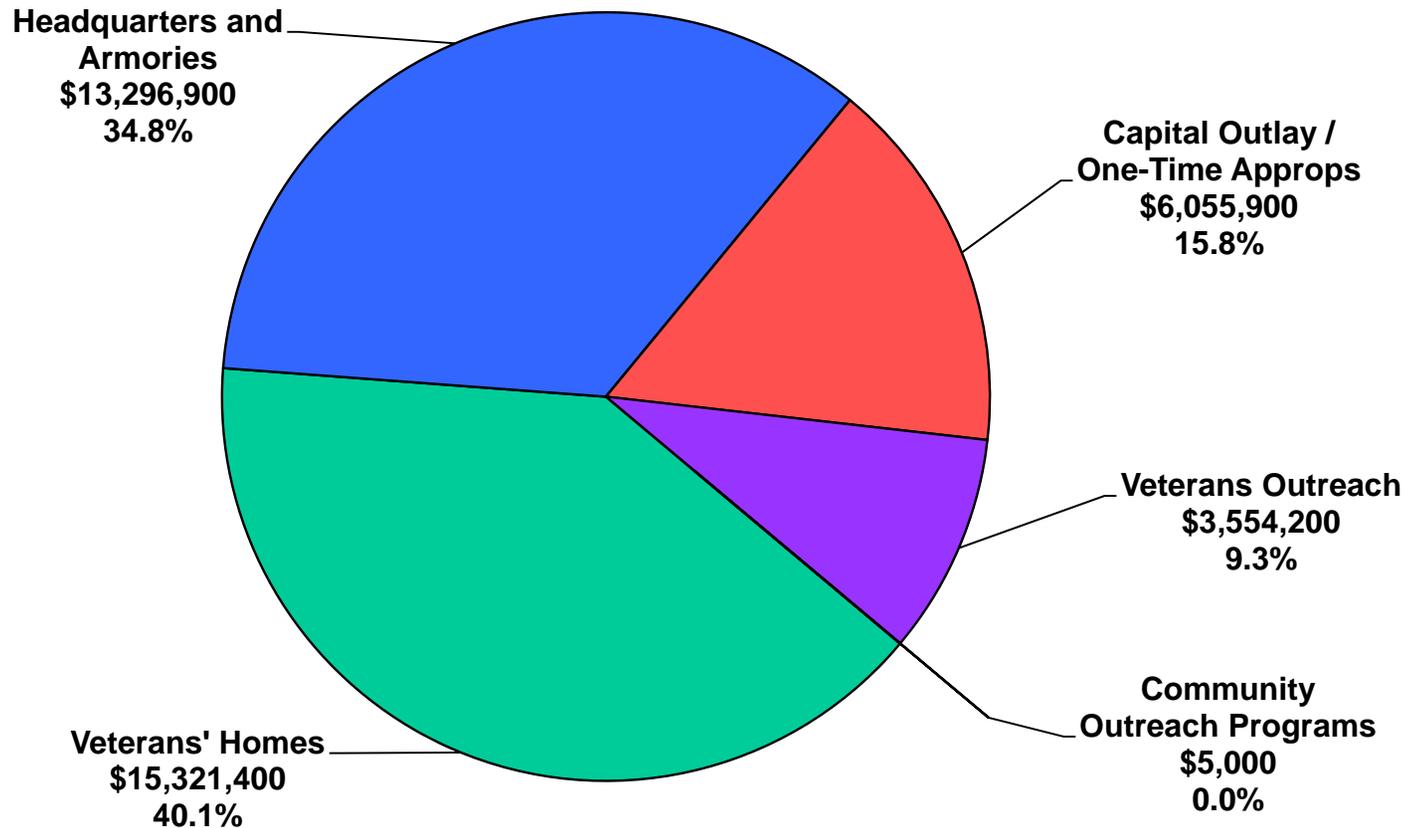
# Military and Veterans Affairs Appropriations

FY 2012-13 Military and Veterans Affairs Total Budget = \$172,073,600  
(Includes one-time appropriations of \$18,607,900)



# Military and Veterans Affairs Appropriations

FY 2012-13 Military and Veterans Affairs GF/GP Budget = \$38,233,400  
(Includes a one-time GF/GP appropriation of \$6,055,900)



# **MAJOR BUDGET ISSUES**

# Military

- **The Michigan National Guard**
  - Serves to protect the lives and property of Michigan citizens during times of natural disaster and civil unrest
  - Responds as needed to state, local, and regional emergencies to ensure peace, order, and public safety
  - Assists the federal government in defending sovereign interests of the United States when they are threatened or violated
  
