PRELIMINARY REVIEW

of the

FY 2025-26 Executive Budget Recommendation

HOUSE FISCAL AGENCY

Mary Ann Cleary, Director

February 7, 2025

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OVERVIEW OF
FY 2025-26 EXECUTIVE BUDGET RECOMMENDATION

Mary Ann Cleary, Director, and Kevin Koorstra, Deputy Director

The FY 2025-26 executive budget recommendation incorporates the January 2025 Consensus Revenue Estimating Conference (CREC) revenue estimates for General Fund/General Purpose (GF/GP) of $15,477.7 million and School Aid Fund (SAF) of $18,891.5 million. In addition to the CREC estimates, the recommendation assumes beginning FY 2024-25 balances of $721.6 million GF/GP and $1,002.7 million SAF.

The executive recommendation also assumes a new tax on vaping and non-tobacco nicotine products starting January 1, 2026, estimated at $42.75 million and increasing to $57.0 million annually.

The FY 2025-26 executive budget recommendation includes $83,521.2 million in adjusted gross appropriations, an increase of $1,993.0 million, or 2.4%. The table below compares current-year appropriations to the executive proposal.

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	*Difference: FY 2025-26 vs. FY 2024-25*	
			Amount	*%*
Adjusted Gross	$81,528.2	$83,521.2	*$1,993.0*	*2.4%*
Federal	$33,884.7	$34,854.1	*$969.4*	*2.9%*
Local/Private	$532.3	$560.4	*$28.1*	*5.3%*
Restricted	$32,235.7	$32,836.4	*$600.6*	*1.9%*
GF/GP	$14,875.5	$15,270.4	*$394.9*	*2.7%*

Of the $48,106.7 million in state resources recommended for appropriation in FY 2025-26, $25,392.4 million (52.8% of the total) is designated for payments to local units of government. Article IX, Section 30 of Michigan's Constitution requires that at least 48.97% of spending from state resources must be paid to local governments.

The executive proposal includes adjustments to both the current FY 2024-25 budget via supplemental requests and the FY 2025-26 budget.

The executive proposal includes three FY 2024-25 supplementals totaling $497.5 million Gross ($380.4 million GF/GP and negative $54.8 million SAF):

- Departmental appropriation adjustments of $510.4 million Gross ($380.4 million GF/GP) include the following:
  - $332.7 million Gross ($375.6 million GF/GP), which includes caseload and special financing adjustments. (DHHS) (2025-1)
  - $177.8 million Gross ($4.8 million GF/GP) for additional appropriations spread over 12 departments and the judicial branch. (2025-1)
- School Aid supplemental decrease of $54.8 million SAF for CREC caseload costs and additional funding for district emergency needs. (2025-2)
- Natural Resources Trust Fund projects totaling $41.8 million Gross. (2025-3)

GF/GP current services baseline increases in the FY 2025-26 executive recommendation include:

- $594.1 million GF/GP for caseload adjustments. (DHHS and MDE)
- $121.1 million GF/GP for state employee compensation-related costs. (Most budgets)
- $8.7 million GF/GP for all other current services baseline costs. (Most budgets)

Total investments of $242.0 million GF/GP for FY 2025-26. Major department increases include:

- $172.5 million increase for existing programs and funding new programs within DHHS.
- $36.3 million increase for existing programs and funding new programs in EGLE.
- $16.2 million increase for Judiciary.
- $11.8 million increase for programs in LEO.

One-time allocations total $648.7 million GF/GP for FY 2025-26. Total amounts for departments include:

- $112.4 million for DHHS.
- $112.2 million for MDOT.
- $106.0 million for EGLE.
- $83.5 million for LEO.
- $82.6 million for DTMB.
- $65.0 million for MiLEAP.
- $31.0 million for DMVA.
- $25.8 million for Treasury.

Major increases proposed for FY 2025-26 for School Aid funding include:

- $516.0 million increase to district foundation allowances of $392 per pupil to $10,000.
    - $36.0 million savings by reducing cyber school foundation allowances to 80% of the foundation.
- $341.0 million in total deposits into the transportation, infrastructure, and BSF reserve funds.
- $232.0 million ($125.0 million one-time) to districts for targeted interventions.
- $150.0 million for consolidation grants.
- $125.0 million for career and technical education program.
- $90.0 million (one-time) to reimburse employers for half of the costs associated with the MPSERS health care premium.
- Continues $125.0 million for mental health and school safety per pupil payments as ongoing.

Major increases proposed for FY 2025-26 for Higher Education and Community College funding include:

- $66.8 million GF/GP increase of 4.0% ongoing for Higher Education operations.
- $50.0 million GF/GP deposit in the postsecondary scholarship fund.
- $14.6 million SAF increase of 4.0% ongoing for community college operations.
- Replaces $100.0 million GF/GP revenues with a corresponding increase in SAF for a net $0.0 impact.

Revenue Sharing changes included in the executive recommendation for FY 2025-26 include:

- $12.0 million increase for city, village, and townships (CVTs).
- $10.1 million increase for counties.
- Revises the $75.0 million for public safety and violence prevention language in the current year budget and continues funding in FY 2025-26 (proposed supplemental 2025-1).
- Continues $75.0 million to CVTs and counties for based on the 3-factor formula.

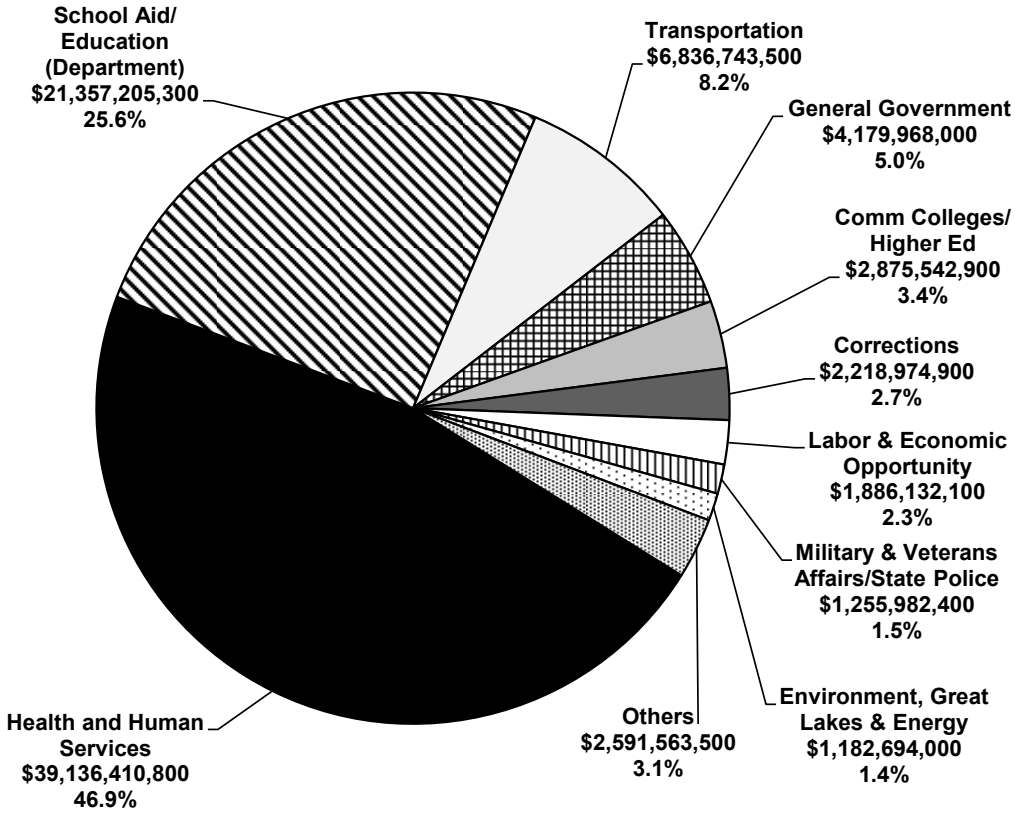
Includes a one-time deposit of $50.0 million into the Budget Stabilization Fund (BSF).

A more detailed summary of major budget changes by individual budget area begins on page 17.

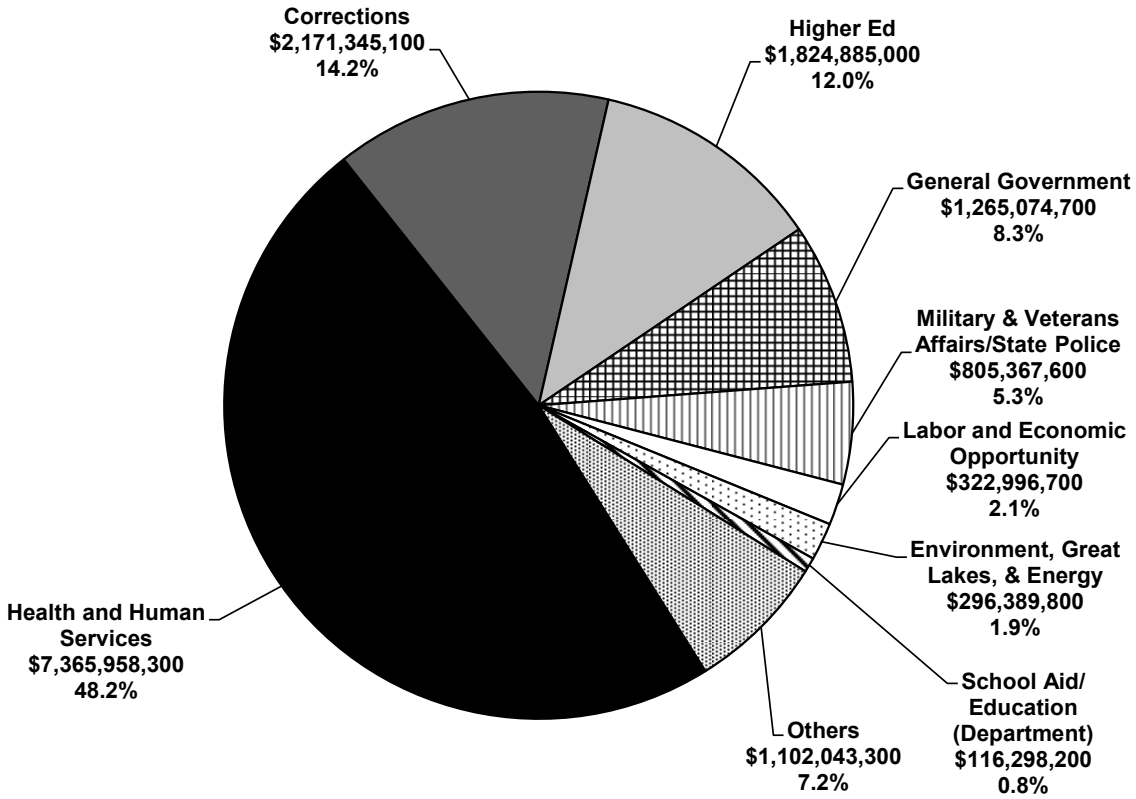
This preliminary review provides a brief summary of the FY 2025-26 Executive Budget Recommendation. The House Fiscal Agency's full Review and Analysis of the FY 2025-26 Executive Budget Recommendation will be available within two weeks and will contain a more detailed review of major budget and boilerplate changes by budget area.

A list of House Fiscal Agency staff by area of responsibility is included at the end of this document. Please do not hesitate to contact us if you have questions regarding this information.

FY 2025-26 Executive Recommendation
Adjusted Gross = $83,521,217,400



FY 2025-26 Executive Recommendation
General Fund/General Purpose (GF/GP) = $15,270,358,700



CHANGE IN ADJUSTED GROSS APPROPRIATIONS
FY 2025-26 and FY 2026-27 Executive Recommendation

The executive budget recommendation for FY 2025-26 increases adjusted gross appropriations by $1,993.0 million (2.4%) from FY 2024-25 year-to-date amounts:

- GF/GP appropriations are increased by $394.9 million (2.7%)
- State restricted appropriations are increased by $600.6 million (1.9%)
- Federal appropriations are increased by $969.4 million (2.9%)
- Local and private appropriations are increased by $28.1 million (5.3%)

Total state spending from state sources (GF/GP plus state restricted) in the FY 2025-26 executive budget recommendation is increased by $995.5 million (2.1%) from FY 2024-25 year-to-date amounts.

Projected appropriation amounts for FY 2026-27 under the executive budget (which are presented only for planning purposes) reflect a 3.6% decrease in GF/GP appropriations, a 3.3% decrease in total state spending from state sources, and a 1.6% decrease in adjusted gross appropriations.

FY 2025-26 and FY 2026-27
Executive Budget Appropriation Changes
Millions of Dollars

	Year-to-Date FY 2024-25	Executive Recommendation FY 2025-26	Change Amounts		Executive Recommendation FY 2026-27	Change Amounts	
General Fund/General Purpose	$14,875.5	$15,270.4	$394.9	2.7%	$14,721.5	($548.8)	(3.6%)
State Restricted	32,235.7	32,836.4	600.6	1.9%	32,052.5	(783.9)	(2.4%)
Total State-Source Appropriations	**$47,111.2**	**$48,106.7**	**$995.5**	**2.1%**	**$46,774.0**	**($1,332.8)**	**(2.8%)**
Federal	$33,884.7	$34,854.1	$969.4	2.9%	$34,864.0	$9.9	0.0%
Local	308.7	329.5	20.7	6.7%	329.5	0.0	0.0%
Private	223.6	230.9	7.3	3.3%	227.9	(3.0)	(1.3%)
Total Adjusted Gross	**$81,528.2**	**$83,521.2**	**$1,993.0**	**2.4%**	**$82,195.3**	**($1,325.9)**	**(1.6%)**

General Fund/General Purpose (GF/GP): Unrestricted General Fund revenue available for basic state programs and other purposes determined by the legislature.

State Restricted: State revenue restricted by State Constitution, state statute, or outside restriction that is available only for specific purposes. Includes most fee revenue. Largest such fund is the School Aid Fund.

State-Source Appropriations: Appropriations from state-level revenue sources: State Restricted plus GF/GP.

Federal Funds: Federal grant or match revenue; generally dedicated to specific programs or purposes.

Local/Private Funds: Revenue received from local units of government and private, non-governmental entities for specific services or purposes.

Adjusted Gross: Total state appropriations from all fund sources. Excludes funds appropriated twice in state budget through interdepartmental grants (IDGs) or intradepartmental transfers (IDTs).

Notes:
(1) Appropriation figures for FY 2025-26 include all proposed appropriation amounts, including amounts designated as "one-time."
(2) Numbers may not add due to rounding.

RESOURCES USED IN THE EXECUTIVE BUDGET RECOMMENDATION

Resources used to fund General Fund/General Purpose, School Aid Fund, and Tobacco Settlement / Merit Award Trust Fund expenditures in the Executive Budget Recommendation are reported below.

