



# **Budget Briefing: Military and Veterans Affairs**

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# Briefing Topics

- Funding Sources
- Appropriation Areas
- Major Budget Topics

# 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

# Key Budget Terms

**Fiscal Year:** The state's fiscal year (FY) runs from October to September. FY 2024-25 is October 1, 2024 through September 30, 2025.

**Appropriation:** Authority to expend funds. An appropriation is not a mandate to spend. Constitutionally, state funds cannot be expended without an appropriation by the legislature.

**Line Item:** Specific appropriation amount that establishes spending authorization for a particular program or function in a budget bill.

**Boilerplate:** Specific language sections in a budget bill that direct, limit, or restrict line item expenditures, express legislative intent, and/or require reports.

**Lapse:** Appropriated amounts that are unspent or unobligated at the end of a fiscal year. Appropriations are automatically terminated at the end of a fiscal year unless designated as a multi-year work project under a statutory process. Lapsed funds are available for expenditure in the subsequent fiscal year.

Note: Unless otherwise indicated, historical budget figures in this presentation have not been adjusted for inflation.

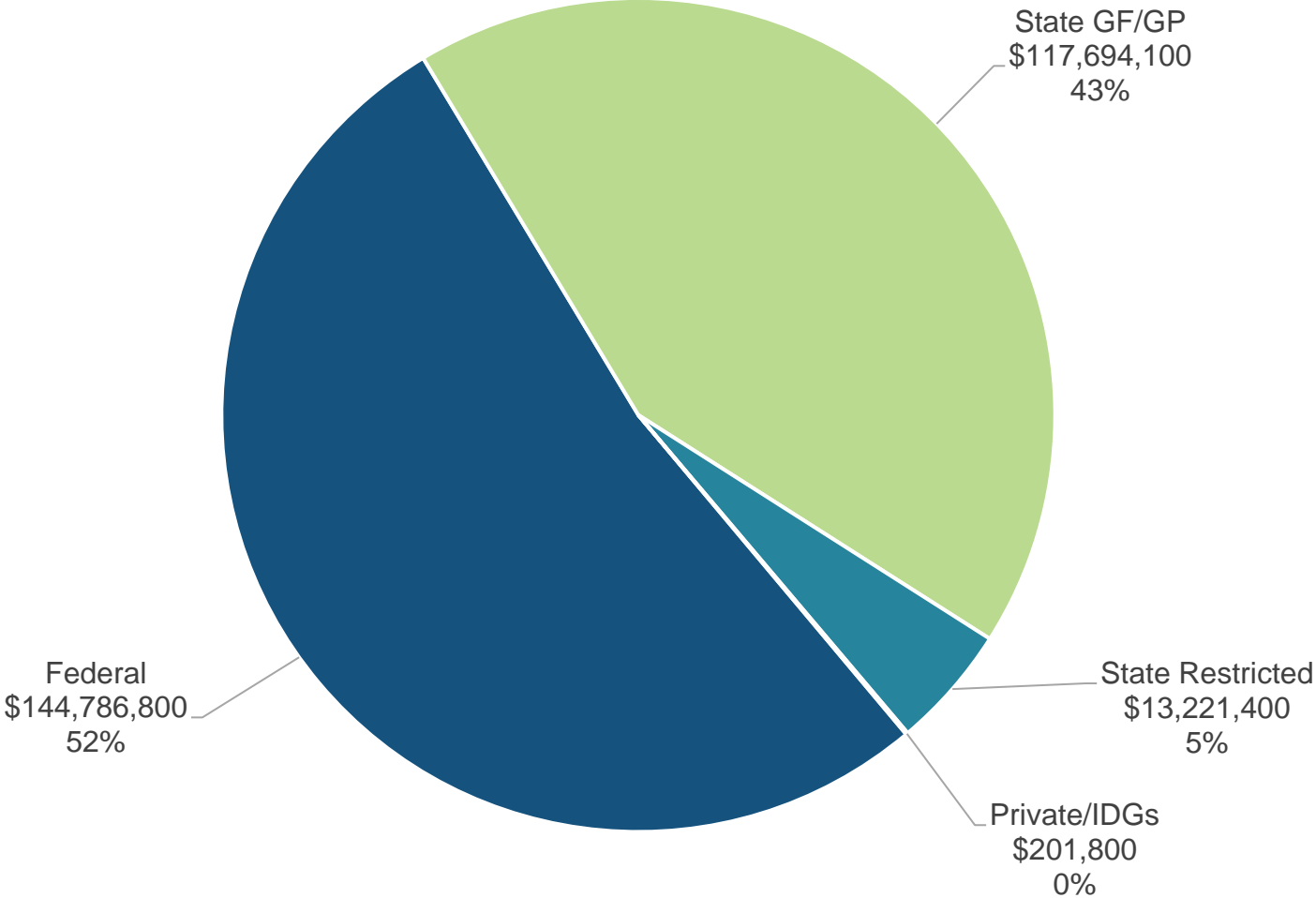
# Funding Sources

# 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

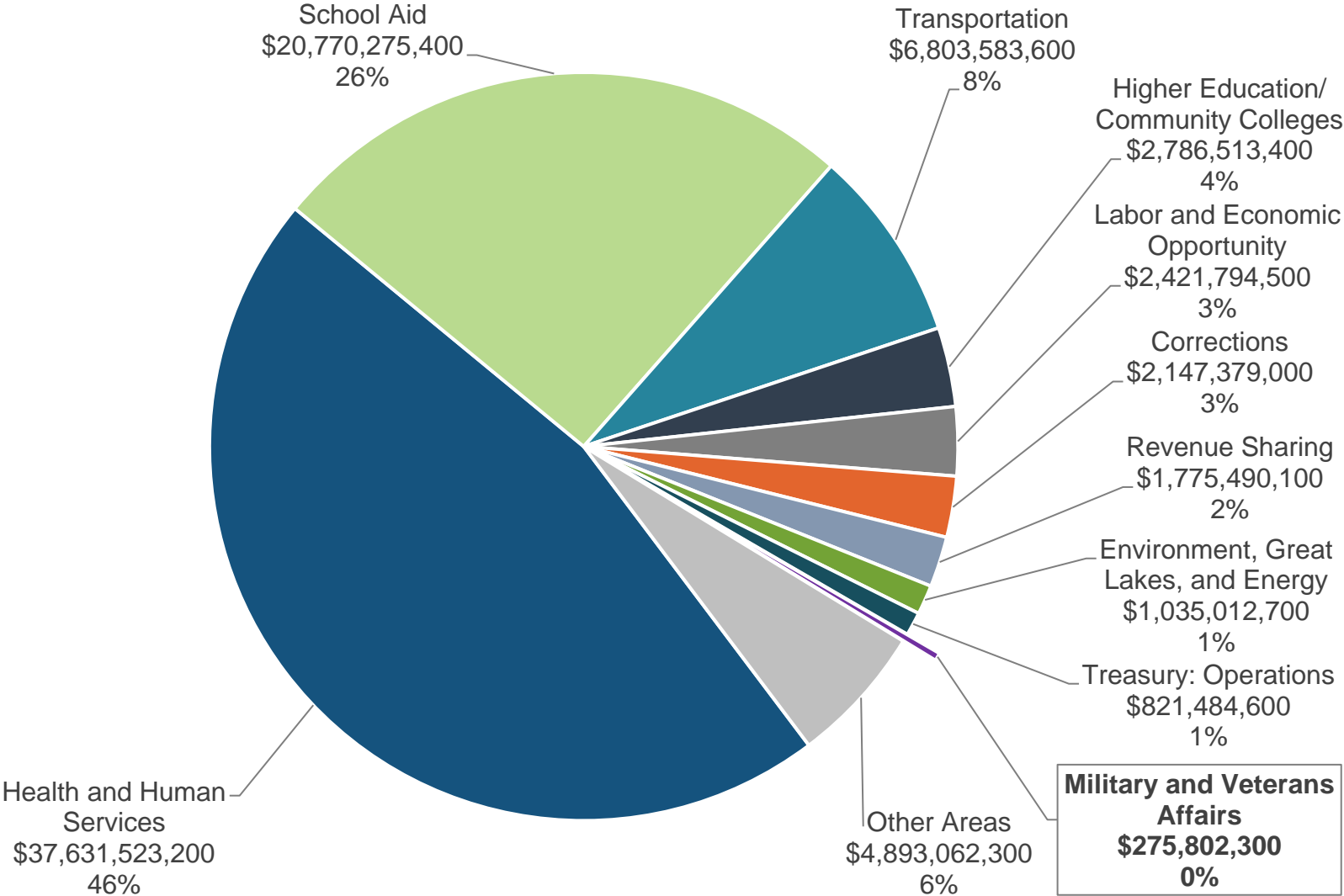
# FY 2024-25 Fund Sources

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 Share of Total State Budget

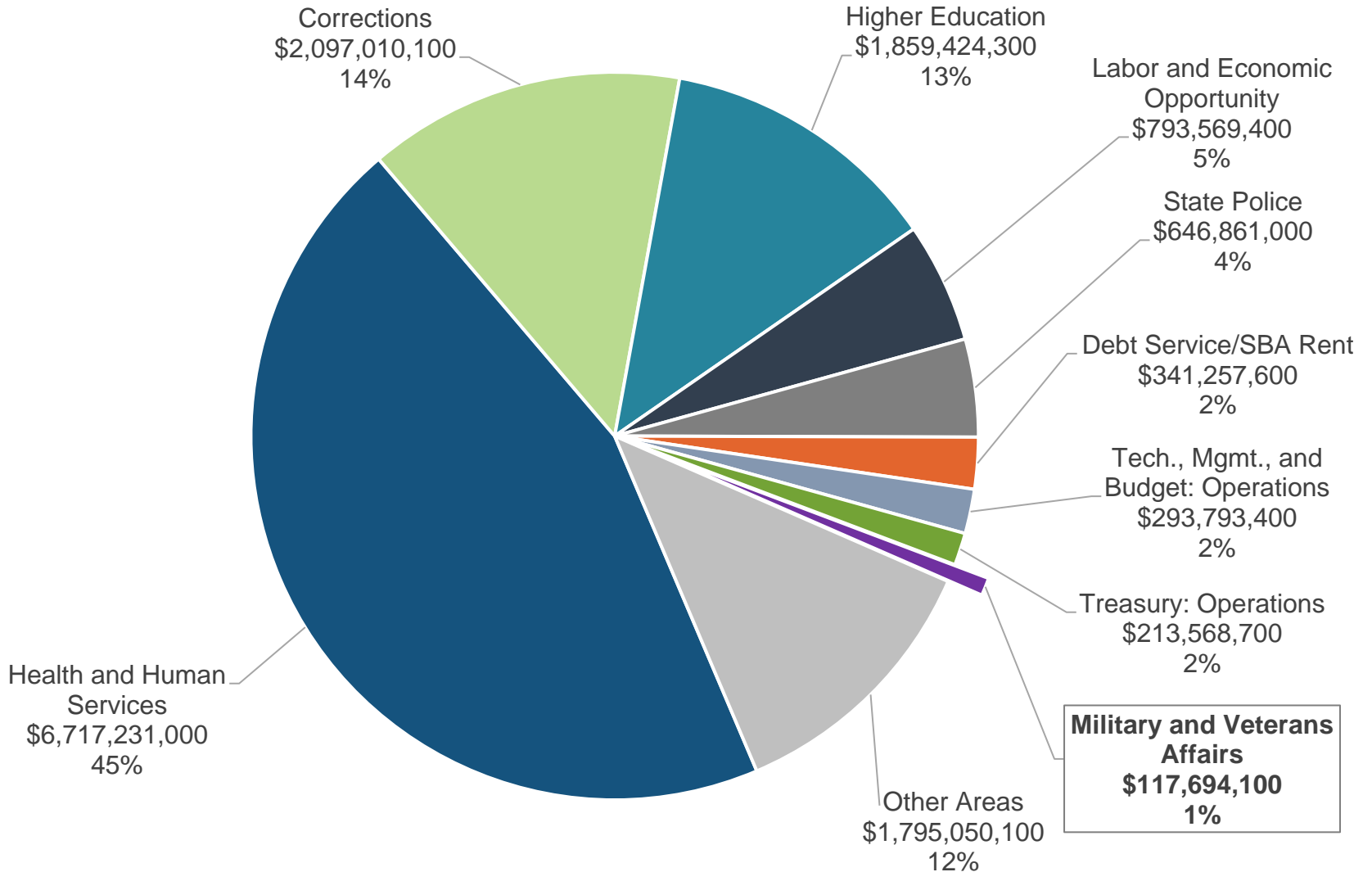
The DMVA budget represents less than 1% of the \$81.4 billion state budget (adjusted gross) for FY 2024-25.





