

FY 2013-14: DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
Summary: As Reported from House Subcommittee
House Bill 4224 (H-1) Draft 2



Analyst: Mark Wolf

	FY 2012-13 YTD as of 2/7/13	FY 2013-14 Revised Executive	FY 2013-14 House	FY 2013-14 Senate	FY 2013-14 Enacted	Difference: House From FY 2012-13 YTD	
						Amount	%
IDG/IDT	\$1,166,500	\$650,000	\$650,000			(516,500)	(44.3)
Federal	99,239,400	89,782,700	89,773,800			(9,465,600)	(9.5)
Local	1,503,600	1,500,000	1,500,000			(3,600)	(0.2)
Private	1,503,700	740,000	740,000			(763,700)	(50.8)
Restricted	30,427,000	27,554,000	27,547,600			(2,879,400)	(9.5)
GF/GP	38,233,400	42,381,300	42,378,700			4,145,300	10.8
Gross	\$172,073,600	\$162,608,000	\$162,590,100			(\$9,483,500)	(5.5)
FTEs	842.0	880.0	880.0			34.0	4.5

Notes: (1) FY 2012-13 year-to-date (YTD) figures include mid-year budget adjustments through February 7, 2013.

(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 supports the operations of the Michigan National Guard and provides several services and programs for veterans in the state. The Michigan National Guard serves to protect the lives and property of Michigan citizens during times of natural disaster and civil unrest; to preserve peace, order and public safety at the direction of the Governor; and to assist the federal government in defending the sovereign interests of the United States when they are threatened or violated. The department also oversees state programs for veterans, including the state's veterans' homes in Grand Rapids and Marquette, grants to veterans service organizations, and the Michigan Veterans' Trust Fund.

Major Budget Changes From FY 2012-13 YTD Appropriations

1. Veterans' Services Delivery Initiative

Executive adds \$4.0 million GF/GP and 33.0 FTE positions in on-going funding and staff support, and an additional one-time appropriation of \$4.0 million GF/GP for a new veterans' service delivery initiative. The initiative is part of the restructuring of the administration and delivery of veterans' affairs programs, services, and benefits within DMVA and throughout state government following the creation of the Veterans Affairs Agency by Executive Order 2013-2. Ongoing funding and staffing support the operations of the agency, while the one-time appropriation supports initial agency activities related to program (service delivery) design and development. The executive order specifically tasks the new agency to review state veterans' services and benefits, re-engineer intra-agency and inter-agency business processes to improve the delivery of services to veterans and coordinate veterans' programs and services throughout state government. (Supplemental Request 2013-4 includes \$3.0 million and 11.0 FTE positions for the new agency for FY 2012-13.)

	FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
FTE	N/A	33.0
Gross	N/A	\$7,955,000
GF/GP	N/A	\$7,955,000

House concurs with the Executive, but reduces the one-time appropriation by \$45,000 to provide a one-time increase for training and education to county veterans' counselors.

2. College Campus Veterans Outreach Initiative

House provides a \$100 placeholder appropriation to continue the college campus veterans outreach initiative established in FY 2012-13 through a one-time appropriation. The program provides assistance to veterans service organizations to hire six additional service officers placed at colleges and universities throughout the state (serving campuses within 6 regions) to provide support and assistance to veterans to ensure their health, education, and benefit needs are met.

Gross	\$390,600	(\$390,500)
GF/GP	\$390,600	(\$390,500)

