Budget Briefing: Military and Veterans Affairs

Aaron A. Meek, Fiscal Analyst

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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 2026-27 is October 1, 2026 through September 30, 2027.

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.

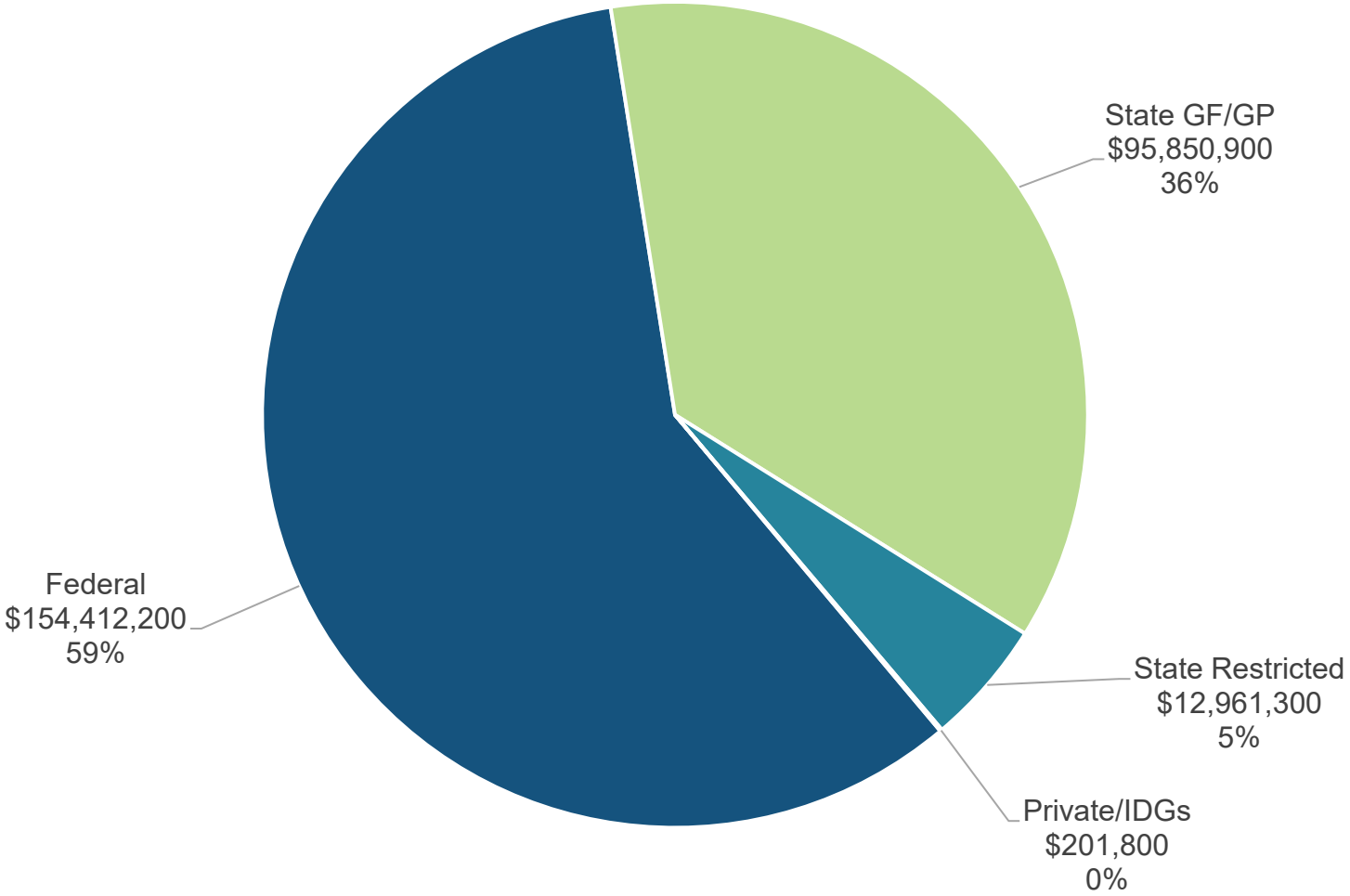
Funding Sources

FY 2026-27 DMVA Budget

Fund Source	Funding	Description
Gross Appropriations	$263,426,200	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	$263,324,400	Gross appropriations excluding IDGs; avoids double counting when adding appropriation amounts across budget areas
Federal Revenue	154,412,200	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	12,961,300	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	$95,850,900	Unrestricted revenue from taxes and other sources available to fund basic state programs and other purposes determined by the legislature

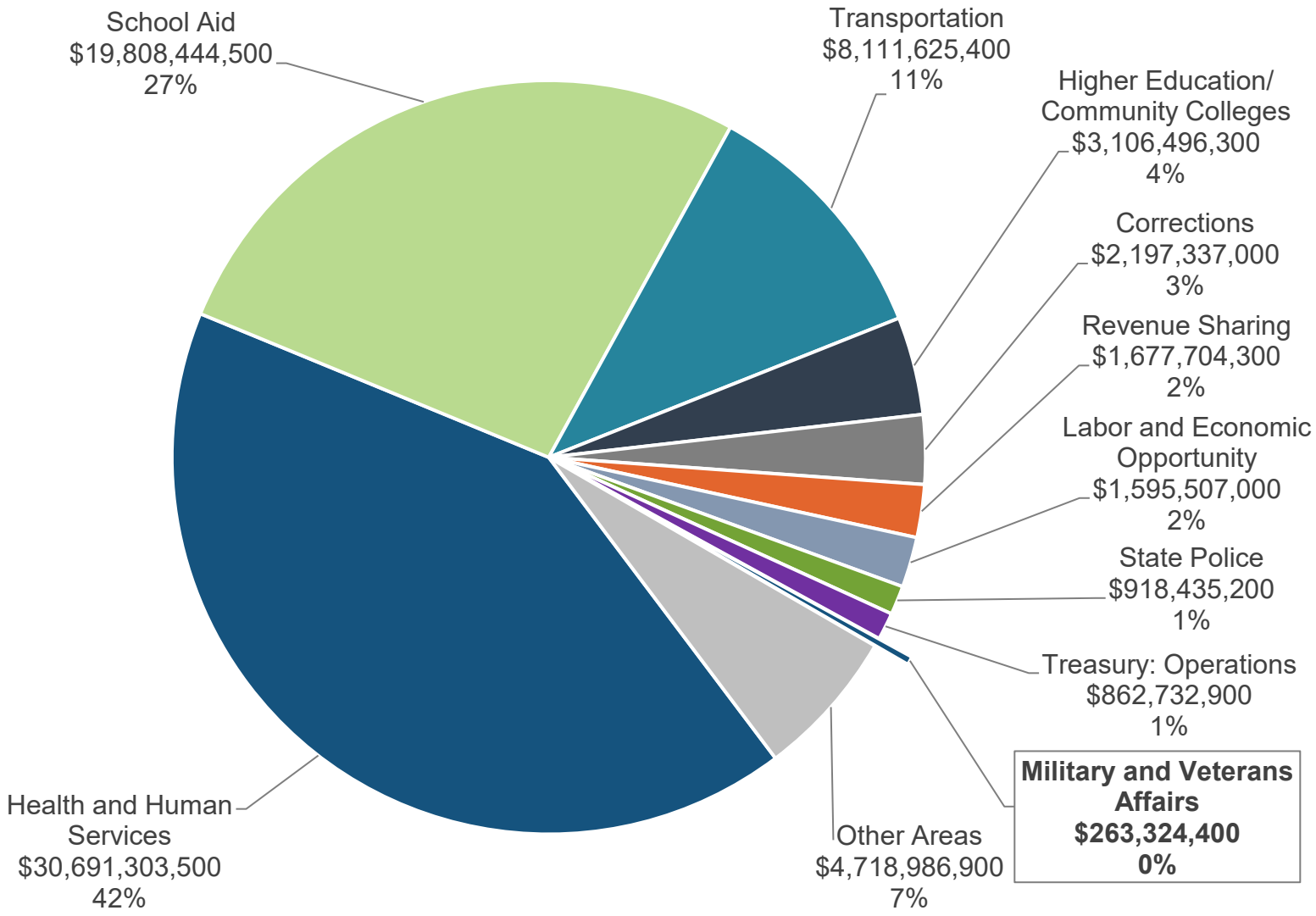
FY 2026-27 Fund Sources

Of the **$263.4 million** DMVA budget, **59%** is funded with federal revenues, which include funds for armory and training site operations and maintenance, the Michigan Youth ChalleNGe Academy (MYCA), the state's three veterans homes, and the Starbase program.



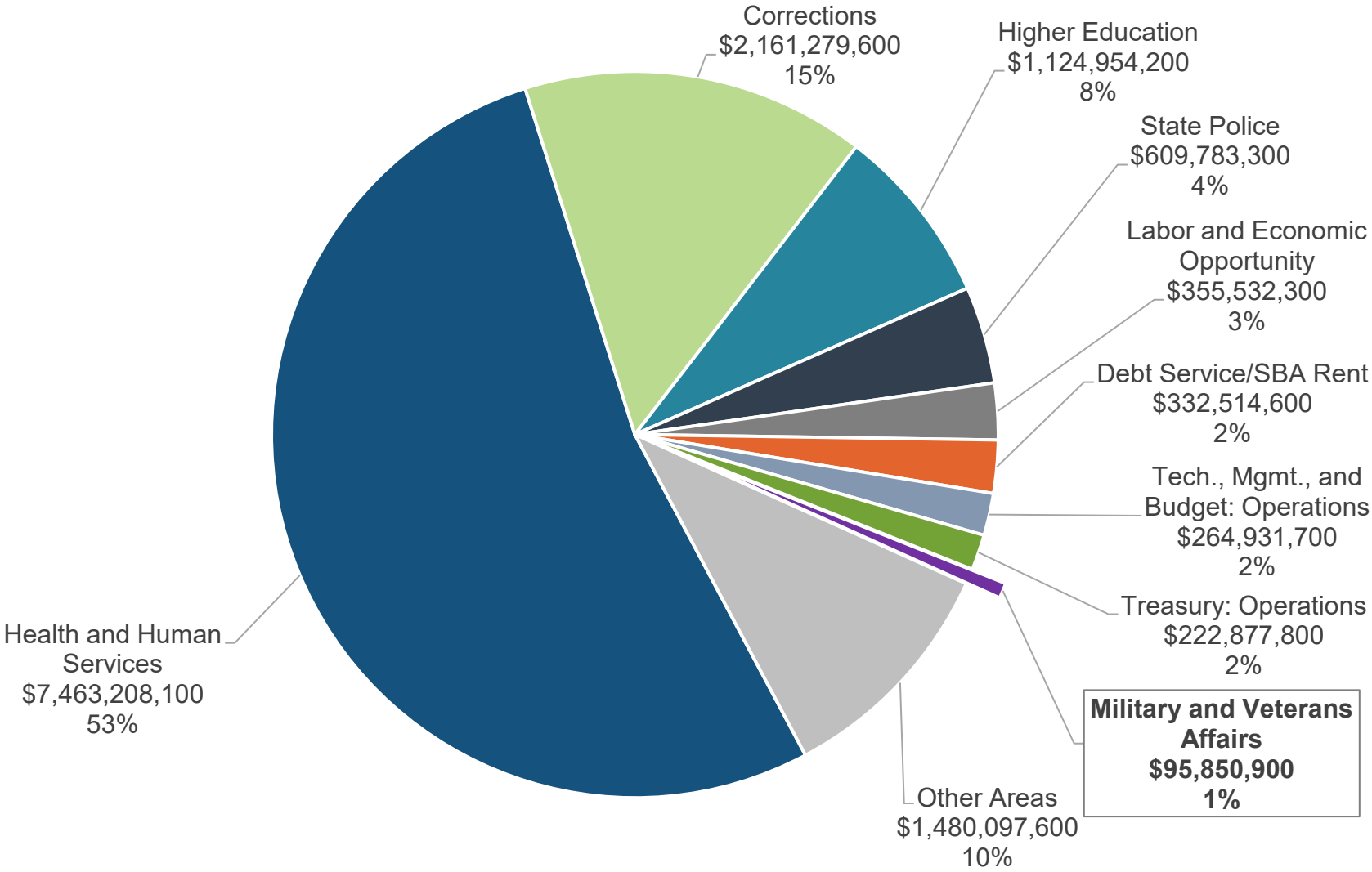
DMVA Share of Total State Budget

The DMVA budget represents less than **1%** of the **$74.0 billion** state budget (adjusted gross) for FY 2026-27.