- **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**
  
- **There are approximately 11,700 members of the Michigan National Guard**
  - 1,700 on active duty and mobilized to serve around the world
  - Additional 590 scheduled to deploy through 2012 and into 2013

# Headquarters and Armories

FY 2012-13 Total Appropriation = \$55,739,100

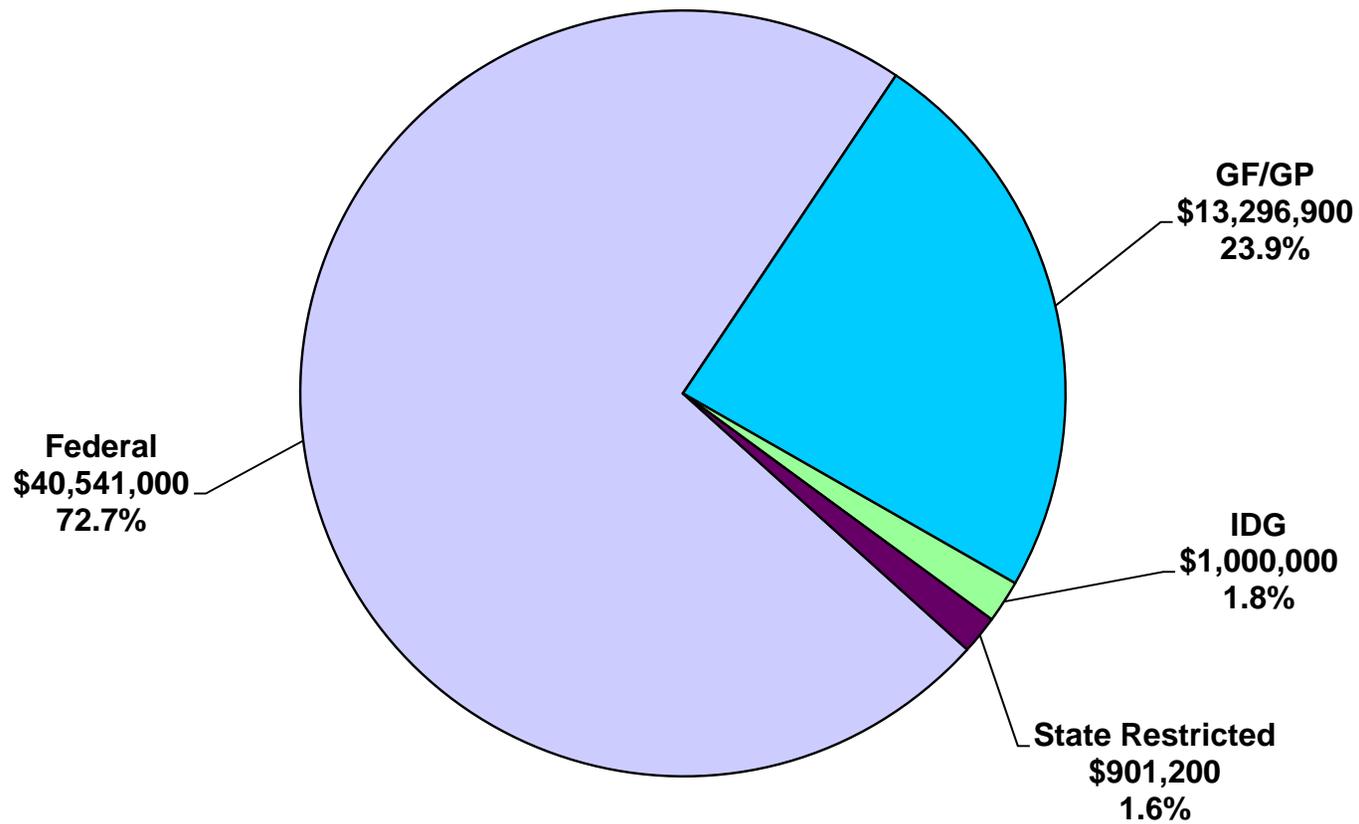
- **Unclassified Positions line item appropriated at \$1,165,000**

- **Schedule of Programs with anticipated appropriations:**

<b>Headquarters and Armories</b>	<b>\$11,958,800</b>
<b>Military Appeals Tribunal</b>	<b>\$900</b>
<b>State Active Duty</b>	<b>\$100,100</b>
<b>Homeland Security</b>	<b>\$1,000,000</b>
<b>Military Training Sites and Support Facilities</b>	<b>\$30,065,500</b>
<b>Military Training Site and Support Facilities Test Projects</b>	<b>\$100,000</b>
<b>Departmentwide Accounts</b>	<b>\$1,869,100</b>
<b>Special Maintenance - State</b>	<b>\$3,051,200</b>
<b>Special Maintenance - Federal</b>	<b>\$5,300,000</b>
<b>Counter Narcotic Operations</b>	<b>\$50,000</b>
<b>Information Technology Services and Projects</b>	<b>\$1,078,500</b>

