PRELIMINARY REVIEW

of the

FY 2026-27 Executive Budget Recommendation

HOUSE FISCAL AGENCY

Mary Ann Cleary, Director

February 13, 2026

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OVERVIEW OF
FY 2026-27 EXECUTIVE BUDGET RECOMMENDATION

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

The FY 2026-27 executive budget recommendation incorporates the January 2026 Consensus Revenue Estimating Conference (CREC) revenue estimates for General Fund/General Purpose (GF/GP) of $14,074.6 million and School Aid Fund (SAF) of $19,568.3 million. In addition to the CREC estimates and executive estimated GF/GP cost adjustments, the recommendation assumes a beginning FY 2025-26 deficit of $319.4 million GF/GP and balance of $752.7 million SAF.

The executive recommendation also assumes certain new tax revenues. Increased revenues include an increase in tobacco taxes ($232.0 million), a new tax on vaping products ($95.0 million), an increase in online and sports gaming taxes ($195.4 million), a new digital advertising tax ($282.0 million), and removal of the income tax earmark for the Renew Michigan Fund ($69.0 million).

The executive recommendation also includes two tax reductions: an expanded senior homestead property tax credit ($90.0 million) and a proposed sales tax holiday for school supplies ($14.7 million).

The FY 2026-27 executive budget recommendation includes $86,746.2 million in adjusted gross appropriations, an increase of $12,115.9 million, or 16.2%, of which $9,331,4 million is from moving special Medicaid payment boilerplate receive and expend back into part 1. The table below compares current-year appropriations to the executive proposal.

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	*Difference: FY 2026-27 vs. FY 2025-26*	
			Amount	*%*
Adjusted Gross	$74,630.3	$86,746.2	*$12,115.9*	*16.2%*
Federal	$28,168.6	$35,993.8	*$7,825.2*	*27.8%*
Local/Private	$532.6	$547.0	*$14.5*	*2.7%*
Restricted	$31,814.5	$36,596.5	*$4,782.0*	*15.0%*
GF/GP	$14,114.6	$13,608.9	*($505.8)*	*(3.6%)*

Of the $50,205.4 million in state resources recommended for appropriation in FY 2026-27, $27,222.9 million (54.2% 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 recommendation includes adjustments to both the current FY 2024-25 and FY 2025-26 budgets via supplemental requests and the FY 2026-27 budget.

The executive recommendation includes four supplementals totaling $1,274.9 million Gross ($316.4 million GF/GP and negative $176.9 million SAF):

- FY 2024-25 Departmental appropriation adjustments of $272.2 million Gross ($270.0 million GF/GP) include the following:
  - $268.9 million Gross ($270.0 million GF/GP) for Medicaid costs and special financing accrual adjustments, most of which are net out from an offsetting adjustment in FY 2025-26 (DHHS). (2025-6)
  - $3.3 million Gross for Civil Service Commission IT upgrades (DTMB). (2025-6)
- FY 2025-26 Departmental appropriation adjustments of $1,134.7 million Gross ($46.4 million GF/GP) include the following:
  - $636.1 million Gross ($279.9 million GF/GP), which includes caseload and special financing adjustments. (DHHS) (2026-1)
  - $270.0 million GF/GP savings from offsetting special financing accruals in FY 2024-25. (DHHS) (2026-1)
  - $60.6 million Gross ($32.6 million GF/GP) for other DHHS requests. (2026-1)
  - $150.0 million state restricted SOAR funds for strategic site readiness. (LEO). (2026-1)
  - $3.0 million GF/GP for gubernatorial transition (DTMB). (2026-1)
  - $285.0 million Gross for additional appropriations spread across 9 other departments. (2026-1)

- School Aid supplemental decrease of $176.9 million SAF for CREC caseload and other cost adjustments. (2026-2)
- Natural Resources Trust Fund projects totaling $45.0 million Gross. (2026-3)
- Additionally, the executive is recommending a withdrawal of $400.0 million from the budget stabilization fund. (2026-1)

GF/GP current services baseline increases in the FY 2026-27 executive recommendation include:

- $452.2 million GF/GP for caseload adjustments. (DHHS and MDE)
- $78.9 million GF/GP for state employee compensation-related costs. (Most budgets)
- $214.2 million GF/GP for all other current services baseline costs including the following:
    - $94.3 million GF/GP for SNAP admin matching changes in H.R. 1 (DHHS).
    - $43.5 million GF/GP for Tuition Incentive Program costs (Higher Education).
    - $21.7 million GF/GP for debt service (DTMB and Treasury).

Total investments of $299.7 million GF/GP for FY 2026-27. Major department increases include:

- $247.0 million GF/GP increase for programs within DHHS, including:
    - Continuation of federally funded direct care wages with GF/GP.
    - Operational costs for the new state psychiatric hospital.
    - H.R. 1 implementation costs.
- $30.0 million increase for H.R. 1 implementation costs in LEO.

One-time allocations total $138.2 million GF/GP for FY 2026-27. Major department totals include:

- $65.9 million for DHHS.
- $43.2 million for DTMB.
- $22.5 million for LEO.

Other GF/GP reductions, in addition to the $780.4 million GF/GP savings from new or increased taxes and $400.0 million BSF withdrawal total $632.1 million GF/GP. Major changes include:

- $250.0 million GF/GP from reprioritizing one-time FY 2025-26 funding. (TBD).
- $198.4 million GF/GP offsets from shifting additional School Aid Funds (SAF) into Higher Education.
- $150.0 million GF/GP from Medicaid savings to be determined by DHHS and other third parties through a work group.
- $17.0 million from Tuition Incentive Program changes (Higher Education).

Major increases proposed for FY 2026-27 for School Aid funding include:

- $325.0 million increase to district foundation allowances of $250 per pupil to $10,300.
    - $53.0 million savings by reducing cyber school foundation allowances to 80% of the foundation.
- $300.0 million ($250.0 million one-time) for mental health and safety.
- $138.0 million for Great Start Readiness.
- $100.0 million one-time for literacy curriculum supports.
- $100.0 million one-time for High-Impact Tutoring.
- $50.0 million one-time for LETRS Professional Learning.

Major increases proposed for FY 2026-27 for Higher Education and Community College funding include:

- $232.0 million Gross for Michigan Achievement Scholarships.
- $63.3 million SAF for one-time operations increases.
- $60.0 million SAF increase for one-time ITEMS grants.

The executive recommendation does not include any major Revenue Sharing changes.

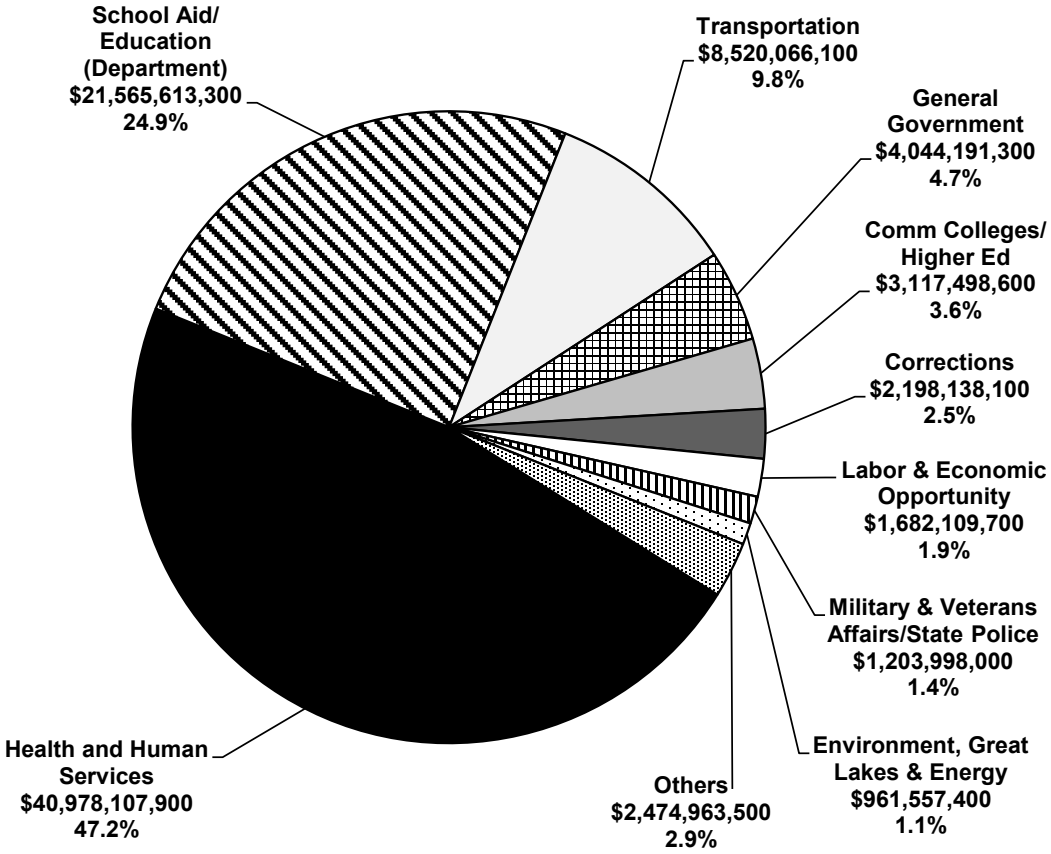
A more detailed summary of major budget changes by individual budget area begins on page 17.

This preliminary review provides a brief summary of the FY 2026-27 Executive Budget Recommendation. The House Fiscal Agency's full Review and Analysis of the FY 2026-27 Executive Budget Recommendation will be

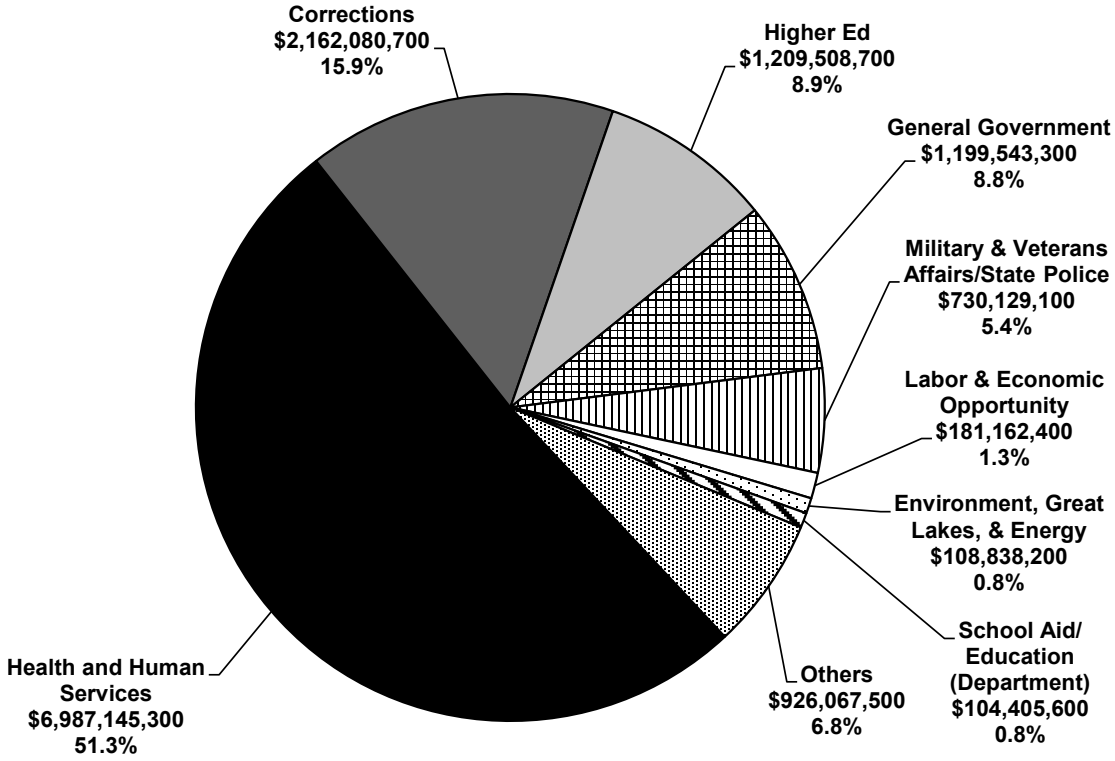
available within two weeks and will contain a more detailed review of major budget and boilerplate changes by budget area.

