STATE OF MICHIGAN
FISCAL YEAR 2025-26

Appropriations Summary and Analysis

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Mary Ann Cleary, Director

OCTOBER 2025

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October 2025

TO: Members of the Michigan House of Representatives

FROM: Mary Ann Cleary, Director

This ***FY 2025-26 Appropriations Summary and Analysis*** summarizes the FY 2025-26 state budget. A *Glossary*, following the table of contents, explains terms used throughout this report to describe Michigan's budget. The *Budget Overview* provides information on resources used and major funding changes in the FY 2025-26 year-to-date budget; summary tables of appropriated funds and fund sources are also included. *Budget Detail* pages note enacted major budget and boilerplate changes for each budget area.

When analyzing the budget, it is important to note the following:

Adjusted Gross is the amount to use when measuring the total amount of funding included in the state budget (including spending from federal sources).

State Spending from State Sources (State Restricted plus GF/GP) is the amount to use when measuring the amount of state resources collected from taxpayers to finance state spending.

General Fund/General Purpose (GF/GP) is the amount to use when measuring unrestricted state resources available for legislative allocation to various state programs.

Information in the *Budget Detail* section was provided by HFA Analysts; report production was coordinated by Kathryn Bateson, Administrative Assistant. House Fiscal Agency staff and their areas of responsibility are listed on the inside back cover of this publication. Please feel free to contact them, or me, if you have questions or need further information.

Mary Ann Cleary, Director

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GLOSSARY
Frequently Used State Budget Terms

STATE BUDGET TERMS

Line Item
Specific funding amount in an appropriation bill which establishes spending authorization for a particular program or function.

Boilerplate
Specific language sections in an appropriation bill which direct, limit, or restrict line-item expenditures, express legislative intent, and/or require reports.

Lapse
Appropriated amounts that are unspent or unobligated at the end of a fiscal year; appropriations are automatically terminated at the end of a fiscal year unless otherwise provided by law.

Work Project
Account authorized through statutory process which allows appropriated spending authorization from one fiscal year to be utilized for expenditures in a succeeding fiscal year or years for a specific project or purpose.

APPROPRIATION TERMS AND FUND SOURCES

Appropriations
Authority to expend funds for a particular purpose. An appropriation is not a mandate to spend.

Gross: Total of all applicable appropriations in an appropriation bill.

Adjusted Gross: Net amount of gross appropriations after subtracting interdepartmental grants (IDGs) and intradepartmental transfers (IDTs).

Interdepartmental Grant (IDG) Revenue
Funds received by one state department from another state department—usually for service(s) provided.

Intradepartmental Transfer (IDT) Revenue
Funds transferred from one appropriation unit to another within the same departmental budget.

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

Local Revenue
Revenue received from local units of government for state services.

Private Revenue
Revenue from non-government entities: rents, royalties or interest payments, payments from hospitals or individuals, or gifts and bequests.

State Restricted Revenue
State revenue restricted by the State Constitution, state statute, or outside restriction that is available only for specified purposes; includes most fee revenue; at year-end, unused restricted revenue generally remains in the restricted fund.

General Fund/General Purpose (GF/GP) Revenue
Unrestricted general fund revenue available to fund basic state programs and other purposes determined by the legislature; unused GF/GP revenue lapses to the General Fund at the end of a fiscal year.

MAJOR STATE FUNDS

General Fund
The state's primary operating fund; receives state revenue not dedicated to another state fund.

School Aid Fund (SAF)
A restricted fund that serves as the primary state funding source for K-12 schools and Intermediate School Districts. Constitutionally, SAF revenue may also be used for postsecondary education.

Budget Stabilization Fund
The Countercyclical Economic and Budget Stabilization Fund (also known as the "rainy day fund"); the Management and Budget Act provides guidelines for making deposits into and withdrawals from the fund.

FY 2025-26
Budget Detail

OVERVIEW

Budget Overview
Consensus Revenue Estimates
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FY 2025-26 BUDGET OVERVIEW

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

The budget overview highlights the major components that have contributed to the fiscal year (FY) 2025-26 appropriations.

The year-to-date (YTD) state budget for FY 2025-26 incorporates the May 2025 Consensus Revenue Estimating Conference (CREC) revenue estimates. In addition to those estimates, the budget assumes a General Fund/General Purpose (GF/GP) FY 2024-25 beginning balance of $2,148.5 million and a School Aid Fund (SAF) beginning balance of $1,257.6 million. GF/GP revenues are increased by $290.0 million by removing the SOAR earmark, and revenues are reduced by $157.5 million due to the new income tax exemptions for tips and overtime and by $593.8 million from the elimination of sales tax on motor fuels, which includes using GF/GP to hold the School Aid Fund harmless. The state budget also included the following new transportation revenue: $707.1 million from a gas tax increase, $88.0 million CIT earmark, and $315.0 million from a marijuana wholesale tax.

(Millions of Dollars)

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Enacted	*Difference: Enacted vs. FY 2024-25 YTD*	
			Amount	*%*
Adjusted Gross	**$81,528.2**	**$74,630.3**	***($6,897.9)***	***-8.5%***
Federal	**$33,884.7**	**$28,168.6**	***($5,716.1)***	***-16.9%***
Local/Private	**$532.3**	**$532.6**	***$0.3***	***0.1%***
Restricted	**$32,235.7**	**$31,814.5**	***($421.2)***	***-1.3%***
GF/GP	**$14,875.5**	**$14,114.6**	***($760.9)***	***-5.1%***

Of the $45,929.2 million in state resources (restricted plus GF/GP) appropriated for FY 2025-26, an estimated $24,896.0 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 FY 2025-26 budget includes over $774.3 million in ongoing program reductions or eliminations and $525.0 million in one-time GF/GP appropriation increases. Over $175.0 million of the ongoing reductions were from moving ongoing programs to one-time. It also includes an estimated $654.7 million in ongoing program increases and $1,244.3 million in one-time SAF appropriations.

Major FY 2025-26 GF/GP ongoing program reductions or eliminations include:

- $400.0 million GF/GP reduction in Higher Education is replaced with an equal SAF amount.
- $100.0 million, including reductions to Business Attraction and Community Revitalization of $40.7 million and Going Pro of $22.9 million. (LEO)
- $56.0 million from various program reductions or lapses. (DHHS)
- $48.0 million, primarily from moving water infrastructure to one-time funding. (EGLE)
- $33.9 million in various program reductions. (MSP)
- $32.6 million in various program reductions. (MDOC)
- $22.3 million reduction in Michigan Indigent Defense Commission (MIDC) grants. (LARA)

Major FY 2025-26 GF/GP one-time program increases include:

- $102.3 million, including $50.1 million for 3.0% operations increase and $50.0 million for the phase-out of the Michigan Competitive Scholarship and Tuition Grant programs. (Higher Education)
- $100.0 million, including $53.3 million in legislatively directed spending items and $23.0 million for Food Assistance and EBT improvements. (DHHS)
- $88.5 million, including $41.8 million for legislatively directed spending items. (LEO)
- $64.0 million, including $34.0 million for water state revolving funds and $17.4 million for lead service line replacement. (EGLE)
- $30.0 million, including $26.0 million for Selfridge Air National Guard Base. (DMVA)

Major FY 2025-26 School Aid funding increases include:

- $593.5 million to provide a district foundation allowance increase of $442 per-pupil taking it from $9,608 to $10,050 (4.6% increase).
- $258.7 million to At-Risk programs.
- $169.5 million for per-pupil mental health and school safety grants.
    - $53.5 million competitive grants for school resource officers. (spent over 4 years)
    - $53.5 million competitive grants for staff for student mental health needs. (spent over 4 years)
    - Retains nonpublic schools as eligible recipients.
- Continues universal school breakfast and lunch program, including $1.6 million GF/GP for nonpublic schools.
- $100.0 million for infrastructure grants.
- $458.0 million in fund deposits: $130.0 million school transportation fund, $326.1 million SAF and $1.8 million GF/GP into a new general pupil support fund.

FY 2025-26 budget includes the following Revenue Sharing changes**:**

- Maintains current-year statutory funding of $552.2 million.
- 3-Factor statutory appropriation maintained at $75.0 million. (CVTs and Counties)
- Public Safety Revenue Sharing grants at $50.0 million. (Intent to fund at this level for 3-years)
    - Grants to counties and CVTs for uses related to public safety.
- Public Safety Revenue Sharing grants at $20.0 million one-time.
    - $10.0 million to supplement grants to counties and CVTs for uses related to public safety.
    - $10.0 million for a public safety academy assistance grant program.
- Public Safety Constituency grants at $25.0 million one-time.
    - $17.0 million for grants to local prosecutors for caseload support.
    - $8.0 million for firefighting equipment grants.

FY 2025-26 transportation budget adds an additional $1.1 billion in new revenues for roads and distributes the increase funds through PA 51 formula (PA 20 of 2025) and the new Neighborhood Road Fund (NRF) (PA 16 of 2025).

The FY 2025-26 enacted budget bills contain FY 2024-25 supplemental appropriations totaling $2,957.7 million Gross ($754.4 million GF/GP and $386.8 million SAF).

- $1,143.4 million Gross ($550.9 million GF/GP), includes $517.1 million GF/GP for caseload and special financing adjustments, $250.0 million restricted for prenatal and infant support program (Rx Kids), and $160.3 million GF/GP for state psychiatric DSH payment clawback. (DHHS)
- $855.5 million Gross ($38.4 million GF/GP), includes $800.0 million in federal emergency management and homeland security authorization and $10.0 million GF/GP deposit into in the disaster and emergency contingency fund for recovery activities related to the northern Michigan ice storm. (MSP)
- $350.3 million for educator compensation programs. (K12)
- $287.8 million Gross ($138.5 million GF/GP). (LEO)
    - Includes $120.0 million for legislatively directed spending items. (LDSI)
- $40.0 million Gross ($14.6 million GF/GP), includes $14.0 million GF/GP for northern Michigan ice storm and $15.0 million restricted for state parks repair and maintenance. (DNR)

A more detailed summary of major budget changes by individual budget area begins on page 22.

CONSENSUS REVENUE ESTIMATES

Ben Gielczyk, Associate Director

This section describes the May 2025 Consensus Revenue Estimating Conference revenue projections for GF/GP and SAF revenue for FY 2024-25 and FY 2025-26. NOTE: The revenue estimates do not account for changes related to the newly enacted road and infrastructure funding package, which have implications for sales tax, income tax, and business taxes.

For Michigan:

- Wage and salary employment is forecast to increase 0.5% in CY 2025 and 0.2% in CY 2026.
- The unemployment rate is forecast to increase to 5.6% in CY 2025 and 6.1% in CY 2026.
- Personal income is forecast to increase 3.6% in CY 2025 and 3.6% in CY 2026.

General Fund/General Purpose Revenue by Source

Individual Income Tax

- Michigan individual income tax revenue is forecast to increase 5.3% in FY 2024-25 and 1.0% in FY 2025-26.

Sales and Use Taxes

- Combined GF/GP sales and use tax revenue is estimated to increase 2.0% to $2,817.1 million in FY 2024-25 and 2.9% to $2,898.9 million in FY 2025-26.

Net Business Taxes

- Net business taxes are comprised of the Single Business Tax (SBT), the Michigan Business Tax (MBT), the corporate income tax (CIT), and insurance taxes.
- Net business taxes are expected to decrease 6.3% in FY 2024-25 before increasing 35.2% in FY 2025-26 due to the expiration of earmarks.

GF/GP Tax Revenue

- GF/GP tax revenue in FY 2024-25 is expected to increase by 2.7% to $13,705.3 million and 5.5% to $14,456.6 million in FY 2025-26.

Net GF/GP Revenue

- Total net GF/GP revenue includes tax revenue and non-tax revenue.
- Non-tax revenue includes revenue from the liquor purchase revolving fund, transfers of unclaimed property, federal aid, licenses and permits, and investment income and borrowing costs.
- Net GF/GP revenue is expected to decline 0.2% to $14,493.9 million in FY 2024-25 before increasing 4.3% to $15,114.6 million in FY 2025-26.

GENERAL FUND/GENERAL PURPOSE REVENUE ESTIMATES
(Millions of Dollars)

	FY 2024-25	FY 2025-26	FY 2025-26 Over FY 2024-25 Change	
Individual Income Tax	$8,771.2	$8,854.8	$83.6	1.0%
Sales and Use Taxes	2,817.1	2,898.9	81.8	2.9%
Net Business Taxes	1,644.1	2,223.2	579.1	35.2%
Other Taxes	472.9	479.7	6.8	1.4%
GF/GP Tax Revenue	**$13,705.3**	**$14,456.6**	$751.3	5.5%
Non-Tax Revenue	788.6	658.0	(130.6)	(16.6%)
Net GF/GP Revenue	**$14,493.9**	**$15,114.6**	$620.7	4.3%

SCHOOL AID FUND REVENUE ESTIMATES
(Millions of Dollars)

Revenue	FY 2024-25	FY 2025-26	FY 2025-26 Over FY 2024-25 Change	
Sales and Use Taxes	$8,786.6	$8,949.6	$163.0	1.9%
Individual Income Tax Earmark	4,231.9	4,342.0	110.1	2.6%
Lottery, Casinos, and iGaming	1,734.2	1,755.0	20.8	1.2%
Cigarette Tax	214.6	210.8	(3.8)	(1.8%)
State Education Tax	2,880.0	2,966.1	86.1	3.0%
Real Estate Transfer Tax	424.5	431.8	7.3	1.7%
Recreational Marihuana	114.5	118.0	3.5	3.1%
Other Specific Taxes	158.9	161.0	2.1	1.3%
Net SAF Revenue	**$18,545.2**	**$18,934.3**	**$389.1**	**2.1%**

School Aid Fund Revenue by Source

Sales and Use Taxes

- Combined sales and use tax revenue dedicated to the SAF is forecast to increase 1.0% to $8,786.6 million in FY 2024-25 and 1.9% to $8,949.6 million in FY 2025-26.

Individual Income Tax Earmark

- SAF dedicated income tax revenue is forecast to increase to $4,231.9 million in FY 2024-25 and then increase 2.6% to $4,342.0 million in FY 2025-26.

Lottery, Casinos, and iGaming

- Revenue from the lottery, casinos, online gaming, and sports betting to the SAF is projected to be $1,734.2 million in FY 2024-25 and $1,755.0 million in FY 2025-26.

Cigarette Tax

- Approximately 41.4% of cigarette tax revenue is dedicated to the SAF.

- The demand for tobacco products is expected to decline over the duration of the forecast, leading to total SAF tobacco tax revenue of $214.6 million in FY 2024-25 and $210.8 million in FY 2025-26.

OVERVIEW

State Education Tax/Real Estate Transfer Tax

- All of the 6-mill state education tax (SET) and the real estate transfer tax (RET) is dedicated to the SAF.
- SET revenue is expected to increase to $2,880.0 million in FY 2024-25 and $2,966.1 million in FY 2025-26.
- RET is forecast to increase to $424.5 million in FY 2024-25 and $431.8 million in FY 2025-26.

Other Specific Taxes

- Other specific taxes include the liquor excise tax, the excise tax on recreational marihuana, industrial and commercial facilities taxes, the commercial forest tax, and other smaller specific taxes.

Net SAF Revenue

- Net SAF revenue represents revenue available for expenditure each year; it includes tax changes but does not include any GF/GP transfers, federal funds, or year-end balances.
- Net SAF revenue is expected to increase 2.6% to $18,545.2 million in FY 2024-25 and 2.1% to $18,934.3 million in FY 2025-26.

Budget Stabilization Fund Year-End Balances

The following table notes BSF deposits, withdrawals, and interest earnings from FY 1999-2000 to FY 2022-23, and HFA estimates of deposits, expected interest earnings, and year-end balances for FY 2024-25 and FY 2025-26. Deposits include appropriations as well as the provisions requiring annual $17.5 million deposits of tobacco settlement revenue to the BSF from FY 2014-15 through FY 2024-25 (The $17.5 million deposit was discontinued pursuant 2025 PA 28.)

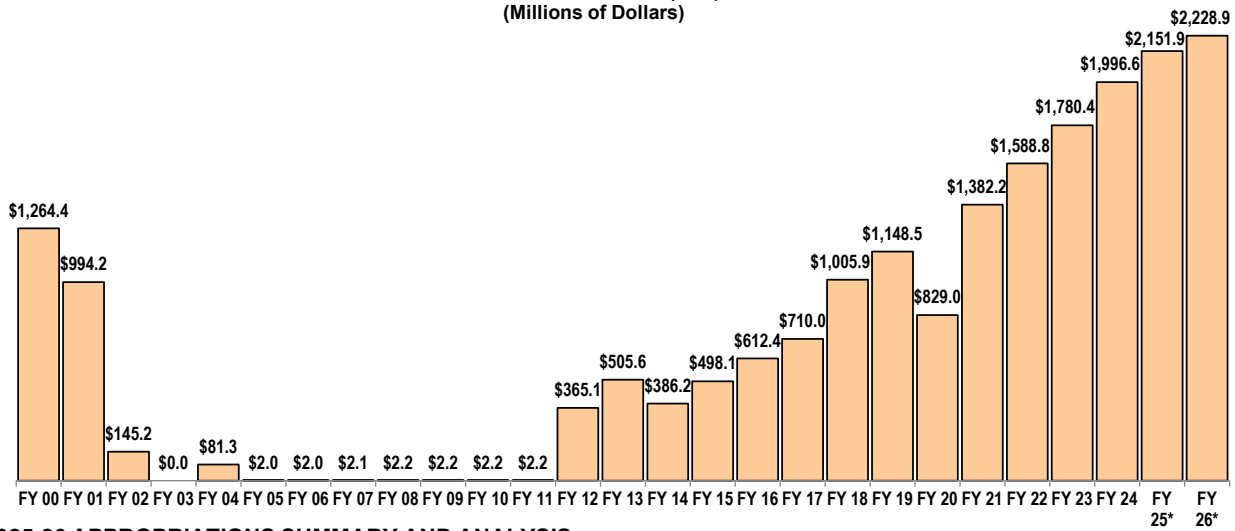
After deposits totaling $197.2 million and $9.3 million in interest earnings, the final BSF fund balance for FY 2021-22 was $1,588.8 million. Although the enacted FY 2022-23 budget did not contain an appropriation, a $100 million appropriation was included in the supplemental portion of the FY 2022-23 budget, which also contained a $100 million deposit for FY 2023-24 and includes a $50 million deposit from unassigned GF/GP balance at the close of the fiscal year. Incorporating these deposits and estimated interest earnings, projected year-end balances are $2,151.9 for FY 2024-25 and $2,228.9 for FY 2025-26.