# Headquarters and Armories Funding Sources

FY 2012-13 Total Appropriation = \$55,739,100



# Headquarters and Armories

- **Headquarters and Armories – administration of Michigan National Guard; management of personnel, facilities and financial resources; physical operations and maintenance at 43 National Guard armories**
- **Military Training Sites and Support Facilities – operation and maintenance of Michigan Army and Air National Guard training and support facilities and logistical support facilities**
  - **Camp Grayling**
  - **Fort Custer**
  - **Battle Creek Air National Guard Base**
  - **Selfridge Air National Guard Base**
  - **Alpena Combat Readiness Training Center**
- **Homeland Security – assessment, development, and evaluation of plans to detect, prepare for, prevent, protect against, respond to, and recover from terrorist threats or attacks**

# Veterans Outreach

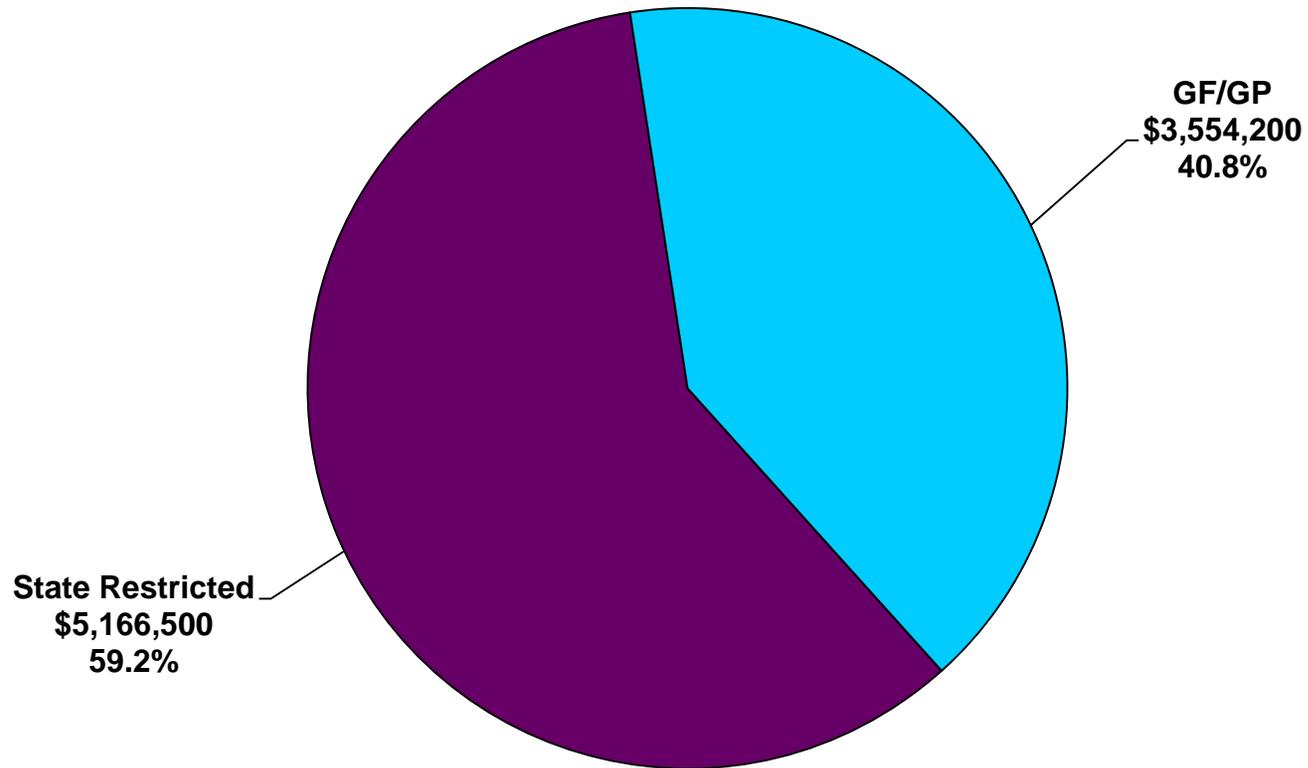
**FY 2012-13 Total Appropriation = \$8,720,700**

