

**Summary: Executive Budget Recommendation
for Fiscal Year 2018-19
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**



Analyst: Kent Dell

	FY 2017-18	FY 2018-19 Executive	Difference: FY 2018-19 Vs. FY 2017-18	
	Year-to-Date as of 2/7/18		Amount	%
IDG/IDT	\$101,800	\$101,800	\$0	0.0
Federal	92,334,100	98,170,200	5,836,100	6.3
Local	1,528,400	1,545,400	17,000	1.1
Private	640,000	630,000	(10,000)	(1.6)
Restricted	22,332,600	23,279,500	946,900	4.2
GF/GP	62,567,500	65,362,400	2,794,900	4.5
Gross	\$179,504,400	\$189,089,300	\$9,584,900	5.3
FTEs	913.5	921.5	8.0	0.9

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Military and Veterans Affairs provides for the operations of the Michigan National Guard in support of the military and security needs of the state and the federal government. The department, through the Michigan Veterans Affairs Agency, also oversees state programs for veterans, including the state's veterans' homes, grants to veterans service organizations, and the Michigan Veterans Trust Fund.

Major Budget Changes From FY 2017-18 Year-to-Date (YTD) Appropriations	FY 2017-18 YTD (as of 2/7/18)	Executive Change from YTD
1. National Guard Tuition Assistance Fund – Deposit	Gross \$4,007,000	\$2,500,000
Includes \$2.5 million GF/GP increase to the National Guard Tuition Assistance Fund, which would total \$6.5 million restricted authorization. The department estimates that 1,332 service members will utilize the National Guard Tuition Assistance Program in FY 2018-19, up from 433 participants in FY 2014-15, the first fiscal year in which the program was implemented.	GF/GP \$4,007,000	\$2,500,000
2. D.J. Jacobetti Home for Veterans – CMS Certification	FTE 179.5	0.0
Includes \$1.1 million GF/GP to support staffing, and operational changes to assist with obtaining Centers for Medicare and Medicaid Services certification, which will increase access to federal revenues for medical care for resident veterans.	Gross \$22,275,500	\$1,111,700
	Federal 8,396,100	0
	Restricted 5,064,700	0
	GF/GP \$8,814,700	\$1,111,700
3. Camp Grayling – Operation Northern Strike	FTE 195.0	8.0
Includes \$750,000 GF/GP for 8.0 FTEs in support of the annual National Guard training operation, Northern Strike. Personnel support range control and operation, site maintenance, and logistics.	Gross \$33,956,100	\$750,000
	Federal 30,760,500	0
	Restricted 1,617,800	0
	GF/GP \$1,577,800	\$750,000
4. National Guard Armory Sustainment, Restoration, and Modernization	Gross \$15,000,000	\$5,000,000
Includes \$5.0 million federal authorization in order to expend matching funds provided by the U.S. National Guard Bureau in support of ongoing improvements to Michigan National Guard armories. State funds for National Guard armory maintenance are matched at a 50-50 ratio by the U.S. Department of Defense.	Federal 15,000,000	5,000,000
	GF/GP \$0	\$0
5. National Guard Land Purchases and Acquisitions	Gross \$2,000,000	\$900,000
Includes \$900,000 restricted revenue authorization from the Michigan National Guard Construction Fund, in order to purchase, appraise, and survey land in support of continuing National Guard armory consolidation and improvement.	Restricted 2,000,000	900,000
	GF/GP \$0	\$0
6. Michigan Veterans' Facility Authority – Staffing	Gross \$1,000,000	\$500,000
Includes \$500,000 GF/GP to provide for staffing of the Michigan Veterans' Facility Authority as it becomes fully operational.	GF/GP \$1,000,000	\$500,000

Major Budget Changes From FY 2017-18 Year-to-Date (YTD) Appropriations	FY 2017-18 YTD (as of 2/7/18)	Executive Change from YTD
7. Technical Adjustments	Gross	NA (\$2,645,000)
Removes FY 2017-18 one-time appropriations; aligns authorizations with expected revenues available from state restricted and private sources; and provides for net-zero internal transfers.	Private	NA (10,000)
	Restricted	NA (135,000)
	GF/GP	NA (\$2,500,000)

Major Boilerplate Changes From FY 2017-18

Sec. 210. Contingency Fund Authorization – REVISED

Provides for federal, state restricted, local, and private contingency fund spending authorizations to be utilized via legislative transfer when available revenues exceed appropriated revenues. Revised to increase total federal contingency fund authorization from \$10.0 million to \$12.0 million.