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
3. Veterans' Facility Ombudsman <u>House</u> provides a \$100,000 GF/GP appropriation to the Legislative Council to support the establishment of the Office of the Michigan Veterans' Facility Ombudsman, which would be tasked to investigate and resolve complaints concerning health and safety issues at the two veterans' homes.	Gross	N/A	\$100,000
	GF/GP	N/A	\$100,000
4. County Veterans Counselor Training and Education <u>House</u> provides a one-time appropriation for county veterans counselor training and education. Current law allocates up to \$50,000 for an annual training conference for county veterans counselors in the state. The one-time increase would enable county counselors to attend training and education events at the national convention of the National Association of County Veterans Service Officers, which is to be held in Grand Rapids in January 2014.	Gross	\$50,000	\$45,000
	GF/GP	\$50,000	\$45,000
5. Veterans Homes Maintenance <u>Executive</u> adds \$500,000 GF/GP in ongoing support for special maintenance activities at the Grand Rapids and Jacobetti veterans' homes; eliminates \$2.1 million designated as a one-time appropriation in FY 2012-13 for maintenance at the two homes.	Gross	\$2,116,000	(\$1,716,000)
	GF/GP	\$2,116,000	(\$1,716,000)
<u>House</u> concurs with the Executive, but reduces the ongoing support to \$400,000.			
6. Information Technology Adjustments <u>Executive</u> increases funding for IT-related services and projects (common to all departmental budgets) for cost increases for the Windows 7 upgrade, the Center for Shared Solutions, and improvements to the state's wireless infrastructure and internet bandwidth.	Gross	\$1,078,500	\$8,100
	Federal	531,600	4,000
	Restricted	384,800	2,900
	GF/GP	\$162,100	\$1,200
<u>House</u> does not concur with the Executive-proposed increases for wireless infrastructure and internet bandwidth (\$17,900 Gross and \$2,600 GF/GP).			
7. Veterans Service Officers <u>Executive</u> adds \$600,000 and 5.0 FTE positions to support the hiring of state employees to serve as VA-accredited veterans service officers who provide assistance to qualified veterans in the preparation, presentation, and prosecution of claims for veterans' benefits; also supports continued efforts in training VA-accredited county veterans' counselors (service officers).	FTE	1.0	5.0
	Gross	\$125,000	\$600,000
	GF/GP	\$125,000	\$600,000
<u>House</u> concurs with the Executive.			
8. D.J. Jacobetti Veterans Home Laundry Services <u>Executive</u> adds \$60,000 GF/GP for a new contract for laundry and linen services at the D.J. Jacobetti Veterans Home in Marquette. DTMB cancelled the old contract nine months early (in November 2012) with services provided under temporary contract while a new vendor is selected through the procurement process. The request for proposals (RFP) for the new contract was released in late January 2013, with the new contract expected to start in April 2013. The old contract had a single rate for both personal items of the residents and linens of the home. The temporary contract has a higher rate to launder the personal items of the residents; it is anticipated the new contract will as well.	Gross	\$199,000	\$60,000
	GF/GP	\$199,000	\$60,000
<u>House</u> concurs with the Executive.			
9. Lands and Acquisitions <u>Executive</u> adds \$750,000 from the Michigan National Guard Armory Construction Fund (which receives revenue from the sale of National Guard facilities and properties) for the acquisition costs of land and properties for new (or expanded) armories. DMVA is seeking a replacement for the armory in Flint and would use the funds appropriated here to acquire a suitable existing facility (rather than building anew).	Gross	\$250,000	\$750,000
	Restricted	\$250,000	\$750,000
<u>House</u> concurs with the Executive.			

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
10. Economic Adjustments			
<u>Executive</u> reflects increased costs of \$3.4 million Gross (\$1.0 million GF/GP) for negotiated salary and wage increases (1.0%), insurance rate increases, actuarially-required retirement rate increases, and other economic adjustments; provides an additional increase of \$1.9 million Gross (\$0.4 million GF/GP) projected for FY 2014-15.		Gross N/A	\$3,381,600
	Federal	N/A	1,837,900
	Restricted	N/A	503,700
	GF/GP	N/A	\$1,040,000
<u>House</u> concurs with the Executive.			
11. Special Maintenance Consolidation			
<u>Executive</u> consolidates the several special maintenance program lines for military sites included in the department operations sections with a separate capital outlay program line (remodeling and additions), and adjusts the spending authorization from federal National Guard Bureau (NGB) revenues to align with anticipated revenue.		Gross \$23,351,200	(\$3,000,000)
	Federal	20,300,000	(3,000,000)
	GF/GP	\$3,051,200	\$0
<u>House</u> concurs with the Executive.			
12. Headquarters and Armories			
<u>Executive</u> transfers \$15,000 GF/GP to the Michigan Emergency Volunteers program line to better reflect where expenditures are incurred and increases by \$700,000 in federal NGB revenues to align with anticipated revenue.		FTE 80.0	0.0
	Gross	\$11,958,800	(\$685,000)
	Federal	4,656,800	700,000
	Restricted	346,400	0
	GF/GP	\$6,955,600	(\$15,000)
<u>House</u> concurs with the Executive.			
13. Michigan Emergency Volunteers			
<u>Executive</u> includes the transfer of \$15,000 GF/GP from Headquarters and Armories to the Michigan Emergency Volunteers (volunteer defense force) to better reflect where expenditures are incurred. Increased funding supports travel and training costs of the volunteer defense force related to the development of cyber defense capabilities.		Gross \$5,000	\$15,000
	GF/GP	\$5,000	\$15,000
<u>House</u> concurs with the Executive.			
14. Youth ChalleNGe Program			
<u>Executive</u> reduces spending authorization from IDG and private sources to reflect anticipated revenues for Youth ChalleNGe, a voluntary boot camp-style program for 16- to 18-year old high school dropouts administered by the Department in Battle Creek. The federal Safe and Drug-Free Schools and Communities State Grant program has ended. Funding available from that federal grant was made available to DMVA through an IDG from the Department of Community Health. Reduces spending authorization from private donations to reflect a decline in the amount donated to the program.		Gross \$5,276,700	(\$925,300)
	IDG	165,800	(165,800)
	Federal	2,651,400	0
	Local	1,500,000	0
	Private	959,500	(759,500)
<u>House</u> concurs with the Executive.			
15. Eliminate FY2012-13 One-Time Appropriations			
<u>Executive</u> eliminates other one-time appropriations in FY 2012-13, including those related to the Flint armory (\$12.0 million); veterans service enhancements (\$434,000), county veterans' counselor accreditation (\$200,000), data upgrades and records digitization (\$750,000), state employee lump-sum payments (\$707,000), and special maintenance at state armories (\$2.4 million).		Gross \$16,491,900	(\$16,491,900)
	IDG	700	(700)
	Federal	9,407,500	(9,407,500)
	Local	3,600	(3,600)
	Private	4,200	(4,200)
	Restricted	3,136,000	(3,136,000)
	GF/GP	\$3,939,900	(\$3,939,900)
<u>House</u> concurs with the Executive.			
16. Homeland Security			
<u>Executive</u> recognizes the elimination of federal grant funding made available to DMVA through an IDG from the Department of Community Health, Office of Public Health Preparedness. Also reduces the IDG from the Department of State Police supported by federal homeland security funds. (A similar reduction in federal DHS spending authorization is taken in the Department of State Police budget.)		Gross \$1,000,000	(\$350,000)
	IDG	1,000,000	(350,000)

House concurs with the Executive.