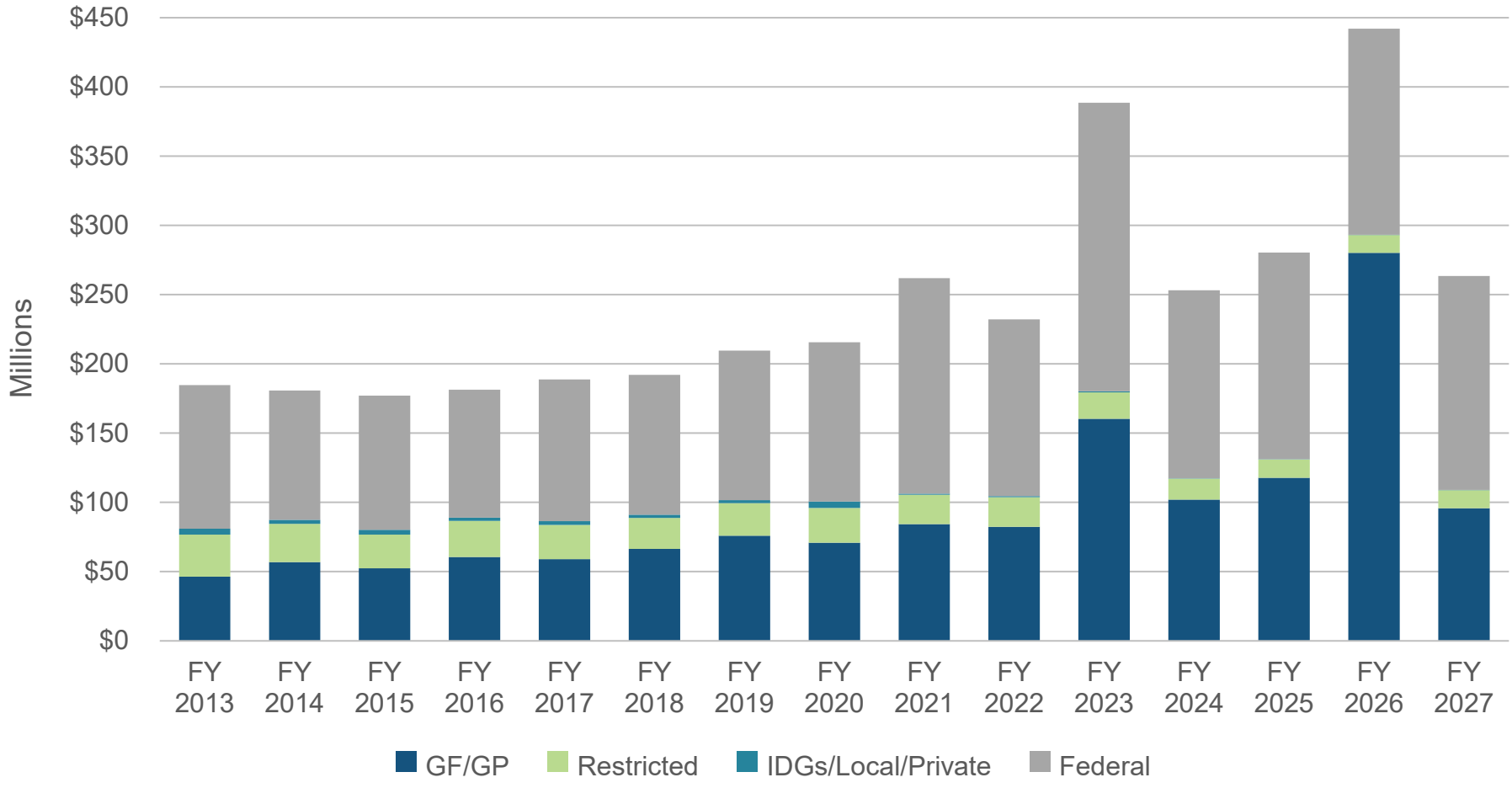
DMVA Share of Total GF/GP Budget

The DMVA budget represents **1%** of the state's **$14.1 billion** GF/GP budget for FY 2026-27.



DMVA Funding History

Since FY 2012-13, Gross appropriations have increased an average of **6.3%** each year. Funding spiked in FY 2020-21 from an increase in COVID-related relief funding, in FY 2022-23 from **$150.3 million** in one-time appropriations ($100.0 million of which was used to support updating armories statewide), and in FY 2025-26 from **$152.0 million** in one-time appropriations for Selfridge Air National Guard Base.



Appropriation Areas

DMVA Appropriation Areas

Military: Unclassified positions, the state's National Guard armories and training facilities, the Michigan Youth ChalleNGe Academy (MYCA) and Starbase program, and other National Guard operations.

Michigan Veterans Affairs Agency (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.

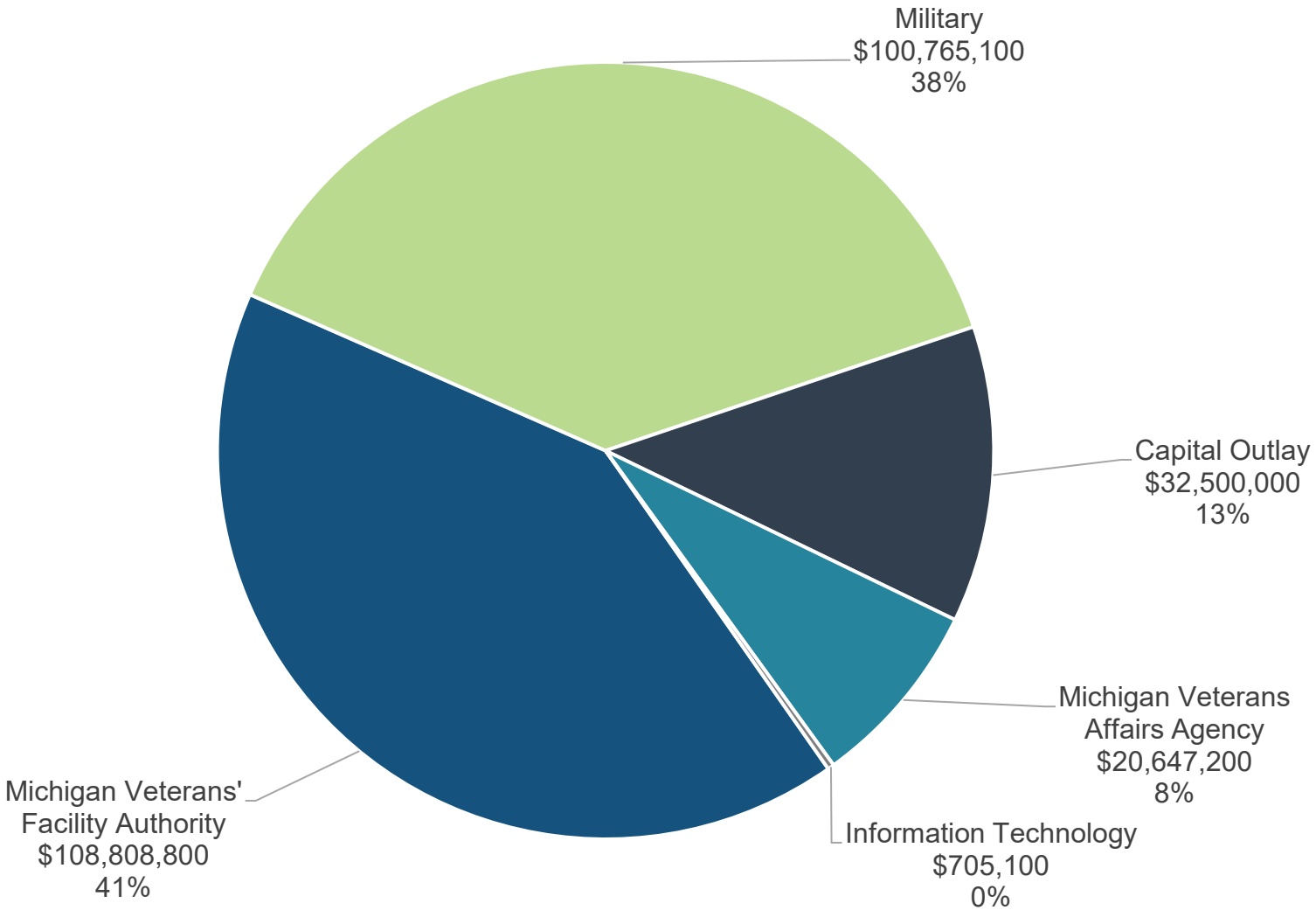
Michigan Veterans' Facility Authority (MVFA): Administration of the state's three veterans homes and the Grand Rapids veterans cemetery.

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.

