

FY 2026-27 MILITARY AND VETERANS AFFAIRS BUDGET

S.B. 878 (S-1): SENATE-PASSED

(as passed by the Senate)

Article 12

Committee: Appropriations



FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2025-26 YEAR-TO-DATE*	FY 2026-27 SENATE-PASSED	CHANGES FROM FY 2025-26 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	967.0	967.0	0.0	0.0
GROSS	290,166,300	263,938,000	(26,228,300)	(9.0)
Less:				
Interdepartmental Grants Received	101,800	101,800	0	0.0
ADJUSTED GROSS	290,064,500	263,836,200	(26,228,300)	(9.0)
Less:				
Federal Funds	148,840,000	154,412,200	5,572,200	3.7
Local and Private.....	100,000	100,000	0	0.0
TOTAL STATE SPENDING	141,124,500	109,324,000	(31,800,500)	(22.5)
Less:				
Other State Restricted Funds.....	12,953,500	12,973,100	19,600	0.2
GENERAL FUND/GENERAL PURPOSE	128,171,000	96,350,900	(31,820,100)	(24.8)
PAYMENTS TO LOCALS	4,178,000	4,088,000	(90,000)	(2.2)

*As of February 11, 2026.

Major Boilerplate Changes from FY 2025-26 Year-to-Date:

- Senate recommended the deletion of several sections of FY 2025-26 boilerplate.** They include language requiring the use of E-Verify in contracting (Sec. 234) and boilerplate sections relating to discontinued One-Time appropriations (Sec. 701 and 702).
- Senate recommended amendments/new sections to FY 2025-26 boilerplate.** They include **NEW** – requires state budget director to take steps to ensure that all fiscal state recovery funds allocated to this state under the American rescue plan act of 2021 are expended by December 31, 2026 and automatically reappropriated for its original use and shall not lapse (Sec.217), **NEW** - allocation and use of State fiscal recovery funds and its reallocation/reappropriation (Sec. 218), **NEW** - revised guidelines for legislatively directed spending items- executive version, but without reference to Fiscal Agencies (Sec. 226), **NEW** - revised private funds receive and expend language with general application throughout budget (Sec. 227), requires report on boilerplate receive and expend activity (Sec.241), updating of NG member benefit program language to conform to recent statutes (Sec. 314, 315, 316), required notice within 14 days if more than \$10,000 in private funds is donated to MVAA is moved to Sec. 227 (Sec. 404), **NEW** - provides for deposit of part 1 funds into VSO fund (Veterans Services Fund), and includes carry forward language (Sec. 412), requires notice within 14 days if more than \$10,000 in private funds is donated to MVH is moved to Sec. 227 (Sec. 501).

FY 2026-27 MILITARY AND VETERANS AFFAIRS BUDGET
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FY 2025-26 Year-to-Date Appropriation	\$290,166,300	\$128,171,000		
	CHANGE FROM FY 2025-26 Y-T-D		FY 2026-27 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
<u>Baseline Adjustments</u>				
1. Align Federal Authorization with Available Resources. Senate recommended revenue adjustments across multiple appropriation lines that included an additional \$1.4 million in Federal funds authorizations.	1,400,000	0	n/a	n/a
2. Economic Adjustments. Includes \$2,371,700 Gross and \$1,111,800 GF/GP for total economic adjustments.	2,371,700	1,111,800	n/a	n/a
<u>New Programs/Program Increases - NONE</u>				
<u>Eliminations/Reductions - NONE</u>				
<u>One-Time Appropriations</u>				
3. Elimination of FY 2025-26 One-Time Appropriations. Senate included the elimination of one-time appropriations from FY 2025-26, which would include \$26.0 million GF/GP for the Selfridge Air National Guard base and \$4.0 million for Veterans Nonprofit Improvement Grants. <i>Note: Senate has recommended a FY 2025-26 supplemental appropriation of \$152.0 million for Selfridge Air National Guard base.</i>	(30,000,000)	(30,000,000)	n/a	n/a
<u>Other</u>				
4. Michigan Veterans Facility Authority Fund Shift. Senate recommended a shift of GF/GP funding for the State's veteran homes from \$2,931,900 in GF/GP to available \$2,931,900 in USDVA-VHA Federal funds in support of the Grand Rapids Home for Veterans, the D.J. Jacobetti Home for Veterans and the Chesterfield Township Home for Veterans.	0	(2,931,900)	108,808,800	45,718,500
Total Changes	(\$26,228,300)	(\$31,820,100)		
FY 2026-27 SENATE-PASSED.....	\$263,938,000	\$96,350,900		

