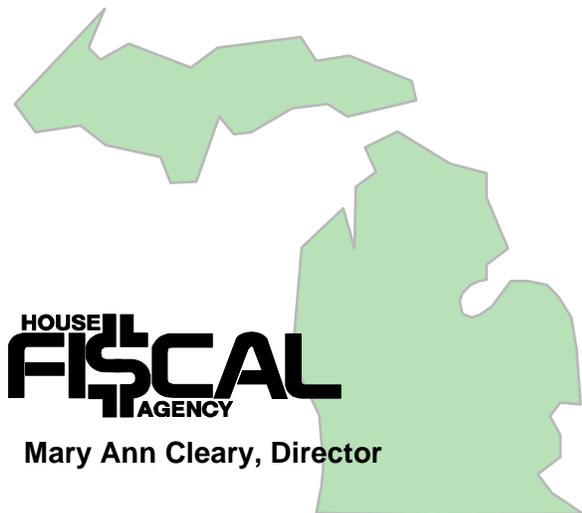


LINE ITEM AND BOILERPLATE SUMMARY

MILITARY AND VETERANS AFFAIRS

**Fiscal Year 2013-14
Article XIV, Public Act 59 of 2013
House Bill 4328 as Enacted**



Mark Wolf, Senior Fiscal Analyst

September 2013

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September 2013

TO: Members of the Michigan House of Representatives

The House Fiscal Agency has prepared a **Line Item Summary** for each of the FY 2013-14 appropriation acts. Each **Summary** contains line-by-line appropriation and revenue source detail, and a brief explanation of each boilerplate section in the appropriation bill.

In this report, line item vetoes are presented in the following manner: appropriation amounts shown in ~~strikeout~~ are those that appear in the enrolled bill; amounts shown directly below ~~strikeout~~ amounts reflect the effect of the veto.

Line Item Summaries are available on the HFA website (www.house.mi.gov/hfa), or from Kathryn Bateson, Administrative Assistant (373-8080 or kbateson@house.mi.gov).

A handwritten signature in black ink that reads "Mary Ann Cleary".

Mary Ann Cleary, Director

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GLOSSARY

STATE BUDGET TERMS

Gross Appropriations (Gross): The total of all applicable appropriations (statutory spending authorizations) in a budget bill.

Adjusted Gross Appropriations (Adjusted Gross): The net amount of all gross appropriations after subtracting interdepartmental grants (IDGs) and intradepartmental transfers (IDTs).

Lapses: Appropriation amounts that are unspent/unobligated at the end of a fiscal year. Appropriations are automatically terminated at the end of a fiscal year unless otherwise provided by law.

Work Project: A statutorily-authorized account which allows a spending authorization to be carried over from one fiscal year to a succeeding fiscal year or years—i.e., allows funds to be spent over a period of years.

APPROPRIATION BILL TERMS

Line Item: Specific funding amount in an appropriation bill which establishes spending authorization for a particular program or function (may be for a single purpose or for multiple purposes).

Boilerplate: Specific language sections in an appropriation bill which direct, limit or restrict line item expenditures, express legislative intent, and/or require reports.

REVENUE SOURCES

General Fund/General Purpose (GF/GP): Unrestricted General Fund revenue available to fund any activity accounted for in the General Fund; unused GF/GP revenue lapses to the General Fund at the end of a fiscal year.

State Restricted (Restricted): State revenue restricted by state law or outside restriction that is available only for specified purposes; at year-end, unused restricted revenue remains in the restricted fund.

Federal Revenue: Federal grant or matchable revenue dedicated to specific programs.

Local Revenue: Revenue from local units of government.

Private Revenue: Revenue from non-government entities: rents, royalties or interest payments, payments from hospitals or individuals, and gifts and bequests.

Interdepartmental Grant (IDG): Revenue or funds received by one state department from another state department (usually for a service provided by the receiving department).

Intradepartmental Transfer (IDT): Transfers or funds being provided from one appropriation unit to another in the same department.

MAJOR STATE FUNDS

Budget Stabilization Fund (BSF): The countercyclical economic and budget stabilization fund; also known as the "rainy day" fund.

School Aid Fund (SAF): A restricted fund; the primary funding source for K-12 schools and Intermediate School Districts (ISDs).

General Fund: The General Fund (funded from taxes and other general revenue) is used to account for the ordinary operations of a governmental unit that are not accounted for in another fund.

DEPARTMENT OF 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 at the direction of the Governor, and to assist the federal government in defending sovereign interests of the United States. There are approximately 11,700 members of the Michigan National Guard, organized along several Air National Guard (ANG) and Army National Guard (ARNG) units.

Executive Order 2013-2 established the Michigan Veterans Affairs Agency, which has oversight responsibility over state programs for veterans, the state's veterans' homes in Grand Rapids and Marquette, grants to veterans service organizations, and the Michigan Veterans' Trust Fund.