FY 2024-25 Through FY 2025-26 Executive Recommendation
General Fund/General Purpose (GF/GP)
Millions of Dollars

	FY 2024-25	FY 2025-26
Beginning Balance	$2,054.1	$721.6
Resources		
Consensus Revenue Estimate: January 2025	$14,715.5	$15,477.7
Research and Development Tax Credit	--	(100.0)
Miscellaneous Adjustments	77.3	(2.7)
Revenue Sharing	(552.2)	(574.6)
Revenue Sharing 3-Factor Formula	(75.0)	(75.0)
Revenue Sharing Public Safety Trust Fund	(75.0)	(75.0)
Total Resources	**$14,090.6**	**$14,650.4**
Expenditures		
Appropriations: Ongoing	$13,605.7	$14,621.6
Appropriations: One-Time	1,269.9	648.7
Proposed Supplemental (2025-1)	380.4	--
BSF Deposit	50.0	50.0
Other Adjustments	117.2	40.0
Total Expenditures	**$15,423.2**	**$15,360.3**
Projected Ending Balance	**$721.5**	**$11.7**

Numbers may not add due to rounding.

FY 2024-25 Through FY 2025-26 Executive Recommendation School Aid Fund (SAF) Millions of Dollars		
	FY 2024-25	**FY 2025-26**
Beginning Balance	**$1,129.2**	**$1,002.7**
Resources		
Consensus Revenue Estimates: January 2025	$18,459.6	$18,891.5
GF/GP Grant	78.9	53.6
Detroit Public Trust Fund	118.2	--
Restricted Reserve Funds Deposit	(25.0)	(341.0)
Restricted Reserve Funds	608.1	244.0
Federal Aid	2,272.8	2,407.7
Total Resources	**$21,512.6**	**$21,255.8**
Expenditures		
Appropriations: Ongoing	$19,379.8	$20,299.4
Appropriations: One-Time	1,183.9	892.8
Supplemental: Current Law	126.0	--
Proposed Supplemental (2025-1)	25.8	--
Community Colleges	461.8	496.7
Higher Education	461.7	550.8
Total Expenditures	**$21,639.0**	**$22,239.7**
Projected Ending Balance	**$1,002.7**	**$18.8**

Numbers may not add due to rounding.

FY 2025-26 and FY 2025-26 Executive Recommendation Tobacco Settlement / Merit Award Trust Fund Millions of Dollars		
	FY 2024-25	**FY 2025-26**
Beginning Balance	**$18.7**	**$16.0**
Resources		
Tobacco Settlement MSA Payment	$245.4	$214.1
Debt Service on 2006/2007 Securitization Bonds (13.34%/10.77%)	(59.1)	(51.6)
Deposit to 21st Century Jobs Trust Fund	(75.0)	(75.0)
BSF repayment	(17.5)	--
Community District Trust Fund	(41.0)	--
Interest/Prior Year Adjustment	6.0	2.1
Total Resources	**$58.8**	**$89.6**
Expenditures		
Attorney General: Operations	$0.5	$0.5
DHHS: Aging Respite care	4.1	4.1
DHHS: Medicaid Long Term Care	54.7	82.7
Lifelong, Education, Advancement and Potential	1.3	1.3
State Police: Criminal Investigations/IT	0.9	0.9
Treasury: Student Financial Services Programs	0.2	0.2
Total Expenditures	**$61.5**	**$89.5**
Projected Ending Balance	**$16.0**	**$16.1**

Numbers may not add due to rounding.

BUDGET SUMMARY TABLES

The following pages include seven tables summarizing the executive budget recommendation by budget area.

The following should be noted regarding the appropriation amounts in the following tables and throughout the report:

- Some appropriation items in the FY 2024-25 budget are designated as one-time, indicating intent that those items will not be funded in the subsequent budget year in order to maintain a structurally balanced budget. The FY 2025-26 executive budget continues this practice.

- The tables in this document show total appropriation amounts by budget area, including both ongoing items and the items designated as one-time, in order to provide an accurate representation of resources available for expenditure in each budget year by state departments, local units of government, and other entities receiving funds through the state budget.

TABLE 1
FY 2025-26 EXECUTIVE BUDGET RECOMMENDATION BY SOURCE OF FUNDS

Department/Budget Area	Gross	IDG/IDT	Adjusted Gross	Federal	Local	Private	State Restricted	GF/GP
Agriculture & Rural Development	$158,310,500	$336,600	$157,973,900	$20,079,600	$0	$0	$51,972,400	$85,921,900
Attorney General	132,355,700	39,381,700	92,974,000	10,567,200	0	950,000	22,678,800	58,778,000
Capital Outlay	0	0	0	0	0	0	0	0
Civil Rights	30,781,400	0	30,781,400	2,899,300	0	18,700	58,500	27,804,900
Community Colleges	496,689,600	0	496,689,600	0	0	0	496,689,600	0
Corrections	2,218,974,900	0	2,218,974,900	5,203,700	12,122,000	0	30,304,100	2,171,345,100
Education	164,922,700	0	164,922,700	83,575,100	5,884,200	2,547,500	10,193,800	62,722,100
Environment, Great Lakes, & Energy	1,186,823,100	4,129,100	1,182,694,000	464,268,500	0	1,404,200	420,631,500	296,389,800
Executive Office	9,609,200	0	9,609,200	0	0	0	0	9,609,200
Health and Human Services	39,151,858,800	15,448,000	39,136,410,800	27,369,656,600	190,421,900	180,133,600	4,030,240,400	7,365,958,300
Higher Education	2,378,853,300	0	2,378,853,300	3,200,000	0	0	550,768,300	1,824,885,000
Insurance & Financial Services	80,255,600	763,800	79,491,800	250,000	0	0	79,241,800	0
Judiciary	395,013,600	1,902,300	393,111,300	7,270,900	0	1,906,400	96,645,800	287,288,200
Labor & Economic Devel. (MSF)	1,886,132,100	0	1,886,132,100	1,227,473,300	10,700,000	12,588,200	312,373,900	322,996,700
Legislative Auditor General	32,174,800	7,555,600	24,619,200	0	0	0	2,549,400	22,069,800
Legislature	203,580,600	0	203,580,600	0	0	481,700	5,585,100	197,513,800
Licensing & Regulatory Affairs	650,640,500	30,192,600	620,447,900	34,478,800	0	0	284,429,800	301,539,300
Lifelong, Ed., Adv., & Potential	736,217,000	0	736,217,000	506,428,200	0	1,000,000	1,880,000	226,908,800
Military & Veterans Affairs	293,080,100	101,800	292,978,300	148,840,000	0	100,000	12,953,500	131,084,800
Natural Resources	604,529,700	208,100	604,321,600	100,214,800	0	7,609,200	408,296,400	88,201,200
School Aid	21,192,282,600	0	21,192,282,600	2,407,708,500	0	0	18,730,998,000	53,576,100
State	296,597,400	20,000,000	276,597,400	1,460,000	0	50,100	262,935,500	12,151,800
State Police	992,034,300	29,030,200	963,004,100	101,314,700	5,035,600	35,000	182,336,000	674,282,800
Tech., Mgmt. & Budget: Operations	1,654,713,200	1,152,596,000	502,117,200	4,393,300	2,360,100	229,400	142,450,700	352,683,700
Tech., Mgmt. & Budget: SBA Rent	261,651,700	0	261,651,700	0	0	0	0	261,651,700
Transportation	6,841,109,700	4,366,200	6,836,743,500	2,329,605,500	87,448,500	18,800,000	4,288,705,600	112,183,900
Treasury: Operations	871,376,400	11,815,100	859,561,300	25,254,000	15,491,600	3,040,300	587,844,600	227,930,800
Treasury: Debt Service	94,881,000	0	94,881,000	0	0	0	0	94,881,000
Treasury: Revenue Sharing	1,823,595,000	0	1,823,595,000	0	0	0	1,823,595,000	0
TOTAL APPROPRIATIONS	**$84,839,044,500**	**$1,317,827,100**	**$83,521,217,400**	**$34,854,142,000**	**$329,463,900**	**$230,894,300**	**$32,836,358,500**	**$15,270,358,700**

Note: Appropriation figures for FY 2025-26 include all proposed appropriation amounts, including amounts designated as "one-time."

TABLE 2
ADJUSTED GROSS APPROPRIATIONS
FY 2025-26 and FY 2026-27 Executive Recommendation Compared with FY 2024-25 Year-to-Date

Department/Budget Area	Year-to-Date FY 2024-25	Exec. Rec. FY 2025-26	Difference FY 2025-26 vs. FY 2024-25		Exec. Rec. FY 2026-27	Difference FY 2026-27 vs. FY 2025-26	
Agriculture & Rural Development	$156,606,500	$157,973,900	$1,367,400	0.9%	$157,273,900	($700,000)	(0.44%)
Attorney General	90,281,100	92,974,000	2,692,900	3.0%	92,974,000	0	0.0%
Capital Outlay	0	0	0	--	0	0	--
Civil Rights	29,163,500	30,781,400	1,617,900	5.5%	30,781,400	0	0.0%
Community Colleges	462,220,800	496,689,600	34,468,800	7.5%	493,189,600	(3,500,000)	(0.7%)
Corrections	2,147,379,000	2,218,974,900	71,595,900	3.3%	2,213,528,500	(5,446,400)	(0.2%)
Education	164,975,100	164,922,700	(52,400)	(0.0%)	164,922,700	0	0.0%
Environment, Great Lakes, & Energy	1,035,012,700	1,182,694,000	147,681,300	14.3%	1,076,694,000	(106,000,000)	(9.0%)
Executive Office	9,337,100	9,609,200	272,100	2.9%	9,609,200	0	0.0%
Health and Human Services	37,631,523,200	39,136,410,800	1,504,887,600	4.0%	39,059,772,700	(76,638,100)	(0.2%)
Higher Education	2,324,292,600	2,378,853,300	54,560,700	2.3%	2,378,153,300	(700,000)	(0.0%)
Insurance & Financial Services	77,867,900	79,491,800	1,623,900	2.1%	79,491,800	0	0.0%
Judiciary	371,039,100	393,111,300	22,072,200	5.9%	393,111,300	0	0.0%
Labor & Economic Devel. (MSF)	2,421,794,500	1,886,132,100	(535,662,400)	(22.1%)	1,802,632,100	(83,500,000)	(4.4%)
Legislative Auditor General	23,902,900	24,619,200	716,300	3.0%	24,619,200	0	0.0%
Legislature	200,643,300	203,580,600	2,937,300	1.5%	203,580,600	0	0.0%
Licensing & Regulatory Affairs	621,056,200	620,447,900	(608,300)	(0.1%)	620,447,900	0	0.0%
Lifelong, Ed., Adv., & Potential	643,994,200	736,217,000	92,222,800	14.3%	744,512,400	8,295,400	1.1%
Military & Veterans Affairs	275,802,300	292,978,300	17,176,000	6.2%	261,978,300	(31,000,000)	(10.6%)
Natural Resources	534,372,800	604,321,600	69,948,800	13.1%	582,929,800	(21,391,800)	(3.5%)
School Aid	20,770,275,400	21,192,282,600	422,007,200	2.0%	20,309,782,600	(882,500,000)	(4.2%)
State	271,839,900	276,597,400	4,757,500	1.8%	276,597,400	0	0.0%
State Police	925,918,700	963,004,100	37,085,400	4.0%	963,004,100	0	0.0%
Tech., Mgmt. & Budget: Operations	597,072,200	502,117,200	(94,955,000)	(15.9%)	419,517,200	(82,600,000)	(16.5%)
Tech., Mgmt. & Budget: SBA Rent	246,170,600	261,651,700	15,481,100	6.3%	261,651,700	0	0.0%
Transportation	6,803,583,600	6,836,743,500	33,159,900	0.5%	6,798,049,200	(38,694,300)	(0.6%)
Treasury: Operations	821,484,600	859,561,300	38,076,700	4.6%	834,141,300	(25,420,000)	(3.0%)
Treasury: Debt Service	95,087,000	94,881,000	(206,000)	(0.2%)	94,881,000	0	0.0%
Treasury: Revenue Sharing	1,775,490,100	1,823,595,000	48,104,900	2.7%	1,847,518,900	23,923,900	1.3%
TOTAL	**$81,528,186,900**	**$83,521,217,400**	**$1,993,030,500**	**2.4%**	**$82,195,346,100**	**($1,325,871,300)**	**(1.6%)**

TABLE 3
GENERAL FUND/GENERAL PURPOSE APPROPRIATIONS
FY 2025-26 and FY 2026-27 Executive Recommendation Compared with FY 2024-25 Year-to-Date

Department/Budget Area	Year-to-Date FY 2024-25	Exec. Rec. FY 2025-26	Difference FY 2025-26 vs. FY 2024-25		Exec. Rec. FY 2026-27	Difference FY 2026-27 vs. FY 2025-26	
Agriculture & Rural Development	$89,056,400	$85,921,900	($3,134,500)	(3.5%)	$85,221,900	($700,000)	(0.8%)
Attorney General	57,409,100	58,778,000	1,368,900	2.4%	58,778,000	0	0.0%
Capital Outlay	0	0	0	--	0	0	--
Civil Rights	26,195,400	27,804,900	1,609,500	6.1%	27,804,900	0	0.0%
Community Colleges	500,000	0	(500,000)	(100.0%)	0	0	--
Corrections	2,097,010,100	2,171,345,100	74,335,000	3.5%	2,165,898,700	(5,446,400)	(0.3%)
Education	63,896,100	62,722,100	(1,174,000)	(1.8%)	62,722,100	0	0.0%
Environment, Great Lakes, & Energy	260,710,300	296,389,800	35,679,500	13.7%	190,389,800	(106,000,000)	(35.8%)
Executive Office	9,337,100	9,609,200	272,100	2.9%	9,609,200	0	0.0%
Health and Human Services	6,717,231,000	7,365,958,300	648,727,300	9.7%	7,280,189,400	(85,768,900)	(1.2%)
Higher Education	1,859,424,300	1,824,885,000	(34,539,300)	(1.9%)	1,824,885,000	0	0.0%
Insurance & Financial Services	0	0	0	--	0	0	--
Judiciary	266,113,900	287,288,200	21,174,300	8.0%	287,288,200	0	0.0%
Labor & Economic Devel. (MSF)	793,569,400	322,996,700	(470,572,700)	(59.3%)	239,496,700	(83,500,000)	(25.9%)
Legislative Auditor General	21,427,000	22,069,800	642,800	3.0%	22,069,800	0	0.0%
Legislature	194,753,100	197,513,800	2,760,700	1.4%	197,513,800	0	0.0%
Licensing & Regulatory Affairs	308,605,700	301,539,300	(7,066,400)	(2.3%)	301,539,300	0	0.0%
Lifelong, Ed., Adv., & Potential	136,489,300	226,908,800	90,419,500	66.2%	235,204,200	8,295,400	3.7%
Military & Veterans Affairs	117,694,100	131,084,800	13,390,700	11.4%	100,084,800	(31,000,000)	(23.6%)
Natural Resources	76,757,000	88,201,200	11,444,200	14.9%	66,809,400	(21,391,800)	(24.3%)
School Aid	78,830,600	53,576,100	(25,254,500)	(32.0%)	50,776,100	(2,800,000)	(5.2%)
State	11,969,100	12,151,800	182,700	1.5%	12,151,800	0	0.0%
State Police	646,861,000	674,282,800	27,421,800	4.2%	674,282,800	0	0.0%
Tech., Mgmt. & Budget: Operations	293,793,400	352,683,700	58,890,300	20.0%	270,083,700	(82,600,000)	(23.4%)
Tech., Mgmt. & Budget: SBA Rent	246,170,600	261,651,700	15,481,100	6.3%	261,651,700	0	0.0%
Transportation	193,000,000	112,183,900	(80,816,100)	(41.9%)	0	(112,183,900)	(100.0%)
Treasury: Operations	213,568,700	227,930,800	14,362,100	6.7%	202,180,800	(25,750,000)	(11.3%)
Treasury: Debt Service	95,087,000	94,881,000	(206,000)	(0.2%)	94,881,000	0	0.0%
Treasury: Revenue Sharing	0	0	0	--	0	0	--
TOTAL	**$14,875,459,700**	**$15,270,358,700**	**$394,899,000**	**2.7%**	**$14,721,513,100**	**($548,845,600)**	**(3.6%)**