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 2026-27 Executive Recommendation
Adjusted Gross = $86,746,243,900



FY 2026-27 Executive Recommendation
General Fund/General Purpose (GF/GP) = $13,608,880,800



CHANGE IN ADJUSTED GROSS APPROPRIATIONS
FY 2026-27 and FY 2027-28 Executive Recommendation

The executive budget recommendation for FY 2026-27 increases adjusted gross appropriations by $12,115.9 million (16.2%) from FY 2025-26 year-to-date amounts:

- GF/GP appropriations are decreased by $505.8 million (-3.6%)
- State restricted appropriations are increased by $4,782.0 million (15.0%)
- Federal appropriations are increased by $7,825.2 million (27.8%)
- Local and private appropriations are increased by $14.5 million (2.7%)

Total state spending from state sources (GF/GP plus state restricted) in the FY 2026-27 executive budget recommendation is increased by $4,276.2 million (9.3%) from FY 2025-26 year-to-date amounts.

Projected appropriation amounts for FY 2027-28 under the executive budget (which are presented only for planning purposes) reflect a 1.0% decrease in GF/GP appropriations, a 2.6% decrease in total state spending from state sources, and a 1.5% decrease in adjusted gross appropriations.

Of note, Adjusted Gross, federal, and state restricted increases include a total of $9,331.4 million from moving Medicaid special payments from boilerplate receive and expend authorization back into part 1 appropriations. The adjustment does not change GF/GP appropriations.

FY 2026-27 and FY 2027-28
Executive Budget Appropriation Changes
Millions of Dollars

	Year-to-Date FY 2025-26	Executive Recommendation FY 2026-27	Change Amounts		Executive Recommendation FY 2027-28	Change Amounts	
General Fund/General Purpose	$14,114.6	$13,608.9	($505.8)	(3.6%)	$13,470.6	($138.2)	(1.0%)
State Restricted	31,814.5	36,596.5	4,782.0	15.0%	35,439.9	(1,156.6)	(3.2%)
Total State-Source Appropriations	**$45,929.2**	**$50,205.4**	**$4,276.2**	**9.3%**	**$48,910.6**	**($1,294.8)**	**(2.6%)**
Federal	$28,168.6	$35,993.8	$7,825.2	27.8%	$35,992.3	($1.5)	(0.0%)
Local	305.7	311.4	5.7	1.9%	311.4	0.0	0.0%
Private	226.8	235.6	8.8	3.9%	225.6	(10.0)	(4.2%)
Total Adjusted Gross	**$74,630.3**	**$86,746.2**	**$12,115.9**	**16.2%**	**$85,439.9**	**($1,306.3)**	**(1.5%)**

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 2026-27 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 and School Aid Fund expenditures in the Executive Budget Recommendation are reported below.

FY 2025-26 Through FY 2026-27 Executive Recommendation
General Fund/General Purpose (GF/GP)
Millions of Dollars

	FY 2025-26	FY 2026-27
Beginning Balance	**$314.9**	**$318.7**
Resources		
Consensus Revenue Estimate: January 2026	$14,134.1	$14,074.6
Research and Development Tax Credit	(100.0)	(100.0)
Miscellaneous Adjustments	163.3	47.3
Replace Renew Michigan with Tipping Fees	--	69.0
Senior Property Tax Credit	--	(90.0)
Sales Tax Holiday	(13.6)	(13.6)
BSF Withdrawal	400.0	--
Revenue Sharing	(627.2)	(627.2)
Public Safety Revenue Sharing Grants	(50.0)	(50.0)
Total Resources	**$14,221.5**	**$13,628.8**
Expenditures		
Appropriations: Ongoing	$13,588.1	$13,470.8
Appropriations: One-Time	526.5	138.2
Proposed Supplemental (2026-1)	46.4	--
Reprioritize One-time Funding	(250.0)	--
Other Adjustments	(8.2)	0.0
Total Expenditures	**$13,902.8**	**$13,609.0**
Projected Ending Balance	**$318.7**	**$19.8**

Numbers may not add due to rounding.

FY 2025-26 Through FY 2026-27 Executive Recommendation School Aid Fund (SAF) Millions of Dollars		
	FY 2025-26	**FY 2026-27**
Beginning Balance	**$1,320.1**	**$752.7**
Resources		
Consensus Revenue Estimates: January 2026	$19,135.4	$19,568.3
GF/GP Grant	73.2	45.3
Restricted Reserve Funds Deposit	(456.1)	--
Restricted Reserve Funds	525.0	405.6
Federal Aid	2,407.7	2,405.7
Total Resources	**$21,685.2**	**$22,425.0**
Expenditures		
Appropriations: Ongoing	$19,664.4	$20,372.8
Appropriations: One-Time	1,244.3	1,030.6
Proposed Supplemental	--	--
Community Colleges	482.1	476.1
Community Colleges: One-Time	11.0	49.2
Higher Education	850.8	1,168.4
Higher Education: One-Time	--	79.1
Total Expenditures	**$22,252.5**	**$23,176.2**
Projected Ending Balance	**$752.7**	**$1.5**

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 2025-26 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 2026-27 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 2026-27 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	$148,047,700	$338,600	$147,709,100	$20,245,000	$0	$0	$54,563,700	$72,900,400
Attorney General	130,692,400	39,899,600	90,792,800	10,710,500	0	961,400	31,073,200	48,047,700
Capital Outlay	0	0	0	0	0	0	0	0
Civil Rights	29,444,300	0	29,444,300	3,435,200	0	18,700	58,500	25,931,900
Community Colleges	525,371,600	0	525,371,600	0	0	0	525,371,600	0
Corrections	2,198,138,100	0	2,198,138,100	5,222,600	275,000	0	30,559,800	2,162,080,700
Education	162,193,200	0	162,193,200	84,339,300	5,937,300	2,552,900	10,293,000	59,070,700
Environment, Great Lakes, & Energy	965,795,000	4,237,600	961,557,400	464,743,400	0	1,892,500	386,083,300	108,838,200
Executive Office	9,890,200	0	9,890,200	0	0	0	0	9,890,200
Health and Human Services	40,993,612,400	15,504,500	40,978,107,900	28,586,210,100	187,655,900	189,283,800	5,027,812,800	6,987,145,300
Higher Education	2,592,127,000	0	2,592,127,000	3,200,000	0	0	1,379,418,300	1,209,508,700
Insurance & Financial Services	82,333,800	791,600	81,542,200	250,000	0	0	81,292,200	0
Judiciary	391,258,400	1,902,300	389,356,100	7,323,000	0	1,912,900	96,879,600	283,240,600
Labor & Economic Opportunity	1,682,109,700	0	1,682,109,700	1,190,870,600	6,200,000	8,097,200	295,779,500	181,162,400
Legislative Auditor General	32,358,800	7,445,000	24,913,800	0	0	0	2,512,900	22,400,900
Legislature	206,660,600	0	206,660,600	0	0	474,700	5,503,800	200,682,100
Licensing & Regulatory Affairs	627,477,600	30,303,000	597,174,600	30,661,000	0	0	291,161,800	275,351,800
Lifelong, Ed., Adv., & Potential	652,672,900	0	652,672,900	418,323,900	0	1,000,000	1,897,300	231,451,700
Military & Veterans Affairs	263,938,000	101,800	263,836,200	154,412,200	0	100,000	12,973,100	96,350,900
Natural Resources	606,716,900	208,300	606,508,600	102,198,400	0	8,330,900	432,856,300	63,123,000
School Aid	21,403,420,100	0	21,403,420,100	2,405,708,500	0	0	18,952,376,700	45,334,900
State	299,487,300	20,000,000	279,487,300	1,460,000	0	50,100	266,798,000	11,179,200
State Police	969,683,600	29,521,800	940,161,800	100,351,800	5,088,800	35,000	200,908,000	633,778,200
Tech., Mgmt. & Budget: Operations	1,636,704,300	1,171,532,000	465,172,300	4,493,300	3,094,600	354,400	147,277,200	309,952,800
Tech., Mgmt. & Budget: SBA Rent	275,751,700	0	275,751,700	0	0	0	0	275,751,700
Transportation	8,524,621,400	4,555,300	8,520,066,100	2,374,354,200	86,948,500	20,500,000	6,038,263,400	0
Treasury: Operations	854,388,600	12,285,700	842,102,900	25,322,400	16,204,300	44,300	602,304,100	198,227,800
Treasury: Debt Service	97,479,000	0	97,479,000	0	0	0	0	97,479,000
Treasury: Revenue Sharing	1,722,496,400	0	1,722,496,400	0	0	0	1,722,496,400	0
TOTAL APPROPRIATIONS	**$88,084,871,000**	**$1,338,627,100**	**$86,746,243,900**	**$35,993,835,400**	**$311,404,400**	**$235,608,800**	**$36,596,514,500**	**$13,608,880,800**

Note: Appropriation figures for FY 2026-27 include all proposed appropriation amounts, including amounts designated as "one-time."

TABLE 2
ADJUSTED GROSS APPROPRIATIONS
FY 2026-27 and FY 2027-28 Executive Recommendation Compared with FY 2025-26 Year-to-Date

Department/Budget Area	Year-to-Date FY 2025-26	Exec. Rec. FY 2026-27	Difference FY 2026-27 vs. FY 2025-26		Exec. Rec. FY 2027-28	Difference FY 2027-28 vs. FY 2026-27	
Agriculture & Rural Development	$145,548,400	$147,709,100	$2,160,700	1.5%	$146,709,100	($1,000,000)	(0.68%)
Attorney General	87,018,900	90,792,800	3,773,900	4.3%	88,137,700	(2,655,100)	(2.9%)
Capital Outlay	0	0	0	--	0	0	--
Civil Rights	28,439,700	29,444,300	1,004,600	3.5%	29,444,300	0	0.0%
Community Colleges	493,032,100	525,371,600	32,339,500	6.6%	472,433,500	(52,938,100)	(10.1%)
Corrections	2,163,994,500	2,198,138,100	34,143,600	1.6%	2,198,138,100	0	0.0%
Education	164,746,700	162,193,200	(2,553,500)	(1.5%)	162,193,200	0	0.0%
Environment, Great Lakes, & Energy	963,590,500	961,557,400	(2,033,100)	(0.2%)	959,557,400	(2,000,000)	(0.2%)
Executive Office	9,609,200	9,890,200	281,000	2.9%	9,890,200	0	0.0%
Health and Human Services	30,010,120,200	40,978,107,900	10,967,987,700	36.5%	40,837,920,200	(140,187,700)	(0.3%)
Higher Education	2,336,912,000	2,592,127,000	255,215,000	10.9%	2,513,072,500	(79,054,500)	(3.0%)
Insurance & Financial Services	78,642,600	81,542,200	2,899,600	3.7%	81,542,200	0	0.0%
Judiciary	381,719,400	389,356,100	7,636,700	2.0%	389,356,100	0	0.0%
Labor & Economic Opportunity	1,731,079,700	1,682,109,700	(48,970,000)	(2.8%)	1,657,609,700	(24,500,000)	(1.5%)
Legislative Auditor General	24,261,300	24,913,800	652,500	2.7%	24,913,800	0	0.0%
Legislature	200,815,800	206,660,600	5,844,800	2.9%	206,660,600	0	0.0%
Licensing & Regulatory Affairs	595,814,300	597,174,600	1,360,300	0.2%	597,174,600	0	0.0%
Lifelong, Ed., Adv., & Potential	662,243,200	652,672,900	(9,570,300)	(1.4%)	652,672,900	0	0.0%
Military & Veterans Affairs	290,064,500	263,836,200	(26,228,300)	(9.0%)	263,836,200	0	0.0%
Natural Resources	542,986,200	606,508,600	63,522,400	11.7%	605,072,400	(1,436,200)	(0.2%)
School Aid	21,288,831,700	21,403,420,100	114,588,400	0.5%	20,244,882,700	(1,158,537,400)	(5.4%)
State	274,983,000	279,487,300	4,504,300	1.6%	279,487,300	0	0.0%
State Police	935,156,400	940,161,800	5,005,400	0.5%	940,161,800	0	0.0%
Tech., Mgmt. & Budget: Operations	429,228,700	465,172,300	35,943,600	8.4%	422,008,300	(43,164,000)	(9.3%)
Tech., Mgmt. & Budget: SBA Rent	261,651,700	275,751,700	14,100,000	5.4%	275,751,700	0	0.0%
Transportation	7,885,129,600	8,520,066,100	634,936,500	8.1%	8,698,736,400	178,670,300	2.1%
Treasury: Operations	867,551,800	842,102,900	(25,448,900)	(2.9%)	839,602,900	(2,500,000)	(0.3%)
Treasury: Debt Service	89,881,000	97,479,000	7,598,000	8.5%	97,479,000	0	0.0%
Treasury: Revenue Sharing	1,687,241,600	1,722,496,400	35,254,800	2.1%	1,745,464,600	22,968,200	1.3%
TOTAL	**$74,630,294,700**	**$86,746,243,900**	**$12,115,949,200**	**16.2%**	**$85,439,909,400**	**($1,306,334,500)**	**(1.5%)**

TABLE 3
GENERAL FUND/GENERAL PURPOSE APPROPRIATIONS
FY 2026-27 and FY 2027-28 Executive Recommendation Compared with FY 2025-26 Year-to-Date

