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

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

BILL ANALYSIS

Senate Bill 88 (S-1 as reported)
Committee: Appropriations

Throughout this document Senate means Appropriations Committee.

			CHANGES FROM FY 2020-21 YEAR-TO-DATE	
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	**FY 2020-21 YEAR-TO-DATE***	**FY 2021-22 SEN. FULL COMM.**	**AMOUNT**	**PERCENT**
FTE Positions	1,052.0	1,054.5	2.5	0.2
GROSS	**228,951,500**	**217,641,100**	**(11,310,400)**	**(4.9)**
Less:				
Interdepartmental Grants Received	101,800	101,800	0	0.0
ADJUSTED GROSS	**228,849,700**	**217,539,300**	**(11,310,400)**	**(4.9)**
Less:				
Federal Funds	123,626,100	120,015,300	(3,610,800)	(2.9)
Local and Private	630,000	640,000	10,000	1.6
TOTAL STATE SPENDING	**104,593,600**	**96,884,000**	**(7,709,600)**	**(7.4)**
Less:				
Other State Restricted Funds	20,313,400	21,336,700	1,023,300	5.0
GENERAL FUND/GENERAL PURPOSE	**84,280,200**	**75,547,300**	**(8,732,900)**	**(10.4)**
PAYMENTS TO LOCALS	**4,136,500**	**4,136,500**	**0**	**0.0**

*As of February 8, 2021.

	Gross	GF/GP
FY 2020-21 Year-to-Date Appropriation	**$228,951,500**	**$84,280,200**
Changes from FY 2020-21 Year-to-Date:		
1. **Chesterfield Township Home for Veterans.** The Governor and Senate recommended funding of $12,394,700 to reflect projected expenses at the new Chesterfield Township Home for Veterans, including $8,525,000 Federal, $2,340,000 restricted, and $1,529,700 GF/GP.	12,394,700	1,529,700
2. **Special Maintenance - National Guard.** The Governor and Senate recommended increasing available Federal authority from $20.0 million to $30.0 million for maintenance, modernization, and environmental projects at various National Guard facilities around the State.	10,000,000	0
3. **Grand Rapids Home for Veterans.** The Governor and Senate recommended one-time funding adjustment with projected expenses at the new Grand Rapids home to continue operations of old building on the campus grounds during transition to the new home, including $1,831,000 Federal, $560,000 restricted, and $4,065,000 GF/GP.	6,456,000	4,065,000
4. **Michigan Veterans Trust Fund.** The Governor and Senate recommended increasing the trust fund revenue authorization to use for trust fund grants and administration (2.0 FTEs).	1,247,200	0
5. **Military Retirement Payments.** The Governor and Senate recommended increasing Military Retirement appropriations by $217,000 GF/GP to meet projected payment obligations for FY 2021-22 of $875,000 GF/GP.	217,000	217,000

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

6. **Test Project Fees.** The Governor and Senate recommended including authorization to receive and spend projected funding from private companies paying to test equipment at State military facilities.	100,000	0
7. **Camp Grayling Morale, Welfare and Recreation Program.** The Governor and Senate recommended the inclusion of restricted funding of $100,000 restricted for a new program to provide for recreational opportunities for National Guard members and their families.	100,000	0
8. **Commander's Cottage at Camp Grayling.** The Governor and Senate recommended including authorization to receive and spend funding of $25,000 restricted from renting the new Commander's Cottage at Camp Grayling, where the Commander pays rent to live, and funding will be used to maintain the building.	25,000	0
9. **Private Funding Authorization for the Michigan Veterans Affairs Agency (MVAA).** The Governor and Senate recommended the authorization to receive and spend $10,000 in private funds authorized for FY 2021-22.	10,000	0
10. **Adjustment for Revenues Received.** The Governor and Senate recommend an adjustment for actual restricted funds projected to be received for FY 2021-22.	(84,000)	0
11. **Veterans Benefits Eligibility Study.** The Governor and Senate recommended the elimination of the one-time appropriation of $250,000 GF/GP from FY 2020-21 for a veterans eligibility study.	(250,000)	(250,000)
12. **Adjustment for FY 2020-21 Supplemental.** A technical adjustment to reflect the passage of FY 2020-21 supplemental appropriations.	(2,859,000)	(2,859,000)
13. **Grand Rapids Home for Veterans Funding Adjustment.** The Governor and Senate recommended a funding adjustment of ($5,240,00) Federal, ($3,200,000) restricted and $1,841,600 GF/GP to reflect ongoing funding necessary for the move to a new Grand Rapids home and its operation.	(6,598,400)	1,841,600
14. **Grand Rapids Home for Veterans FY 2020-21 Transition Costs.** The Governor and Senate recommended the elimination of one-time Grand Rapids Home for Veterans GF/GP needs associated with funding requirements from FY 2020-21.	(13,233,000)	(13,233,000)
15. **Camp Graying National Guard Readiness Center.** The Governor and Senate eliminated funding for the building project, which was funded in its entirety in FY 2020-21 with 100% Federal revenues.	(18,905,000)	0
16. **Unclassified Salaries.** The Governor recommended an increase of $47,000 GF/GP from $1,566,700 GF/GP for FY 2020-21 to $1,613,700 GF/GP for FY 2021-22. Senate did not include increase.	0	0
17. **Economic Adjustments.** Includes $69,100 Gross and ($44,200) GF/GP for total economic adjustments, of which an estimated ($2,487,200) Gross and ($995,800) GF/GP is for legacy retirement costs (pension and retiree health).	69,100	(44,200)
18. **Comparison to Governor's Recommendation.** The Senate is $47,000 Gross and $47,000 GF/GP under the Governor.		
Total Changes	($11,310,400)	($8,732,900)
FY 2021-22 Senate Appropriations Committee Recommendation	**$217,641,100**	**$75,547,300**

