

**Summary: Executive Budget Recommendation
for Fiscal Year 2019-20
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**



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	FY 2018-19 Year-to-Date as of 3/5/19	FY 2019-20 Executive	Difference: FY 2019-20 Vs. FY 2018-19	
			Amount	%
IDG/IDT	\$101,800	\$101,800	\$0	0.0
Federal	98,170,200	106,177,200	8,007,000	8.2
Local	1,545,400	0	(1,545,400)	(100.0)
Private	630,000	630,000	0	0.0
Restricted	23,279,500	23,908,600	629,100	2.7
GF/GP	75,912,400	70,284,900	(5,627,500)	(7.4)
Gross	\$199,639,300	\$201,102,500	\$1,463,200	0.7
FTEs	921.5	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 Year-to-Date (YTD) Appropriations	FY 2018-19 YTD (as of 3/5/19)	Executive Change from YTD
1. CMS Certification Revenue Adjustment	Gross \$23,687,200	\$900,000
Authorizes an increase of \$900,000 in federal funds and a reduction of \$900,000 GF/GP to reflect an additional \$1.8 million in anticipated federal revenue following Centers for Medicare/Medicaid Services certification of facilities at the D.J. Jacobetti Home for Veterans.	Federal 8,516,300 Restricted 5,157,300 GF/GP \$10,013,600	1,800,000 0 (\$900,000)
2. IT User Service Rate Change	Gross \$1,407,000	\$105,000
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.	Federal 579,000 Restricted 419,400 GF/GP \$408,600	0 0 \$105,000
3. Selfridge Air Base	FTE 203.0	12.0
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.	Gross \$36,411,300 Federal 31,002,800 Restricted 1,567,800 GF/GP \$3,840,700	\$400,000 0 0 \$400,000
4. Military Retirement Transfer from DTMB to DMVA	Gross NA	\$5,244,800
Transfers \$5.2 million GF/GP from DTMB to the department for military retirement payment obligations.	GF/GP NA	\$5,244,800
5. Military Retirement Payment Reduction	Gross NA	(\$4,244,800)
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.	GF/GP NA	(\$4,244,800)

Major Budget Changes From FY 2018-19 Year-to-Date (YTD) Appropriations		FY 2018-19 YTD (as of 3/5/19)	Executive Change from YTD
6. Land and Acquisitions Increase	Gross	\$2,900,000	\$400,000
Increases authorization for land acquisitions and appraisals by \$400,000 should land become available by \$400,000.	Restricted	2,900,000	400,000
	GF/GP	\$0	\$0
7. Youth ChalleNGe Academy SAF Shift	FTE	50.0	0.0
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.	Gross	\$6,023,000	\$0
	Federal	2,970,300	0
	Local	1,545,400	(1,557,800)
	Private	90,000	0
	GF/GP	\$1,417,300	\$1,557,800
8. County Veterans Services Targeted Grants	Gross	\$200,000	(\$200,000)
Eliminates \$200,000 GF/GP for grants to counties for targeted outreach to veterans that may not be connected to Veteran Service Organizations.	GF/GP	\$200,000	(\$200,000)
9. Federal and State Restricted Alignment with Available Revenues	Gross	NA	\$5,527,800
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.	Federal	NA	5,500,000
	Restricted	NA	27,800
	GF/GP	NA	\$0
10. Removal of One-Time Appropriations	Gross	\$7,975,000	(\$7,975,000)
Eliminates \$8.0 million GF/GP of one-time funding in 2018 PA 207 items 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, \$2.5 million for the National Guard Tuition Assistance Fund, and \$2.1 million for the County Veteran Service Fund grants to counties.	GF/GP	\$7,975,000	(\$7,975,000)
11. FTE Transfers from Grand Rapids Home for Veterans	FTE	NA	0.0
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.	Gross	NA	\$0
	GF/GP	NA	\$0
12. Economic Adjustments	Gross	NA	\$1,305,400
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	Federal	NA	707,000
	Local	NA	12,400
	Restricted	NA	201,300
	GF/GP	NA	\$384,700

Major Boilerplate Changes From FY 2018-19

Sec. 215. Disciplinary Action Against State Employees - DELETED

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

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. Revised to require biannually.

Major Boilerplate Changes From FY 2018-19

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.

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. 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.

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. 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.

Sec. 402(20). Grand Rapids Home for Veterans (GRHV) and D.J. Jacobetti Home for Veterans (DJJHV) Service and Care Requirements - DELETED

Requires the department to report the status of Centers for Medicare and Medicaid Services (CMS) certification.

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.

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.

Sec. 404. GRHV and DJJHV CMS Certification Reporting - DELETED

Requires the department to report to the legislature quarterly regarding improvements in full-spectrum health care resulting from facility upgrades to obtain CMS certification.

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. Revises to require the agency to provide the percentage of Michigan veterans contacted and to report upon outreach findings to the subcommittees on Military and Veterans Affairs; eliminates subsection pertaining to target grants to counties.

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. Revises reporting requirements to include information on claims submitted to the USDVA.

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.

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.

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.

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.

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.

Sec. 703. MVAA Claims Services - DELETED

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