



BUDGET PRESENTATION: Military and Veterans Affairs

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Department of Military and Veterans Affairs

The Department of Military and Veterans Affairs (DMVA) serves the dual purpose of providing an operational military force in support of state and federal homeland security needs and providing a network of services and programs in support of the state's veteran population and their families. The department and its budget are divided into three main sections:

- **Michigan National Guard** serves to protect the lives and property of Michigan citizens during times of emergency and civil unrest, and to assist the federal government in defending the sovereign interest of the United States
- **Michigan Veterans Affairs Agency (MVAA)** has oversight responsibility of delivery of services, programs, and grant administration to veterans and veteran organizations
- **Michigan Veterans Facility Authority (MVFA)** is an independent entity within DMVA that operates the state's three veterans homes, previously administered by the MVAA; authority is governed by a nine-member board nominated by the legislature and appointed by the governor

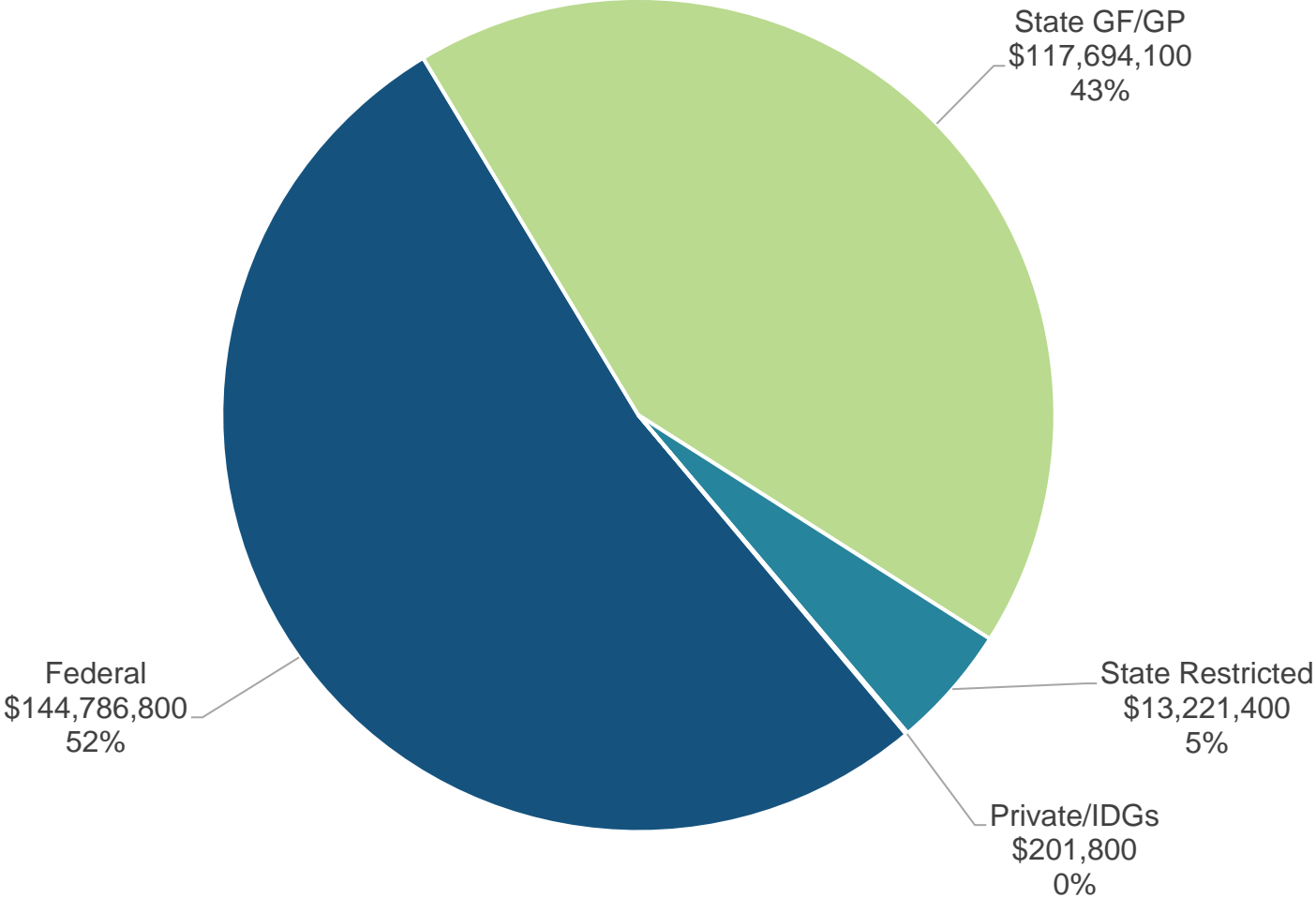
Funding Sources

FY 2024-25 DMVA Budget

Fund Source	Funding	Description
Gross Appropriations	\$275,904,100	Total spending authority from all revenue sources
Interdepartmental Grants (IDG) Revenue	101,800	Funds received by one state department from another state department, usually for services provided
Adjusted Gross Appropriations	\$275,802,300	Gross appropriations excluding IDGs; avoids double counting when adding appropriation amounts across budget areas
Federal Revenue	144,786,800	Federal grant or matching revenue; generally dedicated to specific programs or purposes
Local Revenue	0	Revenue received from local units of government for state services
Private Revenue	100,000	Revenue from individuals and private entities, including payments for services, grants, and other contributions
State Restricted Revenue	13,221,400	State revenue restricted by the State Constitution, state statute, or outside restriction that is available only for specified purposes; includes most fee revenue
State General Fund/General Purpose (GF/GP) Revenue	\$117,694,100	Unrestricted revenue from taxes and other sources available to fund basic state programs and other purposes determined by the legislature

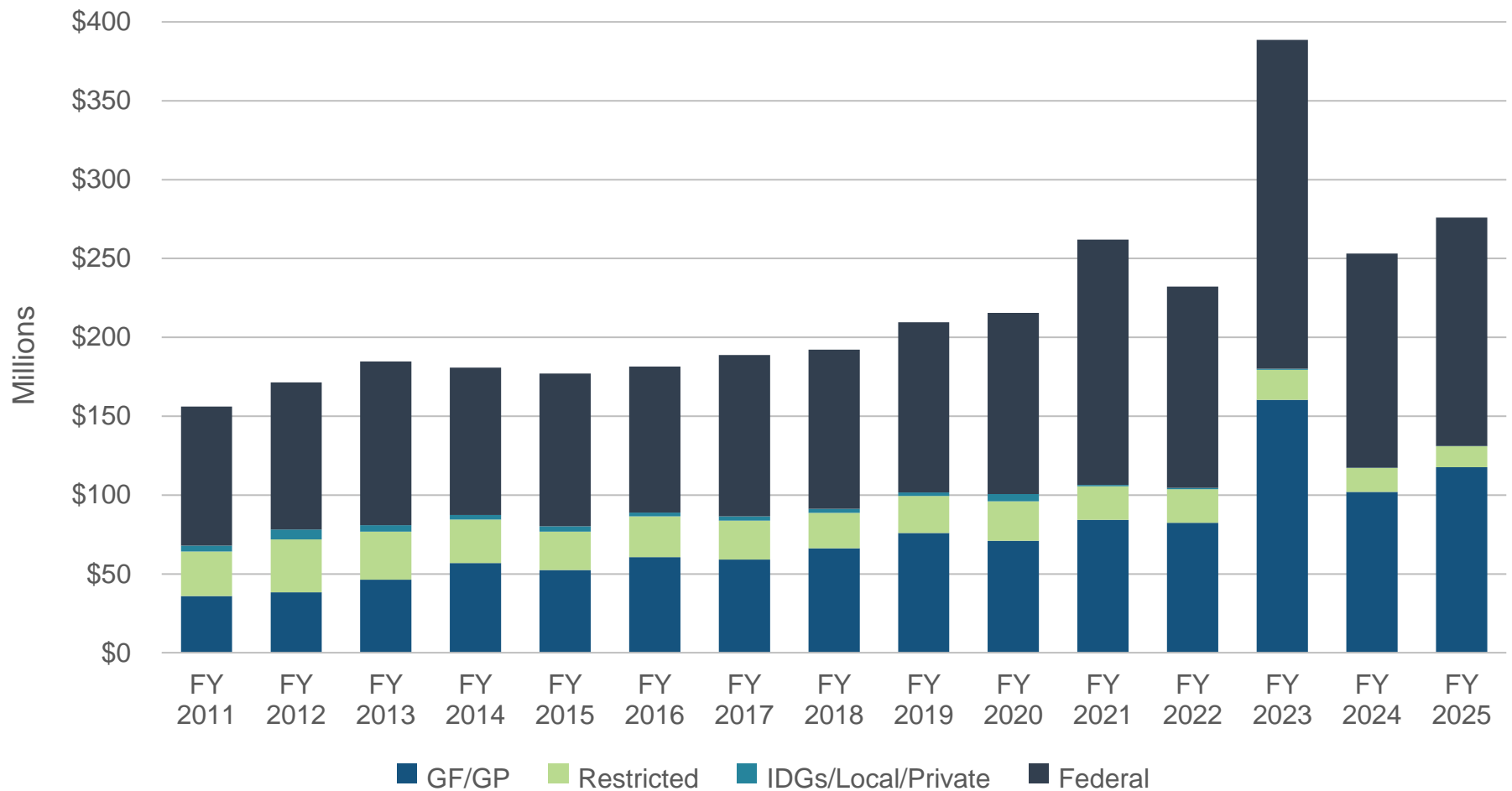
FY 2024-25 Fund Sources

Of the **\$275.9 million** DMVA budget, **52%** is funded with federal revenues, which include matching funds for armory and training site operations and maintenance, the Michigan Youth ChalleNGe Academy (MYCA), the state veterans homes, and the Starbase program.



