

Legislative Analysis



MICHIGAN NATIONAL GUARD MEMBER BENEFIT FUND

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4962 as enacted
Public Act 31 of 2025
Sponsor: Rep. Ron Robinson

Analysis available at
<http://www.legislature.mi.gov>

Senate Bill 540 (proposed substitute H-2)
Sponsor: Sen. Kevin Hertel

Senate Bill 542 (proposed substitute H-2)
Sponsor: Sen. Veronica Klinefelt

House Committee: Appropriations [HB 4962 discharged]
Senate Committee: Appropriations [SBs 540 and 542 discharged]
Complete to 11-4-25

SUMMARY:

Taken together, the bills would do the following:

- Create the Michigan National Guard Member Benefit Fund to support various assistance programs for eligible Michigan National Guard members (House Bill 4962).
- Create a new child care assistance program for eligible Michigan National Guard members (Senate Bill 540).
- Shift funding from the existing Michigan National Guard Tuition Assistance Fund to the proposed Michigan National Guard Member Benefit Fund (Senate Bill 542).

House Bill 4962 would create a new act, the Michigan National Guard Member Benefit Fund Act, to establish the Michigan National Guard Member Benefit Fund in the state treasury.

The Department of Military and Veterans Affairs (DMVA) would have to expend money from the fund, upon appropriation, to support the implementation and administration of all of the following:

- The Michigan National Guard Child Care Assistance Act (proposed by Senate Bill 540).
- The Michigan National Guard Tuition Assistance Act (which Senate Bill 542 would amend).
- A Tricare premium reimbursement program if established under state law.¹

The state treasurer would be responsible for depositing in the fund money and other assets received from any source, directing the investment of money in the fund, and crediting to the fund interest and earnings from those investments. Money in the fund at the close of a fiscal year would remain in the fund and not lapse to the general fund. DMVA would be the fund administrator for audit purposes.

The bill, which was passed by the legislature and signed by the governor on November 4, 2025, can take effect only if Senate Bills 540 and 542 are also enacted.

Senate Bill 540 would create a new act, the Michigan National Guard Child Care Assistance Act, to provide child care assistance to eligible members of the Michigan National Guard.

¹ Tricare is a health care program covering uniformed service members and retirees. See <https://tricare.mil/>

The bill would create the Michigan National Guard Child Care Assistance Program in DMVA. The adjutant general would have to administer the program and prescribe forms and procedures to effectively do so.

An **eligible member** could apply for child care assistance from the program, and the adjutant general would have to approve the application, if both of the following apply:

- There is enough money in the Michigan National Guard Member Benefit Fund proposed by House Bill 4962 to cover the amount of assistance applied for.
- Either of the following:
 - The applicant is a single parent.
 - The applicant's spouse is also an eligible member.

Eligible member would mean a member of the Michigan National Guard who meets the following requirements:

- The member is in **active service**.
- The member is not absent without leave (AWOL) or under charges described in the Michigan Code of Military Justice.²
- Any other criteria determined by the adjutant general consistent with Michigan National Guard recruiting and retention requirements.

Active service would mean service, including active state service and special duty required by law, regulation, or pursuant to order of the governor. Active service would include continuing service of an active member of the National Guard and the defense force in fulfilling that active member's commission, appointment, or enlistment.

An eligible member approved for child care assistance would receive a stipend at a rate established annually by the adjutant general. The amount determined by the adjutant general would apply to all eligible members. Assistance would have to be provided for not more than 12 hours a day for weekend drills and annual training, up to a maximum of 39 days a year.

The adjutant general could develop and issue rules to implement the bill.

The bill can take effect only if House Bill 4962 and Senate Bill 542 are also enacted.

Senate Bill 542 would amend the Michigan National Guard Tuition Assistance Act to require the unencumbered balance remaining in the Michigan National Guard Tuition Assistance Fund at the end of the 2024-25 fiscal year to be transferred to the Michigan National Guard Member Benefit Fund proposed by House Bill 4962.

The Michigan National Guard State Tuition Assistance Program (MINGSTAP) helps eligible members of the Michigan National Guard pay for a course of study that is intended to culminate in vocational or technical training, a certificate, or the individual's first associate degree, bachelor's degree, or master's degree. The adjutant general is the administrator of the program.³

In determining whether to approve an application for assistance under the program, the adjutant general must consider, among other things, whether there is sufficient money in the Michigan

² <https://www.legislature.mi.gov/Laws/MCL?objectName=mcl-Act-523-of-1980>

³ See <https://www.michigan.gov/dmva/about/mingstap>

National Guard Tuition Assistance Fund to cover the amount of tuition assistance determined to be available by the adjutant general in that academic year. The bill would retain this provision, but would change the applicable fund to the Michigan National Guard Member Benefit Fund proposed by House Bill 4962.

MCL 32.433 and 32.434

The bill can take effect only if House Bill 4962 and Senate Bill 540 are also enacted.

FISCAL IMPACT:

House Bill 4962 would not have a direct fiscal impact on the state. The bill would create the Michigan National Guard Member Benefit Fund in the state treasury, which could receive money and assets from any source, but would *not* require an initial deposit into the fund. The bill would authorize DMVA to use the fund to support the child care assistance program (Senate Bill 540), the tuition assistance program (Senate Bill 542), and a Tricare premium reimbursement program (if established under state law).⁴

Senate Bill 540 could create new costs for the state by requiring DMVA to operate and administer a new child care assistance program. The bill would require the department to fund the program using funds in the Michigan National Guard Member Benefit Fund proposed by House Bill 4962. However, because House Bill 4962 does not require a deposit into the new fund, DMVA's capacity to fund the child care program would be subject to appropriation for the Michigan National Guard Member Benefit Fund. DMVA has estimated that 4.0 FTE positions would be required to administer the program and that the program would create approximately \$2.3 million in ongoing costs for the department.

Senate Bill 542 would have a net-zero fiscal impact on the state. DMVA currently operates and administers the MINGSTAP program using funds in the Michigan National Guard Tuition Assistance Fund. The bill would transfer the unencumbered balance of that fund to the Michigan National Guard Member Benefit Fund proposed by House Bill 4962 at the end of FY 2024-25. The bill would then require future MINGSTAP expenditures to be drawn from the Michigan National Guard Member Benefit Fund, subject to appropriation. Between FY 2019-20 and FY 2023-24, annual MINGSTAP expenditures averaged approximately \$5.6 million.

The bills would have no fiscal impact on local units of government.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.

⁴ Boilerplate section 314 of DMVA's enacted appropriations act (Article 12 of 2025 PA 22) requires the department to create and administer the Tricare premium reimbursement program using funds from the Michigan National Guard Member Benefit Fund proposed by House Bill 4962. A similar provision exists in boilerplate section 315 requiring DMVA to create and administer the child care assistance program; if Senate Bill 540 is enacted, portions of this boilerplate section would be superseded by the proposed statute.