Major Budget Changes From FY 2012-13 YTD Appropriations		FY 2012-13 Year-to-Date (as of 2/7/13)	FY 2013-14 House Change
17. Grand Rapids Veterans Home	FTE	343.0	0.0
<u>Executive</u> reduces spending authorization for the GRVH to reflect actual revenues collected from federal Medicaid and Medicare funds, and income and assessments from residents at the home.	Gross	\$46,516,500	(\$1,600,000)
	Federal	21,695,600	(600,000)
	Restricted	14,594,700	(1,000,000)
	GF/GP	\$10,226,200	\$0

House concurs with the Executive.

18. Military Training Sites and Support Facilities

Executive increases spending authorization from federal National Guard Bureau revenues for military training sites and support facilities (Camp Grayling, Fort Custer, Battle Creek Air National Guard (ANG) Base, Selfridge ANG Base, Alpena Combat Readiness Training Center (CRTC) to reflect actual revenues collected.

FTE	205.0	0.0
Gross	\$30,065,500	\$1,000,000
Federal	28,456,300	1,000,000
GF/GP	\$1,609,200	\$0

House concurs with the Executive.

Major Boilerplate Changes From FY 2012-13

GENERAL SECTIONS

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

Specifies total state spending from state resources and payments to local units of government from state resources. Executive and House – update to reflect FY 2014 appropriations.

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

Subjects appropriations to the Management and Budget Act, 1984 PA 431. Executive – deleted. House – retains.

Sec. 203. Terms and Acronyms – REVISED

Defines various terms and acronyms contained in the department's budget. Executive – deletes a number of definitions related to specific fund sources identified in the bill. House – deletes definitions for "PA" and "MCL" and adds a definition for "subcommittees".

Sec. 204. Interdepartmental Grant Funding – DELETED

Lists specific amounts and sources of interdepartmental grant funding received by the department. Executive – deletes. House – deletes.

Sec. 206. Contingency Funding – RETAINED

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

Sec. 207. Transparency Website – RETAINED

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. Executive – retains. House – retains.

Sec. 208. Internet Availability of Required Reports – RETAINED.

Requires the department to use the internet to fulfill reporting requirements and authorizing the department to submit reports via email. Executive – deletes. House – retains.

Sec. 209. Purchase of Foreign Goods – REVISED

Prohibits the purchase of foreign goods and services if American-sourced goods and services are competitively priced and are of comparable quality; requires preference to be given to goods and services from Michigan-based businesses and businesses that are owned and operated by veterans. Executive – deletes. House – adds a preference for small businesses with veterans representing at least 35% of their total workforce.

Sec. 210. Business in Deprived and Depressed Communities – RETAINED

Requires the department to take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts. Executive – deletes. House – retains.

Sec. 211. Information Technology Work Project Account – NEW

Designates the appropriation for information technology as a work project account. House – adds this section.

Sec. 212. Records Retention – RETAINED

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 records retention; authorizes the department to electronically retain copies of reports unless otherwise required by federal and state guidelines. Executive – deletes. House – retains.

Sec. 214. Information Technology Services – NEW

Requires the department to pay user fees to DTMB for technology-related services and projects. House – adds this section.

Sec. 215. Communications with Legislature – RETAINED

Prohibits the department from taking disciplinary action against employees for communicating with legislators or legislative staff. Executive – deletes. House – retains

Sec. 217. Budgetary Efficiency – DELETED

Requires the department to improve its budget efficiency by prioritizing personnel over buildings, pursuing consolidation of support services; seeking expenditure reductions, and identifying efficiencies that can be gained through the reduction or elimination of programs. Executive – deletes.

Sec. 218. Out-of-State Travel – RETAINED

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

Sec. 219. Quarterly Performance Metrics Reports – REVISED

Requires the department to provide quarterly report on the status or work projects, the department's financial status, evidence of efficiencies, property sales, information which validates that all requirements in the budget have been achieved, corrective action plans for requirements that have not been achieved, a summary of any funding shifts between scheduled programs, and the results of any inspections at the two veterans' homes. Executive – deletes. House – requires additional information to be provided as part of the department's quarterly reports, including armory closings, the status of armories (including maintenance projects), the number of active employees by job classification and scheduled program, VSO veterans claims activities, activities of the Michigan Veterans Affairs Agency (including claims activities), and information on complaints of alleged abuse or neglect of resident members of the two veterans' homes.