- **Schedule of Programs with anticipated appropriations:**

<b>Veterans Advice, Advocacy, and Assistance Grants</b>	<b>\$2,904,600</b>
<b>Veterans' Affairs Directorate Administration</b>	<b>\$649,600</b>
<b>Veterans' Trust Fund Administration</b>	<b>\$1,420,000</b>
<b>Veterans' Trust Fund Grants</b>	<b>\$3,746,500</b>

# Veterans Outreach Funding Sources

FY 2012-13 Total Appropriation = \$8,720,700



# Veterans Outreach

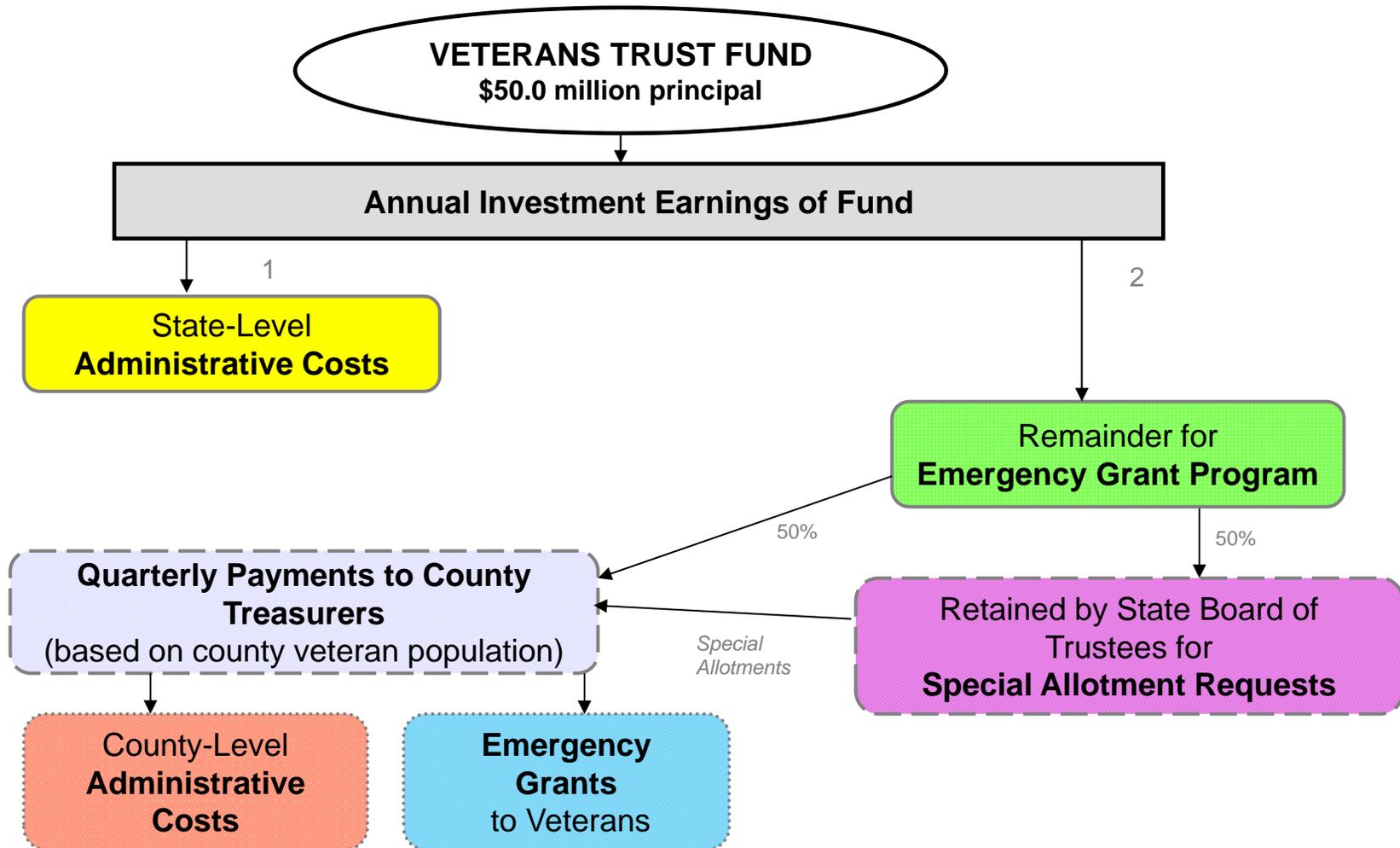
- **Veterans Advice, Advocacy, and Assistance Grants**
  - **Grant funding is distributed in the form of five grants - two larger grants, two smaller grants, and one specialized grant**
    - **Grant 1A valued at \$1,000,000 to support veteran service throughout the state with a special emphasis on the Upper Peninsula and the D.J. Jacobetti Veterans' Home**
    - **Grant 1B valued at \$1,000,000 to support veteran service throughout the state with a special emphasis on the Grand Rapids Veterans' Home**
    - **Grant 2A valued at \$600,000 to support veteran service in the eastern portion of the state's Lower Peninsula**
    - **Grant 2B valued at \$300,000 to support veteran service in the western portion of the state's Lower Peninsula**
    - **Grant 3 valued at \$129,600 to support advocacy, advice, and assistance for veterans who may be challenged by mobility handicaps**