DMVA Funding History

Since FY 2010-11, Gross appropriations have increased an average of **5.7%** each year. Funding spiked in FY 2020-21 from an increase in COVID-related relief funding and again in FY 2022-23 from **\$150.3 million** in one-time appropriations, \$100.0 million of which was used to support updating armories statewide.



Appropriation Areas

DMVA Appropriation Areas

Military: Unclassified positions, the state's National Guard armories and training facilities, the MYCA and Starbase program, and other National Guard operations.

MVAA: Administration of various support services to veterans and their families including Michigan Veteran Resource Center, military discharge document retrieval, veterans grant programs, and oversight of the MVFA.

MVFA: Administration of the state's three veterans homes and the Grand Rapids veterans cemetery.

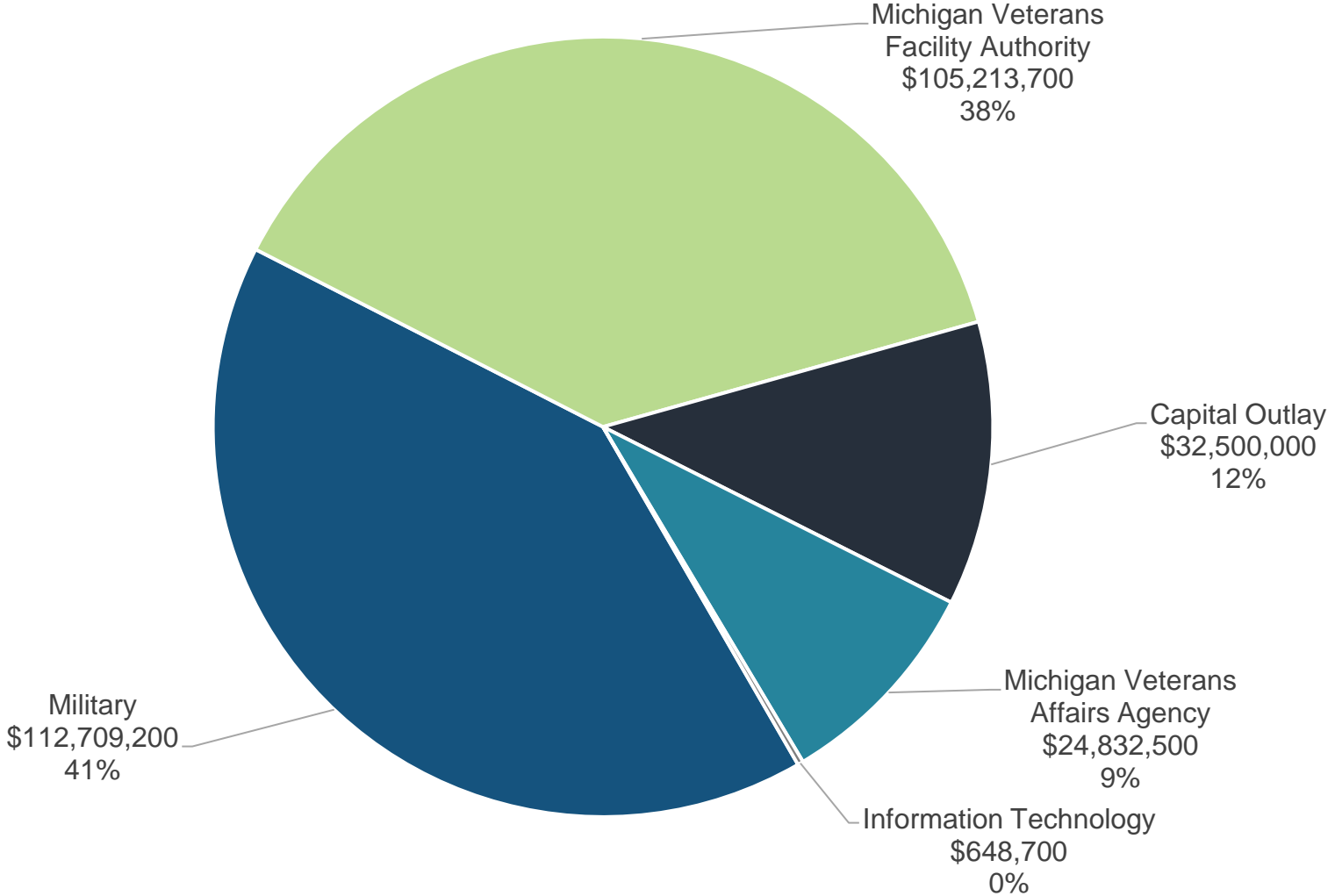
Capital Outlay: Special maintenance projects at National Guard facilities, armories, and state veterans homes.

Information Technology: Provides for the department's IT services and projects.

One-Time Appropriations: Selfridge Air National Guard Base, Eliminating Veteran Homelessness Grants, and Veterans of Foreign Wars (VFW) National Home.

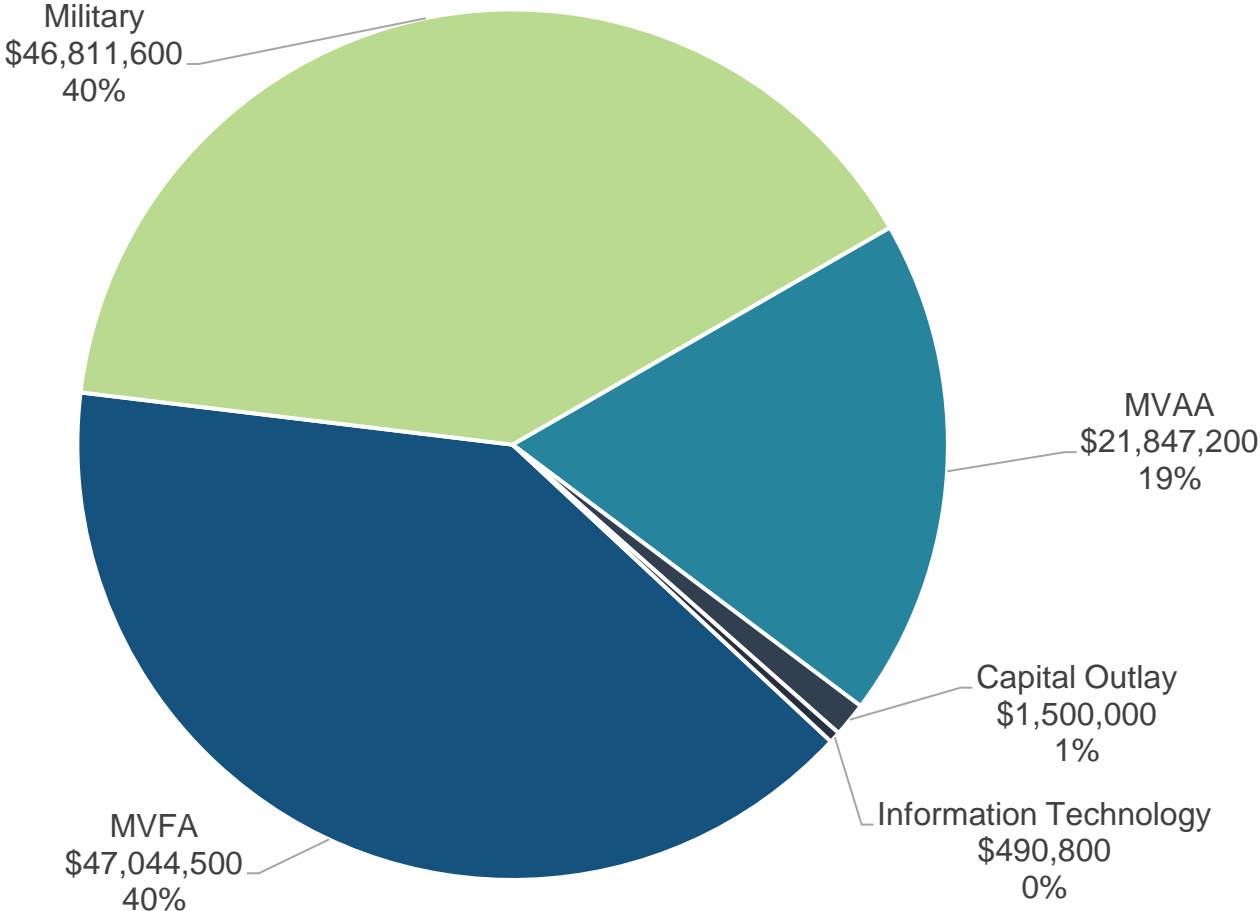
FY 2024-25 Gross Appropriations

Military/National Guard and the MVFA are the two largest appropriation units, each of which make up over one-third of the department's budget. Of the Capital Outlay unit, **63%** is federal funding that supports maintenance at National Guard facilities statewide.