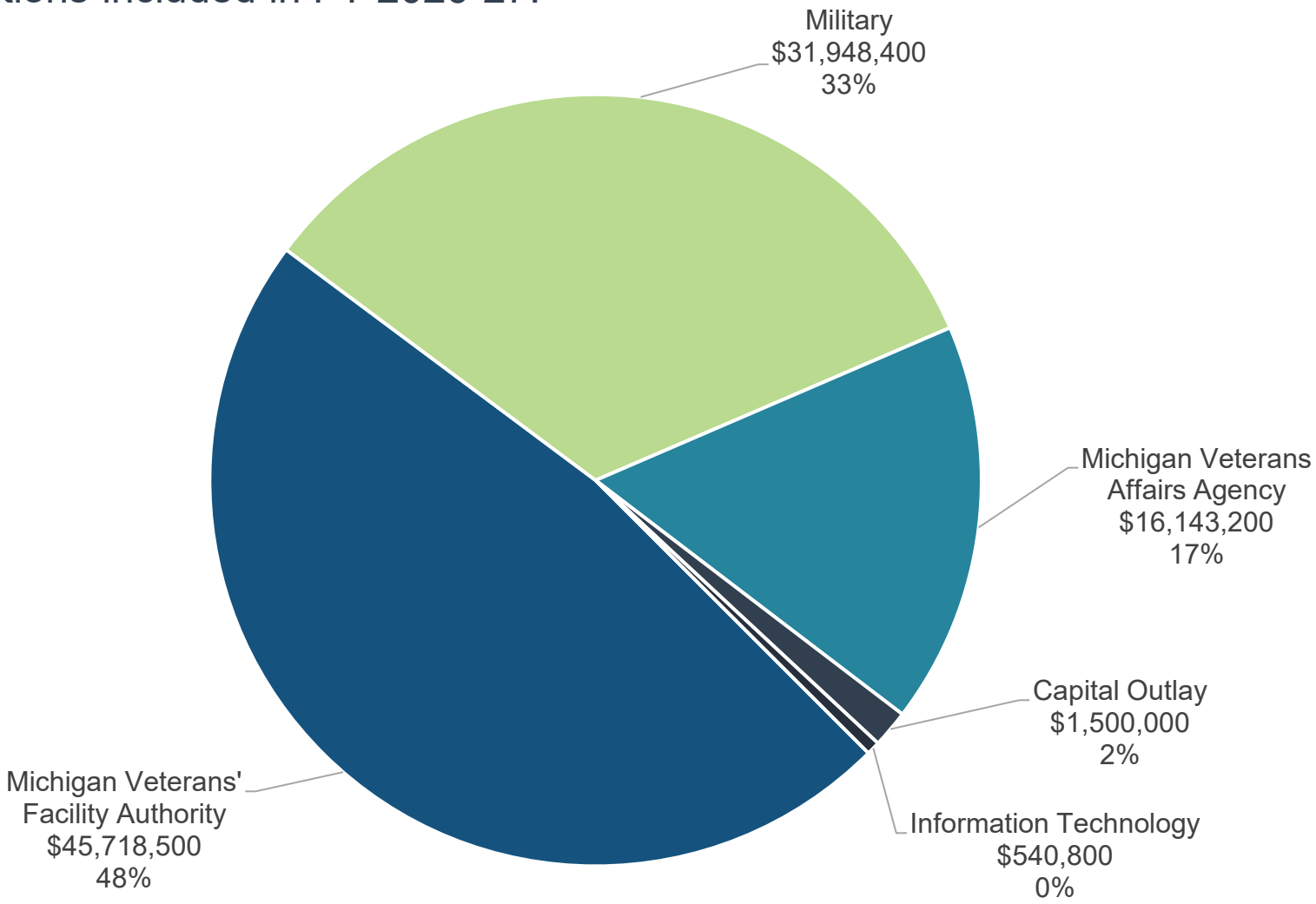
FY 2026-27 Gross Appropriations

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. Federal funding in the Capital Outlay unit, **63%**, supports maintenance at National Guard facilities statewide.



FY 2026-27 GF/GP Appropriations

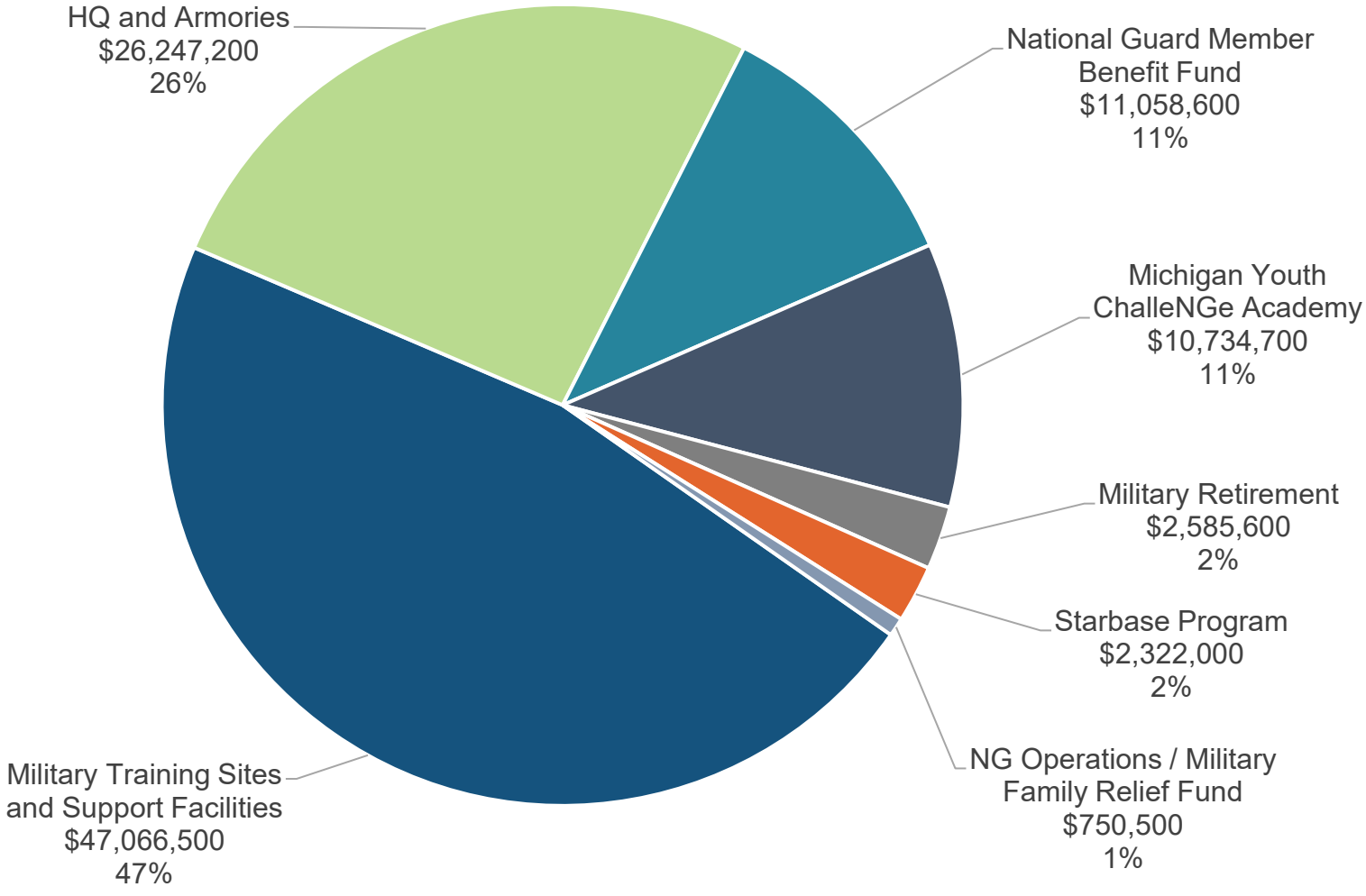
Of GF/GP funds totaling **$95.9 million**, approximately **81%** (**$77.7 million**) is allocated to the MVFA and Military/National Guard. There are no one-time GF/GP appropriations included in FY 2026-27.



Major Budget Topics

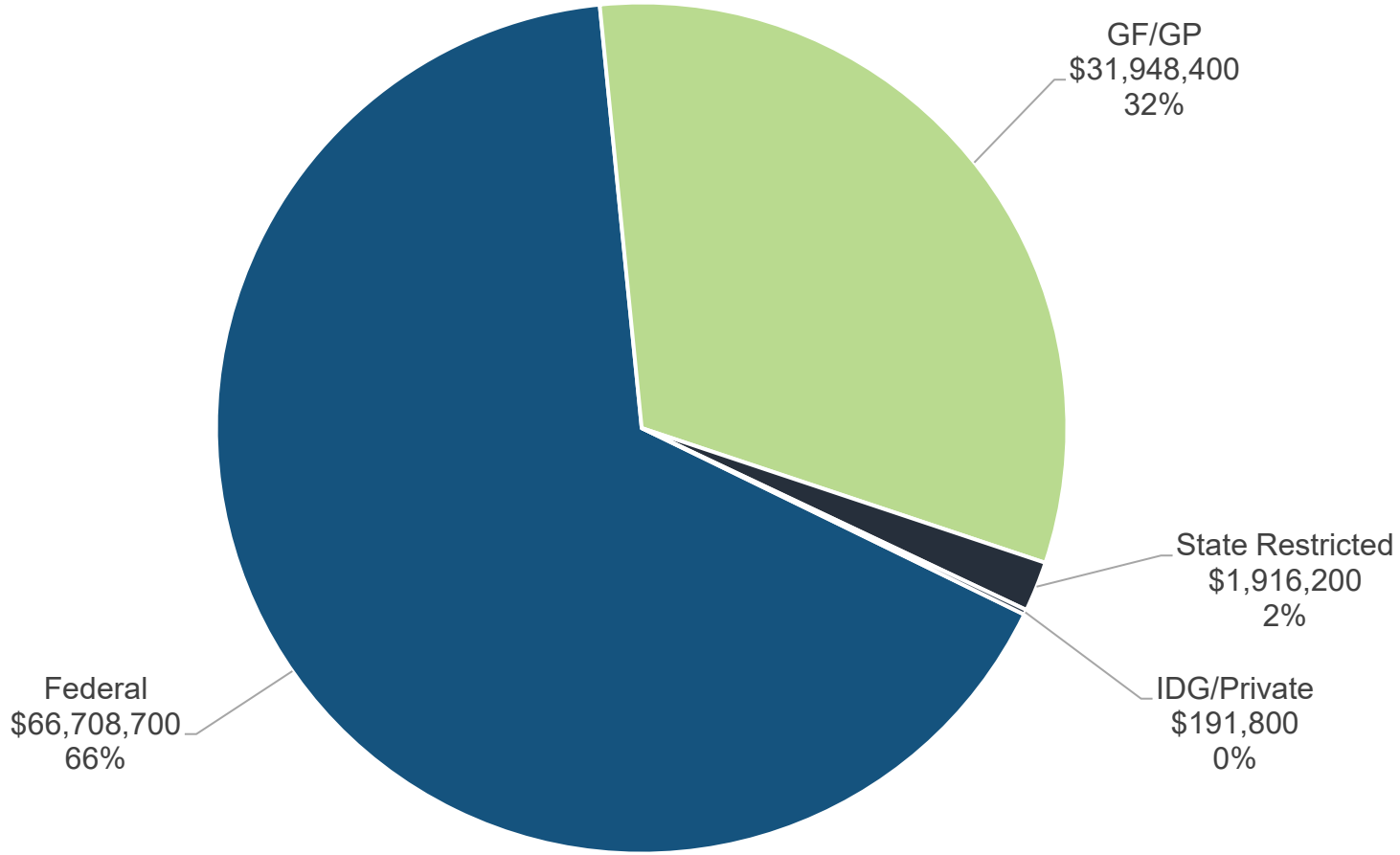
FY 2026-27 Military Appropriations

Funding for Military Training Sites and Support Facilities is **47%** of the **$100.8 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.