Department/Budget Area	Year-to-Date FY 2025-26	Exec. Rec. FY 2026-27	Difference FY 2026-27 vs. FY 2025-26		Exec. Rec. FY 2027-28	Difference FY 2027-28 vs. FY 2026-27	
Agriculture & Rural Development	$77,496,400	$72,900,400	($4,596,000)	(5.9%)	$71,900,400	($1,000,000)	(1.4%)
Attorney General	45,278,000	48,047,700	2,769,700	6.1%	45,847,700	(2,200,000)	(4.6%)
Capital Outlay	0	0	0	--	0	0	--
Civil Rights	25,463,200	25,931,900	468,700	1.8%	25,931,900	0	0.0%
Community Colleges	0	0	0	--	0	0	--
Corrections	2,128,211,700	2,162,080,700	33,869,000	1.6%	2,162,080,700	0	0.0%
Education	62,546,100	59,070,700	(3,475,400)	(5.6%)	59,070,700	0	0.0%
Environment, Great Lakes, & Energy	170,064,100	108,838,200	(61,225,900)	(36.0%)	106,838,200	(2,000,000)	(1.8%)
Executive Office	9,609,200	9,890,200	281,000	2.9%	9,890,200	0	0.0%
Health and Human Services	7,132,247,500	6,987,145,300	(145,102,200)	(2.0%)	6,921,207,600	(65,937,700)	(0.9%)
Higher Education	1,482,943,700	1,209,508,700	(273,435,000)	(18.4%)	1,209,508,700	0	0.0%
Insurance & Financial Services	0	0	0	--	0	0	--
Judiciary	276,073,800	283,240,600	7,166,800	2.6%	283,240,600	0	0.0%
Labor & Economic Opportunity	216,183,600	181,162,400	(35,021,200)	(16.2%)	158,662,400	(22,500,000)	(12.4%)
Legislative Auditor General	21,748,400	22,400,900	652,500	3.0%	22,400,900	0	0.0%
Legislature	194,837,300	200,682,100	5,844,800	3.0%	200,682,100	0	0.0%
Licensing & Regulatory Affairs	279,485,700	275,351,800	(4,133,900)	(1.5%)	275,351,800	0	0.0%
Lifelong, Ed., Adv., & Potential	201,593,300	231,451,700	29,858,400	14.8%	231,451,700	0	0.0%
Military & Veterans Affairs	128,171,000	96,350,900	(31,820,100)	(24.8%)	96,350,900	0	0.0%
Natural Resources	73,009,400	63,123,000	(9,886,400)	(13.5%)	61,686,800	(1,436,200)	(2.3%)
School Aid	73,151,100	45,334,900	(27,816,200)	(38.0%)	45,334,900	0	0.0%
State	11,969,100	11,179,200	(789,900)	(6.6%)	11,179,200	0	0.0%
State Police	638,435,100	633,778,200	(4,656,900)	(0.7%)	633,778,200	0	0.0%
Tech., Mgmt. & Budget: Operations	276,667,200	309,952,800	33,285,600	12.0%	266,788,800	(43,164,000)	(13.9%)
Tech., Mgmt. & Budget: SBA Rent	261,651,700	275,751,700	14,100,000	5.4%	275,751,700	0	0.0%
Transportation	0	0	0	--	0	0	--
Treasury: Operations	237,919,400	198,227,800	(39,691,600)	(16.7%)	198,227,800	0	0.0%
Treasury: Debt Service	89,881,000	97,479,000	7,598,000	8.5%	97,479,000	0	0.0%
Treasury: Revenue Sharing	0	0	0	--	0	0	--
TOTAL	**$14,114,637,000**	**$13,608,880,800**	**($505,756,200)**	**(3.6%)**	**$13,470,642,900**	**($138,237,900)**	**(1.0%)**

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

Department/Budget Area	Exec. Rec. FY 2026-27
Agriculture & Rural Development	$1,000,000
Attorney General	2,200,000
Environment, Great Lakes, & Energy	2,000,000
Health and Human Services	65,937,700
Labor & Economic Opportunity	22,500,000
Natural Resources	1,436,200
Tech., Mgmt. & Budget: Operations	43,164,000
TOTAL: ONE-TIME APPROPRIATIONS	**$138,237,900**

TABLE 5
FULL-TIME EQUATED (FTE) POSITIONS*
FY 2026-27 Executive Recommendation Compared with FY 2025-26 Year-to-Date

Department/Budget Area	Year-to-Date FY 2025-26	Executive Recommendation FY 2026-27	Difference FY 2026-27 vs. FY 2025-26	
Agriculture & Rural Development	552.0	558.0	6.0	1.1%
Attorney General	685.0	685.0	0.0	0.0%
Capital Outlay	0.0	0.0	0.0	--
Civil Rights	174.0	174.0	0.0	0.0%
Community Colleges	0.0	0.0	0.0	--
Corrections	12,774.0	12,774.0	0.0	0.0%
Education	568.5	571.5	3.0	0.5%
Environment, Great Lakes, & Energy	1,637.0	1,637.0	0.0	0.0%
Executive Office	96.2	96.2	0.0	0.0%
Health and Human Services	15,114.5	16,042.5	928.0	6.1%
Higher Education	0.0	0.0	0.0	--
Insurance & Financial Services	396.5	399.5	3.0	0.8%
Judiciary	643.5	683.5	40.0	6.2%
Labor & Economic Opportunity	2,633.5	2,641.5	8.0	0.3%
Legislative Auditor General	0.0	0.0	0.0	--
Legislature	0.0	0.0	0.0	--
Licensing & Regulatory Affairs	1,813.0	1,821.0	8.0	0.4%
Lifelong, Ed., Adv., & Potential	348.0	348.0	0.0	0.0%
Military & Veterans Affairs	976.0	976.0	0.0	0.0%
Natural Resources	2,515.2	2,519.9	4.7	0.2%
School Aid	0.0	0.0	0.0	--
State	1,607.0	1,607.0	0.0	0.0%
State Police	3,576.0	3,575.0	(1.0)	(0.0%)
Tech., Mgmt. & Budget: Operations	3,238.5	3,269.5	31.0	1.0%
Tech., Mgmt. & Budget: SBA Rent	0.0	0.0	0.0	--
Transportation	3,208.3	3,219.3	11.0	0.3%
Treasury: Operations	1,965.5	1,980.5	15.0	0.8%
Treasury: Debt Service	0.0	0.0	0.0	--
Treasury: Revenue Sharing	0.0	0.0	0.0	--
TOTAL FTE APPROPRIATIONS	**54,522.2**	**55,578.9**	**1,056.7**	**1.9%**

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

TABLE 6
STATE SPENDING FROM STATE SOURCES PAID TO LOCAL GOVERNMENTS

	FY 2026-27 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	$127,464,100	$10,400,000	8.2%
Attorney General	79,120,900	0	0.0%
Capital Outlay	0	0	--
Civil Rights	25,990,400	0	0.0%
Community Colleges	525,371,600	525,371,600	100.0%
Corrections	2,192,640,500	122,497,200	5.6%
Education	69,363,700	18,547,700	26.7%
Environment, Great Lakes, & Energy	494,921,500	20,433,300	4.1%
Executive Office	9,890,200	0	0.0%
Health and Human Services	12,014,958,100	2,408,987,000	20.0%
Higher Education	2,588,927,000	0	0.0%
Insurance & Financial Services	81,292,200	0	0.0%
Judiciary	380,120,200	169,486,400	44.6%
Labor & Economic Opportunity	476,941,900	39,799,500	8.3%
Legislative Auditor General	24,913,800	0	0.0%
Legislature	206,185,900	0	0.0%
Licensing & Regulatory Affairs	566,513,600	258,016,800	45.5%
Lifelong, Ed., Adv., & Potential	233,349,000	0	0.0%
Military & Veterans Affairs	109,324,000	4,088,000	3.7%
Natural Resources	495,979,300	17,962,100	3.6%
School Aid	18,997,711,600	17,501,029,700	92.1%
State	277,977,200	11,416,400	4.1%
State Police	834,686,200	40,441,500	4.8%
Tech., Mgmt. & Budget: Operations	457,230,000	44,164,000	9.7%
Tech., Mgmt. & Budget: SBA Rent	275,751,700	0	0.0%
Transportation	6,038,263,400	3,907,129,900	64.7%
Treasury: Operations	800,531,900	400,678,700	50.1%
Treasury: Debt Service	97,479,000	0	0.0%
Treasury: Revenue Sharing	1,722,496,400	1,722,496,400	100.0%
TOTALS APPROPRIATED	**$50,205,395,300**	**$27,222,946,200**	**54.2%**

FY 2026-27 EXECUTIVE BUDGET HIGHLIGHTS
Major Changes Proposed

Agriculture and Rural Development
Analyst: William E. Hamilton

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	*Difference: FY 2026-27 vs. FY 2025-26* Amount	%
IDG/IDT	$336,600	$338,600	*$2,000*	*0.6*
Federal	20,079,600	20,245,000	*165,400*	*0.8*
Local	0	0	*0*	*-*
Private	0	0	*0*	*-*
Restricted	47,972,400	54,563,700	*6,591,300*	*13.7*
GF/GP	77,496,400	72,900,400	*(4,596,000)*	*(5.9)*
Gross	**$145,885,000**	**$148,047,700**	***$2,162,700***	***1.5***
FTEs	552.0	558.0	*6.0*	*1.1*

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

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations

Farm Start
Includes $2.0 million state restricted Dairy and Food Safety Fund for a new program to serve beginning farmers and farm-related support professions and trades in Michigan – including coordination of existing federal, state, and local resources.

Horse Racing Programs
Provides $2.0 million increase in state restricted Agriculture Equine Industry Development Fund support for purses, purse supplements, and breeders awards for standardbred horse racing.

Food Safety/Quality Assurance – Dangerous Additives and Supplements
Provides $1.0 million increase from state restricted Dairy and Food Safety Fund to strengthen consumer protection efforts.

Rural Development Fund Grant Program
Shifts $2.0 million grant program funded with state restricted Rural Development Fund from MDARD to LEO. The Office of Rural Development had been transferred to LEO by Executive Order 2023-6. The Rural Development Fund Board, including authority over statutory funds, was transferred to LEO under Executive Order 2025-9, effective December 18, 2025.

Food Safety/Quality Assurance – GF/GP to Restricted Fund Shift
Replaces $2.5 million GF/GP with a corresponding amount of state restricted Dairy and Food Safety Fund.

Net Reduction in One-Time Funding
Removes $3.0 million GF/GP associated with FY 2025-26 one-time appropriations, which includes county fairs, shows, and expositions ($250,000 GF/GP); emerging contaminants in food and agriculture ($250,000 GF/GP); food and agriculture supply chain ($500,000 GF/GP); food safety and quality assurance ($500,000); and Michigan animal agriculture alliance ($1.5 million GF/GP). Retains $1.0 million GF/GP for Fair Food Network – Double Up Food Bucks.

Qualified Forest Program
Includes $300,000 from the restricted Private Forestland Enhancement Fund to provide grants to private landowners for forest management activities and to support conservation districts with sustainable forestry practices.

Economic Adjustments
Reflects increased costs of $1.5 million Gross ($930,000 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

Community Colleges

Analyst: Perry Zielak

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	*Difference: FY 2026-27 vs. FY 2025-26*	
			Amount	*%*
IDG/IDT	$0	$0	*$0*	--
Federal	0	0	*0*	--
Local	0	0	*0*	--
Private	0	0	*0*	--
Restricted	493,032,100	525,371,600	*32,339,500*	*6.6*
GF/GP	0	0	*0*	--
Gross	**$493,032,100**	**$525,371,600**	***$32,339,500***	***6.6***

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

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations

Community College Operations Increase

Includes a net increase of $23,900 School Aid Fund (SAF) for community college operations, a 0.0% increase when compared to FY 2025-26 operations appropriations. This includes:

- $11.0 million SAF continuation of FY 2025-26 one-time operations grants for community colleges. The one-time operations funding would be the same as FY 2025-26 one-time operations payments for a net $0 change compared to the current year.
- $23,900 SAF increase based on FY 2024-25 North American Indian Tuition Waiver (ITW) program costs reported by institutions.

Attainment of the one-time operations funding would be conditioned on restraining in-district tuition and fee increases to the greater of 4.0% or $199 (set at 4.5% or $227 in the current year). Projected funding changes for individual community colleges would range from a decrease of 0.4% to an increase of 0.3%. Total funding for operations would be $374.6 million SAF.

Infrastructure. Technology, Equipment, Maintenance, and Safety (ITEMS) Grants

Includes $33.3 million SAF of one-time funding for Infrastructure, Technology, Equipment, Maintenance, and Safety which would allow community colleges to repair, improve, or maintain existing buildings, facilities, equipment, technological and physical infrastructure, student housing, and school safety measures. Grant funding would be distributed based on each community college receiving a minimum of $1.0 million, with the remaining amount distributed proportionally using FY 2024-25 Fiscal Year Equated Students (FYES).

