



Senate Fiscal Agency
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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 CONFERENCE	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	912.5	924.5	12.0	1.3
GROSS	200,639,300	204,617,600	3,978,300	2.0
Less:				
Interdepartmental Grants Received	101,800	101,800	0	0.0
ADJUSTED GROSS	200,537,500	204,515,800	3,978,300	2.0
Less:				
Federal Funds	99,170,200	106,177,200	7,007,000	7.1
Local and Private	2,175,400	630,000	(1,545,400)	(71.0)
TOTAL STATE SPENDING	99,191,900	97,708,600	(1,483,300)	(1.5)
Less:				
Other State Restricted Funds	23,279,500	23,908,600	629,100	2.7
GENERAL FUND/GENERAL PURPOSE	75,912,400	73,800,000	(2,112,400)	(2.8)
PAYMENTS TO LOCALS	2,242,400	4,315,000	2,072,600	92.4

*As of July 1, 2019.

	Gross	GF/GP
FY 2018-19 Year-to-Date Appropriation	\$200,639,300	\$75,912,400

Changes from FY 2018-19 Year-to-Date:

Items Included by the Senate and House

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|---|-----------|-----------|
| 1. D.J. Jacobetti Home for Veterans CMS Certification Revenue Adjustment. Governor, Senate, and House included a funding adjustment reflecting the impact of CMS certification for the D.J. Jacobetti Home for Veterans, allowing for an increase in \$1.8 million in Federal support and a \$900,000 reduction in required GF/GP support. | 900,000 | (900,000) |
| 2. Selfridge Air National Guard Base Support Increase. Governor, Senate, and House including appropriating GF/GP matching funds to support 12.0 FTEs for maintenance at Selfridge Air National Guard Base. | 400,000 | 400,000 |
| 3. Land Purchases and Appraisals Increase. Governor, Senate, and House included authorization of land acquisitions funds from anticipated Armory Construction Fund revenues from land sales. | 400,000 | 0 |
| 4. IT/Desk Top Fee Increases. Governor, Senate, and House included additional funds to cover impact of new user fee structure. | 105,000 | 105,000 |
| 5. Michigan Youth Challenge Academy Fund Shift. Governor, Senate, and House included the removal of local school aid funds used for a Federal match for the program, to be supplanted by GF/GP. | 0 | 1,557,800 |
| 6. Alignment of Federal/Restricted Authorization with Available Revenues. Governor, Senate, and House included the alignment of Federal and Restricted funding levels across several budget lines to reflect actual funds received. | 5,527,800 | 0 |

