

**FY 2024-25: MILITARY AND VETERANS AFFAIRS**  
**Summary: House Subcommittee Chair’s Recommendation**  
**House Bill 5509 (H-1)**



**Analyst: Michael Crossen**

IDG/IDT	FY 2023-24	FY 2024-25	FY 2024-25	FY 2024-25	FY 2024-25	Difference: House	
	Enacted as of 2/7/24	Executive	House	Senate	Conference	From FY 2023-24 Enacted Amount	%
	\$101,800	\$101,800	\$101,800	\$	\$	\$0	0.0
<b>Federal</b>	135,035,900	144,036,800	144,036,800			9,000,900	6.7
<b>Local</b>	0	0	0			--	--
<b>Private</b>	100,000	100,000	100,000			0.0	0.0
<b>Restricted</b>	14,213,400	13,221,400	13,221,400			(992,000)	(7.0)
<b>GF/GP</b>	98,889,300	109,592,100	107,592,200			8,702,900	8.8
<b>Gross</b>	<b>\$248,340,400</b>	<b>\$267,052,100</b>	<b>\$265,052,200</b>	<b>\$</b>	<b>\$</b>	<b>\$16,711,800</b>	<b>6.7</b>
<b>FTEs</b>	1,060.0	1,060.0	1,060.0			0.0	0.0

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.

	FY 2023-24 Enacted (as of 2/7/24)	FY 2024-25 House Change
<b>Major Budget Changes from FY 2023-24 Enacted Appropriations</b>		
<b>1. Veteran Homes Operating Expenses Adjustment</b>		
<i>Executive</i> provides \$16.4 million Gross (\$10.2 million GF/GP) to the 3 state veteran home facilities to reflect operating cost increases for contracted nursing services, state healthcare employee wages, medical supplies and services, utilities, and DTMB accounting services fees. Gross funding increases to each of the 3 homes would be:	FTE	553.0
<ul style="list-style-type: none"> <li>\$9.7 million for the Grand Rapids Home for Veterans</li> <li>\$5.0 million for the Chesterfield Township Home for Veterans</li> <li>\$1.6 million for the D.J. Jacobetti Home for Veterans</li> </ul>	<b>Gross</b>	<b>\$92,561,400</b>
<i>House</i> concurs.	Federal	41,843,100
	Restricted	6,850,100
	GF/GP	\$43,868,200
		\$10,170,800
<b>2. Michigan Veterans' Facility Authority Administrative Operating Expenses Adjustment</b>	<b>Gross</b>	<b>\$4,981,300</b>
<i>Executive</i> provides \$941,900 GF/GP to cover total increased costs related to Auditor General service fees, DTMB accounting services, and increased costs for medical billing services, telecommunications, and other services. <i>House</i> concurs.	GF/GP	\$4,981,300
		\$941,900
<b>3. Selfridge Air National Guard Base (One-Time)</b>	<b>Gross</b>	<b>\$10,000,000</b>
<i>Executive</i> includes \$10.0 million GF/GP for capital improvements and infrastructure projects necessary to shift the runway placement at Selfridge Air National Guard Base to help attract new aircraft flying missions. Projects would include roadway repair, vehicle access to the base and museum, stormwater drainage system repairs, force protection, and airfield features. A one-time appropriation of \$10.0 million was included in the enacted FY 2023-24 budget for the same purpose, for a \$0 change. <i>House</i> includes \$7.5 million GF/GP for a \$2.5 million decrease from the FY 2023-24 one-time appropriation.	GF/GP	\$10,000,000
		(\$2,500,000)