FY 2024-25 GF/GP Appropriations

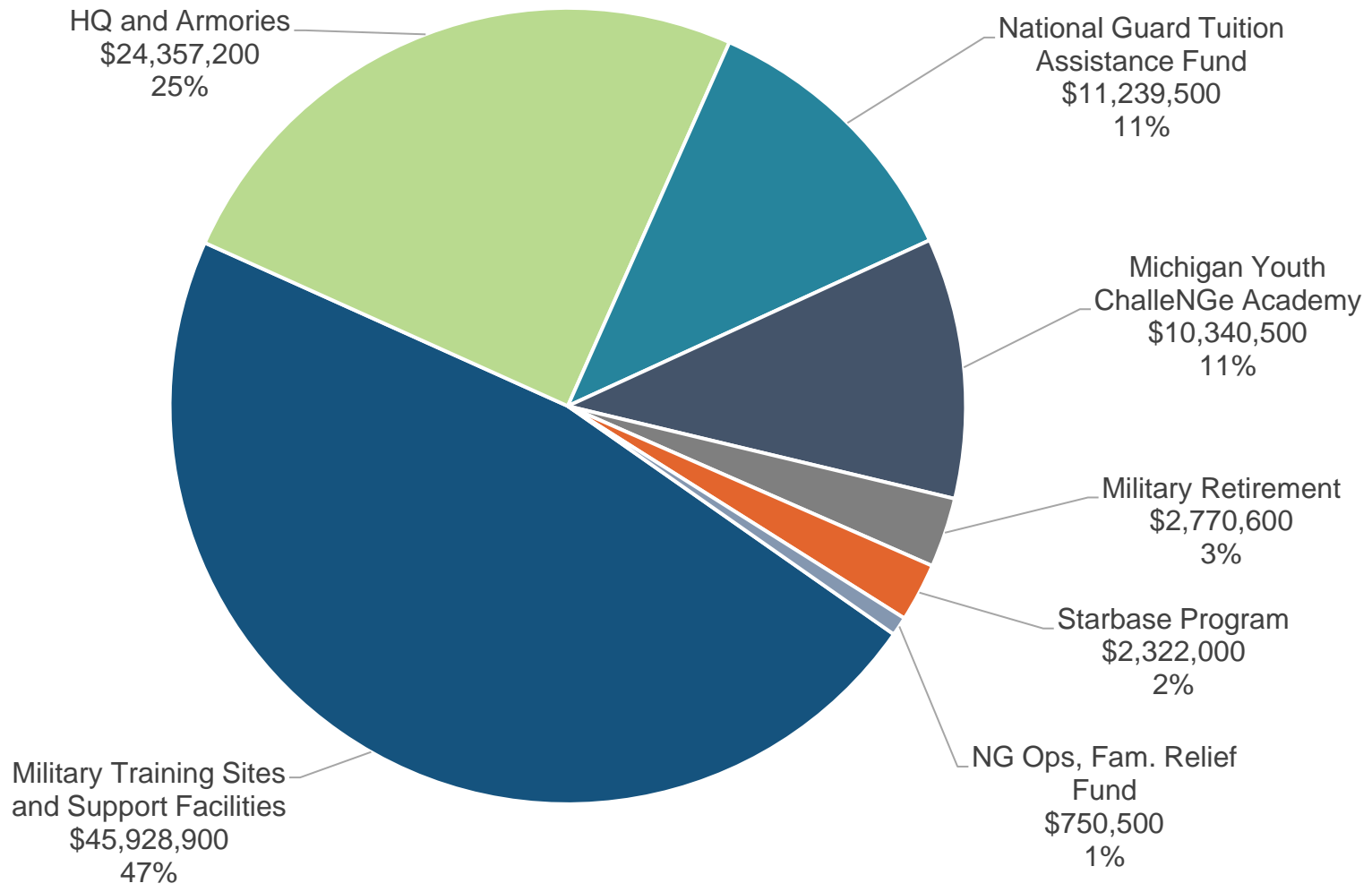
Of GF/GP funds totaling **\$117.7 million**, approximately **80%** (**\$93.9 million**) is allocated to the MVFA and Military/National Guard. This includes one-time appropriations of **\$15.0 million** to improve infrastructure at Selfridge Air National Guard Base, **\$2.5 million** to provide grant assistance to homeless veterans, and **\$1.5 million** to support the Veterans of Foreign Wars National Home in Eaton Rapids.



Major Budget Topics

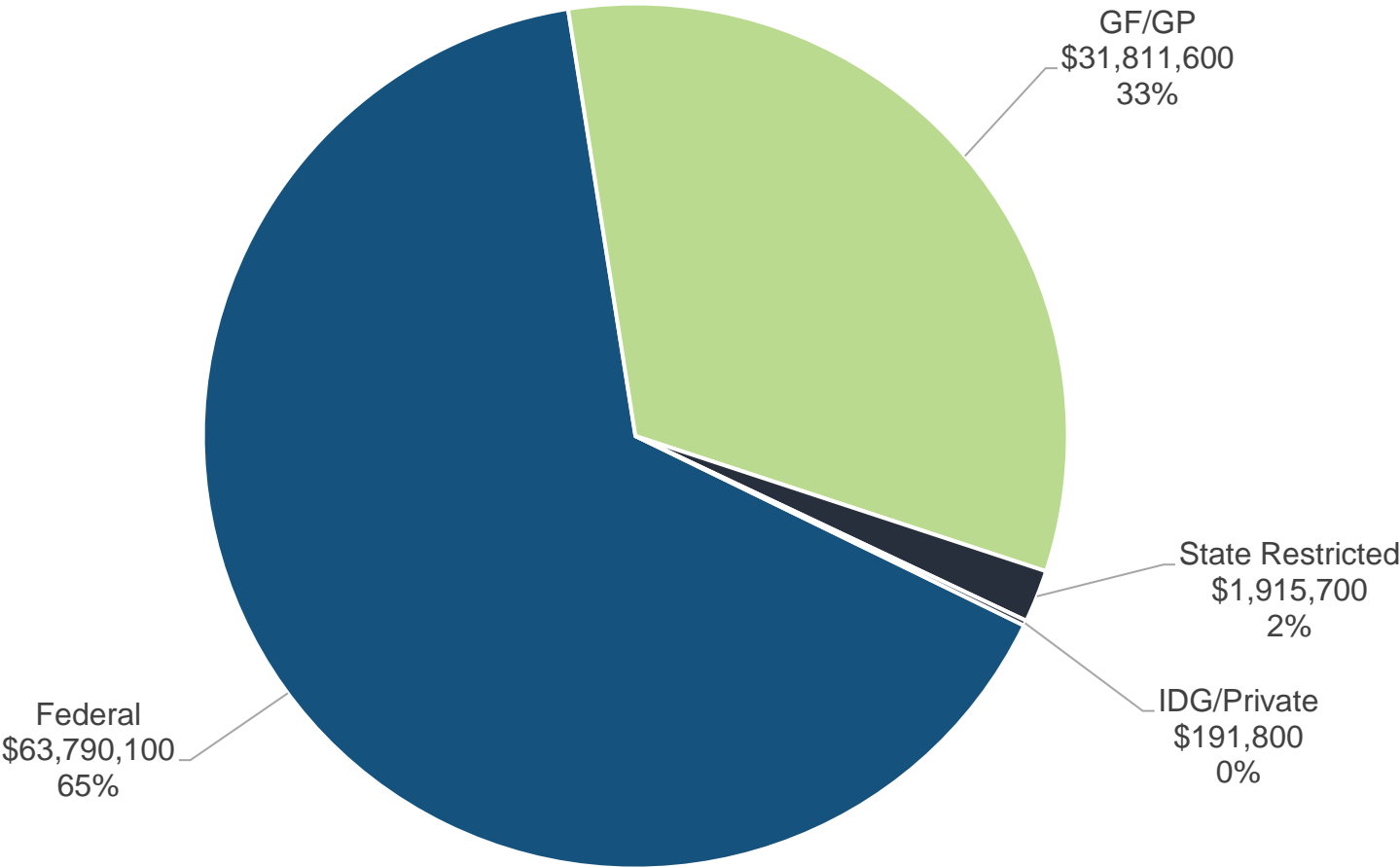
FY 2024-25 Military Appropriations

Funding for Military Training Sites and Support Facilities is **47%** of the **\$97.7 million** Gross appropriation for the Military appropriation unit. Support for these facilities, the National Guard headquarters, and state armories accounts for more than two-thirds of the Military appropriation unit.