TABLE 4
GF/GP APPROPRIATIONS DESIGNATED AS ONE-TIME ONLY

Department/Budget Area	Exec. Rec. FY 2025-26
Agriculture & Rural Development	$700,000
Corrections	5,446,400
Environment, Great Lakes, & Energy	106,000,000
Health and Human Services	112,364,100
Labor & Economic Development	83,500,000
Lifelong, Ed., Adv., & Potential	65,000,000
Military & Veterans Affairs	31,000,000
Natural Resources	21,391,800
School Aid	2,800,000
Tech., Mgmt. & Budget: Operations	82,600,000
Transportation	112,183,900
Treasury: Operations	25,750,000
TOTAL: ONE-TIME APPROPRIATIONS	**$648,736,200**

TABLE 5
FULL-TIME EQUATED (FTE) POSITIONS*
FY 2025-26 Executive Recommendation Compared with FY 2024-25 Year-to-Date

Department/Budget Area	Year-to-Date FY 2024-25	Executive Recommendation FY 2025-26	Difference FY 2025-26 vs. FY 2024-25	
Agriculture & Rural Development	556.0	589.0	33.0	5.9%
Attorney General	627.4	635.4	8.0	1.3%
Capital Outlay	0.0	0.0	0.0	--
Civil Rights	175.0	177.0	2.0	1.1%
Community Colleges	0.0	0.0	0.0	--
Corrections	13,227.0	13,226.0	(1.0)	(0.0%)
Education	574.5	587.5	13.0	2.3%
Environment, Great Lakes, & Energy	1,652.0	1,786.0	134.0	8.1%
Executive Office	96.2	96.2	0.0	0.0%
Health and Human Services	15,941.5	16,364.5	423.0	2.7%
Higher Education	0.0	0.0	0.0	--
Insurance & Financial Services	404.5	409.5	5.0	1.2%
Judiciary	643.5	684.5	41.0	6.4%
Labor & Economic Devel. (MSF)	2,671.5	2,684.5	13.0	0.5%
Legislative Auditor General	0.0	0.0	0.0	--
Legislature	0.0	0.0	0.0	--
Licensing & Regulatory Affairs	1,821.0	1,857.0	36.0	2.0%
Lifelong, Ed., Adv., & Potential	343.0	354.0	11.0	3.2%
Military & Veterans Affairs	1,060.0	1,065.0	5.0	0.5%
Natural Resources	2,545.3	2,635.1	89.8	3.5%
School Aid	0.0	0.0	0.0	--
State	1,635.0	1,635.0	0.0	0.0%
State Police	3,856.0	3,871.0	15.0	0.4%
Tech., Mgmt. & Budget: Operations	3,249.5	3,269.5	20.0	0.6%
Tech., Mgmt. & Budget: SBA Rent	0.0	0.0	0.0	--
Transportation	3,228.3	3,235.3	7.0	0.2%
Treasury: Operations	2,012.5	2,040.5	28.0	1.4%
Treasury: Debt Service	0.0	0.0	0.0	--
Treasury: Revenue Sharing	0.0	0.0	0.0	--
TOTAL FTE APPROPRIATIONS	**56,319.7**	**57,202.5**	**882.8**	**1.6%**

**Includes classified, unclassified, and nonlegislative exempt positions.*

TABLE 6
STATE SPENDING FROM STATE SOURCES PAID TO LOCAL GOVERNMENTS

	FY 2025-26 Executive Recommendation		
Department/Budget Area	**Spending from State Sources**	**State Spending to Local Government Units**	**% of State Spending from State Sources as Payment to Locals**
Agriculture & Rural Development	$137,894,300	$13,400,000	9.7%
Attorney General	81,456,800	0	0.0%
Capital Outlay	0	0	--
Civil Rights	27,863,400	0	0.0%
Community Colleges	496,689,600	496,689,600	100.0%
Corrections	2,201,649,200	122,292,500	5.6%
Education	72,915,900	18,917,700	25.9%
Environment, Great Lakes, & Energy	717,021,300	105,673,300	14.7%
Executive Office	9,609,200	0	0.0%
Health and Human Services	11,396,198,700	1,944,954,500	17.1%
Higher Education	2,375,653,300	0	0.0%
Insurance & Financial Services	79,241,800	0	0.0%
Judiciary	383,934,000	153,722,900	40.0%
Labor & Economic Devel. (MSF)	635,370,600	72,943,700	11.5%
Legislative Auditor General	24,619,200	0	0.0%
Legislature	203,098,900	0	0.0%
Licensing & Regulatory Affairs	585,969,100	280,345,300	47.8%
Lifelong, Ed., Adv., & Potential	228,788,800	7,500,000	3.3%
Military & Veterans Affairs	144,038,300	4,178,000	2.9%
Natural Resources	496,497,600	16,723,100	3.4%
School Aid	18,784,574,100	17,365,133,000	92.4%
State	275,087,300	11,715,900	4.3%
State Police	856,618,800	40,441,500	4.7%
Tech., Mgmt. & Budget: Operations	495,134,400	1,000,000	0.2%
Tech., Mgmt. & Budget: SBA Rent	261,651,700	0	0.0%
Transportation	4,400,889,500	2,533,577,200	57.6%
Treasury: Operations	815,775,400	381,107,800	46.7%
Treasury: Debt Service	94,881,000	0	0.0%
Treasury: Revenue Sharing	1,823,595,000	1,822,095,000	99.9%
TOTALS APPROPRIATED	**$48,106,717,200**	**$25,392,411,000**	**52.8%**

FY 2025-26 EXECUTIVE BUDGET HIGHLIGHTS
Major Changes Proposed

Agriculture and Rural Development
Analyst: William E. Hamilton

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	*Difference: FY 2025-26 vs. FY 2024-25* Amount	%
IDG/IDT	$332,400	$336,600	*$4,200*	*1.3*
Federal	20,357,900	20,079,600	*(278,300)*	*(1.4)*
Local	0	0	*0*	-
Private	21,300	0	*(21,300)*	*(100.0)*
Restricted	47,170,900	51,972,400	*4,801,500*	*10.2*
GF/GP	89,056,400	85,921,900	*(3,134,500)*	*(3.5)*
Gross	**$156,938,900**	**$158,310,500**	***$1,371,600***	***0.9***
FTEs	556.0	589.0	*33.0*	*5.9*

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations

Protecting Michigan's Food Supply
Includes $5.5 million Gross ($3.5 million GF/GP) and authorization for 27.0 FTE positions for a new appropriation unit and line item intended to implement proactive biosecurity measures to prevent and reduce the impact of animal disease outbreaks in the livestock industry. Funding and FTEs would be allocated between bureaus internally by the department.

Plant, Soil, and Pest Diagnostics
Includes $1.6 million GF/GP and authorization for 4.0 FTE positions for a new appropriation unit and line item intended to respond to soil and plant diseases and infestations by increasing testing capacity to provide growers with localized data and expertise to best protect Michigan agriculture. Of the $1.6 million, $900,000 is ongoing and would be allocated internally by the department; $700,000 is one-time for laboratory capital equipment purchases.

Rural Development Grants
Increases grant program funding by $2.0 million of state restricted rural development fund revenue (from $2.0 million to $4.0 million) to expand the Rural Development Grant Program, supporting projects that enhance land-based industries and rural community infrastructure, including job training, childcare, housing, and utilities. The state restricted rural development fund is credited with revenue from a nonferrous metallic minerals extraction severance tax.

Removal of One-Time Funding
Removes $9.0 million in one-time GF/GP items: Agricultural climate resiliency, ($5.1 million); Animal disease prevention and response, ($2.0 million); Animal welfare grants, ($500,000); Fruit and vegetable prescription program, ($500,000); Underserved-owned food and agriculture ventures, $500,000); Agriculture stewardship study, ($250,000); Flint farmer's market, ($150,000).

Economic Adjustments
Reflects increased costs of $1.3 million Gross ($765,500 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

Supplemental Recommendations for FY 2024-25 Appropriations

Food Safety and Quality Assurance
Requests a one-time $1.0 million increase in spending authority, from the state restricted spending Dairy and Food Safety Fund, for information technology enhancements to MDARD's food inspection regulatory system.

Community Colleges

Analyst: Perry Zielak

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	*Difference: FY 2025-26 vs. FY 2024-25*	
			Amount	*%*
IDG/IDT	$0	$0	*$0*	--
Federal	0	0	*0*	--
Local	0	0	*0*	--
Private	0	0	*0*	--
Restricted	461,720,800	496,689,600	*34,968,800*	*7.6*
GF/GP	500,000	0	*(500,000)*	*(100.0)*
Gross	**$462,220,800**	**$496,689,600**	***$34,468,800***	***7.5***

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations

Community College Operations Increase

Includes a net increase of $11.3 million School Aid Fund (SAF) for community college operations, a 3.1% increase when compared to FY 2024-25 ongoing plus one-time operations appropriations. This includes:

- $14.6 million SAF, or 4.0%, increase to operations grants for community colleges, which would be distributed through the performance funding formula.
- Removal of $3.6 million SAF one-time operations funding.
- $207,100 SAF increase based on FY 2023-24 North American Indian Tuition Waiver (ITW) program costs reported by institutions.

Attainment of the performance funding increase would be conditioned on restraining in-district tuition and fee increases to the greater of 4.5% or $227 (set at 4.5% or $217 in the current year). Projected funding increases for individual community colleges would range from 2.4% to 4.5%. Total funding for operations would be $378.2 million SAF

Michigan Public School Employee Retirement System (MPSERS) State Share of Unfunded Actuarial Accrued Liability (UAAL) Stabilization Payment

Increases funding by $27.4 million SAF for the state's share of community colleges' MPSERS UAAL, a 44.1% increase. The state's share is the difference between the calculated UAAL contribution to the system and the employer contribution cap of 15.21% of payroll set by the Public School Employees Retirement Act (MCL 38.1341), which was lowered from 20.96% in FY 2024-25. Total funding for the state share of MPSERS would be $89.5 million SAF.

MPSERS Normal Cost Offset

Decreases funding by $2.2 million SAF for the community colleges' MPSERS normal cost offset, a 10.1% decrease, due to a lower contribution needed to cover retirement benefits and maintain the assumed rate of return at 6.0%. Total funding for the MPSERS normal cost offset would be $19.6 million SAF.

Removal of One-Time Funding

Removes $2.0 million Gross ($500,000 GF/GP) through the removal of three one-time appropriations: Career and Education Navigators for Adult Learners ($1.2 million SAF); Public-Service-Focused Careers program ($500,000 GF/GP); and Kalamazoo Valley Community College Internet Accessibility ($350,000 SAF).

Corrections

Analyst: Robin R. Risko

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	*Difference: FY 2025-26 vs. FY 2024-25*	
			Amount	*%*
IDG/IDT	$0	$0	*$0*	*--*
Federal	5,180,500	5,203,700	*23,200*	*0.4*
Local	11,694,000	12,122,000	*428,000*	*3.7*
Private	0	0	*0*	*--*
Restricted	33,494,400	30,304,100	*(3,190,300)*	*(9.5)*
GF/GP	2,097,010,100	2,171,345,100	*74,335,000*	*3.5*
Gross	**$2,147,379,000**	**$2,218,974,900**	***$71,595,900***	***3.3***
FTEs	13,227.0	13,226.0	*(1.0)*	*0.0*

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations

Restructure Wage Scale for Corrections Officers
Includes $17.3 million Gross ($17.1 million GF/GP) to support costs associated with restructuring the pay schedule for corrections officers. Under the current collective bargaining agreement, all pay steps received a 5% base-pay increase and the first two steps of the pay schedule were eliminated, resulting in officers reaching the highest level of pay in 3 years instead of in 5 years.

54-Month Pay Step for Corrections Officers and Supervisors
Includes $15.1 million Gross ($15.0 million GF/GP) to support costs of adding a new top pay step at the end of 54 months of service and increasing pay for shift supervisors. Under the current collective bargaining agreement, a new step increase of 4% was added to the top pay rate for corrections officers, and an hourly increase of $1.30 was approved for shift supervisors.

Peer Recovery Coaches
Includes $6.6 million GF/GP for expanding the number of peer recovery coaches in parole and probation offices throughout the state and on-site at correctional facilities. Peer recovery coaches provide skills and interventions to support, encourage, and educate parolees, probationers, and prisoners with substance use disorders.

Automation of Correctional Facility Prisoner Counts and Callouts
Includes $3.4 million of one-time GF/GP to automate the prisoner count and callout processes in correctional facilities. Currently, these are manual processes using pencil and paper to tally and record numbers of prisoners and to track prisoner movements within facilities.

Supplies for Medical Clinics
Includes $2.1 million GF/GP to cover an increase in health care clinical operating supply costs. The department has experienced a 46% increase over the past 7 years in costs for janitorial and rubbish removal, medical, surgical, and lab supplies, maintenance supplies, replacement parts, and other supplies and materials.

Transitional Housing Development Project
Includes $2.0 million of one-time GF/GP to support development of two multi-unit transitional housing sites to provide temporary housing to parolees upon reentry into the community. The department would collaborate with private developers and non-profit organizations to construct new or renovate existing sites to meet transitional housing needs in underserved areas of the state.

Contraband Prevention
Reallocates $1.8 million in existing GF/GP from Public Safety Initiative to Contraband Prevention to support costs of contraband prevention efforts and safety in correctional facilities.

Thumb Correctional Facility Education Center
Includes $1.5 million GF/GP to annualize costs of custody staff at the new Thumb Correctional Facility University and Vocational Center. The FY 2024-25 budget included funding to support costs of custody staff for only the last quarter of the fiscal year.

Expand Offender Success Services for Probationers
Includes $1.5 million GF/GP to expand the number of felony probationers receiving reentry services. Currently, services are provided to parolees and to felony probationers in two prosperity regions, 1 and 4. Funding would enable services to be provided to felony probationers in prosperity regions 2, 7, and 8. Services include, but are not limited to, behavioral therapies, job placement/readiness assistance, vital documents, physical and behavioral health, and transportation.

Higher Education in Prison
Includes an additional $750,000 GF/GP for the department to expand their collaboration with 4-year state universities and colleges to provide prisoners with the opportunity to participate in bachelor's degree programs. Funding would be used for eligible expenses including staffing, supplies, and tuition.

Removal of FY 2024-25 One-Time Appropriations
Removes $6.4 million Gross ($3.0 million GF/GP) of one-time funding included in the FY 2024-25 budget to support construction costs for converting an old MSI factory located on the Thumb Correctional Facility property into additional classroom space.