BUDGET STABILIZATION FUND HISTORY
(Millions of Dollars)

Fiscal Year	Deposits	Withdrawals	Interest Earned	Balance
1999-2000	$100.0	$132.0	$73.9	$1,264.4
2000-01	0.0	337.0	66.7	994.2
2001-02	0.0	869.8	20.8	145.2
2002-03	0.0	156.1	10.9	0.0
2003-04	81.3	0.0	0.0	81.3
2004-05	0.0	81.3	2.0	2.0
2005-06	0.0	0.0	0.0	2.0
2006-07	0.0	0.0	0.1	2.1
2007-08	0.0	0.0	0.1	2.2
2008-09	0.0	0.0	0.0	2.2
2009-10	0.0	0.0	0.0	2.2
2010-11	0.0	0.0	0.0	2.2
2011-12	362.7	0.0	0.2	365.1
2012-13	140.0	0.0	0.5	505.6
2013-14	75.0	194.8	0.4	386.2
2014-15	111.6	0.0	0.3	498.1
2015-16	112.5	0.0	1.7	612.4
2016-17	92.5	0.0	5.1	710.0
2017-18	282.5	0.0	13.5	1,005.9
2018-19	117.5	0.0	25.1	1,148.5
2019-20	17.3	350.0	13.2	829.0
2020-21	552.2	0.0	1.0	1,382.2
2021-22	197.2	0.0	9.3	1,588.8
2022-23	117.5	0.0	74.1	1,780.4
2023-24	117.5	0.0	98.7	1,996.6
2024-25*	67.5	0.0	87.9	2,151.9
2025-26*	0.0	0.0	77.0	2,228.9

Note: Numbers may not add due to rounding.
**HFA estimates.*

BUDGET STABILIZATION FUND (BSF) BALANCE
(Millions of Dollars)



OVERVIEW

Compliance with the State Revenue Limit

HFA estimates of the state revenue limit provided for in Article IX, Section 26, of the *Constitution of the State of Michigan*, and estimates of total state revenue collections subject to the state revenue limit are shown in the following table. As provided for in the Constitution, the revenue limit is calculated as 9.49% of total state personal income in the previous full calendar year (CY) prior to the fiscal year in which the revenue is measured, as estimated by the Bureau of Economic Analysis, United States Department of Commerce.

COMPLIANCE WITH THE STATE REVENUE LIMIT
(Millions of Dollars)

Revenue Limit Calculations	FY 2024-25	FY 2025-26
Personal Income	CY 2023	CY 2024
Amount	$613,719	$641,085
X Limit Ratio	9.49%	9.49%
State Revenue Limit	**$58,241.9**	**$60,839.0**
Total Revenue Subject to Revenue Limit	**$45,089.8**	**$46,194.9**
Amount (Under) Over State Revenue Limit	**($13,152.1)**	**($14,644.1)**

Implications of Exceeding the State Revenue Limit

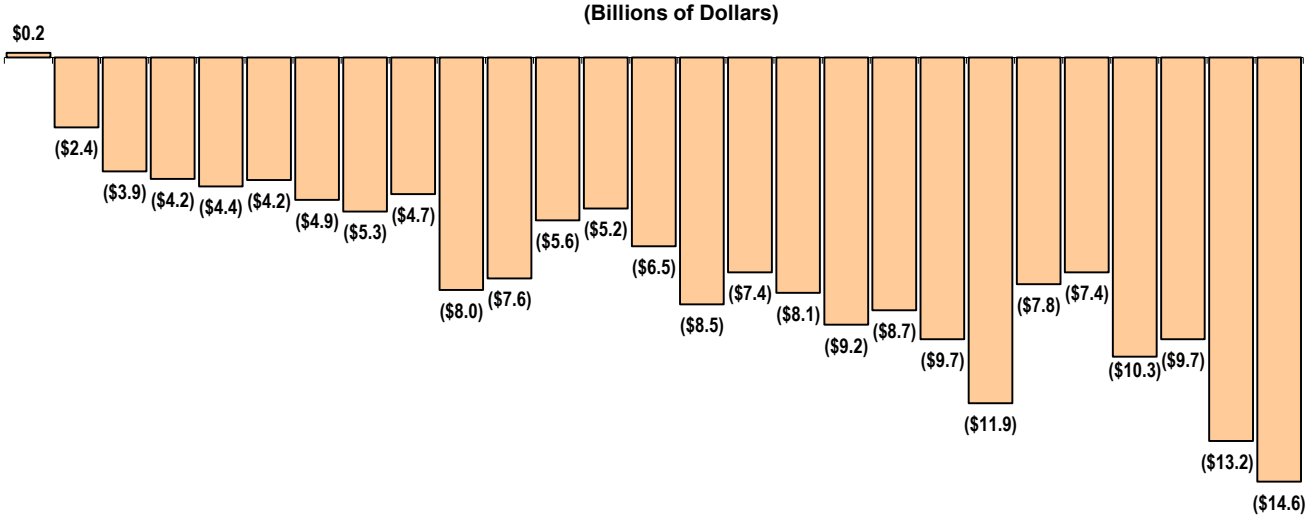
Article IX, Section 26, *Constitution of the State of Michigan*, provides that:

> . . . For any fiscal year in the event that Total State Revenue exceed the limit established in this section by 1% or more, the excess revenues shall be refunded pro rata based on the liability reported on the Michigan income tax and single business tax (or its successor tax or taxes) annual returns filed following the close of such fiscal year. If the excess is less than 1%, this excess may be transferred to the State Budget Stabilization Fund . . .

Furthermore, the state is prohibited from spending any current year revenue in excess of the limit established in Section 26 by Article IX, Section 28.

The final FY 2023-24 revenue limit calculation indicates that the state revenue collections were under the revenue limit by $9.7 billion. For both FY 2024-25 and FY 2025-26, state revenue is estimated to be substantially below the revenue limit by roughly $13.2 billion and $14.6 billion, respectively.

CONSTITUTIONAL REVENUE LIMIT
(Billions of Dollars)



**FY 25 and FY 26 are consensus estimates*

FY 2025-26
BALANCE SHEETS

The balance sheets below summarize estimated General Fund/General Purpose, School Aid Fund, and Merit Award Trust Fund revenues, expenditures, and balance amounts for FY 2025-26 based on the year-to-date state budget.

FY 2025-26 GENERAL FUND/GENERAL PURPOSE BALANCE SHEET
(Millions of Dollars)

Estimated Beginning Fund Balance	**$828.3**
Revenues	
May 2025 consensus revenue estimate	$15,114.6
OBBBA Income Tax Coupling of Tips and Overtime	(157.5)
Eliminate Sales Tax on Gas (Jan 1, 2026)	(593.8)
Exempting Tier 3 Social Security	(22.0)
Redirect CIT to Roads	(88.0)
Miscellaneous revenue adjustments	(52.7)
Revenue Sharing: Ongoing	(552.2)
Revenue sharing trust fund/public safety trust fund	(125.0)
Total Estimated Revenues	**$13,523.4**
Expenditures	
Appropriations: Ongoing	$13,600.8
Cost Changes to Baseline	763.1
GF/GP Programmatic reductions	(374.3)
Higher Ed GF swap with SAF (one-time)	(400.0)
Appropriations: One-Time	525.0
Total Estimated Expenditures	**$14,114.6**
Estimated Ending Fund Balance	**$237.1**
Ongoing Balance	*$251.4*
One-Time Balance	*($14.3)*

Note: Numbers may not add due to rounding.

FY 2025-26 SCHOOL AID FUND BALANCE SHEET
(Millions of Dollars)

Estimated Beginning Fund Balance	**$995.1**
Revenues	
May 2025 consensus revenue estimate	$18,934.3
GF/GP Grant	73.2
Restricted SAF revenues	68.9
Federal Aid	2,407.7
Total Estimated Revenues	**$21,484.1**
Expenditures	
School Aid: Ongoing	$19,389.7
School Aid: One-Time	1,244.3
Investments/Reductions	654.7
Work project lapses	(203.2)
Community Colleges: SAF	482.1
Community Colleges: One-Time	11.0
Higher Education: SAF	850.8
Higher Education: SAF - One-Time	0.0
Total Estimated Expenditures	**$22,429.4**
Estimated Ending Fund Balance	**$49.8**
Ongoing Balance	$10.5
One-Time Balance	$39.3

Note: Numbers may not add due to rounding.

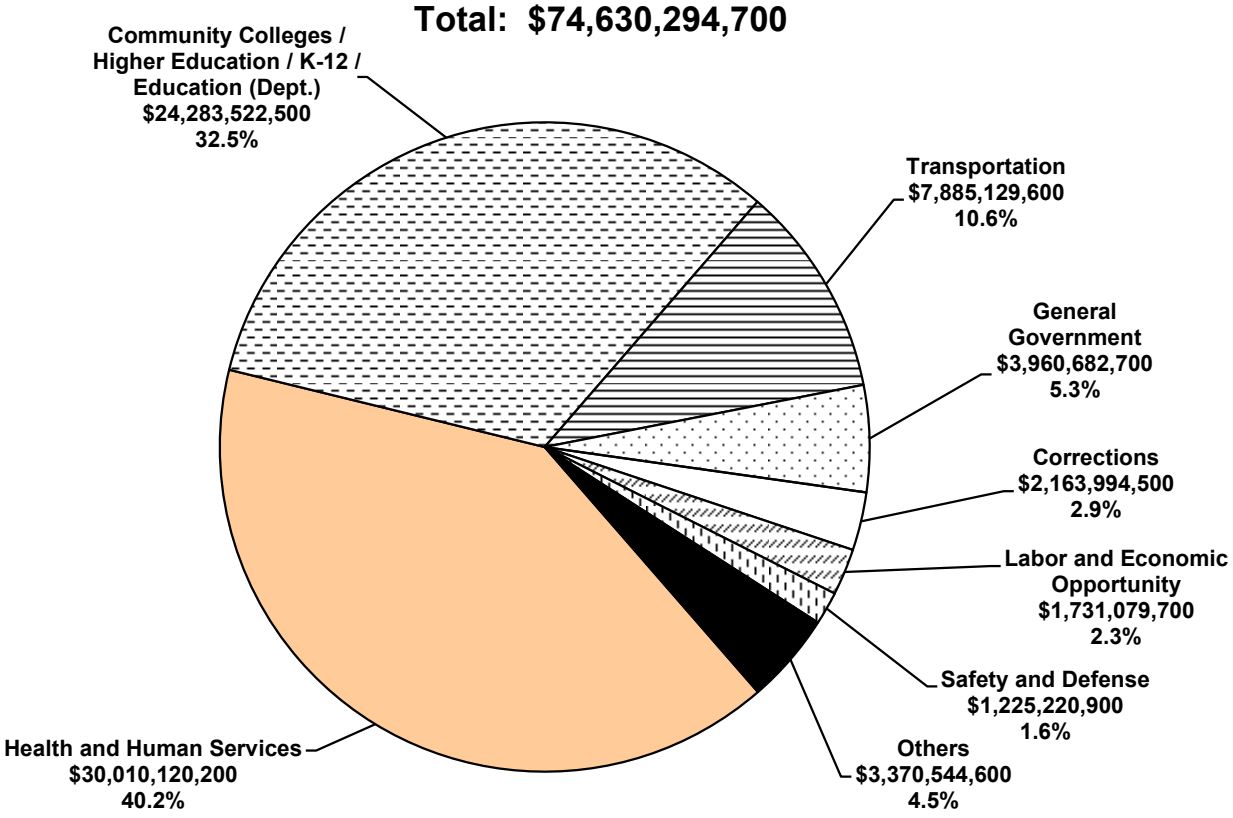
FY 2025-26 MERIT AWARD TRUST FUND BALANCE SHEET
(Millions of Dollars)

Estimated Beginning Fund Balance	**$17.4**
Revenues	
Annual tobacco settlement payment due to Michigan	$226.9
Debt service payments for prior securitization	(54.7)
Deposit to 21st Century Jobs Fund	(75.0)
Repayment to Budget Stabilization Fund for Detroit settlement payment	0.0
Transfer to Community District Education Trust Fund	0.0
Interest	2.1
Total Estimated Net Revenues	**$99.3**
Expenditures	
Attorney General: Administration	$0.5
Community Health: Medicaid base funding	82.7
Community Health: Aging – Respite care	4.1
State Police: Tobacco settlement enforcement	0.9
MiLEAP: Tuition Incentive Program administration	1.2
Total Estimated Expenditures	**$89.4**
Estimated Ending Fund Balance	**$27.3**

Note: Numbers may not add due to rounding.

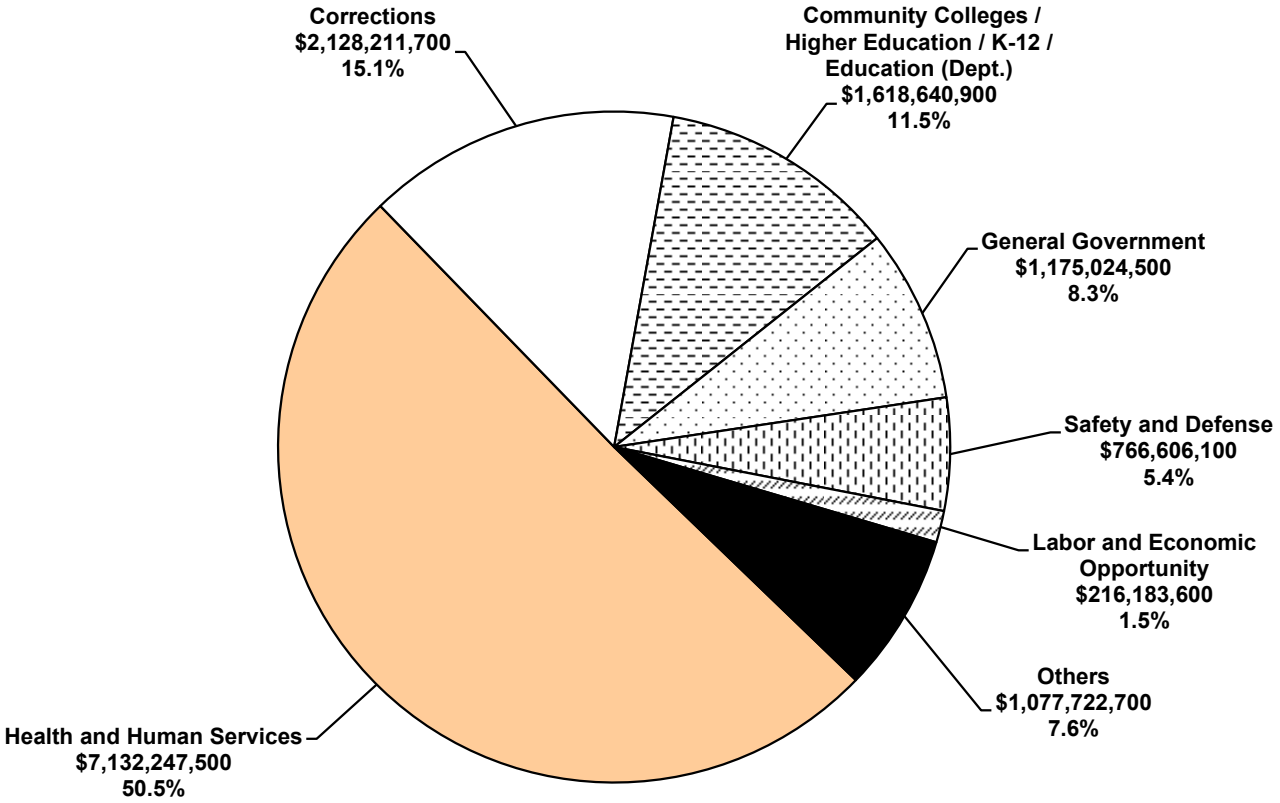
FY 2025-26 Year-to-Date Adjusted Gross Appropriations