Sec. 220. Services to Veterans – REVISED

Requires the department to report annually on various services to veterans, i.e. metric requirements, audits and tax reports, expenditures by category, population and bed space at the veterans' homes, and on the Michigan Veterans' Trust Fund. Executive – deletes a requirement that the department provide financial information on the homes and the nursing home licensure status of the homes; deletes a requirement that the department provide information on the methodology used to allocate emergency grant funds; the method of selecting authorized agents within the counties to process grant applications, and the department's efforts to reduced administrative costs related to the MVTF and maintain the \$50.0 million corpus of the trust fund. House – retains current law, but deletes the report on the MVTF corpus, and adds that information on how the emergency grant program is administered in each county and how much is distributed to each county for administration and emergency grants.

Sec. 221. Department Core Services – REVISED

Lists core services of the department and requires appropriations to be used for core services. Executive – retains. House – retains, but adds the Michigan Veterans Affairs Agency (replacing the Veterans Affairs Directorate) and the Starbase program.

Sec. 223. Notice of Property Sales – DELETED

Requires the department to provide a 60-day notice of intent to sell property. Executive – deletes. House – deletes.

Sec. 225. Use of Funding for Legal Services – RETAINED

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 or activities that the attorney general authorizes. Executive – retains. House – retains.

Sec. 226. Partner with Reserve Forces – DELETED

Requires the department to seek partnerships with the reserve component of the U.S. Armed Forces for the co-location of activities and cost share for facilities. Executive – deletes. House – deletes.

Sec. 227. Bid Process – RETAINED

Prohibits the exclusion of public employee unions from the bid process for contract services. Executive – deletes. House – retains.

Sec. 228. General Fund Lapses – RETAINS

Requires the department to report on estimates of general fund lapses at the close of the fiscal year. Executive – deletes. House – retains.

Sec. 229. Report on State Restricted Funds – RETAINED

Requires the department to report on state restricted fund balances, project state restricted fund revenues, and state restricted fund expenditures. Executive – makes the report a requirement on the State Budget Office and requires the department to cooperate with the SBO in the completion of the report. House – retains.

Sec. 230. Performance Metrics Report – NEW

Requires the department to maintain a publicly accessible website that identifies and tracks the department's performance against key metrics used to monitor and improve the department's performance. Executive – adds this section. House – concurs with Executive.

HEADQUARTERS AND ARMORIES

Sec. 300. Unclassified Positions – REVISED

Lists titles of unclassified positions currently in the department; requires the department to notify subcommittees prior to submitting requests for additional unclassified positions or requests for substantive changes to the duties of unclassified positions. Executive – deletes. House – retains and adds the director of the Michigan Veterans Affairs Agency to the list of unclassified positions.

Sec. 301. Administrative Support – DELETED

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

Sec. 301. National Guard Armories – RETAINED

Requires the department to operate and maintain national guard armories to ensure they are in compliance with Army regulations. Executive – retains. House – retains.

Sec. 303. Army National Guard Support for State and Local Emergencies – DELETED

Requires the department to provide Army National Guard (ARNG) forces for emergencies and to properly training and equip military forces. Executive – deletes. House – deletes.

Sec. 304. Army National Guard Training Facilities – REVISED

Requires the department to properly operate and maintain military training facilities, including Fort Custer and Camp Grayling, and to improve the adequacy of utilities and infrastructure. Executive – combines Sections 303 and 304, concerning the Army National Guard to provide ARNG forces for state and local emergencies and in support for national military requirements, and operate and maintain ARNG facilities, including Fort Custer and Camp Grayling; requires the department to improve the utilities and infrastructure of ANRG facilities; deletes language that requires the department to comply with Appendix 1 of the Master Cooperative Agreement concerning building maintenance performance and Appendix 3 of the Master Cooperative Agreement concerning security management at ARNG facilities. House – concurs with Executive.

Sec. 305. Air National Guard Support for State and Local Emergencies – DELETED

Requires the department to provide Air National Guard (ANG) forces for state and local emergencies, to properly train and equip military forces, and to improve the adequacy of the utilities and infrastructure of ANG facilities. Executive – deletes. House – deletes.

Sec. 306. Air National Guard Training Facilities – REVISED

Requires the department to properly operate and maintain Selfridge and Battle Creek Air National Guard bases and the Alpena Combat Readiness Training Center, and to provide security services at ANG facilities. Executive – combines sections 305 and 306, concerning the Air National Guard to provide ANG forces for state and local emergencies and in support for national military requirements, and operating and maintain ANG facilities, including Selfridge ANG Base, Battle Creek ANG Base, and the Alpena Combat Readiness Training Center; requires the department to improve the adequacy of utilities and infrastructure at ANG bases; deletes language that requires the department to comply with Air Force Instruction 31-101 (Installation Security), and Appendix 23 (Section 2308) of the Master Cooperative Agreement. House – concurs with the Executive.

