

**Summary: Executive Budget Recommendation
for Fiscal Year 2025-26
MILITARY AND VETERANS AFFAIRS**



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| | FY 2024-25 Year-to-Date as of 2/5/25 | FY 2025-26 Executive | Difference: FY 2025-26 vs. FY 2024-25 | |
|-------------------|--|-------------------------|--|------------|
| | | | Amount | % |
| IDG/IDT | \$101,800 | \$101,800 | \$0 | 0.0 |
| Federal | 144,786,800 | 148,840,000 | 4,053,200 | 2.8 |
| Local | 0 | 0 | 0 | - |
| Private | 100,000 | 100,000 | 0 | 0.0 |
| Restricted | 13,221,400 | 12,953,500 | (267,900) | (2.0) |
| GF/GP | 117,694,100 | 131,084,800 | 13,390,700 | 11.4 |
| Gross | \$275,904,100 | \$293,080,100 | \$17,176,000 | 6.2 |
| FTEs | 1,060.0 | 1,065.0 | 5.0 | 0.5 |

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Military and Veterans Affairs (DMVA) provides for the operations of the Michigan National Guard in support of military and security needs of the state and federal government. The department, through the Michigan Veterans Affairs Agency, oversees state programs for veterans, grants to veterans service organizations, the County Veteran Service Fund, and the Michigan Veterans Trust Fund. The department also houses the independent Michigan Veterans Facility Authority, which manages and operates the state's three veterans homes.

| Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations | FY 2024-25 YTD (as of 2/5/25) | Executive Change from YTD |
|--|--|--|
| 1. Selfridge Air National Guard Base | Gross | \$15,000,000 |
| Provides \$26.0 million one-time GF/GP to continue infrastructure improvements related to the runway placement project at Selfridge Air National Guard Base to attract new aircraft flying missions. This is \$11.0 million more than the \$15.0 million one-time GF/GP provided in FY 2024-25 for the same purpose. | GF/GP | \$15,000,000 |
| | | \$11,000,000 |
| 2. National Guard Member Benefits Program | FTE | NA |
| Restructures \$11.3 million GF/GP and 3.5 FTE positions from the Michigan National Guard State Tuition Assistance Program (MINGSTAP) line item, and 4.0 FTE positions from the Military Training Sites and Support Facilities line item, into the new Michigan National Guard Member Benefit Program line item. This line item would cover both MINGSTAP and a new program (pending statutory changes) that would provide a child care subsidy for Michigan National Guard members during annual and weekend drilling. Also authorizes an additional 4.0 FTE positions to administer the child care program. | Gross | NA |
| | GF/GP | NA |
| | | \$0 |
| 3. State Veterans Cemetery | Gross | \$0 |
| Provides \$5.0 million one-time GF/GP to support land acquisition, design, and engineering costs for a state veterans cemetery in Crawford County. | GF/GP | \$0 |
| | | \$5,000,000 |
| 4. Military Retirement | Gross | \$2,770,600 |
| Reduces authorization by \$185,000 GF/GP for the Military Retirement System to align funding with anticipated retirement obligations based on annual actuarial valuation of military retirement pension benefits. | GF/GP | \$2,770,600 |
| | | (\$185,000) |

| Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations | | FY 2024-25 YTD (as of 2/5/25) | Executive Change from YTD |
|---|--------------|--|--|
| 5. Departmentwide Audit Support | FTE | 0.0 | 1.0 |
| Authorizes \$175,000 GF/GP and 1.0 FTE position to provide audit support for the department, including supporting internal controls, audit response, and reviews of program processes and procedures. | Gross | \$0 | \$175,000 |
| | GF/GP | \$0 | \$175,000 |
| 6. Removal of FY 2024-25 One-Time Appropriations | Gross | \$4,000,000 | (\$4,000,000) |
| Removes \$4.0 million GF/GP of one-time funding that was included in the FY 2024-25 budget to support the following: | GF/GP | \$4,000,000 | (\$4,000,000) |
| <ul style="list-style-type: none"> • Veteran Homelessness Elimination Grants (\$2.5 million GF/GP) • Veterans of Foreign Wars National Home (\$1.5 million GF/GP). | | | |
| 7. Technical Adjustments | Gross | NA | \$2,775,000 |
| Includes \$2.8 million Gross for adjustments to federal and state restricted fund sources to align Michigan Veterans' Facility Authority authorization with changing cost factors for the state's veteran homes, including shifting membership and changes in per diem rates paid by the U.S. Department of Veterans Affairs. | Federal | NA | 3,054,400 |
| | Restricted | NA | (279,400) |
| | GF/GP | NA | \$0 |
| Also includes the following internal net-to-zero transfers to align funding and FTE authorization with department activity: | | | |
| <ul style="list-style-type: none"> • Transfers \$40,000 GF/GP from the Grand Rapids Home for Veterans main operating line item to the Veterans Cemetery line item to align authorization with projected expenditures • Transfers \$107,000 GF/GP from the Michigan Veterans Affairs Agency to the Headquarters and Armories line item to cover additional billed costs for services provided by the Department of Technology, Management, and Budget Accounting Service Center. | | | |
| 8. Economic Adjustments | Gross | NA | \$2,411,000 |
| Reflects increased costs of \$2.4 million Gross (\$1.4 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. | Federal | NA | 998,800 |
| | Restricted | NA | 11,500 |
| | GF/GP | NA | \$1,400,700 |

Major Boilerplate Changes from FY 2024-25

Sec. 206. Disciplinary Action Against State Employees – DELETED

Prohibits department from taking disciplinary action against employees in the state classified civil service for communicating with legislators or their staff; stipulates disciplinary action may be taken if the communication is prohibited by law and disciplinary action is exercised as authorized by law.

Sec. 210. Contingency Authorization – REVISED

Authorizes appropriation of up to \$8.6 million in federal, \$1.1 million in state restricted, \$250,000 in local, and \$100,000 in private contingency funds; authorizes expenditure of funds only after legislative transfer to specific line items. Executive revises to increase federal authorization up to \$10.0 million and state restricted authorization up to \$2.0 million.

Sec. 212. State Restricted Funds Report – DELETED

Requires department and State Budget Office to report on state restricted fund balances, projected state restricted fund revenues, and state restricted fund expenditures.

Sec. 219. Receipt and Retention of Required Reports – DELETED

Requires department to receive and retain copies of all reports required; requires federal and state guidelines to be followed for short-term and long-term retention of records; authorizes department to electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 220. Reporting Requirement on Policy Changes – DELETED

Requires department to report on policy changes made in order to implement enacted legislation that affects the department.

Major Boilerplate Changes from FY 2024-25

Sec. 222. Access to State and Local Services – DELETED

Prohibits appropriations from being used to restrict or impede marginalized community's access to government programs; requires local governments to report on actions that attempt to restrict duties of local health officers.

Sec. 224. Intention to Sell Department Property – DELETED

Requires department to provide a 60-day notice of intent to sell property.

Sec. 225. Biannual Reporting on Achieving Requirements – REVISED

Requires department to provide biannual reports on status of work projects, financial status, and employment levels. Executive deletes reporting on employment levels.

Sec. 230. Authorization to Reallocate State Fiscal Recovery Funds – DELETED

Requires state budget director to ensure that all State Fiscal Recovery Funds (SFRF) are expended by December 31, 2026; authorizes state budget director to reallocate funds to fully utilize SFRF that are in jeopardy of not meeting expenditure deadline; requires state budget director to notify appropriations committees not later than 10 business days after making any reallocations.