Date Completed: 4-29-26

Fiscal Analyst: Bruce Baker

FY 2026-27 Gross and GF/GP Changes to FY 2025-26

Item #	Budget Area/Line Items	Gov Changes to FY 2025-26			Senate Changes to FY 2025-26		
		FTE	GROSS	GF/GP	FTE	GROSS	GF/GP
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS							
<u>Non-CSB Ongoing Changes</u>							
1	Michigan veterans facility authority - fund switch to federal		0	(2,931,900)		0	(2,931,900)
	Subtotal - Non-CSB Ongoing	0.0	0	(2,931,900)	0.0	0	(2,931,900)
<u>CSB Ongoing Changes</u>							
1	Economic adjustments		2,315,400	1,055,500		2,315,400	1,055,500
2	Unclassified salaries		56,300	56,300		56,300	56,300
3	Align federal funding with available revenues		1,400,000	0		1,400,000	0
	Subtotal - CSB Ongoing	0.0	3,771,700	1,111,800	0.0	3,771,700	1,111,800
<u>One-Time Changes</u>							
1	Remove FY26 one-time and supplemental appropriations		(30,000,000)	(30,000,000)		(30,000,000)	(30,000,000)
	Subtotal - One-Time	0.0	(30,000,000)	(30,000,000)	0.0	(30,000,000)	(30,000,000)
	TOTAL MILITARY AND VETERANS AFFAIRS	0.0	(26,228,300)	(31,820,100)	0.0	(26,228,300)	(31,820,100)



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BILL ANALYSIS

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Senate Bill 878 (Substitute S-1 as passed by the Senate) 1A
Sponsor: Senator Sarah E. Anthony
Committee: Appropriations (discharged)

CONTENT

The fiscal year (FY) 2025-2026 supplemental appropriations within part 1A of the FY 2026-2027 budget bill for the Department of Military and Veteran Affairs would appropriate \$152.0 million in Restricted revenue to Selfridge Air National Guard Base to support costs of runway encroachment solutions and compliance with air installation recommendations. This would include capital improvements to shift the runway to the north and infrastructure projects, roadway repair, improving vehicle access, stormwater drain and culverts, and other enhancements.

FISCAL IMPACT

The bill would require \$152.0 million in Restricted revenue, identified in boilerplate as unobligated work project balances, unobligated General Fund/General Purpose (GF/GP), and Federal funds, which would be eligible for Selfridge Air National Guard base infrastructure improvements. If the balance of these revenue sources were insufficient, the rest would have to come from the Countercyclical Budget and Economic Stabilization (i.e., the Rainy Day) Fund.

To date, \$60.3 million GF/GP has been appropriated to the Selfridge National Guard Air base for associated improvements, including in FY 2022-23 (\$9.3 million), FY 2023-24 (\$10.0 million), FY 2024-25 (\$15.0 million), FY 2025-26 (\$26.0 million). These funds, along with the proposed supplemental, combined with an anticipated \$800.0 million in Federal funds to be spent by the Federal government, are expected to provide base improvements needed to allow for a new generation of aircraft to be situated at the base.

FY 2025-26 BOILERPLATE LANGUAGE SECTIONS – PART 2A

Sec. 1201. General. Records the amount of State spending.

Sec. 1202. General. Subjects appropriations and expenditures to the provisions of the Management and Budget Act.

Sec. 1301. Selfridge Air National Guard base. Provides the purpose and details of proposed expenditures from the \$152.0 million appropriation for the Selfridge Air National Guard base.

Sec. 1302. Selfridge Air National Guard base appropriations funding. Provides the various sources of funding to support the appropriation of \$152.0 million.

Date Completed: 4-29-26

Fiscal Analyst: Bruce R. Baker

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.