VETERANS AND COMMUNITY OUTREACH

Sec. 401. Veterans Advice, Advocacy, and Assistance – REVISED

Requires the department to provide advice, advocacy, and assistance services to veterans, to maintain proper levels of staffing and resources, to distribute grant funding, to take steps to improve the coordination of veterans' benefits counseling, and to increase its responsibility in administration, management, oversight, and outreach of delivery of services. Executive – adds the department shall assist veterans in securing professional assistance, advocacy, and counseling regarding claims management issues. House – concurs with the Executive on assisting veterans receive professional assistance regarding claims management issues, adds that grant recipients provide quarterly reports on claims activities (and requires those report to include the number of fully-developed claims), and requires the department to include these quarterly claims data in its quarterly report to the subcommittees in accordance with Section 219.

Sec. 402. Veterans' Trust Fund – RETAINED

Requires the department to work with the Michigan Veterans' Trust Fund Board to provide emergency grant funds, outreach services, and other services to veterans. Executive – retains. House – retains.

Sec. 404. County Veterans Counselors – REVISED

Requires the department to provide training and resources for county veterans counselors. Executive – retains. House – requires the department to also provide training support to veterans service organizations, requires the department to submit a report on the training activities, allocates up to \$50,000 for training support for county veterans counselors, and incorporates language from FY2012-13 Section 704 requiring the department to implement an Internet-based data system in collaboration with the Michigan Association of County Veterans Counselors.

Sec. 405. College Campus Veterans Outreach Initiative – REVISED

Provides that funds for college campus outreach shall be undertaken in collaboration with the VA vocational rehabilitation program to assist veterans on campus in enrolling in the VA health system or with filing claims for disability benefits. (FY 2012-13 Section 704.) Executive – deletes. House – retains, and requires reports on initiative activities for FYs 2013-2014.

Sec. 406. Michigan Veterans Affairs Agency Strategic Plan – NEW

Requires the Michigan Veterans Affairs Agency to submit a strategic plan to the Legislature by December 1, 2013 specifying (a) a plan to coordinate veterans services among Executive branch agencies; (b) a plan to improve the provision of veterans services by state agencies and improve oversight of grants to veterans service organizations; (c) a plan to re-engineer the veterans service delivery process to improve the performance of state agencies, local agencies, veterans service organizations, and nonprofit organizations; (d) quantifiable performance measures and outcomes of veterans service programs affecting the health, economic, and quality of life well-being of veterans, with a goal of increasing the number of fully-developed claims submitted to the VA and increase veterans' and the public's awareness of available veterans services; (d) immediate, short-term, and long-term initiatives that assist the agency in achieving the stated performance measures and outcomes. House – adds this section.

Sec. 407. Veterans Service Delivery System – NEW

Requires the Michigan Veterans Affairs agency to submit a report on the programs, activities, roles and responsibilities of, and interrelationships among, state agencies, local government agencies, veterans service organizations, and nonprofit organizations to provide services and outreach to veterans, including assistance in the preparation and presentation of claims for benefits to the VA. The report would discuss the current veterans service delivery system and the new system under the re-engineered system identified in the agency's strategic plan. House – adds.

Sec. 408. Military Family Relief Fund – REVISED

Requires the department to provide grant funding from the Military Family Relief Fund and outreach services to families of active members of the armed forces. (FY 2012-13 Section 501.) Executive – retains. House – revises the reference to active armed forces members to refer instead to members of the reserved component of the armed forces called into active duty.

Sec. 409. Michigan Youth ChalleNGe Academy – RETAINED

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. (FY 2012-13 Section 502.) Executive – retains. House – retains.

Sec. 410. Department Data Upgrades and Digitization – REVISED

Requires the department to digitize all medical records and military discharge documents which are currently on paper and microfilm. (FY 2012-13 Section 706). Executive – deletes. House – provides that the department "shall continue to" digitize medical and discharge records.

HOMES

Sec. 601. Veterans' Homes – REVISED

Requires the department to provide proper levels of staffing and resources for operating the two veterans' homes; authorizes appropriations for Boards of Managers to be expended for facility improvements; specifies requirements for competency evaluated nursing assistants employed at the homes. Executive – deletes language specifying the minimum number of residents at the two homes in skilled nursing or domiciliary beds; requiring the homes to ensure medical staff conforms to U.S. Department of Veterans Affairs standards; requiring the homes to provide transportation to all medical appointments outside the homes; requiring residents to receive daily laundry services; requiring maintenance and custodial services to conform to applicable local, state, and federal standards; requiring prior notice before the homes' boards of managers alter spending plan from post and posthumous funds; and requiring CENAs provided by contractors meet certain requirements. House – concurs with the Executive.

Sec. 602. Michigan Veterans' Facility Ombudsman – REVISED

Specifies legislative intent for establishing a Michigan Veterans' Facility Ombudsman; specifies duties and responsibilities of the Ombudsman. Ombudsman's purpose would be to conduct investigations concerning actions or omission of actions or conditions at the veterans' homes which are alleged to be contrary to law or policy or that pose a significant health or safety issue. Executive – deletes. House – replaces the "intent" language with a statement that the funds appropriated in part 1 for the IDG to the Legislative Council are to be expended to establish the Office of the Michigan Veterans' Facility Ombudsman.