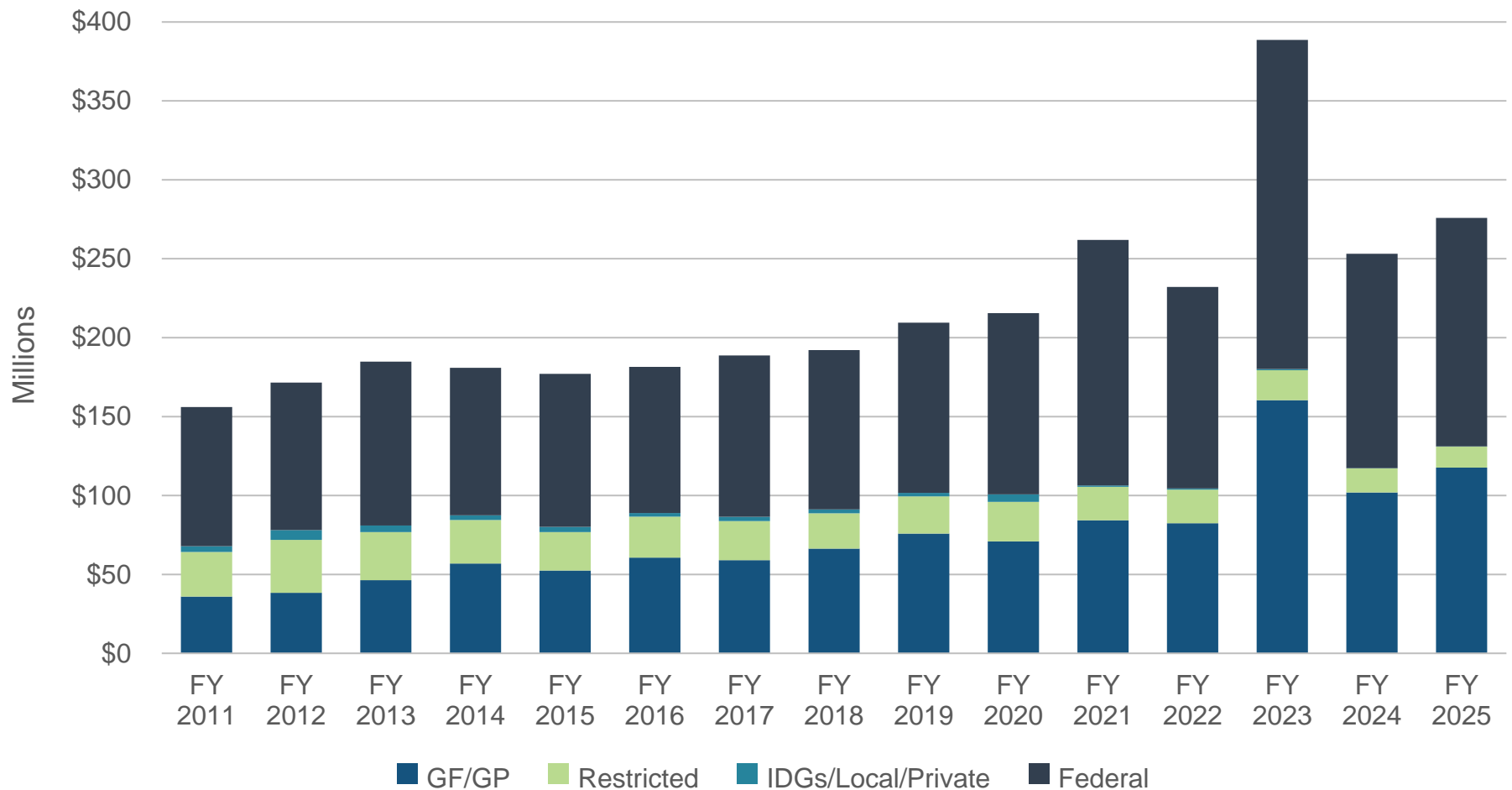
# DMVA Share of Total GF/GP Budget

The DMVA budget represents 1% of the state's \$14.9 billion GF/GP budget for FY 2023-24.



# 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.

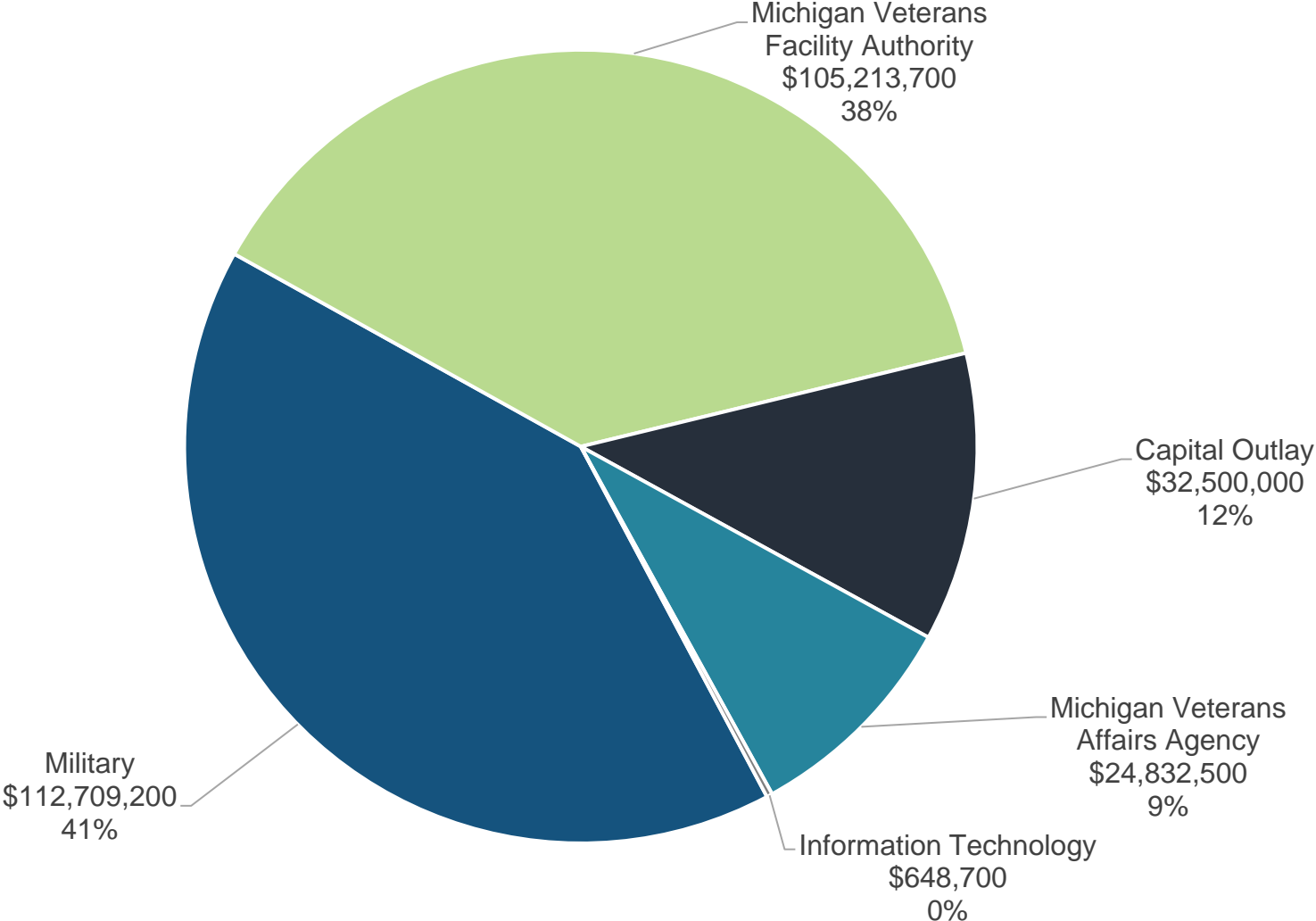
**MVFA:** Administration of the state's three veterans homes and the Grand Rapids veterans cemetery.