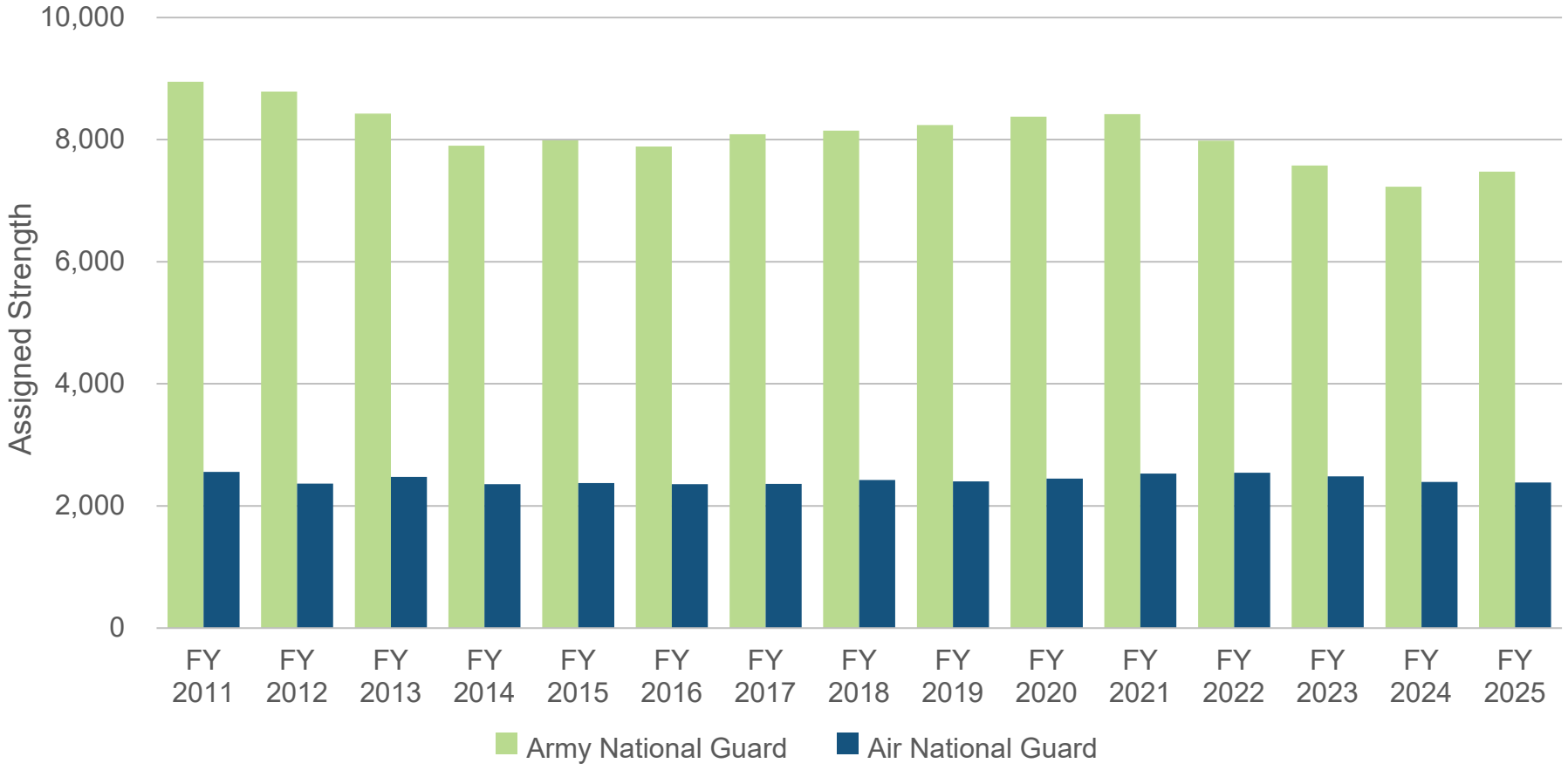
FY 2026-27 Military Fund Sources

Federal grant and matching revenue from the U.S. National Guard Bureau makes up two-thirds (**$66.7 million**) of total funding 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 2024-25, total assigned strength of the Michigan National Guard increased by **2.5%** following three consecutive years of attrition (FY 2021-22 to FY 2023-24). Since reaching a 15-year peak in FY 2010-11, total assigned strength has decreased by **14.3%** (**16.5%** decrease for the Army National Guard and **6.8%** decrease for the Air National Guard).

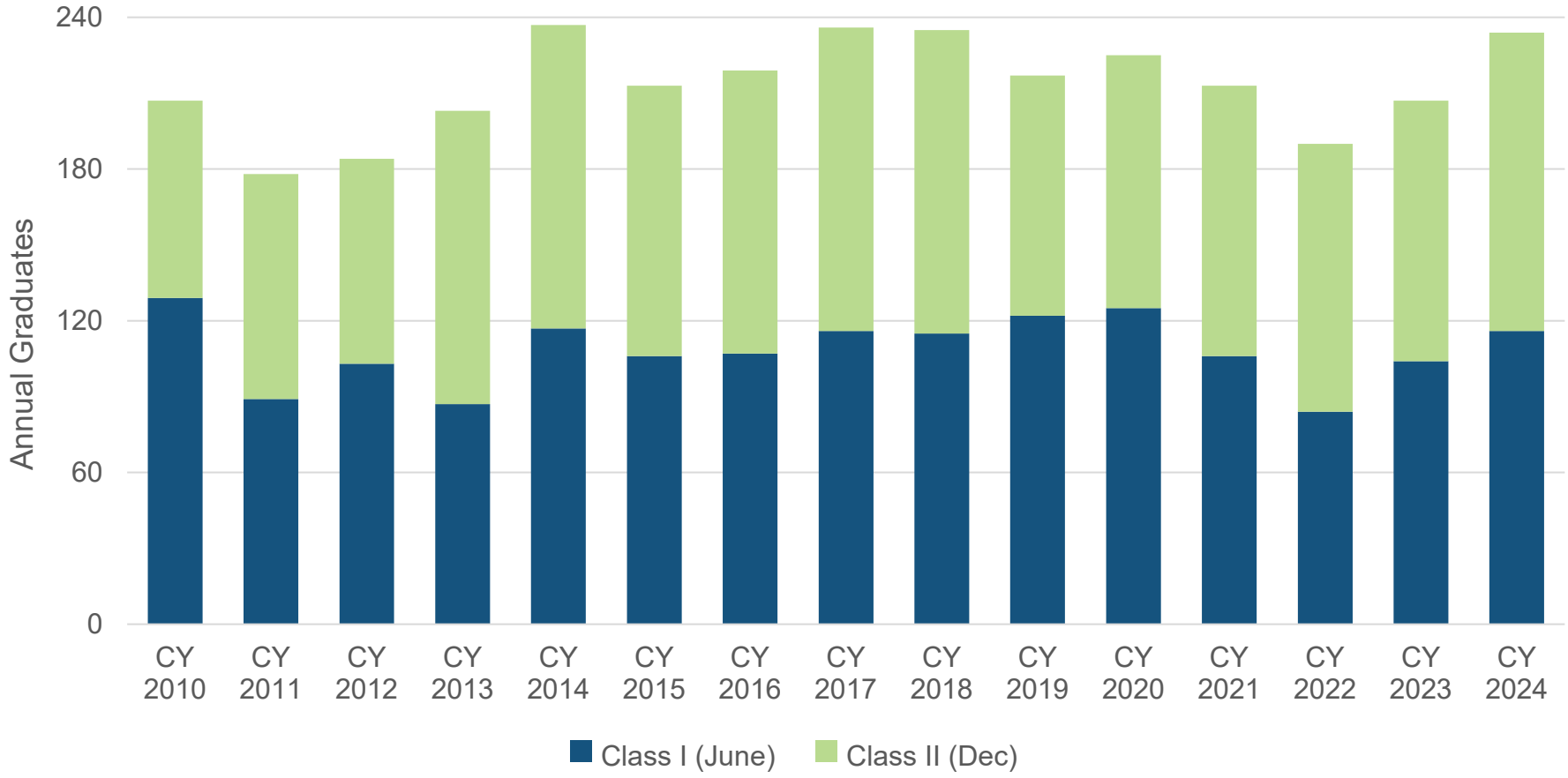


Selfridge Air National Guard Base

- 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 Thunderbolt II aircraft, which are planned to be retired by the end of FY 2026-27 and replaced with 21 new F-15EX fighter jets
- Fleet of KC-135 Stratotanker aircraft is scheduled to be retired in FY 2028-29 and replaced with 12 new KC-46 Pegasus tankers
- 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**
  - FY 2025-26 – **$178.0 million** ($26.0 million + $152.0 million supplemental)

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 24-month post-residential job mentoring phase for graduates. Academic, vocational, and fiduciary services are under contract with Marshall Public Schools. The FY 2026-27 appropriation for MYCA is **$10.7 million**.



Note: Data current to 9/30/26.

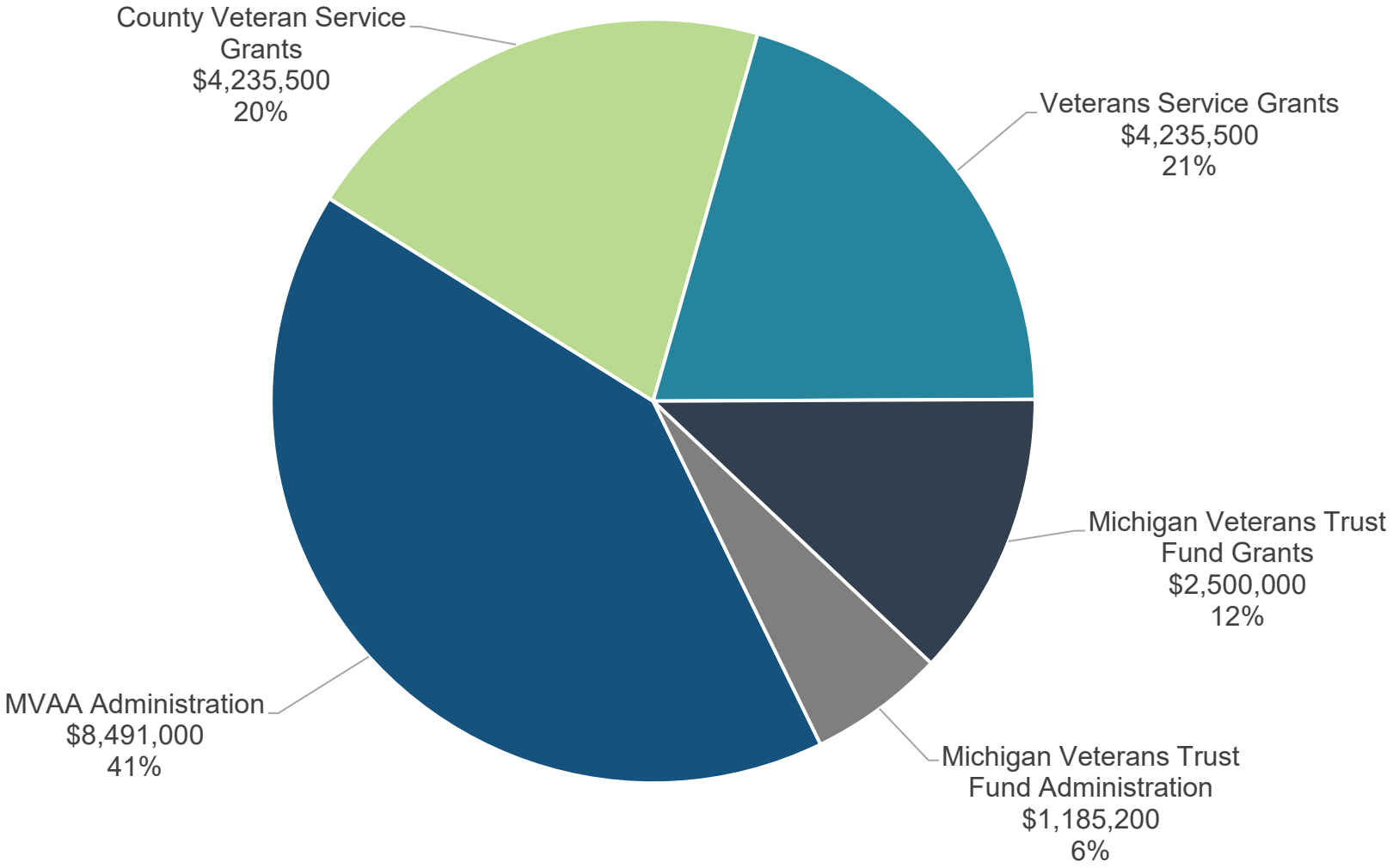
Michigan National Guard Member Benefit Fund

Created by 2025 PA 31 to consolidate new and existing programs that support National Guard members, spouses, and dependents under a single fund source. The FY 2026-27 appropriation for the Member Benefit Fund is **$11.1 million** GF/GP.