		FY 2023-24 Enacted (as of 2/7/24)	FY 2024-25 House Change
<b>Major Budget Changes from FY 2023-24 Enacted Appropriations</b>			
<b>4. Veteran Homelessness Grants (One-Time and Ongoing)</b>			
<u>Executive</u> provides \$1.5 million GF/GP for MVAA to continue a FY 2023-24 pilot program that awards grants to non-profit organizations to provide, or assist in providing, housing for homeless veterans and their families in an effort to eliminate veteran homelessness. A one-time appropriation of \$2.0 million was included in the enacted FY 2023-24 budget for the same purpose, for a \$500,000 decrease. <u>House</u> provides a total of \$5.5 million GF/GP (\$2.0 million one-time) for a net increase of \$3.5 million from FY 2023-24.	<b>Gross</b> GF/GP	<b>\$2,000,000</b> \$2,000,000	<b>\$3,500,000</b> \$3,500,000
<b>5. DMVA Military Retirement</b>			
<u>Executive</u> provides \$1.4 million GF/GP for the Military Retirement System to reflect an increase in anticipated retirement obligations based on annual actuarial valuation of military retirement benefits. <u>House</u> concurs.	<b>Gross</b> GF/GP	<b>\$1,351,000</b> \$1,351,000	<b>\$1,419,600</b> \$1,419,600
<b>6. Veterans of Foreign Wars National Home (One-Time)</b>			
<u>House</u> provides \$1.0 million GF/GP for the Veterans of Foreign Wars (VFW) National Home for maintenance of its roads and grounds. The VFW National Home is a small-town community that assists military, veterans and their families by providing housing and resources for up to four years during times of difficulty. <u>Executive</u> does not include.	<b>Gross</b> GF/GP	<b>\$0</b> \$0	<b>\$1,000,000</b> \$1,000,000
<b>7. VETS Ride Pilot Program (One-Time)</b>			
<u>House</u> provides \$999,900 GF/GP to create a pilot program to provide reimbursement grants to eligible organizations to provide eligible veterans free transportation for health and medical purposes and for receiving benefits claims assistance. <u>Executive</u> does not include.	<b>Gross</b> GF/GP	<b>\$0</b> \$0	<b>\$999,900</b> \$999,900
<b>8. National Guard Soldier Referral Program</b>			
<u>Executive</u> provides \$300,000 GF/GP and makes a corresponding reduction from the annual deposit into the Michigan National Guard Tuition Assistance Fund for a net \$0 Gross change. Funding would be used to create a Joint Enlistment Enhancement Program that would provide \$1,000 referral bonuses to individuals who refer soldiers who enlist in the National Guard. <u>House</u> concurs.	<b>Gross</b> Restricted GF/GP	<b>\$0</b> 0 \$0	<b>\$0</b> 0 \$0
<b>9. National Guard Facilities Services Contract Increases</b>			
<u>Executive</u> provides \$287,000 Gross (\$9,000 GF/GP) to support contract cost increases for National Guard facilities and for janitorial services at Selfridge Air National Guard Base. <u>House</u> concurs.	<b>Gross</b> Federal GF/GP	<b>\$0</b> 0 \$0	<b>\$287,000</b> 278,000 \$9,000
<b>10. Air National Guard User ID Funding</b>			
<u>Executive</u> provides \$50,000 GF/GP for the cost of user IDs in recognition that this cost is a non-reimbursable expense under the National Guard Bureau's cooperative agreement. <u>House</u> concurs.	<b>Gross</b> GF/GP	<b>\$0</b> \$0	<b>\$50,000</b> \$50,000
<b>11. Veteran Directory (One-Time)</b>			
<u>House</u> provides \$100 GF/GP as a placeholder to implement a statewide homeless veteran directory to better identify and serve homeless veterans by being able to recognize immediate needs and trends sooner. <u>Executive</u> does not include.	<b>Gross</b> GF/GP	<b>\$0</b> \$0	<b>\$100</b> \$100
<b>12. Peacetime Veterans Emergency Assistance Grants</b>			
<u>House</u> provides \$100 GF/GP as a placeholder to fund awarding grants from the Emergency Grant Program of the Michigan Veterans Trust Fund to veterans who served in times of peace. <u>Executive</u> does not include.	<b>Gross</b> GF/GP	<b>\$2,500,000</b> \$2,500,000	<b>\$100</b> \$100

		FY 2023-24 Enacted (as of 2/7/24)	FY 2024-25 House Change
<b><u>Major Budget Changes from FY 2023-24 Enacted Appropriations</u></b>			
<b>13. Removal of FY 2023-24 One-Time Appropriations</b>	<b>Gross</b>	<b>\$3,000,000</b>	<b>(\$3,000,000)</b>
<u>Executive</u> removes \$3.0 million of one-time GF/GP funding that was included in the FY 2023-24 budget to support funding for the Grand Rapids Home for Veterans as it transitioned to its new facility. <u>House</u> concurs.	GF/GP	\$3,000,000	(\$3,000,000)
<b>14. National Guard Tuition Assistance Fund Alignment</b>	FTE	3.5	0.0
<u>House</u> reduces \$5.5 million GF/GP for deposit into the Michigan National Guard Tuition Assistance Fund to align the balance of the fund with expenditures and the \$15.0 million cap placed on the fund by the Michigan National Guard Tuition Assistance Act, 2014 PA 259. <u>Executive</u> does not include.	<b>Gross</b>	<b>\$11,520,700</b>	<b>(\$5,500,000)</b>
	GF/GP	\$11,520,700	(\$5,500,500)
<b>15. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$3,115,100</b>
<u>Executive</u> includes adjustments to reflect increased costs of \$3.1 million Gross (\$1.6 GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2024), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. <u>House</u> concurs.	Federal	NA	1,504,300
	Restricted	NA	(700)
	GF/GP	NA	\$1,611,500

**Major Boilerplate Changes from FY 2023-24**

**Sec. 206. Disciplinary Action Against State Employees – RETAINED**

Prohibits departments 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. (*Governor deemed this section unenforceable in FY 2023-24.*) Executive revises. House retains.

