

**Summary: Executive Budget Recommendation
for Fiscal Years 2015-16 and 2016-17
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**



Analyst: Perry Zielak

	FY 2014-15 Year-to-Date as of 2/11/15	Proposed FY 2014-15 Adjustments	Adjusted FY 2014-15 Year-to-Date	FY 2015-16 Executive Recommendation	Change: FY 2015-16 vs. FY 2014-15 Adjusted	
					Amount	%
IDG/IDT	\$100,000	\$0	\$100,000	\$99,300	(\$700)	(0.7)
Federal	90,362,800	0	90,362,800	90,208,600	(154,200)	(0.2)
Local	1,500,000	0	1,500,000	1,497,400	(2,600)	(0.2)
Private	740,000	0	740,000	739,600	(400)	(0.1)
Restricted	25,086,400	(1,800,000)	23,286,400	23,221,500	(64,900)	(0.3)
GF/GP	49,154,500	3,300,000	52,454,500	48,187,300	(4,267,200)	(8.1)
Gross	\$166,943,700	\$1,500,000	\$168,443,700	\$163,953,700	(\$4,490,000)	(2.7)
FTEs	898.5	0.0	898.5	897.5	(1.0)	(0.1)

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through February 11, 2015. (2) Proposed FY 2014-15 adjustments include Executive Order 2015-5 and House Bill 4112. (3) 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 Adjusted FY 2014-15 Appropriations

		FY 2014-15 Adjusted Year-to-Date	FY 2015-16 Executive Change
1. Removal of FY 2014-15 One-Time Appropriations	Gross	\$3,400,000	(\$3,400,000)
Eliminates one-time funding of \$3.4 million GF/GP: \$3.0 million GF/GP for Special Maintenance – Veterans' Homes; and \$400,000 GF/GP for National Guard Tuition Assistance Program Reserve.	GF/GP	\$3,400,000	(\$3,400,000)
2. Income and Assessment Revenue Offsets	Gross	\$0	\$0
Continues increase of ongoing funding of \$3.3 million GF/GP to offset income and assessment restricted revenue shortfalls at the Grand Rapids and D.J. Jacobetti Veterans' Homes due to declining member census and the inability of veterans to pay the maximum assessment. Offsets were originally made for FY 2014-15 in HB 4112.	Restricted	(3,300,000)	0
	GF/GP	\$3,300,000	\$0
3. Chargeable Transient Quarters Program and Billeting Fund	Gross	\$1,500,000	\$0
Continues establishment of ongoing funding of \$1.5 million state restricted revenue to reinstate the Chargeable Transient Quarters program and Billeting Fund for ongoing operations in National Guard lodging facilities at Fort Custer and Camp Grayling. Change was originally made for FY 2014-15 in HB 4112.	Restricted	1,500,000	0
4. Veteran Service Grants	Gross	\$3,762,500	(\$429,000)
Reduces funding by \$429,000 GF/GP for grants made to veteran service organizations (VSOs) to support veterans outreach services statewide.	GF/GP	\$3,762,500	(\$429,000)
5. Vacant Partnership Development Analyst Position	FTE	40.0	(1.0)
Reduces funding by \$117,300 GF/GP through proposed elimination of a vacant Partnership Development Analyst position.	Gross	\$6,045,100	(\$117,300)
	GF/GP	\$6,045,100	(\$117,300)

Major Budget Changes From Adjusted FY 2014-15 Appropriations		FY 2014-15 Adjusted Year-to-Date	FY 2015-16 Executive Change
6. Military Training Sites		Gross	\$33,450,600
Reduces funding by \$100,000 GF/GP by eliminating Air National Guard Fire Protection Activities at the Battle Creek Air National Guard Base and Alpena Combat Readiness Training Center.		Federal	30,295,600
		Restricted	1,500,000
		GF/GP	\$1,655,000
7. Departmentwide Service		Gross	\$1,909,400
Reduces funding by \$100,000 GF/GP through savings gained by increased departmentwide efficiencies within contractual services, supplies, and materials.		Federal	1,546,300
		GF/GP	\$363,100
8. Counterdrug Program		Gross	\$50,000
Increases authorization by \$50,000 Federal for Counterdrug Program (formerly Counter Narcotic Operations) to collect more revenue that may be used for investigations, law enforcement training, equipment and operations, asset accounting and tracking, awards and memorials.		Federal	50,000
9. Economics		Gross	NA
Reflects net cost reductions of \$393,700 Gross (\$120,900 GF/GP) for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reduction in actuarially-required retirement rates, and other economic adjustments.		IDG	NA
		Federal	NA
		Local	NA
		Private	NA
		Restricted	NA
		GF/GP	NA
			(\$393,700)
			(700)
			(204,200)
			(2,600)
			(400)
			(64,900)
			(\$120,900)

The Executive deletes several sections of boilerplate language included in the FY 2014-15 appropriations bill. Deletions include legislative reporting requirements, sections providing guidance and placing conditions on appropriations, earmarks of funding for specific purposes, sections which express legislative intent, sections which served a one-time purpose, and sections which are no longer applicable. Following is a list of current year boilerplate sections recommended for deletion: 203, 204, 205a, 205b, 205c, 205d, 212, 215, 216, 217, 227, 233, 234, 300, 301, 309, 311, 400(6), 701, 702, 1201, 1202, and 1203.

Major Boilerplate Changes From FY 2014-15

Sec. 302. Armories and Joint Force Readiness – REVISED

Deleted reporting requirements on the current state of the armories, a development strategy for physical improvements, consolidation, and establishing new armories.

Sec. 309. Starbase Grant – DELETED

Required DMVA to maintain a Starbase program, providing programs in mathematics, science, and technology to K-12 students, at Air National Guard facilities.

Sec. 310. National Guard Tuition Assistance Program – REVISED

Deleted program's performance metrics.

Sec. 312. Billeting Fund Account – NEW

Authorizes the creating of the billeting fund account for funds received from the operation of the Chargeable Transient Quarter Program, requires annual report of operations and expenditures.

Sec. 400(6). Veterans Advisory Board – DELETED

Established a five-member advisory board representing small, medium, and large veterans service organizations to assist the MVAA in developing plans and service delivery initiatives that assist it in meeting its performance goals and objectives.

Sec. 501. Veterans' Home Service and Care Requirements – REVISED/DELETED

Merges Grand Rapids Veterans' Home and D.J. Jacobetti Veterans' Home boilerplate, deletes several subsections.

Sec. 501(9)-(13). Veterans' Home Competency Evaluated Nursing Assistants (CENAs) – DELETED

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

Sec. 502. Board of Managers – REVISED

Merges Grand Rapids and D.J. Jacobetti board of managers boilerplate.

Major Boilerplate Changes From FY 2014-15

Sec. 503(1)-(18). *D.J. Jacobetti Veterans' Home* – DELETED/REVISED
Merged with Sec. 501.

Sec. 504. *Board of Managers* – DELETED/REVISED
Merged with Sec. 502.