- The **Michigan National Guard State Tuition Assistance Program** (2014 PA 259) supports tuition assistance and reimbursement for eligible members, spouses, and dependents pursuing a course of study intended to culminate in any of the following:
  - Vocational training, technical training, or a certificate (up to **$6,000**)
  - First associate's degree or bachelor's degree (up to **$14,400**)
  - First master's degree (up to **$6,000**)
- The **Child Care Assistance Program** (2025 PA 37) provides stipends to eligible members to support child care costs during weekend drills and annual training
- The **TRICARE Premium Reimbursement Program** (2025 PA 36) reimburses eligible members for the costs of TRICARE health and dental insurance premiums

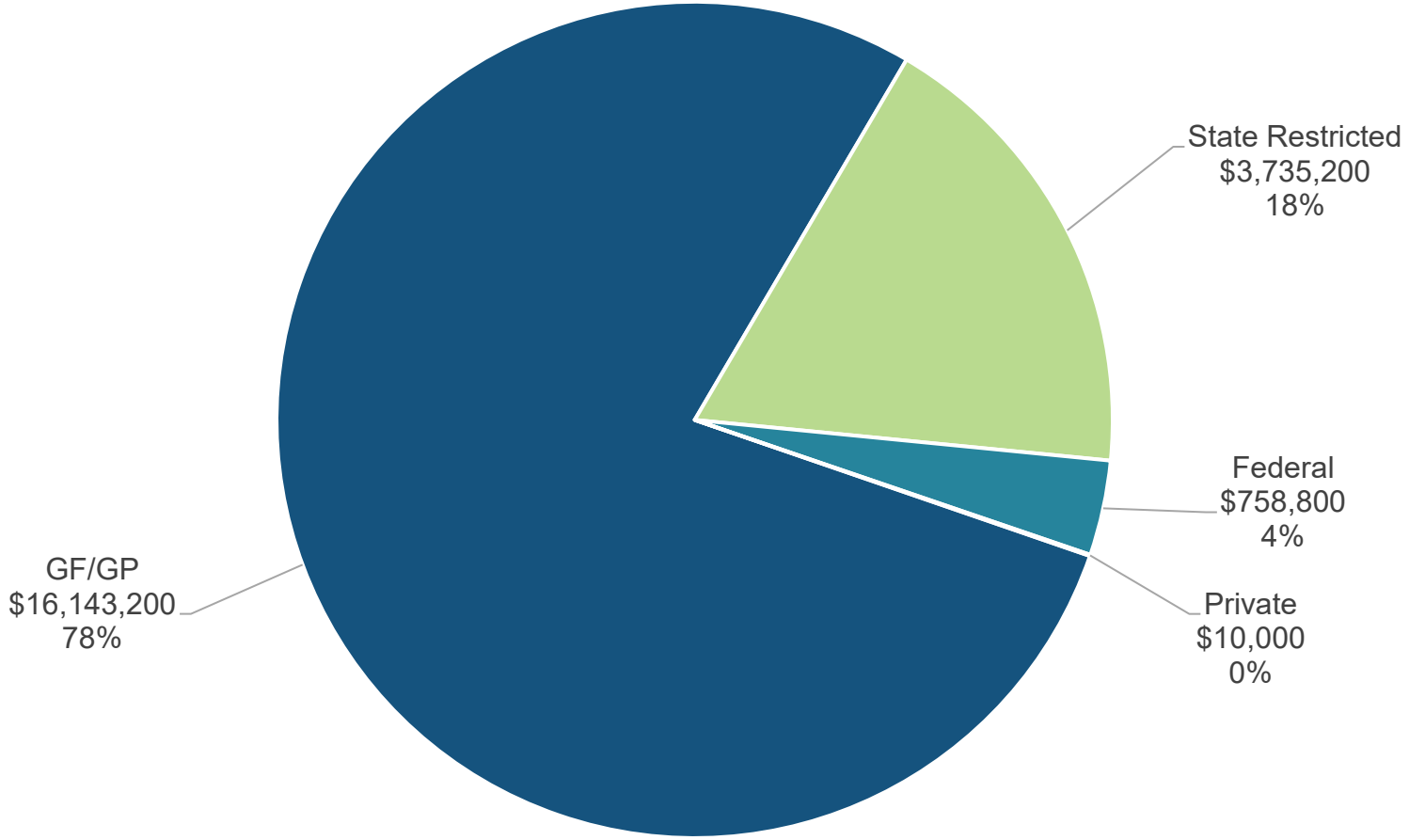
FY 2026-27 MVAA Appropriations

The total appropriation for MVAA is **$20.7 million**, of which **$11.0 million** (**53%**) is spent on veterans grants. Of the remaining funds, **$8.5 million** is allocated to MVAA and **$1.2 million** is appropriated to the Michigan Veterans Trust Fund to support each entity's administrative costs.



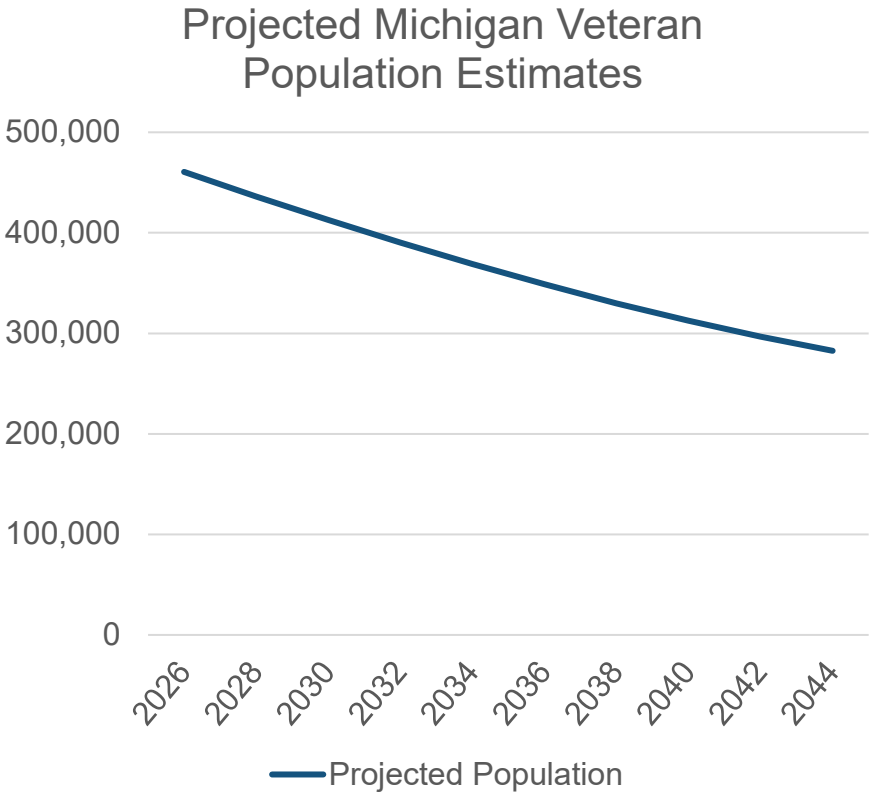
FY 2026-27 MVAA Fund Sources

GF/GP appropriations comprise **78%** of total funding for MVAA, of which **$7.7 million** (**48%**) supports operational costs. Nearly all state restricted funding is appropriated for Veterans Trust Fund grants and related administrative costs.

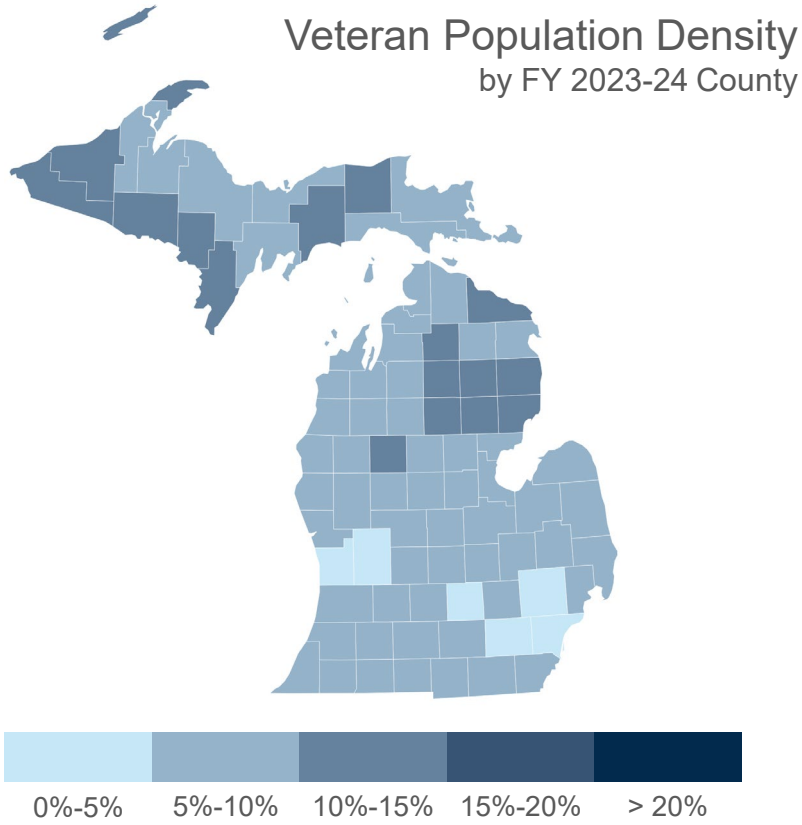


Michigan Veteran Population

The statewide veteran population is projected to be approximately **448,000** in FY 2026-27. 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.



