

FY 2025-26: MILITARY AND VETERANS AFFAIRS
Summary: As Passed by the Senate
Senate Bill 175 (S-1)



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	FY 2024-25 YTD as of 2/5/25	FY 2025-26 Executive	FY 2025-26 Senate	Difference: Senate From FY 2024-25 YTD	
				Amount	%
IDG/IDT	\$101,800	\$101,800	\$101,800	\$0	—
Federal	144,786,800	148,840,000	148,840,000	4,053,200	2.8
Local	0	0	0	0	—
Private	100,000	100,000	100,000	0	—
Restricted	13,221,400	12,953,500	12,953,500	(267,900)	(2.0)
GF/GP	117,694,100	131,084,800	129,584,800	11,890,700	10.1
Gross	\$275,904,100	\$293,080,100	\$291,580,100	\$15,676,000	5.7
FTEs	1,060.0	1,065.0	1,065.0	5.0	0.5

Note: Appropriation figures for FY 2024-25 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 YTD Appropriations

1. Selfridge Air National Guard Base

Executive includes \$26.0 million one-time GF/GP to continue funding for infrastructure improvements related to the runway placement project at Selfridge Air National Guard Base. This is \$11.0 million more than the \$15.0 million one-time GF/GP provided in FY 2024-25 for the same purpose. Senate concurs.

	FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Senate Change
Gross	NA	\$26,000,000
GF/GP	NA	\$26,000,000

2. National Guard Member Benefits Program

Executive 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. Senate concurs.

FTE	NA	4.0
Gross	NA	\$0
GF/GP	NA	\$0

3. Eliminating Veteran Homelessness Grants

Executive does not include. Senate includes \$2.5 million one-time GF/GP to continue funding grants of up to \$250,000 to nonprofit organizations combating veteran homelessness across the state. This is the same amount provided in FY 2024-25 for the same purpose.

Gross	NA	\$2,500,000
GF/GP	NA	\$2,500,000

4. Mitigating Impact of Loss of Federal Funds

Executive does not include. Senate includes \$1.0 million one-time GF/GP to assist veterans impacted by reductions in federal funding in their efforts to return to the workplace.

Gross	\$0	\$1,000,000
GF/GP	\$0	\$1,000,000

Major Budget Changes from FY 2024-25 YTD Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Senate Change
5. Military Retirement		Gross	\$2,770,600
<u>Executive</u> 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. <u>Senate</u> concurs.		GF/GP	\$2,770,600
6. Departmentwide Audit Support		FTE	0.0
<u>Executive</u> includes \$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. <u>Senate</u> concurs.		Gross	\$0
		GF/GP	\$0
7. State Veterans Cemetery		Gross	\$0
<u>Executive</u> includes \$5.0 million one-time GF/GP to support land acquisition, design, and engineering costs for a state veterans cemetery in Crawford County. <u>Senate</u> does not include.		GF/GP	\$0
8. Removal of FY 2024-25 One-Time Appropriations		Gross	\$19,000,000
<u>Executive</u> removes \$19.0 million of one-time GF/GP that was included in the FY 2024-25 budget to support the following:		GF/GP	\$19,000,000
<ul style="list-style-type: none"> Selfridge Air National Guard Base (\$15.0 million GF/GP) Eliminating Veteran Homelessness Grants (\$2.5 million GF/GP) Veterans of Foreign Wars National Home (\$1.5 million GF/GP) 			
<u>Senate</u> concurs.			
9. Technical Adjustments		Gross	NA
<u>Executive</u> and <u>Senate</u> include \$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
		Restricted	NA
		GF/GP	NA
			\$2,775,000
			3,054,400
			(279,400)
			\$0
<u>Executive</u> and <u>Senate</u> also include 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. 			
10. Economic Adjustments		Gross	NA
<u>Executive</u> 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. <u>Senate</u> concurs.		Federal	NA
		Restricted	NA
		GF/GP	NA
			\$2,411,000
			998,800
			11,500
			\$1,400,700

Major Boilerplate Changes from FY 2024-25

Sec. 205. Purchase of Foreign Goods – REVISED

Prohibits purchase of foreign goods or services if competitively priced and of comparable quality American goods or services are available; requires preference be given to goods and services manufactured by Michigan businesses and Michigan businesses owned and operated by veterans. Executive retains. Senate revises to include a new requirement that preference be given to goods and services manufactured in facilities that employ union members.

Major Boilerplate Changes from FY 2024-25

Sec. 206. Disciplinary Action Against State Employees – RETAINED

Prohibits DMVA 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. Executive deletes. Senate retains.

Sec. 210. Contingency Authorization – RETAINED

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 to up to \$10.0 million and state restricted authorization to up to \$2.0 million. Senate retains.