MILITARY

Sec. 301. Unclassified Positions – REVISED

Appropriates funding to support unclassified positions; requires department to notify subcommittees prior to submitting requests for additional unclassified positions or requests for substantive changes to duties of existing unclassified positions; requires annual report listing current unclassified positions with official titles and responsibilities. Executive deletes notification requirement and modifies report date.

Sec. 307. National Guard Tuition Assistance Program – REVISED

Requires department to establish and maintain tuition assistance program for members of Michigan National Guard and other eligible members as defined in 2014 PA 259; states program's objectives, performance metrics, and reporting requirements. Executive deletes the National Guard Tuition Assistance Fund balance reporting requirement and language appropriating those funds for expenditure in light of proposed Sections 314 and 315.

Sec. 314. National Guard Child Care Assistance Program – NEW

Requires department to maintain a child care assistance program for Michigan National Guard (MNG) members (pending statutory change); requires annual report on number of eligible members receiving a child care stipend and the total number of MNG members by service branch, the number of children for whom a stipend is paid and the associated number of hours paid by service branch, the hourly rate paid, program expenditures paid for child care stipends, program expenditures paid for administrative costs, and any other pertinent information on the program's operations.

Sec. 315. National Guard Member Benefit Fund – NEW

Requires funds appropriated for the Michigan National Guard Member Benefits Program to be deposited into the restricted Michigan National Guard Member Benefit Fund (pending statutory change) and that those funds be appropriated and available for expenditure for the Michigan National Guard Tuition Assistance Program and the Michigan National Guard Child Care Assistance Program (pending statutory change); requires annual report on revenues, expenditures by program, and starting and year-end balances of the fund.

MICHIGAN VETERANS AFFAIRS AGENCY

Sec. 404. MVAA Private Donations – REVISED

Authorizes receipt of private donations to MVAA in excess of funds appropriated and permits expenditure of those funds for purpose designated by donor, if specified; authorizes unexpended donations to not lapse to general fund and carry forward to subsequent fiscal year; requires annual report of donations under \$10,000 and notification to legislature within 14 days of donations of \$10,000 or more; requires all private donations to be used for the benefit and life enrichment of veterans. Executive deletes the reporting requirement for private donations of \$10,000 or greater.

Sec. 406. MVAA Outreach Services – REVISED

Requires MVAA to provide outreach services to veterans, communicate information on available VA benefits, process requests for military discharge documents, and assist in processing claims for VA benefits; requires annual report providing estimate of state's homeless veterans population. Executive deletes reporting requirements for homeless veterans and modifies reporting requirements for outreach services and outcomes.

Major Boilerplate Changes from FY 2024-25

Sec. 410. MVAA and County Counseling Services – REVISED

Requires MVAA to assist veterans in filing claims for VA benefits; establishes a capacity metric of 500 claims per year; requires biannual data on number and type of claims activities; requires MVAA to provide training to county veterans counselors (CVCs); establishes performance metrics for training and CVC-filed claims for VA benefits; requires annual reports on number and percentage of CVCs requesting training by MVAA; authorizes up to \$100,000 to be expended to provide legal services to represent veterans benefit cases before federal courts in order to maintain accreditation by VA. Executive deletes staffing and resource requirements and modifies reporting requirements for county veterans counselor training.

Sec. 411. Grants to Veterans Service Organizations – REVISED

Requires MVAA to provide competitive grants to veterans service organizations (VSOs) using a regional service delivery model and lists requirements for the competitive grant process; requires quarterly reports from grantees on claims and services provided; requires grant recipients to meet performance metrics, specifies basic parameters of grant agreement; requires MVAA to report on grant activities; appropriates funding to cover administrative costs; authorizes unexpended funding as work project. Executive revises to create the Veterans Service Fund in Treasury to establish, award, and administer grants to congressionally-chartered VSOs, as well as to provide for necessary administrative and implementation costs incurred by the MVAA.