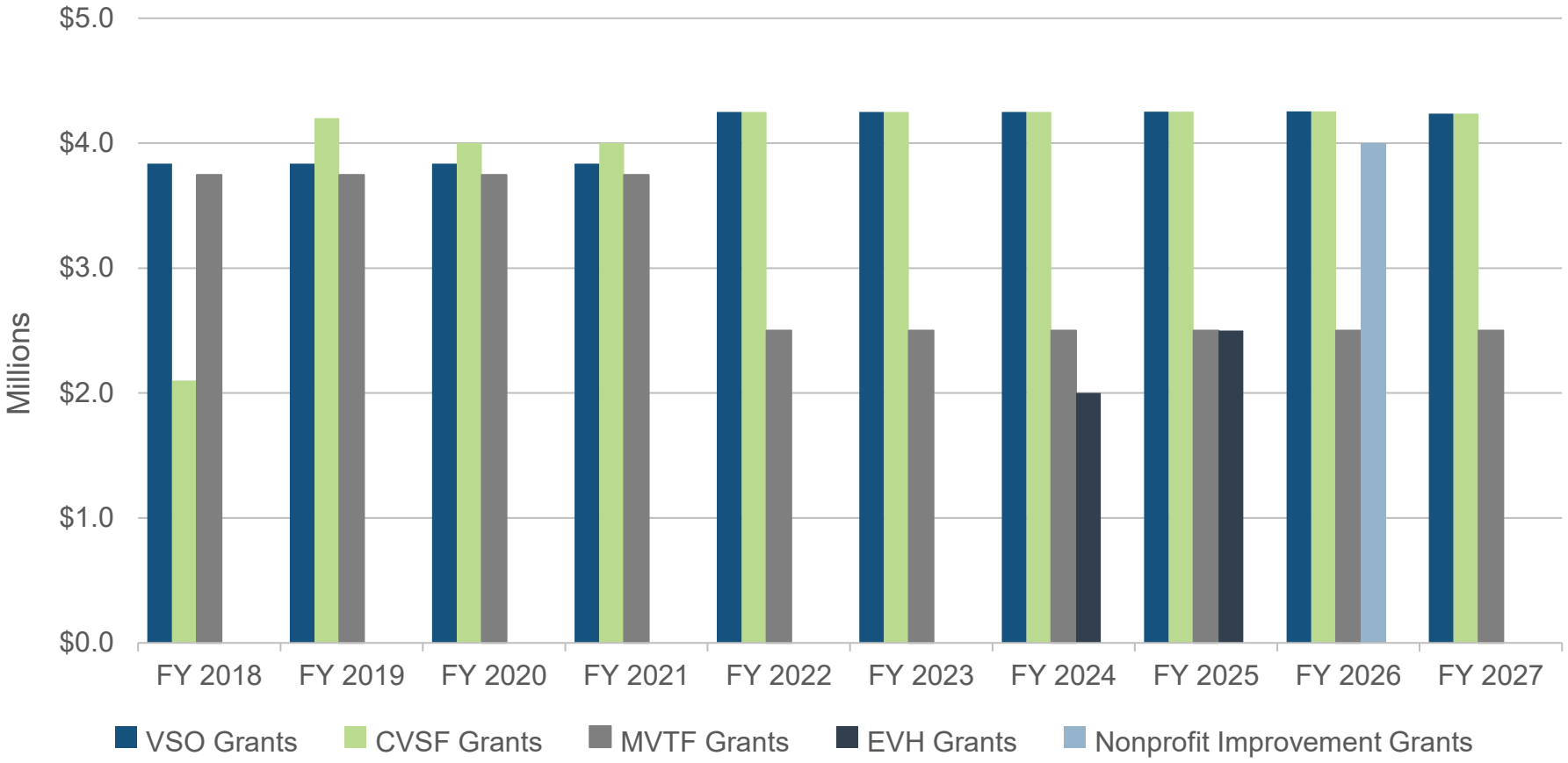
Source: U.S. Department of Veterans Affairs VetPop2023 survey and projections.



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

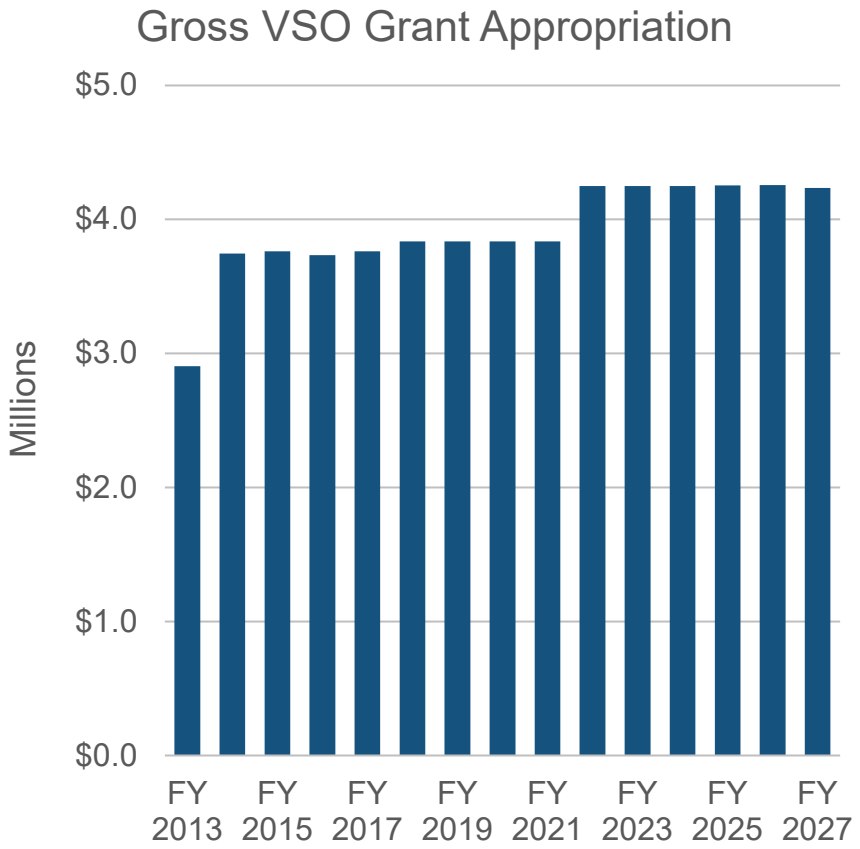
Veterans Grants

MVAA administers two veteran grant programs: Veteran Service Grants and County Veteran Service Grants. Michigan Veteran Trust Fund grants are distributed by an independent, governor-appointed board of trustees established by the Michigan Constitution. Grant programs previously administered by MVAA included Eliminating Veteran Homelessness Grants (FY 2023-24 and FY 2024-25) and Veteran Nonprofit Improvement Grants (FY 2025-26).



Veterans Service Organization Grants

Grants to Veterans 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 2026-27 appropriation is **$4.2 million** GF/GP.

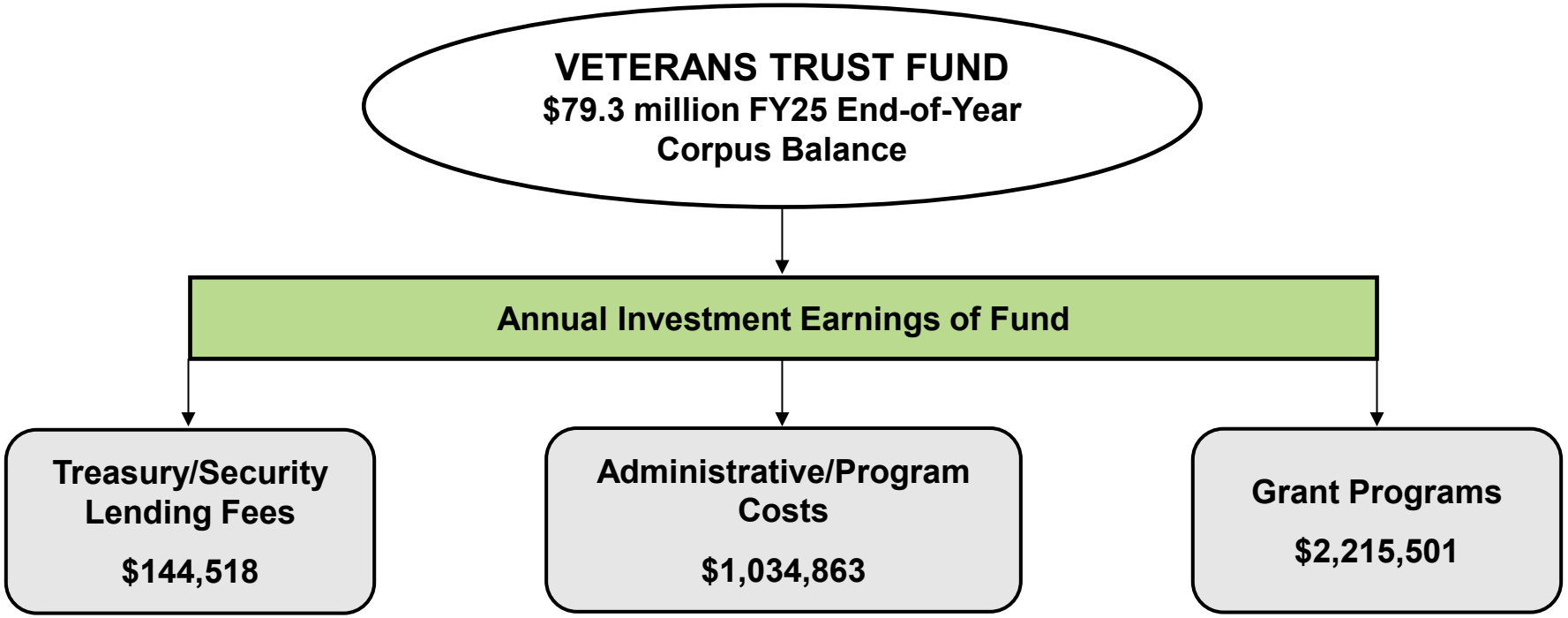


Prosperity Region	FY 2023-24
Region 1	$190,588
Region 2	$168,359
Region 3	$147,998
Region 4	$652,242
Region 5	$272,449
Region 6	$393,852
Region 7	$180,798
Region 8	$356,474
Region 9	$401,250
Region 10	$1,277,489

Note: Data current to 9/30/26.

Veterans Trust Fund

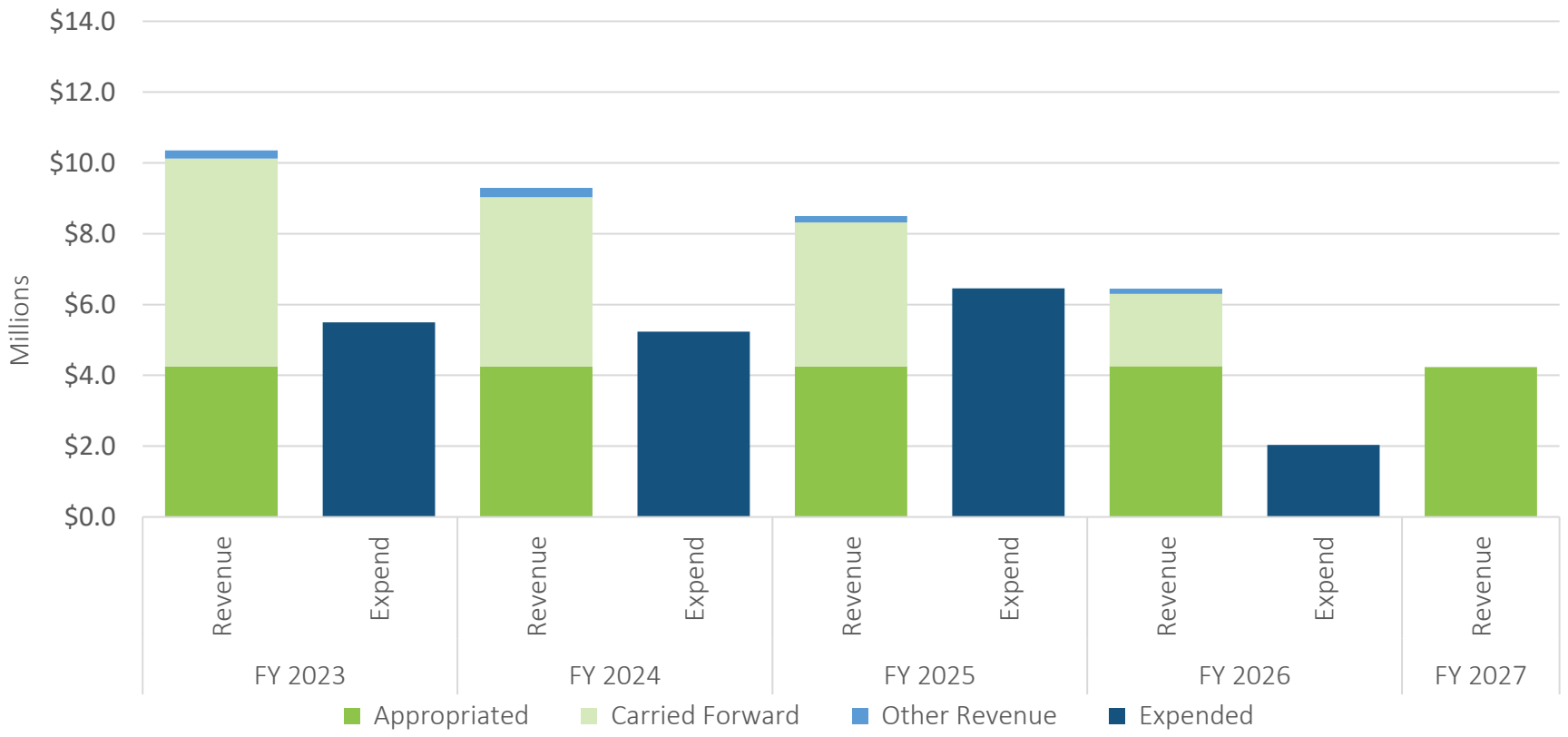
Established in 1946 with a $50.0 million principal, the Veterans Trust Fund (VTF) investment earnings provide emergency financial assistance grants to veterans experiencing temporary, unforeseen hardships (e.g., housing, utilities, food, medical, and transportation). In FY 2024-25, **$3.4 million** of the VTF's investment earnings were expended to support grants and administrative costs. In FY 2026-27, **$2.5 million** of restricted VTF funds is appropriated for grant programs and **$1.2 million** is appropriated for fund administration.