CAPITAL OUTLAY

Sec. 701. Capital Outlay Lump-Sum Appropriations – RETAINED

Requires the department director to allocate lump-sum appropriations consistent with statutory provisions and to address priority program or facility needs; requires any balance remaining after three years to revert to the fund from which it was appropriated. Executive – deletes. House – retains.

Sec. 702. Capital Outlay Carryforward – RETAINED

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. Executive – deletes. House – retains.

Sec. 703. Special Maintenance at the Veterans' Homes – REVISED

Requires appropriations to be used for maintenance and information technology needs at the homes; specifies projects considered to be maintenance/remodeling projects as approved by the subcommittees; requires homes to report on their plans for expending the one-time appropriations. Executive – deletes. House – deletes the language concerning subcommittee approval of projects, and adds a report on the costs of maintenance projects completed during the fiscal year.

ONE-TIME APPROPRIATIONS***Sec. 705. County Counselor Accreditation – DELETED***

Requires the department to develop an application and grant process to fund accredited veterans service officers; requires grants to be made available to underserved counties, based on need of veterans services. Executive – deletes. House – deletes.

Sec. 801. County Veterans Counselor Training and Education – NEW

Specifies that the one-time \$45,000 GF/GP appropriation is in addition to the on-going appropriation for county veterans counselor training and education.

PART 2A: PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS FOR FISCAL YEAR 2014-2015***Sec. 1201. Anticipated FY 2014-15 Appropriations***

States legislative intent to provide appropriations for FY 2014-15, adjusting FY 2013-14 amounts based on economic and other factors.

FY 2013-14 DMVA Executive Recommendation Changes from FY 2012-13 Year-to-Date Appropriation

	Gross	IDG	Federal	Local	Private	Restricted	GF/GP	FTEs
FY 2012-13 Year-to-Date Appropriations	\$172,073,600	\$1,166,500	\$99,239,400	\$1,503,600	\$1,503,700	\$30,427,000	\$38,233,400	842.0
House Bill 4224 (H-1) Draft 2 Changes from FY 2013 YTD								
Programmatic Changes								
1. Veterans' Service Delivery Initiative (Veterans Affairs Agency)	\$4,000,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000	33.0
2. Veterans' Service Delivery Initiative (veterans service officers)	\$600,000	\$0	\$0	\$0	\$0	\$0	\$600,000	5.0
3. Special Maintenance - Veterans' Homes	\$400,000	\$0	\$0	\$0	\$0	\$0	\$400,000	0.0
4. D.J. Jacobetti Veterans' Home Laundry Contract	\$60,000	\$0	\$0	\$0	\$0	\$0	\$60,000	0.0
5. Land and Acquisitions	\$750,000	\$0	\$0	\$0	\$0	\$750,000	\$0	0.0
6. College Campus Veterans Outreach Initiative	\$100	\$0	\$0	\$0	\$0	\$0	\$100	0.0
7. Military Appeals Tribunal	(\$100)	\$0	\$0	\$0	\$0	\$0	(\$100)	0.0
8. IDG to Legislative Council (Veterans Facility Ombudsman)	\$100,000	\$0	\$0	\$0	\$0	\$0	\$100,000	0.0
Economic and Information Technology Adjustments								
9. Department Economics	\$3,341,600	\$0	\$1,818,800	\$0	\$0	\$496,400	\$1,026,400	0.0
10. DTMB-related Economics	\$40,000	\$0	\$19,100	\$0	\$0	\$7,300	\$13,600	0.0
11. Information Technology - Windows 7 upgrades/Center for Shared Solutions	\$8,100	\$0	\$4,000	\$0	\$0	\$2,900	\$1,200	0.0
12. Information Technology - wireless infrastructure and internet bandwidth	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Eliminate FY13 One-Time Appropriations								
13. Flint Armory Replacement	(\$12,000,000)	\$0	(\$9,000,000)	\$0	\$0	(\$3,000,000)	\$0	0.0
14. Special Maintenance - Veterans' Homes	(\$2,116,000)	\$0	\$0	\$0	\$0	\$0	(\$2,116,000)	0.0
15. Veterans Service Enhancements	(\$434,000)	\$0	\$0	\$0	\$0	\$0	(\$434,000)	0.0
16. County Veterans Counselor Accreditation	(\$200,000)	\$0	\$0	\$0	\$0	\$0	(\$200,000)	0.0
17. Data upgrades and records digitization	(\$750,000)	\$0	\$0	\$0	\$0	\$0	(\$750,000)	0.0
18. State Employee Lump Sum Payments	(\$707,900)	(\$700)	(\$407,500)	(\$3,600)	(\$4,200)	(\$136,000)	(\$155,900)	0.0
19. Special Maintenance - State	(\$2,400,000)	\$0	\$0	\$0	\$0	\$0	(\$2,400,000)	0.0
Technical Adjustments (Align Spending Authorization)								
20. Special Maintenance - Headquarters and Armories (align NGB funds)	(\$3,000,000)	\$0	(\$3,000,000)	\$0	\$0	\$0	\$0	0.0
21. Headquarters and Armories (to MI Emergency Volunteers/align NGB funds)	\$685,000	\$0	\$700,000	\$0	\$0	\$0	(\$15,000)	0.0
22. MI Emergency Volunteers (from Headquarters and Armories)	\$15,000	\$0	\$0	\$0	\$0	\$0	\$15,000	0.0
23. Special Maintenance - Headquarters and Armories (consolidate programs)	\$8,351,200	\$0	\$5,300,000	\$0	\$0	\$0	\$3,051,200	0.0
24. Special Maintenance - State (consolidate into Spec. Maintenance - HQ&A)	(\$3,051,200)	\$0	\$0	\$0	\$0	\$0	(\$3,051,200)	0.0
25. Special Maintenance - Federal (consolidate into Spec. Maintenance - HQ&A)	(\$5,300,000)	\$0	(\$5,300,000)	\$0	\$0	\$0	\$0	0.0
26. Youth Challenge (align IDG and private revenues)	(\$925,300)	(\$165,800)	\$0	\$0	(\$759,500)	\$0	\$0	0.0
27. Homeland Security - IDGs from State Police and Community Health	(\$350,000)	(\$350,000)	\$0	\$0	\$0	\$0	\$0	0.0
28. Military Training Sites and Support Facilities	\$1,000,000	\$0	\$1,000,000	\$0	\$0	\$0	\$0	0.0
29. Grand Rapids Veterans' Home	(\$1,600,000)	\$0	(\$600,000)	\$0	\$0	(\$1,000,000)	\$0	0.0
FY14 One-Time Appropriations								
30. County Veterans Counselor Training and Education	\$45,000	\$0	\$0	\$0	\$0	\$0	\$45,000	
31. Veterans Service Delivery Initiative	\$3,955,000	\$0	\$0	\$0	\$0	\$0	\$3,955,000	0.0
Total	\$162,590,100	\$650,000	\$89,773,800	\$1,500,000	\$740,000	\$27,547,600	\$42,378,700	880.0
Executive Changes from FY 2013 YTD Appropriation	(\$9,483,500)	(\$516,500)	(\$9,465,600)	(\$3,600)	(\$763,700)	(\$2,879,400)	\$4,145,300	38.0
Percentage Change from FY 2013 YTD Appropriation	-5.5%	-44.3%	-9.5%	-0.2%	-50.8%	-9.5%	10.8%	4.5%