**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.

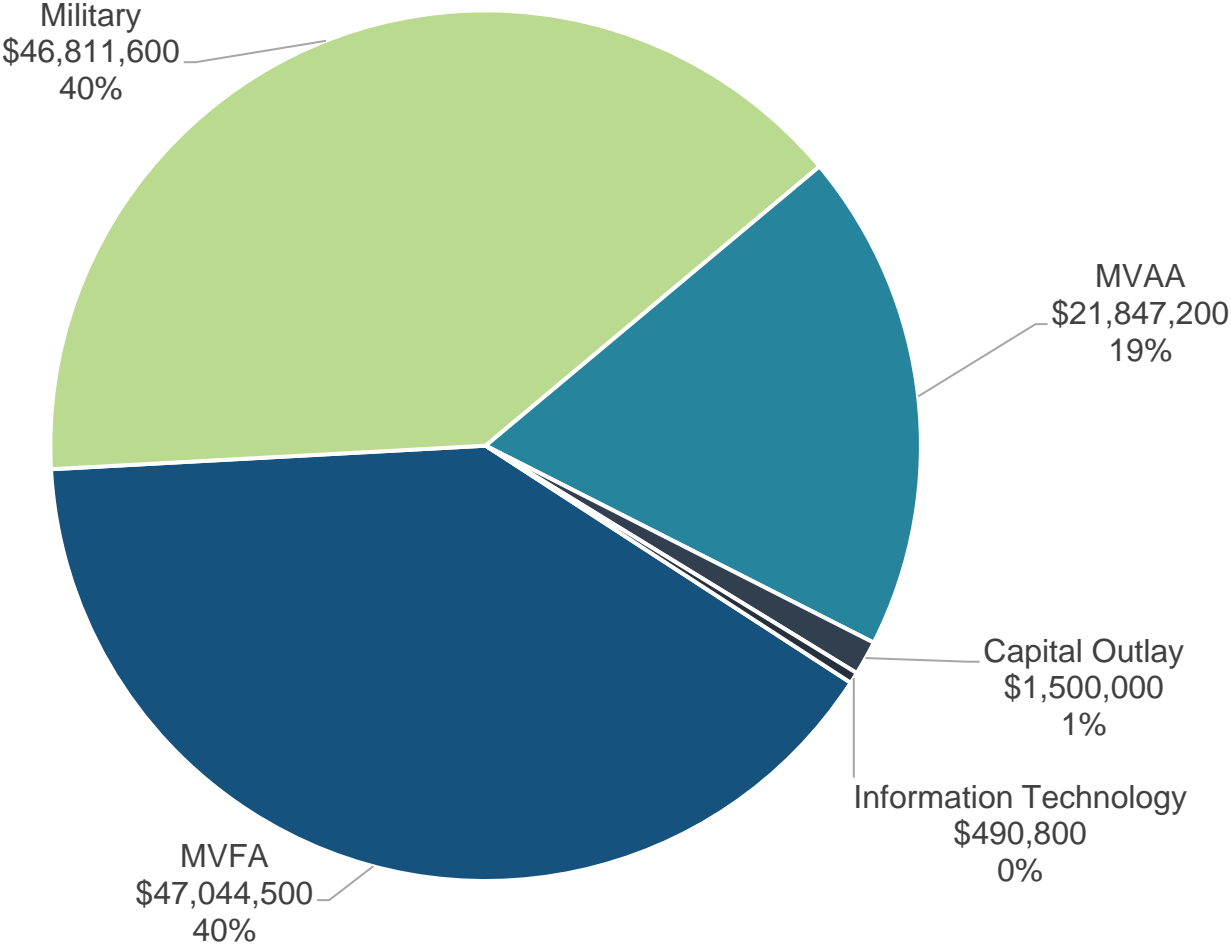
# FY 2024-25 Gross Appropriations

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

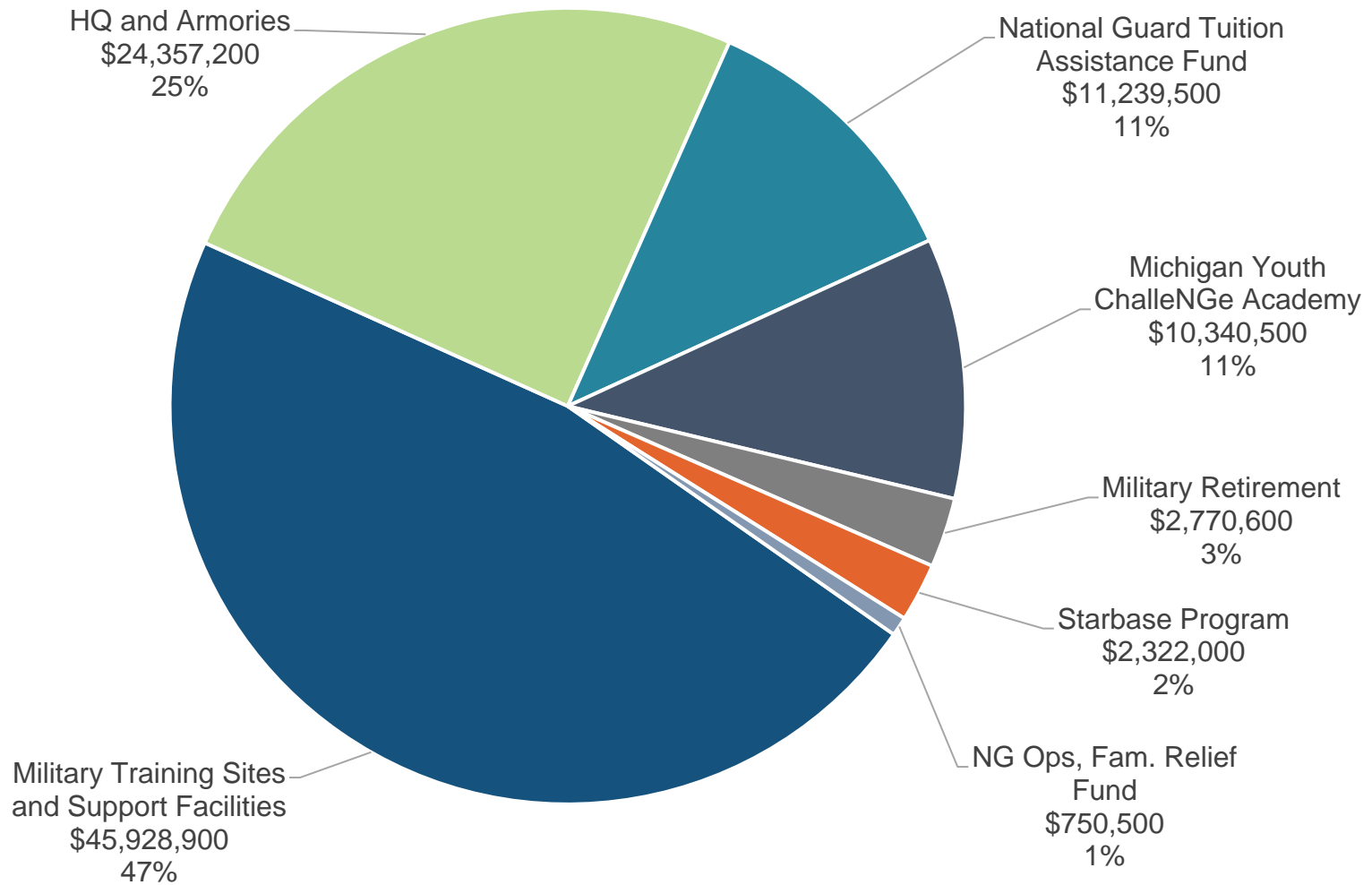
Of GF/GP funds totaling **\$117.7 million**, approximately **80%** (**\$93.9 million**) is allocated to the MVFA and Military/National Guard. This includes one-time appropriations of **\$15.0 million** to improve infrastructure at Selfridge Air National Guard Base, **\$2.5 million** to provide grant 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

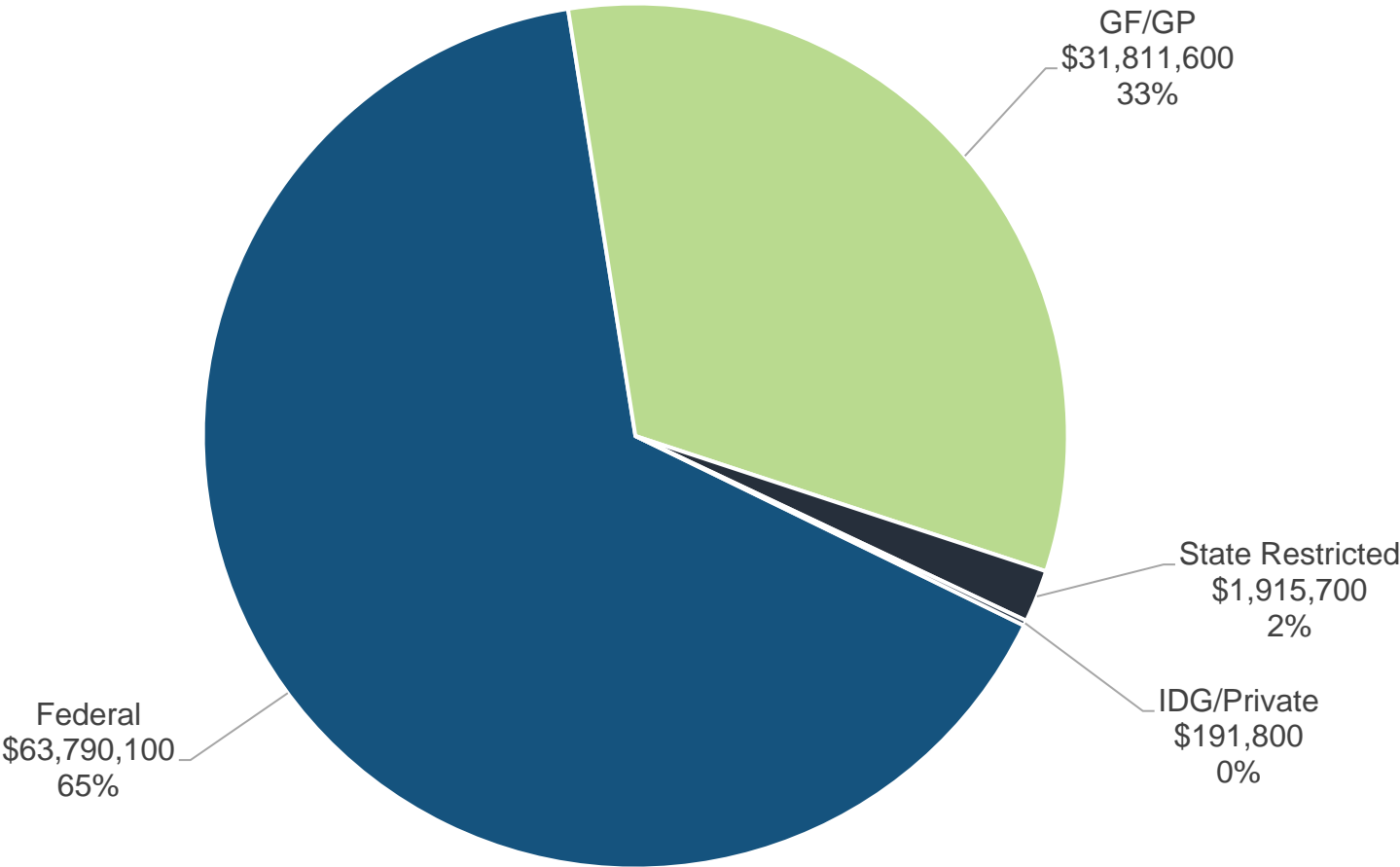
Funding for Military Training Sites and Support Facilities is **47%** of the **\$97.7 million** Gross appropriation for the Military appropriation unit. Support for these facilities, the National Guard headquarters, and state armories accounts for more than two-thirds of the Military appropriation unit.