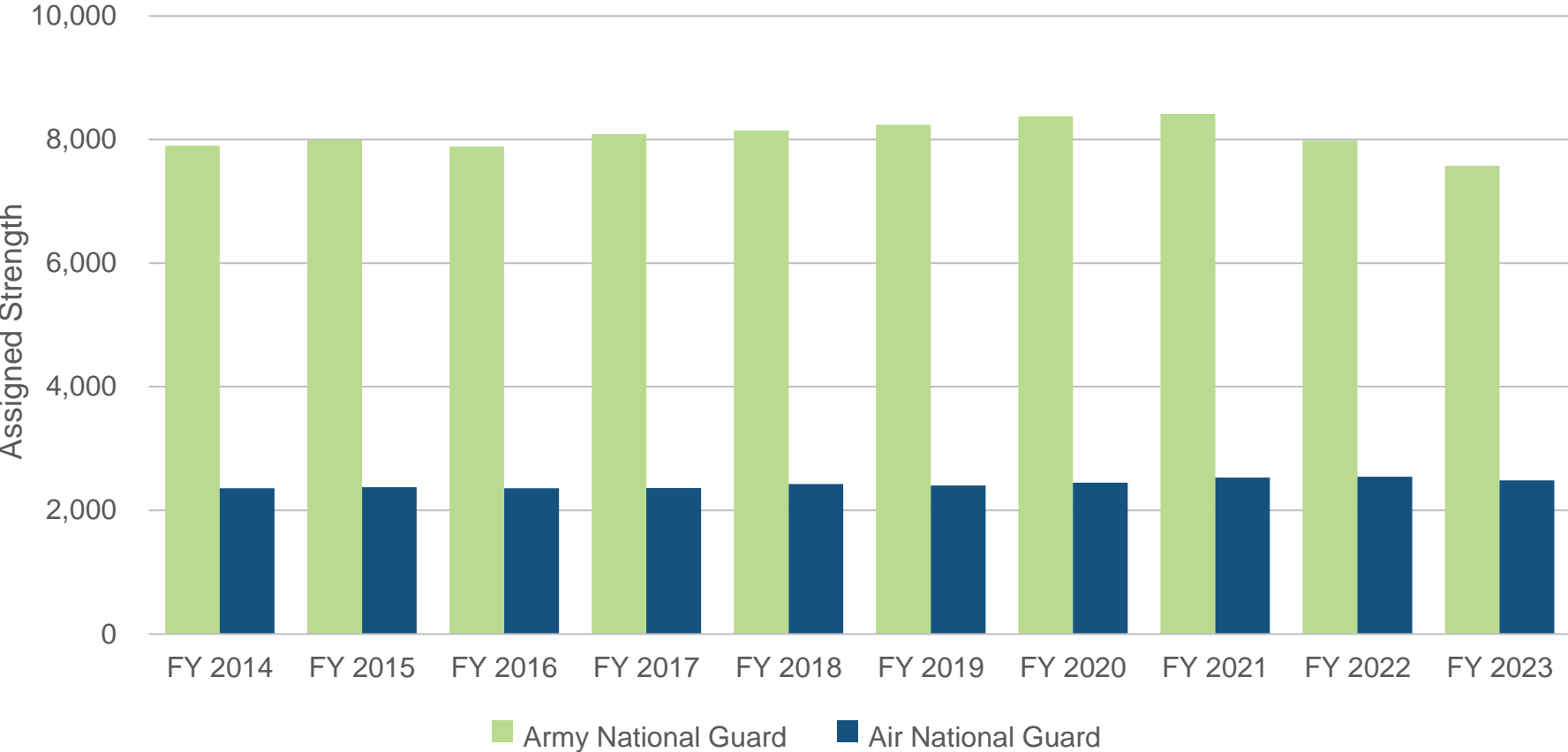
FY 2024-25 Military Fund Sources

Federal grant and matching revenue from the U.S. National Guard Bureau makes up two-thirds (**\$63.8 million**) of total fund sources for the Military appropriation unit, with GF/GP revenues comprising nearly all of the remaining third. Revenue from the state Billeting Fund, which supports lodging for military members performing training or other official duties, comprises **72% (\$1.4 million)** of state restricted funding.



Michigan National Guard – Assigned Strength

In FY 2022-23, total assigned strength in the Michigan National Guard decreased for a second consecutive year driven largely by a **11%** decrease in the Army National Guard since FY 2020-21. Army National Guard retention was at approximately **75%** of its performance goal in FY 2022-23 but was higher than those of Illinois, Indiana, Ohio, and Wisconsin.



Selfridge Air National Guard Base

- Joint military community located in Macomb County that houses the 127th Wing, which includes a squadron of 18 A-10 Warthog fighters and eight KC-135 Stratotankers
- Ongoing construction projects are focused on shifting the runway north, away from the AICUZ that covers residential homes along the Clinton River south of the base
- Recent funding for infrastructure improvements at Selfridge include:
 - FY 2022-23 - **\$9.3 million**
 - FY 2023-24 - **\$11.5 million** and 13.0 FTE positions
 - FY 2024-25 - **\$15.0 million**

National Guard Education Programs

- **Michigan Youth ChalleNGe Academy (MYCA)** is a voluntary, boot camp-style program for at-risk 16- to 18-year-olds
 - Two 22-week residential programs per calendar year, after which graduates receive a 12-month post-residential mentoring phase through the Michigan Job ChalleNGe (MJC)
 - In CY 2024, MYCA produced 236 graduates in total (111 went on to graduate from the MJC)
 - FY 2024-25 appropriation is **\$10.3 million** (\$3.4 million GF/GP)
- **STARBASE** is a federal program targeted at disadvantaged or at-risk 5th grade students designed to promote STEM literacy and life skills
 - Since FY 2010, the program has received approximately **\$2.3 million** annually in federal spending authorization
 - Serves approximately 1,500 students annually

Michigan National Guard State Tuition Assistance Program (MINGSTAP)

- Created by 2014 PA 259 to support tuition assistance and reimbursement for eligible Michigan National Guard soldiers and airmen pursuing any course of study intended to culminate in any of the following:
 - Vocational training, technical training, or a certificate (up to **\$6,000**)
 - The member's first associate degree or bachelor's degree (up to **\$14,400**)
 - The member's first master's degree (up to **\$6,000**)
- Additional **\$5.0 million** GF/GP was appropriated in FY 2023-24 to support the extension of benefits to spouses and dependents under 2023 PA 33
- Michigan National Guard Tuition Assistance Fund balance is capped at **\$15.0 million** and excess funds lapse at the end of the fiscal year