# Veterans Outreach

- **Michigan Veterans Trust Fund (MVTF) Grants**
  - **MVTF established in 1946 with \$50 million principal; investment and common cash earnings of fund provide emergency financial assistance grants to veterans**
  - **Financial assistance grants provided to qualified veterans for emergent needs which are unforeseen and cause temporary hardship**
  - **Grant funds given for housing, utility, food, medical, transportation, and tax costs**
  - **Total expended in FY 2012 was \$2,614,890\***
    - **\$1,721,803, or 66%, expended on grants**
    - **\$893,087, or 34%, expended on state and local administrative costs**
      - **\$611,928, or 68.5%, for state administrative costs**
      - **\$281,159, or 31.5%, for local administrative costs**
    - **2,671 applications processed**
    - **1,645 applications approved**

*\* Note: These figures are not final numbers for FY 2012, but are close to final numbers based on reports provided to MVTF.*

# Veterans Trust Fund Distribution



# Community Outreach Programs

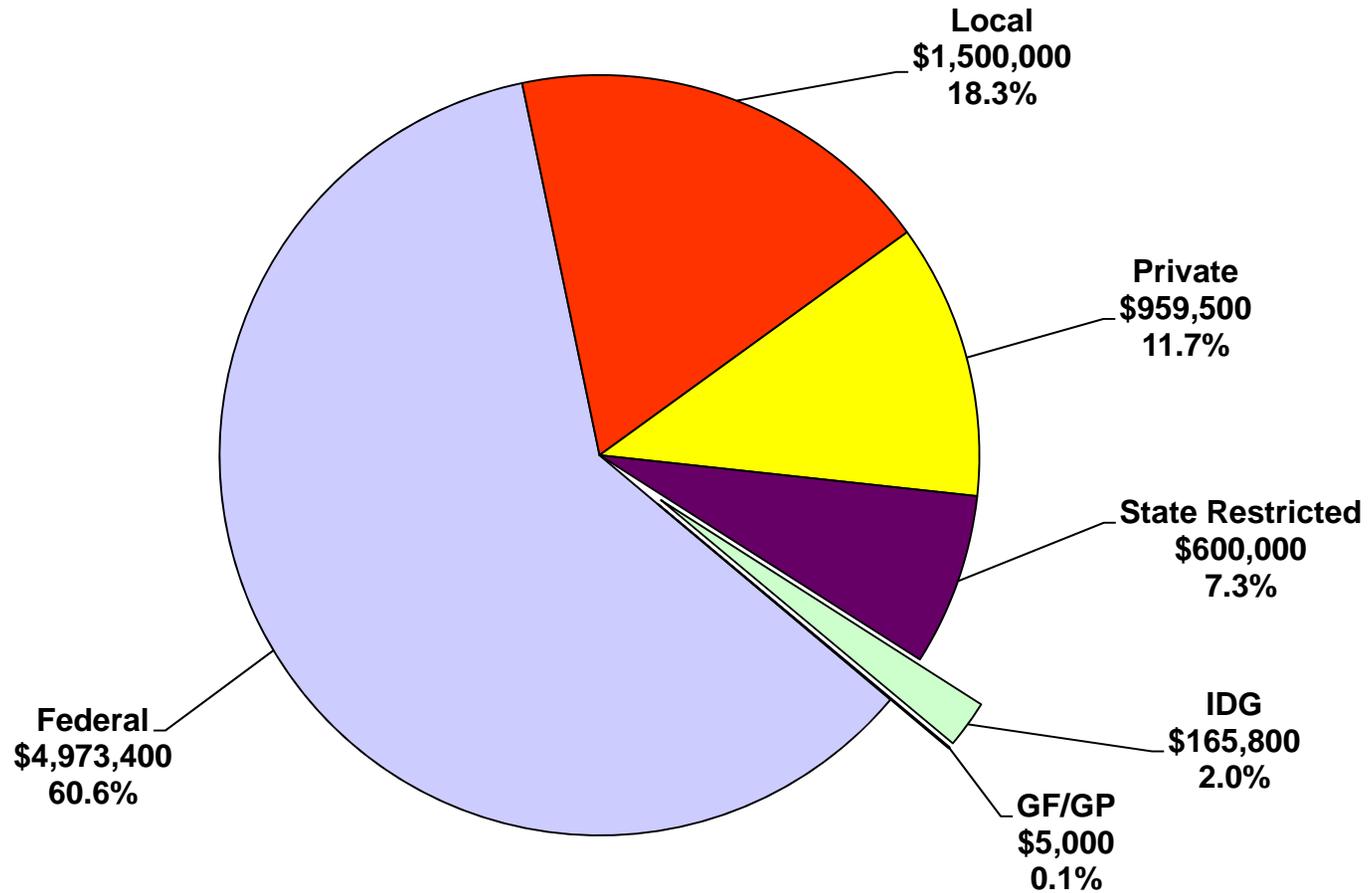
**FY 2012-13 Total Appropriation = \$8,203,700**