Note: Data current to 9/30/26.

County Veteran Service Grants

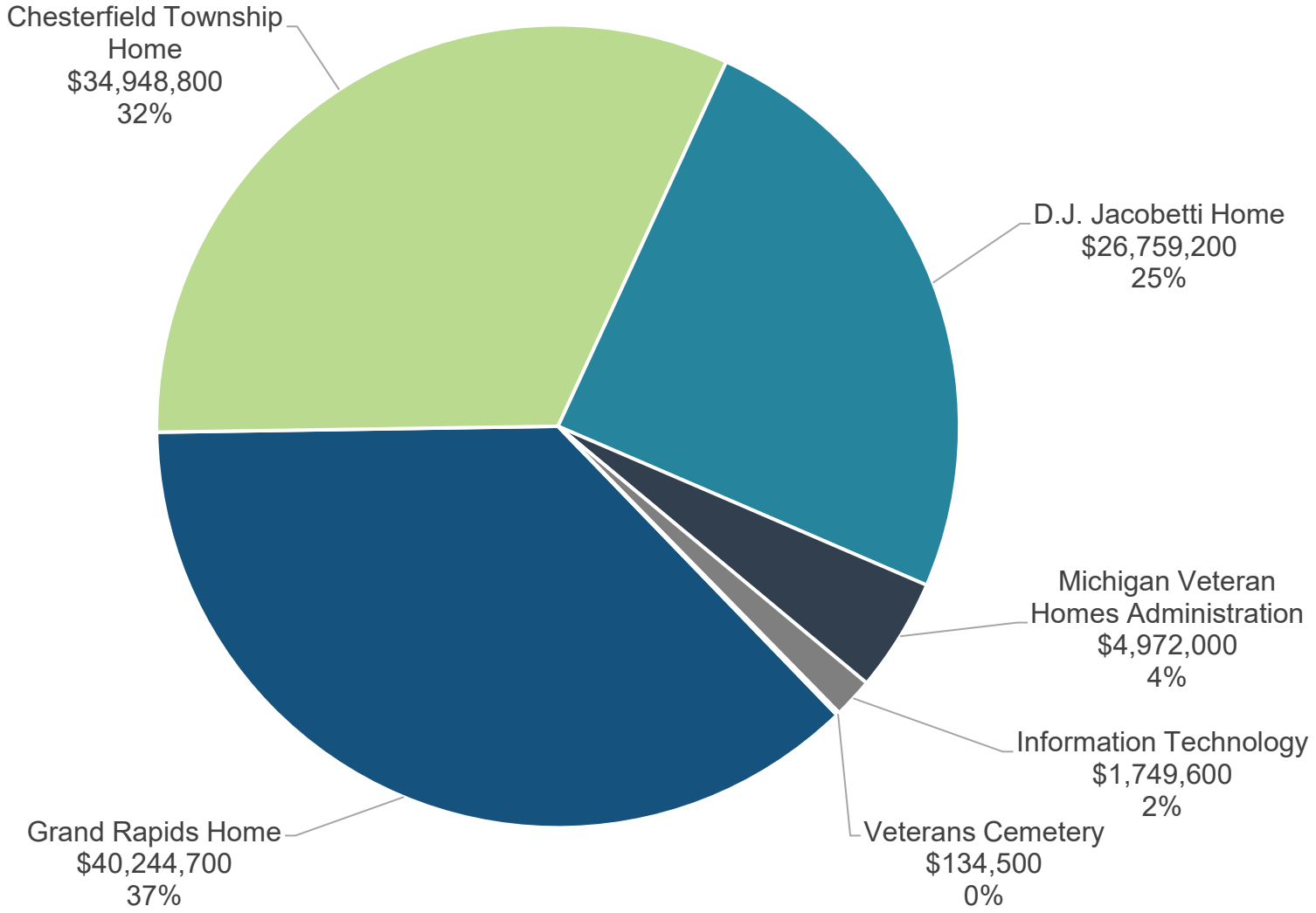
The County Veteran Service Fund (CVSF) grant program provides reimbursement grants to counties to support the costs of local veteran service operations. Since its inception in 2019, the number of participating counties has increased from **37** to **70** (FY 2024-25), resulting in diminishing carry-forward balances each year. Since FY 2021-22, CVSF grants have received funding parity with Veterans Service Grants. The FY 2026-27 appropriation is **$4.2 million** GF/GP.



Note: Data current to 9/30/26.

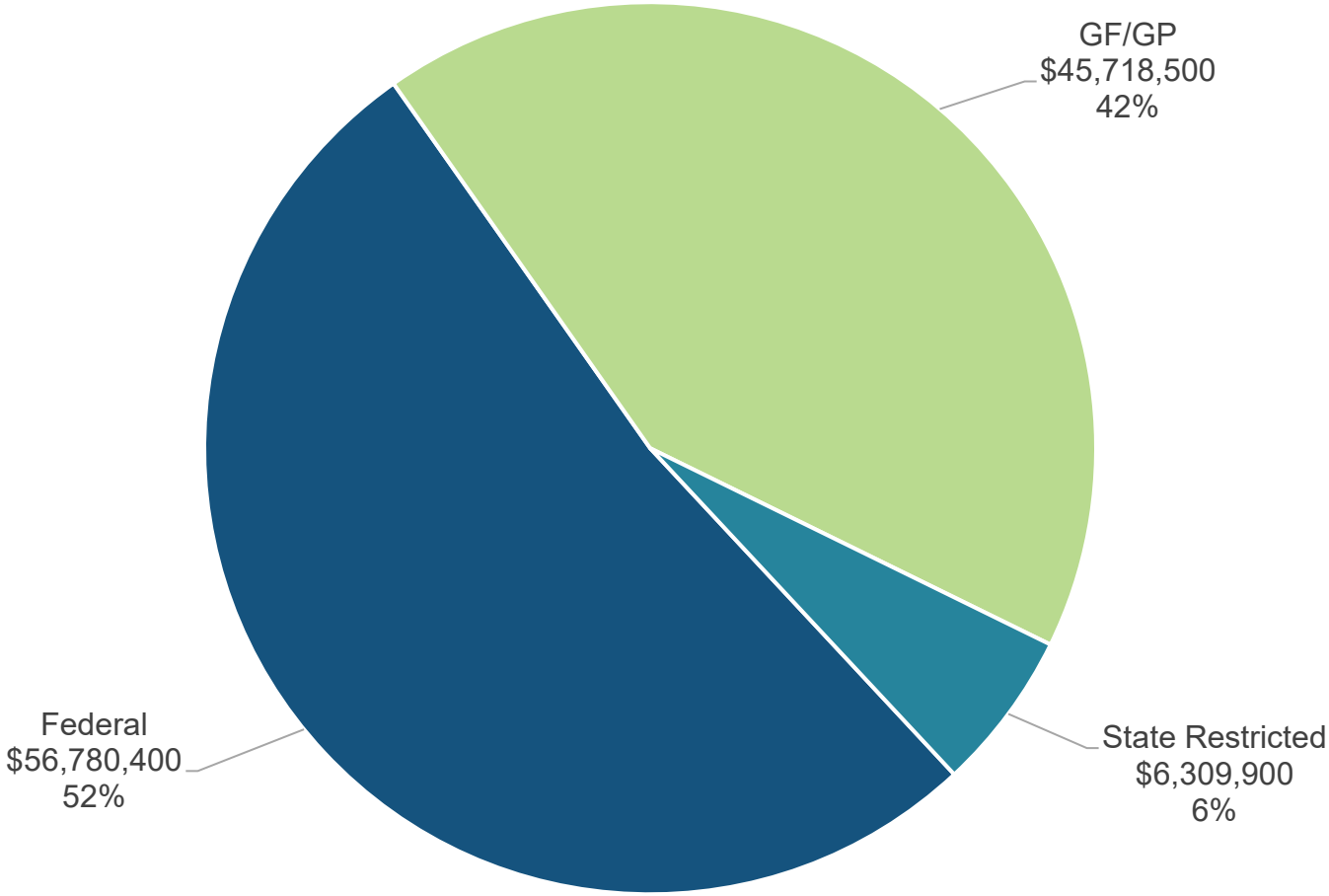
Michigan Veterans' Facility Authority

Established by 2016 PA 560, the MVFA oversees the state's three veterans homes and the Michigan Veteran Homes Administration, as well as the Grand Rapids Veterans Cemetery. Taken together, the homes receive **94%** (**$102.0 million**) of funds allocated to the MVFA.