Economic Adjustments
Reflects increased costs of $27.7 million Gross ($27.3 million GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

Education (Department)

Analyst: Noel Benson

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	*Difference: FY 2025-26 vs. FY 2024-25*	
			Amount	*%*
IDG/IDT	$0	$0	*$0*	--
Federal	82,550,500	83,575,100	*1,024,600*	*1.2*
Local	5,868,500	5,884,200	*15,700*	*0.3*
Private	2,542,200	2,547,500	*5,300*	*0.2*
Restricted	10,117,800	10,193,800	*76,000*	*0.8*
GF/GP	63,896,100	62,722,100	*(1,174,000)*	*(1.8)*
Gross	**$164,975,100**	**$164,922,700**	***($52,400)***	***(0.0)***
FTEs	574.5	587.5	*13.0*	*2.3*

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations

Science of Reading Literacy Supports
Provides $960,900 GF/GP and authorization for 6.0 FTE positions to provide supports to districts on new dyslexia requirements under 2024 PA 146 and continue literacy improvements under science of reading. Funding is transferred from ASL literacy resources ($500,000 GF/GP) and educator recruitment and preparation ($460,900 GF/GP).

CTE Pathways to Success
Provides $342,400 GF/GP and authorization for 2.0 FTE positions to provide administrative support for new career and technical education programs included in the proposed School Aid budget.

Office of Systems, Evaluation, and Technology Federal Increase
Increases by $360,000 federal to reflect increased available federal revenue for the Office of Systems, Evaluation, and Technology.

School Support Services Reorganization
Reorganizes the Office of School Support Services into the Office of Nutrition Services and the Office of Health and Safety. Provides new authorization for 8.0 FTE positions using existing federal funding.

ASL Literacy Resources
Reduces by $500,000 GF/GP for a total of $500,000 GF/GP to reallocate funds for the science of reading literacy supports.

Educator Recruitment and Preparation
Reduces by $460,900 GF/GP for a total of $1.2 million GF/GP to reallocate funds for the science of reading literacy supports.

Office of Systems, Evaluation, and Technology FTE Transfer
Transfers $153,500 Gross ($7,600 GF/GP) from the Office of Financial Management to the Office of Systems, Evaluation, and Technology. (Although not included in documents, the Executive expressed intent to transfer authorization for 1.0 FTE position from the Office of Financial Management to the Office of Systems, Evaluation, and Technology.)

Removal of One-Time Items
Reduces by $2.0 million GF/GP and removes authorization for 3.0 FTE positions for one-time appropriations, including the Michigan Test for Teacher Certification Reimbursement, Community Health Worker Career Center, Mental Health Training, Charter School Transparency Database, and School Infrastructure and Consolidation Administration.

Economic Adjustments
Reflects increased costs of $1.2 million Gross ($483,600 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

Environment, Great Lakes, and Energy

Analyst: Austin Scott

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	*Difference: FY 2025-26 vs. FY 2024-25*	
			Amount	*%*
IDG/IDT	$4,085,900	$4,129,100	*$43,200*	*1.1*
Federal	463,788,900	464,268,500	*479,600*	*0.1*
Local	0	0	*0*	*--*
Private	1,364,200	1,404,200	*40,000*	*2.9*
Restricted	309,149,300	420,631,500	*111,482,200*	*36.1*
GF/GP	260,710,300	296,389,800	*35,679,500*	*13.7*
Gross	**$1,039,098,600**	**$1,186,823,100**	***$147,724,500***	***14.2***
FTEs	1,652.0	1,786.0	*134.0*	*8.1*

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations

Fee Increase – Landfill Tipping Fee
Provides $80.0 million in state restricted funding and authorizes 36.0 new FTE positions from a proposed increase in the landfill tipping fee from $0.36 per ton to $5.00 per ton. New revenue would be expended for contaminated site remediation and redevelopment ($40.7 million) and for material management programs ($39.3 million and 36.0 FTE positions).

Fee Increase – Water Resources Division
Appropriates $7.3 million in state restricted funding and authorizes 41.0 new FTE positions from a proposed 300% increase in land and water permit fees and a proposed 40% increase in certain water fees. New revenue would be expended for permitting stormwater, wastewater, and shoreline permitting.

Fee Increase – Hazardous Waste
Includes $5.0 million from the Environmental Pollution Prevention Fund and authorizes 17.0 new FTE positions from a proposed doubling of hazardous waste fees. New revenue would be expended for hazardous waste oversight and regulation.

Fee Increase – Oil and Gas Wells
Provides $465,500 from the Oil and Gas Regulatory Fund and authorizes 3.0 new FTE positions from a proposed increase on oil and gas well permits from $20 per year to $250 per year. New revenue would be expended for oil and gas well oversight and regulation.

Water Infrastructure Projects and Lead Service Line Replacement
Appropriates $80.0 million GF/GP for water infrastructure projects, $50.0 million of which is designated as one-time and earmarked in boilerplate section 1002 for lead service line replacement.

Information Management Initiative (One-time)
Includes $39.0 million GF/GP to digitize and index historical department records.

Electric Charging Infrastructure (One-time)
Provides $10.0 million GF/GP for grants for electric charging and hydrogen fueling vehicle infrastructure projects.

Septic System Database (One-time)
Appropriates $7.0 million GF/GP to establish a statewide database to track the permitting of septic systems.

Drinking Water and Environmental Health Staff
Includes $6.0 million GF/GP and authorizes 35.0 new FTE positions to expand clean water enforcement, inspections and permitting.

Energy Programs Staff
Includes $370,000 GF/GP and authorizes 2.0 new FTE positions to expand energy programs planning and implementation.

Supplemental Recommendations for FY 2024-25 Appropriations

Executive Direction – Small, Underserved, and Disadvantaged Communities Grant
Includes $1.5 million from the federal Environmental Protection Agency for grant funding to public water systems in small, underserved, and disadvantaged communities to comply with the federal Safe Drinking Water Act.

Great Lakes Restoration Initiative
Provides $7.6 million from the federal Infrastructure Investment and Jobs Act Fund to evaluate Detroit River Area of Concern sediment data.

Contaminated Site Remediation and Redevelopment Programs – Brownfield Redevelopment
Appropriates $15.0 million from the Clean Michigan Initiative Response Activities fund for local grants to redevelop contaminated brownfield sites.

Energy Programs – US Department of Energy Grant
Includes $2.0 million from the federal Inflation Reduction Act for a US Department of Energy grant for technical engagement and energy planning.

Energy Programs – Lake Michigan Circuit
Provides $325,000 million from the Energy Efficiency and Renewable Energy Revolving Loan Fund for tourism infrastructure to complete the shoreline scenic route along the multi-state Lake Michigan Circuit.

AmeriCorps and Office of Climate and Energy
Appropriates $796,800 Gross from federal funds ($640,000) and required GF/GP match ($156,800) to expand AmeriCorps.

All General Government

Analyst: Michael Cnossen

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	*Difference: FY 2025-26 vs. FY 2024-25*	
			Amount	*%*
IDG/IDT	$1,197,837,100	$1,231,348,400	*$33,511,300*	*2.8*
Federal	44,147,200	44,573,800	*426,600*	*1.0*
Local	17,541,100	17,851,700	*310,600*	*1.8*
Private	762,300	4,770,200	*4,007,900*	*525.8*
Restricted	2,928,311,200	2,847,697,600	*(80,613,600)*	*(2.8)*
GF/GP	1,169,710,500	1,265,074,700	*95,364,200*	*8.2*
Gross	**$5,358,309,400**	**$5,411,316,400**	***$53,007,000***	***1.0***
FTEs	7,751.6	7,853.6	*102.0*	*1.3*

Note: Appropriation figures for FY 2025-26 includes all proposed appropriation amounts, including amounts designated as "one-time."

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations

Budget Stabilization Fund Deposit

Includes $50.0 million GF/GP for a Countercyclical Budget and Economic Stabilization Fund deposit in FY 2025-26.

Summary pages for individual department/agency budgets contained within the current FY 2024-25 General Government appropriations bill follow this page.

Attorney General

Analyst: Michael Cnossen

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	*Difference: FY 2025-26 vs. FY 2024-25*	
			Amount	*%*
IDG/IDT	$39,465,600	$39,381,700	*($83,900)*	*(0.2)*
Federal	10,391,600	10,567,200	*175,600*	*1.7*
Local	0	0	*0*	*--*
Private	0	950,000	*950,000*	*--*
Restricted	22,480,400	22,678,800	*198,400*	*0.9*
GF/GP	57,409,100	58,778,000	*1,368,900*	*2.4*
Gross	**$129,746,700**	**$132,355,700**	***$2,609,000***	***2.0***
FTEs	627.4	635.4	*8.0*	*1.3*

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations

Price Gouging Unit
Includes $900,000 GF/GP and authorization for 5.0 FTE positions for the corporate oversight division to expand legal services protecting against price gouging, or the excessive raising of prices of goods and services to exploit disruptions in the market. Funding would provide for two attorneys, two technicians, and a legal secretary.

Tribal Legal Services
Includes $600,000 GF/GP and authorization for 3.0 FTE positions to expand existing services to accommodate increasing legal services to the state's federally recognized tribes related to treaty rights, tax agreements, gaming, cannabis, and missing persons. Funding would provide for two attorneys and one assistant.

Organized Retail Crime
Includes $950,000 in private revenues to support the work of the organized retail crime unit which works to reduce demand for stolen merchandise, limit opportunities to sell stolen merchandise, and reduce theft opportunities. Private revenues would come from unadjudicated forfeitures that result from the seizure of assets that arise from investigations of the organized retail crime unit and other department units.

DIFS Legal Services
Includes $330,000 in IDG revenue from the Department of Insurance and Financial Services to cover investigations and litigation costs from increased referrals of civil and criminal cases.

Violence Against Women Federal Grant
Includes $175,000 for federal grant funding to support contractors, experts, and training to encourage treatment of domestic violence, dating violence, sexual assault, and stalking as serious violations and to develop arrest policies and enforcement of protection orders.

Economic Adjustments
Reflects increased costs of $1.2 million Gross ($868,900 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

Supplemental Recommendations for FY 2024-25 Appropriations

Oxford High School Shooting Investigation
Includes $1.0 million GF/GP to support a civil and criminal investigation of the handling of events following the shooting at Oxford High School in 2021.

Civil Rights

Analyst: Michael Cnossen

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	*Difference: FY 2025-26 vs. FY 2024-25*	
			Amount	*%*
IDG/IDT	$0	$0	*$0*	*--*
Federal	2,890,900	2,899,300	*8,400*	*0.3*
Local	0	0	*0*	*--*
Private	18,700	18,700	*0*	*0.0*
Restricted	58,500	58,500	*0*	*0.0*
GF/GP	26,195,400	27,804,900	*1,609,500*	*6.1*
Gross	**$29,163,500**	**$30,781,400**	***$1,617,900***	***5.5***
FTEs	175.0	177.0	*2.0*	*1.1*

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations

Information Technology Increase

Includes $767,800 GF/GP to support increased information technology demands due to significant staffing increases. Costs include new hardware and devices, licensing, user fees, DTMB service charges, and costs related to developing an online complaint portal for the civil rights information system.

Development, Innovation, and Access Professional Development

Includes $466,800 GF/GP and authorization for 2.0 FTE positions for the Development, Innovation, and Access (DIA) division which develops training and resources to increase awareness of various customer perspectives in work contexts. Funding would support monitoring language assistance services and oversight and evaluation of DIA efforts.

Economic Adjustments

Reflects increased costs of $383,300 Gross ($374,900 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

Executive Office

Analyst: Michael Cnossen

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	*Difference: FY 2025-26 vs. FY 2024-25*	
			Amount	*%*
IDG/IDT	$0	$0	*$0*	--
Federal	0	0	*0*	--
Local	0	0	*0*	--
Private	0	0	*0*	--
Restricted	0	0	*0*	--
GF/GP	9,337,100	9,609,200	*272,100*	*2.9*
Gross	**$9,337,100**	**$9,609,200**	***$272,100***	***2.9***
FTEs	96.2	96.2	*0.0*	*0.0*

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations

Executive Office Economic Adjustments

Reflects increased costs of $272,100 GF/GP for negotiated salary and wage increases (3.0% on October 1, 2025) for employees.

Legislature

Analyst: Michael Cnossen

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	*Difference: FY 2025-26 vs. FY 2024-25*	
			Amount	*%*
IDG/IDT	$0	$0	*$0*	--
Federal	0	0	*0*	--
Local	0	0	*0*	--
Private	467,700	481,700	*14,000*	*3.0*
Restricted	5,422,500	5,585,100	*162,600*	*3.0*
GF/GP	194,753100	197,513,800	*2,760,700*	*1.4*
Gross	**$200,643,300**	**$203,580,600**	***$2,937,300***	***1.5***
FTEs	0.0	0.0	*0.0*	--

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations

Legislature Operations Adjustment
Reflects increased costs of $5.9 million Gross ($5.8 million GF/GP) for legislative employees, operations, and property management.

Independent Citizens Redistricting Commission (ICRC)
Removes $3.0 million GF/GP to reflect the commission going dormant until the next decennial census.

Legislative Auditor General

Analyst: Michael Cnossen

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	*Difference: FY 2025-26 vs. FY 2024-25*	
			Amount	*%*
IDG/IDT	$7,334,800	$7,555,600	*$220,800*	*3.0*
Federal	0	0	*0*	*--*
Local	0	0	*0*	*--*
Private	0	0	*0*	*--*
Restricted	2,475,900	2,549,400	*73,500*	*3.0*
GF/GP	21,427,000	22,069,800	*642,800*	*3.0*
Gross	**$31,237,700**	**$32,174,800**	***$937,100***	***3.0***
FTEs	0.0	0.0	*0.0*	*--*

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations

Legislative Auditor General Economic Adjustments

Reflects increased costs of $937,100 Gross ($642,800 GF/GP) for economic adjustments.

State (Department)

Analyst: Michael Cnossen

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	*Difference: FY 2025-26 vs. FY 2024-25*	
			Amount	*%*
IDG/IDT	$20,000,000	$20,000,000	*$0*	*0.0*
Federal	1,460,000	1,460,000	*0*	*0.0*
Local	0	0	*0*	*--*
Private	50,100	50,100	*0*	*0.0*
Restricted	258,360,700	262,935,500	*4,574,800*	*1.8*
GF/GP	11,969,100	12,151,800	*182,700*	*1.5*
Gross	**$291,839,900**	**$296,597,400**	***$4,757,500***	***1.6***
FTEs	1,635.0	1,635.0	*0.0*	*0.0*

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations

Departmental Staffing Increases

Provides $1.6 million of state restricted revenue to hire staff for 12.0 FTE positions for two line items. The proposed funding increases and FTE positions by line item are:

- $973,800 to support 8 positions for Legal Services Operations to support business compliance efforts to ensure services are consistent with state driver and vehicle laws
- $640,600 to support 4 positions for Central Operations for information technology system support for more efficient driver and vehicle service options to residents.

State Restricted Revenue Alignment

Reduces state restricted revenue authorizations by $440,200 to align authorization levels with available estimated revenues. The authorization reductions include $143,500 of Notary Fee Fund revenue for Election Administration and Services and $296,700 of Expedient Service Fees Revenue for Information Technology Services and Projects.

