

FY 2025-26 MILITARY AND VETERANS AFFAIRS BUDGET

S.B. 175 (S-1): SENATE APPROPRIATIONS REC.

(as reported)

Committee: Appropriations

Throughout this document Senate means Committee Recommendation

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2024-25 YEAR-TO-DATE*	FY 2025-26 SENATE APPROPRIATIONS REC.	CHANGES FROM FY 2024-25 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	1,051.0	1,056.0	5.0	0.5
GROSS	275,904,100	291,580,100	15,676,000	5.7
Less:				
Interdepartmental Grants Received	101,800	101,800	0	0.0
ADJUSTED GROSS	275,802,300	291,478,300	15,676,000	5.7
Less:				
Federal Funds	144,786,800	148,840,000	4,053,200	2.8
Local and Private	100,000	100,000	0	0.0
TOTAL STATE SPENDING	130,915,500	142,538,300	11,622,800	8.9
Less:				
Other State Restricted Funds	13,221,400	12,953,500	(267,900)	(2.0)
GENERAL FUND/GENERAL PURPOSE	117,694,100	129,584,800	11,890,700	10.1
PAYMENTS TO LOCALS	4,174,700	4,178,000	3,300	0.1

*As of February 5, 2025.

Major Boilerplate Changes from FY 2024-25 Year-to-Date:

1. **Senate recommended the continuation of most sections of FY 2024-25 boilerplate.** They include prohibiting employee discipline for communicating with legislature (Sec. **206**), requiring restricted fund report (Sec. **212**), retention of reports (Sec. **219**), costs of policy changes (Sec. **220**), priority on spending down of work projects (Sec. **222**), report on intent to sell property (Sec. **224**), submission of updated strategic plan (Sec. **229**), spending down of ARP funds (Sec. **230**), pharmaceutical research on suicide prevention (Sec. **416**), and requiring board certified psychiatric care for veteran homes (Sec. **505**). The bill included updated tuition benefit language to include the hybrid "National Guard member Benefit fund" (Sec. **307**), allows for realignment of federal revenues for the MVFA without legislative action (Sec. **511**), requires a report on "unenforceable boilerplate" (Sec. **232**), report on federal policy changes (Sec. **233**). Guidelines for Selfridge (Sec. **701**), veteran homelessness grants (Sec. **702**) and mitigating loss of Federal funds (Sec. **703**).

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FY 2024-25 Year-to-Date Appropriation		\$275,904,100	\$117,694,100		
		CHANGE FROM FY 2024-25 Y-T-D		FY 2025-26 RECOMMENDED APPROPRIATION	
		Gross	GF/GP	Gross	GF/GP
<u>Baseline Adjustments</u>					
1. Military Retirement. Senate included a reduction of \$185,000 GF/GP to reflect an actuarially required contribution for State Military Retirement benefit payments.		(185,000)	(185,000)	2,585,600	2,585,600
2. Michigan Veterans' Facility Authority - Align Authorization with Expected Revenues. Senate included a fund-source adjustment to reflect changing revenue levels for State veterans homes for FY 2025-26, including a reduction of \$279,400 Restricted, and an increase of \$3,054,400 Federal.		2,775,000	0	107,598,900	47,858,800
3. Elimination of FY 2024-25 One-time Appropriations. Senate recommended the elimination of One-Time appropriations from FY 2024-25, including \$15.0 million GF/GP for Selfridge Air National Guard Base, \$2.5 million GF/GP for Veteran Homelessness Elimination Grants, and \$1.5 million GF/GP for VFW National Home.		(19,000,000)	(19,000,000)	0	0
4. Economic Adjustments. Includes \$2,411,000 Gross and \$1,400,700 GF/GP for total economic adjustments.		2,411,000	1,400,700	n/a	n/a
<u>New Programs/Program Increases</u>					
5. Michigan National Guard Member Benefits Program. Senate proposed to restructure the funding for the Michigan National Guard State Tuition Assistance Program (MINGSTAP) to broaden the purpose of the current general fund appropriation for the program to cover MINGSTAP and a new program (pending statutory changes) that would provide a subsidy for child care for National Guard members during their annual and weekend drilling, providing the guard with another program geared to supporting their recruiting and retention efforts. There would be no net funding change. The estimated cost of the child care program is \$2.3 million, covering the subsidy and associated staff costs to administer the program. This proposal includes the addition of 4.0 FTEs overall to support the program's administration.		0	0	11,244,800	11,244,800