- **Schedule of Programs with anticipated appropriations:**

<b>Michigan Emergency Volunteers</b>	<b>\$5,000</b>
<b>ChalleNGe Program</b>	<b>\$5,276,700</b>
<b>Military Family Relief Fund</b>	<b>\$600,000</b>
<b>STARBASE Grant</b>	<b>\$2,322,000</b>

# Community Outreach Programs Funding Sources

FY 2012-13 Total Appropriation = \$8,203,700



# Community Outreach Programs

- **ChalleNGe Program – voluntary three-phase, boot-camp style, 17.5 month program for 16- to 18-year-old high school drop-outs administered by the department at the U.S. Department of Veterans Affairs facility in Battle Creek**
  - **Graduates leave program with a G.E.D., college credits, basic life skills, and goals for their future**
  - **Three phases:**
    - **Two-week pre-challenge phase determines if the program is right for a cadet**
    - **20-week residential program prepares cadets for their G.E.D. and builds on the programs core objectives**
    - **12-month post-residential mentoring phase for graduates reinforces the program**

# Community Outreach Programs

- **STARBASE Grant Program – targeted at disadvantaged, at-risk 5<sup>th</sup> and 6<sup>th</sup> grade students**
  - **Promotes math, science, technology, and engineering literacy, substance abuse prevention, goal setting skills, physical fitness, and environmental responsibility**
  - **Located at Selfridge Air National Guard Base and at Fort Custer**
  - **Qualifying teachers enroll students; students attend one day a week for five weeks for a total of 25 curriculum hours**
  - **100% federally funded; over 35 STARBASE program sites exist in the United States and Puerto Rico**

# Veterans' Homes

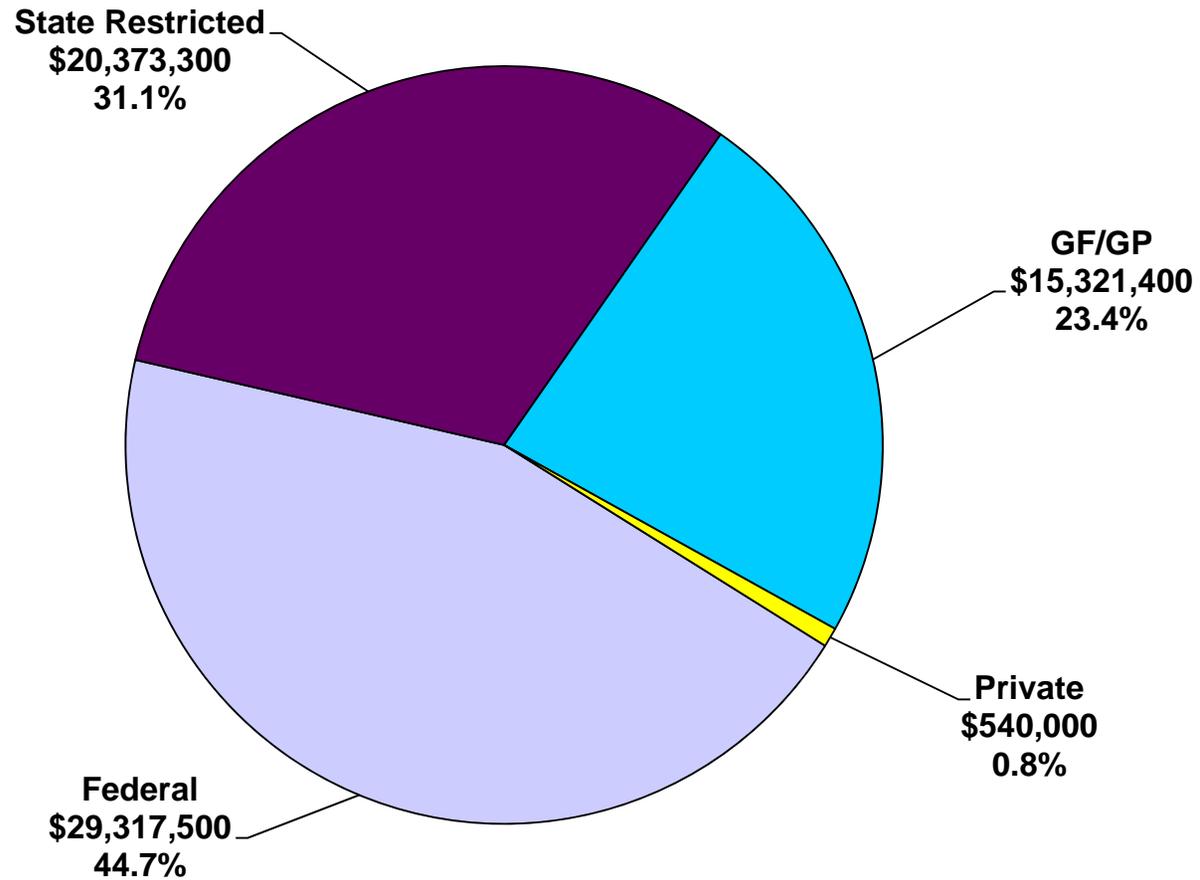
**FY 2012-13 Total Appropriation = \$65,552,200**