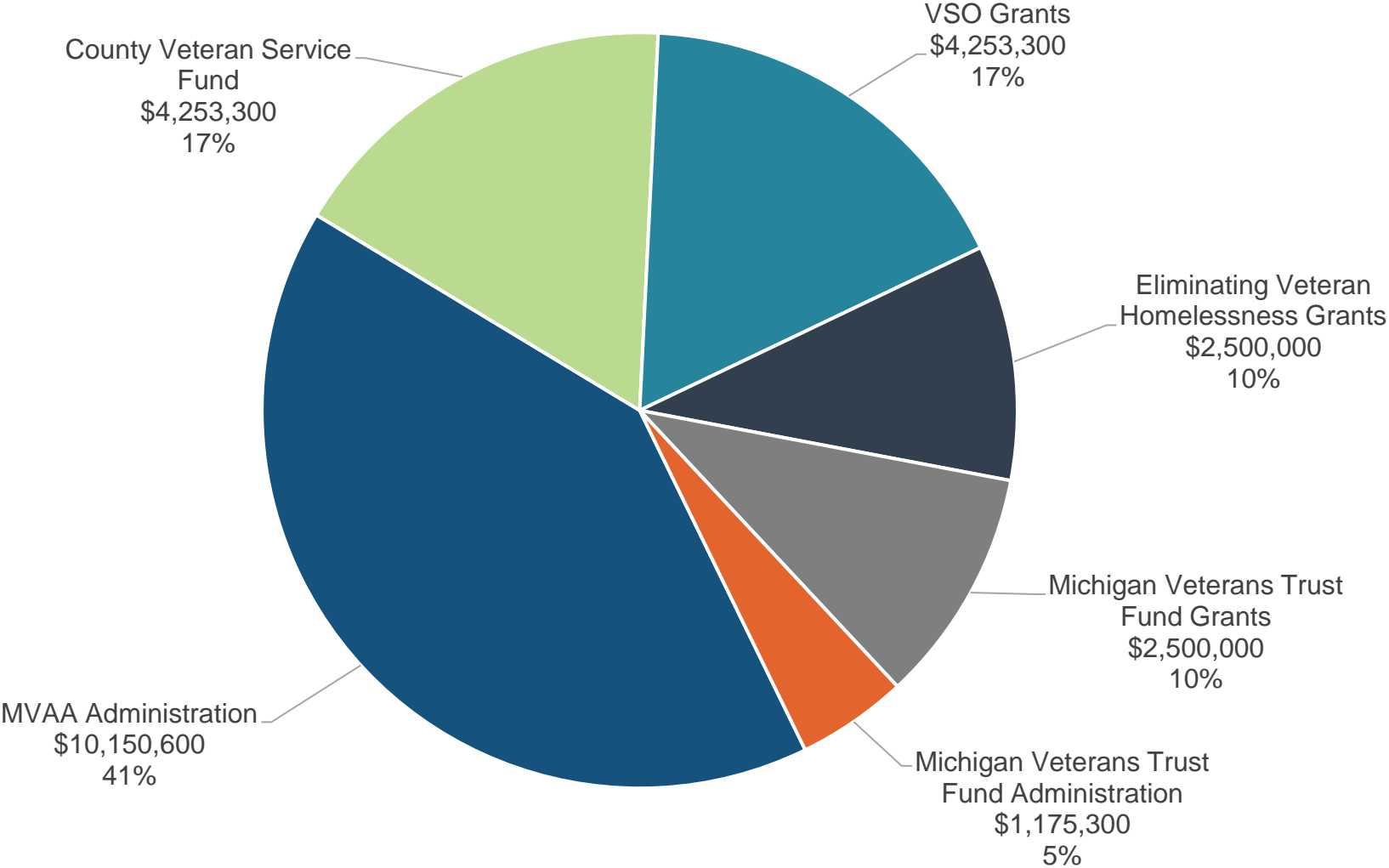
MINGSTAP Participation and Per-Student Costs

FY	Air Guard	Army Guard	Total Participation*	Est. Total Cost Per Student
2016	174	503	677	\$5,432
2017	183	922	1,105	\$5,646
2018	350	1,301	1,651	\$3,856
2019	402	1,268	1,670	\$3,981
2020	477	1,244	1,721	\$3,379
2021	367	1,091	1,458	\$3,408
2022	322	945	1,267	\$4,497
2023	314	859	1,173	\$4,287
2024	276	782	1,058	\$6,916

* Participation figures represent the total number of applications received, including those that were rejected or did not receive payment due to eligibility requirements.

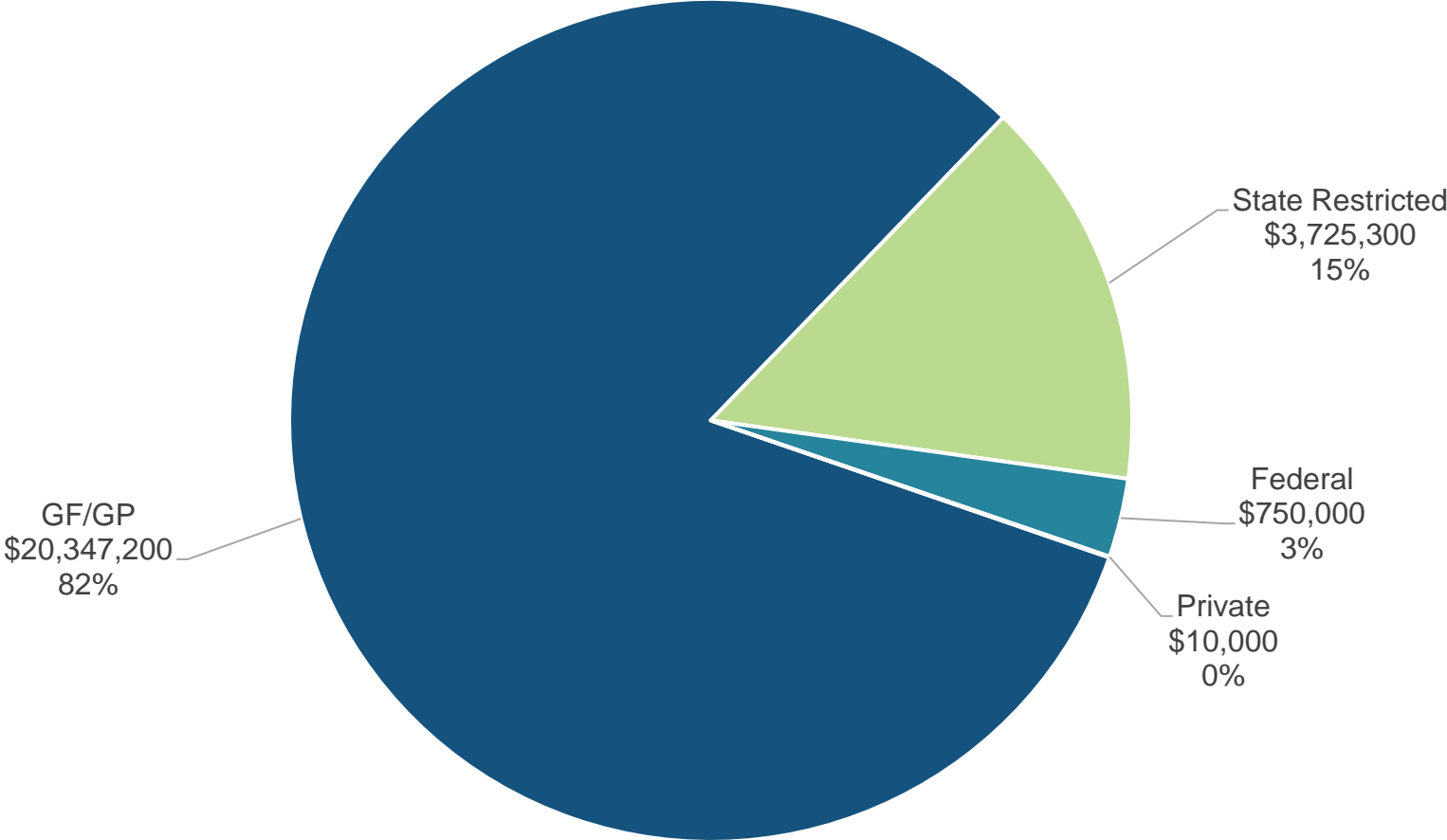
FY 2024-25 MVAA Appropriations

The total appropriation for MVAA is **\$24.8 million**, of which **\$13.5 million (54%)** is spent on veterans grants. Of the remaining funds, **\$10.2 million** is allocated to MVAA and **\$1.2 million** is appropriated to the Michigan Veterans Trust Fund to support each entity's administrative costs.