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	CHANGE FROM FY 2024-25 Y-T-D		FY 2025-26 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
6. Audit Support. Governor included \$175,000 GF/GP and 1.0 FTE to provide audit support of internal controls, audit responses, and reviews of procedures.	175,000	175,000	n/a	n/a
<u>Eliminations/Reductions - NONE</u>				
<u>One-Time Appropriations</u>				
7. Selfridge Air National Guard Base. Senate included additional One-Time \$26.0 million GF/GP to support the National Guard's efforts to comply with applicable air installation use zone program recommendations, by making capital improvements to shift the runway to the north and necessary related airfield and non-airfield improvements.	26,000,000	26,000,000	26,000,000	26,000,000
8. Eliminating Homelessness Grants. Senate included \$2.5 million GF/GP to continue a program that provides for grants up to \$250,000 to Michigan-based non-profits that assist homeless veterans and their families to find housing.	2,500,000	2,500,000	2,500,000	2,500,000
9. Mitigating Impact of Loss of Federal Funds. Senate included funds for the department to assist veterans impacted by reductions in Federal funding in their efforts to return to the workplace.	1,000,000	1,000,000	1,000,000	1,000,000
Total Changes	\$15,676,000	\$11,890,700		
FY 2025-26 SENATE APPROPRIATIONS REC.	\$291,580,100	\$129,584,800		

Date Completed: 5-6-25

Fiscal Analyst: Bruce R. Baker

		Gov Changes to FY 2024-25			Senate Changes to FY 2024-25		
Item #	Budget Area/Line Items	FTE	GROSS	GF/GP	FTE	GROSS	GF/GP
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS							
Ongoing Changes					4.0		
1	Expand tuition program to add child care assistance	4.0	0	0			
2	Audit support	1.0	175,000	175,000	1.0	175,000	175,000
3	Military retirement		(185,000)	(185,000)		(185,000)	(185,000)
4	Michigan veterans facility authority revenue adjustment		2,775,000	0		2,775,000	0
5	Michigan veteran facility authority		(40,000)	(40,000)		(40,000)	(40,000)
6	Veterans cemetery		40,000	40,000		40,000	40,000
7	Military - HB 4161						
8	Michigan veterans affairs agency - HB 4161						
9	Michigan veterans facility authority - HB 4161						
10	Capital outlay - HB 4161						
11	Information technology - HB 4161						
12							
13							
14							
15							
16							
17							
18							
19							
20	Unclassified salaries		54,700	54,700		54,700	54,700
21	Economic adjustments		2,356,300	1,346,000		2,356,300	1,346,000
Subtotal - Ongoing		5.0	5,176,000	1,390,700	1.0	5,176,000	1,390,700
One-Time Changes							
1	Selfridge NG airbase improvements		26,000,000	26,000,000		26,000,000	26,000,000
2	State veterans cemetery - land acquisition		5,000,000	5,000,000		0	0
3	Mitigating impact of potential loss of federal funding					1,000,000	1,000,000
6	Eliminating veteran homelessness grants					2,500,000	2,500,000
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
3	Remove FY25 one-time and supplemental appropriations		(19,000,000)	(19,000,000)		(19,000,000)	(19,000,000)
Subtotal - One-Time		0.0	12,000,000	12,000,000	0.0	10,500,000	10,500,000
TOTAL MILITARY AND VETERANS AFFAIRS		5.0	17,176,000	13,390,700	1.0	15,676,000	11,890,700