Economic Adjustments

Reflects increased costs of $3.6 million Gross ($187,700 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

Supplemental Recommendations for FY 2024-25 Appropriations

Help America Vote Act (HAVA) Election Security Grants

Provides $9.6 million in federal funding to authorize expenditure of federal Election Security grants. The total requested amount is comprised of $7.6 million of a lapsed work project balance originally provided under the Consolidated Appropriations Act of 2020, $1.0 million provided under the Consolidated Appropriations Act of 2024, and $1.0 million from interest accrued from past and current HAVA fund balances.

Technology, Management, and Budget

Analyst: Michael Cnossen

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	*Difference: FY 2025-26 vs. FY 2024-25*	
			Amount	*%*
IDG/IDT	$1,119,848,200	$1,152,596,000	*$32,747,800*	*2.9*
Federal	4,393,300	4,393,300	*0*	*0.0*
Local	2,334,000	2,360,100	*26,100*	*1.1*
Private	189,200	229,400	*40,200*	*21.2*
Restricted	296,362,300	142,450,700	*(153,911,600)*	*(51.9)*
GF/GP	539,964,000	614,335,400	*74,371,400*	*13.8*
Gross	**$1,963,091,000**	**$1,916,364,900**	***($46,726,100)***	***(2.4)***
FTEs	3,249.5	3,269.5	*20.0*	*0.6*

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations

Information Technology Investment Fund (ITIF)
Includes $42.6 million GF/GP in one-time funding to the ITIF, the state's strategic portfolio of information technology system modernization projects, to support new legacy system modernization projects. ITIF would receive $77.6 million GF/GP total, with recommended ongoing funding of $35.0 million GF/GP.

State Facilities Special Maintenance
Includes $25.0 million in one-time GF/GP for maintenance, demolition, and infrastructure projects for state-owned buildings and structures, which includes approximately 800 buildings and 5,000 structures. With $28.0 million GF/GP in the current year base, a total of $53.0 million would be available for special maintenance projects.

State Property Self Insurance Fund
Provides $10.0 million GF/GP to create a self-sustaining fund to self-insure property and building contents at state-owned facilities against damages. The fund would be designed to provide the state with reserve funding to draw from to help counter rising property insurance premiums. Savings from decreased property insurance rates charged to state agencies would be deposited into the fund.

Energy Efficiency Revolving Fund
Provides an additional deposit of $5.0 million GF/GP to initial $5.0 million deposit in FY 2021-22 for up-front financing of projects at state facilities that achieve energy efficiency or renewable energy; aims for re-investment of resources in new projects on continual basis to establish long-term funding aimed at reducing state's carbon footprint.

Economic Adjustments
Reflects increased costs of $9.4 million Gross ($3.5 million GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

Supplemental Recommendations for FY 2024-25 Appropriations

Digital Nondiscrimination Federal Compliance
Includes $3.0 million GF/GP to support up to 7.0 limited-term FTE positions that will review, assess, and test compliance of state web and mobile-based applications to ensure accessibility for people with disabilities and compliance with federal non-discrimination standards by April, 2026.

Treasury – Operations/Debt Service

Analyst: Michael Cnossen

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	*Difference: FY 2025-26 vs. FY 2024-25*	
			Amount	*%*
IDG/IDT	$11,188,500	$11,815,100	*$626,600*	*5.6*
Federal	25,011,400	25,254,000	*242,600*	*1.0*
Local	15,207,100	15,491,600	*284,500*	*1.9*
Private	36,600	3,040,300	*3,003,700*	*8,206.8*
Restricted	567,660,800	587,844,600	*20,183,800*	*3.6*
GF/GP	308,655,700	322,811,800	*14,156,100*	*4.6*
Gross	**$927,760,100**	**$966,257,400**	***$38,497,300***	***4.1***
FTEs	2,012.5	2040.5	*28.0*	*1.4*

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations

Detroit Hazardous Arc Wiring Removal
Includes $25.0 million GF/GP to remove an estimated 1,300 miles of hazardous arc wiring in Detroit from a street lamp system which is no longer in use. Abandoned arc wiring poses a risk if it makes contact with live utility lines utilizing the same utility poles. Approximately 50% of utility poles in Detroit have unused arc wiring.

Michigan's Achieving a Better Life Experience (MiABLE) Program
Includes $5.0 million GF/GP to allow for promotion and education of the MiABLE program that allows disabled individuals to create accounts for disability-related expenses without impacting their eligibility for public benefits, following a federal expansion that would extend program eligibility to an additional 500,000 residents.

Vaping, Non-Tobacco Nicotine Products Tax Administration
Includes $2.5 million GF/GP and authorization for 17.0 FTE positions to administer collection, enforcement, licensing, and compliance with a proposed 32% wholesale tax on vaping and non-tobacco nicotine products.

AI Predictive Analytics and Fraud Prevention
Includes $1.1 million GF/GP ($750,000 in one-time funding) to deploy artificial intelligence tools across Treasury's various data sets for analyses for detecting fraud, ensuring the integrity of tax collections, and finding other efficiencies.

Payment Card Data Compliance and Fraud Monitoring
Includes $892,700 Gross ($772,700 GF/GP) and authorization for 6.0 FTE positions for the Bureau of Financial and Accounting Services to implement payment card industry data compliance standards, fraud monitoring activities, and the expansion of the optional city income tax program.

MI Financial Empowerment Program
Includes $3.0 million in private funds donated by the Ballmer Group to create the Mi Financial Empowerment program aimed at providing financial literacy education services to residents.

Michigan State Lottery
Includes $4.9 million in state restricted funding from lotter ticket sales revenue to support efforts to sell and promote Lottery products through online and retail outlets.

Economic Adjustments
Reflects increased costs of $4.9 million Gross ($1.0 million GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

Supplemental Recommendations for FY 2024-25 Appropriations

Lottery Operations
Includes $2.0 million in state restricted funding from lotter ticket sales revenue to support lottery sales operations and security staffing at the Lottery headquarters building located in downtown Lansing.

Treasury – Revenue Sharing

Analyst: Michael Cnossen

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	*Difference: FY 2025-26 vs. FY 2024-25*	
			Amount	*%*
IDG/IDT	$0	$0	*$0*	--
Federal	0	0	*0*	--
Local	0	0	*0*	--
Private	0	0	*0*	--
Restricted	1,775,490,100	1,823,595,000	*48,104,900*	*2.7*
GF/GP	0	0	*0*	--
Gross	**$1,775,490,100**	**$1,823,595,000**	***$48,104,900***	***2.7***

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations

Constitutional Revenue Sharing

Includes an increase of $25.7 million of restricted sales tax revenue relative to the FY 2024-25 budget act appropriated amount for constitutionally required payments to cities, villages, and townships, for an estimated projected total of $1.1 billion in FY 2025-26.

City, Village, and Township (CVT) and County Revenue Sharing

Includes a net increase of $22.4 million of restricted sales tax revenue for CVT and county revenue sharing, representing a 3.6% increase from FY 2024-25 payments for CVTs and counties. The increases would be allocated as follows:

- $12.0 million for statutory CVT revenue sharing
- $10.4 million for county revenue sharing.

Public Safety and Violence Prevention

Maintains $75.0 million for Public Safety and Violence Prevention revenue sharing payments for a $0 net change from FY 2024-25 to support public safety initiatives in CVTs. Funding would be distributed as follows:

- $4.9 million, or 6.5%, to the Department of Health and Human Services (DHHS) for grants to CVTs, tribal entities, and community organizations for the purpose of advancing solutions to community violence
- $1.5 million, or 2.0%, to the crime victim's rights fund created under section 4 of 1989 PA 196 and is appropriated in the DHHS
- $68.6 million, or the remaining balance, to CVTs proportionate to violent crime data provided by the Michigan State Police.

Supplemental Recommendations for FY 2024-25 Appropriations

Public Safety and Violence Prevention

Reappropriates $75.0 million for Public Safety and Violence Prevention revenue sharing payments for a $0 net change in FY 2024-25 to authorize the distribution of funding appropriated under 2024 PA 121 in the absence of other statutory or boilerplate authorization. Funding would be distributed as follows:

- $4.9 million, or 6.5%, to the Department of Health and Human Services (DHHS) for grants to CVTs, tribal entities, and community organizations for the purpose of advancing solutions to community violence
- $1.5 million, or 2.0%, to the crime victim's rights fund created under section 4 of 1989 PA 196, MCL 780.904 and is appropriated in the DHHS
- $68.6 million, or the remaining balance, to CVTs proportionate to violent crime data provided by the Michigan State Police.

Health and Human Services

Analysts: Sydney Brown, Kent Dell, Cassidy Uchman, and Kevin Koorstra

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	*Difference: FY 2025-26 vs. FY 2024-25*	
			Amount	*%*
IDG/IDT	$14,707,900	$15,448,000	*$740,100*	*5.0*
Federal	26,644,177,600	27,369,656,600	*725,479,000*	*2.7*
Local	170,492,500	190,421,900	*19,929,400*	*11.7*
Private	177,599,600	180,133,600	*2,534,000*	*1.4*
Restricted	3,922,022,500	4,030,240,400	*108,217,900*	*2.8*
GF/GP	6,717,231,000	7,365,958,300	*648,727,300*	*9.7*
Gross	**$37,646,231,100**	**$39,151,858,800**	***$1,505,627,700***	***4.0***
FTEs	15,941.5	16,364.5	*423.0*	*2.7*

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations

BEHAVIORAL AND HEALTH SERVICES

Traditional Medicaid Cost Adjustments
Includes a net increase of $753.2 million Gross ($259.5 million GF/GP) to support caseload, utilization, inflation, and financing adjustments for the Traditional Medicaid program. The FY 2025-26 FMAP is 65.30% (increase of 0.17% from FY 2024-25).

Healthy Michigan Plan Cost Adjustments
Includes a net increase of $110.8 million Gross ($17.7 million GF/GP) to support caseload, utilization, inflation and special financing adjustments for the Healthy Michigan Plan program.

Medicaid Managed Care Actuarial Soundness
Includes $664.6 million Gross ($185.3 million GF/GP) to support estimated actuarial soundness adjustments for prepaid inpatient health plans (PIHPs), Medicaid Health plans, Program of All-inclusive Care for the Elderly (PACE), home- and community-based services, Integrated Care Organizations (MI Health Link), and Healthy Kids Dental.

DEPARTMENT ADMINISTRATION

Information Technology Systems and Services
Includes $9.0 million Gross ($4.2 million GF/GP) for inflationary cost adjustments to the prices of system hardware, software, program licensing fees, and vendor/service provider contractual costs.

Economic Adjustments
Reflects increased costs of $34.7 million Gross ($23.7 million GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

CHILDREN'S SERVICES AGENCY – CHILD WELFARE

Child Welfare Caseload Adjustments
Increases funding for child welfare programs by $56.6 million Gross ($64.4 million GF/GP) for current caseload projections for Adoption Subsidies, Child Care Fund, Foster Care Payments, and Guardianship Assistance Program. Amount includes $347,200 GF/GP reduction from changes in the FY 2025-26 FMAP to 65.30%.

Kinship Support Services
Includes $24.4 million Gross ($22.6 million GF/GP) and authorizes an additional 157.0 FTEs to fund programming that supports foster children and the relatives that care for them. Funds would be used to support the Kinship Advisory Council, Kinship Support Program in partnership with Michigan State University, kinship activities for family bonding, and family finding specialists. Amount includes $471,000 Gross ($428,600 GF/GP) for IT costs.

Foster Home Array and Permanency Planning
Includes $13.3 million Gross ($11.2 million GF/GP) and authorizes an additional 22.0 FTEs to support foster parent recruitment efforts, community reintegration for youth exiting foster care, expanding enhanced treatment foster care services, and increase the Family Incentive Grant to address continued safety issues.

Adoption Support Investment
Includes $17.5 million Gross ($12.7 million GF/GP) to support efforts to improve access to behavioral health supports for adopted children.

Juvenile Justice Operations
Includes $12.8 million Gross ($6.2 million GF/GP) for the following juvenile justice investments:

- Bay Pines Operations: $4.1 million Gross ($2.0 million GF/GP)
- Juvenile Justice Programmatic Improvements: $6.5 million GF/GP and an additional 5.0 FTEs
- New Michigan Youth Treatment Center: $16.1 million Gross ($7.6 million GF/GP) and an additional 111.0 FTEs
- Shawono Closure: $7.6 million Gross ($3.6 million GF/GP) savings and reduction of 58.0 FTEs.
- Foster Care savings: $6.4 million GF/GP savings

TANF Swap
Includes $6.2 million GF/GP increase to offset the reduction of TANF within the Diaper Assistance program, foster care suitcases, and newborn car seats initiatives. The use of GF/GP in these programs allows for greater flexibility in spending by the department and expanded access to services.

PUBLIC ASSISTANCE

Michigan Energy Assistance Program
Includes $75.0 million Gross ($25.0 million GF/GP on a one-time basis) for energy assistance services for low-income residents. Amount includes $50.0 million from the Low-income energy assistance fund (LIEAF) and its associated new revenue from PA 168 and 169 of 2024.

Water Affordability
Includes $7.0 million GF/GP, of which $6.0 million is allocated on a one-time basis, to support water affordability efforts.

TANF Reallocation
Includes $6.2 million federal TANF reallocated from the diaper assistance program, foster care suitcases, and newborn car seats initiatives to supplement various programs. These increases include $5.0 million and an additional 1.0 FTE for child support enforcement programming that supports responsible fatherhood and $1.2 million to increase the Family Independence Program – Child Supplement Payment.

Public Assistance Caseload Adjustment
Includes a net reduction of $519.8 million Gross ($1.7 million GF/GP) for current year and FY 2025-26 caseload adjustments for the Family Independence Program, Food Assistance Program, State Disability Assistance, and State Supplementation. The Gross reduction is primarily from a decrease in federal Food Assistance Program authorization in the current year.

LOCAL OFFICE OPERATIONS

Family Impact Teams
Includes a net increase of $390,000 Gross ($0 GF/GP) for statewide expansion of Family Impact Teams. Funds will be used to embed public assistance local office staff in child welfare services to support families in applying for public assistance and accessing other resources. Amount includes a reduction of $26.6 million Gross ($11.3 million GF/GP) and a net reduction of 12.0 FTEs from the elimination of the Pathways to Potential program.

BEHAVIORAL HEALTH

Opioid Response Activities
Includes $47.8 million, of which $15.0 million is allocated on a one-time basis, in Michigan Opioid Healing and Recovery Funds to increase opioid use disorder services, including prevention, treatment, harm reduction, and data collection.

Certified Community Behavioral Health Clinics (CCBHC)
Adds $39.3 million Gross ($6.3 million GF/GP) for utilization and cost adjustments for the CCBHC demonstration program. Also includes a net $0 transfer of $350.8 million Gross ($75.7 million GF/GP) of base CCBHC payments currently within the Medicaid Mental Health and Healthy Michigan Plan – Behavioral Health lines into the supplemental payments CCBHC line.

Medicaid Pre-Release Services Demonstration Start-Up Costs
Includes $40.0 million Gross ($20.0 million GF/GP) for start-up costs for correctional and other facilities, staffing, outreach, and IT costs of a new Medicaid demonstration program to provide 90 days of Medicaid covered pre-release services, including: case management, medication assisted treatment, pharmaceutical services, practitioner services, and diagnostics that would begin in the following fiscal year.