Michigan Maritime Manufacturing Initiative

Includes $5.0 million SAF of one-time funding to Macomb Community College for the continuation of the Michigan Maritime Manufacturing Initiative, a partnership between the state and federal government to teach critical skills for maritime construction, welding, and machining.

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

Decreases funding by $4.7 million SAF for the state's share of community colleges' MPSERS UAAL, a 5.3% decrease. 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). Total funding for the state share of MPSERS would be $84.8 million SAF.

MPSERS Normal Cost Offset

Decreases funding by $1.3 million SAF for the community colleges' MPSERS normal cost offset, a 6.4% decrease, due to a lower contribution needed to cover retirement benefits. Total funding for the MPSERS normal cost offset would be $18.4 million SAF.

Corrections

Analyst: Robin R. Risko

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	*Difference: FY 2026-27 vs. FY 2025-26*	
			Amount	*%*
IDG/IDT	$0	$0	*$0*	*--*
Federal	5,203,700	5,222,600	*18,900*	*0.4*
Local	275,000	275,000	*0*	*0.0*
Private	0	0	*0*	*--*
Restricted	30,304,100	30,559,800	*255,700*	*0.8*
GF/GP	2,128,211,700	2,162,080,700	*33,869,000*	*1.6*
Gross	**$2,163,994,500**	**$2,198,138,100**	***$34,143,600***	***1.6***
FTEs	12,774.0	12,774.0	*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 2025-26 Year-to-Date (YTD) Appropriations

Prisoner Health Care Costs
Includes $4.2 million GF/GP to support costs of a 3% inflationary increase for health care and pharmaceutical rates under the integrated prisoner healthcare contract with VitalCore.

Community Corrections Plans and Services
Includes $1.0 million GF/GP to support an increase in grant expenditure rates due to an increase in the number of counties providing community corrections-based programming and services.

Removal of FY 2025-26 One-Time Appropriations
Removes $6.8 million of one-time GF/GP funding that was included in the FY 2025-26 budget to support the following: correctional facility count and callout process automation ($1.5 million), higher education in prison ($850,000), peer recovery coaches ($650,000), and partially offsetting funding reductions experienced at various correctional facilities ($3.8 million).

Economic Adjustments
Reflects increased costs of $35.7 million Gross ($35.4 million GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, food, fuel and utilities, and other economic adjustments.

Education (Department)

Analyst: Una Jakupovic

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	*Difference: FY 2026-27 vs. FY 2025-26*	
			Amount	*%*
IDG/IDT	$0	$0	*$0*	*--*
Federal	83,575,100	84,339,300	*764,200*	*0.9*
Local	5,884,200	5,937,300	*53,100*	*0.9*
Private	2,547,500	2,552,900	*5,400*	*0.2*
Restricted	10,193,800	10,293,000	*99,200*	*1.0*
GF/GP	62,546,100	59,070,700	*(3,475,400)*	*(5.6)*
Gross	**$164,746,700**	**$162,193,200**	***($2,553,500)***	***(1.5)***
FTEs	568.5	571.5	*3.0*	*0.5*

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

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations

Michigan Schools for the Deaf and Blind Fund Swap
Includes a reduction of $2.8 million GF/GP for Michigan Schools for Deaf and Blind Operations to be transferred to the School Aid budget.

Michigan School Meals Program
Includes $380,000 GF/GP and authorization for 3.0 FTEs to support the state school meals program within the Office of Nutrition Services.

Net-to-Zero Funding Adjustments
Includes the following internal funding adjustments: $996,400 GF/GP transferred from Office of Nutrition Services to Office of Health and Safety; $447,600 in federal funding transferred from Office of Nutrition Services to Office of Health and Safety; and $139,500 GF/GP transferred from Office of Systems, Evaluation, and Technology Operations to Office of Health and Safety.

Net-to-Zero FTE Adjustments
Includes the following internal FTE adjustments: 3.0 FTEs transferred from Career and Technical Education Operations to Office of Health and Safety; 2.0 FTEs transferred from Education Excellence Operations to Partnership District Support Operations; 1.0 FTE transferred from Accountability Services Operations to Library of Michigan Operations; and 1.0 FTE transferred from Accountability Services Operations to Office of Systems, Evaluation, and Technology Operations.

Economic Adjustments
Reflects increased costs of $1.4 million Gross ($486,000 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

Environment, Great Lakes, and Energy

Analyst: Austin Scott

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	*Difference: FY 2026-27 vs. FY 2025-26*	
			Amount	*%*
IDG/IDT	$4,129,100	$4,237,600	*$108,500*	*2.6*
Federal	464,268,500	464,743,400	*474,900*	*0.1*
Local	0	0	*0*	*--*
Private	1,404,200	1,892,500	*488,300*	*34.8*
Restricted	327,853,700	386,083,300	*58,229,600*	*17.8*
GF/GP	170,064,100	108,838,200	*(61,225,900)*	*(36.0)*
Gross	**$967,719,600**	**$965,795,000**	***($1,924,600)***	***(0.2)***
FTEs	1,637.0	1,637.0	*0.0*	*--*

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

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations

Local Infrastructure Preparedness and Protection Program (One-time)
Appropriates $2.0 million in one-time GF/GP funding for grants to local governments to conduct climate vulnerability assessments.

Fee Increase – Landfill Tipping Fee
Proposes to eliminate a $69.0 million income tax earmark and replace it with an increase in the landfill tipping fee from $0.36 per ton to $5.00 per ton, which is projected to generate $80.0 million annually for a net increase of $11.0 million in state restricted funding for the Renew Michigan Program.

Fee Increase – Water Resources Division
Appropriates $7.3 million in state restricted funding 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 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 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.

Technical Adjustments
Includes $28.7 million Gross ($0 GF/GP) for technical adjustments to align expenditures and increased available state restricted revenues ($28.1 million) and private revenues ($488,400).

Water Resource Programs Fund Swap
Swaps out $1.9 million GF/GP funding in favor of $1.9 million from Land and Water Permit Fees for a net zero change.

Removal of FY 2024-25 One-time Appropriations
Removes $109.0 million GF/GP of one-time funding that was included in the FY 2024-25 budget to support the following:

- Document digitization, transparency, and modernization ($5.0 million)
- Geologic resources management – one-time ($5.0 million)
- Lead service line replacement - one-time ($17.4 million)
- Michigan geological survey – one-time ($2.3 million)
- Permitting guidebooks ($300,000)
- Water state revolving funds – one-time ($34.0 million)

All General Government

Analyst: Michael Cnossen

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	*Difference: FY 2026-27 vs. FY 2025-26*	
			Amount	*%*
IDG/IDT	$1,231,093,400	$1,251,162,300	*$20,068,900*	*1.6*
Federal	44,573,800	45,421,400	*847,600*	*1.9*
Local	17,671,700	19,298,900	*1,627,200*	*9.2*
Private	4,763,200	1,903,600	*(2,859,600)*	*(60.0)*
Restricted	2,718,649,500	2,778,024,100	*59,374,600*	*2.2*
GF/GP	1,175,024,500	1,199,543,300	*24,518,800*	*2.1*
Gross	**$5,191,776,100**	**$5,295,353,600**	***$103,577,500***	***2.0***
FTEs	7,766.2	7,812.2	*46.0*	*0.6*

Note: Appropriation figures for FY 2026-27 includes all proposed appropriation amounts, including amounts designated as "one-time."

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations

Budget Stabilization Fund Deposit

Does not make an appropriation for deposit into the Countercyclical Budget and Economic Stabilization Fund deposit in FY 2026-27.

Summary pages for individual department/agency budgets contained within the current FY 2025-26 General Government appropriations bill follow this page.

Attorney General

Analyst: Michael Cnossen

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	*Difference: FY 2026-27 vs. FY 2025-26*	
			Amount	*%*
IDG/IDT	$39,381,700	$39,899,600	*$517,900*	*1.3*
Federal	10,567,200	10,710,500	*143,300*	*1.4*
Local	0	0	*0*	*--*
Private	950,000	961,400	*11,400*	*1.2*
Restricted	30,223,700	31,073,200	*849,500*	*2.8*
GF/GP	45,278,000	48,047,700	*2,769,700*	*6.1*
Gross	**$126,400,600**	**$130,692,400**	***$4,291,800***	***3.4***
FTEs	685.0	685.0	*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 2025-26 Year-to-Date (YTD) Appropriations

Prosecuting Attorneys Coordinating Council Transfer

Includes $2.7 million Gross ($2.2 million GF/GP) for the transfer of the Prosecuting Attorneys Coordinating Council (PACC) from the Department of Treasury's budget to the Attorney General's budget. This transfer would reverse a transfer of PACC to the Treasury's budget in FY 2025-26. PACC is an autonomous agency, created by 1972 PA 203, responsible for ensuring a uniform system of conduct, duty, and procedure among prosecutors. Council publishes manuals on criminal prosecution and practice, issues updates on legislation and court procedures, provides research assistance, administers grants, coordinates office automation and statewide prosecution activities, and provides continuing professional education.

Economic Adjustments

Reflects increased costs of $1.6 million Gross ($569,700 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

Civil Rights

Analyst: Michael Cnossen

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	*Difference: FY 2026-27 vs. FY 2025-26*	
			Amount	*%*
IDG/IDT	$0	$0	*$0*	*--*
Federal	2,899,300	3,435,200	*535,900*	*18.5*
Local	0	0	*0*	*--*
Private	18,700	18,700	*0*	*0.0*
Restricted	58,500	58,500	*0*	*0.0*
GF/GP	25,463,200	25,931,900	*468,700*	*1.8*
Gross	**$28,439,700**	**$29,444,300**	***$1,004,600***	***3.5***
FTEs	174.0	177.0	*3.0*	*1.7*

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

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations

Federal Equal Employment Opportunity Commission Reimbursement

Includes $500,000 in federal funds from the federal Equal Employment Opportunity Commission to reflect a reimbursement rate increase for the closure of employment discrimination cases from $830 to $850 per case and to accommodate increasing employment cases including cases received from the federal government.

Disability Rights and Compliance

Transfers $1.2 million GF/GP and authorization for 11.0 FTE positions from the Complaint Investigation and Enforcement line to reflect the unrolling of the Disability Rights and Compliance Division (DRACD) into a new line for a $0 change. DRACD oversees compliance with the Americans with Disabilities Act, the Freedom of Information Act, the Division on Deaf, DeafBlind and Hard of Hearing, and contract compliance.

Economic Adjustments

Reflects increased costs of $504,600 Gross ($468,700 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

Supplemental Recommendations for FY 2025-26 Appropriations

Federal Equal Employment Opportunity Reimbursement

Includes $250,000 in federal funds from the federal Equal Employment Opportunity Commission to reflect a reimbursement rate increase for the closure of employment discrimination cases from $830 to $850 per case and to accommodate increasing employment cases including cases received from the federal government.

Executive Office

Analyst: Michael Cnossen

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	*Difference: FY 2026-27 vs. FY 2025-26*	
			Amount	*%*
IDG/IDT	$0	$0	*$0*	--
Federal	0	0	*0*	--
Local	0	0	*0*	--
Private	0	0	*0*	--
Restricted	0	0	*0*	--
GF/GP	9,609,200	9,890,200	*281,000*	*2.9*
Gross	**$9,609,200**	**$9,890,200**	***$281,000***	***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 2025-26 Year-to-Date (YTD) Appropriations

Executive Office Economic Adjustments

Reflects increased costs of $281,000 GF/GP for negotiated salary and wage increases of 3.0% for employees.

Legislature

Analyst: Michael Cnossen

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	*Difference: FY 2026-27 vs. FY 2025-26*	
			Amount	*%*
IDG/IDT	$0	$0	*$0*	--
Federal	0	0	*0*	--
Local	0	0	*0*	--
Private	474,700	474,700	*0*	*0.0*
Restricted	5,503,800	5,503,800	*0*	*0.0*
GF/GP	194,837,300	200,682,100	*5,844,800*	*3.0*
Gross	**$200,815,800**	**$206,660,600**	***$5,844,800***	*2.9*
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 2025-26 Year-to-Date (YTD) Appropriations

Legislature Operations Adjustment

Reflects increased costs of $5.8 million GF/GP for legislative employees, operations, and property management.

Legislative Auditor General

Analyst: Michael Cnossen

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	*Difference: FY 2026-27 vs. FY 2025-26*	
			Amount	*%*
IDG/IDT	$7,445,000	$7,445,000	*$0*	*0.0*
Federal	0	0	*0*	*--*
Local	0	0	*0*	*--*
Private	0	0	*0*	*--*
Restricted	2,512,900	2,512,900	*0*	*0.0*
GF/GP	21,748,400	22,400,900	*652,500*	*3.0*
Gross	**$31,706,300**	**$32,358,800**	***$652,500***	***2.1***
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 2025-26 Year-to-Date (YTD) Appropriations

Legislative Auditor General Economic Adjustments

Reflects increased costs of $652,500 GF/GP for employees and operations.