7. Operational Support for Military Training Sites and Support Facilities Reduction. Governor, Senate, and House included an elimination of \$1.5 million in appropriated GF/GP support provided under PA 618 of 2018.	(1,500,000)	(1,500,000)
8. Military Retirement Program Transfer from DTMB. Governor, Senate, and House included the transfer of retirement function from DTMB to the DMVA, with actuarial adjustment from \$5,244,800 GF/GP down to \$1.0 million GF/GP for FY 2019-20.	1,000,000	1,000,000
9. National Guard Tuition Assistance Program Reduction. Governor, Senate, and House included a reduction in support of \$2.5 million GF/GP for program, leaving a total of \$6,509,900 GF/GP recommended for FY 2019-20.	(2,500,000)	(2,500,000)
10. Vietnam Veterans Outreach Project Elimination. Governor, Senate, and House included the elimination of the one-time FY 2018-19 GF/GP appropriations of \$600,000 GF/GP for a veterans' outreach project.	(600,000)	(600,000)
11. Targeted Grants Program for County Veterans Service Officers Elimination. Governor, Senate, and House included the elimination of the \$200,000 GF/GP project.	(200,000)	(200,000)
12. Grand Rapids Veterans Home for Veterans Video Monitoring Pilot Project. Governor, Senate, and House included the elimination of the one-time appropriation.	(275,000)	(275,000)
13. Unclassified Salaries. Governor, Senate, and House recommended an increase from \$1,497,700 GF/GP for FY 2018-19 to \$1,558,300 GF/GP for FY 2019-20.	60,600	60,600
14. Economic Adjustments. Includes \$1,244,800 Gross and \$324,100 GF/GP for total economic adjustments, of which an estimated negative \$1,137,000 Gross and \$397,600 GF/GP is for legacy retirement costs (pension and retiree health).	1,244,800	324,100
<u>Conference Agreement on Items of Difference</u>		
15. County Veteran Service Fund. Governor recommended a reduction in support of \$2.1 million GF/GP for program from the appropriation of \$4.2 million GF/GP for FY 2018-19, leaving a total of \$2.1 million GF/GP recommended for FY 2019-20. Senate rejected the reduction, and provided continued support of \$4.2 million for FY 2019-20. House also provided \$4.2 million. Conference included \$4.0 million, a reduction of \$200,000 from FY 2018-19.	(200,000)	(200,000)
16. Veterans Benefit Eligibility Study. Senate included a \$100 placeholder for study. House did not include. Conference included \$250,000 GF/GP.	250,000	250,000
17. High School Reserve Officer Training Corps (ROTC) Program Enhancement. Senate added placeholder of \$100 in one-time funds to provide improvements to John J. Pershing High School ROTC Program. House and Conference did not include.	0	0
18. Armory Maintenance. Governor recommended the elimination of FY 2018-19 one-time GF/GP appropriations of \$1.0 million for armory maintenance projects. Senate continued the \$1.0 million GF/GP, added \$994,800 GF/GP, and shifted it to ongoing appropriations status. House did not include. Conference included \$1.0 million GF/GP in on-going funds and \$65,100 GF/GP in one-time appropriations	65,100	65,100
19. Buddy-to-Buddy Veterans Program. House included a \$100 placeholder for the peer-to-peer assistance program. Conference included \$250,000 GF/GP.	250,000	250,000
20. Uniform Update. Conference included \$50,000 GF/GP to support the acquisition of updated Air National Guard uniforms.	50,000	50,000

21. Administrative Efficiencies. House included operational reductions throughout the budget of \$825,000 gross, \$373,100 GF/GP. Conference did not include.	0	0
22. Information Technology Reduction. House included a reduction to Information Technology of \$129,700 GF/GP. Conference did not include.	0	0
23. FY 2019-20 One-Time Appropriations. Includes \$65,100 GF/GP for Armory Maintenance, \$250,000 GF/GP for a Veterans Benefit Eligibility Study, and \$250,000 GF/GP for Buddy-to-Buddy Program.		
Total Changes	\$4,978,300	(\$2,112,400)
FY 2019-20 Conference Report Appropriation	\$205,617,600	\$73,800,000
Amount Over/(Under) GF/GP Target:	\$0	\$0

Boilerplate Changes from FY 2018-19 Year-to-Date:

Items Included by the Senate and House

1. **Quarterly Reporting to Legislature.** Governor, Senate, and House revised department reporting requirement regarding metrics, finances, from a quarterly to a biannual basis. (Sec. 216)
2. **National Guard Armories.** Governor, Senate, and House revised language concerning the reporting of the status of armories from quarterly to biannually. (Sec. 302)
3. **Grand Rapids Home for Veterans Video Monitoring Project - One-Time.** Governor, Senate, and House deleted section describing project guidelines. (Sec.402-1)
4. **Medicaid and Medicare Certification Standards for D.J. Jacobetti Home for Veterans.** Governor, Senate, and House eliminated Sec. 403 which directed the department to pursue CMS and Medicaid certification for the completion of certification by October 1, 2018. (Sec. 403)
5. **Veterans Service Organization (VSO) Grant Guidelines.** Governor, Senate, and House added language requiring no less than quarterly reports from VSOs, including the number and type of claims in their entity that the VSO submitted to the USDVA, the number and type of claims above which were initiated or begun by an organization other than the one submitting the claim to the USDVA, and specifying that "fully developed claims" are those that are thusly defined by the USDVA. (Sec. 407)
6. **County Veterans Service Fund.** Governor, Senate, and House added a new section requiring GF/GP appropriations for the fund be deposited to the restricted County Veteran Service Fund created under PA 210 of 2018, adding the all funds in the fund are appropriated and available for expenditure to support County Veterans Service Grants. (Sec. 410)
7. **Vietnam Veterans Outreach - Onetime Appropriations Guidelines.** Governor, Senate, and House eliminated language. (Sec. 602)
8. **Budget Year Two - Veterans Outreach.** Governor, Senate, and House eliminated Sec. 702 and moved requirement that the Department report on the percentage of veterans contacted, with a goal of 100%, to Sec. 406. (Sec. 702)
9. **Budget Year Two - Fully Developed Claims.** Governor, Senate, and House eliminated Sec. 703 and moved a requirement that a certain percentage of fully developed claims be obtained to Sec. 407. (Sec. 703)