Sec. 212. State Restricted Funds Report – RETAINED

Requires DMVA and State Budget Office to report on state restricted fund balances, projected state restricted fund revenues, and state restricted fund expenditures. Executive deletes. Senate retains.

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

Requires DMVA 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 DMVA to electronically retain copies of reports unless otherwise required by federal and state guidelines. Executive deletes. Senate retains.

Sec. 220. Reporting Requirement on Policy Changes – RETAINED

Requires DMVA to report on policy changes made in order to implement enacted legislation that affects the department. Executive deletes. Senate retains.

Sec. 222. Work Project Expenditures – RETAINED

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. Executive deletes. Senate retains.

Sec. 224. Intention to Sell Department Property – RETAINED

Requires DMVA to provide a 60-day notice of intent to sell property. Executive deletes. Senate retains.

Sec. 225. Biannual Reporting on Achieving Requirements – RETAINED

Requires DMVA to provide biannual reports on status of work projects, financial status, and employment levels. Executive deletes requirement to report on employment levels. Senate retains.

Sec. 229. Annual Strategic Plan – RETAINED

Requires DMVA to submit its annually updated departmental strategic plan to the legislature. Executive deletes. Senate retains.

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

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. Executive deletes. Senate revises to delete language authorizing state budget director to reallocate appropriated funds and adds language to require all SFRF be expended by December 31, 2026, and that a department or agency receiving SFRF appropriations must notify the standard report recipients if SFRF are projected to lapse.

Sec. 231. Federal and Private Fund Sourcing Priorities – NEW

Requires federal or private grant funding to be used prior to general fund appropriations when available for the same expenditure; requires DMVA to notify standard report recipients of any reductions in expenditures not later than 10 days after the reduction. Executive does not include. Senate includes new language.

Sec. 232. Report on Unenforceable Boilerplate – NEW

Requires DMVA to report on boilerplate sections deemed unenforceable within 10 days of the effective date of the act and on estimated cost differences between enacted and intended policies; allows the department to coordinate with the Executive Office of the Governor or other state departments or agencies to compile a statewide report. Executive does not include. Senate includes new language.

Sec. 233. Report on Federal Policy Changes – NEW

Requires DMVA to report quarterly on federal policy changes that are expected to affect the operations of the department, affect an groups the department engages with, affect regulations that impact those groups, or create a regulatory gap that could negatively impact the public. Executive does not include. Senate includes new language.

Major Boilerplate Changes from FY 2024-25

Sec. 234. Grants Transparency – NEW

Provides eligibility and process requirements for grants or projects awarded to single recipient organizations or local governments; provides timeframes for receiving and expending grant money; authorizes State Budget Office to extend grant expenditure deadlines upon request. Executive does not include. Senate includes new language.

MILITARY

Sec. 301. Unclassified Positions – RETAINED

Appropriates funding to support unclassified positions; requires DMVA 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. Senate retains.

Sec. 307. National Guard Tuition Assistance Program – REVISED

Requires DMVA 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. Senate revises by making non-substantive changes.

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

Requires DMVA 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. Executive includes new language. Senate concurs with non-substantive changes.

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. Executive includes new language. Senate concurs with non-substantive changes.

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 revises to add January 15 reporting date and to delete reporting requirement for private donations of \$10,000 or greater. Senate revises to add January 15 reporting date.

Sec. 405. Veterans Trust Fund – REVISED

Requires MVAA to report on Michigan Veterans Trust Fund financial status, awarded grants, operating and administrative expenses, and expenditures for Emergency Grant Program, program partnerships, and other initiatives. Executive revises with non-substantive changes. Senate revises to move reporting date to January 15.

Sec. 406. MVAA Outreach Services – RETAINED

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 revises to delete reporting requirements for homeless veterans and modifies reporting requirements for outreach services and outcomes. Senate retains.

Major Boilerplate Changes from FY 2024-25

Sec. 410. MVAA and County Counseling Services – RETAINED

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. Senate retains.

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. Senate revises to update administrative cost allowance and change reporting date to January 15.

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. Senate concurs.

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

Authorizes DMVA 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. Executive deletes. Senate retains.

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 DMVA; 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 revises to delete reporting requirement for private donations of \$10,000 or more. Senate revises to change reporting date to January 31.

Sec. 505. Member Care Standards – RETAINED

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. Executive deletes. Senate retains.

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 and changes reporting dates to January 31. Senate concurs.

Major Boilerplate Changes from FY 2024-25

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

Authorizes DMVA, 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. Executive includes new language. Senate concurs.

ONE-TIME APPROPRIATIONS

Sec. 701. Eliminating Veteran Homelessness Grants – RETAINED

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. Executive deletes. Senate retains.

Sec. 703. State Veterans Cemetery – NOT INCLUDED

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. Executive includes new language. Senate does not include.