State (Department)

Analyst: Michael Cnossen

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	*Difference: FY 2026-27 vs. FY 2025-26*	
			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	261,503,800	266,798,000	*5,294,200*	*2.0*
GF/GP	11,969,100	11,179,200	*(789,900)*	*(6.6)*
Gross	**$294,983,000**	**$299,487,300**	***$4,504,300***	***1.5***
FTEs	1,607.0	1,607.0	*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 2025-26 Year-to-Date (YTD) Appropriations

Enhanced Driver License Fund Shift with GF/GP

Includes $1.2 million in state restricted revenue from the Enhanced Driver License and Enhanced Official State Personal Identification Fund and reduces GF/GP revenue by a corresponding amount for a $0 net change. Increased restricted revenue from the fund is available due to increasing customer transactions for obtaining federal REAL ID identification requirements.

Economic Adjustments

Reflects increased costs of $4.5 million Gross ($406,100 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

Technology, Management, and Budget

Analyst: Michael Cnossen

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	*Difference: FY 2026-27 vs. FY 2025-26*	
			Amount	*%*
IDG/IDT	$1,152,596,000	$1,171,532,000	*$18,936,000*	*1.6*
Federal	4,393,300	4,493,300	*100,000*	*2.3*
Local	2,360,100	3,094,600	*734,500*	*31.1*
Private	229,400	354,400	*125,000*	*54.5*
Restricted	145,578,700	147,277,200	*1,698,500*	*1.2*
GF/GP	538,318,900	585,704,500	*47,385,600*	*8.8*
Gross	**$1,843,476,400**	**$1,912,456,000**	***$68,979,600***	***3.7***
FTEs	3,238.5	3,275.5	*37.0*	*1.1*

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

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations

Statewide Voting System Replacement
Includes $43.2 million GF/GP in one-time funding to purchase new voting system equipment and replace existing equipment for which contracts expire in February 2027 and most of which has reached the end of its equipment lifecycle. The appropriation would supplement $47.6 million in available funding from Help America Vote Act (HAVA) grants, election administration work projects, interest on HAVA grants and state funds, a FY 2025-26 appropriation in the Election Equipment Reserve Fund, and proposed FY 2026-27 funding for election administration, for a total estimated replacement cost of $90.7 million.

Michigan Public Safety Communications System (MPSCS) Lifecycle Replacement Maintenance
Provides $6.7 million GF/GP and authorization for 15.0 FTE positions to provide for lifecycle equipment upgrades and replacements and maintenance of the growing emergency radio communication system that serves over 2,600 local public safety agencies statewide.

MPSCS Contract Cost Alignment
Includes $2.0 million Gross ($1.3 million GF/GP) to cover ongoing contract costs that support operations, maintenance, and equipment of the radio network.

State Building Authority Capital Outlay Debt Financing
Includes an additional $14.1 million GF/GP to the annual amount set aside for payments on debt for capital construction projects financed through the State Building Authority to reflect a projected increase in payments due on bonds following recent increases in state capital outlay projects from 10 projects recommended for construction in 2023 PA 321.

Economic Adjustments
Reflects increased costs of $6.0 million Gross and decreased costs of $477,000 GF/GP for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

Supplemental Recommendations for FY 2025-26 Appropriations

Budget Stabilization Fund Withdrawal
Includes a withdrawal of $400.0 million from the Countercyclical Budget and Economic Stabilization Fund.

Gubernatorial Transition Costs
Includes $3.0 million GF/GP to support costs of the upcoming gubernatorial transition. Costs include office space leasing, office equipment, supplies, contractual services, security, outgoing FTE accrued benefits, among other things.

State Archives of Michigan Federal Grant
Includes $100,000 in federal funding for a National Historical Publications & Records Commission (NHPRC) grant award to support onsite assessments of 24 local history organizations. Supported costs include financial and professional support for projects and resources on emergency and disaster planning.

Treasury – Operations/Debt Service

Analyst: Michael Cnossen

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	*Difference: FY 2026-27 vs. FY 2025-26*	
			Amount	*%*
IDG/IDT	$11,670,700	$12,285,700	*$615,000*	*5.3*
Federal	25,254,000	25,322,400	*68,400*	*0.3*
Local	15,311,600	16,204,300	*892,700*	*5.8*
Private	3,040,300	44,300	*(2,996,000)*	*(98.5)*
Restricted	586,026,500	602,304,100	*16,277,600*	*2.8*
GF/GP	327,800,400	295,706,800	*(32,093,600)*	*(9.8)*
Gross	$969,103,500	$951,867,600	***($17,235,900)***	***(1.8)***
FTEs	1,965.5	1,980.5	*15.0*	*0.8*

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

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations

Tax Administration – Proposed Tobacco, Vaping, Non-Tobacco Nicotine Products Tax
Includes $2.4 million GF/GP and authorization for 17.0 FTE positions to administer collection, enforcement, licensing, and compliance with a proposed tax of $3.00 per pack of cigarettes and a 57% wholesale tax on vaping and non-tobacco nicotine products.

Tax Administration – Proposed Digital Advertising Tax
Includes $2.0 million GF/GP and authorization for 5.0 FTE positions for administrative support of collecting a proposed excise tax of 4.7% on digital advertising revenue.

Tax Administration – Proposed Internet Gaming and Sports Betting Tax
Includes $600,000 GF/GP and authorization for 4.0 FTE positions for administrative support of collecting a proposed 25 cents per bet tax on each sports betting wager.

Michigan Gaming Control Board Information Technology
Includes $3.1 million of state restricted revenue from the Fantasy Contest Fund, Internet Gaming Fund, Internet Sports Betting Fund, and State Services Fee Fund for modernization of legacy information technology systems and new technology solutions for internet gaming oversight, enforcement, and responsible gaming processes. From the total funding, $2.5 million would be appropriated as a one-time appropriation.

Debt Service Adjustments
Includes $7.6 million GF/GP based on existing debt service schedules and projected new debt service issues for Clean Michigan Initiative, Quality of Life Bonds, and Great Lakes Water Quality Bonds.

Payment in Lieu of Taxes (PILT)
Includes $3.5 million Gross ($2.7 million GF/GP) for increased PILT payments to local units of government for state lands owned by the Department of Natural Resources. Funding would align payments with current property tax estimates. Increased payments would include $1.3 million for state purchased lands and $2.2 million for DNR swamp and tax reverted lands.

Economic Adjustments
Reflects increased costs of $3.4 million Gross and decreased costs of $102,300 GF/GP for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

Supplemental Recommendations for FY 2025-26 Appropriations

Tax Administration – Proposed Senior Property Tax Credit
Includes $750,000 GF/GP in state restricted delinquent tax collection revenue to adjust tax collection information technology systems related to implement changes from the Executive's proposed senior property tax credit.

Treasury – Revenue Sharing

Analyst: Michael Cnossen

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	*Difference: FY 2026-27 vs. FY 2025-26*	
			Amount	*%*
IDG/IDT	$0	$0	*$0*	--
Federal	0	0	*0*	--
Local	0	0	*0*	--
Private	0	0	*0*	--
Restricted	1,687,241,600	1,722,496,400	*35,254,800*	*2.1*
GF/GP	0	0	*0*	--
Gross	**$1,687,241,600**	**$1,722,496,400**	***$35,254,800***	***2.1***

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

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations

Constitutional Revenue Sharing

Includes an increase of $35.3 million of restricted sales tax revenue relative to the FY 2025-26 budget act appropriated amount for constitutionally required payments to cities, villages, and townships, for an estimated projected total of $1.0 billion in FY 2026-27.

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

Maintains FY 2025-26 statutory revenue sharing payment funding and distribution formulas for CVTs and counties.

Public Safety Revenue Sharing Grants and Constituency Grants

Maintains $50.0 million of ongoing funding for formula grants to counties and CVTs for uses related to public safety and removes $20.0 million of one-time funding for Public Safety Revenue Sharing grants and $25.0 million of one-time funding for Public Safety Constituency grants to local prosecutors and firefighters.

Health and Human Services

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

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	*Difference: FY 2026-27 vs. FY 2025-26*	
			Amount	*%*
IDG/IDT	$15,448,000	$15,504,500	*$56,500*	*0.4*
Federal	20,776,106,700	28,586,210,100	*7,810,103,400*	*37.6*
Local	183,204,100	187,655,900	*4,451,800*	*2.4*
Private	178,884,400	189,283,800	*10,399,400*	*5.8*
Restricted	1,739,677,500	5,027,812,800	*3,288,135,300*	*189.0*
GF/GP	7,132,247,500	6,987,145,300	*(145,102,200)*	*(2.0)*
Gross	**$30,025,568,200**	**$40,993,612,400**	***$10,968,044,200***	***36.5***
FTEs	15,114.5	16,036.5	*922.0*	*6.1*

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

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations

BEHAVIORAL AND HEALTH SERVICES

Traditional Medicaid Cost Adjustments
Includes a net increase of $819.4 million Gross ($220.0 million GF/GP) for caseload, utilization, inflation, special financing, and FMAP adjustments for the Traditional Medicaid program. FY 2026-27 FMAP is 65.70% (an increase of 0.6% from FY 2025-26).

Healthy Michigan Plan Cost Adjustments
Includes a net increase of $54.5 million Gross ($1.9 million GF/GP) to support caseload, utilization, inflation and special financing adjustments for the Healthy Michigan Plan program.

Medicaid Managed Care Actuarial Soundness
Includes $658.1 million Gross ($182.1 million GF/GP) for estimated managed care actuarial soundness adjustments for prepaid inpatient health plans (PIHPs) (3.0%), Medicaid health plans (5.0%), Program of All-inclusive Care for the Elderly (PACE) (3.5%), home- and community-based services (MI Choice) (6.8%), Integrated Care Organizations (MI Health Link) (4.3%), and Healthy Kids Dental(1.3%).

Medicaid Caseload and Provider Tax Savings – H.R.1
Includes a reduction of $346.4 million Gross ($70.0 million GF/GP) for estimated caseload reductions within both the Healthy Michigan Plan and Traditional Medicaid programs resulting from the incorporation of eligibility and redetermination requirements of H.R.1 as well as Gross, state restricted, and GF/GP adjustments from revisions to the insurance provider assessment (IPA).

Provider Tax Revenue Reincorporation into Part 1
Includes $9,331.4 million Gross ($2,497.2 million state restricted) to recognize the elimination of Sec. 1833 and Sec. 1834 received-and-expend authority, and reincorporate Medicaid provider tax revenue (and federal match) authorization into Part 1 line item appropriations.

Tax Increases into the Medicaid Benefits Trust Fund – GF/GP Offset
Includes a net-zero fund shift to realize $780.4 million GF/GP savings resulting from estimated Medicaid Benefits Trust Fund revenue increases from proposed tax increases to tobacco products ($232.0 million) and internet-based gambling ($192.8 million), as well as new taxes on non-tobacco nicotine products ($73.6 million) and digital advertising ($282.0 million).

Medicaid Review – Cost Savings Assumption
Assumes $150.0 million GF/GP savings from – yet to be determined – policy recommendations made in consultation between the department and third-parties. SBO estimates recommendations will be determined by May.

Direct Care Worker Wages
Includes $351.8 million Gross ($118.9 million GF/GP) to backfill federal COVID-19 Public Health Emergency revenue and retain wage add-on, incorporate state minimum wage increases, and provide for sick-leave payments for Medicaid reimbursed Direct Care Worker wages.

State Psychiatric Hospital Adjustments
Includes a net increase of $80.0 million Gross ($84.4 million GF/GP) and authorizes an additional 323.0 FTEs primarily for operational costs at the new Southeast Michigan State Psychiatric Hospital which will have a 264-bed capacity. The census for Walter Reuther and Hawthorn, the two facilities this new hospital will replace, had averaged 215 individuals, of which 50 were children and adolescents. Amount also includes $10.8 million GF/GP to offset less Medicaid reimbursable activities and $7.2 million GF/GP for one-time costs for medical and business record systems and to purchase personal protection devices at Caro, Center for Forensic Psychiatry, and Kalamazoo.

State Psychiatric Hospital DSH Claw Back – One-Time
Includes $54.7 million GF/GP as one-time to provide the final, federally required state psychiatric disproportionate share hospital (DSH) disallowance payment.