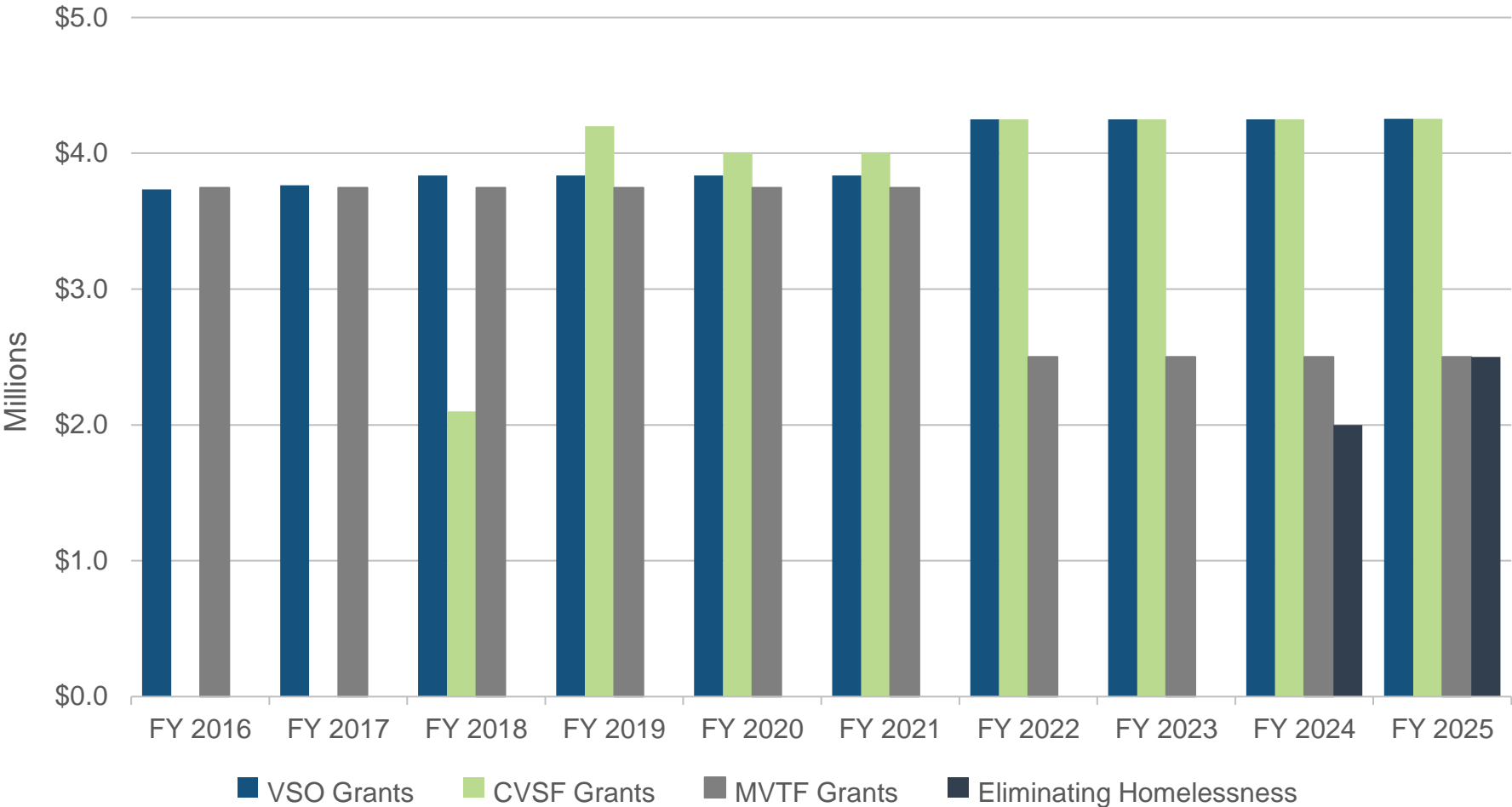
FY 2024-25 MVAA Fund Sources

GF/GP appropriations comprise **82%** of total funding for MVAA, of which **\$10.2 million (46%)** supports operational costs and **\$2.5 million (12%)** is allocated for Eliminating Veteran Homelessness Grants. Nearly all state restricted funding is appropriated for Veterans Trust Fund grants and related administrative costs.



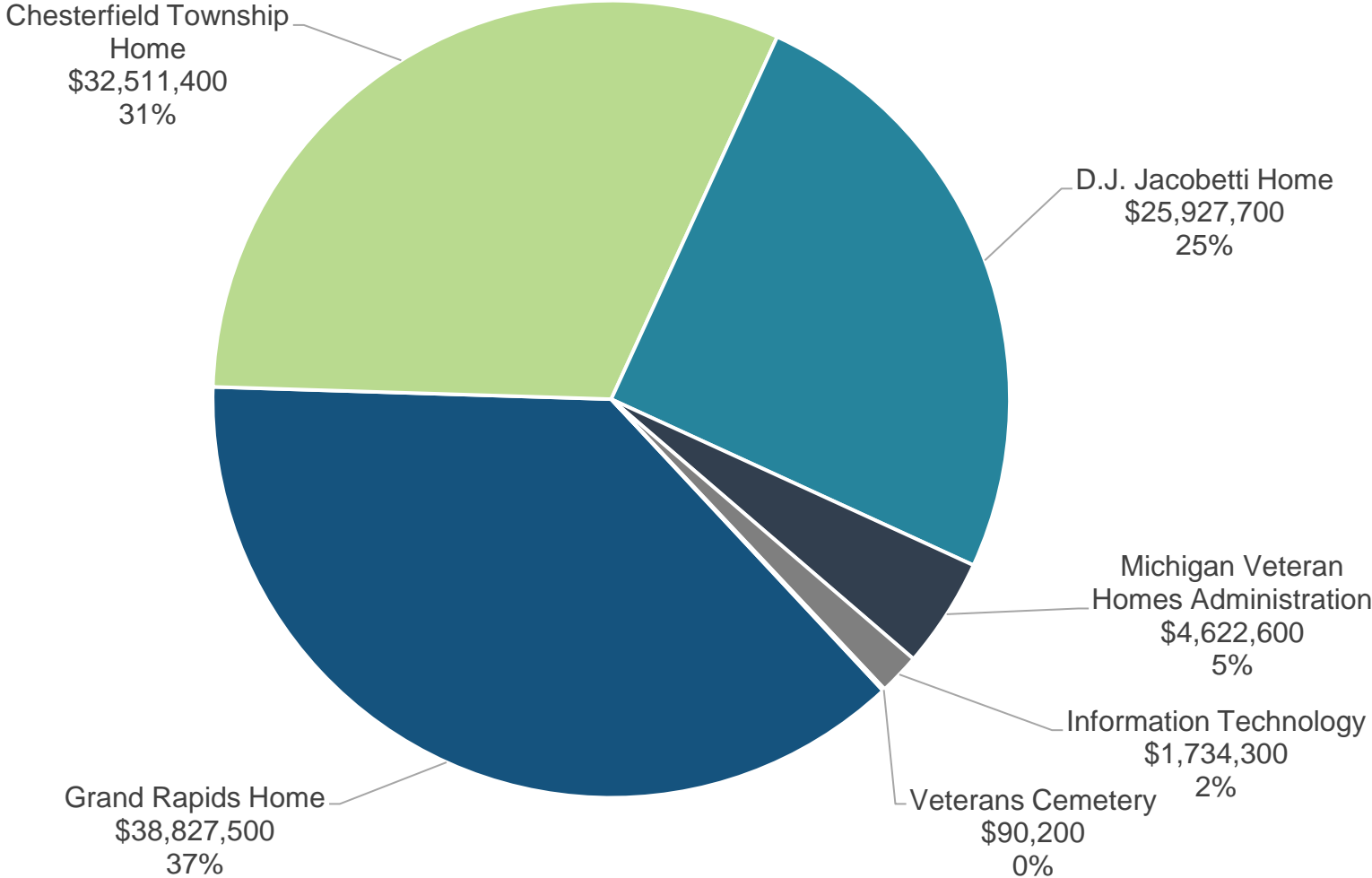
Veterans Grants

MVAA administers three veteran grant programs: Veteran Service Grants, County Veteran Service Grants, and Eliminating Veteran Homelessness Grants. Michigan Veteran Trust Fund grants are distributed by an independent, governor-appointed board of trustees established by the Michigan Constitution.