Full-time equated unclassified positions	9.0	Total full-time equated (FTE) positions not in the state classified service.
Full-time equated classified positions	889.5	Total full-time equated (FTE) positions in the state classified service.
GROSS APPROPRIATION	\$166,730,000	Total of all applicable line item appropriations.
Total interdepartmental grants/intradepartmental transfers	650,000	Total of all funds received from other departments and transfer of funds.
ADJUSTED GROSS APPROPRIATION	\$166,080,000	Total net amount of all line item gross appropriations less (or minus) interdepartmental grants (IDGs) and intradepartmental transfers (IDTs).
Total federal revenue	89,782,700	Total federal grant or matchable revenue.
Total local revenue	1,500,000	Total revenue from local units of government.
Total private revenue	740,000	Total private grant revenue.
Total state restricted revenue	27,554,000	State revenue dedicated to a specific fund (other than the General Fund); or revenue earmarked for a specific purpose.
GENERAL FUND/ GENERAL PURPOSE	\$46,503,300	The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenue.
		GF/GP Subtotals: Ongoing 41,003,300 One-time 5,500,000

Note: Appropriations for FY 2013-14 are contained in four appropriation units and 10 line items, with 15 corresponding scheduled programs. (See the Table of Contents.) The scheduled programs are informational in nature and may be adjusted within the larger line items by the department, with the approval of the State Budget Office, but without legislative approval. The only specific listing of revenue in the bill is in the Schedule of Revenue in Part 1, with the bill providing that revenues may not be received in the amounts listed or from the sources listed.

Several programs (line items) that have existed in prior years have been rolled up into a related scheduled program, which generally correspond to the "core services" of the department. However, the state's accounting system continues to follow the prior budget structure, maintaining separate accounts for the former line items that are now rolled-up into the larger scheduled programs and line items that appear in the bill. This summary continues to present the budget information following the prior budget structure (as that is the way it is presented in the accounting system) to provide a greater amount of detail than what is presented in the budget bill itself. Only the appropriations for the 10 actual line items are legally binding.

SECTION 102: MILITARY

The Military appropriations unit provides funding for the National Guard and military responsibilities of the department, including operation and maintenance of five National Guard Training sites in the state – Camp Grayling, Fort Custer, Battle Creek Air National Guard Base, Selfridge Air National Guard Base, and the Alpena Combat Readiness Training Center – and 43 state-owned National Guard armories located throughout the state. The appropriations unit also provides funding for administrative support functions for the department (including information technology-related services), and other federal and state National Guard-related programs, including the Starbase and Youth Challenge programs.

**There are two line items in this appropriations unit: Unclassified Positions and Military. There are seven scheduled programs associated with the Military line item.*

Full-time equated unclassified positions	9.0	Full-time equated (FTE) positions not in the state classified service.
Full-time equated classified positions	324.0	Full-time equated (FTE) positions in the state classified service.
GROSS APPROPRIATION	\$58,069,000	Total of all applicable line item appropriations.
Interdepartmental Grant Revenues	650,000	Revenue or funds received by one state department from another state department (usually for a service provided by the receiving department).
Federal Revenues	43,051,200	Federal grant or matchable revenue dedicated to specific programs.
Local Revenues	1,500,000	Revenue from local units of government.
Private Revenues	200,000	Revenue from non-government entities: rents, royalties or interest payments, payments from hospitals or individuals, and gifts and bequests.
State Restricted Revenues	1,517,800	State revenue restricted by state law or outside restriction that is available only for specified purposes; at year-end, unused restricted revenue remains in the restricted fund.
GENERAL FUND/ GENERAL PURPOSE	\$11,150,000	The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenue.

SECTION 102: MILITARY
Line Item: Unclassified Positions

Article 11, Section 5 of the State Constitution generally establishes the classified employment system, but excludes from classified service, the heads of principal departments and all persons in the armed forces of the state, and up to five other positions (generally of a policy-making nature) within each principal department, among other positions.

Section 455 of the Management and Budget Act, MCL 18.1455, requires that "[t]he appropriations made under a budget act for unclassified positions as specified by a line item appropriation shall only be used for those positions."

Full-time equated unclassified positions	9.0	Full-time equated (FTE) positions not in the state classified service.
Unclassified positions	\$1,336,700	Salaries of state special duty military personnel and unclassified civilian personnel including the Adjutant General for Michigan, Assistant Adjutant General - Army, Assistant Adjutant General - Installations, Assistant Adjutant General - Air, Michigan Veterans Affairs director, Michigan Veterans Affairs senior policy executive, Installations Command deputy director, Strategy and Policy director, and Public Safety Project director. <div style="text-align: right;">Funding Source(s): GF/GP 1,336,700</div> <div style="text-align: right;"><i>Related Boilerplate Section(s): 216, 217, 300</i></div>
GROSS APPROPRIATION	\$1,336,700	Total of all applicable line item appropriations.
GENERAL FUND/ GENERAL PURPOSE	\$1,336,700	The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenue.

SECTION 102: MILITARY

Line Item: Military

The Military line item provides funding for the National Guard and military responsibilities of the department, including operation and maintenance of five National Guard Training and state armories (readiness centers). The line item encompasses scheduled programs for Armories and Joint Force Readiness, Maintenance and Operations of National Guard Training Facilities and Air Bases, the ChalleNGe Program, Military Family Relief Fund, Starbase Grant, Support Services, and Information Technology Services and Projects.

The Armories and Joint Force Readiness scheduled program rolls up funding for headquarters and armories, military appeals tribunal, state active duty, homeland security, and Michigan emergency volunteers. The Maintenance and Operations of National Guard Training Facilities and Air Bases rolls up funding for military training sites and support facilities, and military test projects.