- **Schedule of Programs with anticipated appropriations:**

<b>Grand Rapids Veterans' Home</b>	<b>\$46,516,500</b>
<b>Board of Managers</b>	<b>\$665,000</b>
<b>D.J. Jacobetti Veterans' Home</b>	<b>\$18,095,700</b>
<b>Board of Managers</b>	<b>\$275,000</b>

# Veterans' Homes Funding Sources

FY 2012-13 Total Appropriation = \$65,552,200



# Veterans' Homes

- **Grand Rapids Veterans' Home opened in 1886**
- **D.J. Jacobetti Veterans' Home opened in 1981 in Marquette**
- **755 beds at Grand Rapids home; 241 beds at D.J. Jacobetti home**
- **Homes governed by seven-member Boards of Managers appointed by the Governor**
- **Residence open to wartime and disabled veterans; parents, widows, and spouses of eligible veterans may also be admitted**
- **Homes provide three levels of care: domiciliary, nursing, and special needs**

# Veterans' Homes Revenue Sources

<u>Revenue Source</u>	<u>Grand Rapids</u>		<u>D.J. Jacobetti</u>	
	<u>FY 2012-13 Anticipated Appropriation</u>	<u>% of Total</u>	<u>FY 2012-13 Anticipated Appropriation</u>	<u>% of Total</u>
General Fund/General Purpose	\$10,226,200	21.7	\$5,095,200	27.7
Income and Assessments	14,582,500	30.9	5,378,600	29.3
U.S. Dept. of Veterans Affairs	18,817,300	39.9	6,962,900	37.9
Medicare	2,704,700	5.7	647,100	3.5
Medicaid	173,600	0.4	11,900	0.1
Military Family Relief Fund	250,000	0.5	150,000	0.8
Lease Revenue	12,200	0.0	0	0.0
Veterans' Home Post and Posthumous Funds	<u>415,000</u>	<u>0.9</u>	<u>125,000</u>	<u>0.7</u>
<b>TOTAL</b>	<b>\$47,181,500</b>	<b>100.0</b>	<b>\$18,370,700</b>	<b>100.0</b>