Note: The FY 2012-13 YTD appropriation includes supplementals, legislative transfers, contingency transfers, and Executive Order actions through February 7, 2013.

FY 2013-14 DMVA House Subcommittee Changes from FY 2013-2014 Executive Recommendation

FY 2013-2014 Executive Recommendation	Gross	IDG	Federal	Local	Private	Restricted	GF/GP	FTEs
	\$162,608,000	\$650,000	\$89,782,700	\$1,500,000	\$740,000	\$27,554,000	\$42,381,300	880.0
House Bill 4224 (H-1) Draft 2 Changes from FY 2014 Executive								
1. Unclassified Positions (Economics Adjustment)	\$11,700	\$0	\$0	\$0	\$0	\$0	\$11,700	0.0
2. Headquarters and Armories (Economics Adjustment)	(\$11,700)	\$0	\$0	\$0	\$0	\$0	(\$11,700)	0.0
3. Special Maintenance - Veterans' Homes	(\$100,000)	\$0	\$0	\$0	\$0	\$0	(\$100,000)	0.0
4. Wireless Infrastructure and Internet Bandwidth	(\$17,900)	\$0	(\$8,900)	\$0	\$0	(\$6,400)	(\$2,600)	0.0
5. College Campus Veterans Outreach Initiative	\$100	\$0	\$0	\$0	\$0	\$0	\$100	0.0
6. Military Appeals Tribunal	(\$100)	\$0	\$0	\$0	\$0	\$0	(\$100)	0.0
7. IDG to Legislative Council (Veterans Facility Ombudsman)	\$100,000	\$0	\$0	\$0	\$0	\$0	\$100,000	0.0
8. One-Time Appropriation: County Veterans Counselor Training	\$45,000	\$0	\$0	\$0	\$0	\$0	\$45,000	0.0
9. One-Time Appropriation: Michigan Veterans Affairs Agency	(\$45,000)	\$0	\$0	\$0	\$0	\$0	(\$45,000)	0.0
Tot: HB 4224 (H-1) Draft 2 Appropriation Totals	\$162,590,100	\$650,000	\$89,773,800	\$1,500,000	\$740,000	\$27,547,600	\$42,378,700	880.0

Department of Military and Veterans Affairs (DMVA)
Fiscal Year 2013-14 Budget Recommendation
House Bill 4224 (H-1) Draft 2