Total: $74,630,294,700

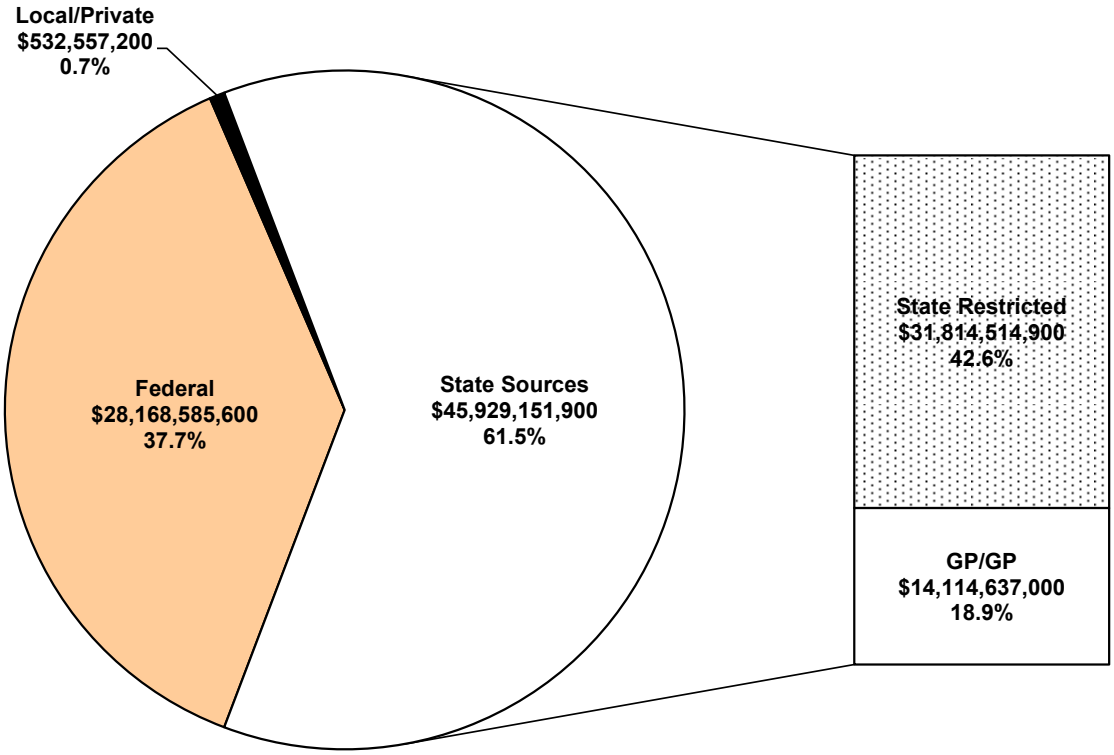


FY 2025-26 Year-to-Date General Fund/General Purpose (GF/GP) Appropriations

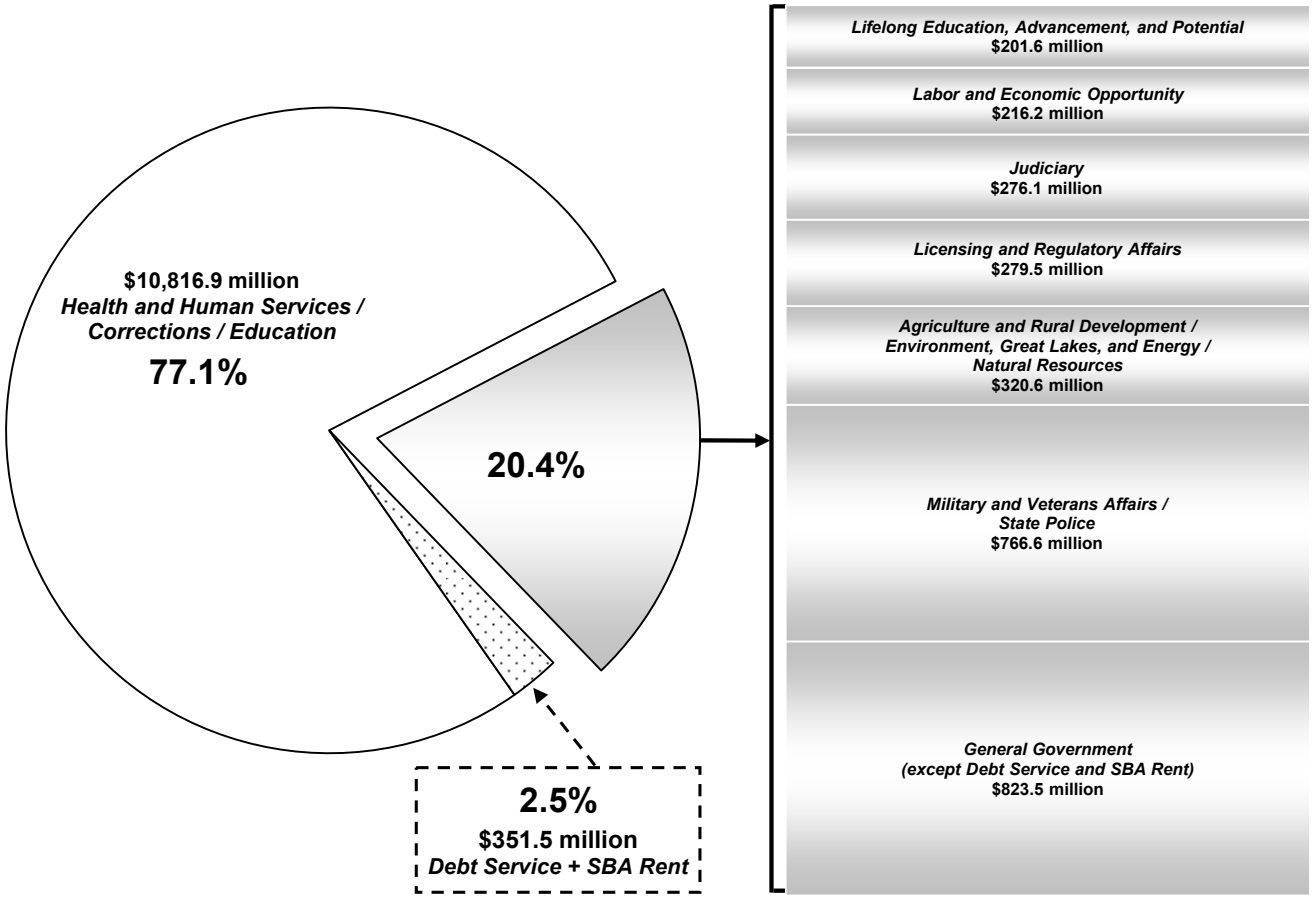
Total: $14,114,637,000



FY 2025-26 Year-to-Date Adjusted Gross Sources = $74,630,294,700



FY 2025-26 Year-to-Date GF/GP Distribution = $14,114,637,000



SUMMARY TABLES

In the following tables, FY 2024-25 Enacted (as of 2/5/2025) and FY 2025-26 appropriations as enacted.

Table 1 (page 15) details the FY 2025-26 appropriations by Source of Funds. When interdepartmental grants and intradepartmental transfers are deducted (to avoid double counting), gross appropriations of $75,947.9 million reduce to $74,630.3 million in adjusted gross appropriations.

Table 2 (page 16) and **Table 3** (page 17) compares FY 2024-25 to FY 2025-26 enacted appropriations.

Adjusted Gross Appropriations decrease from $81,528.2 million in FY 2024-25 to $74,630.3 million in FY 2025-26, a decrease of $6,897.9 million or 8.5%.

GF/GP Appropriations decrease from $14,875.5 million in FY 2024-25 to $14,114.6 million in FY 2025-26, a decrease of $760.8 million or 5.1%.

Table 4 (page 18) compares the number of authorized Full-Time Equated (FTE) Positions (classified and unclassified) from FY 2024-25 to FY 2025-26. A decrease of 1,797.5 FTEs is shown in Table 4—from 56,319.7 in FY 2024-25 to 54,522.2 in FY 2025-26. Each FTE is equivalent to 2,088 hours of employee compensated time (including overtime, annual leave, and used sick leave) during the year.

Table 5 (page 19) shows FY 2025-26 State Spending from State Sources Paid to Local Governments and compares enacted payments to local units of government to the amount of spending from state sources provided in each budget. Pursuant to Article IX, Section 30 of the *Constitution of the State of Michigan of 1963*, at least 48.97% of state spending from state resources must be paid to all units of local government. The enacted FY 2025-26 budget provides for $24,896.0 million in state spending to local units of government, 54.2% of the estimated $45,929.2 million in state spending from state resources—well above the constitutional requirement.

TABLE 1
FY 2025-26 ENACTED APPROPRIATIONS BY SOURCE OF FUNDS

Department/Budget Area	Gross	IDG/IDT	Adjusted Gross	Federal	Local	Private	State Restricted	GF/GP
Agriculture and Rural Development	$145,885,000	$336,600	$145,548,400	$20,079,600	$0	$0	$47,972,400	$77,496,400
Attorney General	126,400,600	39,381,700	87,018,900	10,567,200	0	950,000	30,223,700	45,278,000
Capital Outlay	0	0	0	0	0	0	0	0
Civil Rights	28,439,700	0	28,439,700	2,899,300	0	18,700	58,500	25,463,200
Community Colleges	493,032,100	0	493,032,100	0	0	0	493,032,100	0
Corrections	2,163,994,500	0	2,163,994,500	5,203,700	275,000	0	30,304,100	2,128,211,700
Education	164,746,700	0	164,746,700	83,575,100	5,884,200	2,547,500	10,193,800	62,546,100
Environment, Great Lakes, and Energy	967,719,600	4,129,100	963,590,500	464,268,500	0	1,404,200	327,853,700	170,064,100
Executive Office	9,609,200	0	9,609,200	0	0	0	0	9,609,200
Health and Human Services	30,025,568,200	15,448,000	30,010,120,200	20,776,106,700	183,204,100	178,884,400	1,739,677,500	7,132,247,500
Higher Education	2,336,912,000	0	2,336,912,000	3,200,000	0	0	850,768,300	1,482,943,700
Insurance and Financial Services	79,406,400	763,800	78,642,600	250,000	0	0	78,392,600	0
Judiciary	383,621,700	1,902,300	381,719,400	7,270,900	0	1,906,400	96,468,300	276,073,800
Labor and Economic Opportunity (MSF)	1,731,079,700	0	1,731,079,700	1,188,234,200	6,200,000	8,088,200	312,373,700	216,183,600
Legislative Auditor General	31,706,300	7,445,000	24,261,300	0	0	0	2,512,900	21,748,400
Legislature	200,815,800	0	200,815,800	0	0	474,700	5,503,800	194,837,300
Licensing and Regulatory Affairs	626,006,900	30,192,600	595,814,300	30,369,700	0	0	285,958,900	279,485,700
Lifelong Ed., Advance., and Potential	662,243,200	0	662,243,200	457,769,900	0	1,000,000	1,880,000	201,593,300
Military and Veterans Affairs	290,166,300	101,800	290,064,500	148,840,000	0	100,000	12,953,500	128,171,000
Natural Resources	543,194,300	208,100	542,986,200	100,214,800	0	7,609,200	362,152,800	73,009,400
School Aid	21,288,831,700	0	21,288,831,700	2,407,708,500	0	0	18,807,972,100	73,151,100
State	294,983,000	20,000,000	274,983,000	1,460,000	0	50,100	261,503,800	11,969,100
State Police	964,186,600	29,030,200	935,156,400	101,314,700	5,035,600	35,000	190,336,000	638,435,100
Tech., Mgmt. and Budget: Operations	1,581,824,700	1,152,596,000	429,228,700	4,393,300	2,360,100	229,400	145,578,700	276,667,200
Tech., Mgmt. and Budget: SBA Rent	261,651,700	0	261,651,700	0	0	0	0	261,651,700
Transportation	7,889,495,800	4,366,200	7,885,129,600	2,329,605,500	87,448,500	20,500,000	5,447,575,600	0
Treasury: Operations	879,222,500	11,670,700	867,551,800	25,254,000	15,311,600	3,040,300	586,026,500	237,919,400
Treasury: Debt Service	89,881,000	0	89,881,000	0	0	0	0	89,881,000
Treasury: Revenue Sharing	1,687,241,600	0	1,687,241,600	0	0	0	1,687,241,600	0
TOTAL APPROPRIATIONS	**$75,947,866,800**	**$1,317,572,100**	**$74,630,294,700**	**$28,168,585,600**	**$305,719,100**	**$226,838,100**	**$31,814,514,900**	**$14,114,637,000**

TABLE 2

ADJUSTED GROSS APPROPRIATIONS
FY 2025-26 Enacted Appropriations Compared with FY 2024-25 YTD

Department/Budget Area	FY 2024-25 YTD as of 2/5/25	FY 2025-26 Enacted	FY 2025-26 vs. FY 2024-25 Difference	
Agriculture and Rural Development	$156,606,500	$145,548,400	($11,058,100)	(7.1%)
Attorney General	90,281,100	87,018,900	(3,262,200)	(3.6%)
Capital Outlay	0	0	0	--
Civil Rights	29,163,500	28,439,700	(723,800)	(2.5%)
Community Colleges	462,220,800	493,032,100	30,811,300	6.7%
Corrections	2,147,379,000	2,163,994,500	16,615,500	0.8%
Education	164,975,100	164,746,700	(228,400)	(0.1%)
Environment, Great Lakes, and Energy	1,035,012,700	963,590,500	(71,422,200)	(6.9%)
Executive Office	9,337,100	9,609,200	272,100	2.9%
Health and Human Services	37,631,523,200	30,010,120,200	(7,621,403,000)	(20.3%)
Higher Education	2,324,292,600	2,336,912,000	12,619,400	0.5%
Insurance and Financial Services	77,867,900	78,642,600	774,700	1.0%
Judiciary	371,039,100	381,719,400	10,680,300	2.9%
Labor and Economic Opportunity (MSF)	2,421,794,500	1,731,079,700	(690,714,800)	(28.5%)
Legislative Auditor General	23,902,900	24,261,300	358,400	1.5%
Legislature	200,643,300	200,815,800	172,500	0.1%
Licensing and Regulatory Affairs	621,056,200	595,814,300	(25,241,900)	(4.1%)
Lifelong Ed., Advance., and Potential	643,994,200	662,243,200	18,249,000	2.8%
Military and Veterans Affairs	275,802,300	290,064,500	14,262,200	5.2%
Natural Resources	534,372,800	542,986,200	8,613,400	1.6%
School Aid	20,770,275,400	21,288,831,700	518,556,300	2.5%
State	271,839,900	274,983,000	3,143,100	1.2%
State Police	925,918,700	935,156,400	9,237,700	1.0%
Tech., Mgmt. and Budget: Operations	597,072,200	429,228,700	(167,843,500)	(28.1%)
Tech., Mgmt. and Budget: SBA Rent	246,170,600	261,651,700	15,481,100	6.3%
Transportation	6,803,583,600	7,885,129,600	1,081,546,000	15.9%
Treasury: Operations	821,484,600	867,551,800	46,067,200	5.6%
Treasury: Debt Service	95,087,000	89,881,000	(5,206,000)	(5.5%)
Treasury: Revenue Sharing	1,775,490,100	1,687,241,600	(88,248,500)	(5.0%)
TOTAL APPROPRIATIONS	**$81,528,186,900**	**$74,630,294,700**	**($6,897,892,200)**	**(8.5%)**

TABLE 3

GENERAL FUND/GENERAL PURPOSE APPROPRIATIONS
FY 2025-26 Enacted Appropriations Compared with FY 2024-25 YTD

Department/Budget Area	FY 2024-25 YTD as of 2/5/25	FY 2025-26 Enacted	FY 2025-26 vs. FY 2024-25 Difference	
Agriculture and Rural Development	$89,056,400	$77,496,400	($11,560,000)	(13.0%)
Attorney General	57,409,100	45,278,000	(12,131,100)	(21.1%)
Capital Outlay	0	0	0	--
Civil Rights	26,195,400	25,463,200	(732,200)	(2.8%)
Community Colleges	500,000	0	(500,000)	(100.0%)
Corrections	2,097,010,100	2,128,211,700	31,201,600	1.5%
Education	63,896,100	62,546,100	(1,350,000)	(2.1%)
Environment, Great Lakes, and Energy	260,710,300	170,064,100	(90,646,200)	(34.8%)
Executive Office	9,337,100	9,609,200	272,100	2.9%
Health and Human Services	6,717,231,000	7,132,247,500	415,016,500	6.2%
Higher Education	1,859,424,300	1,482,943,700	(376,480,600)	(20.2%)
Insurance and Financial Services	0	0	0	--
Judiciary	266,113,900	276,073,800	9,959,900	3.7%
Labor and Economic Opportunity (MSF)	793,569,400	216,183,600	(577,385,800)	(72.8%)
Legislative Auditor General	21,427,000	21,748,400	321,400	1.5%
Legislature	194,753,100	194,837,300	84,200	0.0%
Licensing and Regulatory Affairs	308,605,700	279,485,700	(29,120,000)	(9.4%)
Lifelong Ed., Advance., and Potential	136,489,300	201,593,300	65,104,000	47.7%
Military and Veterans Affairs	117,694,100	128,171,000	10,476,900	8.9%
Natural Resources	76,757,000	73,009,400	(3,747,600)	(4.9%)
School Aid	78,830,600	73,151,100	(5,679,500)	(7.2%)
State	11,969,100	11,969,100	0	0.0%
State Police	646,861,000	638,435,100	(8,425,900)	(1.3%)
Tech., Mgmt. and Budget: Operations	293,793,400	276,667,200	(17,126,200)	(5.8%)
Tech., Mgmt. and Budget: SBA Rent	246,170,600	261,651,700	15,481,100	6.3%
Transportation	193,000,000	0	(193,000,000)	(100.0%)
Treasury: Operations	213,568,700	237,919,400	24,350,700	11.4%
Treasury: Debt Service	95,087,000	89,881,000	(5,206,000)	(5.5%)
Treasury: Revenue Sharing	0	0	0	--
TOTAL APPROPRIATIONS	**$14,875,459,700**	**$14,114,637,000**	**($760,822,700)**	**(5.1%)**

TABLE 4

AUTHORIZED FULL-TIME EQUATED (FTE) POSITIONS*
FY 2025-26 Enacted Compared with FY 2024-25 Year-to-Date