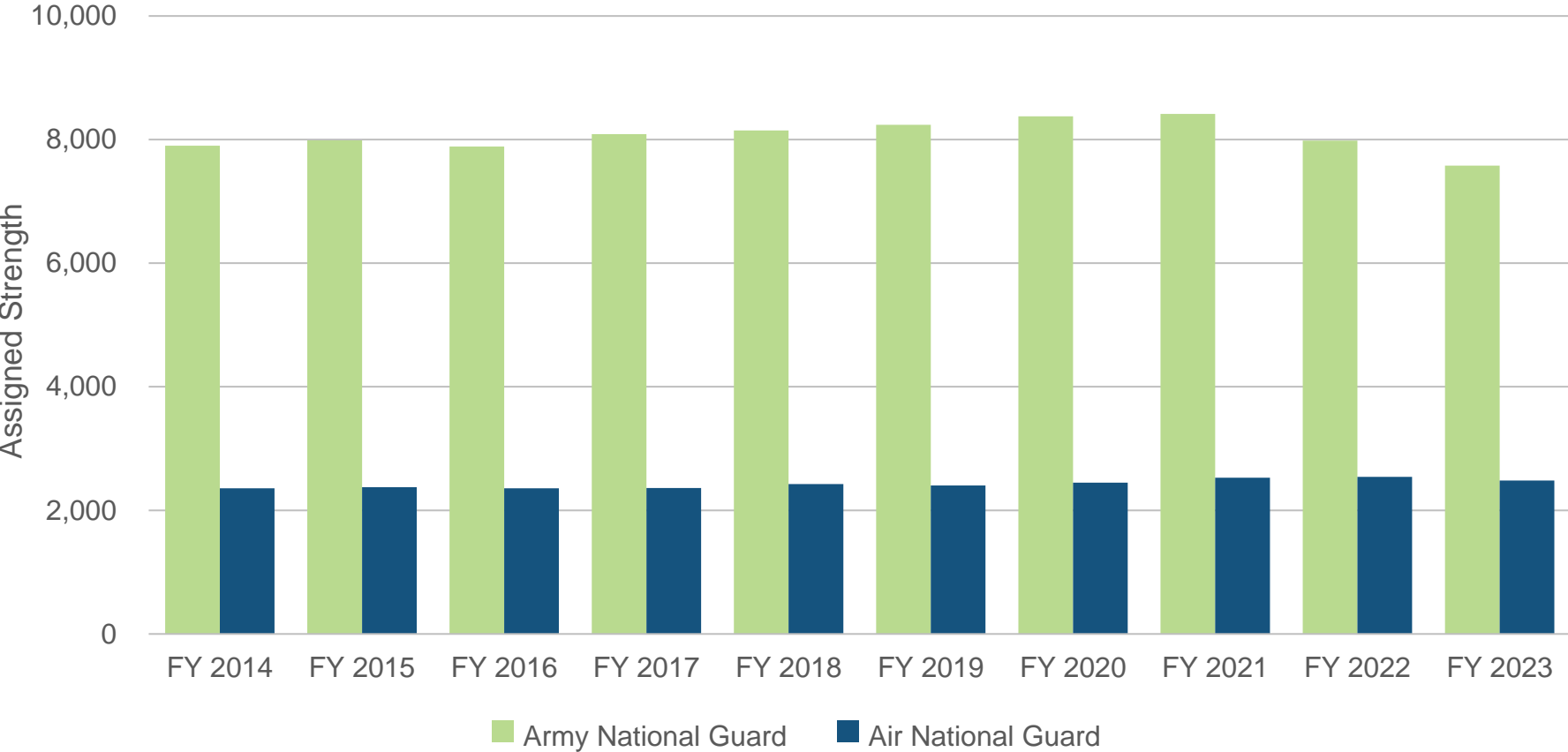
# FY 2024-25 Military Fund Sources

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.

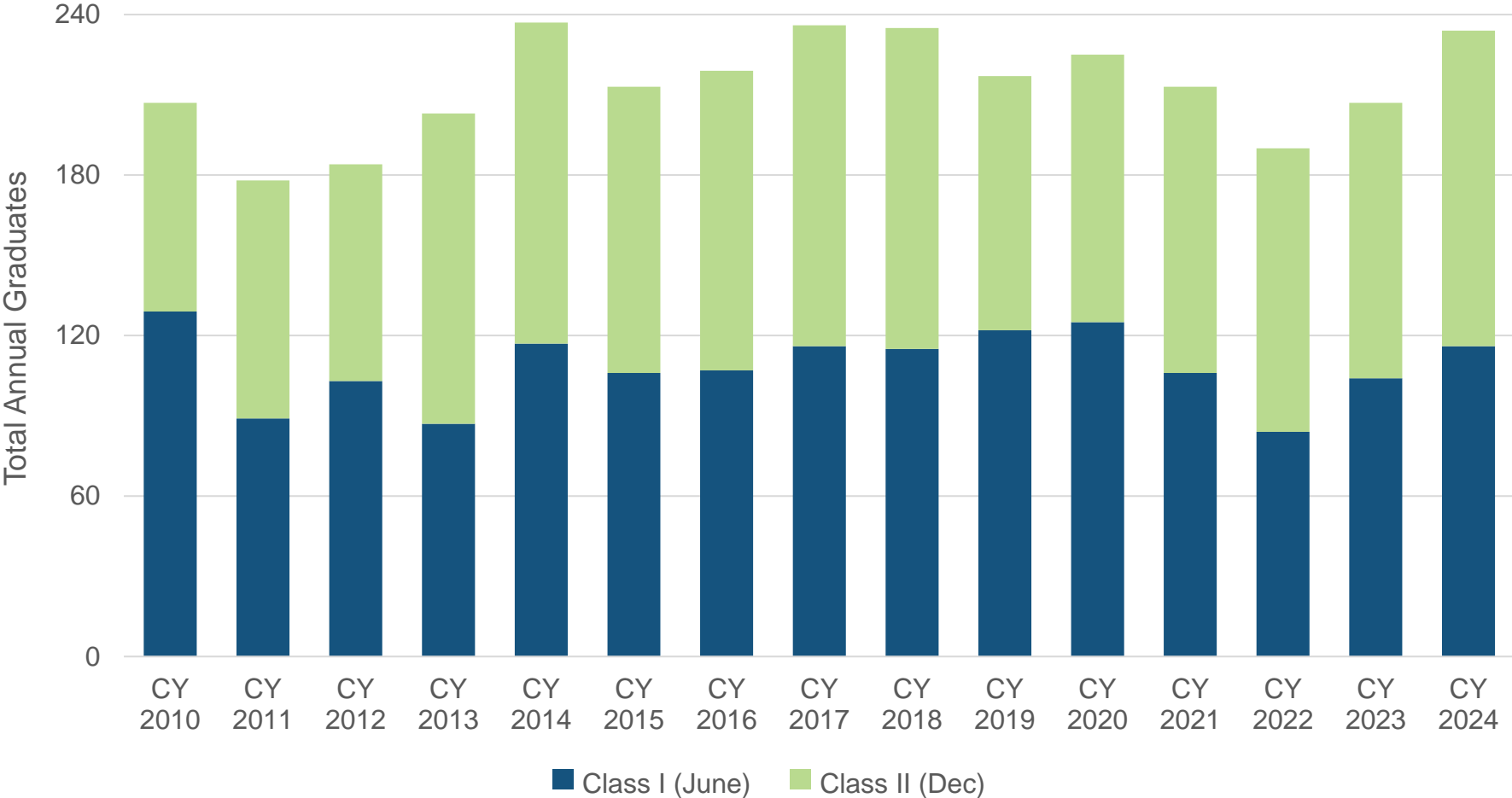


# Selfridge Air National Guard Base

- Joint military community located in Macomb County that provides approximately 5,000 jobs and housing for nearly 4,000 families from all branches of the military
- Home to a squadron of A-10 Warthog aircraft, which are planned to be phased into retirement by 2030
- Recent funding increases for 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**

# Michigan Youth ChalleNGe Academy

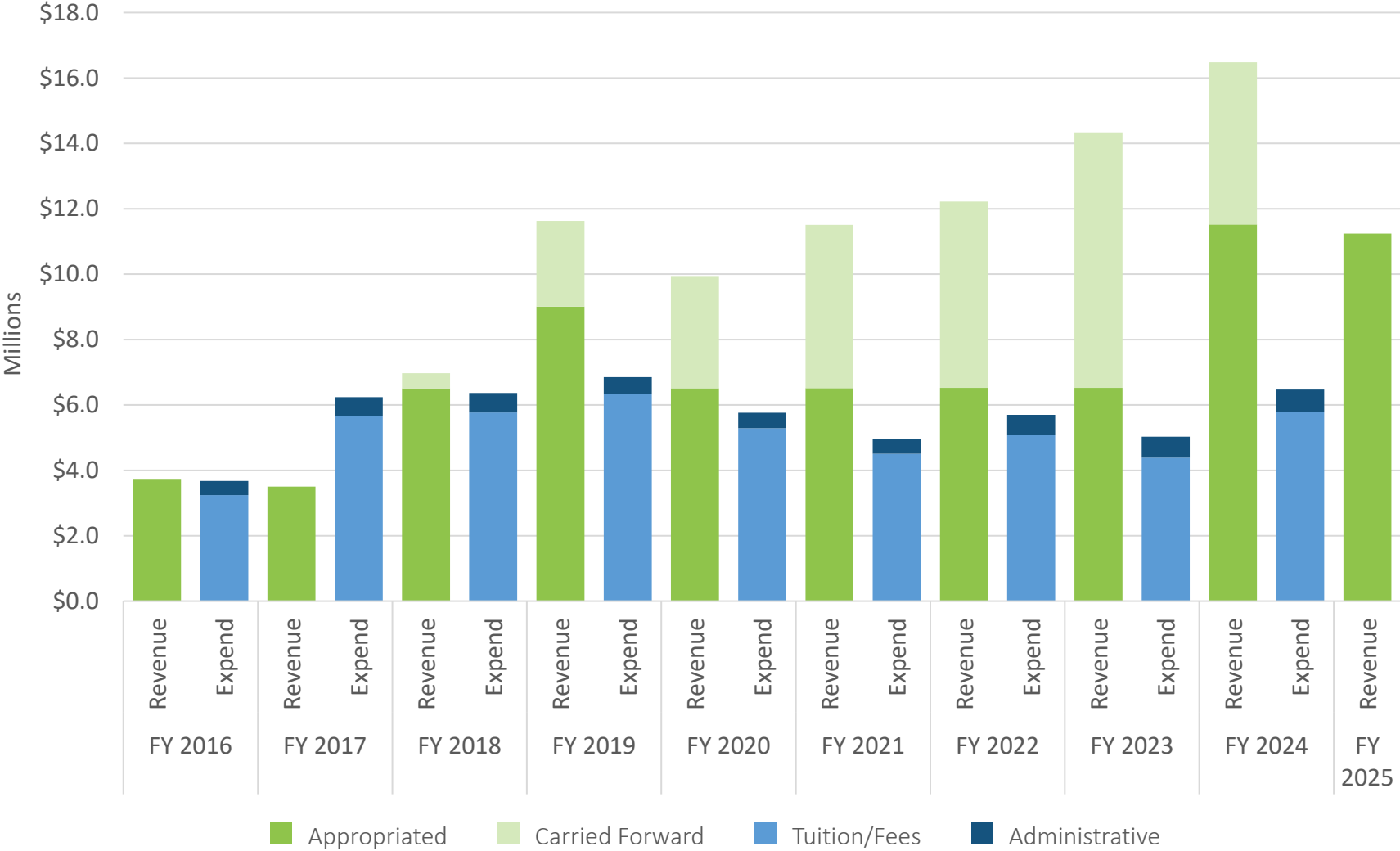
Voluntary basic training-style program for at-risk youth housed at Fort Custer. MYCA includes two 22-week residential programs per year, followed by a 12-month post-residential job mentoring phase for graduates. Academic, vocational, and fiduciary services are under contract with Marshall Public Schools. The FY 2024-25 appropriation for MYCA is **\$10.3 million**.