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Boilerplate Changes from FY 2020-21 Year-to-Date:

1. **Acronyms and Definitions.** The Governor removed definition of "Subcommittee" and added a definition of "CENA," meaning a competency-evaluated nursing assistant. *Senate concurred by adding "CENA."* (Sec. 203)
2. **Purchase of Goods and Services.** The Governor amended language that required preferences, all things being equal, to purchase USA, Michigan, and veteran-owned business goods and services, by adding "to the extent possible under MCL 18.1261". *Senate retained current year language.* (Sec. 205)
3. **Disciplinary Action.** The Governor recommended elimination of this section, which prohibited action against an employee for communicating with legislative staff. *Senate retained current year language.* (Sec. 206)
4. **Out of State Travel Report.** The Governor amended language by deleting reference to "agencies". *Senate retained current year language.* (Sec. 207)
5. **General Fund Lapse Report.** The Governor amended the language to shift the due date of the report from no later than November 30 to December 30. *Senate retained current year language.* (Sec. 209)
6. **Contingency Fund Transfers.** Senate deleted section allowing for contingency fund legislative appropriations transfers. (Sec.210)
7. **Web-Based Fiscal Status Reporting.** The Governor amended language by changing that the Department shall "cooperate with the SBO" to "shall report to SBO". *Senate retained current year language.* (Sec. 211)
8. **Restricted Fund Balances Report.** The Governor amended language by changing that the Department shall "cooperate with the SBO" to "shall report to SBO". *Senate retained current year language.* (Sec. 212)
9. **Quarterly Employee Status Reports.** The Governor deleted this reporting requirement. *Senate retained current year language.* (Sec. 216)
10. **Work Project Expenditures.** The Governor deleted this section, which required that, to the extent possible, appropriations in part 1 not be spent until all existing work project funds for that same purpose have been spent. *Senate retained current year language.* (Sec. 217)
11. **Administrative Board Transfers.** The Governor deleted this section which allows the Legislature to transfer funds via resolution should the Administrative Board transfer funds. *Senate retained current year language.* (Sec. 218)
12. **Retention of Reports.** The Governor recommended elimination of this section, which requires the Department to receive and retain records. *Senate retained current year language.* (Sec. 219)
13. **Policy Changes Made to Implement Public Acts.** The Governor deleted language that required the Department to report annually on policy changes made to implement recent public acts. *Senate retained current year language.* (Sec. 220)
14. **Payment of Court Judgments.** The Governor deleted language that requires a report of tentative plans of how to pay required court judgments against the Department. *Senate retained current year language.* (Sec. 225)
15. **Test Project Fees.** The Governor and Senate recommended new language that would create a revolving account, in which testing fees received would be deposited and spent in support of program. (Sec. 309)
16. **Morale, Welfare, and Recreation Fund.** The Governor and Senate recommended new language establishing a new fund in the Department of Treasury to be administered by the DMVA, to receive money from any source in support of program operations, which would not lapse to the General Fund at the end of the year. (Sec. 310)
17. **Rental Fees Account.** The Governor and Senate recommended new language that would establish a rental fees account that would not lapse to the General Fund at the end of the year. (Sec. 311)
18. **Receive and Spend Language for Michigan Veterans Affairs Agency.** The Governor recommended new language that would allow the MVAA to receive and spend private funds over and above those appropriated in part 1, and requires a 14-day notification to the Legislature. *Senate did not include this section*. (Sec. 404)
19. **MVAA Outreach Activities.** The Governor recommended removal of a reference to a 2013 strategic plan's performance measure, regional coordinators, reference to an April 1 report deadline, and a requirement to report the number of fully developed claims submitted to the USDVA. *Senate concurred, but retained performance measure reference*. (Sec. 406)

20. **MVAA Grant Disbursements.** The Governor and Senate recommended removing reporting requirements on the number of fully developed claims to the USDVA. (Sec. 407)

21. **Interagency Agreement with the Department of Health and Human Services.** The Governor recommended elimination of this section calling for an interagency agreement to identify Medicaid recipients who may qualify for veterans benefits. *Senate retained current year language.* (Sec. 409)

22. **County Veterans Service Fund.** The Governor recommended adding language which would allow the MVAA to use $200,000 from the Fund for administration and technical assistance to counties. *Senate did not include this section*. (Sec. 410)

23. **Veterans Cemetery Feasibility Study.** The Governor and Senate recommended elimination of this section relating to a study that was to be completed before FY 2021-22. (Sec. 411)

24. **Board of Managers.** The Governor recommended elimination of this section, per the replacement of the Board's role under the Veterans Facility Authority Act. *Senate retained current year language.* (Sec. 451)

25. **Michigan Veterans Facility.** The Governor recommended the elimination of references to the Board of Managers. *Senate retained current year language.* (Sec. 452)

26. **Veterans Homes Quality of Care.** The Governor recommended elimination of this section which calls to "meet or exceed" the Centers for Medicare And Medicaid Services certification standards. *Senate retained current year language.* (Sec. 453)

27. **Veterans Benefit Eligibility Study.** The Governor and Senate recommended the elimination of this section which describes a one-time appropriated study for FY 2020-21. (Sec. 601)

Date Completed: 5-5-21 Fiscal Analyst: Bruce Baker