Full-time equated classified positions

9.0 Full-time equated (FTE) positions not in the state classified service.

Scheduled Program

Armories and joint force readiness – 79.0 FTE positions

\$14,476,300

Headquarters and Armories

Executive and general administration of the department and the Michigan National Guard; includes fringe benefits of unclassified positions, and other functions:

Office of The Adjutant General (TAG): Support staff for the TAG and the Assistant Adjutant General-Army, public affairs, legislative liaison, and homeland security (anti-terrorism) staff.

State Operations and Financial Services: Includes staff responsible for budgeting, accounting, and purchasing.

Human Resource Services: Supports the Civil Service staff responsible for state human resources functions for the department.

Information Management: Military-related information technology management functions, including telecommunications and network operations.

Construction and Facilities Management Office (CFMO): Responsible for the operation of National Guard and departmental facilities; ensures facilities meet applicable health, safety, and environmental requirements; oversees construction, remodeling, operational maintenance, and special maintenance activities of National Guard and departmental facilities; includes maintenance mechanics responsible for day-to-day operational maintenance at the 43-state owned National Guard armories (readiness centers) and other sites.

Funding Source(s):	Federal	5,780,700
	Restricted	346,400
	GF/GP	7,578,200
	Gross	\$13,705,300

Related Boilerplate Section(s): 216, 217, 218, 219, 301, 302

Military Appeals Tribunal

Per diem payments and administrative costs of the Military Appeals Tribunal established under 1980 PA 523 (MCL 32.1067). The tribunal is a five-member board appointed by the Governor; has appellate jurisdiction, upon petition by an accused National Guard service member, to hear and review the record in all decisions of a court martial under the Michigan Code of Military Justice. It sits as a panel of three members with the concurrence of two members necessary for a decision. Members are eligible for a per diem equal to 1/250 of the state salary paid to circuit court judges, plus reimbursement for actual food, lodging, and travel expenses incurred.

Funding Source(s): GF/GP 900
Gross \$900

Related Boilerplate Section(s): 216, 217

State Active Duty

Funding for military personnel who are called to state duty to perform unique administrative or maintenance functions necessary to support the operations of the department; typically includes security related to the Labor Day walk across on the Mackinac Bridge.

Funding Source(s): Restricted 70,000
GF/GP 30,100
Gross \$100,100

Related Boilerplate Section(s): 216, 217

Homeland Security

Activities related to Homeland Security program; assessment, development, and evaluation of plans to detect, prepare for, prevent, protect against, respond to, and recover from terrorist threats/attacks.

Funding Source(s): IDG 650,000
Gross \$650,000

Related Boilerplate Section(s): 216, 217

Michigan Emergency Volunteers

Materials and supplies for statutory organization of state military personnel that would be activated if all or part of the Michigan National Guard was mobilized for service during a national emergency.

Funding Source(s): GF/GP 20,000
Gross \$20,000

Related Boilerplate Section(s): 216, 217

Scheduled Program

Maintenance and Operation of National Guard Training Facilities and Air Bases – 205.0 FTE positions 31,734,300

Military Training Sites and Support Facilities

Physical operations and maintenance of Michigan National Guard training sites and support facilities, including Camp Grayling, Ft. Custer, the Army Aviation Support Facilities (AASF), U.S. Property and Fiscal Office (USPFO), Combined Support Maintenance Shop (CSMS), Motor Vehicle Storage Buildings (MVSF), the Alpena Combat Readiness Training Center (CRTC), the Battle Creek ANG Base, and Selfridge ANG Base. Generally, the federal government directly provides the equipment and the personnel (technicians) to maintain the equipment, while the state maintains the physical properties. State employees in this program line generally include building trades professionals, maintenance mechanics, other laborers, environmental resource staff, and fire/crash rescue officers at ANG bases.

Funding Source(s): Federal 29,995,600
GF/GP 1,638,700
Gross \$31,634,300

Related Boilerplate Section(s): 216, 217, 219, 304

Military Training Sites and Support Facilities Test Projects

Costs associated with equipment testing by defense-related companies at state military facilities, primarily Camp Grayling.

Funding Source(s): Restricted 100,000
Gross \$100,000

Related Boilerplate Section(s): 216, 217, 219, 304

Scheduled Program

ChalleNGe program –
40.0 FTE positions

4,502,000

Michigan Youth Challenge Academy (MYCA)

Voluntary boot camp-style program for 16- to 18-year-old high school dropouts administered by the department in Battle Creek; two 22-week residential programs per calendar year, followed by 12-month post-residential mentoring phase for graduates. Academic, vocational, and fiduciary services are under contract with the Marshall Public Schools.

Funding Source(s): Federal 2,802,000
Local 1,500,000
Private 200,000
Gross \$4,502,000

Related Boilerplate Section(s): 216, 217, 219, 307

Scheduled Program

Military family relief fund

600,000

Military Family Relief Fund

Established pursuant to 2004 PA 363; provides emergency grant funding to assist families of members of the reserved component called into active duty; revenue comes from a voluntary contribution through a check-off box on the state income tax form.

Funding Source(s): Restricted 600,000
Gross \$600,000

Related Boilerplate Section(s): 216, 217, 219, 308

Scheduled Program

Support services

1,973,200

Departmentwide Accounts

Travel, equipment, worker's compensation, vehicle liability insurance, rent, training, and safety supplies related to state department offices and national guard facility staff.

Funding Source(s): Federal 1,546,300
GF/GP 376,900
Gross \$1,923,200

Related Boilerplate Section(s): 216, 217, 218, 219,

Counter Narcotic Operations

Coordinates with federal, state, and local law enforcement agencies to counter the flow of illegal drugs in Michigan; helicopters assist in locating marijuana and U.S. Customs Agency support at Port Huron and Detroit border entry points.

Funding Source(s): Federal 50,000
Gross \$50,000

Related Boilerplate Section(s): 216, 217, 219

Scheduled Program

Starbase grant

2,322,000

Starbase Grant

Program targeted at disadvantaged at-risk 6th- to 12th-grade students; promotes math, science, and engineering literacy, drug demand reduction, goal setting skills, physical fitness, and environmental responsibility; the program operates at the three ANG facilities (Selfridge ANGB, Battle Creek ANGB, and Alpena CRTC).

Funding Source(s): Federal 2,322,000
Gross \$2,322,000

Related Boilerplate Section(s): 216, 217, 219

Scheduled Program
Information technology services and projects

1,124,500

Information Technology Services and Projects

Information technology-related services and projects including desktop services, hardware, software, and development and maintenance of various IT application programs which support department activities.

Funding Source(s):	Federal	554,600
	Restricted	401,400
	GF/GP	168,500
	Gross	\$1,124,500

Related Boilerplate Section(s): 216, 217, 219

GROSS APPROPRIATION \$58,069,000 Total of all applicable line item appropriations.

IDG-MSP, homeland security grant	650,000	From the Michigan Department of State Police (MSP); funds available through the Federal Emergency Management Agency's State Homeland Security Program (CFDA 97.067) to address the planning, organization, equipment, training, and exercise needs to prevent, protect against, mitigate, respond to, and recover from acts of terrorism and other catastrophic events.
DOD-DOA-NGB	42,593,200	Supports the state's operation and maintenance of ARNG and ANG facilities and other activities in support of National Guard units and personnel as outlined in a cooperative agreement between the state and the Department of the Army, National Guard Bureau (CFDA 12.401). Includes funding for the youth challenge program, with 32 USC 509 limiting federal support for the program at 75% of program costs, under a cooperative agreement between the state and the National Guard Bureau (CFDA 12.404). Includes funding for the Starbase Program from the Department of Defense, authorized under 10 USC 2193b (CFDA 12.404).
Federal counternarcotic revenues	50,000	DMVA share of proceeds from assets received through forfeiture due to a violation of federal narcotics statutes.
DVA-VHA	396,300	From the Department of Veterans Affairs, Veterans Health Administration; per diem payments made to state veterans' homes to provide for the care of veterans residing in state veterans' homes; provides separate basic rates for domiciliary care and nursing home care (38 USC 1741), and higher rates for veterans needing nursing care for a service-connected disability, generally based on the prevailing rate in within the geographic area (38 USC 1745, 38 CFR 51.41) or a rate to adequately reimburse the home for the cost of providing care.
HHS-HCFA, medicare, hospital insurance	11,700	From the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS); payments based on services provided by physicians at the homes to resident members who carry Medicare Supplemental Insurance (Part B) [CFDA 93.774].
Local – School Aid Fund	1,500,000	Funds received from Marshall Public Schools for the operation of the Michigan Youth Challenge Academy (MYCA); these locally-provided funds are supported through an allocation to the district within the annual School Aid Act (MCL 388.1624c).
Private donations	200,000	Private donations received in support of the Michigan Youth Challenge Academy.
Rental fees	346,400	Fees collected for the rental of space and facilities at state armories; authorized by the Michigan Military Act (1967 PA 150, MCL 32.754) and related regulations (R 32.1 et seq. of the Michigan Administrative Code).

Military family relief fund	600,000	Established by 2004 PA 363 (MCL 35.1213); revenue received through a check-off on the individual income tax form (MCL 206.438), other donations, and investment earnings. Under the Income Tax Act (MCL 206.438), 80% of the check-off revenue is retained in the fund to make grants to qualifying families, while the remaining 20% is credited to the post and posthumous funds of the two state veterans' homes.
Test project fees	100,000	Fees paid by defense-related companies for use of the state's military facilities (primarily Camp Grayling) to test military equipment.
Mackinac bridge authority	70,000	Revenue received from the Mackinac Bridge Authority to reimburse the department for its costs associated with the Mackinac Bridge walk each Labor Day.
Income and assessments	401,400	Charges paid by resident members to the veterans' homes to cover the cost of care provided at the homes; resident members with the ability to pay the full cost do so, while members who are unable to pay the full cost pay an assessment based on their ability to pay (generally from any available VA pension, Social Security benefits, and other income) with limits on the amount of assets that may be retained by individual resident members or their families.
GENERAL FUND/ GENERAL PURPOSE	\$11,150,000	The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenue.

SECTION 103: MICHIGAN VETERANS AFFAIRS AGENCY

The Michigan Veterans Affairs Agency appropriations unit provides funding for various state programs and services for veterans administered by the Michigan Veterans Affairs Agency. The agency was established by Executive Reorganization Order 2013-2 (MCL 32.92), to serve as the coordinating body for state services to veterans. The agency directly administers several programs for veterans, often coordinating its activities with the several veterans service organizations and county veterans affairs departments. These activities include the operation of the two veterans' homes, the administration of the Michigan Veterans' Trust Fund, and grants to veterans service organizations. The agency also coordinates the activities of departments and agencies across state government in the delivery of state healthcare, education, employment, and other quality of life programs to veterans.

