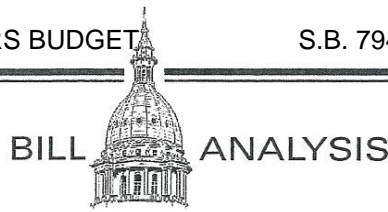




Senate Fiscal Agency
 P.O. Box 30036
 Lansing, Michigan 48909-7536



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

Senate Bill 794 (as introduced)
 Committee: Appropriations

[Vehicle for Governor's Recommendation line items is Senate Bill 823.](#)

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 GOV.'S REC.	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	888.5	888.5	0.0	0.0
GROSS	168,953,700	176,000,200	7,046,500	4.2
Less:				
Interdepartmental Grants Received	99,300	101,800	2,500	2.5
ADJUSTED GROSS.....	168,854,400	175,898,400	7,044,000	4.2
Less:				
Federal Funds.....	90,208,600	91,793,600	1,585,000	1.8
Local and Private	2,237,000	2,265,200	28,200	1.3
TOTAL STATE SPENDING.....	76,408,800	81,839,600	5,430,800	7.1
Less:				
Other State Restricted Funds.....	23,221,500	24,696,000	1,474,500	6.3
GENERAL FUND/GENERAL PURPOSE.....	53,187,300	57,143,600	3,956,300	7.4
PAYMENTS TO LOCALS	102,400	102,400	0	0.0

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

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

1. **Grand Rapids Veterans Home.** Governor 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 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 recommended \$1,120,000 GF/GP to adjust nurse staffing level and renovate home to Medicaid specifications. 1,120,000
4. **Adjustment of Federal Funds Based on Anticipated Revenue.** Governor recommended adjustments to reflect actual funds received, including increases of \$1.5 million for armory operations and \$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
5. **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. 858,400
6. **Veterans Homes' Restricted Fund Shortfall.** Governor 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

7. Elimination of FY 2015-16 One-Time Funding. Governor recommended the elimination of one-time funding of \$3.0 million GF/GP for Special Maintenance -- National Guard.	(3,000,000)
8. Internal Funding Transfers. Governor 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
9. Five-Year Early Out Payouts. Governor 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 (\$25,800) gross, (\$5,600) GF/GP.	(125,800)
10. Adjustment for FY 2015-16 Supplemental. An adjustment to reflect FY 2015-16 supplemental (PA 3 of 2016) which provided \$2.0 million in GF/GP support for National Guard efforts related to the Flint emergency.	(2,000,000)
11. 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
<hr/>	
Total Changes	\$7,046,500
<hr/>	
FY 2016-17 Governor's Recommendation	\$176,000,200
<hr/>	

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

1. **Disciplinary Action.** Governor eliminated language prohibiting action against employee who communicates with Legislature. (Sec. 215)
2. **Core Services List.** Governor amended list of core services by combing the veterans homes' Board of Managers into a single core service. (Sec. 217)
3. **Sale of Property.** Governor struck requirement to give 60-day notice prior to announcement to sell property. (Sec. 233)
4. **Special Maintenance Carry Forward.** Governor struck a section requiring appropriations for Special Maintenance be carried forward at the end of the fiscal year as it is redundant to language found in Sec. 01. (Sec. 234)
5. **Benchmark Language.** Governor removed section requiring an evaluative report on new programs or enhancements totaling \$500,000 or more. (Sec. 240)
6. **Unclassified Positions.** Governor amended list of unclassified employees by removing "Director, Public Safety Group" and add the position of "Chief Executive Officer for Veteran Health System." (Sec. 300)
7. **Starbase Grant.** Governor amended language to designate the educational program to be targeted toward fifth graders as opposed to both fourth and fifth graders. (Sec. 309)
8. **National Guard Tuition Assistance Program.** Governor 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)
9. **Information Technology.** Governor removed boilerplate which provides for IDG-pass through billing for technology services supplied by DTMB. (Sec. 311)
10. **Veterans Service Organization Grants.** Governor amended language by removing a minimum number of service hours (116,500) which is required by Veterans Service Organization Grantees. (Sec. 406)
11. **Michigan Veterans Trust Fund Administration.** Governor 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)

12. **Grand Rapids and D.J. Jacobetti Homes for Veterans.** Governor amended language by combining separate (but duplicate) boilerplate sections for each home into a single controlling section and amended the language as follows: adding language which states that results of the annual USVDA survey and certification as proof of compliance with Federal standards for the homes; removed information concerning the various nursing capacities of the homes; removed requirements of a contractor and the home on the training of competency evaluated nursing assistants (CENA); changed the reporting requirement of the homes compliance with boilerplate requirements including data reporting from quarterly to annually; and adds a new subsection requiring a quarterly report regarding the status of Medicaid certification efforts and progress. (Sec. 501)
13. **D.J. Jacobetti Home for Veterans Medicaid/Medicare Initiative.** Governor 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. Requiring 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 revenues. (Sec. 501a)
14. **Capital Outlay -- Land and Acquisitions.** Governor amended language by removing a subsection, which requires the Department to provide a listing of property sales and acquisitions on a quarterly basis.
15. **FY 2015-16 One-Time Appropriations.** Governor struck section, which provided guidelines for one-time appropriation for Special Maintenance -- National Guard. (Sec. 701)
16. **FY 2016-17 One-Time Appropriations.** Governor added a new section, which provides guidelines for proposed on-time appropriation for armory upgrades for National Guard network connections. (Sec. 701)

Date Completed: 2-18-16

Fiscal Analyst: Bruce R. Baker