New State Psychiatric Hospital Operations
Includes $15.2 million GF/GP and authorizes 147.0 FTEs for the state to transition patients into the new State Psychiatric Hospital in Northville. The patients are currently residing at the Walter Reuther Psychiatric Hospital in Westland.

PUBLIC HEALTH

Crime Victim's Rights Sustaining Grants Increase
Includes $20.0 million GF/GP to offset a projected shortfall in the state restricted Crime Victim's Rights fund and federal Victims of Crime Act (VOCA) funding.

Tobacco Prevention and Smoking Cessation Increase
Includes $22.9 million Gross ($1.5 million GF/GP) and an additional 7.0 FTEs to support smoking prevention programs such as cancer screenings, free nicotine quit kits, and cessation counseling services as well as anti-smoking campaigns. Programming would be largely funded by revenues from a new tax on vaping and other nicotine products.

Essential Local Public Health Services for Youth
Includes $11.1 million in local funding authorization to align vision and hearing screening service levels with School Aid Act Appropriations for schools and Child and Adolescent Health Centers.

Statewide Paramedic Competency Exam
Includes $3.1 million GF/GP and an additional 6.0 FTEs to implement a statewide paramedic competency exam as required by PA 48 of 2024.

HEALTH SERVICES

Medicaid Protected Income – Spend Down Threshold
Includes $96.4 million Gross ($33.1 million GF/GP) to detach the Medicaid protected income level from the Family Independence Program standard, pursuant to MCL 400.106, and align it with federal poverty standards issued by the U.S. Department of Health and Human Services. For CY 2025, the spend down threshold would increase from 28% of FPL to 100% of FPL ($363 per month to $1,304 per month) for an individual – a reduction in an applicable recipient's required contributions of up to $941 per month to maintain Medicaid coverage.

Nonclinical Long-Term Care Staff Wage Increase
Includes $14.0 million Gross ($6.2 million GF/GP) to provide a $0.85 per hour wage increase for nonclinical staff employed in skilled nursing facilities.

Home Help Caregiver Council
Includes $7.0 million Gross ($3.5 million GF/GP) to establish the Home Help Caregiver Council, in accordance with 2024 PA 144.

Medicaid Eligibility Phone Renewal Services
Includes $2.8 million Gross ($1.4 million GF/GP) to provide Medicaid eligibility phone renewal services. These renewal services were previously funded with one-time Medicaid redetermination funding and the services are now federally mandated.

Federal State Psychiatric DSH Clawback
Includes $78.7 million GF/GP for the third of a 4-year repayment plan back to the federal government for state psychiatric disproportionate share hospital payments that the state inappropriately claimed prior to 2007. The total GF/GP cost is $236.6 million.

Supplemental Recommendations for FY 2024-25 Appropriations

Traditional Medicaid Cost Adjustments
Includes a net increase of $693.5 million Gross ($223.6 million GF/GP) to support caseload, utilization, inflation, and special financing adjustments for the Traditional Medicaid program.

Healthy Michigan Plan Cost Adjustments
Includes a net increase of $2.3 million Gross ($7.9 million GF/GP) to support caseload, utilization, inflation and special financing adjustments for the Healthy Michigan Plan program.

Child Welfare Caseload Adjustments
Increases funding for child welfare programs by $37.0 million Gross ($45.3 million GF/GP) for FY 2024-25 based on current caseload projections for Adoption Subsidies, Child Care Fund, Foster Care Payments, and Guardianship Assistance Program.

Juvenile Justice Operations
Includes $5.3 million Gross ($7.3 million GF/GP) for the following juvenile justice investments:
- Michigan Youth Treatment Center: $12.3 million GF/GP and an additional 70.0 FTEs
- Shawono closure: $3.8 million Gross ($1.8 million GF/GP) savings and reduction of 29.0 FTEs.
- Foster Care savings: $3.2 million GF/GP savings for FY 2024-25

Public Assistance Caseload Adjustments
Includes a net reduction of $626.4 million Gross ($1.3 million GF/GP) for caseload and cost adjustments for the Family Independence Program, Food Assistance Program, State Disability Assistance, and State Supplementation. The Gross reduction is primarily from a decrease in federal Food Assistance Program authorization.

Certified Community Behavioral Health Clinics (CCBHC)
Adds $28.3 million Gross ($4.5 million GF/GP) for utilization and cost adjustments for the CCBHC demonstration program.

Medicaid Eligibility Phone Renewal Services
Includes $2.8 million Gross ($1.4 million GF/GP) to provide Medicaid eligibility phone renewal services. These renewal services were previously funded with one-time Medicaid redetermination funding and the services are now federally mandated.

Federal State Psychiatric DSH Clawback
Includes $81.6 million GF/GP for the second of a 4-year repayment plan back to the federal government for state psychiatric disproportionate share hospital payments that the state inappropriately claimed prior to 2007. The total GF/GP cost is $236.6 million.

Federal COVID-related Funding
Includes a total of $73.7 million in federal funding for the following public health programs:
- Epidemiology and Laboratory Capacity for Infection Diseases (ELC): $61.0 million
- Strengthening Public Health Infrastructure, Workforce, and Data Systems: $10.0 million
- Emerging Infections Programs: $2.7 million.

Higher Education

Analyst: Perry Zielak

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	*Difference: FY 2025-26 vs. FY 2024-25*	
			Amount	*%*
IDG/IDT	$0	$0	*$0*	*--*
Federal	3,200,000	3,200,000	*0*	*0.0*
Local	0	0	*0*	*--*
Private	0	0	*0*	*--*
Restricted	461,668,300	550,768,300	*89,100,000*	*19.3*
GF/GP	1,859,424,300	1,824,885,000	*(34,539,300)*	*(1.9)*
Gross	**$2,324,292,600**	**$2,378,853,300**	***$54,560,700***	***2.3***

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations

University Operations Increase

Includes a net increase of $51.7 million Gross ($48.3 million GF/GP reduction) for university operations, a 3.1% increase when compared to FY 2024-25 ongoing plus one-time operations appropriations. This includes:

- $66.8 million GF/GP ongoing increase to operations grants for universities, with all universities receiving a 4.0% increase.
- $1.2 million GF/GP increase based on FY 2023-24 North American Indian Tuition Waiver program costs reported by institutions.
- Removal of $16.3 million GF/GP one-time FY 2024-25 operations funding.
- Replaces $100.0 million GF/GP with a corresponding amount of School Aid Fund (SAF).

Attainment of the operations increase would be conditioned on restraining resident undergraduate tuition and fee increases to the greater of 4.5% or $735 (set at 4.5% or $703 in the current year). Projected funding changes for universities would range from 2.9% to 3.7%. Total funding for operations would be $1.7 billion Gross ($1.2 billion GF/GP).

Michigan State University Extension and AgBioResearch Programs Increase

Includes a net increase of $2.2 million GF/GP for MSU's AgBioResearch and Extension program funding. This includes:

- $1.6 million GF/GP operations increase for the MSU AgBioResearch program, a 4.0% increase.
- Removal of $385,200 GF/GP in one-time AgBioResearch operations funding.
- $1.4 million GF/GP ongoing operations increase for the MSU Extension program, a 4.0% increase.
- Removal of $332,200 GF/GP in one-time Extension operations funding.

Total funding for AgBioResearch and Extension programs would be $75.8 million GF/GP.

Michigan Achievement Scholarship/Postsecondary Scholarship Fund Deposit

Includes a net increase of $20.0 million GF/GP for deposit into the Postsecondary Scholarship Fund, a 6.1% increase, which is the funding source for Michigan Achievement Scholarships. This includes the removal of $30.0 million GF/GP one-time deposit and the increase of $50.0 GF/GP ongoing funding. The scholarships are awarded to eligible in-state students that graduate high school or achieve an equivalency certificate in 2023 or after and attend an eligible Michigan public university, community college, tribal college or independent nonprofit college or university full-time. After a total $350.0 million GF/GP deposit into the Postsecondary Scholarship Fund, total funding for Michigan Achievement Scholarships for FY 2024-25 would be $350.0 million restricted.

Tuition Incentive Program

Increases funding by $28.5 million GF/GP for the Tuition Incentive Program (TIP), a 30.4% increase. TIP pays Medicaid-eligible students' tuition costs for associate degrees under Phase I and bachelor's degrees under Phase II. The increase addresses increased student participation and increased tuition and fees. Total funding for TIP would be $122.3 million GF/GP.

Tuition Grant Program

Decreases funding by $25.0 million GF/GP for the Tuition Grant Program, a 60.2% decrease. The program provides need-based tuition assistance to students at Michigan independent (i.e., private, non-profit) colleges and universities. The reduction is due to the continued phase-out of the scholarship program as student awards increase under the Michigan Achievement Scholarship program. Total funding for Tuition Grants would be $16.5 million GF/GP.

Michigan Competitive Scholarships
Decreases funding by $9.0 million GF/GP for Michigan Competitive Scholarships, a 45.2% decrease. The scholarships are awarded to students with a qualifying SAT score and demonstrated financial need. The reduction is due to the continued phase-out of the scholarship program as student awards increase under the Michigan Achievement Scholarship program. Total funding for Michigan Competitive Scholarships would be $10.9 million GF/GP.

Michigan Public School Employee Retirement System (MPSERS) Normal Cost Offset
Decreases funding by $900,000 SAF for the MPSERS normal cost offset, a 10.1% decrease, due to a lower contribution needed to cover retirement benefits and maintain the assumed rate of return at 6.0% for the seven universities with MPSERS employees (Central, Eastern, Ferris, Lake Superior State, Michigan Tech, Northern, and Western). Total funding for the MPSERS normal cost offset would be $7.6 million SAF.

Removal of One-Time Funding
Removes $13.0 million Gross ($3.0 million GF/GP) through the removal of six one-time appropriations: MPSERS UAAL Payment ($10.0 million SAF); Michigan Transfer Pathways (1.0 million GF/GP); FAFSA Completion Incentive Program ($980,000 GF/GP); Western Michigan University's Project Clean MI Program ($750,000 GF/GP); Education Performance Study ($200,000 GF/GP), and Kalamazoo Campus Safety Grant ($70,000 GF/GP).

Insurance and Financial Services

Analyst: Una Jakupovic

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	*Difference: FY 2025-26 vs. FY 2024-25*	
			Amount	*%*
IDG/IDT	$753,500	$763,800	*$10,300*	*1.4*
Federal	700,000	250,000	*(450,000)*	*(64.3)*
Local	0	0	*0*	*--*
Private	0	0	*0*	*--*
Restricted	77,167,900	79,241,800	*2,073,900*	*2.7*
GF/GP	0	0	*0*	*--*
Gross	**$78,621,400**	**$80,255,600**	***$1,634,200***	***2.1***
FTEs	404.5	409.5	*5.0*	*1.2*

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations

Attorney General Services

Includes $330,000 in state restricted authorization to support legal services provided by the Attorney General to align with growth in the number of civil and criminal case referrals by the department.

Staffing Increases

Includes $849,200 in state restricted funding and authorization for 5.0 FTEs to support increased work volumes associated with the department's regulatory, enforcement, and consumer protection services related to Michigan's insurance sector.

Economic Adjustments

Reflects increased costs of $955,000 Gross ($0 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

Judiciary

Analyst: Robin R. Risko

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	*Difference: FY 2025-26 vs. FY 2024-25*	
			Amount	*%*
IDG/IDT	$2,402,300	$1,902,300	*($500,000)*	*(20.8)*
Federal	7,132,600	7,270,900	*138,300*	*1.9*
Local	0	0	*0*	*--*
Private	1,905,300	1,906,400	*1,100*	*0.1*
Restricted	95,887,300	96,645,800	*758,500*	*0.8*
GF/GP	266,113,900	287,288,200	*21,174,300*	*8.0*
Gross	**$373,441,400**	**$395,013,600**	***$21,572,200***	***5.8***
FTEs	643.5	684.5	*41.0*	*6.4*

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations

Statewide Case Management System
Includes $7.2 million GF/GP and authorization for 12.0 new FTE positions for continued support of the statewide judicial case management system. Funding would be used to support staff and operating costs as additional trial courts transition to the system from locally managed systems.

Additional Staff for Supreme Court and State Court Administrative Office (SCAO)
Includes a total of $4.8 million Gross ($4.6 million GF/GP) to support an additional 12.0 FTE positions and increased auditing capacity. Of the total, the following would be allocated to the Supreme Court: $1.2 million for 5.0 human resources and 2.0 finance staff to implement the administrative structure recommended by the National Center for State Courts; $210,000 and 1.0 grants officer position; and $167,400 and 1.0 legal editor position. Of the total, the following would be allocated for SCAO: $532,500 for 3.0 field services staff; and $2.6 million to expand capacity for conducting financial audits of local trial courts.

Appellate Indigent Defense Workload Standards
Includes $2.3 million GF/GP to support costs of 12.0 new attorney and support staff positions for the State Appellate Defender's Office (SADO) for year two of the planned, phased implementation of workload standards, based on a workload assessment conducted by the National Center for State Courts. Standards are developed in parallel with separate workload standards for trial-level public defenders by the Michigan Indigent Defense Commission.

Problem-Solving Courts
Includes a total of $1.6 million GF/GP and 2.0 FTE positions to support problem-solving courts. Of the total, $198,000 would support increased wages for behavioral health workers; $389,000 would support economic increases for local trial courts; $355,000 would support 2.0 new staff within SCAO to support oversight and management of the problem-solving courts program; and $642,000 would support establishing new problem-solving court programs.

SADO Salary Adjustments
Includes a total of $591,000 GF/GP to cover costs of pay increases for SADO employees. Of the total, $488,500 is included to cover costs of negotiated pay increases for UAW-represented employees and $102,500 is included to cover costs of pay increases for non-represented employees.

Judgeship Changes
Includes a total of $539,200 Gross ($123,500 GF/GP) to support costs of judgeship changes. Funding would support annualizing costs of one probate court judgeship in Macomb County and one district court judgeship in Kent County authorized under Public Acts 310 and 311 of 2023. Funding for three quarters of the fiscal year was included in the FY 2024-25 budget. Funding would also support the addition of two circuit court judgeships, one in Kalamazoo County and one in Allegan County, authorized under 2022 PA 277. The effective date of the judgeship changes was January 1, 2025.

Training for Judges and Court Staff
Includes $533,700 GF/GP and authorization for 3.0 additional FTE positions for the Michigan Judicial Institute to expand training provided to judges and court staff.

Michigan Legal Help
Includes $400,000 GF/GP to support increased salary increases for program personnel and increased information technology costs for hosting the Michigan Legal Help website.

Drug Court Case Management System
Includes $265,000 GF/GP to support increased contractual costs of maintaining the drug court case management information system.

Removal of FY 2024-25 One-Time Appropriations
Removes $2.5 million Gross ($2.0 million GF/GP) of one-time funding included in the FY 2024-25 budget for the following: Eviction Diversion Pilot program ($500,000); Operation Drive ($1.0 million); and Prescription Compliance Through Oral Fluid Testing program ($500,000).