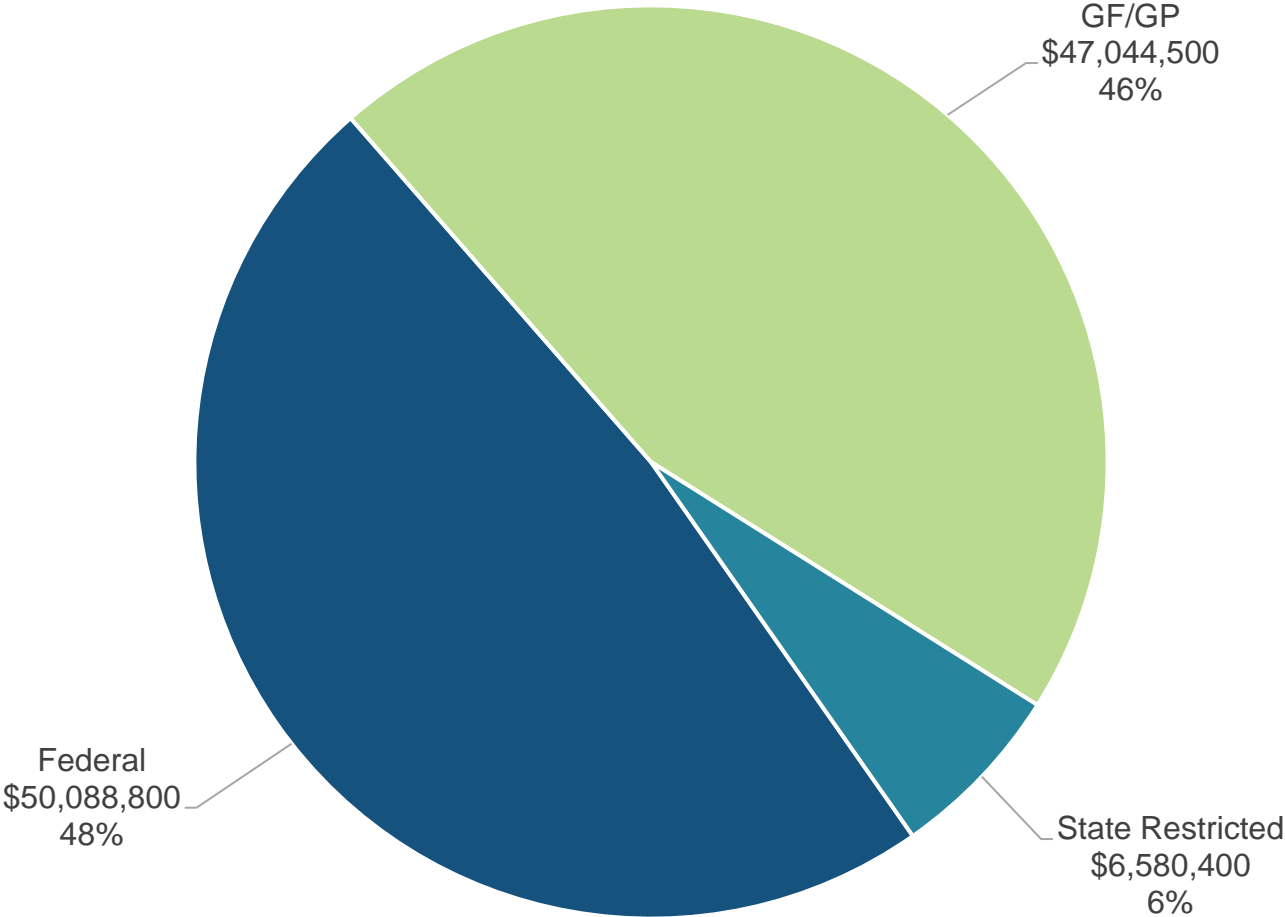
Michigan Veterans Facility Authority

Established by 2016 PA 560, the Michigan Veterans Facility Authority (MVFA) oversees the state's three veterans homes and the Michigan Veteran Homes Administration, as well as the Grand Rapids Veterans Cemetery. Together, the homes receive **94% (\$97.3 million)** of funds allocated to the MVFA.



FY 2024-25 MVFA Fund Sources

Taken together, **\$50.1 million** in federal funds from the Veterans Health Administration and Health Care Finance Administration and **\$47.0 million** in GF/GP funds make up nearly **94%** of MVFA's Gross appropriation. The unit's remaining funding comes from **\$6.6 million** in state restricted revenue received from income-based assessments paid by residents of veterans homes or their families.

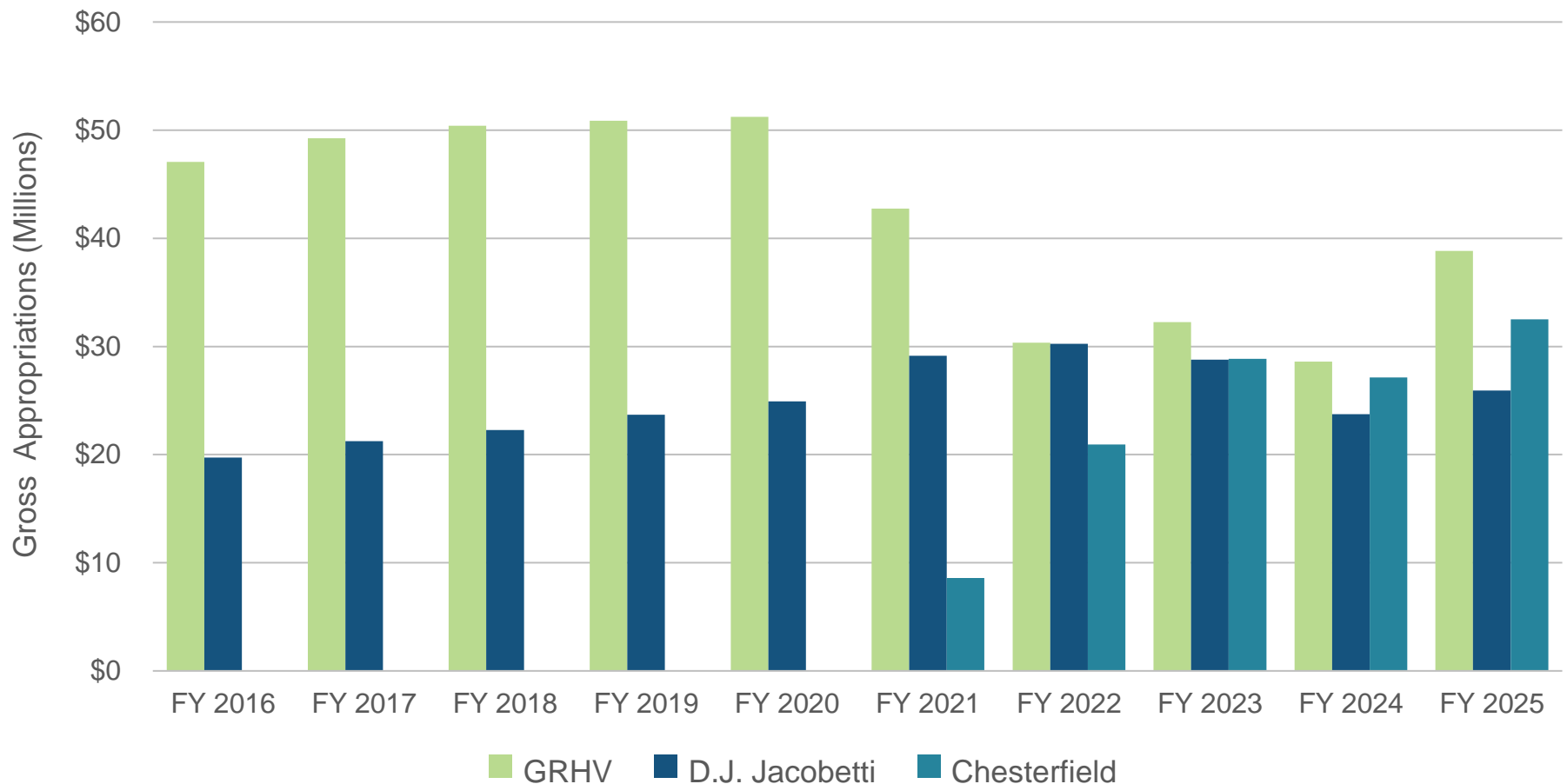


FY 2024-25 Federal Funds for Veterans Homes

Home	USDVA-VHA	HHS-HCFA	
		<i>Medicare, Hospital Insurance</i>	<i>Title XIX, Medicaid</i>
Chesterfield Twp.	\$15,770,400	\$370,800	\$2,271,000
D.J. Jacobetti	\$12,231,800	\$564,500	\$2,319,500
Grand Rapids	\$11,309,200	\$803,100	\$3,877,600
Total	\$39,311,400	\$1,738,400	\$8,468,100