Conference Agreement on Items of Difference

10. **Contingency Funds Transfer Provision.** Senate eliminated language allowing for special legislative contingency fund transfers for non-specifically appropriated federal, restricted, local, and private funds. Governor and House included. Conference included, but with updated revenue limits, based on past practices. (Sec. 210)
11. **Unclassified Positions.** Governor and Senate struck language which lists the titles of unclassified employees. Senate retained language requiring notice if additional unclassified positions are created. House did not include. Conference concurred with Senate. (Sec. 301-1)

12. **National Guard Tuition Assistance Program.** Governor and Senate revised performance metric for program from increasing program participation to 1,100 during the fifth year of program to "National Guard members who have received a credential or are still enrolled in the program after their initial term of enlistment with a goal of 55% of program participants". Senate added language requiring a report on program participation, eligible training and educational institutions, and application denials. House revised Governor's language. Conference concurred with Senate. (Sec. 307)
13. **Management and Oversight of State Homes for Veterans.** Governor revised language to require homes to release resident member funds within 30 days of departure rather than within three business days and that a full accounting of deceased member's funds be provided with 30 calendar days, rather than 10 business days. Governor also deleted a requirement requiring a report on CMS and Medicaid certification efforts at homes and an earmark appropriation for a Grand Rapids Home for Veterans video monitoring project. House concurred with Governor. Senate rejected the 30-day requirement for release of funds, and changed it to 15 calendar days. Conference concurred with Senate. (Sec. 402)
14. **Homes for Veterans Quality of Care.** Governor and Senate eliminated Sec. 404 which required that CMS and Medicaid certification efforts result in higher level of care, including a quarterly report to the Legislature. House included revision. Conference concurred with House. (Sec.404)
15. **Michigan Veterans Affairs Agency (MVAA).** Governor and Senate revised language by adding a subsection which requires a report on the percentage of veterans contacted (with a goal of 100%); to coordinate "with" rather than simply coordinate, veteran benefit counselors throughout a region; requiring a report that rather than states the percentage of county counselors requesting training, but the number of percentage trained by the MVAA and the number and percentage received funding from the MVAA to attend training. Governor and Senate also struck a subsection outlining guidelines for targeted grants. House version removes 100% goal. Conference includes goal of 90%. (Sec. 406-1)
16. **Interagency Agreement with Michigan Department of Health and Human Services (DHHS).** Senate added a new section outlining an agreement for the department to take measures to ensure those who have served in the military and found eligible for assistance by DHHS are connected with potential veteran benefits. House did not include. Conference concurred with Senate. (Sec. 409)
17. **New Veterans Cemetery.** House added language requiring the department to conduct a feasibility study concerning the establishment and maintenance of a new military cemetery to be located in the Upper Peninsula. Conference concurred. (Sec.410)
18. **High School Reserve Officer Training Corps (ROTC) Program.** Senate added language directing that funds shall be expended for program and facility improvement for the ROTC program at John J. Pershing High School in the City of Detroit. Conference did not include. (Sec. 601 - FY 2018-19)
19. **Buddy-to-Buddy Program.** Conference included language offering a description of program objectives. (Sec. 601)
20. **Uniform Update.** Conference added language designating funds for updating Air National Guard uniform.
21. **Veterans Benefit Eligibility Study.** Conference included language outlining requirements for a one-time veterans benefit eligibility study. (Sec.603 - FY 2019-20)
22. **Budget Year Two - General Guidelines.** Governor and House eliminated Sec. 701. Senate retained section. Conference concurred with Senate. (Sec. 701)

Date Completed: 9-18-19

Fiscal Analyst: Bruce Baker

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberation.