



Senate Fiscal Agency
P.O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-2768
Fax: (517) 373-1986

Senate Bill 794 (S-1, Draft 2 as reported)
Committee: Appropriations

Throughout this document Senate means Subcommittee.

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 SENATE SUBCOMM.	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	888.5	898.5	10.0	1.1
GROSS	168,953,700	176,710,200	7,756,500	4.6
Less:				
Interdepartmental Grants Received	99,300	101,800	2,500	2.5
ADJUSTED GROSS.....	168,854,400	176,608,400	7,754,000	4.6
Less:				
Federal Funds.....	90,208,600	91,793,600	1,585,000	1.8
Local and Private	2,237,000	2,475,200	238,200	10.6
TOTAL STATE SPENDING.....	76,408,800	82,339,600	5,930,800	7.8
Less:				
Other State Restricted Funds.....	23,221,500	24,696,000	1,474,500	6.3
GENERAL FUND/GENERAL PURPOSE.....	53,187,300	57,643,600	4,456,300	8.4
PAYMENTS TO LOCALS	102,400	102,400	0	0.0

FY 2015-16 Year-to-Date Gross Appropriation	\$168,953,700
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Changes from FY 2015-16 Year-to-Date:

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| 1. Grand Rapids Veterans Home. Governor and Senate recommended one-time capital outlay funds of \$5.0 million GF/GP to renovate fourth floor of home to Medicaid specifications. | 5,000,000 |
| 2. Amory Infrastructure Upgrades. Governor and Senate recommended \$2.5 million in one-time GF/GP funding to support installation of upgraded Army National Guard network connections. | 2,500,000 |
| 3. D.J. Jacobetti Veterans Home. Governor and Senate recommended \$1,120,000 GF/GP to adjust nurse staffing level and renovate home to Medicaid specifications. | 1,120,000 |
| 4. Youth Challenge Program. Senate added 10 FTEs and \$710,000 Gross (\$210,000 Local and \$500,000 GF/GP) to address audit findings. | 710,000 |
| 5. Camp Grayling Housing. Senate added \$300,000 GF/GP to Capital Outlay/National Guard to assist with housing construction at Camp Grayling. | 300,000 |
| 6. Adjustment of Federal Funds Based on Anticipated Revenue. Governor and Senate recommended adjustments to reflect actual funds received, including increases of \$1.5 million for armory operations, \$214,000 for the D.J. Jacobetti Home, decreases of \$1.1 million in Medicare funds for the Grand Rapids Veterans Home, and \$100,000 for the D.J. Jacobetti Veterans Home. | 518,900 |

7. National Guard Tuition Assistance Funding Adjustment. Governor recommended the adjustment of funding from a GF/GP appropriation of \$3,741,600 for FY 2015-16 to a restricted revenue amount of \$3.5 million -- which necessitates a GF/GP appropriation to the Fund for FY 2016-17, to align with expected expenditures. The Senate reduced the Governor's recommended GF/GP appropriation to the National Guard Tuition Assistance Fund by \$337,300 GF/GP.	521,100
8. Veterans Service Grants. Senate provided a 1% economic increase for veterans service grants.	37,300
9. Veterans Homes' Restricted Fund Shortfall. Governor and Senate recommended \$2.3 million GF/GP be used to supplant an equal amount of expected income and assessment restricted revenue shortfall due to a declining census at the homes.	0
10. Elimination of FY 2015-16 One-Time Funding. Governor and Senate recommended the elimination of one-time funding of \$3.0 million GF/GP for Special Maintenance -- National Guard.	(3,000,000)
11. Internal Funding Transfers. Governor and Senate recommended available Head Quarters and Armories funding to be shifted to Homeland Security (\$5,300 GF/GP) and to Michigan Emergency Volunteers (\$10,000 GF/GP) to align with expenditures.	0
12. Five-Year Early-Out Deferred Sick Leave Payments. Governor and Senate recommended the elimination of payments, as department obligations will be satisfied as of FY 2015-16 for employees who opted into the 2010 early retirement program, which deferred sick leave payments over five years for a savings of \$125,800 Gross, \$5,600 GF/GP.	(125,800)
13. Adjustment for FY 2015-16 Supplemental. An adjustment to reflect FY 2015-16 supplemental (Public Act 3 of 2016) which provided \$2.0 million in GF/GP support for National Guard efforts related to the Flint emergency.	(2,000,000)
14. Economic Adjustments. Includes \$28,200 Gross and \$9,300 GF/GP for OPEB and \$2,146,800 Gross and \$714,200 GF/GP for other economic adjustments.	2,175,000
15. Comparison to Governor's Recommendation. The Senate is \$710,000 Gross and \$500,000 GF/GP over the Governor.	
Total Changes	\$7,756,500
FY 2016-17 Senate Appropriations Subcommittee Gross Appropriation.....	\$176,710,200

Boilerplate Changes from FY 2015-16 Year-to-Date:

1. **Core Services List.** Governor and Senate amended list of core services by combining the veterans homes' Board of Managers into a single core service. (Sec. 217)
2. **Special Maintenance Carry Forward.** Governor and Senate struck a Section requiring appropriations for Special Maintenance to be carried forward at the end of the fiscal year, as it is redundant to language found in Sec. 601. (Sec. 234)
3. **Unclassified Positions.** Governor and Senate amended list of unclassified employees by removing "Director, Public Safety Group" and added the position of "Chief Executive Officer for Veteran Health System." (Sec. 300)
4. **Starbase Grant.** Governor and Senate amended language to designate the educational program to be targeted toward fifth graders as opposed to both fourth and fifth graders. (Sec. 309)
5. **National Guard Tuition Assistance Program.** Governor and Senate added a new subsection stating the intent that the program shall be funded with revenue from the Michigan National Guard Tuition Assistance Fund and that unexpended funds shall not lapse to the General Fund at the end of the fiscal year. (Sec. 310)
6. **Information Technology.** Governor and Senate removed boilerplate, which provides for IDG-pass through billing for technology services supplied by DTMB. (Sec. 311)

7. **Michigan Veterans Trust Fund Administration.** Governor and Senate removed a section, which required that up to \$550,000 shall be spent on administration, up to \$400,000 on an Internet application site, and up to \$450,000 on a regional office model. (Sec. 407)
8. **Grand Rapids and D.J. Jacobetti Homes for Veterans.** Governor and Senate amended language by combining separate (but duplicate) boilerplate sections for each home into a single controlling section and added language which states the results of the annual USVDA survey and certification as proof of compliance with Federal standards for the homes; removed requirements that evaluated nursing assistants, have one year of nursing home experience; and added a new subsection requiring a quarterly report regarding the status of Medicaid certification efforts and progress. Senate added language to include when referring to "director of nursing" additionally, "his or her designee". (Sec. 501)
9. **D.J. Jacobetti Home for Veterans Medicaid/Medicare Initiative.** Governor and Senate added a new section concerning the Department using appropriations for the pursuit of Medicaid/Medicare certification standards for the D.J. Jacobetti Home for Veterans. The new section requires the Department to identify outcomes and performance measures for the initiative, including the increase in quality care due to increased direct care staffing ratios, facility updates, implementation of evidence-based best practices, the receipt of available Federal Medicaid revenue, and the improved fiscal stability of the home due to increased collection of Federal revenue. (Sec. 501a)
10. **Medicaid/Quality of Care.** Senate added language requiring the Department to provide quarterly reports which include evidence that the quality of care at the veterans homes is improved due to Medicaid required upgrades. (Sec. 502a)
11. **Grand Rapids Home - Reports to Subcommittee.** Senate added language to require a status report on October 31, 2016, and December 1, 2016, of the progress on the resolution of audit findings and in the development of care measurement metrics. (Sec. 503)
12. **FY 2015-16 One-Time Appropriations.** Governor and Senate struck section, which provided guidelines for one-time appropriation for Special Maintenance -- National Guard. (Sec. 701)
13. **FY 2016-17 One-Time Appropriations.** Governor and Senate added a new section, which provides guidelines for proposed one-time appropriation for armory upgrades for National Guard network connections. (Sec. 701)

Date Completed: 3-30-16

Fiscal Analyst: Bruce R. Baker