Department/Budget Area	FY 2024-25 YTD as of 2/5/25	FY 2025-26 Enacted	FY 2025-26 vs. FY 2024-25 Difference	
Agriculture and Rural Development	556.0	552.0	(4.0)	(0.7%)
Attorney General	627.4	685.0	57.6	9.2%
Capital Outlay	0.0	0.0	0.0	--
Civil Rights	175.0	174.0	(1.0)	(0.6%)
Community Colleges	0.0	0.0	0.0	--
Corrections	13,227.0	12,774.0	(453.0)	(3.4%)
Education	574.5	568.5	(6.0)	(1.0%)
Environment, Great Lakes, and Energy	1,652.0	1,637.0	(15.0)	(0.9%)
Executive Office	96.2	96.2	0.0	0.0%
Health and Human Services	15,941.5	15,114.5	(827.0)	(5.2%)
Higher Education	0.0	0.0	0.0	--
Insurance and Financial Services	404.5	396.5	(8.0)	(2.0%)
Judiciary	643.5	643.5	0.0	0.0%
Labor and Economic Opportunity (MSF)	2,671.5	2,633.5	(38.0)	(1.4%)
Legislative Auditor General	0.0	0.0	0.0	--
Legislature	0.0	0.0	0.0	--
Licensing and Regulatory Affairs	1,821.0	1,813.0	(8.0)	(0.4%)
Lifelong Ed., Advance., and Potential	343.0	348.0	5.0	1.5%
Military and Veterans Affairs	1,060.0	976.0	(84.0)	(7.9%)
Natural Resources	2,545.3	2,515.2	(30.1)	(1.2%)
School Aid	0.0	0.0	0.0	--
State	1,635.0	1,607.0	(28.0)	(1.7%)
State Police	3,856.0	3,576.0	(280.0)	(7.3%)
Tech., Mgmt. and Budget: Operations	3,249.5	3,238.5	(11.0)	(0.3%)
Tech., Mgmt. and Budget: SBA Rent	0.0	0.0	0.0	--
Transportation	3,228.3	3,208.3	(20.0)	(0.6%)
Treasury: Operations	2,012.5	1,965.5	(47.0)	(2.3%)
Treasury: Debt Service	0.0	0.0	0.0	--
Treasury: Revenue Sharing	0.0	0.0	0.0	--
TOTAL FTE POSITIONS	**56,319.7**	**54,522.2**	**(1,797.5)**	**(3.2%)**

** Includes classified, unclassified, and nonlegislative exempt positions. Represents authorized/estimated positions, not necessarily actual positions funded.*

TABLE 5

STATE SPENDING FROM STATE SOURCES PAID TO LOCAL GOVERNMENTS
FY 2025-26 Enacted Appropriations

Department/Budget Area	Spending From State Sources	State Spending to Local Government Units	% of State Spending From State Sources as Payment to Locals
Agriculture and Rural Development	$125,468,800	$11,800,000	9.4%
Attorney General	75,501,700	0	0.0%
Capital Outlay	0	0	--
Civil Rights	25,521,700	0	0.0%
Community Colleges	493,032,100	493,032,100	100.0%
Corrections	2,158,515,800	118,042,500	5.5%
Education	72,739,900	18,547,700	25.5%
Environment, Great Lakes, and Energy	497,917,800	59,133,300	11.9%
Executive Office	9,609,200	0	0.0%
Health and Human Services	8,871,925,000	2,096,123,300	23.6%
Higher Education	2,333,712,000	0	0.0%
Insurance and Financial Services	78,392,600	0	0.0%
Judiciary	372,542,100	151,181,500	40.6%
Labor and Economic Opportunity (MSF)	528,557,300	49,464,000	9.4%
Legislative Auditor General	24,261,300	0	0.0%
Legislature	200,341,100	0	0.0%
Licensing and Regulatory Affairs	565,444,600	258,016,800	45.6%
Lifelong Ed., Advance., and Potential	203,473,300	500,000	0.2%
Military and Veterans Affairs	141,124,500	4,178,000	3.0%
Natural Resources	435,162,200	10,596,800	2.4%
School Aid	18,881,123,200	17,433,304,100	92.3%
State	273,472,900	11,715,900	4.3%
State Police	828,771,100	37,371,900	4.5%
Tech., Mgmt. and Budget: Operations	422,245,900	6,000,000	1.4%
Tech., Mgmt. and Budget: SBA Rent	261,651,700	0	0.0%
Transportation	5,447,575,600	336,382,300	6.2%
Treasury: Operations	823,945,900	2,113,349,400	256.5%
Treasury: Debt Service	89,881,000	0	0.0%
Treasury: Revenue Sharing	1,687,241,600	1,687,241,600	100.0%
TOTALS	**$45,929,151,900**	**$24,895,981,200**	**54.2%**

FY 2025-26
Budget Detail

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
Summary of FY 2025-26 Enacted
Public Act 22 of 2025 (House Bill 4706, Article 1)

Analyst: William E. Hamilton

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Enacted	*Difference: Enacted From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$332,400	$336,600	*$4,200*	*1.3*
Federal	20,357,900	20,079,600	*(278,300)*	*(1.4)*
Local	0	0	*0*	*--*
Private	21,300	0	*(21,300)*	*(100.0)*
Restricted	47,170,900	47,972,400	*801,500*	*1.7*
GF/GP	89,056,400	77,496,400	*(11,560,000)*	*(13.0)*
Gross	**$156,938,900**	**$145,885,000**	***($11,053,900)***	***(7.0)***
FTEs	556.0	552.0	*(4.0)*	*(0.7)*

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

Overview

Michigan Department of Agriculture and Rural Development (MDARD) key programs and priorities include ensuring food safety and security, protecting animal health and welfare, managing invasive exotic species, regulating pesticide use, certifying agricultural commodities, ensuring environmental stewardship, consumer protection, and promoting the state's agricultural economy.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
1. Accounting Service Center	**Gross**	**$1,177,400**	**$13,500**
Includes a $13,500 baseline increase, from state restricted funds, for line used to reimburse the Michigan Department of Transportation for accounting services.	Restricted	0	13,500
	GF/GP	$1,177,400	$0
2. Emergency Management – Preparedness, Readiness, Response	FTE	8.0	0.0
Reduces baseline GF/GP funding by $800,000 with no change in FTEs.	**Gross**	**$3,553,100**	**($800,000)**
	Federal	1,039,000	0
	GF/GP	$2,514,100	($800,000)
3. Emerging Contaminates in Food and Agriculture	FTE	6.0	0.0
Reduces ongoing funding by $500,000 GF/GP with no change in FTEs. (Also shifts $250,000 GF/GP from ongoing to one-time.)	**Gross**	**$2,109,900**	**($500,000)**
	GF/GP	$2,109,900	($500,000)
4. Food Safety and Quality Assurance	FTE	103.0	0.0
Retains baseline funding but shifts $500,000 GF/GP from ongoing to one-time.	**Gross**	**$18,833,700**	**$0**
	Federal	2,769,500	0
	Restricted	6,354,200	0
	GF/GP	$9,710,000	$0
5. Michigan Animal Agriculture Alliance	**Gross**	**$3,000,000**	**($1,500,000)**
Reduces ongoing funding by $1.5 million GF/GP. (Also shifts $1.5 million GF/GP from ongoing to one-time.)	GF/GP	$3,000,000	($1,500,000)

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
6. Agricultural Climate Resiliency/Soil Health and Regenerative Agriculture	FTE	5.0	0.0
	Gross	**$7,124,900**	**($5,100,000)**
Consolidates two FY 2024-25 line items – both intended to promote the principles of regenerative agriculture – into a single Soil Health and Regenerative Agriculture line item. Enacted budget retains $2.0 million GF/GP in ongoing funding and authorization for 5.0 FTE positions but does not retain $5.1 million one-time appropriation.	GF/GP	$7,124,900	($5,100,000)
7. Local Conservation Districts	**Gross**	**$3,000,000**	**$0**
Retains $3.0 million GF/GP in ongoing funding.	GF/GP	$3,000,000	$0
8. Pesticide and Plant Pest Management	FTE	82.0	(2.0)
	Gross	**$14,506,900**	**$0**
Retains baseline funding; reduces staffing authorization by 2.0 FTEs (no associated funding reduction.)	Federal	1,301,000	0
	Private	21,300	0
	Restricted	7,142,100	0
	GF/GP	$6,042,500	$0
9. Fair Food Network – Double Up Food Bucks	**Gross**	**$5,000,000**	**$0**
Retains $5.0 million GF/GP for program that provides a supplemental benefit to SNAP recipients for the purchase of fresh fruits and vegetables, but shifts $1.0 million from ongoing to one-time.	GF/GP	$5,000,000	$0
10. Food and Agriculture Investment Grant Program	**Gross**	**$2,474,800**	**($25,500)**
Reduces by $25,500 GF/GP.	GF/GP	$2,474,800	($25,500)
11. Food and Agriculture Supply Chain	FTE	1.0	0.0
	Gross	**$804,900**	**$0**
Retains current-year funding but shifts $500,000 from ongoing to one-time.	GF/GP	$804,900	$0
13. Qualified Forest Program	FTE	4.0	0.0
	Gross	**$8,107,000**	**($300,000)**
Reduces by $300,000 GF/GP.	Federal	5,400,000	0
	Restricted	1,080,100	0
	GF/GP	$1,626,900	($300,000)
13. Laboratory and Consumer Protection	FTE	108.5	(2.0)
	Gross	**$19,332,400**	**($200,000)**
Reduces Laboratory Services by $200,000 GF/GP; cuts 2.0 FTE positions from the USDA Monitoring program (no associated decrease in funding).	IDG	236,800	0
	Federal	3,479,500	0
	Restricted	8,087,600	0
	GF/GP	$7,528,500	($200,000)
14. Removal of FY 2024-25 One-Time Appropriations	**Gross**	**$3,900,000**	**($3,900,000)**
Removes $3.9 million GF/GP in one-time funding items included in the FY 2024-25 budget:	GF/GP	$3,900,000	($3,900,000)
• Animal disease prevention and response, ($2.0 million) • Animal welfare grants, ($500,000) • Fruit and vegetable prescription program, ($500,000) • Underserved-owned food and agriculture ventures, ($500,000) • Agriculture stewardship study, ($250,000) • Flint farmer's market, ($150,000)			
Note that an additional FY 2024-25 one-time funding item, $5.1 million for Agricultural Climate Resiliency, is described in Item #6 above. Also, note that the enacted FY 2025-26 budget includes $4.0 million GF/GP in one-time items, all related to shifts, described above, from ongoing appropriations to one-time.			

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
15. Economic Adjustments	**Gross**	**NA**	**$1,258,100**
Reflects increased costs of $1.3 million Gross ($765,500 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	IDG/IDT	NA	4,200
	Federal	NA	71,700
	Restricted	NA	416,700
	GF/GP	NA	$765,500

Major Boilerplate Changes from FY 2024-25

Sec. 206. Communications with the Legislature **– RETAINED (UNENFORCEABLE)**
With certain specific exceptions, this section prohibits the department from taking disciplinary action against an employee for communicating with a member of the legislature or legislative staff. Enacted budget retains standard language. (*The Governor has deemed this section as unenforceable in that it impinged on executive branch authority in violation of Article 3, Section 2 of the Michigan Constitution which deals with the separation of powers*.)

Sec. 208. Hire of Outside Legal Counsel **– DELETED**
Deletes section that prohibits the department from hiring a person to provide legal services that are the responsibility of the Attorney General; exempts legal services for bonding activities and outside legal services authorized by the Attorney General.

Sec. 226. State Workforce **– NEW**
Requires the department to maximize utilization of in-person state workforce.

Sec. 227. Accessibility of Required Reports **– NEW**
Requires the department to make each required report readily accessible to the public and conspicuously post each required report in a single archivable location on the department's or agency's Michigan.gov website.

Sec. 228. E-Verify Requirement **– NEW**
Requires the department to require all contractors and subcontractors to agree to use the E-Verify system to verify that all people hired during the contract term are legally present and authorized to work in the United States; allows the department to verify the information directly or receive certification from the contractor; requires the department to submit a report describing the processes it has developed and implemented.

Sec. 232. Federal Policy Changes **– NEW**
Requires the department to report on federal policy changes that affect department operations, affect industry or other groups, affect current regulations, or create a regulatory gap.

Sec. 234. Annual Legacy Costs **– NEW**
Identifies estimated department "legacy costs" for the fiscal year ending September 30, 2026 of $8.9 million, of which pension related costs were $8.0 million and retiree health care costs $870,100.

Sec. 235. Annual Strategic Plan Report **– NEW**
Requires the department, not later than April 1, to provide standard report recipients a copy of its annual strategic plan.

Sec. 236. Report on Court Settlements **– NEW**
Requires the department to report on any court settlement that may require further legislative review of statutory programs or regulations.

Sec. 237. Report on Private and Other 3rd Party Funds **– NEW**
Requires the department, by November 15, to disclose on a publicly accessible website, private and other third-party funds received by the department in the previous fiscal year.

Sec. 239. Requirements for Legislatively Directed Spending Items **– NEW**
Includes new language governing legislatively directed spending items.

Sec. 302. Contracts and Grants Notification Requirements **– REVISED**
Retains, with modified language, section that requires the department to provide notice of contracts or grant awards. Enacted budget modifies to require the department to notify legislators when grantees are located within legislative district.

FY 2024-25 Supplemental Appropriation Items **Public Act 22 of 2025 (House Bill 4706, Article 16)**		**Appropriation Change**
1. Food Safety and Quality Assurance	**Gross**	**$1,000,000**
Authorizes $1.0 million from Dairy and Food Safety Fund revenues to be expended for information technology enhancements to MDARD's food inspection regulatory system.	Restricted	1,000,000
	GF/GP	$0

COMMUNITY COLLEGES
Summary of FY 2025-26 Enacted
Public Act 15 of 2025 (Senate Bill 166, Article 2)

Analyst: Perry Zielak

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Enacted	*Difference: Enacted From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$0	$0	*$0*	--
Federal	0	0	*0*	--
Local	0	0	*0*	--
Private	0	0	*0*	--
Restricted	461,720,800	493,032,100	*31,311,300*	*6.8*
GF/GP	500,000	0	*(500,000)*	*(100.0)*
Gross	**$462,220,800**	**$493,032,100**	***$30,811,300***	***6.7***

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

Overview

The Community Colleges budget, contained in Article II of the compiled School Aid Act, provides funding for operational support of the 28 public community colleges located throughout the state and some retirement costs for employees who participate in the state public school employee retirement system. Community colleges offer a wide variety of educational programs, including traditional two-year transfer programs, associate degrees, career and technical education, developmental and remedial education, continuing education, and baccalaureate programs in a limited number of areas. The colleges are supported primarily through a combination of state aid, local property tax revenue, and tuition and fees.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		**FY 2024-25 Year-to-Date (as of 2/5/25)**	**FY 2025-26 Enacted Change**
1. Community College Operations Increase	**Gross**	**$366,931,800**	**$7,611,300**
Includes a net increase of $7.6 million School Aid Fund (SAF) for community college operations, a 2.1% increase when compared to FY 2024-25 ongoing plus one-time operations appropriations. This includes: • $11.0 million SAF, or 3.0%, one-time increase to operations grants for community colleges when compared to FY 2024-25 ongoing operations, which will be distributed through the performance funding formula. • Removal of $3.6 million SAF one-time operations funding. • $207,100 SAF increase based on FY 2023-24 North American Indian Tuition Waiver (ITW) program costs reported by institutions. Attainment of the one-time performance funding increase will be conditioned on restraining in-district tuition and fee increases to the greater of 4.5% or $227 (set at 4.5% or $217 in the current year). Projected funding increases for individual community colleges will range from 1.5% to 3.2%. Total funding for operations will be $374.5 million SAF.	Restricted	366,931,800	7,611,300
	GF/GP	$0	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
2. Michigan Public School Employee Retirement System (MPSERS) State Share of Unfunded Actuarial Accrued Liability (UAAL) Stabilization Payment	**Gross**	**$62,100,000**	**$27,400,000**
	Restricted	62,100,000	27,400,000
	GF/GP	$0	$0
Increases funding by $27.4 million SAF for the state's share of community colleges' MPSERS UAAL, a 44.1% increase. The state's share is the difference between the calculated UAAL contribution to the system and the employer contribution cap of 15.21% of payroll set by the Public School Employees Retirement Act (MCL 38.1341), which was lowered from 20.96% to 15.21% beginning in FY 2025-26. Total funding for the state share of MPSERS will be $89.5 million SAF.			
3. MPSERS Normal Cost Offset	**Gross**	**$21,800,000**	**($2,200,000)**
Decreases funding by $2.2 million SAF for the community colleges' MPSERS normal cost offset, a 10.1% decrease, due to a lower contribution needed to cover retirement benefits and maintain the assumed rate of return at 6.0%. Total funding for the MPSERS normal cost offset will be $19.6 million SAF.	Restricted	21,800,000	(2,200,000)
	GF/GP	$0	$0
4. Removal of FY 2024-25 One-Time Appropriations	**Gross**	**$2,000,000**	**($2,000,000)**
Removes $2.0 million Gross ($500,000 GF/GP) of one-time funding that was included in the FY 2024-25 budget to support the following: • Career and Education Navigators for Adult Learners ($1.2 million SAF). • Public-Service-Focused Careers program ($500,000 GF/GP). • Kalamazoo Valley Community College Internet Accessibility ($350,000 SAF).	Restricted	1,500,000	(1,500,000)
	GF/GP	$500,000	($500,000)

Major Boilerplate Changes from FY 2024-25

***Sec. 201f. One-Time Performance Funding Payment Detail* – REVISED**
Revises language detailing the one-time performance funding payment allocations for FY 2025-26.