# Michigan National Guard State Tuition Assistance Program (MINGSTAP)

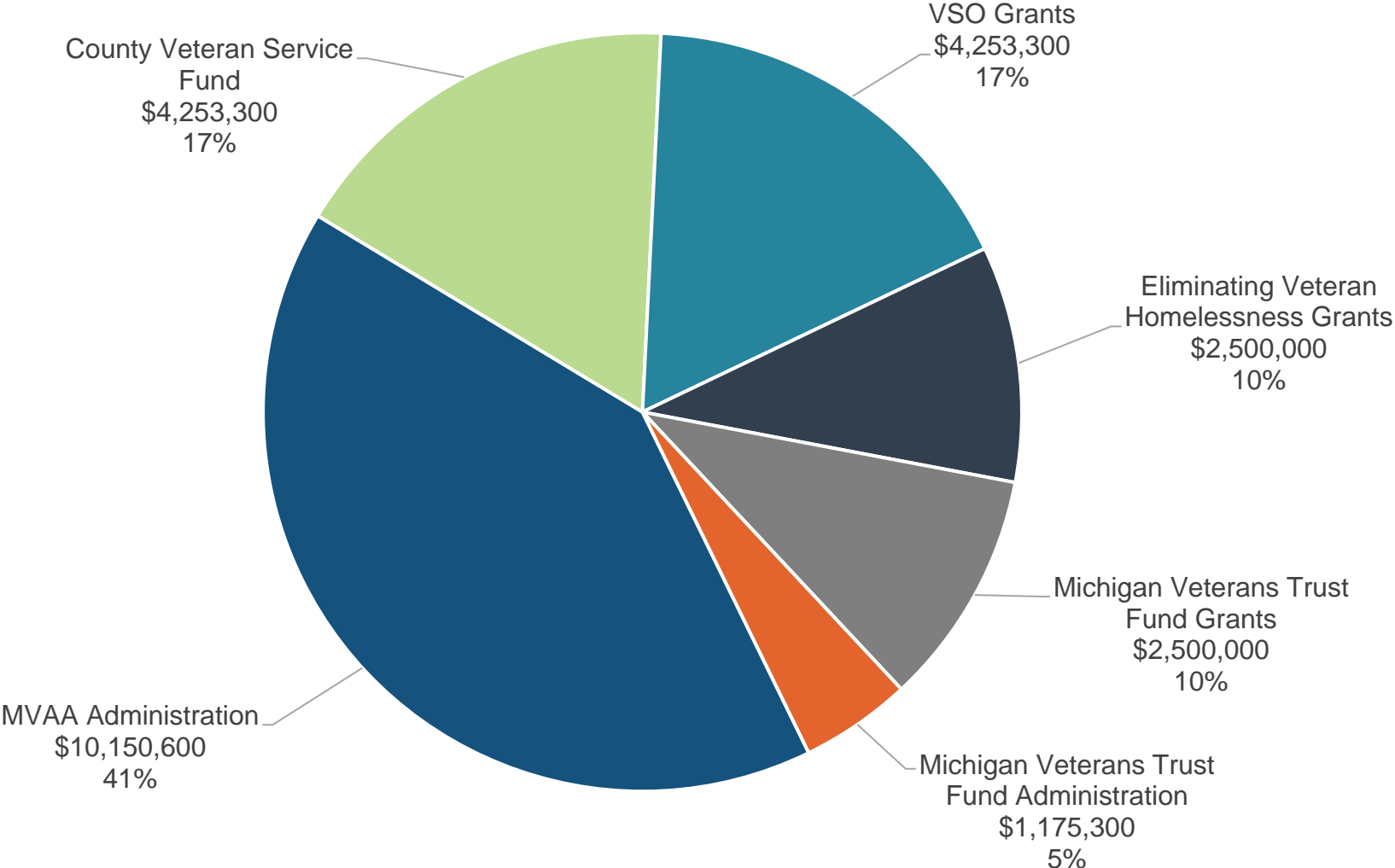
- Created by 2014 PA 259 to support tuition assistance and reimbursement for eligible Michigan National Guard soldiers and airmen pursuing any course of study intended to culminate in any of the following:
  - Vocational training, technical training, or a certificate (up to **\$6,000**)
  - The member's 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 Funding History



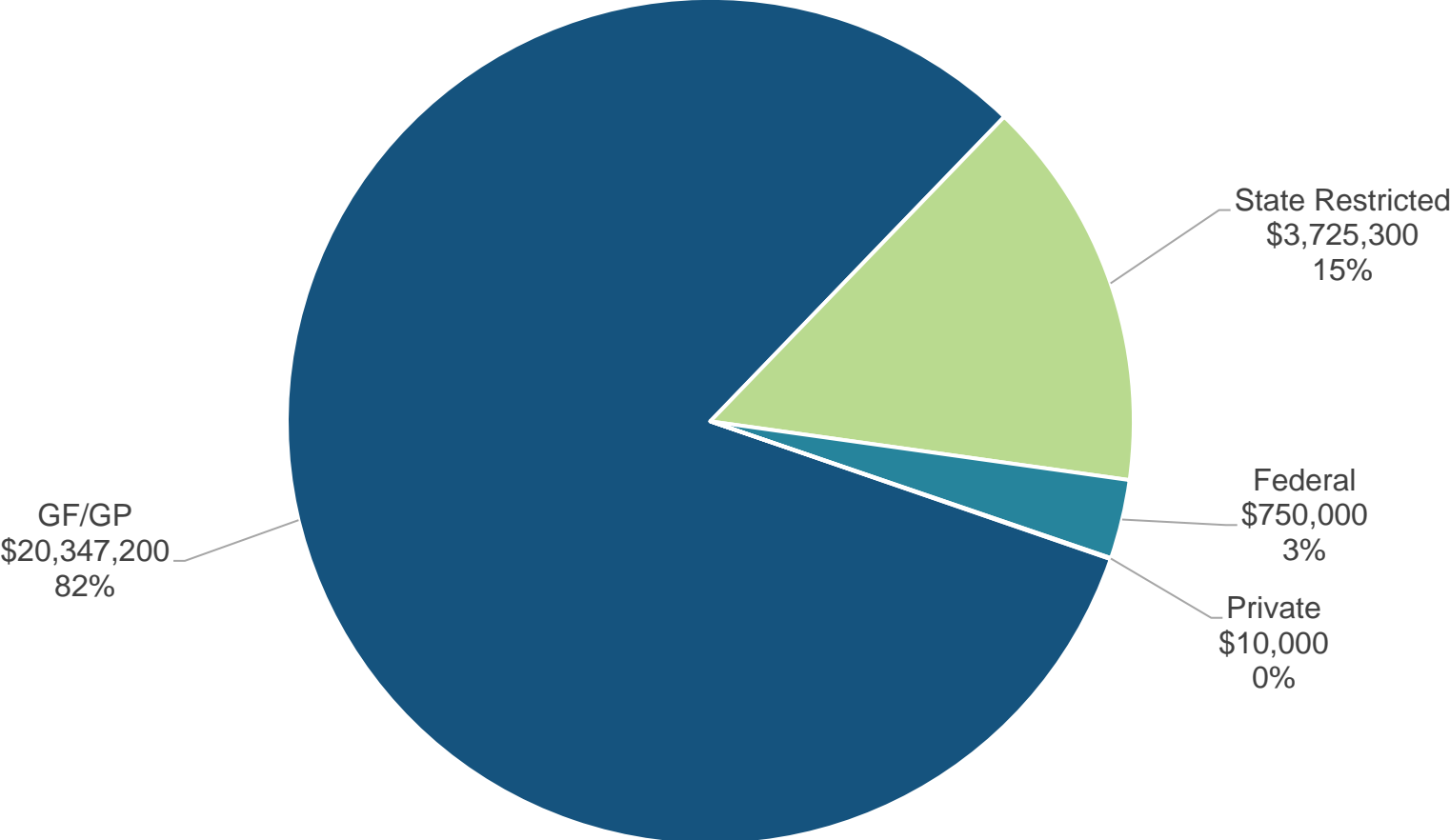
# FY 2024-25 MVAA Appropriations

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

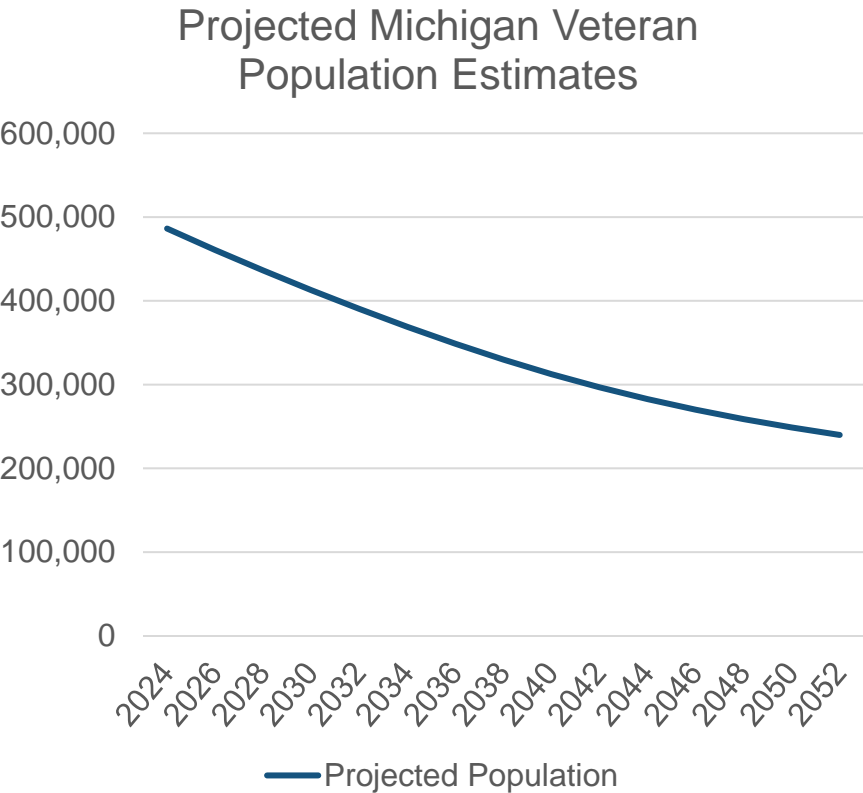
GF/GP appropriations comprise **82%** of total funding for MVAA, of which **\$10.2 million (46%)** supports operational costs and **\$2.5 million (12%)** is allocated for Eliminating Veteran Homelessness Grants. Nearly all state restricted funding is appropriated for Veterans Trust Fund grants and related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



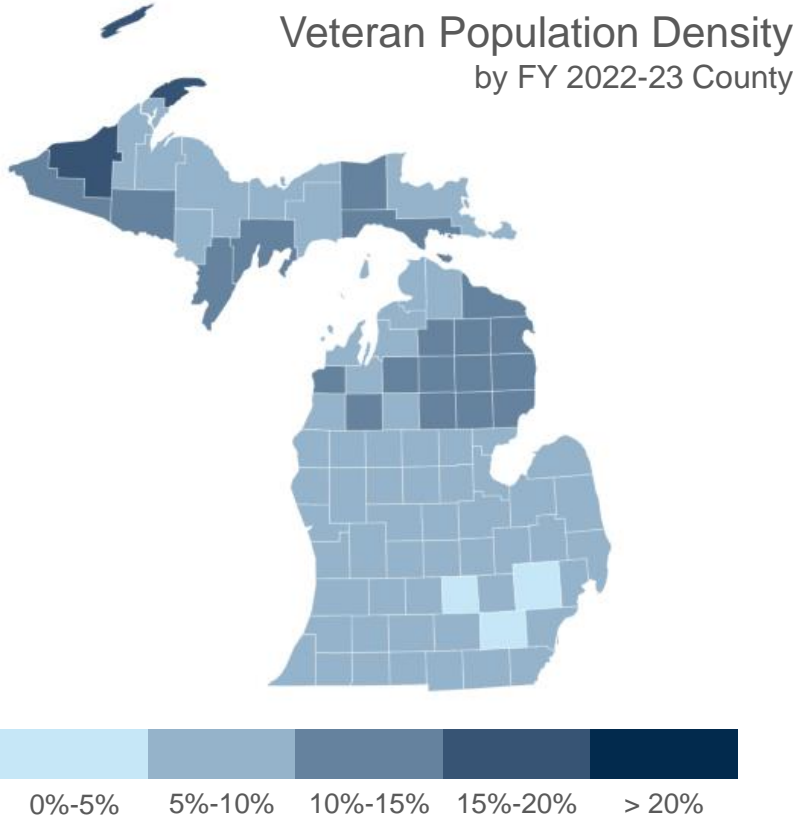


# Michigan Veteran Population

The estimated statewide veteran population is projected to be approximately **473,300** in FY 2024-25. The largest concentration of veterans reside in southeast Michigan with **31%** residing in Oakland, Macomb, and Wayne Counties. Veterans in the Upper Peninsula and northern Lower Peninsula make up a much greater portion of county populations.