Economic Adjustments
Reflects increased costs of $6.0 million Gross ($5.7 million GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

Supplemental Recommendations for FY 2024-25 Appropriations

Judgeship Changes
Includes $316,200 Gross ($45,100 GF/GP) to support the addition of two circuit court judgeships, one in Kalamazoo County and one in Allegan County, authorized under 2022 PA 277. The effective date of the judgeship changes was January 1, 2025, so funding is needed to cover costs for three-quarters of the fiscal year.

Federal Funds Adjustment for Drug Treatment Courts
Includes authorization to receive an additional $100,000 in federal grant funding from the Office of Highway Safety Planning. Funding would be used to support drug treatment courts.

Funding Adjustment for Status Offender Pilot Program
Includes authorization to receive an additional $12,100 in federal grant funding through an IDG from the Department of Health and Human Services for the Status Offender Pilot program. Funding was awarded by the Office of Juvenile Justice Delinquency and Prevention and would be used by eligible courts to provide services for diverted youth.

Labor and Economic Opportunity

Analyst: Marcus Coffin

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	*Difference: FY 2025-26 vs. FY 2024-25*	
			Amount	*%*
IDG/IDT	$0	$0	*$0*	*--*
Federal	1,191,165,800	1,227,473,300	*36,307,500*	*3.0*
Local	10,700,000	10,700,000	*0*	*0.0*
Private	12,584,600	12,588,200	*3,600*	*0.0*
Restricted	413,774,700	312,373,900	*(101,400,800)*	*(24.5)*
GF/GP	793,569,400	322,996,700	*(470,572,700)*	*(59.3)*
Gross	**$2,421,794,500**	**$1,886,132,100**	***($535,662,400)***	***(22.1)***
FTEs	2,671.5	2,684.5	*13.0*	*0.5*

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations

Revitalization and Placemaking Removal
Removes $50.0 million of state restricted funding that was appropriated for the Revitalization and Placemaking Program to reflect the sunset of the program's funding source, which is a $50.0 million earmark from Corporate Income Tax revenue that was authorized under 2023 PA 4 for Fiscal Years 2022-23, 2023-24, and 2024-25.

Expanded Pre-Employment Transition Services for Students with Disabilities
Includes $40.4 million Gross ($8.4 million GF/GP) to expand pre-employment transition services for students with disabilities, including academic remediation, specialized tutoring, workplace readiness training, and enrollment into career and technical training and/or college.

MSHDA – Employer Assisted Housing Financing Program
Includes $25.0 million GF/GP (one-time) for an Employer Assisted Housing Financing Program, which would allow MSHDA to provide up to a 1:1 match on employer investments for the creation of local workforce housing opportunities, which would include housing acquisition, rental housing, down payment assistance, and housing rehabilitation (eligible households would have to be below 120% of the area median income).

Registered Apprenticeship Expansion
Includes $19.0 million GF/GP (one-time) to expand registered apprenticeship opportunities, assist individuals with obtaining industry credentials recognized by the U.S. Department of Labor, and support registered apprenticeship expansion efforts.

Growth Programming and Initiatives
Includes $10.0 million GF/GP (one-time) for programs and pilots to support community growth, engagement efforts to advance Michigan's growth, and strategies to support talent attraction and retention.

Small Business Support Hubs
Includes $10.0 million GF/GP (one-time) to enhance a statewide network of small business entrepreneurial support hubs by offering grants to small business support organizations for incubators, accelerators, networking and mentorship programming, and other entrepreneurial support initiatives.

Talent Action Teams
Includes $10.0 million GF/GP (one-time) to continue a program that provides customized talent solutions to key employers in strategic industries; services include talent recruitment, workforce training, and scholarships and resources for individuals qualifying for in-demand occupations.

Michigan Rehabilitation Services – Federal Award and Match
Includes $9.2 million Gross ($2.0 million GF/GP) to align federal funding authorization with an anticipated grant award from the U.S. Department of Education and to provide the requisite state match to secure the award to expand vocational rehabilitation services.

Removing Employment Barriers
Includes $7.5 million GF/GP (one-time) to support a program that removes employment barriers for low-income, poor, and working poor citizens by providing assistance with transportation, childcare, clothing, tools for work, legal services, and other needs.

First Responder Presumed Coverage Fund
Includes $2.5 million of state restricted funding authorization from the First Responder Presumed Coverage Fund to align funding authorization with projected benefit payments, which cover wage loss and medical care expenses for eligible first responders who are diagnosed with specific types of cancer.

Wage and Hour Program
Includes an additional $1.5 million GF/GP and authorization for 10.0 FTE positions to engage with employees and employers on issues related to workers' pay, benefits, and youth employment.

FY 2024-25 One-Time Funding Removal
Removes $635.3 million Gross ($561.3 million GF/GP) that was included in FY 2024-25 for 58 separate one-time programs and grants.

Economic Adjustments
Reflects increased costs of $9.9 million Gross ($1.5 million GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

Supplemental Recommendations for FY 2024-25 Appropriations

Community Development Block Grant – Disaster Recovery
Includes $43.6 million of federal funding authorization to allow for the expenditure of a special allocation of Community Development Block Grant Disaster Recovery funds that were received to address severe storms that affected Southeast and Central Michigan in August 2023.

Transmission Siting and Economic Development Program
Includes $35.8 million of federal funding authorization to allow for the expenditure of a grant received from the U.S. Department of Energy, which will support apprenticeship programs, home weatherization, and workforce training programs in communities in Branch and Calhoun Counties.

Community and Worker Economic Transition Office
Includes $22.7 million of federal funding authorization to allow the Community and Worker Economic Transition Office to utilize grant funding from the U.S. Department of Energy to issue grants to small- and medium-sized auto suppliers that are experiencing an industry transition.

Michigan Rehabilitation Services
Includes $9.5 million of federal funding authorization to allow for the expenditure of Michigan Rehabilitation Services' receipt of a one-time multi-year grant award from the U.S. Department of Education that is focused on career development and job placement of individuals with disabilities.

First Responder Presumed Coverage Fund
Includes $2.5 million of state restricted funding authorization from the First Responder Presumed Coverage Fund to align funding authorization with projected FY 2024-25 benefit payments, which cover wage loss and medical care expenses for eligible first responders who are diagnosed with specific types of cancer.

Office of Rural Prosperity
Includes $350,000 of federal funding authorization to allow the Michigan Office of Rural Prosperity to expend two grants received from the U.S. Department of Agriculture, which will both support the development of community facilities projects.

Licensing and Regulatory Affairs

Analyst: Una Jakupovic

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	*Difference: FY 2025-26 vs. FY 2024-25*	
			Amount	*%*
IDG/IDT	$27,682,800	$30,192,600	*$2,509,800*	*9.1*
Federal	30,471,300	34,478,800	*4,007,500*	*13.2*
Local	0	0	*0*	*--*
Private	0	0	*0*	*--*
Restricted	281,979,200	284,429,800	*2,450,600*	*0.9*
GF/GP	308,605,700	301,539,300	*(7,066,400)*	*(2.3)*
Gross	**$648,739,000**	**$650,640,500**	***$1,901,500***	***0.3***
FTEs	1,821.0	1,857.0	*36.0*	*2.0*

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations

Federal Energy and Benchmarking Grants
Includes $4.1 million in federal grant funding from the U.S. Department of Energy to support the development of a statewide energy code and energy benchmarking within the Bureau of Construction Codes (BCC). Supplemental Request 2025-1 reflects awarded federal funding that would be used for the same purpose in FY 2024-25.

Interdepartmental Grant Adjustments
Includes $2.2 million in IDG funding for the Michigan Office of Administrative Hearings and Rules to support anticipated caseload increases related to UIA and MIOSHA within the Department of Labor and Economic Opportunity.

Nursing Home Surveys and Investigations
Includes $2.7 million GF/GP and authorization for 9.0 FTEs to support nursing home complaint intake and investigations. Of the total, $2.4 million and 7.0 FTEs would be allocated to support immediate jeopardy complaint investigations associated with nursing and continuing care facilities. The remaining $316,900 and 2.0 FTEs would support intake of public questions and complaints related to nursing homes.

Michigan Indigent Defense Commission (MIDC)
Includes $769,100 GF/GP and authorization for 4.0 FTEs to support increased financial monitoring and planning efforts across Michigan's local indigent defense systems.

Homes for the Aged Staffing Increase
Includes $700,000 GF/GP and authorization for 3.0 FTEs to support oversight of state-licensed homes for the aged.

Compliance and Risk Management Section
Includes $490,000 in state restricted funding and authorization for 3.0 FTEs to support the establishment of a new Compliance and Risk Management section within Administrative Services.

Economic Adjustments
Reflects increased costs of $4.4 million Gross ($748,000 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

Supplemental Recommendations for FY 2024-25 Appropriations

Federal Energy and Benchmarking Grants
Includes $3.1 million in awarded federal grant funding from the U.S. Department of Energy to support the development of a statewide energy code and energy benchmarking within the Bureau of Construction Codes (BCC). The FY 2025-26 Executive Recommendation includes anticipated federal funding that would be used for the same purpose.

Lifelong Education, Advancement, and Potential

Analysts: Perry Zielak and Noel Benson

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	*Difference: FY 2025-26 vs. FY 2024-25*	
			Amount	*%*
IDG/IDT	$0	$0	*$0*	*--*
Federal	505,391,000	506,428,200	*1,037,200*	*0.2*
Local	0	0	*0*	*--*
Private	250,000	1,000,000	*750,000*	*300.0*
Restricted	1,863,900	1,880,000	*16,100*	*0.9*
GF/GP	136,489,300	226,908,800	*90,419,500*	*66.2*
Gross	**$643,994,200**	**$736,217,000**	***$92,222,800***	***14.3***
FTEs	343.0	354.0	*11.0*	*3.2*

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations

Child Development and Care Caseload Costs
Provides an additional $63.0 million Gross ($62.8 million GF/GP) to reflect increased caseload costs for the Child Development and Care (CDC) program. Total funding for the CDC program would be $562.0 million Gross ($132.3 million GF/GP).

Child Development and Care Federal Requirements
Provides $50.0 million GF/GP of one-time funding to partially fulfill new federal requirements for the CDC program. An estimated $33.0 million will be used to shift to a prospective payment system to reimburse child care providers before services are rendered. Remaining funds will be used to contract services for certain populations of children, which include infants and toddlers, children with disabilities, and those in underserved geographic areas.

College Success Fund and Student Wraparound Supports
Provides $15.0 million GF/GP of one-time funding for the continuation of a program originally located in the Department of Labor and Economic Opportunity that provides competitive grants to community colleges, public universities, and private colleges and universities for student support services and efforts to improve degree and certificate completion rates.

Nonpublic Dual Enrollment
Eliminates $3.5 million GF/GP for the nonpublic dual enrollment program, which pays the tuition of eligible nonpublic school students enrolled in postsecondary institutions. Also includes proposed legislation to allow nonpublic students to enroll in dual enrollment programs through a shared time program with a local school district that would be funded through Sec. 22b in the School Aid budget.

Office of Great Start Private Funding Authorization
Provides an additional $750,000 in private revenues, for a total of $1.0 million, for the Office of Great Start. Increased private funding was received in FY 2024-25, but the department lacked sufficient authorization to expend received funds.

Department of the Attorney General Services
Provides $569,500 GF/GP to cover higher than anticipated costs for services rendered by the Department of the Attorney General that were not originally included in the FY 2024-25 budget.

Federal Preschool Development Funds Transfer
Transfers $300,000 federal from the School Aid budget for the administration of the Preschool Development Funds in Sec. 39a(2)(d) of the School Aid budget, which are used to promote and expand high-quality preschool services. (Although not included in documents, the Executive expressed intent to provide authorization for an additional 4.0 FTE positions.)

MI Student Scholarships and Grants Portal
Provides $300,000 GF/GP to cover additional information technology costs for maintaining the MI Student Scholarships and Grants Portal, which is the primary administration system for state-sponsored financial aid programs.

Family and Community Engagement Reorganization
Transfers $1.3 million GF/GP from the Office of Early Childhood Education to the Office of Education Partnerships for the Family and Community Engagement program. (Although not included in documents, the Executive expressed intent to transfer authorization for 7.0 FTE positions from the Office of Early Childhood Education to the Family and Community Engagement program.)

Additional Department FTE Authorizations
Provides authorization for 8.0 FTE positions for internal department accounting administration and 5.0 FTE positions for the Office of Sixty by 30 to convert some employee classifications from temporary to ongoing.

Removal of One-Time Funding
Removes $35.0 million GF/GP and authorization for 2.0 FTE positions through the removal of 10 one-time appropriations: Child Care Program Stabilization Grants ($24.0 million GF/GP), Wonderschool ($5.0 million GF/GP), Michigan Center for Adult College Success ($1.8 million GF/GP), One-Time Administration Supports ($1.2 million GF/GP and 2.0 FTEs), Adult Education Outreach Project ($1.0 million GF/GP), Foster Care Supports ($500,000 GF/GP), Hunger-Free Campus Grant Pilot Program ($500,000 GF/GP), Youth Mentorship ($500,000 GF/GP), After School Programming Extension ($300,000 GF/GP), and Postsecondary Enrollment ($166,000 GF/GP).

Economic Adjustments
Reflects increased costs of $802,600 Gross ($234,500 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

Supplemental Recommendations for FY 2024-25 Appropriations

Office of Great Start Private Funding Authorization
Provides an additional $750,000 in private revenues, for a total of $1.0 million, for the Office of Great Start. Increased private funding was received in FY 2024-25, but the department lacked sufficient authorization to expend received funds.

Military and Veterans Affairs

Analyst: Aaron A. Meek

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	*Difference: FY 2025-26 vs. FY 2024-25* Amount	%
IDG/IDT	$101,800	$101,800	*$0*	*0.0*
Federal	144,786,800	148,840,000	*4,053,200*	*2.8*
Local	0	0	*0*	–
Private	100,000	100,000	*0*	*0.0*
Restricted	13,221,400	12,953,500	*(267,900)*	*(2.0)*
GF/GP	117,694,100	131,084,800	*13,390,700*	*11.4*
Gross	**$275,904,100**	**$293,080,100**	***$17,176,000***	***6.2***
FTEs	1,060.0	1,065.0	*5.0*	*0.5*

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations

Selfridge Air National Guard Base

Includes $26.0 million one-time GF/GP for shifting runway placement at Selfridge Air National Guard Base to help attract new aircraft flying missions. The runway adjustment is necessary to comply with Air Installation Compatible Use Zone Program requirements and to correct an ongoing concern with real estate development encroaching on the base.

State Veterans Cemetery

Includes $5.0 million one-time GF/GP to support land acquisition, design, and engineering costs for a state veterans cemetery in Crawford County.

National Guard Member Benefits Program

Reallocates $11.3 million in existing GF/GP from the Michigan National Guard State Tuition Assistance Program (MINGSTAP) to the Michigan National Guard Member Benefits Program (pending statutory changes) to provide child care assistance for Michigan National Guard members during annual and weekend drilling, in addition to current MINGSTAP initiatives. Also, transfers existing authorization for 4.0 FTE positions to administer the program.

MVFA Veteran Homes Authorization Alignment

Increases federal funding authorization by $2.8 million for the Michigan Veterans' Facility Authority to account for changing cost factors for the state's veteran homes, including shifting membership and changes in per diem rates paid by the U.S. Department of Veterans Affairs.