***Sec. 201g. State Fiscal Recovery Funds Reallocation Authorization* – DELETED**
Deletes language that directs the state budget director to reallocate state fiscal recovery funds that are in jeopardy of not meeting the expenditure deadline of December 31, 2026.

***Sec. 201h. MPSERS Normal Cost FY 2023-24 Supplemental Appropriation Detail* – DELETED**
Deletes language that increases the FY 2023-24 MPSERS Normal Cost by $1.3 million SAF due to reported payroll of community colleges being slightly higher than original projections.

***Sec. 201i. Legislatively Directed Spending Items* – NEW**
Adds language that specifies a standard grant distribution process that would establish a process to review, complete, and execute a grant agreement with a grant recipient; verify that a grant recipient will utilize funds for a public purpose; review and verify all necessary information to ensure the grant recipient is able to execute the grant agreement; and include an oversight process of distributed grant funds.

***Sec. 207b. MPSERS State Share of Unfunded Actuarial Accrued Liability (UAAL) Appropriation* – REVISED**
Specifies the purpose and allocation method for the state's share of community colleges' UAAL payment to MPSERS. Revises employer rate cap from 20.96% to 15.21% to reflect statutory changes made in FY 2024-25.

***Sec. 210. Collaboration With Four-Year Universities, Local Employers, and Each Other* – REVISED**
Encourages community colleges to collaborate with four-year universities, particularly in areas of training, instruction, and program articulation. Also encourages community colleges to collaborate with local employers and each other to identify local employment needs and to work with universities to develop equivalency standards. Revises language to require community colleges to collaborate with four-year universities, local employers and each other.

COMMUNITY COLLEGES

Major Boilerplate Changes from FY 2024-25

Sec. 210d. Reverse Transfer Agreements **– REVISED**
Encourages community colleges to work with public universities to increase the number of students awarded community college credentials as a result of "reverse transfer" of credits for university coursework to a community college. Adds language that requires community colleges to consult with the Michigan Department of Lifelong Education, Advancement, and Potential (MiLEAP) at least once an academic year on transfer credits and transfer student policies.

Sec. 212. Cost Containment and Efficiency Initiatives **– REVISED**
Encourages community colleges to evaluate and pursue efficiency and cost-containment measures, including joint ventures, consolidating services, program collaboration, increasing web-based instruction, improving energy efficiency, eliminating low-volume/high-cost instructional programs, self-insurance, and group purchasing. Deletes increasing web-based instruction language.

Sec. 216e. Institutional Best Practices Detail **– REVISED**
Details requirement that community colleges must certify to following at least 2 of 5 institutional best practices to receive both ongoing and one-time performance funding increases, one of which must be the best practice on transfers and working to increase the number of reverse transfer or articulation agreements. Revises language to remove reference tying compliance with the requirements to one-time operations payments.

Sec. 217a. Community College Annual Reporting Requirements **– REVISED**
Requires each community college to submit Michigan Community College Data Inventory (MCCDI) data, tuition and fee information, longitudinal data system data, degree and certificate award data, and annual independent audits as required by the first business day of November or have monthly payments withheld. Revises language to clarify monthly state operations payments would be withheld.

Sec. 217b. Community College Tuition and Fee Restraint and Annual Rate Report **– REVISED**
Requires community colleges to report tuition and fee rates, the annual cost of tuition and fees for a 30 credit course load, and tuition and fee increases from the prior year to CEPI by the last business day of August; details tuition restraint requirements in order to receive performance funding for FY 2024-25; and requires community colleges to limit in-district tuition and fee increases to 4.5% or $217, whichever is greater. Sets FY 2025-26 tuition and fee restraint to the greater of 4.5% or $227. Revises language that limits FY 2025-26 in-district tuition and fee increases to 4.5% or $227 whichever is greater, and limits FY 2026-27 in-district tuition and fee increases to the greater of 4.0% or $199. Adds language that specifies the state budget director shall implement uniform reporting requirements for tuition restraint, has the sole authority to determine compliance with the requirements, and will report information to the house and senate appropriation subcommittees and fiscal agencies.

Sec. 217c. Charter School Authorizing Body Report **– REVISED**
Requires each community college or tribal college that serves as an authorizing body for public school academies to post a report on various details on public school academies authorized by the institution. Adds requirement that institutions must adopt a policy to ensure that structures and properties vacated by authorized public school academies do not become blight to the surrounding neighborhoods.

Sec. 217f. Institutional Salaries Spending Restriction **– NEW (UNENFORCEABLE)**
Adds language that restricts community colleges from spending more than 10% of operations appropriations on administration and includes which costs are not considered administrative spending, with the sum of money spent over the cap reduced from operations allocations. *(Governor's signing letter states this section is unenforceable.)*

Sec. 228. Communication With the Legislature **– RETAINED (UNENFORCEABLE)**
Forbids a community college from taking disciplinary action against an employee for communicating with the legislature. *(Governor's signing letter states this section is unenforceable.)*

FY 2025-26 Community College Operations Appropriations
Enacted Summary

% of Formula:					30%	10%	10%	10%	30%	5%	5%	100%					
	Total FY 2024-25 Appropriation	FY 24 Indian Tuition Waiver Payment	FY 2024-25 One-Time Distribution	FY 2024-25 Base Appropriation	Sustainability	Performance-Improvement	Performance-Completion Number	Performance-Completion Rate	Contact Hours	Admin.	Local Strategic Value	Total One-Time Formula Distribution	FY 2024 Indian Tuition Waiver Cost	Indian Tuition Waiver Adjustments	Total FY 26 Indian Tuition Waiver Payment	FY 2025-26 Appropriation	% Change
Alpena	$6,493,500	$21,800	$68,400	$6,403,300	$58,197	$109,487	$11,934	$28,671	$32,768	$20,471	$9,700	$271,100	$13,500	(8,300)	$13,500	$6,687,900	3.0%
Bay de Noc	6,473,100	100,000	75,100	6,298,000	57,240	15,264	11,921	28,502	35,618	20,129	9,540	178,200	92,000	(8,000)	92,000	6,568,200	1.5%
Delta	17,067,300	24,800	160,100	16,882,400	153,438	42,964	43,315	52,087	150,235	25,710	25,573	493,300	51,800	27,000	51,800	17,427,500	2.1%
Glen Oaks	3,016,000	1,800	30,100	2,984,100	27,121	7,232	8,360	19,233	24,694	0	4,520	91,200	2,900	1,100	2,900	3,078,200	2.1%
Gogebic	5,493,600	48,400	46,200	5,399,000	49,070	15,069	7,291	26,995	20,312	12,551	8,178	139,500	40,100	(8,300)	40,100	5,578,600	1.5%
Grand Rapids	21,521,800	111,100	226,500	21,184,200	192,536	51,343	65,957	51,343	267,513	24,731	32,089	685,500	153,100	42,000	153,100	22,022,800	2.3%
Henry Ford	25,554,400	6,400	247,300	25,300,700	229,949	61,320	89,707	61,320	248,019	22,229	38,325	750,900	4,500	(1,900)	4,500	26,056,100	2.0%
Jackson	14,193,900	42,300	119,000	14,032,600	127,537	34,010	33,363	34,010	99,294	15,307	21,256	364,800	27,100	(15,200)	27,100	14,424,500	1.6%
Kalamazoo Valley	14,889,900	37,200	148,300	14,704,400	133,643	35,638	36,624	46,976	131,050	27,470	22,274	433,700	46,900	9,700	46,900	15,185,000	2.0%
Kellogg	11,567,100	35,400	105,000	11,426,700	103,853	27,694	32,359	27,694	89,178	26,306	17,309	324,400	26,700	(8,700)	26,700	11,777,800	1.8%
Kirtland	3,902,200	25,800	41,300	3,835,100	34,856	29,150	12,586	9,295	32,646	22,186	5,809	146,500	46,300	20,500	46,300	4,027,900	3.2%
Lake Michigan	6,474,300	6,000	60,100	6,408,200	58,242	19,547	15,847	26,606	52,430	9,862	9,707	192,200	19,400	13,400	19,400	6,619,800	2.2%
Lansing	36,512,400	81,200	296,800	36,134,400	328,413	122,975	85,677	100,107	212,516	20,285	54,735	924,700	82,100	900	82,100	37,141,200	1.7%
Macomb	38,534,400	23,700	350,100	38,160,600	346,828	92,488	102,319	103,902	366,080	21,202	57,805	1,090,600	90,900	67,200	90,900	39,342,100	2.1%
Mid Michigan	5,975,200	75,500	62,700	5,837,000	53,050	14,147	16,186	14,147	68,197	19,298	8,842	193,900	82,500	7,000	82,500	6,113,400	2.3%
Monroe County	5,426,200	1,800	55,900	5,368,500	48,792	43,903	14,960	24,148	47,654	18,968	8,132	206,600	400	(1,400)	400	5,575,500	2.8%
Montcalm	4,086,000	1,900	50,800	4,033,300	36,657	9,775	11,960	9,775	25,674	22,342	6,110	122,300	1,700	(200)	1,700	4,157,300	1.7%
Mott	18,174,300	5,800	150,700	18,017,800	163,757	43,669	47,540	43,669	144,788	20,963	27,293	491,700	10,300	4,500	10,300	18,519,800	1.9%
Muskegon	10,480,500	21,300	99,300	10,359,900	94,157	25,109	25,107	36,899	78,268	23,365	15,693	298,600	43,500	22,200	43,500	10,702,000	2.1%
North Central	4,162,800	162,500	52,600	3,947,700	35,879	9,568	10,682	22,096	39,492	20,571	5,980	144,300	162,400	(100)	162,400	4,254,400	2.2%
Northwestern	10,914,300	196,800	97,700	10,619,800	96,520	25,739	24,103	38,142	71,407	17,408	16,087	289,400	254,700	57,900	254,700	11,163,900	2.3%
Oakland	25,428,100	33,800	264,300	25,130,000	228,398	60,906	91,598	73,384	305,700	18,434	38,066	816,500	38,400	4,600	38,400	25,984,900	2.2%
Schoolcraft	15,166,400	21,000	173,400	14,972,000	136,075	36,287	51,049	47,760	182,401	26,915	22,679	503,200	25,300	4,300	25,300	15,500,500	2.2%
Southwestern	7,885,300	29,500	69,200	7,786,600	70,770	18,872	11,412	31,463	48,158	17,978	11,795	210,400	19,100	(10,400)	19,100	8,016,100	1.7%
St. Clair County	8,453,900	24,100	87,800	8,342,000	75,817	20,218	30,194	32,726	68,523	18,072	12,636	258,200	13,300	(10,800)	13,300	8,613,500	1.9%
Washtenaw	16,503,100	24,600	221,200	16,257,300	147,757	39,402	134,535	52,115	240,259	26,181	24,626	664,900	19,000	(5,600)	19,000	16,941,200	2.7%
Wayne County	19,642,700	4,400	178,000	19,460,300	176,868	78,456	63,400	47,165	187,877	17,672	29,478	600,900	2,500	(1,900)	2,500	20,063,700	2.1%
West Shore	2,939,100	12,000	30,400	2,896,700	26,327	7,021	7,265	7,021	20,999	12,018	4,388	85,000	17,600	5,600	17,600	2,999,300	2.0%
	$366,931,800	**$1,180,900**	**$3,568,300**	**$362,182,600**	**$3,291,750**	**$1,097,250**	**$1,097,250**	**$1,097,250**	**$3,291,750**	**$548,625**	**$548,625**	**$10,972,500**	**$1,388,000**	**$207,100**	**$1,388,000**	**$374,543,100**	**2.1%**

Requirement to receive performance funding for FY 2025-26:
1. Restrain FY 2025-26 in-district tuition/fee rate increase to 4.5% or $227 (whichever is greater)

Data Notes	
Component	Years
Performance improvement	FYs 2021-2023
Performance completion number	FYs 2021-2023
Performance completion rate	FYs 2021-2022
Contact hours	FY 2024
Administrative	FYs 2023-2024

DEPARTMENT OF CORRECTIONS
Summary of FY 2025-26 Enacted
Public Act 22 of 2025 (House Bill 4706, Article 2)

Analyst: Robin R. Risko

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Enacted	*Difference: Enacted From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$0	$0	*$0*	*--*
Federal	5,180,500	5,203,700	*23,200*	*0.4*
Local	11,694,000	275,000	*(11,419,000)*	*(97.6)*
Private	0	0	*0*	*--*
Restricted	33,494,400	30,304,100	*(3,190,300)*	*(9.5)*
GF/GP	2,097,010,100	2,128,211,700	*31,201,600*	*1.5*
Gross	**$2,147,379,000**	**$2,163,994,500**	***$16,615,500***	***0.8***
FTEs	13,227.0	12,774.0	*(453.0)*	*(3.4)*

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

Overview

The Michigan Department of Corrections (MDOC) is responsible for operation and maintenance of the state's 26 correctional facilities that house felony offenders sentenced to prison. This includes provision of physical and mental health care, education, food service, transportation, and reintegration programming. The department is also responsible for supervision of all parolees and probationers under the department's jurisdiction and has oversight over community corrections programs and other programs designed to encourage alternatives to prison placement for appropriate offenders. As of October 1, 2025, the department was responsible for 72,802 offenders: 32,336 prisoners; 31,337 probationers; and 9,129 parolees. Compared to last year on October 1, there has been a decrease in the total number of offenders. The total decreased by 1,212, or by 1.6%. The number of prisoners decreased by 587, or 1.8%. The number of probationers decreased by 621, or 1.9%. The number of parolees decreased by 4, or 0.0%.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		**FY 2024-25 Year-to-Date (as of 2/5/25)**	**FY 2025-26 Enacted Change**
1. Restructure Wage Scale for Corrections Officers	**Gross**	**NA**	**$17,142,000**
Includes $17.1 million GF/GP to support costs associated with restructuring the pay schedule for corrections officers that was effective October 1, 2024. Under the collective bargaining agreement, all pay steps received a 5% base-pay increase and the first two steps of the pay schedule were eliminated. This results in officers reaching the highest level of pay in 3 years instead of in 5 years.	GF/GP	NA	$17,142,000
2. 54-Month Pay Step for Corrections Officers and Supervisors	**Gross**	**NA**	**$14,984,000**
Includes $15.0 million GF/GP to support costs of adding a new top pay step at the end of 54 months of service for corrections officers and increasing hourly pay rates for shift supervisors. The new step provides a $1.30 per hour increase over the old top step at 42 months for corrections officers, and an hourly increase of $1.30 was approved for each pay step for shift supervisors. These pay increases were approved by the Civil Service Commission in December 2024 and became effective October 1, 2025.	GF/GP	NA	$14,984,000

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
3. Detroit Detention Center Conveyance	FTE	75.8	(75.8)
Eliminates funding and FTE positions authorized for the Detroit Detention Center. Under 2025 PA 6, the property was conveyed to the City of Detroit in July 2025 and the contract between the department and the city was terminated.	**Gross**	**$11,419,000**	**($11,419,000)**
	Local	11,419,000	(11,419,000)
	GF/GP	$0	$0
4. Supplies for Health Care Clinics	**Gross**	**NA**	**$2,100,000**
Includes $2.1 million GF/GP to cover an increase in supply costs for health care clinic operations. The department has experienced a 46% increase over the past 7 years in costs for janitorial and rubbish removal, medical, surgical, and lab supplies, maintenance supplies, replacement parts, and other supplies and materials used in health care clinics.	GF/GP	NA	$2,100,000
5. Contraband Prevention	**Gross**	**$1,000,000**	**$1,750,000**
Transfers $1.8 million of the GF/GP being eliminated from the Public Safety Initiative line item to support costs of contraband prevention efforts and safety in correctional facilities.	GF/GP	$1,000,000	$1,750,000
6. Thumb Correctional Facility Education Center	**Gross**	**NA**	**$1,521,700**
Includes $1.5 million GF/GP to annualize costs of custody staff at the new Thumb Correctional Facility University and Vocational Center. Funding was included in the FY 2024-25 budget to support costs of custody staff for the last quarter of the fiscal year.	GF/GP	NA	$1,521,700
7. Automation of Prisoner Counts and Callouts	**Gross**	**$0**	**$1,500,000**
Includes $1.5 million in one-time GF/GP to automate the prisoner count and callout processes in correctional facilities. Currently, these are manual processes in which pencil and paper are used to tally and record numbers of prisoners and to track prisoner movement within facilities.	GF/GP	$0	$1,500,000
8. Higher Education in Prison	**Gross**	**$1,250,000**	**$850,000**
Includes $850,000 in one-time GF/GP for the department to expand their collaboration with 4-year state universities and colleges to provide prisoners with an opportunity to participate in certificate, associate's, and bachelor's degree programs. Currently, there are 13 universities/ colleges providing education to prisoners in correctional facilities. Two additional schools are expected to launch in FY 2026. Funding is used for eligible expenses including staffing, supplies, and tuition.	GF/GP	$1,250,000	$850,000
9. Peer Recovery Coaches	**Gross**	**NA**	**$650,000**
Includes $650,000 in one-time GF/GP for expanding the number of peer recovery coaches in parole and probation offices throughout the state and on-site at correctional facilities. Peer recovery coaches provide skills and interventions to support, encourage, and educate parolees, probationers, and prisoners who have substance use disorders.	GF/GP	NA	$650,000
10. Eliminate Unfunded Vacant FTE Positions	FTE	NA	(373.2)
Eliminates authorization for 373.2 unfunded FTE positions.	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
11. Program Eliminations	**Gross**	**$4,750,000**	**($4,750,000)**
Eliminates funding for the following programs: • Goodwill Flip the Script ($1.3 million GF/GP) • Public Safety Initiative ($2.0 million GF/GP) • Residential Alternative to Prison Program ($1.5 million GF/GP).	GF/GP	$4,750,000	($4,750,000)