Sec. 102. Headquarters and Armories	Gross	IDG	Federal	Local	Private	Restricted	GF/GP	FTEs
Unclassified Positions	\$1,336,700	\$0	\$0	\$0	\$0	\$0	\$1,336,700	9.0
Headquarters and Armories	\$13,705,300	\$0	\$5,780,700	\$0	\$0	\$346,400	\$7,578,200	79.0
Military Appeals Tribunal	\$800	\$0	\$0	\$0	\$0	\$0	\$800	0.0
State Active Duty	\$100,100	\$0	\$0	\$0	\$0	\$70,000	\$30,100	0.0
Homeland Security	\$650,000	\$650,000	\$0	\$0	\$0	\$0	\$0	0.0
Military Training Sites and Support Facilities	\$31,634,300	\$0	\$29,995,600	\$0	\$0	\$0	\$1,638,700	205.0
Military Training Sites and Support Facilities Test Projects	\$100,000	\$0	\$0	\$0	\$0	\$100,000	\$0	0.0
Departmentwide Accounts	\$1,923,200	\$0	\$1,546,300	\$0	\$0	\$0	\$376,900	0.0
Special Maintenance - State	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Special Maintenance - Federal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Counter Narcotic Operations	\$50,000	\$0	\$50,000	\$0	\$0	\$0	\$0	0.0
Information Technology Services and Projects	\$1,106,600	\$0	\$545,700	\$0	\$0	\$395,000	\$165,900	0.0
Total Headquarters/Armories	\$50,607,000	\$650,000	\$37,918,300	\$0	\$0	\$911,400	\$11,127,300	293.0
	\$0							
Sec. 103. Veterans and Community Outreach	Gross	IDG	Federal	Local	Private	Restricted	GF/GP	FTEs
Veterans Advice, Advocacy, and Assistance Grants	\$2,904,600	\$0	\$0	\$0	\$0	\$0	\$2,904,600	0.0
Michigan Veterans Affairs Agency	\$5,017,000	\$0	\$0	\$0	\$0	\$0	\$5,017,000	40.0
Veterans' Trust Fund Administration	\$1,446,800	\$0	\$0	\$0	\$0	\$1,446,800	\$0	6.0
Veterans' Trust Fund Grants	\$3,746,500	\$0	\$0	\$0	\$0	\$3,746,500	\$0	0.0
Michigan Emergency Volunteers	\$20,000	\$0	\$0	\$0	\$0	\$0	\$20,000	0.0
ChalleNGe Program	\$4,502,000	\$0	\$2,802,000	\$1,500,000	\$200,000	\$0	\$0	40.0
Military Family Relief Fund	\$600,000	\$0	\$0	\$0	\$0	\$600,000	\$0	0.0
Starbase Grant	\$2,322,000	\$0	\$2,322,000	\$0	\$0	\$0	\$0	0.0
College Campus Veterans Outreach Initiative	\$100	\$0	\$0	\$0	\$0	\$0	\$100	0.0
Veterans and Community Outreach	\$20,559,000	\$0	\$5,124,000	\$1,500,000	\$200,000	\$5,793,300	\$7,941,700	86.0

Department of Military and Veterans Affairs (DMVA)
Fiscal Year 2013-14 Budget Recommendation
House Bill 4224 (H-1) Draft 2

Sec. 104. Homes	Gross	IDG	Federal	Local	Private	Restricted	GF/GP	FTEs
Grand Rapids Veterans' Home	\$46,097,900	\$0	\$21,650,300	\$0	\$0	\$13,951,900	\$10,495,700	343.0
Grand Rapids Board of Managers	\$665,000	\$0	\$0	\$0	\$415,000	\$250,000	\$0	0.0
DJ Jacobetti Veterans' Home	\$18,535,000	\$0	\$7,781,200	\$0	\$0	\$5,491,000	\$5,262,800	158.0
Jacobetti Board of Managers	\$275,000	\$0	\$0	\$0	\$125,000	\$150,000	\$0	0.0
IDG to Legislative Council (Veterans' Facility Ombudsman)	\$100,000	\$0	\$0	\$0	\$0	\$0	\$100,000	0.0
Total Homes	\$65,672,900	\$0	\$29,431,500	\$0	\$540,000	\$19,842,900	\$15,858,500	501.0
Sec. 105. Capital Outlay	Gross	IDG	Federal	Local	Private	Restricted	GF/GP	FTEs
Special Maintenance - Headquarters and Armories	\$20,351,200	\$0	\$17,300,000	\$0	\$0	\$0	\$3,051,200	0.0
Special Maintenance - Veterans Homes	\$400,000	\$0	\$0	\$0	\$0	\$0	\$400,000	0.0
Land Acquisitions	\$1,000,000	\$0	\$0	\$0	\$0	\$1,000,000	\$0	0.0
Total Capital Outlay	\$21,751,200	\$0	\$17,300,000	\$0	\$0	\$1,000,000	\$3,451,200	0.0
Sec. 106. One-Time Appropriations	Gross	IDG	Federal	Local	Private	Restricted	GF/GP	FTEs
County Veterans Counselor Training and Education	\$45,000	\$0	\$0	\$0	\$0	\$0	\$45,000	
Veterans Service Delivery Initiative	\$3,955,000	\$0	\$0	\$0	\$0	\$0	\$3,955,000	0.0
Total One-Time Appropriations	\$4,000,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000	0.0
FY 2014 Part 1 (Schedule of Programs) Appropriations Totals	\$162,590,100	\$650,000	\$89,773,800	\$1,500,000	\$740,000	\$27,547,600	\$42,378,700	880.0