Economic Adjustments

Reflects increased costs of $2.4 million Gross ($1.4 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

Supplemental Recommendations for FY 2024-25 Appropriations

Marquette Veterans Home Land Acquisition

Authorizes spending of $4.5 million in federal funds by the Michigan Veterans' Facility Authority to purchase land for the new veterans home located near Marquette.

Natural Resources

Analyst: Austin Scott

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	*Difference: FY 2025-26 vs. FY 2024-25*	
			Amount	*%*
IDG/IDT	$207,000	$208,100	*$1,100*	*0.5*
Federal	96,140,700	100,214,800	*4,074,100*	*4.2*
Local	0	0	*0*	*--*
Private	7,609,200	7,609,200	*0*	*0.0*
Restricted	353,865,900	408,296,400	*54,430,500*	*15.4*
GF/GP	76,757,000	88,201,200	*11,444,200*	*14.9*
Gross	**$534,579,800**	**$604,529,700**	***$69,949,900***	***13.1***
FTEs	2,545.3	2,635.1	*89.8*	*3.5*

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations

Fee increase – Hunting Licenses, Fishing Licenses, and Watercraft Registrations
Includes $29.0 million in state restricted funding and authorizes 79.3 new FTE positions from proposed 30% to 50% price increases for hunting licenses and fishing licenses and a proposed 60% price increase for watercraft registrations. Most of this new funding would go toward expanding the Wildlife Division, Fisheries Division, and Law Enforcement Division.

Recreation Passport Default Opt-in Revenue
Includes $17.2 million in new restricted authorization in anticipation of Recreation Passport sales changing from an opt-in model to an opt-out model. Motorists would purchase a passport by default unless they choose to opt-out when renewing motor vehicle registration. Passports would be provided free of charge to resident military veterans.

Dam Safety and Management (One-time)
Appropriates $15.0 million GF/GP for removal, maintenance, and study of dams in accordance with dam management and land strategy policies.

Asset Management Solution (One-time)
Provides $6.4 million GF/GP to continue implementation of the departmental digital asset management system.

Nature Awaits
Reduces GF/GP authorization by $1.8 million for grants to schools to cover transportation and other costs related to connecting all Michigan fourth grades to the state park system; this funding is included in the FY 2025-26 executive budget proposal for School Aid.

Off-road Vehicle Trail Improvement Fund Revenue
Appropriates $4.0 million in additional revenue from the Off-road Vehicle Trail Improvement Fund according to revenue distribution defined in the Natural Resources and Environmental Protection Act.

Federal High-speed Internet Infrastructure Funding
Appropriates $1.4 million in available federal funding for the installation of high-speed internet infrastructure on DNR lands.

Capital Outlay Adjustments
Provides a net increase of $1.3 million Gross ($0 GF/GP) for funding increases to State Game and Wildlife Area Infrastructure and State Parks Repair and Maintenance. Funding decreases are included to Wetlands Restoration, Enhancement, and Acquisition; Local Boating Infrastructure and Maintenance; and State Boating Infrastructure and Maintenance.

Marketing and Outreach – Shooting Range Operations and Maintenance
Includes $481,300 in available federal funding and authorizes 7.5 new FTE positions for the operation and maintenance of state shooting range facilities.

Supplemental Recommendations for FY 2024-25 Appropriations

Federal High-speed Internet Infrastructure Funding
Appropriates $1.4 million in available federal funding for the installation of high-speed internet infrastructure on DNR lands.

Arctic Grayling Fish Passage
Includes $2.5 million from the US Fish and Wildlife Service to the Conservation Resource Alliance and Trout Unlimited to remove fish passage barriers by replacing ineffective road-stream crossings on state forest lands.

Wildlife and Fisheries – Cormorant Management
Provides $1.6 million from the Game and Fish Protection Fund to protect state fisheries and wildlife habitats from cormorants.

Wildlife and Fisheries – Capital Outlay
Appropriates $4.9 million from the Game and Fish Protection Fund for wildlife and fisheries capital outlay infrastructure maintenance and improvements.

Decree Negotiations
Includes $613,200 GF/GP to complete the buyout of a state commercial fishing license that is no longer eligible for use under the 2023 Great Lakes Consent Decree that prohibits state licenses commercial fishing in the Big Bay de Noc management unit of Lake Michigan.

School Aid

Analysts: Jacqueline Mullen and Noel Benson

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	*Difference: FY 2025-26 vs. FY 2024-25*	
			Amount	*%*
IDG/IDT	$0	$0	*$0*	*--*
Federal	2,272,793,500	2,407,708,500	*134,915,000*	*5.9*
Local	0	0	*0*	*--*
Private	0	0	*0*	*--*
Restricted	18,418,651,300	18,730,998,000	*312,346,700*	*1.7*
GF/GP	78,830,600	53,576,100	*(25,254,500)*	*(32.0)*
Gross	**$20,770,275,400**	**$21,192,282,600**	***$422,007,200***	***2.0***

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations

Foundation Allowances

Increases by $516.0 million Gross (including a reduction of $150,000 GF/GP) to provide a $392 per-pupil increase in the foundation allowance, from $9,608 to $10,000. Reduces the foundation allowance for cyber schools to 80% of the proposed foundation allowance, or from $9,150 to $8,000 per pupil, an estimated savings of $36.0 million.

Targeted Interventions

Provides $232.0 million SAF ($125.0 million one-time) to districts to implement targeted student interventions and supports in certain school buildings identified as needing additional support. Also requires districts to dedicate a portion of their foundation allowance and At-Risk funding for the same purpose. Eligible interventions must be high-impact tutoring programs included in the MiStrategyBank. Allocates $11.6 million SAF to pilot cell phone free school policies in high schools. Provides an additional $18.0 million SAF to intermediate districts (ISDs) to monitor outcomes and provide technical support.

Consolidation Grants

Provides $150.0 million one-time SAF to districts and ISDs to support the closure or demolition of buildings, to develop shared administrative systems to enhance operational efficiencies, and to provide incentive payments for district consolidation.

Mental Health and School Safety Per Pupil Payments

Revises $125.0 million one-time SAF to be ongoing for a total of $150.0 million ongoing SAF for per-pupil payments to districts, ISDs, and the Michigan Schools for the Deaf and Blind for activities to improve mental health and school safety. Removes $1.5 million one-time GF/GP and strikes nonpublic schools as eligible recipients. (This section provided $25.0 million ongoing SAF, $125.0 million one-time SAF, and $1.5 million one-time GF/GP in FY 2024-25.)

Career and Technical Education Pathways to Success

Provides $125.0 million one-time SAF for grants to districts in CTE deserts to expand student access to, and enrollment in, career and technical education programs. Allocates $2.5 million for a statewide enrollment campaign.

Transportation Costs

Provides an additional $125.0 million one-time School Transportation Fund to districts based on riders per square mile. (This section also provided $125.0 million one-time School Transportation Fund in FY 2024-25.) Also deposits $136.0 million SAF into the School Transportation Fund.

MPSERS Employee Healthcare Reimbursement

Provides an additional $90.0 million one-time SAF to reimburse employers for half of the costs associated with the MPSERS health care premium subsidy benefit which employers became responsible for under 2024 PA 127. (This section also provided $181.5 million one-time SAF to reimburse 100% of these costs in FY 2024-25.)

Enrollment Stabilization

Provides an additional $71.0 million one-time Enrollment Stabilization Fund to offset a portion of the cost of declining enrollment. (This section also provided $71.0 million one-time Enrollment Stabilization Fund in FY 2024-25.)

Three-Year-Old GSRP Pilot Program
Provides an additional $61.0 million one-time SAF to Clinton County RESA to initiate phase two of a three-year-old preschool pilot program to provide services to children who meet eligibility criteria. Funding is to be distributed over four years. Revises the department administering the section from MDE to MiLEAP. (This section also provided $18.0 million one-time SAF in FY 2023-24 for distribution over 3 years.)

Grow Your Own Programs
Provides $50.0 million one-time SAF for grants to districts and ISDs to provide a no-cost pathway for support staff members to become certified teachers.

At-Risk
Increases by $42.3 million SAF (4.1% increase, which is in line with the proposed foundation increase) for a total of $1.1 billion SAF for instructional programs and direct noninstructional services for at-risk pupils. Adds requirement that districts allocate a greater proportion of funds to school buildings identified as needing additional support.

Great Start Readiness Program
Increases by $21.1 million SAF (3.5% increase) for a total of $618.8 million SAF to increase the per child allocation for school readiness preschool programs for 4-year-old children. Total GSRP funding for FY 2025-26 would be $676.1 million Gross ($350,000 GF/GP).

Great Start Readiness Program Classroom Startup Grants
Provides an additional $25.0 million one-time SAF to provide grants to ISDs for new or expanding GSRP classrooms. (This section also provided $25.0 million one-time SAF in FY 2024-25.)

Early Literacy District Grants
Increases by $19.9 million SAF for a total of $39.8 million SAF for districts to provide additional instructional time to pupils in grades Pre-K to 5.

Special Education Millage Equalization
Increases by $15.0 million SAF for a total of $89.2 million SAF. Revises funding formulas (currently, a millage equalization program and a millage incentive program) to a formula based 50% on taxable value per special education head count and 50% on taxable value per unreimbursed special education costs.

School Consolidation and Infrastructure Fund Deposit
Deposits $155.0 million SAF into the School Consolidation and Infrastructure Fund for infrastructure and physical or service consolidation projects.

School Aid Rainy Day Fund Deposit
Deposits $50.0 million SAF into the School Aid Countercyclical Budget and Foundation Stabilization Fund for the purpose of reducing or avoiding proration under Sec. 296 or preventing a decline in year-over-year SAF revenues.

Intent to Provide Student Performance Incentive Payments
States intent to provide, beginning in FY 2026-27, incentive payments of up to $250 per pupil to districts that meet student academic performance goals in English language arts and mathematics.

Removal of One-Time Appropriations
Reduces by $667.1 million Gross ($24.0 million GF/GP) for the removal of one-time appropriations.

Economic Adjustments
Reflects increased costs of $181,900 Gross ($145,500 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

Supplemental Recommendations for FY 2024-25 Appropriations

Infrastructure Emergencies
Provides $25.0 million one-time SAF for payments to support districts and ISDs experiencing infrastructure emergencies that threaten the immediate health and safety of students and staff.

Re-Appropriation of Lapsed Student Loan Repayment Funds
Provides technical boilerplate adjustment to ensure $203.2 million SAF lapsed from an FY 2023-24 work project may be spent according to FY 2024-25 boilerplate changes.

State Police

Analyst: Aaron A. Meek

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	*Difference: FY 2025-26 vs. FY 2024-25* Amount	%
IDG/IDT	$27,189,800	$29,030,200	*$1,840,400*	*6.8*
Federal	99,062,700	101,314,700	*2,252,000*	*2.3*
Local	4,975,700	5,035,600	*59,900*	*1.2*
Private	35,000	35,000	*0*	*0.0*
Restricted	174,984,300	182,336,000	*7,351,700*	*4.2*
GF/GP	646,861,000	674,282,800	*27,421,800*	*4.2*
Gross	**$953,108,500**	**$992,034,300**	***$38,925,800***	***4.1***
FTEs	3,856.0	3,871.0	*15.0*	*0.4*

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations

Crime Victim Support Program
Includes $1.3 million GF/GP and authorization for 8.0 FTE positions to hire additional full-time victim advocates in each of MSP's 7 districts, increase statewide capacity to support victims' needs, and partner with community organizations in support of victim advocacy.

Michigan Intelligence Operations Center
Includes $1.0 million GF/GP and authorization for 7.0 FTE positions to expand the capacity of the Michigan Intelligence Operations Center to provide analytics and investigative support to local, state, federal, and tribal law enforcement.

Trooper Recruitment and Training
Allocates $23.2 million in existing attrition-related resources to hire and train 120 new troopers to backfill vacant positions due to retirements and departures.

Removal of FY 2024-25 One-Time Appropriations
Eliminates one-time appropriations totaling $24.9 million GF/GP.

Technical Adjustments
Includes $1.9 million Gross to align federal and state restricted authorization with available revenues.

Economic Adjustments
Reflects increased costs of $59.5 million Gross ($49.8 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

Transportation

Analyst: William E. Hamilton

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	*Difference: FY 2025-26 vs. FY 2024-25*	
			Amount	*%*
IDG/IDT	$4,316,700	$4,366,200	*$49,500*	*1.1*
Federal	2,273,675,100	2,329,605,500	*55,930,400*	*2.5*
Local	87,448,500	87,448,500	*0*	*0.0*
Private	18,800,000	18,800,000	*0*	*0.0*
Restricted	4,230,660,000	4,288,705,600	*58,045,600*	*1.4*
GF/GP	193,000,000	112,183,900	*(80,816,100)*	*(41.9)*
Gross	**$6,807,900,300**	**$6,841,109,700**	***$33,209,400***	***0.5***
FTEs	3,228.3	3,235.3	*7.0*	*0.2*

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations

Michigan Transportation Fund (MTF) Distribution for Road Programs
Reflects marginal increase in estimated MTF revenue and MTF statutory distributions to the State Trunkline Fund (STF) and local road agencies. The MTF distribution to local road agencies would total $2,077.9 million ($1,334.1 million to county road commissions, and $743.8 million to cities and villages).

Federal Aid Match
Includes $112.2 million in one-time GF/GP to ensure that Michigan matches available federal-aid highway funds, a $36.2 million increase from the $76.0 million GF/GP appropriated for this purpose in FY 2024-25.

Road Usage Charge Study and Pilot
Includes $7.8 million MTF ($7.7 million one-time and $171,900 ongoing) and 1.0 FTE authorization to support a study and pilot of potential road usage charge revenue options. It is anticipated that this will be a 3-year project.

Highway Maintenance - Materials and Services
State trunkline maintenance would increase $15.4 million STF to reflect increased costs of service contracts, concrete, aggregate, and other maintenance materials.

Aeronautics Revenue Adjustments/ Michigan Aircraft Registration Fee Increase
Estimated baseline state restricted revenue for Aeronautics programs would increase by $5.3 million. These programs primarily support capital projects at Michigan airports. The budget also assumes a $2.5 million increase in state restricted revenue from a proposed 9-cent increase to the current statutory 1-cent per pound aircraft registration fee.

Removes $117.0 million in one-time GF/GP items: Critical infrastructure projects, ($74.5 million); New technology and mobility, ($24.0 million); Air service/airport revitalization, ($6.0 million); MI Contracting Opportunity, ($5.0 million); School zone automated speed enforcement, ($2.5 million); Local rail grade crossing improvements, ($2.0 million); Lake Michigan car ferry, ($2.0 million); Local road and material research program, ($1.0 million); Supplier risk and information subscription, ($50,000). Also removes $20.0 million in one-time federal ARP funds for local bus operating assistance, and $990,000 in one-time state restricted for Blue Water Bridge equipment and facilities.

Economic Adjustments
Reflects increased costs of $10.9 million Gross ($0 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

Supplemental Recommendations for FY 2024-25 Appropriations

FTE Authorization for Aeronautics Grants
Requests an increase of 2.0 FTE positions to support the administration of one-time aeronautics programs included in the fiscal year 2024 and 2025 enacted budgets. There is no associated funding increase included in this request.

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February 2025

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