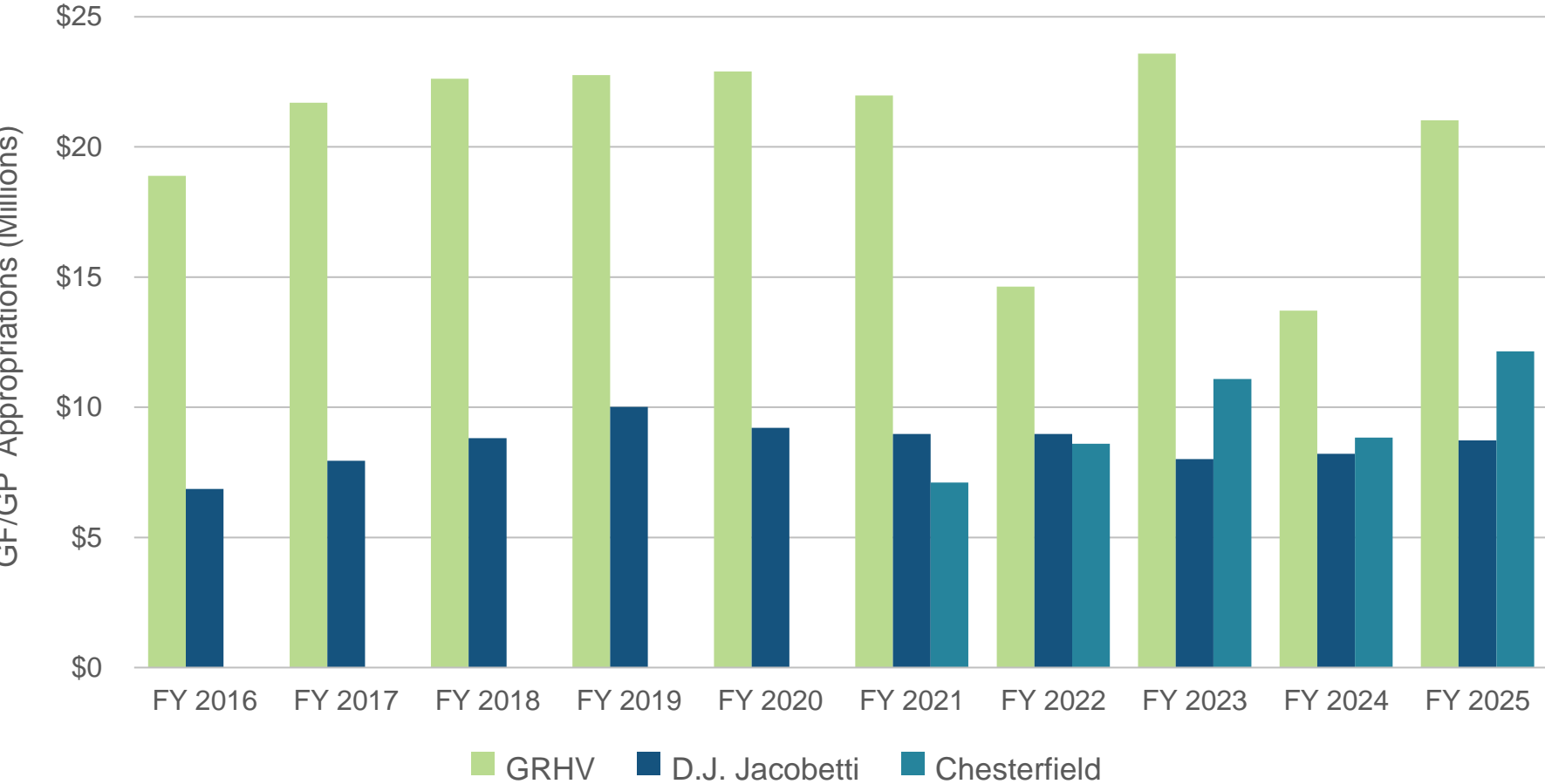
Veterans Homes Gross Appropriations

Gross appropriations for the Grand Rapids and D.J. Jacobetti homes peaked in FY 2019-20 due to an influx of COVID-related federal funding. Gross appropriations have since decreased by **32%** for the GRVH and **17%** for the Jacobetti home, reflecting lower censuses, transitions to smaller facilities, and the opening of the Chesterfield Township home in FY 2020-21. Gross appropriations for the Chesterfield home have since increased by **74%** due to membership growth and receiving full federal funding.



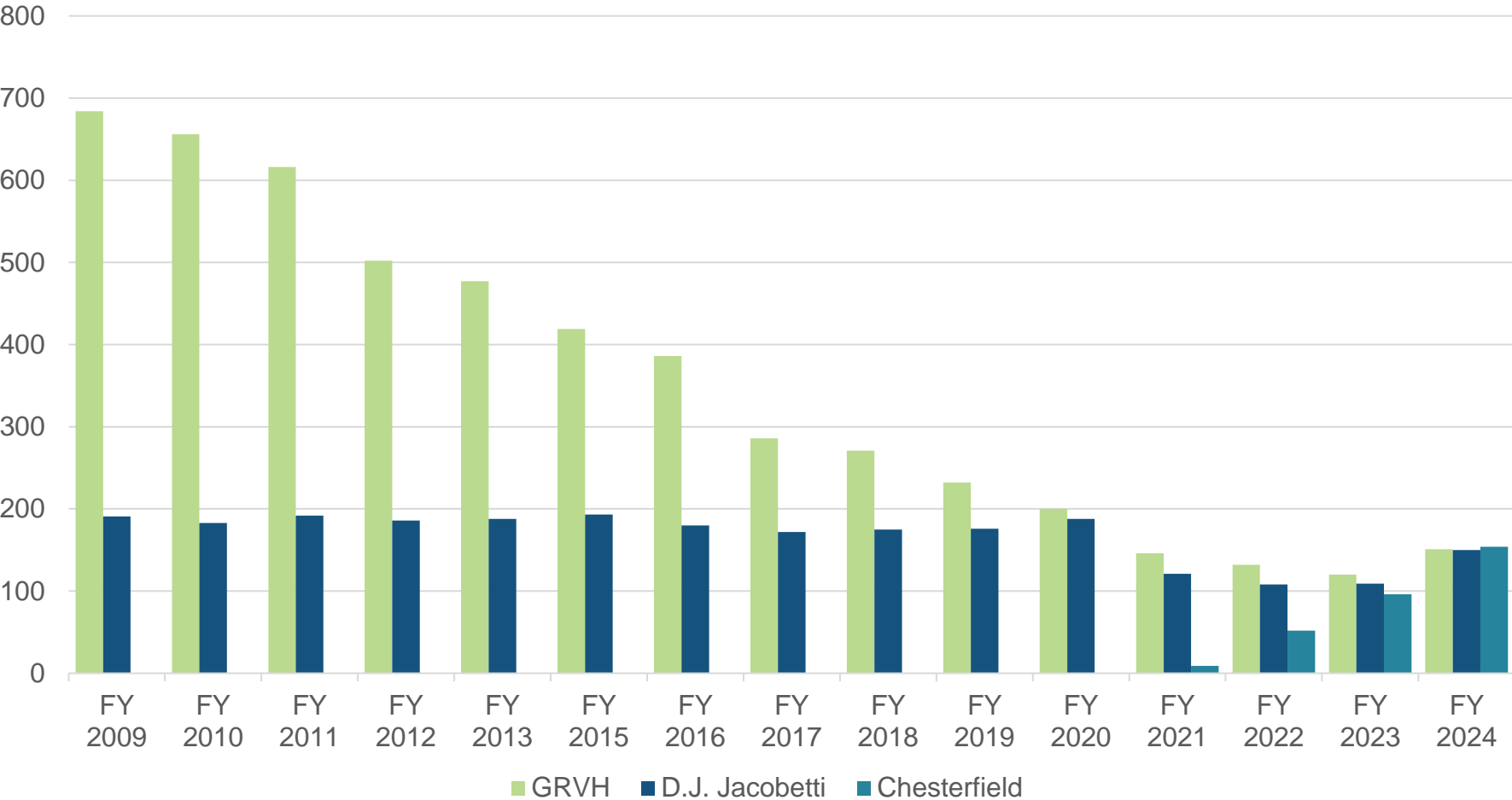
Veterans Homes GF/GP Appropriations

MVFA relies on GF/GP appropriations to offset reduced federal per diem revenues and factors that reduce state restricted revenue, such as the inability of some veterans to pay assessment fees. In FY 2022-23, additional GF/GP funding was appropriated to the Chesterfield home (\$4.6 million) and Grand Rapids home (\$8.5 million) under 2023 PA 321 to account for budget shortfalls caused by increased expenses from state employee staff shortages.



Veterans Homes Population

Total veteran membership across the homes decreased by **48%** between FY 2008-09 and FY 2023-24. In FY 2023-24, all three homes experienced moderate population growth, and the Chesterfield home reached a member population comparable to the other two homes for the first time since opening in FY 2020-21.



Other Appropriation Areas

- The Capital Outlay appropriation unit includes **\$32.5 million** (\$1.5 million GF/GP) for special maintenance projects at National Guard armories, training sites, support facilities, and the state's veterans homes, as well as for the acquisition of land for future development as a MNG facility
- The Information Technology appropriation unit includes **\$648,700** (\$490,800 GF/GP) for various departmentwide projects
- FY 2024-25 one-time appropriations total **\$19.0 million GF/GP** and include funding for Selfridge ANGB, Eliminating Veteran Homelessness Grants, and the VFW National Home in Eaton Rapids

For more information about the Military and Veterans Affairs budget:

HFA Resources

<http://www.house.mi.gov/hfa/Militaryandvetaffairs.asp>

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