The homes were established pursuant to statute – Grand Rapids Veterans' Home by 1885 PA 152 and D.J. Jacobetti Veterans' Home by 1977 PA 107 – to provide care for aged and disabled veterans. Later amendments to statutes extended admission eligibility to widows, widowers, spouses, former spouses, and parents of state veterans. The homes provide three levels of care: domiciliary, nursing, and special needs and are governed by the Board of Managers, a seven-member board appointed by the Governor.

**There are two line items in this appropriations unit: Michigan Veterans Affairs Agency and Homes. Each line item has four associated scheduled programs.*

Full-time equated classified positions	565.5	Full-time equated (FTE) positions in the state classified service.
GROSS APPROPRIATION	\$81,309,800	Total of all applicable line item appropriations.
Federal Revenues	29,431,500	Federal grant or matchable revenue dedicated to specific programs.
Private Revenues	540,000	Revenue from non-government entities: rents, royalties or interest payments, payments from hospitals or individuals, and gifts and bequests.
State Restricted Revenues	25,036,200	State revenue restricted by state law or outside restriction that is available only for specified purposes; at year-end, unused restricted revenue remains in the restricted fund.
GENERAL FUND/ GENERAL PURPOSE	\$26,302,100	The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenue.

SECTION 103: MICHIGAN VETERANS AFFAIRS AGENCY
Line Item: Michigan Veterans Affairs Agency Administration

The line item for the Michigan Veterans Affairs Agency encompasses four scheduled programs: Michigan Veterans Affairs Agency administration, grants to veterans' service organizations, Michigan Veterans' Trust Fund grants, and Michigan Veterans' Trust Fund administration.

Full-time equated classified positions	46.0	Full-time equated (FTE) positions in the state classified service.
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Scheduled Program

Michigan veterans affairs agency administration – 40.0 FTE positions

\$5,017,000

MVAA Administration

Operation and administration of the Michigan Veterans Affairs Agency; the office is to include a director, general counsel, and senior policy executive, a deputy director overseeing the homes and Michigan Veterans' Trust Fund, and a deputy director overseeing communications, outreach, strategic planning, and service delivery.

Strategic Planning: Includes staff coordinating the development and delivery of programs and services to veterans across state departments, focusing on healthcare services, education benefits, employment services, and quality of life programs.

Strategic Communications and Customer Service: Includes staff focusing on the development of a web portal and social media, program outreach and communications, benefit claims management (VetraSpec), development of a "no wrong door" approach to service delivery and improving collaboration with other non-government providers of services to veterans.

Targeted Outreach and Performance Management: Includes staff providing assistance with filing claims for VA benefits, and training and accountability activities for VSOs and county veterans' affairs departments.

Funding Source(s):	GF/GP	5,017,000
	Gross	\$5,017,000

Related Boilerplate Section(s): 216, 217, 219, 401, 402, 405

Scheduled Program

Veterans advice, advocacy, and assistance grants

2,904,600

Veterans Advice, Advocacy, and Assistance Grants

Grant funding distributed to veterans service organizations (VSOs), which assist veterans with receiving various services and obtaining benefits; grants are to be distributed by the agency in a manner that assists the agency in achieving its goals and performance objectives; includes a performance goal that 20% of VSO-filed claims for veterans benefits be fully-developed (complete) as determined by the U.S. Department of Veterans Affairs.

Funding Source(s):	GF/GP	2,904,600
	Gross	\$2,904,600

Related Boilerplate Section(s): 216, 217, 219, 402

Scheduled Program		
Veterans' trust fund administration – 6.0 FTE positions	1,446,800	<u>MVTF Administration</u> Costs of the Michigan Veterans' Trust Fund Board of Trustees and the Michigan Veterans Affairs Agency staff associated with the administration of the emergency grant program; includes charges paid to the Office of Auditor General for audit costs; funded from Michigan Veterans' Trust Fund.
		Funding Source(s): Restricted 1,446,800 Gross \$1,446,800
		<i>Related Boilerplate Section(s): 216, 217, 219, 405</i>

Scheduled Program		
Veterans' trust fund grants	3,746,500	<u>MVTF Grants</u> Earnings from trust fund are used for emergency grant program, which provides grants to veterans having temporary financial difficulties; assistance is given for housing, utilities, food, medical treatment, and medical equipment. Funds are provided to counties, which review claims for grant assistance, to support their administrative costs and to provide the emergency grants.
		Funding Source(s): Restricted 3,746,500 Gross \$3,746,500
		<i>Related Boilerplate Section(s): 216, 217, 219, 405</i>

GROSS APPROPRIATION	\$13,114,900	Total of all applicable line item appropriations.
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Michigan veterans' trust fund	5,193,300	Initially established as a \$50 million post-war reserve fund with 1943 PA 4 and 1946 (1st Extra Session) PA 9; established in Article 9, Section 37 of the State Constitution in 1996; only investment earnings are expended to provide emergency assistance grants to qualifying veterans and to support administration of the grant program.
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GENERAL FUND/ GENERAL PURPOSE	\$7,921,600	The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenue.
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SECTION 103: MICHIGAN VETERANS AFFAIRS AGENCY
Line Item: Homes

The line item for the state's veterans' home encompasses four scheduled programs: the Grand Rapids Veterans' Home, and D.J. Jacobetti Veterans' Home, and two separate program lines for Board of Managers expenditure of post and posthumous funds at the two homes.