CORRECTIONS

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
12. Funding Reductions	**Gross**	**NA**	**($32,587,000)**
Reduces funding for the following:	GF/GP	NA	($32,587,000)
• Various correctional facilities ($19.5 million GF/GP)			
• Field Operations ($5.0 million GF/GP)			
• Hepatitis C ($3.0 million GF/GP)			
• Prosecutorial and Detainer Expenses ($1.3 million)			
• Criminal Justice Reinvestment ($1.1 million GF/GP)			
• Probation Residential Services ($1.0 million GF/GP)			
• Southern Region Admin & Support ($500,000 GF/GP)			
• Prison Food Service ($250,000 GF/GP)			
• County Jail Reimbursement Program ($250,000 GF/GP)			
• Offender Success Community Partners ($250,000 GF/GP)			
• Central Records ($210,000 GF/GP)			
• Enhanced Food Technology Program ($125,000 GF/GP)			
• Parole Board ($125,000 GF/GP).			
13. One-Time Funding to Offset GF/GP Reductions to Facilities	**Gross**	**NA**	**$3,750,000**
Includes $3.8 million in one-time GF/GP to be allocated to various facility line items in an effort to partially offset GF/GP reductions.	GF/GP	NA	$3,750,000
14. Technical Adjustments	FTE	NA	0.0
Makes internal FTE adjustments, funding adjustments, and transfers throughout the budget, which have no overall impact on Gross, GF/GP, or FTE position authorization. Adjustments are made to accurately reflect employee counts, department operations, and department activities and to align funding authorization with revenue received.	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
15. Removal of FY 2024-25 One-Time Appropriations	FTE	4.0	(4.0)
Removes $6.4 million Gross ($3.0 million GF/GP) of one-time funding that was included in the FY 2024-25 budget to support the following:	**Gross**	**$6,400,000**	**($6,400,000)**
	Restricted	3,400,000	(3,400,000)
• Breast milk program ($500,000 and 1.0 FTE)	GF/GP	$3,000,000	($3,000,000)
• Higher education in prison ($500,000)			
• In-reach services expansion ($500,000)			
• Nation Outside ($1.0 million)			
• Peer-led reentry services ($500,000)			
• Thumb education center ($3.4 million and 3.0 FTEs).			
16. Economic Adjustments	**Gross**	**NA**	**$27,523,800**
Reflects a net increase in costs of $27.5 million Gross ($27.3 million GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), overtime costs, longevity, insurances, actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, food, fuel, and utilities.	Federal	NA	23,200
	Restricted	NA	209,700
	GF/GP	NA	$27,290,900

Major Boilerplate Changes from FY 2024-25

Note: Section numbers listed below reflect section numbers included in the enacted bill for new and revised sections; current law section numbers are listed for sections that were deleted.

GENERAL SECTIONS

***Sec. 208. Use of Funding for Legal Services* – DELETED**

Prohibits using appropriations to hire a person to provide legal services that are the responsibility of the attorney general; prohibition does not apply to legal services for bonding activities or to services authorized by the attorney general.

Major Boilerplate Changes from FY 2024-25

Sec. 208. Prioritizing In-Person Work **– NEW**
Requires MDOC to maximize utilization of its in-person workforce, prioritize occupancy utilization, and ensure occupancy rates are 80% or higher.

Sec. 216. State Administrative Board Transfers **– NEW (UNENFORCEABLE)**
Authorizes the legislature to intertransfer funds via concurrent resolution if the State Administrative Board transfers funds. (*Governor's signing letter states this section is unenforceable.)*

Sec. 217. Retention of Reports **– REVISED**
Requires MDOC to follow federal and state guidelines for short- and long-term retention of records; authorizes MDOC to electronically retain copies of reports unless otherwise required by federal and state guidelines. Revised to include requirement to follow federal and state law in addition to federal and state guidelines.

Sec. 218. Report on Policy Changes Made to Implement Public Acts **– REVISED**
Requires MDOC to report on specific policy changes made to implement public acts affecting the department. Revised to require the report to include reference to the public act that necessitates the policy change.

Sec. 220. State Fiscal Recovery Fund (SFRF) **– DELETED**
Requires the state budget director to ensure that all SFRF revenue is expended by December 31, 2026; authorizes the state budget director to reallocate appropriated funds for the purpose of fully expending the funds; requires all guidance, implementation, and reporting provisions of federal law to be followed; requires the state budget director to notify the appropriations committees of reallocations made; authorizes the state budget director and state departments to make accounting transactions necessary to implement reallocation.

Sec. 220. Work Project Appropriations Status Report **– NEW**
Requires MDOC to report information on all work project accounts, including the status of each account and the amount of any funds that lapsed from previous accounts.

Sec. 221. E-Verify Requirement **– NEW**
Requires MDOC to require contractors and subcontractors to use the E-Verify system to verify that all persons hired during the contract term are legally present and authorized to work in the United States; authorizes MDOC to verify the information directly or to receive certification from the contractor; requires MDOC to submit a report describing the processes it develops and implements; defines E-Verify.

Sec. 222. Impact of Federal Policy Changes **– NEW**
Requires MDOC to report on federal policy changes that are expected to affect MDOC operations, affect groups MDOC engages with, or create a regulatory gap.

Sec. 223. Legacy Costs **– NEW**
States the total amount of funding estimated to be expended on legacy costs in FY 2025-26 is $165.6 million ($149.3 million on pension-related legacy costs; $16.2 million on health care-related legacy costs).

Sec. 224. Annual Strategic Plan **– NEW**
Requires MDOC to provide a copy of its annual strategic plan which must include the mission, vision, goals, strategies, and performance measures of the department.

Sec. 225. Posting of Reports **– NEW**
Requires MDOC to make required reports readily accessible to the public and conspicuously posted in a single archivable location on MDOC's website; requires MDOC to maintain reports from previous fiscal years in the same archivable location.

Sec. 226. State Obligations **– NEW**
Requires MDOC to report on any court settlement that may require further legislative review of state statutory programs or regulations.

Sec. 227. Private and Third-Party Funds **– NEW**
Requires MDOC to disclose on a publicly accessible website private and other third-party funds received in the previous fiscal year, including the amount and specific source of funding, the purpose for which funding was expended, and the amount of any remaining funds.

CORRECTIONS

Major Boilerplate Changes from FY 2024-25

***Sec. 228. Legislatively Directed Spending Items* – NEW**
Requires the legislature to provide MDOC and the state budget director with a list of legislatively directed spending items; provides requirements for the administration of grants; provides requirements for grant agreements; requires grant recipients to respond to reasonable information requests; provides deadline for grant expenditure; requires MDOC to post information about grant recipients on its website.

DEPARTMENTAL ADMINISTRATION AND SUPPORT

***Sec. 302. Allowing Staff to Reach Highest Pay Levels in Shorter Amount of Time* – DELETED**
Requires MDOC to submit a report that assesses the cost of allowing corrections officers and corrections medical officers to reach their highest level of pay within 3 years of service instead of reaching it within 5 years of service and the effect it would have on staff.

***Sec. 323. Prisoner Health Care Costs* – NEW**
Appropriates $30.0 million from unexpended and unencumbered funds lapsed by MDOC at the end of FY 2024-25 and makes the funding available to support prisoner health care costs.

***Sec. 324. Management-to-Staff Ratio* – DELETED**
Expresses legislative intent that MDOC maintain a management-to-staff ratio of not more than 1 supervisor for each 8 employees at the central office in Lansing and at northern and southern region administration offices.

OFFENDER SUCCESS ADMINISTRATION

***Sec. 408. Public Safety Initiative* – DELETED**
Requires Genesee County law enforcement agency to report quarterly on expenditures made, purpose of expenditures, specific services provided, and number of individuals served; makes distribution of funding to the county conditional on county compliance with report submission.

***Sec. 408. Higher Education in Prison* – REVISED**
Requires funding to be used for MDOC to collaborate with accredited universities and colleges to provide prisoners with an opportunity to participate in comprehensive bachelor's degree programs at no cost to the prisoners; requires funding to be used for eligible expenses including staffing, supplies, and tuition; requires universities and colleges to report on expenditure of funds, number of participants served, enrollments by race and gender, and number of participants completing the program. Revised to require reporting by facility.

***Sec. 413. Criminal Justice Reinvestment* – REVISED**
Requires funding for criminal justice reinvestment to be used for data collection and evidence-based programs designed to reduce recidivism among probationers, parolees, and prisoners; allocates $600,000 to Muskegon County jail to provide programming and job training services to county jail inmates to prepare them for employment upon release from jail; requires MDOC to report on programs, including reincarceration recidivism rates of participants, employment rates of participants completing programs, and cost of programs per participant. Revised to delete the allocation to Muskegon County jail.

***Sec. 414. Goodwill Flip the Script* – DELETED**
Requires MDOC to contract with Goodwill Industries of Detroit to provide persons aged 16-39 with education, job training, and mentoring in an effort to keep them out of prison; requires program to target individuals entering the criminal justice system for the first or second time; requires report on program performance measures, number of individuals diverted from incarceration, number of individuals served, and outcomes of participants completing the program

FIELD OPERATIONS ADMINISTRATION

***Sec. 503. Residential Alternative to Prison Program* – DELETED**
Requires MDOC to provide vocational, educational, and cognitive programming in a secure environment to enhance existing alternative sentencing options, increase employment readiness and successful placement rates, and reduce new criminal behavior for the West Michigan probation violator population.

***Sec. 503. Medical Parole Process* – NEW**
Requires MDOC to report on individuals considered for medical parole, including demographic data, controlling offense of individual, categorization of medical condition, reason for denial if the individual was not granted parole, the number of individuals previously granted parole and returned to prison; and the number of individuals previously granted parole that were discharged from further parole supervision.

Major Boilerplate Changes from FY 2024-25

HEALTH CARE

Sec. 606. Medication Assisted Therapies **– REVISED**
Requires MDOC to report on the number of prisoners that received medication assisted therapies, length of time on therapies, number of prisoners that discontinued treatment while incarcerated, listing of all medications used, and number of prisoners prescribed each medication used. Revised to consolidate this section with current law sections 412 and 607 to alleviate redundancy.

Sec. 607. Medication Assisted Treatment Clinics **– REVISED**
Requires appropriation to be used for maintaining not less than 3 clinics at facilities that will allow for treatment of the highest number of prisoners; requires participating prisoners to be treated while incarcerated and to be given an injection immediately before being released from prison; requires quarterly reports on site locations, staffing levels, expenditures, number of prisoners treated, and number of prisoners requiring treatment but not yet receiving treatment. Revised to consolidate this section with current law sections 412 and 606 to alleviate redundancy and to include that prisoners be encouraged to receive one injection of nonaddictive medication before being released from prison, if clinically appropriate.

Sec. 607. Medical Co-Pays **– NEW**
Requires MDOC to report on the total amount of all medical co-payments collected by prisoners.

Sec. 608. Prisoner Deaths **– NEW**
Requires MDOC to report on prisoner deaths that occurred in correctional facilities including the date of death, the facility/location, the official cause as documented on the death certificate, and the type of drug used if the death is determined to be a drug overdose.

CORRECTIONAL FACILITIES AND ADMINISTRATION

Sec. 705. Reporting Critical Incidents in Prisons **– REVISED**
Requires MDOC to report within 72 hours of occurrence, any critical incident occurring at a correctional facility; requires MDOC to report annually on number of critical incidents occurring each month by type and severity; defines "critical incidents" to mean prisoner assaults on staff that result in serious physical injury to staff, escapes and attempted escapes, prisoner disturbances that cause facility operation concerns, drug overdoses or suspected overdoses that result in inpatient hospitalization, and unexpected deaths of prisoners. Revised the definition of critical incidents to include the implementation of a phase plan or similar significant restriction on activity within a facility.

Sec. 713. Report on Restricted Visiting Privileges **– REVISED**
Requires MDOC to report on the number of prisoners that lose visiting privileges by race and by violation type, the number of cumulative days visitation rights were lost, the number of prisoners that apply to have visiting privileges restored, the number of prisoners that have had visiting privileges restored, and the number of prisoners that have had visiting restrictions extended. Revised to delete the requirement to report on the number of cumulative days visitation rights were lost.

Sec. 715. Economic Impact and Savings from Prison Closures **– REVISED**
Requires MDOC to provide notice of plans to close, consolidate, or relocate any correctional facility at least 30 days prior to the effective date; requires MDOC to report on the projected savings and projected impact on employee positions; requires a report on the actual savings achieved and impact on staff following closure, consolidation, or relocation; requires MDOC, when planning to close a correctional facility, to complete an analysis of the potential economic impact of prison closure on the local community. Revised to delete the requirement that MDOC complete an analysis of the potential economic impact of prison closure on the local community.

Sec. 719. Contraband Prevention **– NEW**
Requires appropriation to be used to enhance a multifaceted approach that combines technology, rigorous policies, vigilant staff, intelligence gathering, and a commitment to addressing the root causes of contraband; requires increasing the frequency and enhancing the methods of screening all individuals, including all department employees, and all items entering into correctional facilities; requires a report on contraband prevention efforts, challenges faced, and ideas and recommendations on how the legislature can better assist the department.

Sec. 720. Visitation by Members of the Legislature **– NEW**
Exempts members of the legislature, who are in good standing, from MDOC's policy that requires a 72-hour notice before visiting a correctional facility.

Major Boilerplate Changes from FY 2024-25

***Sec. 721. Strip Search Protocol* – NEW**
Expresses legislative intent that MDOC reform its strip search protocol so it results in fewer and less intrusive strip searches; requires a report on efforts undertaken if efforts are undertaken.

ONE-TIME APPROPRIATIONS

***Sec. 801. Breast Milk Program* – DELETED**
Requires funding to be used for a program that provides breast milk to newborns of post-partum prisoners; requires MDOC to collaborate with Mama's Mobile Milk to ensure prisoners who have given birth within the last 18 months have the opportunity to breastfeed, including expressing milk and providing necessary supplies; grants immunity from criminal and civil liability to MDOC; requires Mama's Mobile Milk to report quarterly; designates unexpended funds as a work project appropriation.

***Sec. 802. In-Reach Services Expansion* – DELETED**
Requires MDOC to allocate $500,000 in one-time funding, in addition to $900,000 in ongoing funding, to expand provision of in-reach parole planning services to all parolees prior to release from prison.

***Sec. 803. Nation Outside* – DELETED**
Requires funding to be used to support a contract with the goal of supporting peer-led reentry programming; requires Nation Outside to enlist Wayne State University to perform an independent program evaluation; requires a report on program outcomes.

***Sec. 804. Peer-Led Reentry Services* – DELETED**
Requires MDOC to allocate $500,000 in one-time funding, in addition to $1.5 million in ongoing funding, to expand provision of peer-led reentry services to parolees.

***Sec. 805. Thumb Correctional Facility Education Center* – DELETED**
Designates funding for the Thumb education center as a work project appropriation; states that the purpose of the project is to provide educational programming and vocational training at the facility.

DEPARTMENT OF EDUCATION
Summary of FY 2025-26 Enacted
Public Act 22 of 2025 (House Bill 4706, Article 3)

Analyst: Noel Benson

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Enacted	*Difference: Enacted From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$0	$0	*$0*	*--*
Federal	82,550,500	83,575,100	*1,024,600*	*1.2*
Local	5,868,500	5,884,200	*15,700*	*0.3*
Private	2,542,200	2,547,500	*5,300*	*0.2*
Restricted	10,117,800	10,193,800	*76,000*	*0.8*
GF/GP	63,896,100	62,546,100	*(1,350,000)*	*(2.1)*
Gross	**$164,975,100**	**$164,746,700**	***($228,400)***	***(0.1)***
FTEs	574.5	568.5	*(6.0)*	*(1.0)*

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

Overview

The State Board of Education is an eight-member elected board constitutionally mandated to provide leadership and supervision for public education in Michigan. The Michigan Department of Education (MDE) is the administrative arm of the Board charged with implementing state and federal educational mandates and administering programs. Major responsibilities of the MDE include developing and overseeing the K-12 school system, certifying teachers, disbursing funds to educational organizations and libraries, and providing technical assistance to school districts and libraries.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
1. Office of Health and Safety	FTE	NA	20.0
Transfers in $1.5 million Gross ($468,900 GF/GP) and authorization for 19.0 FTE positions from Office of Nutrition Services (formerly School Support Services Operations). Provides authorization for 1.0 additional FTE position to reflect available federal funding. (See Item #2 for the equivalent reduction in funding.)	**Gross**	**NA**	**$1,465,300**
	Federal	NA	996,400
	GF/GP	NA	$468,900
2. Office of Nutrition Services	FTE	82.6	(16.0)
Renames School Support Services Operations to the Office of Nutrition Services. Transfers out $1.5 million Gross ($468,900 GF/GP) and authorization for 19.0 FTE positions to the new Office of Health and Safety (See Item #1 for the equivalent increase in funding.). Provides authorization for an additional 3.0 FTE positions to reflect currently available federal funding.	**Gross**	**$15,969,300**	**($1,465,300)**
	Federal	13,127,300	(996,400)
	Restricted	150,000	0
	GF/GP	$2,692,000	($468,900)
3. Michigan eLibrary	**Gross**	**$1,740,800**	**$1,008,800**
Provides $1.0 million GF/GP ($900,000 one-time GF/GP) to support the Michigan eLibrary.	GF/GP	$1,740,800	$1,008,800
4. Michigan Core Curriculum	**Gross**	**$750,000**	**($750,000)**
Eliminates $750,000 GF/GP for designing, implementing, and evaluating professional learning modules regarding Michigan indigenous tribal history.	GF/GP	$750,000	($750,000)