CHILDREN'S SERVICES AGENCY – CHILD WELFARE

Child Welfare Caseload Adjustments
Includes a net increase of $40.3 million Gross ($69.5 million GF/GP) for current caseload projections for Adoption Subsidies, Child Care Fund, Foster Care Payments, and Guardianship Assistance Program. Amount includes $802,800 GF/GP reduction from changes in the FY 2026-27 FMAP to 65.70%.

Title IV-E Prevention Match Rate Change
Includes $3.3 million federal funding increase to offset a like amount of GF/GP as a result of the Title IV-E rate increasing to the FMAP rate.

PUBLIC ASSISTANCE

Public Assistance Caseload Adjustments
Includes a net increase of $35.4 million Gross ($15.8 million GF/GP) for current year and FY 2026-27 caseload adjustments for the Family Independence Program, Food Assistance Program, State Disability Assistance, and State Supplementation.

Food Assistance Program Work Requirement Savings – H.R. 1
Assumes a savings of $71.7 million in federal Supplemental Nutrition Assistance Program (SNAP) funds due to the implementation of work requirements mandated by H.R.1.

TANF Reduction
Includes a reduction of $26.4 million TANF across multiple line items to better align expenditures with annual TANF block grant revenue. Amount includes a $1.5 million TANF reduction to eliminate the School Success Partnership Program operated by the Northeast Michigan Community Service Agency.

LOCAL OFFICE OPERATIONS

SNAP and Medicaid Work Requirement Implementation – H.R. 1
Includes $104.1 million Gross ($64.7 million GF/GP) and authorizes an additional 589.0 FTEs to implement Food Assistance and Medicaid work requirements mandated by H.R. 1. Amount includes $72.1 million Gross ($48.9 million GF/GP) and 568.0 FTEs for additional Public Assistance Local Office eligibility specialists and $11.5 million Gross (5.7 million GF/GP) and 10.0 FTEs for Medicaid specific oversight, quality management, and beneficiary outreach and support.

SNAP Administrative Cost Share Increase – H.R. 1
Includes net-zero adjustments that replace $94.3 million of federal funding for SNAP administrative costs with GF/GP due to an increase in the state SNAP administrative cost share from 50% to 75% as a requirement of H.R. 1.

PUBLIC HEALTH

E-Cigarette Tax Revenue
Assumes $13.9 million in restricted Healthy Michigan Fund revenue from the proposed tax on electronic cigarettes. Funding shall be used for smoking cessation and prevention activities as well as educational materials.

DEPARTMENTWIDE

Economic Adjustments
Reflects increased costs of $44.9 million Gross ($29.4 million GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

Supplemental Recommendations for FY 2025-26 Appropriations

Traditional Medicaid and Healthy Michigan Plan Cost Adjustments
Includes $732.0 million Gross ($226.7 million GF/G) for caseload, utilization, inflation, and special financing adjustments for the Traditional Medicaid and Healthy Michigan Plan programs.

Quality Assurance Assessment Program (QAAP) Revenue Accrual Across FY 2024-25 and FY 2025-26
Offsets $270.0 million GF/GP with a like amount of QAAP revenue that would have been commonly booked as FY 2024-25 revenues through the accrual process. Supplemental request 2025-6 includes an inverse recommendation to account for $270.0 million in less QAAP revenue that needs to be offset with GF/GP in FY 2024-25. Taken together these two adjustments net out to $0 for both QAAP and GF/GP.

Child Welfare Caseload Adjustments
Increases funding for child welfare programs by $14.5 million Gross ($43.4 million GF/GP) for FY 2025-26 based on current caseload projections for Adoption Subsidies, Child Care Fund, Foster Care Payments, and Guardianship Assistance Program.

Public Assistance Caseload Adjustments
Includes a net reduction of $110.8 million Gross (net increase of $9.8 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.

Psychiatric Residential Treatment Facilities
Includes $8.3 million federal Medicaid reimbursements based on the expected opening of new psychiatric residential treatment facilities in Grand Rapids, Lansing, and Livonia which have an estimated combined number of 50 beds.

Southeast Michigan State Psychiatric Hospital Transition Costs
Includes $7.9 million GF/GP and authorizes 53.8 FTEs in anticipation of the new state hospital opening October 2026.

Community Violence Intervention Interagency Agreement
Includes $3.3 million in restricted Public Safety and Violence Prevention Trust Fund authorization to be allocated to community partners as revenue sharing grants. Allocation is required by PA 22 of 2025.

Medicaid Work Requirement Grant
Includes $5.0 million in federal grant funds to implementation costs and other changes needed to implement required federal changes to the Medicaid program.

Higher Education

Analyst: Perry Zielak

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	*Difference: FY 2026-27 vs. FY 2025-26*	
			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	850,768,300	1,379,418,300	*528,650,000*	*62.1*
GF/GP	1,482,943,700	1,209,508,700	*(273,435,000)*	*(18.4)*
Gross	**$2,336,912,000**	**$2,592,127,000**	***$255,215,000***	***10.9***

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

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations

University Operations Increase

Includes a net increase of $830,700 Gross ($64.6 million GF/GP reduction) for university operations, a 0.0% change when compared to FY 2025-26 operations appropriations. This includes:

- $50.1 million SAF continuation of FY 2025-26 one-time operations grants for universities. The one-time operations funding would be the same as FY 2025-26 one-time operations payments for a net $0 change compared to the current year. Replaces $50.1 million GF/GP with a corresponding amount of SAF.
- $830,700 SAF increase based on FY 2024-25 North American Indian Tuition Waiver (ITW) program costs reported by institutions. Replaces $14.5 million GF/GP with a corresponding amount of SAF.

Attainment of the one-time operations funding would be conditioned on restraining resident undergraduate tuition and fee increases to the greater of 4.0% or $651 (set at 4.5% or $735 in the current year). Projected funding changes for universities would range from 0.0% to 0.7%. Total funding for operations would be $1.7 billion Gross ($1.0 billion GF/GP).

Michigan State University Extension and AgBioResearch Programs Increase

Includes a net change of $0 Gross ($2.2 million GF/GP reduction) for MSU's AgBioResearch and Extension program funding when compared to FY 2025-26 appropriations. This includes:

- $1.2 million SAF continuation of one-time operations increase for the MSU AgBioResearch program for a net $0 change compared to the current year.
- $1.0 million SAF continuation of one-time operations increase for the MSU Extension program for a net $0 change compared to the current year.

Total funding for AgBioResearch and Extension programs would be $75.0 million Gross ($72.8 million GF/GP).

Infrastructure. Technology, Equipment, Maintenance, and Safety (ITEMS) Grants

Includes $26.7 million SAF of one-time funding for Infrastructure, Technology, Equipment, Maintenance, and Safety which would allow universities to repair, improve, or maintain existing buildings, facilities, equipment, technological and physical infrastructure, and school safety measures. Grant funding would be distributed based on each university receiving a minimum of $1.0 million, with the remaining amount distributed proportionally using FY 2024-25 Fiscal Year Equated Students (FYES).

Michigan Achievement Scholarship

Increases funding by $232.0 million Gross for the Michigan Achievement Scholarship, a 77.3% increase. 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. The increase reflects rising costs as more students become eligible and participate in the scholarship program. Total funding for the Michigan Achievement Scholarship is $532.0 million Gross ($100.0 million GF/GP).

Tuition Incentive Program

Increases funding by $26.5 million SAF for the Tuition Incentive Program (TIP), a 21.7% 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. Proposes to cap Phase I costs to 2.5 times the average in-district community college tuition rate and eliminate Phase II awards for new participants. Replaces $112.8 million GF/GP with a corresponding amount of SAF. Total funding for TIP would be $148.8 million Gross ($9.5 million GF/GP).

Michigan Reconnect
Increases funding by $25.0 million SAF for the Michigan Reconnect program, a 59.5% increase. The program provides last-dollar scholarships primarily to individuals 25 or older with a high school diploma or equivalency certificate to complete a Pell-eligible associate degree or skills-based certificate. The increase would fund the expansion of the program to include 21-to-24-year-olds. Replaces $42.0 million GF/GP with a corresponding amount of SAF. Total funding for Michigan Reconnect would be $67.0 million SAF.

Michigan Public School Employee Retirement System (MPSERS) Normal Cost Offset
Decreases funding by $5.9 million SAF for the MPSERS normal cost offset, a 77.0% 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 $1.8 million SAF.

Removal of Michigan Competitive Scholarship and Tuition Grant Program Sunset One-Time Funding
Removes $50.0 million GF/GP of one-time funding for the phase-out of the Michigan Competitive Scholarship and Tuition Grant programs.

Insurance and Financial Services

Analyst: Una Jakupovic

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	*Difference: FY 2026-27 vs. FY 2025-26*	
			Amount	*%*
IDG/IDT	$763,800	$791,600	*$27,800*	*3.6*
Federal	250,000	250,000	*0*	*0.0*
Local	0	0	*0*	*--*
Private	0	0	*0*	*--*
Restricted	78,392,600	81,292,200	*2,899,600*	*3.7*
GF/GP	0	0	*0*	*--*
Gross	**$79,406,400**	**$82,333,800**	***$2,927,400***	***3.7***
FTEs	396.5	399.5	*3.0*	*0.8*

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

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations

Deferred Presentment Contract Increase

Includes $1.4 million in state restricted authorization (Deferred Presentment Service Transaction Fees) for contractual increases to support the operation and maintenance of a deferred presentment database. Supplemental Request 2026-1 includes state restricted authorization for the same purpose.

Staffing Increase

Includes $466,000 Gross ($13,000 IDG; $453,000 multiple state restricted sources) and authorization for 3.0 FTEs in the Consumer Services and Protection and Insurance Evaluation line items.

Economic Adjustments

Reflects increased costs of $1.1 million Gross ($0 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

Supplemental Recommendations for FY 2025-26 Appropriations

Deferred Presentment Contract Increase

Includes $1.4 million in state restricted authorization (Deferred Presentment Service Transaction Fees) for contractual increases to support the operation and maintenance of a deferred presentment database. The FY 2026-27 Executive Recommendation includes state restricted authorization for the same purpose.

Judiciary

Analyst: Robin R. Risko

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	*Difference: FY 2026-27 vs. FY 2025-26*	
			Amount	*%*
IDG/IDT	$1,902,300	$1,902,300	*$0*	*0.0*
Federal	7,270,900	7,323,000	*52,100*	*0.7*
Local	0	0	*0*	*--*
Private	1,906,400	1,912,900	*6,500*	*0.3*
Restricted	96,468,300	96,879,600	*411,300*	*0.4*
GF/GP	276,073,800	283,240,600	*7,166,800*	*2.6*
Gross	**$383,621,700**	**$391,258,400**	***$7,636,700***	***2.0***
FTEs	643.5	683.5	*40.0*	*6.2*

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

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations

Statewide Case Management System
Includes $2.0 million GF/GP and 22.0 FTE positions for support and maintenance of the statewide judicial case management system. Of the total additional FTE positions, 13.0 would be funded with $2.0 million included in the FY 2026-27 budget, and 9.0 would be funded with $1.8 million that was included in the FY 2025-26 budget.

Problem-Solving Courts
Includes a total of $250,000 GF/GP to support higher than anticipated costs for newly established programs. Of the total, $149,300 would be allocated for drug treatment courts, $72,600 for mental health courts, and $28,100 for veterans courts.

Community Dispute Resolution Program
Includes $184,500 in Community Dispute Resolution funds for 1.0 additional FTE position that would assist with increased caseload activities. The program aims to resolve civil matters outside of adjudication in court. Program utilization has increased.

Juvenile Lifer Resentencing Hearings
Includes $2.4 million GF/GP and 14.0 FTE positions for SADO to support resentencing hearings for individuals who were sentenced to life without parole for crimes they committed at ages 19 and 20. Additional FTE positions would include 4 attorneys, 7 mitigation specialists, 1 case coordinator, 1 reentry specialist, and 1 records specialist.

MAACS Roster Attorney Compensation Grants
Includes $1.2 million GF/GP to support an increase in base pay rates for Michigan Appellate Assigned Counsel roster attorneys and to support adjustments in attorney caseloads, travel, and other expenses. Under this program, the state provides support to counties for one-half of the cost they pay to provide appellate defense for indigent individuals.

SADO Salary Adjustments
Includes a total of $434,500 GF/GP to cover costs of pay increases for SADO employees. Of the total, $382,300 is included to cover costs of negotiated pay increases for UAW-represented employees and $52,200 is included to cover costs of pay increases for non-represented employees.

Appellate Indigent Defense Workload Standards
Includes $720,000 GF/GP and 3.0 FTE positions for SADO to support ongoing caseload demands and to help meet workload standards assessed by the National Center for State Courts.

Removal of FY 2025-26 One-Time Appropriations
Removes $5.0 million of one-time GF/GP funding that was included in the FY 2025-26 budget to support the following: Judicial Tenure Commission ($500,000), juvenile life resentencing ($2.3 million), statewide case management system ($2.0 million), and Office of Reporter of Decisions ($167,400).