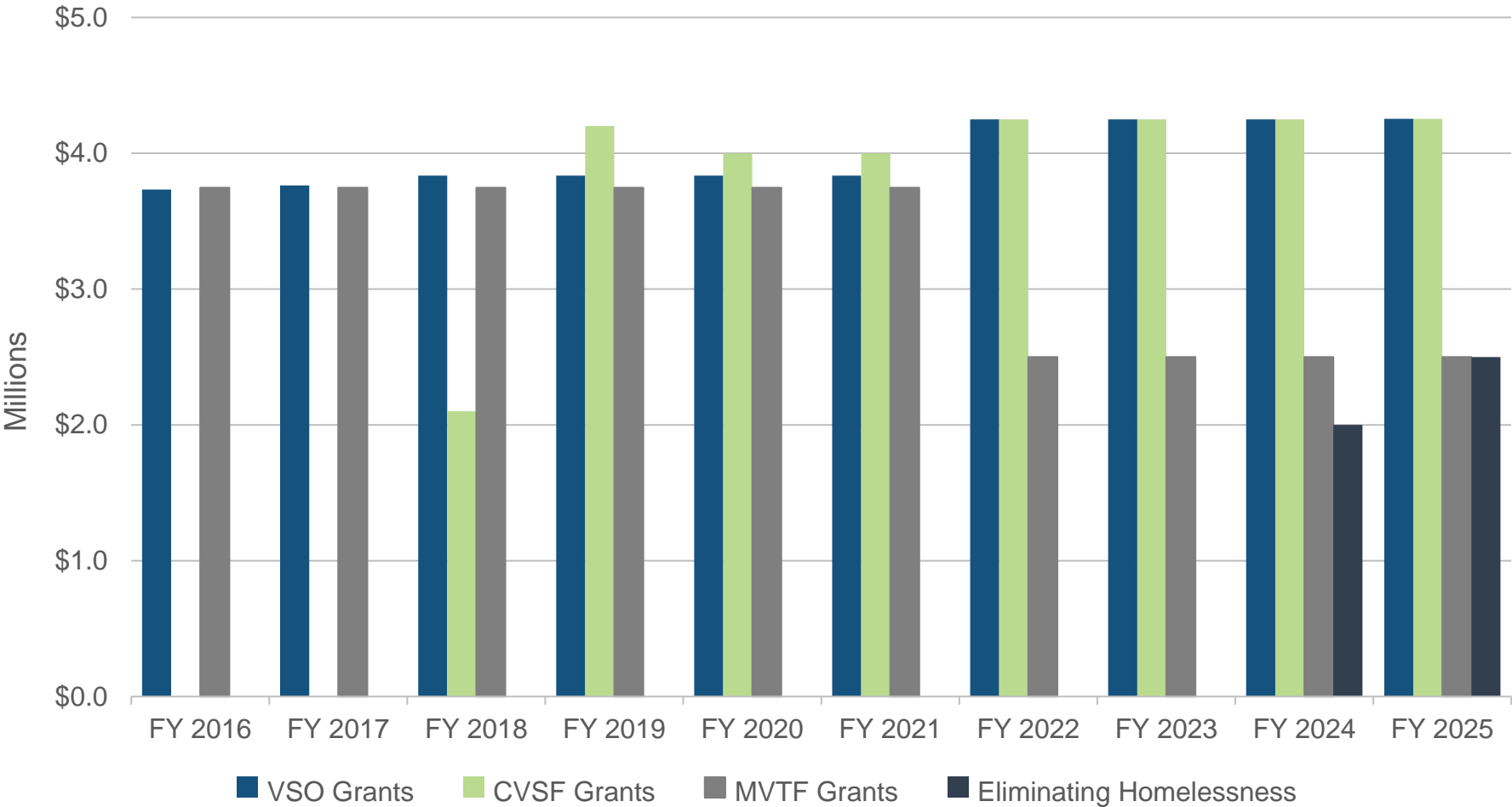
Source: U.S. Department of Veterans Affairs VetPop2023 survey and projections.



Source: U.S. Census Bureau American Community Survey (ACS) 5-Year Estimates

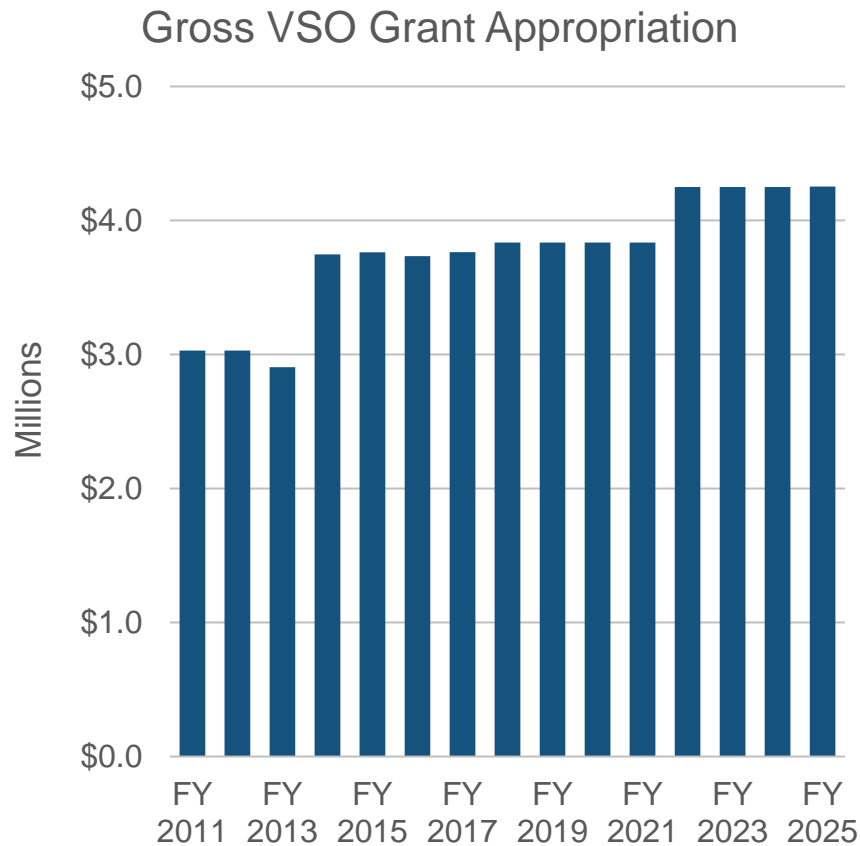
# Veterans Grants

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.



# Veterans Service Organization Grants

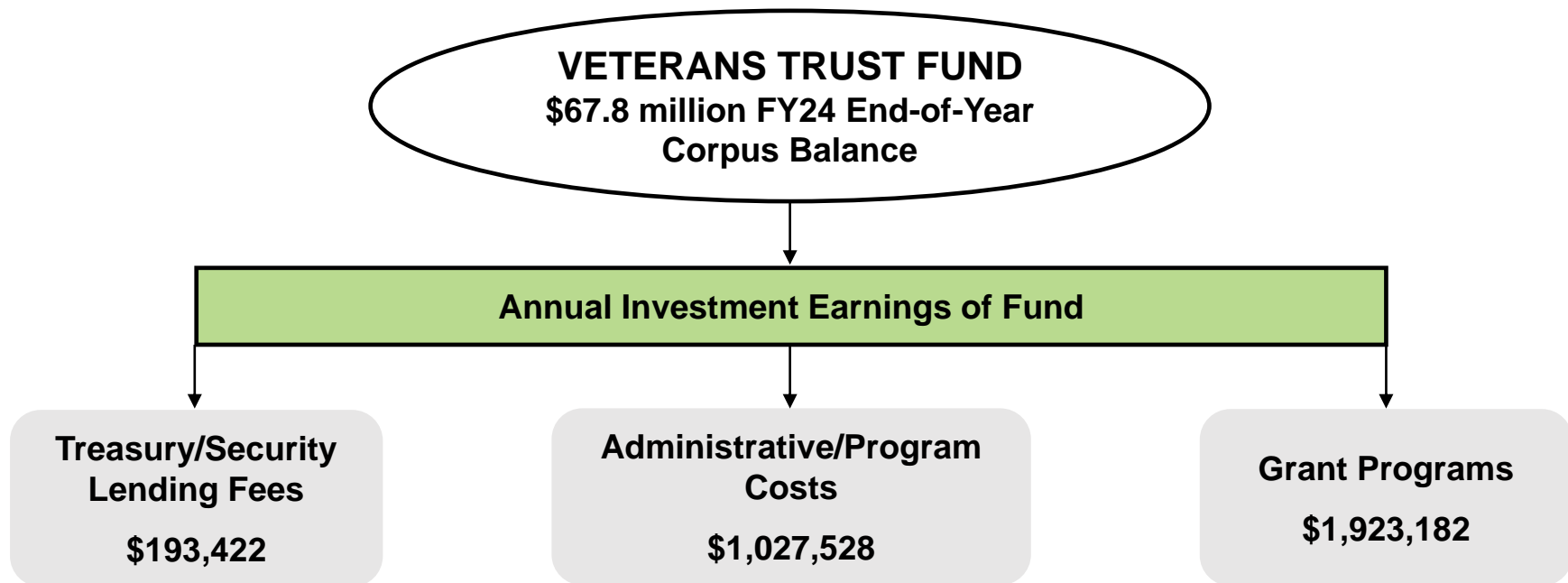
Grants to Veteran Service Organizations (VSOs) support veteran service officers to increase the number of applications submitted for service-connected disability compensation, healthcare benefits, and for communicating other benefits to veterans. Since FY 2021-22, grants to VSOs have received funding parity with County Veteran Service Grants. The FY 2024-25 appropriation is **\$4.3 million** GF/GP.