**Sec. 210. Legislative Contingency Transfer Authorization – RETAINED**

Allows for the legislative transfer process to increase federal authorization by up to \$8.6 million, state restricted authorization by up to \$1.1 million, local authorization by up to \$250,000, and private authorization by up to \$100,000. Executive revises to increase maximum amounts of contingency authorizations up to \$12.0 million in federal and \$3.0 million in state restricted. House retains.

**Sec. 211. Transparency Website – RETAINED**

Requires department to provide data necessary for DTMB to maintain a searchable website that is accessible by the public at no cost that includes expenditure data, data on payments made to vendors, and data on number of active employees, job specifications, and wage rates. Executive deletes. House retains.

**Sec. 212. State Restricted Funds Report – RETAINED**

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

**Sec. 214. Performance Metrics Website – DELETED**

Requires department to maintain a publicly accessible website that identifies and tracks its performance against key metrics used to monitor and improve its performance. Executive deletes. House concurs.

**Sec. 216. FTE Vacancies and Remote Work Report – RETAINED**

Requires department to provide quarterly report on FTE counts by classification and actual FTE position counts compared to authorized FTE position counts; requires detailed accounting of vacant positions. Executive revises to delete all reporting requirements except for a comparison of FTE positions authorized and positions filled. House retains.

**Sec. 217. Prioritization of In-person Work for State Workforce – RETAINED**

States intent of legislature is to maximize efficiency of state workforce and, where possible, prioritize in-person work; requires department to post its in-person, remote, or hybrid work policy on its website. Executive deletes. House retains.

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

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. Executive deletes. House retains.

## **Major Boilerplate Changes from FY 2023-24**

### **Sec. 220. Reporting Requirement on Policy Changes – RETAINED**

Requires department to report on policy changes made in order to implement enacted legislation. Executive deletes. House retains.

### **Sec. 220. Severance Pay Report – DELETED**

Requires department and agencies to report name and any amount of severance pay given to high-ranking department officials; requires department and agencies to submit annual report on total amount of severance pay remitted to former employees during prior fiscal year and total number of those employees; defines "severance pay". Executive deletes. House concurs.

### **Sec. 222. Work Project Expenditures – RETAINED**

Prohibits appropriations from being expended in cases where existing work project authorization is available for the same expenditures. (*Governor deemed this section unenforceable in FY 2023-24.*) Executive deletes. House retains.

### **Sec. 224. Intention to Sell Department Property – RETAINED**

Requires department to provide a 60-day notice of intent to sell property. (*Governor deemed this section unenforceable in FY 2023-24.*) Executive deletes. House retains.

### **Sec. 225. Biannual Reporting on Achieving Requirements – RETAINED**

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

### **Sec. 226. State Administrative Board Transfers – DELETED**

Authorizes legislature, by concurrent resolution adopted by majority of members elected to and serving in each house, to inter-transfer funds if State Administrative Board transfers funds. (*Governor deemed this section unenforceable in FY 2023-24.*) Executive deletes. House concurs.

### **Sec. 229. Annual Strategic Plan – DELETED**

Requires department to submit its annually updated departmental strategic plan to legislature. Executive deletes. House concurs.

### **Sec. 301. Unclassified Positions – RETAINED**

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. House retains.

### **Sec. 306. Billeting Fund – REVISED**

Requires annual report of operations and expenditures regarding Billeting Fund account, which supports program operations of Chargeable Transient Quarters program at National Guard training facilities. Executive revises to create the fund within the state treasury; authorizes Treasury to receive money and assets from any source for deposit into the fund; requires Treasury to direct the investment of the fund and to credit interest and earnings to the fund; requires money in the fund to not lapse to the general fund at the close of the fiscal year; requires the department to be the administrator of the fund for auditing purposes. House concurs.

### **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 revises to add reporting on spouses and children as beneficiaries of the program. House concurs with Executive changes and adds balance of the fund as a reporting requirement.

### **Sec. 309. Test Project Fees – REVISED**

Creates test project fees revolving account to be under control of department to collect fees generated by test project program; requires funds appropriated from account to support operations of test project program; authorizes unexpended funds to carry forward and not lapse at close of fiscal year. Executive revises to create the fund within the state treasury; authorizes Treasury to receive money and assets from any source for deposit into the fund; requires Treasury to direct the investment of the fund and to credit interest and earnings to the fund; requires money in the fund to not lapse to the general fund at the close of the fiscal year; requires the department to be the administrator of the fund for auditing purposes. House concurs.