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
5. Science of Reading Literacy Supports	FTE	84.7	2.0
Increases by $400,000 GF/GP and provides authorization for 2.0 FTE positions to provide supports to districts on new dyslexia requirements under 2024 PA 146 and continue literacy improvements under science of reading. Funding is transferred from ASL Literacy Resources ($500,000 GF/GP). (See Item #6 for reduction in funding.)	**Gross**	**$17,696,000**	**$400,000**
	Federal	13,175,600	0
	Restricted	602,400	0
	GF/GP	$3,918,000	$400,000
6. ASL Literacy Resources	**Gross**	**$1,000,000**	**($500,000)**
Reduces by $500,000 GF/GP for a total of $500,000 GF/GP to reallocate funds for the science of reading literacy supports. (See Item #5 for increase in funding.)	GF/GP	$1,000,000	($500,000)
7. Office of Systems, Evaluation, and Technology Federal Increase	FTE	18.0	0.0
Increases by $360,000 federal to reflect increased available federal revenue for the Office of Systems, Evaluation, and Technology.	**Gross**	**$3,132,900**	**$360,000**
	Federal	1,802,300	360,000
	Restricted	11,000	0
	GF/GP	$1,319,600	$0
8. Media Literacy Training	FTE	84.7	0.0
Provides $300,000 one-time GF/GP for developing professional training for teaching artificial intelligence and media literacy.	**Gross**	**$18,446,000**	**$300,000**
	Federal	13,175,600	0
	Restricted	602,400	0
	GF/GP	$4,668,000	$300,000
9. Special Education Services Transfer	FTE	47.0	0.0
Transfers in $200,000 GF/GP from the Michigan Schools for the Deaf and Blind Operations to support staff responsible for statewide special education monitoring activities. (See Item #10 for equivalent reduction in funding.)	**Gross**	**$9,555,600**	**$200,000**
	Federal	8,955,700	0
	Private	111,800	0
	Restricted	49,200	0
	GF/GP	$438,900	$200,000
10. Michigan Schools for the Deaf and Blind Transfer	FTE	82.0	0.0
Transfers out $200,000 GF/GP from the Michigan Schools for the Deaf and Blind Operations to support staff responsible for statewide special education monitoring activities. (See Item #9 for equivalent increase in funding.)	**Gross**	**$20,064,400**	**($200,000)**
	Federal	7,639,400	0
	Local	5,868,500	0
	Private	1,350,400	0
	Restricted	1,206,100	0
	GF/GP	$4,000,000	($200,000)
11. CTE Pathways to Success	FTE	25.0	1.0
Increases by $160,000 GF/GP and provides authorization for 1.0 FTE position to provide administrative support for new career and technical education programs included in the proposed School Aid budget.	**Gross**	**$5,668,700**	**$160,000**
	Federal	4,099,200	0
	GF/GP	$1,569,500	$160,000
12. Office of Systems, Evaluation, and Technology FTE Transfer	FTE	18.0	0.0
Transfers in $153,500 Gross ($7,600 GF/GP) from the Office of Financial Management to the Office of Systems, Evaluation, and Technology to reallocate resources based on anticipated workload. (Although not included in documents, the Executive expressed intent to transfer authorization for 1.0 FTE position from the Office of Financial Management to the Office of Systems, Evaluation, and Technology. See Item #13 for equivalent reduction in funding.)	**Gross**	**$3,132,900**	**$153,500**
	Federal	1,802,300	145,900
	Restricted	11,000	0
	GF/GP	$1,319,600	$7,600

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
13. Office of Financial Management FTE Transfer	FTE	3.0	0.0
Transfers out $153,500 Gross ($7,600 GF/GP) from the Office of Financial Management to the Office of Systems, Evaluation, and Technology to reallocate resources based on anticipated workload. (Although not included in documents, the Executive expressed intent to transfer authorization for 1.0 FTE position from the Office of Financial Management to the Office of Systems, Evaluation, and Technology. See Item #12 for equivalent increase in funding.)	**Gross**	**$2,029,900**	**($153,500)**
	Federal	1,822,400	(145,900)
	Restricted	93,700	0
	GF/GP	$113,800	($7,600)
14. Foster Care Oversight	FTE	84.7	0.0
Provides $150,000 one-time GF/GP for foster care oversight.	**Gross**	**$17,696,000**	**$150,000**
	Federal	13,175,600	0
	Restricted	602,400	0
	GF/GP	$3,918,000	$150,000
15. Mental Health Training	**Gross**	**$275,000**	**($125,000)**
Retains $150,000 one-time GF/GP of $275,000 one-time GF/GP included in FY 2024-25 to provide training to mental health providers, administrators, and superintendents in eligible districts.	GF/GP	$275,000	($125,000)
16. Michigan Poet Laureate	**Gross**	**$100,000**	**($100,000)**
Eliminates $100,000 GF/GP for Michigan's Poet Laureate.	GF/GP	$100,000	($100,000)
17. Elimination of Vacant FTE Positions	FTE	NA	(10.0)
Removes authorization for 10.0 FTE positions, including 5.0 FTE positions in Educator Excellence Operations and 5.0 FTE positions in Accountability Services Operations.	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
18. School Board Member Training	**Gross**	**$150,000**	**$0**
Transfers $150,000 GF/GP for School Board Member Training out of School Support Services Operations and into a new standalone line item.	GF/GP	$150,000	$0
19. Removal of FY 2024-25 One-Time Appropriations	FTE	3.0	(3.0)
Removes $1.7 million GF/GP of one-time funding and authorization for 3.0 FTE positions that were included in the FY 2024-25 budget to support the following: • Michigan Test for Teacher Certification Reimbursement ($1.1 million GF/GP) • Community Health Worker Career Center ($325,000 million GF/GP) • Charter School Transparency Database ($150,000 GF/GP; 1.0 FTE position) • School Infrastructure and Consolidation Administration ($150,000 GF/GP; 2.0 FTE positions)	**Gross**	**$1,725,000**	**($1,725,000)**
	GF/GP	$1,725,000	($1,725,000)
20. Economic Adjustments	**Gross**	**NA**	**$1,245,200**
Reflects increased costs of $1.2 million Gross ($483,600 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	Federal	NA	664,600
	Local	NA	15,700
	Private	NA	5,300
	Restricted	NA	76,000
	GF/GP	NA	$483,600

EDUCATION (DEPARTMENT)

Major Boilerplate Changes from FY 2024-25

Boilerplate Deletions
In general, deletes boilerplate sections included in the FY 2024-25 budget. The list below includes major changes to boilerplate but is not a comprehensive list of all sections proposed to be deleted.

- Charter School Transparency Database (Sec. 1100)
- Community Health Worker Career Center (Sec. 1102)
- School Infrastructure and Consolidation Administration (Sec. 1103)
- Michigan Test for Teacher Certification Reimbursement (Sec. 1104)

***Sec. 201. Total State Spending and State Spending to Local Governments* – REVISED**
Provides total state spending and payments to local units of government. Revises to reflect new appropriation amounts, removal of one-time funding, and the shift of School Board Member Training to a separate line item.

***Sec. 206. Communication with the Legislature* – RETAINED (UNENFORCEABLE)**
Prohibits MDE from taking disciplinary action against an employee for communicating with a legislator or staff. *(Governor's signing letter states this section is unenforceable.)*

***Sec. 208. Hire of Outside Legal Counsel* – DELETED**
Prohibits MDE from hiring a person to provide legal services that are the responsibility of the Attorney General but exempts legal services for bonding or other activities authorized by the Attorney General. Deletes this section.

***Sec. 211. Department Financial Information* – REVISED**
Requires MDE to work with DTMB to maintain a searchable website accessible to the public at no cost, which includes department expenditures and employee information. Adds in-person and remote hours worked by employees to reporting requirements.

***Sec. 217. Transfer of Funds by Legislature* – NEW (UNENFORCEABLE)**
Adds language that states the legislature may inter-transfer funds within the department through a concurrent resolution if the State Administrative Board transfers funds from any appropriation. *(Governor's signing letter states this section is unenforceable.)*

***Sec. 219. Report on Policy Changes Made to Implement Public Acts Affecting Department* – REVISED**
Requires MDE to report by April 1 on each specific policy change made to implement a public act affecting MDE that took effect during the prior calendar year. Adds requirement to reference the specific public act number.

***Sec. 220. Departmental Scorecard* – NEW**
Adds language requiring the department to provide a copy of its annual strategic plan.

***Sec. 221. Court-Approved Judgement* – NEW**
Requires MDE to report on any court settlement that may require legislative review of state statutory programs or regulations.

***Sec. 222. Expending Available Work Project Authorization* – RETAINED (UNENFORCEABLE)**
Prohibits appropriations from being expended until all existing work project authorization available for the same purpose is exhausted, to the extent possible. *(Governor's signing letter states this section is unenforceable.)*

***Sec. 223. State Fiscal Recovery Funds Reallocation Authorization* – DELETED**
Directs the state budget director to reallocate state fiscal recovery funds that are in jeopardy of not meeting the expenditure deadline of December 31, 2026, and must notify the Legislature within 10 days after making the reallocation. Deletes this section.

***Sec. 223. Work Project Report* – NEW**
Adds language that requires MDE to report on all work project accounts every six months.

***Sec. 224. Federal Policy Changes Report* – NEW**
Adds language that requires MDE to provide a quarterly report detailing federal policy changes that affect the operations of the department; affect an industry, community, population, or other group that engages with the department; or create a regulatory gap that could negatively impact the public.

***Sec. 224. Departmental Legacy Costs* – NEW**
Adds language listing the pension and retiree health care legacy costs for the department.

Major Boilerplate Changes from FY 2024-25

Sec. 225. Posting Required Departmental Reports **– NEW**
Adds language that requires MDE to post each required report in a single archivable location on the department's website and maintain previous reports grouped by fiscal year.

Sec. 226. In-Person and Remote Work Report **– NEW**
Adds language that requires MDE to prioritize occupancy utilization of office space. Requires monitoring of employees that serve outside the office to ensure all work hours are accurately reported. Requires occupancy rates of 80% or higher.

Sec. 228. Utilization of E-Verify **– NEW**
Adds language that requires MDE to condition all contractors and subcontractors to use the federal E-Verify system for all employees hired during the length of the contract with MDE.

Sec. 229. Legislatively Directed Spending Items **– NEW**
Creates transparency requirements for the grant distribution, review, and verification process.

Sec. 230. Third-Party Funds Report **– NEW**
Adds language that requires MDE to report on various information related to third-party funds received and expended by the department in the previous fiscal year.

Sec. 701. MTSS, At-Risk, Reading Intervention Report **– REVISED**
Requires MDE to produce a report detailing the progress made by districts with grades K-12 receiving at-risk funding under section 31a of the State School Aid Act in implementing Multi-Tiered Systems of Supports (MTSS), in implementing MTSS for grades K-12 in the prior school fiscal year, and in providing reading intervention services described in section 1280f of the Revised School Code. Adds that MDE must report which districts have been determined by the department to have a need to implement multitiered systems of support and reading intervention programs.

Sec. 750. CTE Workforce Development Reporting **– NEW**
Adds language requiring MDE to develop and implement a reporting mechanism for CTE participation. Requires a report on CTE participation and workforce development participation.

Sec. 1000. Foster Care Oversight **– NEW**
Adds language that requires MDE to use funds and an FTE position authorization to regularly review educational programs in child caring institutions, as required by 2024 PA 11.

Sec. 1001. Media Literacy Training **– NEW**
Adds language that requires MDE to use funds to design, implement, and evaluate professional learning and optional curriculum modules for teaching artificial intelligence and media literacy.

DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY
Summary of FY 2025-26 Enacted
Public Act 22 of 2025 (House Bill 4706, Article 4)

Analyst: Austin Scott

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Enacted	*Difference: Enacted From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$4,085,900	$4,129,100	*$43,200*	*1.1*
Federal	463,788,900	464,268,500	*479,600*	*0.1*
Local	0	0	*0*	*--*
Private	1,364,200	1,404,200	*40,000*	*2.9*
Restricted	309,149,300	327,853,700	*18,704,400*	*6.1*
GF/GP	260,710,300	170,064,100	*(90,646,200)*	*(34.8)*
Gross	**$1,039,098,600**	**$967,719,600**	***($71,379,000)***	***(6.9)***
FTEs	1,652.0	1,637.0	*(15.0)*	*(0.9)*

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

Overview

The Department of Environment, Great Lakes, and Energy (EGLE) is responsible for managing Michigan's air, land, water, and energy resources. Departmental functions include improving resource quality, reducing waste, and mitigating threats to Michigan's environment.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
1. Lead Service Line Replacement	**Gross**	**$13,601,300**	**$13,400,000**
Includes a net change of $13.4 million GF/GP by reducing ongoing funding for water infrastructure projects by $4.0 million GF/GP and providing $17.4 million GF/GP in one-time funding.	GF/GP	$13,601,300	$13,400,000
2. Document Digitization, Transparency, and Modernization (One-Time)	**Gross**	**$0**	**$5,000,000**
Includes $5.0 million GF/GP to digitize and index historical department records.	GF/GP	$0	$5,000,000
3. Permitting Guidebooks (One-Time)	**Gross**	**$0**	**$300,000**
Appropriates $300,000 GF/GP to develop and distribute permitting guidebooks to assist those applying to EGLE for certain permits.	GF/GP	$0	$300,000
4. Air Quality Programs Reduction	FTE	228.0	(3.0)
Reduces 3.0 FTE positions and $1.0 million GF/GP for air emission control and monitoring, asbestos inspection, control strategy planning, issuance of permits, inspection of emission sources, facility inspections, air pollution complaint response, and Grants to Counties – Air Pollution Program.	**Gross**	**$38,842,200**	**($1,000,000)**
	Federal	7,680,100	0
	Restricted	15,604,100	0
	GF/GP	$15,558,000	($1,000,000)

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
5. Drinking Water and Environmental Health Reduction	FTE	160.0	0.0
Reduces $1.0 million GF/GP for regulatory oversight for public water supply systems, regulation of water well drilling, drinking water well contamination, remedial activities at sites of groundwater contamination, local drinking water protection activities; emergency response when drinking water is threatened, replacement of lead service lines in drinking water systems, local public health departments' surveillance activities over noncommunity public water supplies, and refunds to local governments to regulate septage waste transportation and disposal.	**Gross**	**$40,471,600**	**($1,000,000)**
	Federal	13,702,900	0
	Restricted	7,844,300	0
	GF/GP	$18,924,400	($1,000,000)
6. Water Resource Programs Reduction	FTE	168.0	(3.0)
Reduces 3.0 FTE positions and $400,000 GF/GP for grants to qualifying government and public agencies to promote wise use of Michigan's Great Lakes coastal resources, Flood Hazard, National Flood Insurance, and Dam Safety programs, permit process for construction, compliance enforcement for lakes, streams, wetlands, Great Lakes, flood plains, and sand dunes areas, Great Lakes Shorelands Program, guidance and administrative support for land and water regulatory programs, and protection activities for lakes, streams, wetlands, Great Lakes, flood plains, sand dunes, and high-risk erosion areas.	**Gross**	**$28,132,900**	**($400,000)**
	IDG	2,037,300	0
	Federal	5,073,000	0
	Restricted	2,450,500	0
	GF/GP	$18,572,100	($400,000)
7. Michigan Geological Survey	**Gross**	**$3,000,000**	**($300,000)**
Reduces ongoing funding for data collection and data mapping by the Michigan Geological Survey at Western Michigan University by $300,000 GF/GP and designates $2.3 million GF/GP as one-time.	GF/GP	$3,000,000	($300,000)
8. Contaminated Site Remediation and Redevelopment Programs Reduction	FTE	327.0	(3.0)
	Gross	**$78,302,700**	**$0**
Reduces 3.0 FTE positions for the remediation and redevelopment of contaminated sites.	Federal	7,752,600	0
	Restricted	70,255,500	0
	GF/GP	$294,600	$0
9. Municipal Assistance Reduction	FTE	30.0	(3.0)
Reduces 3.0 FTE positions to administer the Clean Water State Revolving Fund Program and Drinking Water Revolving Fund Program.	**Gross**	**$6,695,300**	**$0**
	Federal	5,304,000	0
	Restricted	774,300	0
	GF/GP	$617,000	$0
10. Water Quality Programs Reduction	FTE	232.0	(2.0)
Reduces 2.0 FTE positions for water and wastewater permit processes, regulation of construction of solid waste disposal facilities, inspection of hazardous and solid waste facilities and those discharging to groundwater, National Pollution Discharge Elimination System (NPDES) permits to facilities that discharge wastewater to the state's surface waters, surveys aquatic plant communities in inland lakes, administration of permitting processes and large scale withdrawals of groundwater.	**Gross**	**$37,406,400**	**$0**
	Federal	13,917,100	0
	Restricted	12,208,000	0
	GF/GP	$11,281,300	$0
11. Material Management Programs Reduction	FTE	121.0	(1.0)
Reduces 1.0 FTE position for hazardous waste and liquid industrial waste facilities and transporters regulation, medical waste disposal, pollution prevention field operations, radiological emergency response, radioactive material and nuclear power plant emergency preparedness, grants to local health departments for radon education and testing, statewide recycling initiative, removal of scrap tires from public lands, grants for abandoned scrap tire cleanup and disposal, and regulation of municipal and industrial solid waste disposal facilities.	**Gross**	**$24,721,800**	**$0**
	IDG	1,566,600	0
	Federal	3,444,100	0
	Private	510,700	0
	Restricted	18,455,600	0
	GF/GP	$744,800	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
12. Water State Revolving Funds	**Gross**	**$424,000,000**	**$0**
Includes a net zero change to grants and loans for local governments for water infrastructure projects by reducing ongoing GF/GP by $34.0 million and replacing with $34.0 million one-time GF/GP.	Federal	370,000,000	0
	Restricted	15,000,000	0
	GF/GP	$39,000,000	$0
13. Geologic Resources Management Reduction	FTE	63.0	0.0
Includes a net zero change for oil and gas programs, mining and reclamation, coal and sand dunes regulation mineral wells management, and orphan well plugging by reducing ongoing GF/GP by $5.0 million and replacing with $5.0 million one-time GF/GP.	**Gross**	**$22,711,600**	**$0**
	IDG	223,100	0
	Federal	5,308,500	0
	Restricted	7,068,700	0
	GF/GP	$10,111,300	$0
14. Water Resources Division Rollup	FTE	10.0	0.0
Rolls funding for groundwater data collection ($2.0 million Gross and 3.0 FTE positions) and water quality programs ($1.6 million Gross and 7.0 FTE positions) into oil, gas, and mineral services, which is renamed geologic resources management, for a net zero change.	**Gross**	**$3,631,500**	**$0**
	Restricted	871,000	0
	GF/GP	$2,760,500	$0
15. Technical Adjustments	**Gross**	**NA**	**$16,679,800**
Includes $16.7 million Gross ($0 GF/GP) for technical adjustments to align expenditures and increased available state restricted revenues ($16.6 million) and private revenues ($40,000).	Private	NA	40,000
	Restricted	NA	16,639,800
	GF/GP	NA	$0
16. Removal of FY 2024-25 One-Time Appropriations	**Gross**	**$109,000,000**	**($109,000,000)**
Removes $109.0 million GF/GP of one-time funding that was included in the FY 2024-25 budget to support the following: • Clean fuel and charging infrastructure ($30.0 million) • Drinking water infrastructure ($35.3 million) • Drinking water intake monitoring program ($1.5 million) • Lead service line replacement one-time ($8.0 million) • Microplastics research ($2.0 million) • Solar array project ($3.0 million) • Water infrastructure initiative ($10.0 million) • Water infrastructure projects ($17.0 million) • Water use advisory council recommendations ($1.2 million) • Wetlands mapping ($1.0 million)	GF/GP	$109,000,000	($109,000,000)
17. Economic Adjustments	**Gross**	**NA**	**$4,941,200**
Reflects increased costs of $4.9 million Gross ($2.4 million GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	IDG	NA	43,200
	Federal	NA	479,600
	Restricted	NA	2,064,600
	GF/GP	NA	$2,353,800