Prosperity Region	FY 2023-24
Region 1	\$190,588
Region 2	\$168,359
Region 3	\$147,998
Region 4	\$652,242
Region 5	\$272,449
Region 6	\$393,852
Region 7	\$180,798
Region 8	\$356,474
Region 9	\$401,250
Region 10	\$1,277,489

# Veterans Trust Fund

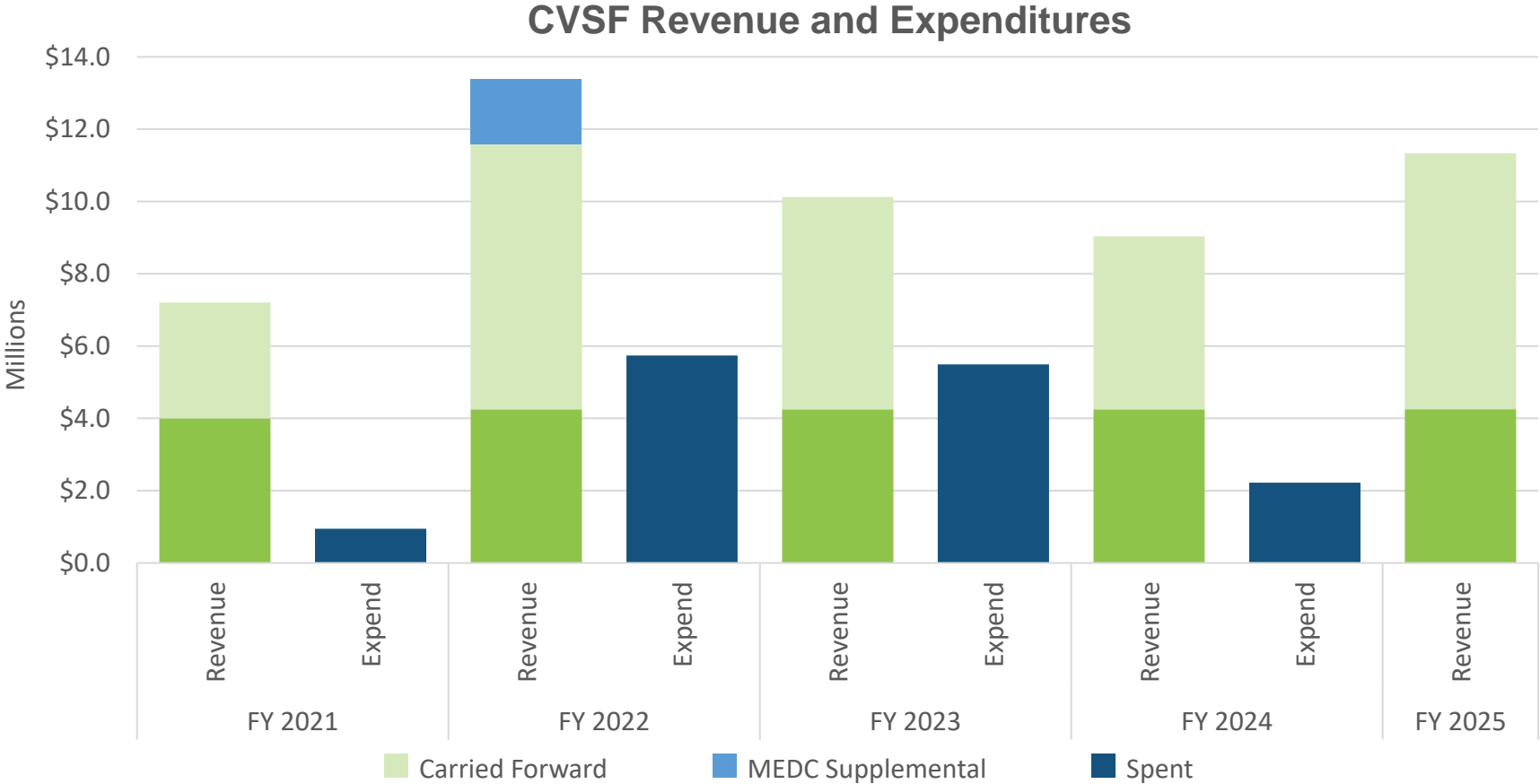
Established in 1946 with a \$50.0 million principal, the Veterans Trust Fund (VTF) investment earnings provide emergency financial assistance grants to veterans experiencing temporary, unforeseen hardships (e.g., housing, utilities, food, medical, and transportation). In FY 2024-25, **\$2.5 million** of restricted VTF funds is appropriated for grant programs and **\$1.2 million** is appropriated for associated administrative costs.



*Note: FY 2023-24 data is as of December 13, 2024.*

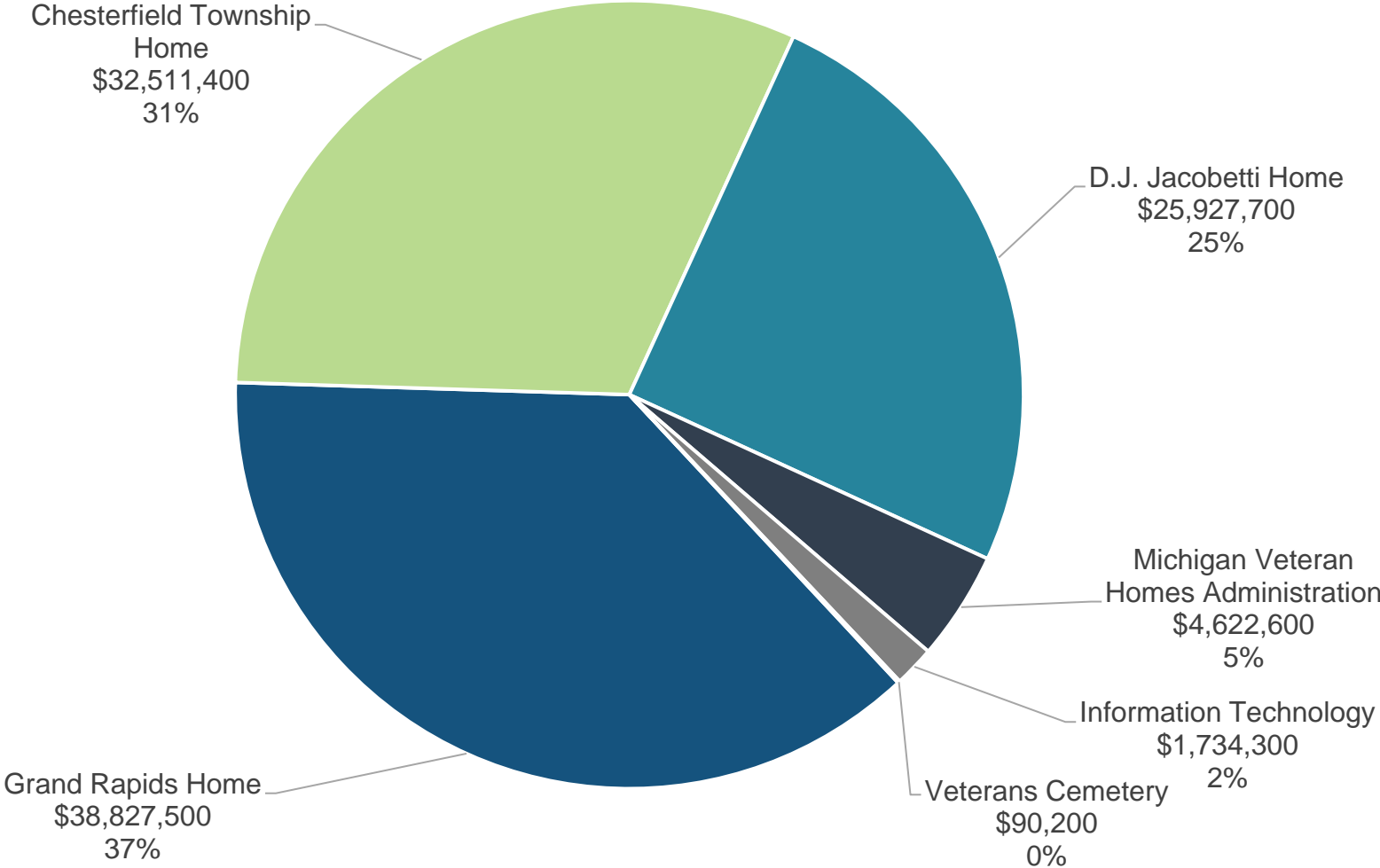
# County Veteran Service Fund (CVSF) Grant Program

- Established in 2018 to provide grants to counties for veteran service operations
- Majority of counties do not spend their full available grant amounts resulting in an accumulating carry-forward balance
- Additional data on CVSF grant amounts by county is available on the [House Fiscal Agency website](#)



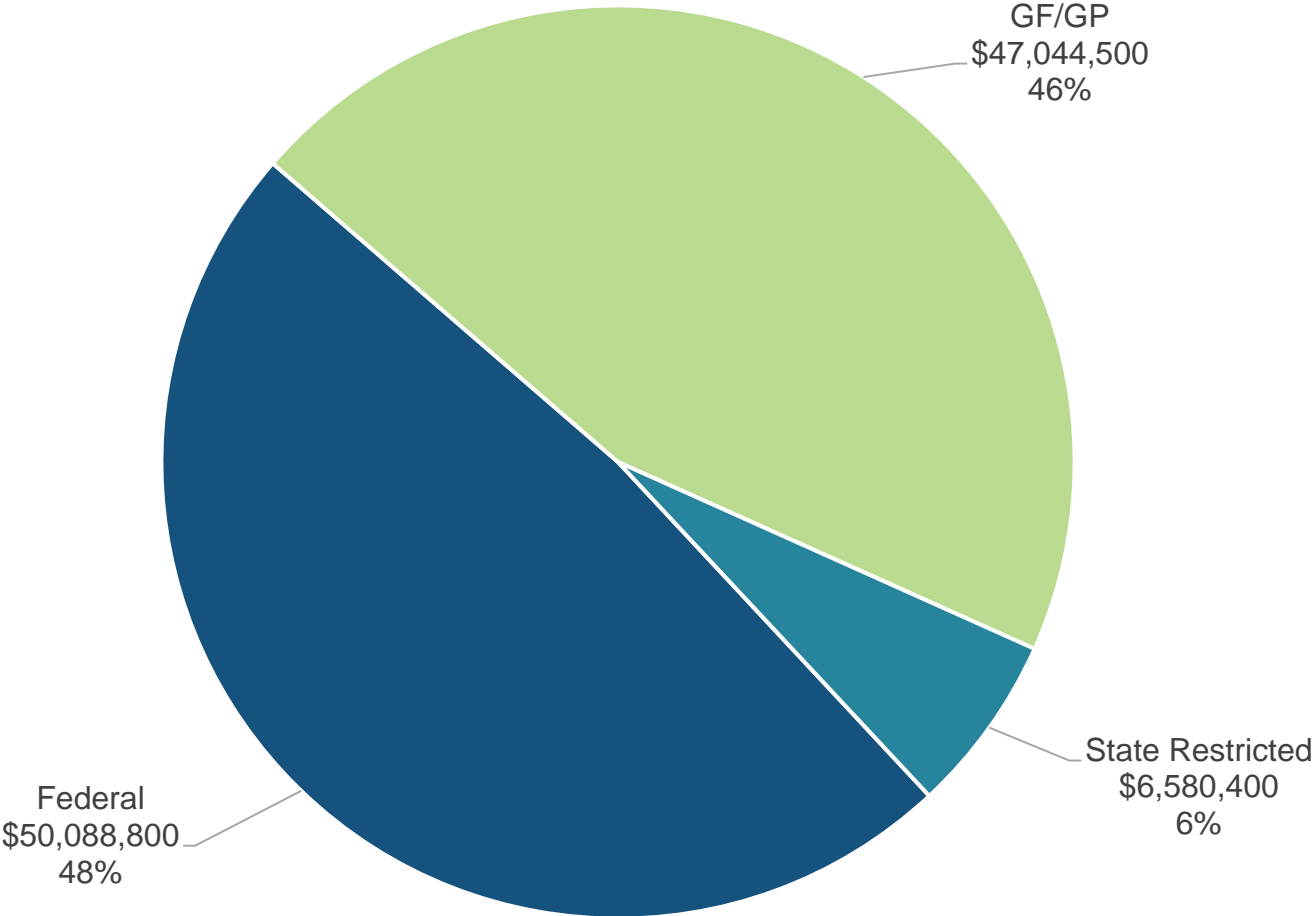
# Michigan Veterans Facility Authority

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.