Sec. 215. Disciplinary Action Against State Employees – DELETED

Forbids the department from taking disciplinary actions against employees who communicate with the Legislature.

Sec. 219. Intention to Sell Department Property – DELETED

Requires the department to notify the Legislature sixty days prior to publicly announcing the intention to sell department property.

Sec. 301. Unclassified Positions – DELETED

Establishes the unclassified positions within the department and requires the department to notify the Legislature thirty days prior to requesting changes in the unclassified positions from the Civil Service Commission.

Sec. 303. Michigan Youth ChalleNGe Academy – REVISED

Provides for the standards and requirements of the Michigan National Guard's military-style academy for at-risk youth, the Michigan Youth ChalleNGe Academy. Revised to specify that the department shall maintain the staffing and resources necessary to graduate 228 cadets annually, through two classes of 144 cadets; require the department to measure cadet success through the Test of Adult Basic Education (TABE) scores, and/or high school credit recovery or receipt of a high school, or equivalent, diploma.

Sec. 403. D.J. Jacobetti Home for Veterans CMS Certification – REVISED

Requires increased funding for the D.J. Jacobetti Home for Veterans to be used toward achieving Centers for Medicare and Medicaid Services (CMS) certification standards. Revised to state that the purpose is to obtain CMS certification by October 1, 2018; previously June, 1 2018.

Sec. 406. MVAA Outreach Services – REVISED

Requires the Michigan Veterans Affairs Agency to provide outreach and advisory services to Michigan veterans, and to assist with filing for, and obtaining, military discharge papers (DD-214) and federal veterans benefits. Revised to remove a reporting requirement regarding the community assessment and regional service delivery model pilot program.

Sec. 407. Grants to Veterans Service Organizations – REVISED

Establishes the purpose and goals of grants issued by the Michigan Veterans Affairs Agency to Veterans Service Organizations operating in the state to assist veterans receive U.S. Department of Veterans Affairs veterans' benefits. Revised to remove the fixed hourly reimbursement rate cap of \$34.00 per hour.

Sec. 702. MVAA Outreach – DELETED

Establishes a goal of 100% contact with Michigan veterans and requires quarterly reporting to the appropriations subcommittees.

Sec. 703. MVAA Claims Services – DELETED

Requires the Michigan Veterans Affairs Agency to maintain a minimum of 50% fully developed benefits claims to the U.S. Department of Veterans Affairs.

Supplemental Recommendations for FY 2017-18 Appropriations	FY 2017-18 Recommendation
1. National Guard Tuition Assistance Fund – Deposit	Gross \$2,500,000
Includes \$2.5 million GF/GP to increase the balance of the National Guard Tuition Assistance Fund, which would total \$6.5 million restricted authorization in FY 2017-18. The department estimates that 1,332 service members will utilize the National Guard Tuition Assistance Program in FY 2017-18, up from 433 participants in FY 2014-15, the first fiscal year in which the program was implemented.	GF/GP \$2,500,000

Supplemental Recommendations for FY 2017-18 Appropriations

**FY 2017-18
Recommendation**

2. *D.J. Jacobetti Home for Veterans – CMS Certification*

Includes \$1.8 million GF/GP to support staffing, resident safety, and security improvements to assist with obtaining Centers for Medicare and Medicaid Services certification, which will increase access to federal revenues for medical care for resident veterans.

Gross	\$1,766,700
GF/GP	\$1,766,700