Full-time equated classified positions	519.5	Full-time equated (FTE) positions in the state classified service.
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Scheduled Program

Grand Rapids veterans' home – 355.0 FTE positions

\$47,869,900

Grand Rapids Veterans' Home

Operation and administration of the home; home is situated on 70 acres in Grand Rapids and opened in 1886; has authorization for 450 nursing beds and 140 domiciliary beds. Besides domiciliary, nursing, and special needs care, home has Alzheimer's unit, a variety of therapy programs, and offers a variety of activities for members.

Funding Source(s):	Federal	21,650,300
	Restricted	13,951,900
	GF/GP	12,267,700
	Gross	\$47,869,900

Related Boilerplate Section(s): 216, 217, 219, 501

Scheduled Program

Board of managers (Grand Rapids)

665,000

Board of Managers (Grand Rapids)

Functions of the board include establishment of rates, approval of admission and charges, member services, facility improvements, and other purposes which benefit the facility.

Funding Source(s):	Private	415,000
	Restricted	250,000
	Gross	\$665,000

Related Boilerplate Section(s): 216, 217, 219, 501

Scheduled Program

D.J. Jacobetti veterans' home – 164.5 FTE positions

19,385,000

D.J. Jacobetti Veterans' Home

Operation and administration of the home; has authorization for 182 nursing beds and 22 domiciliary beds; opened in 1981 at the former St. Mary's Hospital in Marquette.

Funding Source(s):	Federal	7,781,200
	Restricted	5,491,000
	GF/GP	6,112,800
	Gross	\$19,385,000

Related Boilerplate Section(s): 216, 217, 219, 502

Scheduled Program

Board of managers (Jacobetti)

275,000

Board of Managers (Jacobetti)

Functions of the board include establishment of rates, approval of admission and charges, member services, facility improvements, and other purposes which benefit the facility.

Funding Source(s):	Private	125,000
	Restricted	150,000
	Gross	\$275,000

Related Boilerplate Section(s): 216, 217, 219, 502

GROSS APPROPRIATION	\$68,194,900	Total of all applicable line item appropriations.
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DVA-VHA	26,420,700	From the Department of Veterans Affairs, Veterans Health Administration; per diem payments made to state veterans' homes to provide for the care of veterans residing in state veterans' homes; provides separate basic rates for domiciliary care and nursing home care (38 USC 1741), and higher rates for veterans needing nursing care for a service-connected disability, generally based on the prevailing rate in within the geographic area (38 USC 1745, 38 CFR 51.41) or a rate to adequately reimburse the home for the cost of providing care.
HHS-HCFA, Medicare, Hospital Insurance	2,923,200	From the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS); payments based on services provided by staff physicians at the homes to resident members who carry Medicare Supplemental Insurance (Part B) [CFDA 93.774].
HHS-HCFA, Title XIX, Medicaid	87,600	From the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS); payments based on services provided by staff physicians at the home to resident members who are Medicaid-eligible.
Post and posthumous funds	540,000	Accounts authorized by 1885 PA 152 and 1905 PA 313; receives money and other gifts made to the veterans' homes; to be expended for activities and projects that benefit resident members of the homes, as directed by the Board of Managers.
Military family relief fund	400,000	Established by 2004 PA 363 (MCL 35.1213); revenue received through a check-off on the individual income tax form (MCL 206.438), other donations, and investment earnings. Under the Income Tax Act (MCL 206.438), 80% of the check-off revenue is retained in the fund to make grants to qualifying families, while the remaining 20% is credited to the post and posthumous funds of the two state veterans' homes.
Income and assessments	19,430,700	Charges paid by resident members to the veterans' homes to cover the cost of care provided at the homes; resident members with the ability to pay the full cost do so, while members who are unable to pay the full cost pay an assessment based on their ability to pay (generally from any available VA pension, Social Security benefits, and other income) with limits on the amount of assets that may be retained by individual resident members or their family.
Lease revenue	12,200	Revenue collected for the lease of space at the Grand Rapids Veterans' Home.
GENERAL FUND/ GENERAL PURPOSE	\$26,302,100	The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenue.

SECTION 105: ONE-TIME APPROPRIATIONS

The One-Time appropriations unit provides funding for programs that are intended to be funded only in FY 2013-14.

**This unit contains the three line items listed below. There are no scheduled programs associated with any of these line items.*

Veterans service delivery initiative	\$3,955,000	Support for initial activities of the MVAA related to program (service delivery) design and development, including the reengineering of intra-agency and inter-agency business processes to improve the delivery of services to veterans and coordinate veterans' programs and services throughout state government, and the development of new business process with other public and private entities that provide services to veterans in need.
		Funding Source(s): GF/GP 3,955,000
		<i>Related Boilerplate Section(s): 216, 217, 219, 401, 702</i>
County counselor education and training expenses	45,000	Additional funds made available to allow county veterans counselors to attend training and education events at the national convention of the National Association of County Veterans Service Officers to be held in Grand Rapids in January 2014.
		Funding Source(s): GF/GP 45,000
Veterans affairs agency computer upgrade	1,500,000	Supports costs related to the integration of the Pure Michigan Talent Connect website into the Hero 2 Hired platform, in an effort to help the MTC site translate veterans' military skills, experience, and occupations into the education, skills, and experiences required for civilian employment.
		Funding Source(s): GF/GP 1,500,000
		<i>Related Boilerplate Section(s): 216, 217, 219, 702</i>
GROSS APPROPRIATION	\$5,500,000	Total of all applicable line item appropriations.
GENERAL FUND/ GENERAL PURPOSE	\$5,500,000	The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenue.