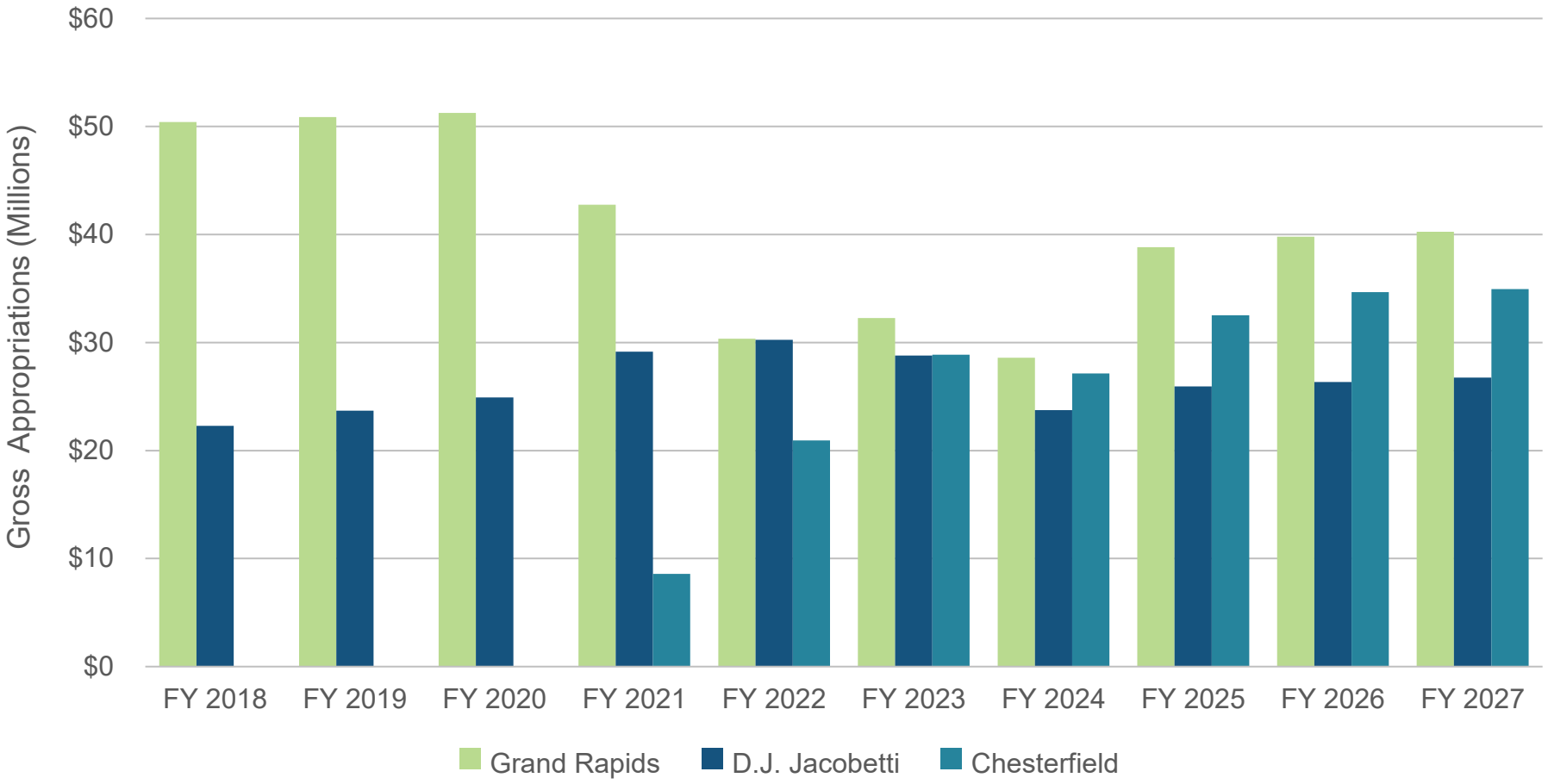
FY 2026-27 MVFA Fund Sources

Taken together, **$56.8 million** in federal funds from the Veterans Health Administration and Health Care Finance Administration and **$45.7 million** in GF/GP funds make up nearly **94%** of MVFA's Gross appropriation. The unit's remaining funding comes from **$6.3 million** in state restricted revenue received from income-based assessments paid by residents of veterans homes or their families.



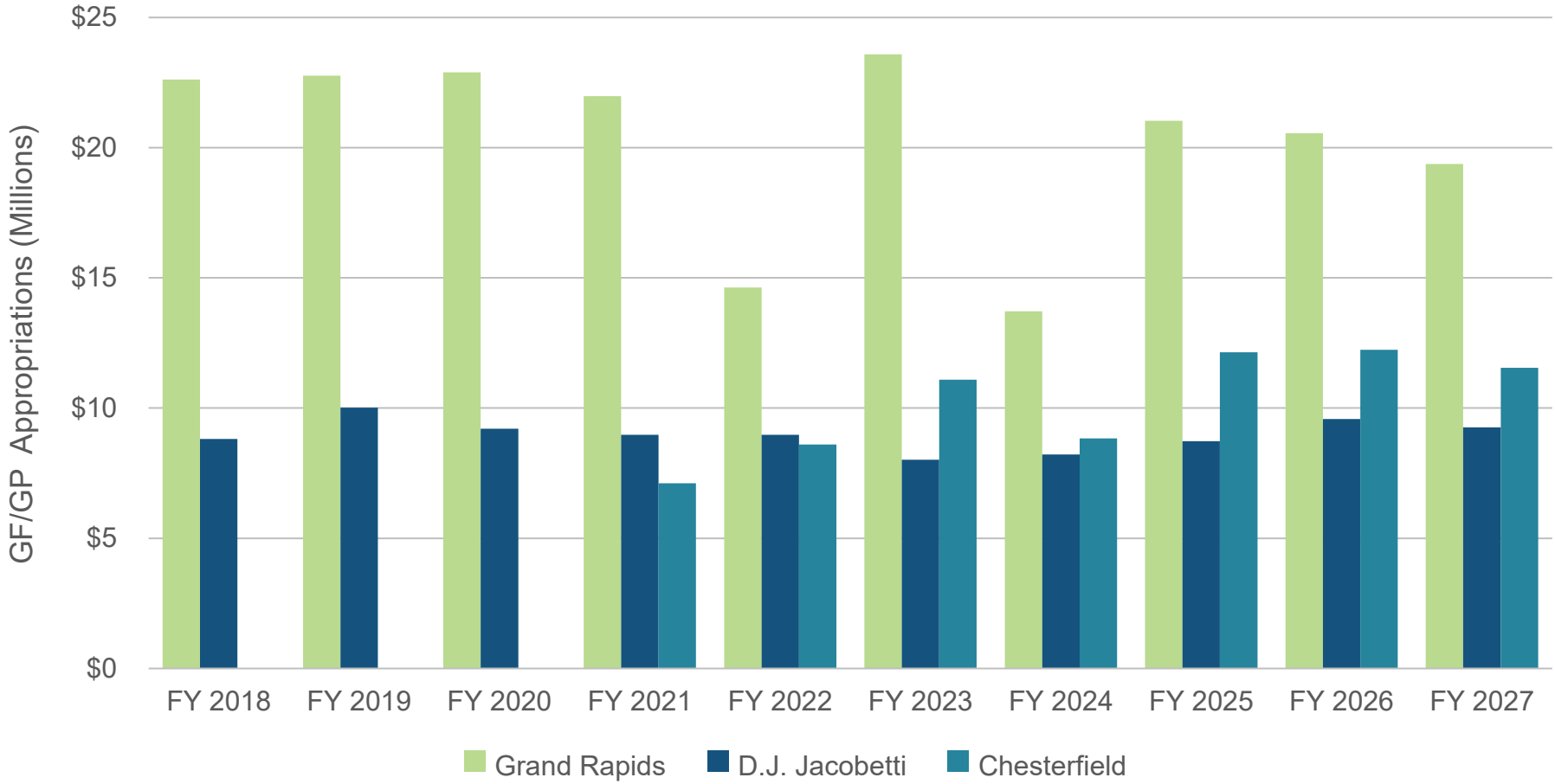
Veterans Homes Gross Appropriations

Gross appropriations for the Grand Rapids and D.J. Jacobetti homes peaked in FY 2019-20 and FY 2021-22 respectively due to an influx of COVID-related federal funding. Gross appropriations have since decreased for the GRVH and the D.J. 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 **75%** due to membership growth and receiving full federal funding.



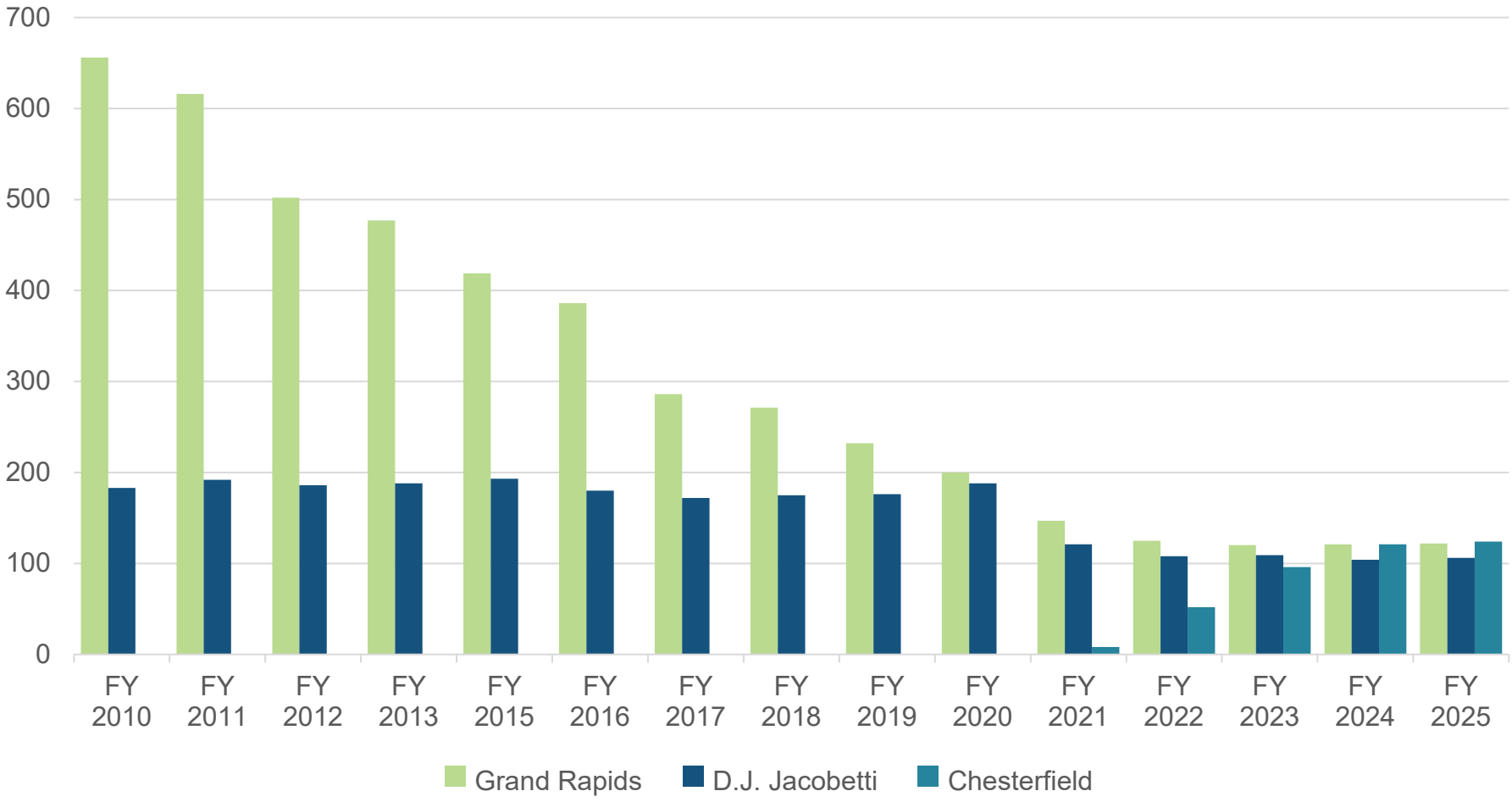
Veterans Homes GF/GP Appropriations

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 population across the homes decreased by **58%** between FY 2009-10 and FY 2024-25. In FY 2024-25, 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

Aaron A. Meek

Fiscal Analyst

ameek@house.mi.gov

(517) 373-8080