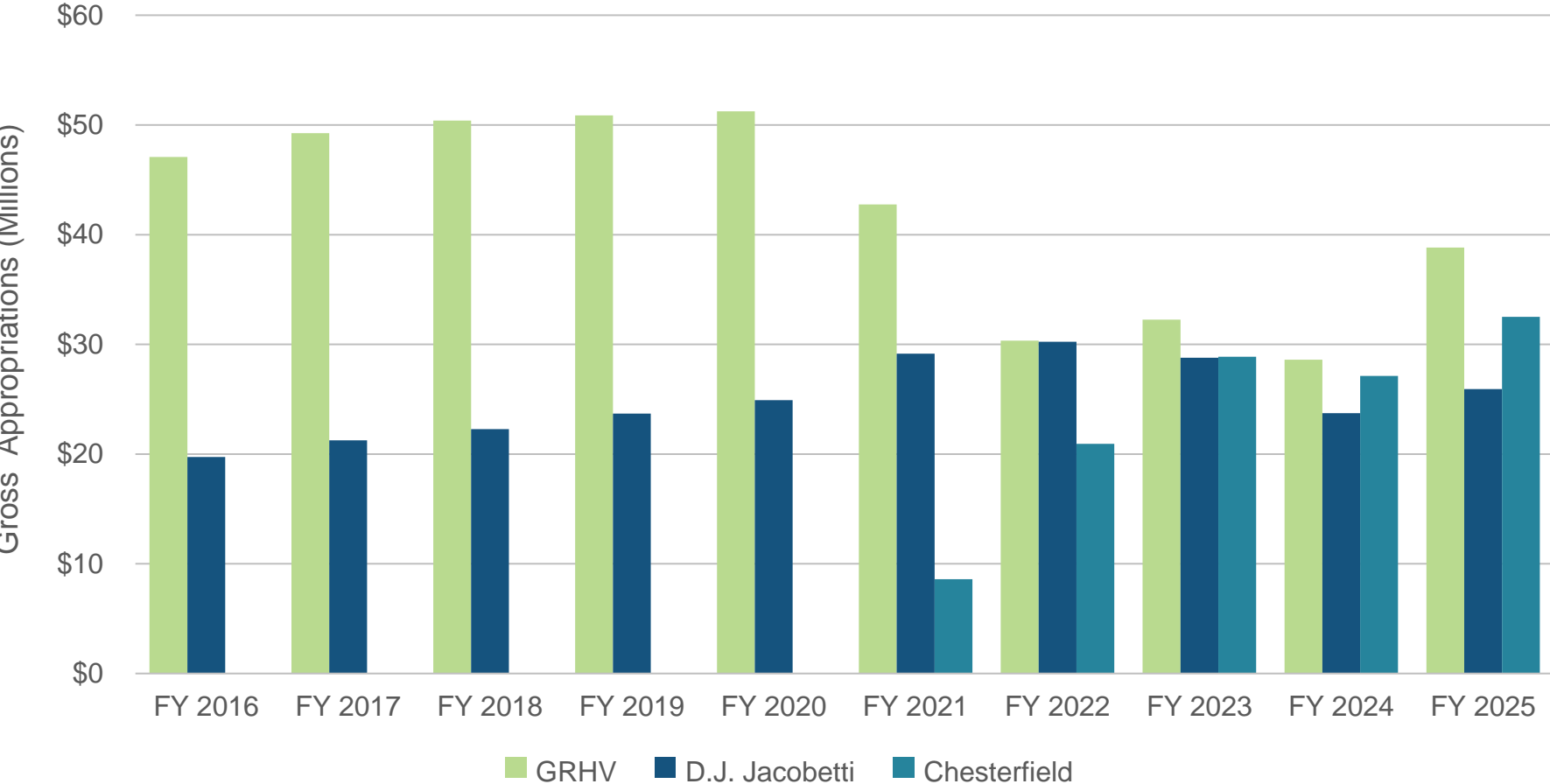
# FY 2024-25 MVFA Fund Sources

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.



# Veterans Homes Gross Appropriations

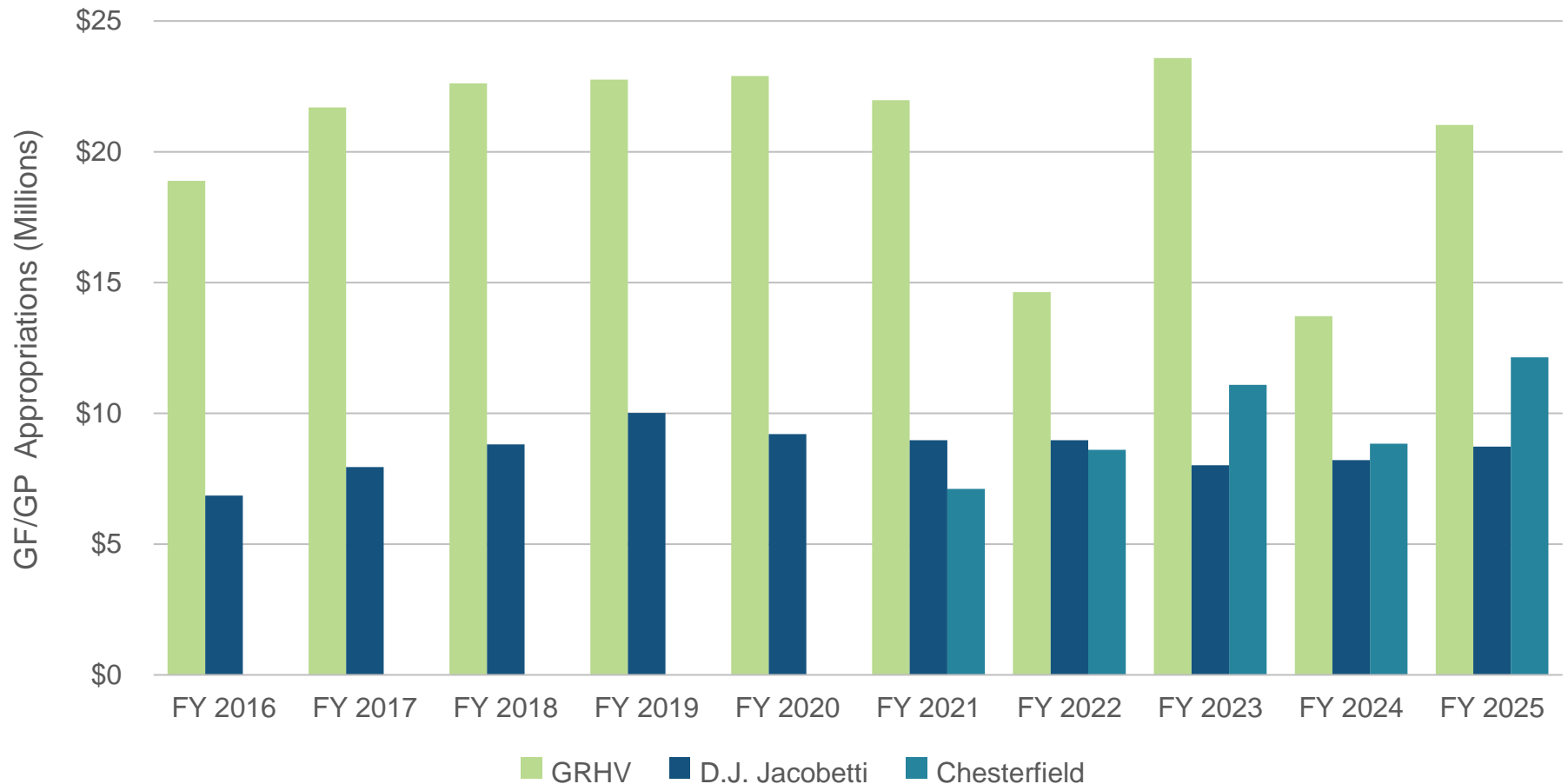
Gross appropriations for the Grand Rapids and D.J. Jacobetti homes peaked in FY 2019-20 due to an influx of COVID-related federal funding. Gross appropriations have since decreased by **32%** for the GRVH and **17%** for the Jacobetti home, reflecting lower censuses, transitions to smaller facilities,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





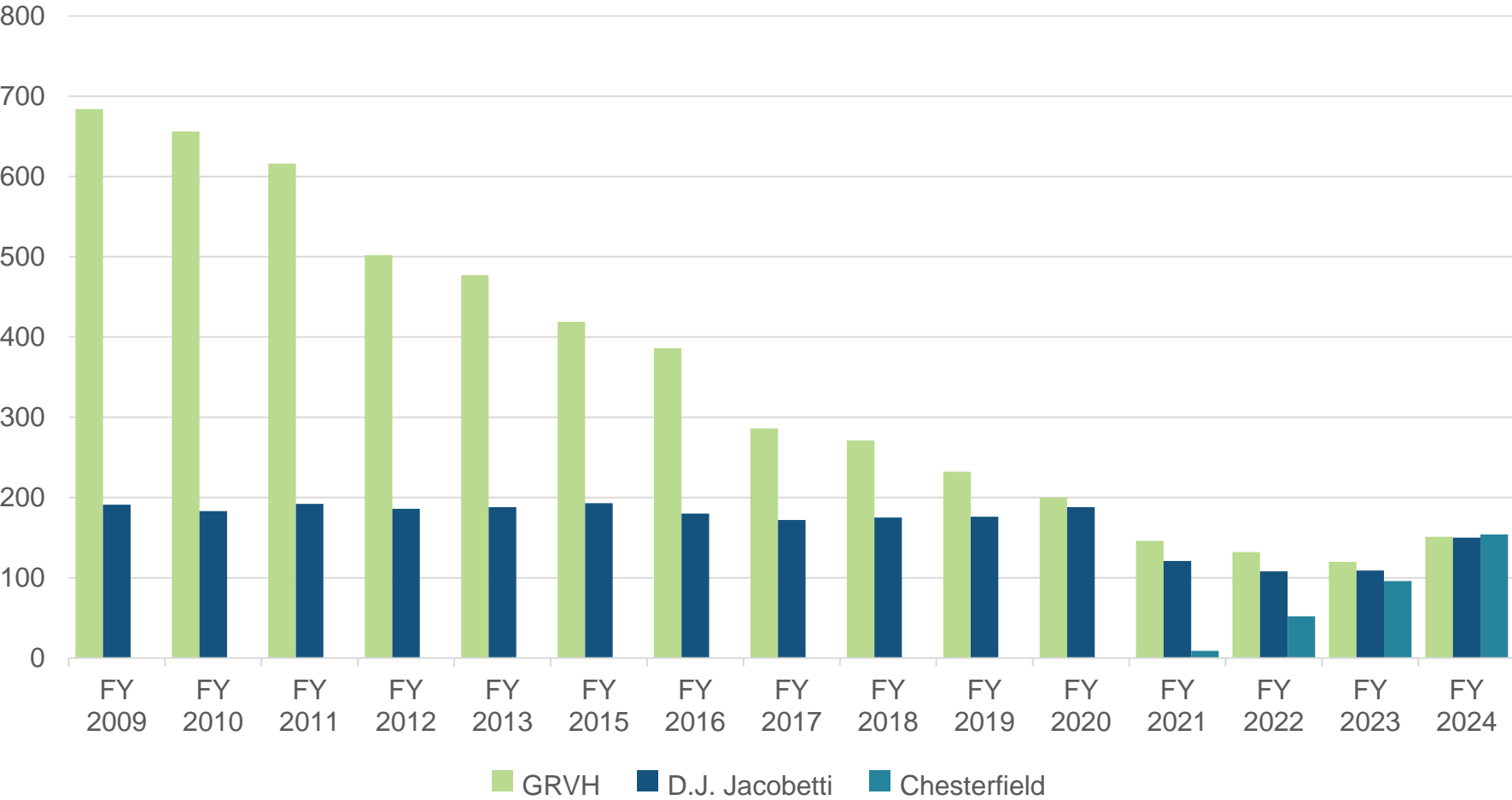
# Veterans Homes GF/GP Appropriations

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.



# For more information about the Military and Veterans Affairs budget:

## HFA Resources

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

## Contact Information

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