Sec. 415. MVAA Veteran Homelessness Study – REVISED

Requires MVAA to complete study that includes analysis of scope of veteran homelessness in Michigan, identification of challenges to securing housing for homeless veterans, and recommendations for future partnerships and actions that will assist in eliminating veteran homelessness while minimizing additional costs to local units of government. Executive revises to require MVAA to include the estimated number of homeless veterans by county and the agency's activities in the previous fiscal year to support homeless veterans or eliminate veteran homelessness.

Sec. 416. Suicide Prevention Research Contracts and Grants – DELETED

Authorizes department to contract with or provide grants to local health care providers to accelerate research and deployment of treatments for suicide prevention that have been granted breakthrough therapy designation by United States Food and Drug Administration; authorizes department to partner with Department of Health and Human Services to facilitate and administer program.

MICHIGAN VETERANS' FACILITY AUTHORITY

Sec. 501. Private Donations to Veteran Homes – REVISED

Appropriates money privately donated to this state's veterans homes and permits its use for the purpose designated by private donor if used for the benefit and life-enrichment of veterans; requires annual report on the amount of private donations received by department; requires department to notify the legislature within 14 days of receiving donations of \$10,000 or more; authorizes unexpended private donations to not lapse to the general fund and to carry forward to the subsequent fiscal year; requires annual report providing the amount of private donations and the purpose for which the funds will be expended; requires additional report within 14 days after receiving a private donation greater than or equal to \$10,000. Executive deletes reporting requirement for private donations of \$10,000 or more.

Sec. 505. Member Care Standards – DELETED

Requires Michigan Veteran Homes to provide all veterans homes members board-certified psychiatric care, safe and secure environment, and to ensure veterans homes develop, execute, and monitor all comprehensive care plans in accordance with federal regulations and internal policies.

Sec. 507. Posting to Public Website – REVISED

Requires Michigan Veteran Homes to post on website all adopted policies related to administrative operations of a veterans home, agenda and minutes of MVFA board meetings, copy of each veterans home's USDVA State Veteran Home quarterly report; requires bimonthly reports on details of care hours and finances; requires MVH to report and post online results of any annual or for-cause survey conducted by an overseeing entity of veterans homes with any corresponding corrective action plan; requires MVFA to provide a report detailing strategies and actions taken to maximize revenues from non-GF/GP sources and cost saving strategies. Executive replaces posting requirement for each veterans home's USDVA State Veteran Home quarterly report with statistics and information that demonstrate the performance of the state's homes compared to available state and national veterans home or nursing homes.

Sec. 511. MVFA Internal Allocation of Federal Revenues – NEW

Authorizes the department, upon approval from the State Budget Director, to align appropriations of federal fund sources with revenue; prohibits changes that would produce a gross increase or decrease in the total authorization for individual MVFA line-item appropriations; requires quarterly report on actions taken under this section.

Major Boilerplate Changes from FY 2024-25

ONE-TIME APPROPRIATIONS

Sec. 701. Eliminating Veteran Homelessness Grants – DELETED

Requires MVAA to create and operate grant program to provide grants not to exceed \$250,000 to non-profit organizations to provide, or assist in providing, housing for homeless veterans and their families; requires report summarizing grant program activities and expenditures; defines "veteran" and "homeless"; designates unexpended funds as work project appropriation.

Sec. 703. State Veterans Cemetery – NEW

Requires one-time funds to be used to acquire or to designate state land as state veterans cemetery and for supporting costs of engineering, designing, conducting environmental impact studies, preparing land, expenses for applying for and receiving federal funds, and other ongoing expenses of operating the state veterans cemetery.

Supplemental Recommendations for FY 2024-25 Appropriations

**FY 2024-25
Recommendation**

1. Marquette Veterans Home Land Acquisition

Authorizes spending of \$4.5 million in federal funds by the Michigan Veterans' Facility Authority to purchase land for the new veterans home located near Marquette.

| | |
|--------------|--------------------|
| Gross | \$4,526,200 |
| Federal | 4,526,200 |
| GF/GP | \$0 |