Economic Adjustments
Reflects increased costs of $5.7 million Gross ($5.4 million GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

Labor and Economic Opportunity

Analyst: Marcus Coffin

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	*Difference: FY 2026-27 vs. FY 2025-26*	
			Amount	*%*
IDG/IDT	$0	$0	*$0*	--
Federal	1,188,234,200	1,190,870,600	*2,636,400*	*0.2*
Local	6,200,000	6,200,000	*0*	*0.0*
Private	8,088,200	8,097,200	*9,000*	*0.1*
Restricted	312,373,700	295,779,500	*(16,594,200)*	*(5.3)*
GF/GP	216,183,600	181,162,400	*(35,021,200)*	*(16.2)*
Gross	**$1,731,079,700**	**$1,682,109,700**	***($48,970,000)***	***(2.8)***
FTEs	2,633.5	2,641.5	*8.0*	*0.3*

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

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations

Medicaid and SNAP Work Requirements
Includes $30.0 million GF/GP and authorization for 2.0 FTE positions to support compliance with new federal work requirements for Medicaid and SNAP recipients, pursuant to H.R. 1 (One Big Beautiful Bill Act). Of the total, $25.0 million would be allocated to Michigan Works! agencies for a variety of job services and $5.0 million would be allocated to support and expand apprenticeship programs.

Contingent Fund, Penalty and Interest Reductions
Reduces state restricted funding authorization from the Contingent Fund, Penalty and Interest fund source by $24.6 million across four line items, to align authorization with projected revenue to the fund. Affected line items would include the following: Community College Skilled Trades Equipment Program ($1.6 million), Going Pro ($9.5 million), Unemployment Insurance Agency ($2.8 million), and Workforce Development ($10.6 million). It should be noted that the $9.5 million reduction for Going Pro would result in the elimination of all funding for that program, which provides awards to employers to assist with training, developing, and retaining current and newly hired employees.

Special Events and National Convention Attraction
Includes $6.0 million GF/GP (one-time) to promote Michigan as a destination for special events, which would include national conventions, national conferences, and major sporting events.

Office of Future Mobility and Electrification
Includes $4.0 million GF/GP (one-time) to support Michigan's aviation and advanced mobility sector, in accordance with Executive Directive 2025-4. Activities would be focused on infrastructure deployment, workforce development, and other targeted investments.

Rural Development Fund Grant Program
Includes $2.0 million GF/GP (one-time) to support grants for projects focused on land-based industries and rural infrastructure, including job training, child care, housing, and utilities.

Arts and Cultural Program One-Time Funding
Includes an additional $1.3 million GF/GP (one-time) for the Arts and Cultural Program, bringing total one-time funding for the program to $10.0 million GF/GP. The program provides grants to support arts and cultural programs throughout the state.

FY 2025-26 One-Time Funding Removal
Removes $77.4 million GF/GP that was included in FY 2025-26 for 25 separate one-time programs and grants, which include the following: Community Development Financial Institutions Fund Grants ($5.0 million), Going Pro ($22.3 million), Legislatively Directed Spending Items ($28.0 million), and Workforce and Employer Expansion ($5.0 million).

Economic Adjustments
Reflects increased costs of $7.9 million Gross ($1.0 million GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, workers' compensation, building occupancy charges, rent, and other economic adjustments.

Supplemental Recommendations for FY 2025-26 Appropriations

Michigan Strategic Site Readiness Program
Includes $150.0 million of state restricted funding authorization from the Strategic Outreach and Attraction Reserve Fund to support public infrastructure investments and expansion of state-wide inventory of development-ready sites to attract investment. Of the total, $100.0 million would be allocated for projects where an end-user has not yet been identified and $50.0 million would be allocated for projects where an end-user has been identified.

Office of Future Mobility and Electrification
Includes $1.0 million GF/GP (one-time) to support Michigan's aviation and advanced mobility sector, in accordance with Executive Directive 2025-4. Activities would be focused on infrastructure deployment, workforce development, and other targeted investments.

State Historic Preservation Office Grant Program
Includes $750,000 of federal funding authorization to allow the expenditure of federal grant funding from the National Parks Service that was awarded to the Michigan State Historic Preservation Office (SHPO) for the Michigan Rural Heritage Partnership Program. Through the program, SHPO would support stabilization and rehabilitation of historic properties in rural communities throughout Michigan.

Arts and Cultural Program
Includes an additional $450,000 of federal funding authorization to allow the expenditure of an increased federal award that the state has received in support of arts programs throughout Michigan.

Private and Occupational Distance Learning
Includes $100,000 of state restricted funding authorization from the Distance Education Fund to support ongoing operation and maintenance costs for the Michigan Post-Secondary Schools (MiPSS) System, which is an IT system that maintains approval-related activities related to establishing private post-secondary education and training institutions as well as institutions' use of GI Bill benefits. The system has recently required changes and enhancements to improve efficiency and effectiveness for internal and external users, which has resulted in IT project cost increases.

Wage and Hour Program
Includes boilerplate language to appropriate application fees remitted by contractors when applying for state project registration under 2024 PA 110, which pertains to prevailing wages on state projects. The law went into effect in April of 2025, allowing LEO to collect registration fees, but an appropriation is needed to allow LEO to spend the fees for the purpose allowed under MCL 408.1125a (implementation of the act).

Licensing and Regulatory Affairs

Analyst: Una Jakupovic

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	*Difference: FY 2026-27 vs. FY 2025-26*	
			Amount	*%*
IDG/IDT	$30,192,600	$30,303,000	*$110,400*	*0.4*
Federal	30,369,700	30,661,000	*291,300*	*1.0*
Local	0	0	*0*	*--*
Private	0	0	*0*	*--*
Restricted	285,958,900	291,161,800	*5,202,900*	*1.8*
GF/GP	279,485,700	275,351,800	*(4,133,900)*	*(1.5)*
Gross	**$626,006,900**	**$627,477,600**	***$1,470,700***	***0.2***
FTEs	1,813.0	1,821.0	*8.0*	*0.4*

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

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations

Energy Ratepayer Representation Increase
Includes $1.0 million in state restricted authorization (Utility Consumer Representation Fund) for the Utility Consumer Representation line item for grants to support the representation of residential utility customers in proceedings before the Michigan Public Service Commission.

Firefighter Training and Storage Tanks Program Support
Includes $509,000 Gross ($163,000 GF/GP; $346,000 Corporation Fees) and authorization for 3.0 FTEs for the Bureau of Fire Services to support the firefighter training program (2.0 FTEs) and resources for hazardous materials safety inspection of aboveground and underground storage tank facilities (1.0 FTE).

Underground Facilities Safety Education and Training
Includes $500,000 in state restricted authorization (Civil Fines, Excavating, and Blasting Fund) for the Michigan Public Service Commission to support underground facilities safety education and training.

Compliance and Risk Management Section
Includes $491,100 in state restricted authorization (Construction Code Fund, Corporation Fees, Health Professions Regulatory Fund, Liquor Purchase Revolving Fund, Marihuana Regulation Fund, and Public Utility Assessments) and authorization for 3.0 FTEs to support the establishment of a Compliance and Risk Management section within Financial Operations (currently Administrative Services).

Michigan Tax Tribunal –Small Claims Backlog
Includes $359,300 in state restricted authorization (Corporation Fees) and authorization for 2.0 FTEs for the Michigan Tax Tribunal to support a small claims case backlog.

Economic Adjustments
Reflects increased costs of $4.5 million Gross ($685,700 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

Supplemental Recommendations for FY 2025-26 Appropriations

Bureau of Professional Licensing – Federal Grant Increase
Includes $39,700 in federal grant funding to support the first year of a 3-year grant awarded to LARA by the Federal Financial Institutions Examination Council for the State Appraiser Regulatory Agency Support Grant Program to support an appraiser IT project, expert review, and grant management. The FY 2026-27 Executive Recommendation includes federal funding that would be used for the second and third years of the grant.

Lifelong Education, Advancement, and Potential

Analysts: Noel Benson and Perry Zielak

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	*Difference: FY 2026-27 vs. FY 2025-26*	
			Amount	*%*
IDG/IDT	$0	$0	*$0*	*--*
Federal	457,769,900	418,323,900	*(39,446,000)*	*(8.6)*
Local	0	0	*0*	*--*
Private	1,000,000	1,000,000	*0*	*0.0*
Restricted	1,880,000	1,897,300	*17,300*	*0.9*
GF/GP	201,593,300	231,451,700	*29,858,400*	*14.8*
Gross	**$662,243,200**	**$652,672,900**	***($9,570,300)***	***(1.4)***
FTEs	348.0	348.0	*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 2025-26 Year-to-Date (YTD) Appropriations

Child Development and Care Public Assistance
Provides a net $0 Gross change by including $40.0 million GF/GP and decreasing the federal fund appropriation by $40.0 million to more accurately align federal appropriations with available federal funding to maintain current program services. Fund swap is necessary due to spend down of federal discretionary carryforward grant and lack of sufficient available federal revenues.

Office of Higher Education Transfer
Transfers $159,700 GF/GP and authorization of 1.0 FTE position from Michigan Indian Tuition Waiver to Student Financial Assistance Programs.

Child Development and Care External Support
Provides additional $45,300 federal for defined calculations from an interdepartmental grant with the Michigan Department of Health and Human Services (DHHS) to support child development and care related activities, including program eligibility determinations and responding to administrative hearings.

Removal of One-Time Funding
Removes $10.5 million GF/GP through the removal of seven one-time appropriations: Child Development and Care Public Assistance ($3.5 million GF/GP), Dual Enrollment ($3.5 million GF/GP), College Success Fund and Student Wraparound Supports ($1.0 million GF/GP), Michigan Center for Adult College Success ($1.0 million GF/GP), Michigan Center for Civic Education ($1.0 million GF/GP), Ensuring Access to Postsecondary Opportunities ($260,000 GF/GP), and Community College Workforce Initiative ($240,000 GF/GP).

Economic Adjustments
Reflects increased costs of $884,400 Gross ($358,400 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

Military and Veterans Affairs

Analyst: Aaron A. Meek

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	*Difference: FY 2026-27 vs. FY 2025-26*	
			Amount	*%*
IDG/IDT	$101,800	$101,800	*$0*	*–*
Federal	148,840,000	154,412,200	*5,572,200*	*3.7*
Local	0	0	*0*	*–*
Private	100,000	100,000	*0*	*–*
Restricted	12,953,500	12,973,100	*19,600*	*0.2*
GF/GP	128,171,000	96,350,900	*(31,820,100)*	*(24.8)*
Gross	**$290,166,300**	**$263,938,000**	***($26,228,300)***	***(9.0)***
FTEs	976.0	976.0	*0.0*	*–*

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

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations

Veterans Home Direct Care – Fund Swap
Includes $2.9 million in federal funding authorization for Veterans Health Administration revenue to offset $2.9 million GF/GP reduction (net-zero Gross change). Funding supports operations at the state's three veterans homes.

Removal of FY 2025-26 One-Time Appropriations
Removes $30.0 million GF/GP of one-time funding included in the FY 2025-26 budget for Selfridge Air National Guard Base ($26.0 million) and Veterans Nonprofit Improvement Grants ($4.0 million).

Technical Adjustments
Includes $1.4 million to align federal funding authorization with available National Guard Bureau revenue to support the Headquarters and Armories line item ($1.0 million) and the Michigan Youth ChalleNGe Academy line item ($400,000).

Economic Adjustments
Reflects increased costs of $2.4 million Gross ($1.1 million GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

Natural Resources

Analyst: Austin Scott

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	*Difference: FY 2026-27 vs. FY 2025-26*	
			Amount	*%*
IDG/IDT	$208,100	$208,300	*$200*	*0.1*
Federal	100,214,800	102,198,400	*1,983,600*	*2.0*
Local	0	0	*0*	*--*
Private	7,609,200	8,330,900	*721,700*	*9.5*
Restricted	362,152,800	432,856,300	*70,703,500*	*19.5*
GF/GP	73,009,400	63,123,000	*(9,886,400)*	*(13.5)*
Gross	**$543,194,300**	**$606,716,900**	***$63,522,600***	***11.7***
FTEs	2,515.2	2,519.9	*4.7*	*0.2*

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

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations

Nature Awaits (One-time)
Continues one-time funding for the Nature Awaits program which provides grants to schools to cover transportation and other costs related to connecting all Michigan fourth grades to the state park system. Program funding in FY 2025-26 is $2.0 million GF/GP and 13.8 FTE positions, funding in FY 2026-27 would be $1.4 million GF/GP and 14.0 FTE positions.

Fee increase – Hunting Licenses and Fishing Licenses
Includes $29.4 million in state restricted funding from proposed price increases for hunting licenses and fishing licenses. New revenue would primarily support Fisheries Division, departmental marketing and outreach, Wildlife Division, and the Michigan Wildlife Council.