BOILERPLATE SECTION INFORMATION

GENERAL SECTIONS

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

Specifies total state spending from state resources and payments to local units of government from state resources.

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

Subjects appropriations to the Management and Budget Act, 1984 PA 431.

Sec. 203. Terms and Acronyms

Defines various terms and acronyms contained in Article XIV.

Sec. 204. IDG Funding

Lists specific amounts and sources of interdepartmental grant funding received by the department.

Sec. 206. Contingency Funding

Appropriates up to \$10.0 million in federal, \$2.0 million in state restricted, \$100,000 in local, and \$100,000 in private contingency funds; authorizes expenditure of the funds after legislative transfer to specific line items.

Sec. 207. Transparency Website

Requires the department to provide the data necessary for DTMB to maintain a searchable website that is accessible by the public at no cost that includes expenditure data, data on payments made to vendors, and data on number of active employees, job specifications, and wage rates.

Sec. 208. Internet Availability of Required Reports

Requires the department to use the Internet to fulfill reporting requirements; authorizes transmission of reports via e-mail.

Sec. 209. Purchase of Foreign Goods

Prohibits the purchase of foreign goods or services if competitively priced and of comparable quality American goods or services are available; requires preference be given to goods and services manufactured by Michigan businesses and Michigan businesses owned and operated by veterans; requires preference be given to goods and services provided by small businesses where at least 35% of the workforce are veterans.

Sec. 210. Businesses in Deprived and Depressed Communities

Requires the department director to take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts.

Sec. 212. Receipt and Retention of Required Reports

Requires the department to receive and retain copies of all required reports; requires federal and state guidelines to be followed for short- and long-term retention of records; authorizes the department to electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 215. Disciplinary Action Against State Employees

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

Sec. 216. Schedule of Programs Disclaimer

Specifies that the schedule of programs is a list of programs which may be, but is not required to be, funded; specifies that the schedule of revenue sources may or may not be received from the entities listed; specifies that funding required by statute is not subject to funding flexibility.

Sec. 217. Budgetary Efficiency

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 via reduction or elimination of programs.

Sec. 218. Out-of-State Travel

Requires the department to report on out-of-state travel expenses paid for in whole or in part with state appropriations.

BOILERPLATE SECTION INFORMATION

Sec. 219. Quarterly Reporting on Achieving Requirements

Requires the department to provide quarterly reports on the status of work projects, its financial status, evidence of efficiencies, property sales, information which validates that all requirements in the article have been achieved, corrective action plans for requirements not achieved, summary of fund shifts, results of inspections at the veterans' homes; armory closings, the department's performance against metrics stated in the act; the MVAA's activities as outlined in its strategic plan; and employment levels.

Sec. 220. Services to Veterans

Requires the department to report annually on various services to veterans, including providing financial information on veterans service grant recipients; population and bed space at the veterans' homes, and financial information on the activities of the Michigan Veterans' Trust Fund.

Sec. 222. Department Core Services

Lists core services of the department; requires appropriations to be used for core services.

Sec. 223. Intention to Sell Department Property

Requires the department to provide a 60-day notice of intent to sell property.

Sec. 225. Use of Funding for Legal Services

Prohibits using appropriations to hire a person to provide legal services that are the responsibility of the attorney general; prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 227. Bid Process

Prohibits the exclusion of public employee unions from the bid process when contracting for services.

Sec. 228. General Fund Lapses

Requires the State Budget Office to report on estimates of general fund lapses at the close of the fiscal year.

Sec. 229. Report on State Restricted Funds

Requires the department and the State Budget Office to report on state restricted fund balances, projected state restricted fund revenues, and state restricted fund expenditures.

MILITARY

Sec. 300. Unclassified Positions

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.

Armories and Joint Force Readiness

Sec. 301. Administrative Support for Department Operations

Requires the department to provide proper levels of administrative support, staffing and resources, and fiscal controls for department expenditures.

Sec. 302. Executive Direction; National Guard Armories

Requires the department to provide effective and efficient executive direction and administrative leadership, operate and maintain national guard armories in accordance with U.S. Department of the Army regulations, and evaluate the condition of armories.

Maintenance and Operations of National Guard Training Facilities and Air Bases

Sec. 304. National Guard Forces and Facilities

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. Also requires the department to operate and maintain ARNG facilities (including Fort Custer and Camp Grayling) and ANG facilities (Selfridge ANG Base, Battle Creek ANG Base, and the Alpena Combat Readiness Training Center).

Challenge Program

Sec. 307. Michigan Youth ChalleNGe Academy (MYCA)

Requires the department to maintain proper levels of staffing and resources for operating the Michigan Youth ChalleNGe Academy; lists specific operating requirements; authorizes unexpended funding to be carried forward.

BOILERPLATE SECTION INFORMATION

Military Family Relief Fund

Sec. 308. *Military Family Relief Fund*

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 financial activities of the fund.

Michigan Veterans Affairs Agency

Michigan Veterans Affairs Agency Administration

Sec. 401(1)-(8). *Veterans Outreach and Benefit Services*

Requires the department 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 process claims for VA benefits.