# Capital Outlay and One-Time Appropriations

**FY 2012-13 Total Appropriation = \$33,857,900**

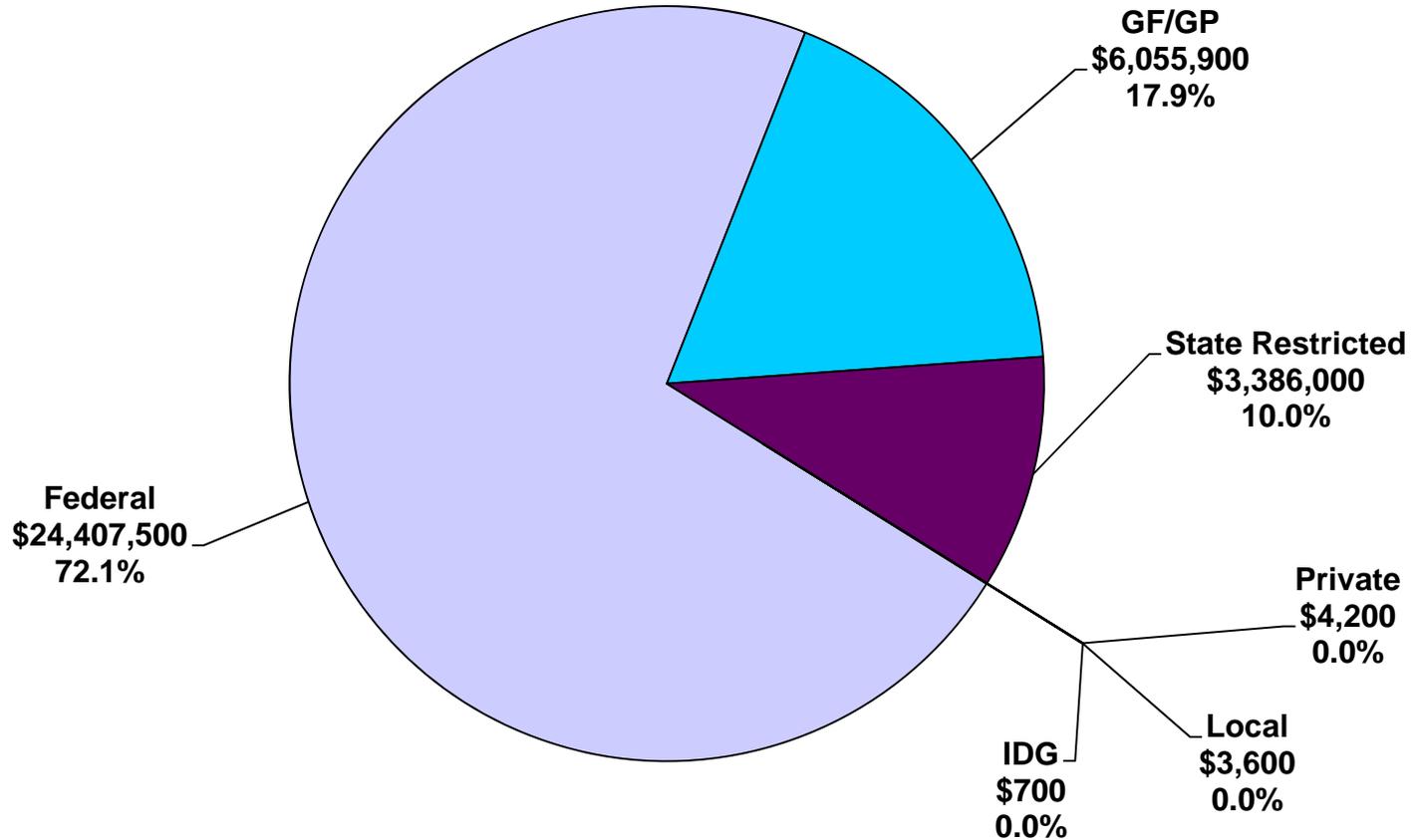
- **Special Maintenance, Remodeling, and Additions \$15,000,000**
  - Funding for maintenance projects at armories statewide
- **Land Acquisitions and Appraisals \$250,000**
- **Flint Armory Replacement \$12,000,000**
  - Funding for construction of a new armory in Flint, to replace the existing 87-year old facility
- **State Employee Lump Sum Payments \$707,900**
- **Special Maintenance – State \$2,400,000**
  - Funding for large repair projects and structural maintenance at the state's armories
- **Special Maintenance and Remodeling at Veterans' Homes**
  - Grand Rapids \$1,600,000
  - D.J. Jacobetti \$516,000
  - Funding for large repair projects, structural maintenance, and information technology needs at the veterans' homes

# Capital Outlay and One-Time Appropriations

- **Veterans Service Enhancements \$434,000**
  - Funding for establishing and implementing a college campus initiative to assist campus veterans with enrolling in veterans health care systems and with filing claims for disabilities
  - Funding for implementing an Internet-based data system
  
- **County Counselor Accreditation \$200,000**
  - Funding for the department to develop an application and grant process to fund additional accredited veterans service officers in underserved counties based on need
  
- **Department Data Upgrades and Digitization of Records \$750,000**
  - Funding for the department to digitize all medical records and military discharge documents

# Capital Outlay and One-Time Appropriations Funding Sources

FY 2012-13 Total Appropriation = \$33,857,900



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

**Robin R. Risko  
rrisko@house.mi.gov  
(517) 373-8080**