Fee increase – Watercraft Registrations
Includes $6.9 million in state restricted funding from a proposed price increase for watercraft registrations. New revenue would primarily support local and state boating infrastructure and Law Enforcement Division.

Gas Tax Revenue Distribution
Includes an increase of $17.7 million in gas tax revenue in accordance with statutory formula across multiple appropriations including programs in boating, snowmobiling, and recreational trails.

Capital Outlay Adjustments
Provides an increase of $12.1 million in state restricted funding increases to State Parks Repair and Maintenance, Snowmobile Trail Development and Maintenance, and Wetlands Restoration, Enhancement, and Acquisition.

Off-Road Vehicle Trail Improvement Funding Decrease
Includes a decrease of $4.0 million from the ORV Trail Improvement Fund in accordance with statutory formula across multiple appropriations including programs in ORV trail development, maintenance and law enforcement.

Off-Road Vehicle Trail Improvement Funding for Silver Lake State Park
Includes an increase of $1.4 million from the ORV Trail Improvement Fund in accordance with statutory formula across multiple appropriations including support for the ORV area at Silver Lake State Park.

Michigan Historical Center
Adds $436,200 from the Michigan Historical Center Operations Fund and authorizes 1.5 new FTE positions to expand support for ongoing operations in the Michigan Historical Center.

Parks and Recreation Division Employee Recruitment and Retention
Appropriates $386,200 in state restricted funding and authorizes 3.0 new FTE positions for supervisory roles in state parks.

Recreational Boating – St. Jean Boat Launch Management
Provides $271,300 from the Waterways Account manage the St. Jean Boat Launch at Gray Haven State Harbor in Wayne County.

School Aid

Analysts: Jacqueline Mullen and Noel Benson

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	*Difference: FY 2026-27 vs. FY 2025-26*	
			Amount	*%*
IDG/IDT	$0	$0	*$0*	*--*
Federal	2,407,708,500	2,405,708,500	*(2,000,000)*	*(0.1)*
Local	0	0	*0*	*--*
Private	0	0	*0*	*--*
Restricted	18,807,972,100	18,952,376,700	*144,404,600*	*0.8*
GF/GP	73,151,100	45,334,900	*(27,816,200)*	*(38.0)*
Gross	**$21,288,831,700**	**$21,403,420,100**	***$114,588,400***	***0.5***

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

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations

Foundation Allowances

Increases by $325.0 million Gross ($350,000 GF/GP) to provide a $250 per-pupil (2.5%) increase in the foundation allowance, from $10,050 to $10,300. Reduces the foundation allowance for cyber schools to 80% of the proposed Target foundation allowance, or from $10,050 to $8,240 per pupil, an estimated savings of $53.0 million.

Weighted Pupil Membership

In addition to the foundation allowance, creates a "weighted pupil membership" that increases funding to districts for students who are English language learners or are economically disadvantaged. The funding amount is based on a percentage of the foundation allowance. Transfers $1.4 billion (including 6.1% increases for each line) from Sec. 31a (At-Risk) and Sec. 41 (Bilingual Education) to Sec. 22b(3) to support the weighted formula. At-Risk pupils are counted as between 0.1692 and 0.2273 weighted pupil FTEs, and ELL pupils are counted as between 0.0190 and 0.1687 weighted pupil FTEs.

Other Weighted Lines

Provides $5.2 million SAF to increase by 6.1% the following lines that were not moved to a direct weighted foundation formula: Isolated Districts, Early On, Career and Technical Education (CTE) Programs, and CTE Early/Middle College and Dual Enrollment Programs. Also provides $2.1 million SAF to increase ISD Operations by 2.5%.

Mental Health and School Safety

Provides $300.0 million SAF ($250.0 million one-time) 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. (This section also provided $321.0 million one-time Gross ($21.0 million GF/GP) in FY 2025-26.) Removes nonpublic schools as eligible recipients.

Great Start Readiness Program

Increases by $138.1 million SAF for a total of $764.7 million SAF, including $100.0 million for additional slot allocations for classrooms and $38.1 million (6.1% increase) to provide a $640 per-child increase to the Great Start Readiness Target Foundation, from $10,650 to $11,290.

Great Start Readiness Program Classroom Startup Grants

Provides an additional $25.0 million one-time SAF to provide grants to ISDs to expand or provide new GSRP classrooms. (This section also provided $10.0 million one-time SAF in FY 2025-26.)

Out-of-School Time

Provides $135.0 million Gross ($50.0 million SAF, $85.0 million one-time State School Aid Pupil Support Reserve Fund) for before and after school programs and summer school programming. Caps funding for statewide and regional programs at 40% of total funding. (This section also provided $75.0 million one-time State School Aid Pupil Support Reserve Fund in FY 2025-26.)

Transportation Costs

Provides $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 2025-26.)

Enrollment Stabilization
Provides $125.0 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 2025-26.)

Literacy Curriculum Supports
Provides $100.0 million one-time SAF to be spent over two years for districts and ISDs to improve literacy outcomes by implementing early literacy series and materials. (This section also provided $64.4 million one-time SAF in FY 2025-26.)

High-Impact Tutoring
Provides $100.0 million one-time SAF for approved tutoring programs to provide in-person, evidence-based tutoring with low student-tutor ratios and intensive support.

Grow Your Own Programs
Retains $60.0 million one-time SAF to be spent over three years for grants to districts, ISDs, and consortia of ISDs to implement grow your own programs. Allocates $3.0 million for school librarian specialist certification grants. (This section also provided $70.0 million one-time SAF in FY 2025-26.)

LETRS Professional Learning
Provides $50.0 million one-time SAF to be spent over five years for LETRS to provide professional learning for Pre-K to 5 educators, special education educators, and administrators based on the science of reading. (This section also provided $10.0 million one-time SAF in FY 2025-26.)

Early Learning Partnerships
Provides $30.0 million SAF to create and implement statewide learning partnerships to provide centralized access points for families into the early childhood system. Allocates funding as follows: $16.9 million to ISDs to support early learning partnerships; $3.9 million for support services for families, including home visiting programs; $4.0 million to improve access to books and other early literacy materials for children from birth to age 5; $4.0 million to raise awareness about the availability of services through early learning partnerships; and $1.2 million for two ISDs to collaborate with MiLEAP on administrative support.

Dual Enrollment
Provides $20.0 million one-time SAF to reimburse high-poverty districts in opportunity index bands 4, 5, or 6 for dual enrollment costs. (Currently, districts pay students' dual enrollment costs using general operations funding, i.e., the foundation allowance.)

Special Ed 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.

Removal of One-Time Appropriations
Reduces by $296.7 million Gross ($27.0 million GF/GP) for the removal of one-time appropriations.

Economic Adjustments
Reflects increased costs of $237.0 million Gross ($183.8 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

State Police

Analyst: Aaron A. Meek

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	*Difference: FY 2026-27 vs. FY 2025-26*	
			Amount	*%*
IDG/IDT	$29,030,200	$29,521,800	*$491,600*	*1.7*
Federal	101,314,700	100,351,800	*(962,900)*	*(1.0)*
Local	5,035,600	5,088,800	*53,200*	*1.1*
Private	35,000	35,000	*0*	*0.0*
Restricted	190,336,000	200,908,000	*10,572,000*	*5.6*
GF/GP	638,435,100	633,778,200	*(4,656,900)*	*(0.7)*
Gross	**$964,186,600**	**$969,683,600**	***$5,497,000***	***0.6***
FTEs	3,576.0	3,575.0	*(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 2025-26 Year-to-Date (YTD) Appropriations

Forensic Laboratory Closures
Removes $1.5 million GF/GP and 1.0 FTE position to reflect the closures of the Northville Forensic Laboratory ($864,400) and the Grayling Forensic Laboratory ($637,000). Cases and FTEs will be transferred to MSP's remaining forensic laboratories.

Removal of FY 2025-26 One-Time Appropriations
Removes $2.5 million GF/GP of one-time funding included in the FY 2025-26 budget for the following: Trooper Recruit Schools ($1.0 million); Cold Case Investigations ($600,000); Law Enforcement Communication Training ($500,000); and the Michigan Public Safety Critical Incident Mapping Grant ($400,000).

Economic Adjustments
Reflects increased costs of $492,400 Gross ($655,500 GF/GP reduction) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

Supplemental Recommendations for FY 2025-26 Appropriations

Grants and Community Services
Includes $2.8 million to align state restricted authorization with available Auto Theft Prevention Fund revenue to support increased grant awards to auto theft prevention teams, prosecutors, and non-profit organizations.

Criminal Justice Information Center
Includes $1.4 million to align state restricted authorization with available Michigan Set Aside Fund revenue to support systems and temporary staff for the Clean Slate Initiative. Also includes $150,000 to align state restricted authorization with available Sex Offenders Registration Fund revenue to maintain existing system operations.

Forensic Science
Includes $1.2 million to align state restricted authorization with available State Services Fee Fund revenue to support forensic science equipment upgrades and facilities maintenance.

Information Technology Services and Projects
Includes $1.0 million to align state restricted authorization with available Criminal Justice Information Center service fee revenue to support various information technology systems upgrades.

Biometrics and Identification
Includes $700,000 to align state restricted authorization with available Criminal Justice Information Center service fee revenue to support a one-time Automated Print Identification System record digitization project.

Training Operations
Includes $500,000 to align intradepartmental transfer authorization with available Michigan Justice Training Fund grant revenue.

Transportation

Analyst: William E. Hamilton

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	*Difference: FY 2026-27 vs. FY 2025-26*	
			Amount	*%*
IDG/IDT	$4,366,200	$4,555,300	*$189,100*	*4.3*
Federal	2,329,605,500	2,374,354,200	*44,748,700*	*1.9*
Local	87,448,500	86,948,500	*(500,000)*	*(0.6)*
Private	20,500,000	20,500,000	*0*	*0.0*
Restricted	5,447,575,600	6,038,263,400	*590,687,800*	*10.8*
GF/GP	0	0	*0*	*--*
Gross	**$7,889,495,800**	**$8,524,621,400**	***$635,125,600***	***8.1***
FTEs	3,208.3	3,219.3	*11.0*	*0.3*

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

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations

Road and Bridge Program Revenue Adjustments – Local Road Agencies
Provides $343.7 million increase in formula distributions to local road agencies (county road commissions; cities and villages), reflecting revenue estimates and full-year impact of the October 2025 Transportation Funding Package.

Road and Bridge Program Revenue Adjustments – State Trunkline Construction
Provides $143.8 million increase in state restricted State Trunkline Fund (STF) for state trunkline capital construction program reflecting revenue estimates and full-year impact of the October 2025 Transportation Funding Package.

State Trunkline Maintenance
Provides $23.7 million increase in STF reflecting increased costs of maintenance materials and contracted services.

State Trunkline – Intelligent Transportation and Traffic Signal Maintenance
Provides $6.7 million increase (state restricted STF and federal) to support increased costs of maintenance and operations of Intelligent Transportation Systems and 3,141 traffic signals shared with local units of government.

State Trunkline – Capital Repair of MDOT-Owned Maintenance Facilities
Includes $5.6 million STF (one-time) for capital repair of various MDOT-owned maintenance facilities, as well as $5.2 million STF (one-time) to replace a state maintenance garage and salt storage facility in Coloma, Michigan.

Local Bus Operating Assistance
Provides $43.4 million of state restricted Comprehensive Transportation Fund to increase state support for local bus operating, bringing total state support to $315.0 million.

Maritime and Port Facility Assistance Office
Provides $5.3 million from the state restricted Maritime and Port Facility Assistance Fund to support a new Maritime and Port Facility Assistance office; includes authorization for 4.0 FTE positions. The office will coordinate activity related to ports and administer grant funding from the Maritime and Port Facility Assistance Fund created in 2022 PA 159.

Great Lakes Tunnel Project – Phase II Oversight
Provides $4.1 million (one-time) from the state restricted Michigan Infrastructure Fund for continued planning and construction oversight of the Great Lakes Tunnel project authorized under 2018 PA 359.

Economic Adjustments
Reflects increased costs of $6.5 million Gross ($0 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

Supplemental Recommendations for FY 2025-26 Appropriations

Technical Corrections

Recommends corrections to several line item descriptions in budget, so that appropriations may be made out of the correct funds receiving revenue under the October 2025 Transportation Funding Package. Also includes three new boilerplate sections to reflect statutory changes made in the October 2025 Transportation Funding Package. These sections provide budgetary authority for the internal statutory distribution of the Neighborhood Roads Fund under Sec. 13c, year-end excess revenue distributions from the Neighborhood Roads Fund under Sec. 13c(5), and authority for any year-end unencumbered and unexpended balance in the Movable Bridge Fund for local bridge inspections as required in Sec. 11g of 1951 PA 51.

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February 2026

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