## **Major Boilerplate Changes from FY 2023-24**

### **Sec. 311. Commander's Cottage Rental Fees – REVISED**

Creates rental fees revolving account to be under control of department to collect rental fees for Commander's Cottage, the commander's residence; requires funds appropriated from account to support operations of program; authorizes unexpended funds to carry forward and not lapse at close of fiscal year. Executive revises to create the fund within the state treasury; authorizes Treasury to receive money and assets from any source for deposit into the fund; requires Treasury to direct the investment of the fund and to credit interest and earnings to the fund; requires money in the fund to not lapse to the general fund at the close of the fiscal year; requires the department to be the administrator of the fund for auditing purposes. House concurs.

### **Sec. 404. MVAA Private Donations – RETAINED**

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; requires quarterly reports 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 delete notification requirement for donations of \$10,000 or more. House retains.

### **Sec. 405. Veterans' Trust Fund Grants – REVISED**

Requires MVAA to report biannually on Michigan Veterans Trust Fund financial status, awarded grants, and operating and administrative expenses; requires the provision of emergency grants; requires an annual report on grants issues, county administrative practices and expenditures, details on applications received, and what efforts are done to reduce program administrative costs. Executive revises to delete the biannual report requirement; deleted requirement to provide emergency grants; adjust annual reporting requirements. House revises to add reporting requirement on expenditures for program partnerships and other initiatives.

### **Sec. 406. MVAA Outreach Services – RETAINS**

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 outreach minimum goal benchmark of 50% of the state's veteran population and aspirational goal of 90% reached. House retains.

### **Sec. 410. MVAA and County Counseling Services – RETAINS**

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 biannual reports on number and percentage of CVCs requesting training by MVAA; authorizes up to \$50,000 to be expended to provide legal services to represent veterans benefit cases before federal courts in order to maintain accreditation by VA. (*Governor deemed this section unenforceable in FY 2023-24.*) Executive revises to eliminate claims processing and county counselor training goal benchmarks. House 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 to carry forward as a work project. Executive revises to delete designation of unexpended funding as a work project and carry forward authorization. House concurs.

### **Sec. 412. Interagency Agreement with Department of Health and Human Services – DELETED**

Requires department to enter into cooperative agreement with DHHS to identify veteran Medicaid recipients who may be eligible for other benefits. Executive deletes. House concurs.

### **Sec. 415. MVAA Veteran Homelessness Study – RETAINED**

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 deletes. House retains.

### **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 hiring of up to 3.0 FTE positions. Executive deletes. House concurs.

## **Major Boilerplate Changes from FY 2023-24**

### **Sec. 501. Private Donations to Veteran Homes – RETAINED**

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 of donations under \$10,000 and notification to the legislature within 14 days of 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. Executive revises to delete notification requirement for donations of \$10,000 or more. House retains.

### **Sec. 508. Member Care Standards – RETAINED**

Requires Michigan veterans 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. House retains.

### **Sec. 602. Special Maintenance – National Guard – REVISED**

Requires appropriations to be expended in accordance with sections 302 and 305 of department budget act to modernize and repair National Guard facilities; requires annual reports on maintenance projects at National Guard facilities funded from capital outlay appropriations. Executive revises to include armory maintenance to the section requirements. House concurs.

### **Sec. 604. Armory Maintenance – DELETED**

Requires appropriations to be expended in accordance with sections 302 and 305 of department budget act to modernize and repair National Guard facilities. Executive deletes. House concurs.

### **Sec. 610. MVFA Non-General Fund Source Adjustment – NOT INCLUDED**

Authorizes the department, upon approval from the State Budget Director, to align appropriations for non-general fund sources with revenue; prohibits changes that would produce a gross increase or decrease in the total authorization for the individual Michigan veterans' facility authority line-item appropriations; requires quarterly report on actions taken under this section. Executive adds. House does not include.

### **Sec. 701. Eliminating Veteran Homelessness Grants – REVISED**

Requires MVAA to create and operate grant program to provide grants of \$150,000 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; provides definitions for "veteran" and "homeless"; designates unexpended funds as work project, to not lapse at close of fiscal year, and to carry forward to FY 2027-28. Executive revises to eliminate grant specification of \$150,000 and prohibition of awarding more than one grant to any one non-profit organization; eliminates work project designation. House revises to permit grant delineations to be any amount not exceeding \$250,000.

### **Sec. 702. Selfridge Air National Guard Base – REVISED**

Requires funds to be used to comply with Air Installation Compatible Use Zone Program requirements and projects to attract new aircraft flying missions; lists eligible uses of funds. Executive revises to modify list of projects eligible for funding. House concurs.

### **Sec. 703. VETS Ride Pilot Program – NEW**

Creates the VETS ride pilot program to provide veterans free transportation for medical purposes, healthcare appointments, or for receiving assistance in filing claims for veterans benefits; provides criteria for eligible veterans; provides criteria for eligible grantees; requires the MVAA to develop program guidelines and to collect information from grantees; requires the MVAA to report on grant awards and applicants who were not awarded a grant. House adds.