Sec. 401(9)-(13). *County Veterans Counselors*

Requires the department to provide training to county veterans counselors (CVCs); allocates \$50,000 in training support; establishes performance metrics for CVC-filed claims for VA benefits.

Sec. 401(14). *Veterans Advisory Board*

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.

Veterans Advice, Advocacy, and Assistance Grants

Sec. 402. *Grants to Veterans Service Organizations*

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.

Veterans' Trust Fund Administration

Sec. 405. *Michigan Veterans' Trust Fund*

Requires the department to work with the Michigan Veterans' Trust Fund Board to provide emergency grant funds to qualifying veterans.

HOMES

Grand Rapids Veterans' Home (GRVH)

Sec. 501(1)-(8), (14). *Basic Service and Care Requirements*

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.

Sec. 501(9)-(13). *GRVH Competency Evaluated Nursing Assistants (CENAs)*

Requires that contractors that provide nursing assistants (CENAs) at the home meet certain performance standards regarding pre-service and in-service training and experience.

Sec. 501(15) and (25). *GRVH Complaint Management Process*

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 on the complaint management process utilized by the home.

Sec. 501(16)-(24). *GRVH Specific Performance Requirements*

Requires the GRVH to meet certain specific standards aimed at addressing issues raised in the recent performance audit of the home by the Office of the Auditor General. These standards address issues 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.

BOILERPLATE SECTION INFORMATION

D.J. Jacobetti Veterans' Home (DJJVH)

Sec. 502. DJJVH Service and Care Requirements

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.

CAPITAL OUTLAY

Sec. 601. Capital Outlay Carryforward

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.

ONE-TIME APPROPRIATIONS

Sec. 701. County Veterans Counselor Education and Training Expenses

Specifies that the one-time funds for county veterans' counselor (CVC) education and training shall be used to support the costs of CVCs to attend the national conference of the National Association of County Veterans Service Officers held in Grand Rapids in January 2014.

Sec. 702. Veterans Service Delivery Initiative

Specifies that the one-time funds for the veterans service delivery initiative may be expended for a college campus outreach program, and shall be expended to establish the infrastructure necessary to achieve the MVAA's performance goals and objectives.

Sec. 703. Veterans Affairs Agency Computer Upgrade

Specifies that the one-time funds for the computer upgrades for the MVAA shall be expended to integrate the Michigan Talent Connect website with the Hero-2-Hired platform; specifies performance metrics for when the integration shall be implemented.

ANTICIPATED APPROPRIATIONS FOR FY 2014-15

Sec. 1201. Anticipated Appropriations

Expresses intent of the Legislature to provide the same appropriations for FY 2014-15 as provided in FY 2013-14, except for where adjustments are made for caseload and related costs, federal fund match rates, economic factors, and available revenue.

Sec. 1202. Retirement Costs

Expresses intent of the Legislature that the department identify the amounts for normal retirement costs and legacy retirement costs for FY 2014-15.

Sec. 1203. Veterans Affairs Agency

Expresses intent of the Legislature that the MVAA provide quarterly reports on the percentage of veterans contacted as part of its outreach efforts, with a goal of reaching 100% of veterans.



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Agriculture and Rural Development	Paul Holland
Attorney General	Marilyn Peterson
Auditor General	Benjamin Gielczyk
Bill Analysis	Chris Couch
	Edith Best, Joan Hunault, Jeff Stoutenburg, Sue Stutzky
Capital Outlay	Benjamin Gielczyk
Casino Gaming	Benjamin Gielczyk
Civil Rights	Marilyn Peterson
Clean Michigan Initiative	Viola Bay Wild
Community Colleges	Marilyn Peterson
Community Health: Mental Health/Substance Abuse	Margaret Alston
Public Health/Aging/Medicaid-Backup	Susan Frey
Medicaid/Children’s Special Health Care Services	Steve Stauff; Matt Ellsworth
Corrections	Robin R. Risko
Economic and Revenue Forecast	Jim Stansell; Adam Desrosiers
Education (Department)	Karen Shapiro
Environmental Quality	Viola Bay Wild
Executive Office	Benjamin Gielczyk
Fiscal Oversight, Audit, and Litigation	Mary Ann Cleary
Higher Education	Kyle I. Jen
Human Services (Department)	Kevin Koorstra
Insurance and Financial Services	Paul Holland
Judiciary	Robin R. Risko
Legislature	Benjamin Gielczyk
Licensing and Regulatory Affairs	Paul Holland
Lottery	Benjamin Gielczyk
Michigan Strategic Fund	Benjamin Gielczyk
Military and Veterans Affairs	Mark Wolf
Natural Resources	Viola Bay Wild
Natural Resources Trust Fund	Viola Bay Wild
Retirement	Bethany Wicksall; Kyle I Jen
Revenue Sharing/EVIP	Jim Stansell; Benjamin Gielczyk
School Aid	Bethany Wicksall; Karen Shapiro
State (Department)	Marilyn Peterson
State and Local Finance	Jim Stansell; Adam Desrosiers
State Police	Mark Wolf
Supplementals	Kyle I. Jen
Tax Analysis	Jim Stansell; Adam Desrosiers
Technology, Management, and Budget	Marilyn Peterson
Transfers	Margaret Alston
Transportation	William E. Hamilton
Treasury	Benjamin Gielczyk



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