Major Boilerplate Changes from FY 2024-25

Sec. 206. Disciplinary Action Against State Employees **– RETAINED (UNENFORCEABLE)**
Prohibits department from disciplining state employees for communicating with members of the legislature and their staffs unless communication is prohibited by law. *(Governor's signing letter states this section is unenforceable.)*

Sec. 217. In-Person Work Prioritization **– NEW**
Requires the department to prioritize utilization of departmental office space, comply with Office of State Employer requirements, and comply with civil service rules for work hours.

Sec. 218. Internet Posting of Reports **– NEW**
Requires the department to conspicuously post each report required by boilerplate by the report's due date on the department's Michigan.gov website.

Major Boilerplate Changes from FY 2024-25

Sec. 221. State Administrative Board Transfers **– NEW (UNENFORCEABLE)**
Allows legislature to adopt a concurrent resolution to intertransfer funds within the department's budget if the State Administrative Board transfers appropriated funds. *(Governor's signing letter states this section is unenforceable.)*

Sec. 222. Expending Available Work Project Authorization **– RETAINED (UNENFORCEABLE)**
Advises department not to expend appropriations until existing work project authorization for the same purpose has been expended. *(Governor's signing letter states this section is unenforceable.)*

Sec. 225. Federal Policy Change Report **– NEW**
Requires the department to report annually to standard report recipients any federal policy changes that affect the department, those that engage with the department, related regulations, or create a regulatory gap with a potential negative public impact.

Sec. 226. Legislatively-Directed Spending Items **– NEW**
Defines requirements for legislatively-directed spending items.

Sec. 227. E-Verify Requirement **– NEW**
Requires departmental contractors and subcontractors to use the E-Verify system to certify personnel are legally authorized to work in the United States and requires the department to annually report on processes implemented under this section.

Sec. 236. Flint Supplemental Funding Report **– DELETED**
Requires annual report on use of funds appropriated for drinking water declaration of emergency.

Sec. 239. Department Scorecard **– NEW**
Requires department to maintain on a publicly accessible website a department scorecard with key metrics concerning the department's performance.

Sec. 240. Court Approved Judgment Cap **– NEW**
Requires the department to report on any court settlement that may require further legislative review of state statutory programs or regulations.

Sec. 244. Justice40 Initiative **– DELETED**
Requires the department to comply with the requirement of the Justice40 Initiative in expending federal funds.

Sec. 245. Single Grant Recipient Requirements **– DELETED**
Provides process requirements for grants or projects awarded to single recipient organizations or local governments.

Sec. 246. State Fiscal Recovery Funds **– DELETED**
Requires the state budget director to ensure that State Fiscal Recovery Funds allocated under the American Rescue Pan Act of 2021 be expended before 2027; requires the state budget director to notify the House and Senate Appropriations Committees of reallocations made under this section.

Sec. 246. Work Project Reporting **– NEW**
Requires the department to report quarterly on the status of work project accounts including funds expended, funds encumbered, and funds available.

Sec. 247. Identification of Legacy Costs **– NEW**
Estimates annual appropriations for legacy costs, including pension-related legacy costs and health care-related legacy costs.

Sec. 248. Private and Other Third-Party Funds Report **– NEW**
Requires the department to disclose private and other third-party funds received in the previous fiscal year.

Sec. 249. Rule Promulgation **– NEW**
Requires report on any policy changes made to implement a public act; prohibits department from adopting a rule that applies to a small business if it has a disproportionate economic impact.

Sec. 250. Permit Issuance Report **– NEW**
Requires the department to provide a report that details the number and percentage of each permit during the prior fiscal year that were issued outside the relevant statutory deadline.

ENVIRONMENT, GREAT LAKES, AND ENERGY

Major Boilerplate Changes from FY 2024-25

***Sec. 303. Bonding* – DELETED**
Authorizes department, if approved by state budget director, to expend GF/GP funding for cash flow requirements of projects financed by bonds, if bonds have not yet been authorized; funding to be repaid to GF/GP when bonds are sold.

***Sec. 305. Refined Petroleum Fund* – NEW**
Expresses legislative intent to restore $70.0 million Refined Petroleum Fund transferred to General Fund in FY 2006-07.

***Sec. 402. Permit Application Reporting* – NEW**
Requires the department to report the number of permit application decision appeals filed in the previous fiscal year as well as the number of permit applications approved within 30 days, 60 days, 90 days, 6 months, and 1 year after an application is determined to be administratively complete.

***Sec. 925. Geologic Resource Management Funding Plan* – NEW**
Requires the department to work with stakeholders to align program costs with future program revenues.

***Sec. 951. Lead Service Line Replacement* – REVISED**
Earmarks the Lead Service Line Replacement appropriation to support lead line replacement activities in overburdened and significantly overburdened communities as defined in NREPA. Revises purpose of Lead Service Line Replacement appropriation with a broader scope of water infrastructure projects.

***Sec. 1001. Work Project – Document Digitization, Transparency, and Modernization* – NEW**
Authorizes unexpended funds for Document Digitization, Transparency, and Modernization totaling $5.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to support the digitization and indexing of department records.

***Sec. 1002. Work Project – Geologic Resources Management Division* – NEW**
Authorizes unexpended funds for Geologic Resources Management Division totaling $5.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to support geologic resources management.

***Sec. 1003. Work Project – Lead Service Line Replacement One-Time* – NEW**
Authorizes unexpended funds for Lead Service Line Replacement One-time totaling $17.4 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to support the upgrade or replacement of water infrastructure.

***Sec. 1004. Work Project – Michigan Geological Survey One-Time* – NEW**
Authorizes unexpended funds for Michigan Geological Survey One-time totaling $2.3 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to support the Michigan Geological Survey.

***Sec. 1005. Permitting Guidebooks* – NEW**
Requires the department to collaborate with technical experts to create and issue permitting guidebooks for issue-specific areas of focus including groundwater discharge permitting for large livestock operations, meat processors, and fruit and vegetable processors.

***Sec. 1006. Work Project – Water State Revolving Funds One-Time* – NEW**
Authorizes unexpended funds for Water State Revolving Funds One-time totaling $34.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to support water infrastructure projects.

FY 2024-25 Supplemental Appropriation Items **Public Act 22 of 2025 (House Bill 4706, Article 16)**		**Appropriation Change**
1. Executive Direction – Small, Underserved, and Disadvantaged Communities Grant	**Gross**	**$1,455,000**
	Federal	1,455,000
Appropriates $1.5 million from the Environmental Protection Agency for grant awards to be made to public water systems in small, underserved, and disadvantaged communities to comply with the federal Safe Drinking Water Act.	GF/GP	$0

FY 2024-25 Supplemental Appropriation Items **Public Act 22 of 2025 (House Bill 4706, Article 16)**		**Appropriation Change**
2. Executive Direction - Lead Service Line Replacement Authorizes $826,000 in federal funds to be expended on lead service line replacement in Dowagiac.	**Gross** Federal GF/GP	**$826,000** 826,000 $0
3. Local Community Grants Authorizes $129.1 million from the Inflation Reduction Act to be expended on grant awards to communities for wind, solar, and energy storage facilities.	**Gross** Federal GF/GP	**$129,104,400** 129,104,400 $0
4. Federal - Great Lakes Remedial Action Plan Grants Appropriates $1.1 million in federal funds to remediate emerging contaminates including PFAS.	**Gross** Federal GF/GP	**$1,080,000** 1,080,000 $0
5. Great Lakes Restoration Initiative Appropriates $7.6 million from the Infrastructure Investment and Jobs Act Fund to be expended on evaluating Detroit River Area of Concern sediment data.	**Gross** Federal GF/GP	**$7,561,800** 7,561,800 $0
6. Great Lakes Restoration Initiative - Au Sable River Appropriates $5.5 million in federal funds to improve flow in the Au Sable River system through the removal of four culverts.	**Gross** Federal GF/GP	**$5,500,000** 5,500,000 $0
7. Great Lakes Restoration Initiative - America the Beautiful Grant Appropriates $5.0 million in federal funds for lakeshore management, habitat improvements, and shoreline protection.	**Gross** Federal GF/GP	**$5,000,000** 5,000,000 $0
8. Water Resource Programs - Coastal Zone Management Program Appropriates $1.3 million in federal funds for preservation, protection, and restoration of Michigan coastlines.	**Gross** Federal GF/GP	**$1,300,000** 1,300,000 $0
9. Water Resource Programs - Dam Safety Programs Appropriates $375,000 in federal funds for dam owner outreach and oversight.	**Gross** Federal GF/GP	**$375,000** 375,000 $0
10. Contaminated Site Remediation and Redevelopment Programs – Brownfield Redevelopment Appropriates $15.0 million from the Clean Michigan Initiative Response Activities Fund for local grants to redevelop contaminated brownfield sites.	**Gross** Restricted GF/GP	**$15,000,000** 15,000,000 $0
11. Energy Programs – Lake Michigan Circuit Appropriates $5.3 million from the Energy Efficiency and Renewable Energy Revolving Loan Fund for tourism infrastructure to complete the shoreline scenic route along the multi-state Lake Michigan Circuit.	**Gross** Restricted GF/GP	**$5,325,000** 5,325,000 $0
12. Energy Programs – US Department of Energy Grant Appropriates $2.0 million from the Inflation Reduction Act for a U.S. Department of Energy grant for technical engagement and energy planning.	**Gross** Federal GF/GP	**$1,980,000** 1,980,000 $0
13. Material Management Programs Appropriates $400,000 from the Environmental Pollution Prevention Fund to cover a shortfall in operational funding previously supported by federal funding.	**Gross** Restricted GF/GP	**$400,000** 400,000 $0
14. AmeriCorps and Office of Climate and Energy Appropriates $796,800 Gross ($156,800 GF/GP) in federal funds and required GF/GP match to expand AmeriCorps.	**Gross** Federal GF/GP	**$796,800** 640,000 $156,800

FY 2024-25 Supplemental Boilerplate Items
Public Act 22 of 2025 (House Bill 4706, Article 16)

Sec. 301. Lead Service Line Replacement
Designates unexpended funds for lead service line replacement as a work project appropriation; requires funding to be used to remove and replace lead service lines.

ENVIRONMENT, GREAT LAKES, AND ENERGY

FY 2024-25 Supplemental Boilerplate Items
Public Act 22 of 2025 (House Bill 4706, Article 16)

Sec. 302. Great Lakes Remedial Action Plan Grants
Designates unexpended funds for Great Lakes remedial action plan grants as a work project appropriation; requires funding to be used to clean up and remediate emerging contaminants.

Sec. 303. Great Lakes Restoration Initiative – Au Sable River
Designates unexpended funds for Great Lakes Restoration Initiative as a work project appropriation; requires funding to be used to replace culverts in the Au Sable River system.

Sec. 304. Great Lakes Restoration Initiative – America the Beautiful Grant
Designates unexpended funds for Great Lakes Restoration Initiative as a work project appropriation; requires funding to be used to preserve and protect natural water habitats.

Sec. 305. Water Resource Programs – Coastal Zone Management Program
Designates unexpended funds for Water Resource Programs as a work project appropriation; requires funding to be used to preserve and protect Michigan's coastlines.

Sec. 306. Water Resource Programs – Dam Safety Programs
Designates unexpended funds for Water Resource Programs as a work project appropriation; requires funding to be used to improves oversight of high-risk dams and perform dam owner outreach.

Sec. 307. Energy Programs – Lake Michigan Circuit
Designates unexpended funds for Energy Programs as a work project appropriation; requires funding to be used to build vehicle infrastructure along Lake Michigan.

GENERAL GOVERNMENT TOTALS
Summary of FY 2025-26 Enacted
Public Act 22 of 2025 (House Bill 4706, Article 5)

Analyst: Michael Cnossen

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Enacted	*Difference: Enacted From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$1,197,837,100	$1,231,093,400	*$33,256,300*	*2.8*
Federal	44,147,200	44,573,800	*426,600*	*1.0*
Local	17,541,100	17,671,700	*130,600*	*0.7*
Private	762,300	4,763,200	*4,000,900*	*524.8*
Restricted	2,928,311,200	2,718,649,500	*(209,661,700)*	*(7.2)*
GF/GP	1,169,710,500	1,175,024,500	*5,314,000*	*0.5*
Gross	**$5,358,309,400**	**$5,191,776,100**	***($166,533,300)***	***(3.1)***
FTEs	7,795.6	7,766.2	*(29.4)*	*(0.4)*

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

Overview

Currently, the following departmental and agency budgets are included in the General Government budget: Executive Office, Legislature, Legislative Auditor General, and the Departments of Attorney General, Civil Rights, State, Technology, Management, and Budget (including the former Departments of Civil Service and Information Technology, and State Building Authority rent costs), and Treasury (including the Bureau of State Lottery, Michigan Gaming Control Board, State Building Authority, Revenue Sharing, and Debt Service). **Budget issues are listed by department on the following pages.**

Major Boilerplate Changes from FY 2024-25

***Sec. 208. State Administrative Board Transfers* – NEW**

Authorizes legislature, by concurrent resolution adopted by majority of members elected to and serving in each house, to inter-transfer funds if State Administrative Board transfers funds.

***Sec. 208. Use of Funding for Legal Services* – DELETED**

Prohibits using appropriations to hire a person to provide legal services that are the responsibility of the attorney general; prohibition does not apply to legal services for bonding activities and for those outside legal services that the attorney general authorizes.

***Sec. 210. Budget Stabilization Fund* – REVISED**

Provides budget stabilization fund calculations for pay-in and pay-out as required by Section 352 of the Management and Budget Act; states that $50.0 million from the unassigned fund balance recorded as part of the state book-closing process for FY 2023-24. is appropriated for deposit in the Countercyclical Budget and Economic Stabilization Fund in FY 2024-25. Revises to not include a deposit.

***Sec. 216. Prioritization of In-person Work for State Workforce* – REVISED**

Requires departments and agencies to maximize efficiency of state workforce and, where possible, prioritize in-person work 5 days per week; requires workers who serve outside of the office to report to the office before beginning field work; lists examples of field service employees; requires departments and agencies to establish a policy for verifying all employees are working their jobs during business hours and to provide information on employee badge scans upon request by the legislature. Revises to require monitoring of out-of-office workers; requires departments to ensure in-person work is optimized and state buildings are occupied at 80% occupancy or higher.

***Sec. 217. Work Project Account Reporting* – NEW**

Requires quarterly reports summarizing all work project accounts including amounts spent, encumbered, and available for each account and the amount of funds lapsed from any work project account.

GENERAL GOVERNMENT TOTALS

Major Boilerplate Changes from FY 2024-25

Sec. 220. E-Verify System **– NEW**
Requires departments and agencies to require each prequalified contractor or subcontractor to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States; requires a report on processes developed and implemented for use of the E-Verify system; prohibits contracting with foreign entities that are known or suspected enemies of the United States or known foreign adversaries; defines E-Verify.

Sec. 223. Impacts from Federal Policy Changes Report **– NEW**
Requires quarterly reports detailing how federal policy changes have affected, or are expected to affect, operations of the department, an industry, community, population, or other group served by the department, or changes that create a regulatory gap that could impact the public.

Sec. 224. Annual Strategic Plan **– NEW**
Requires departments and agencies provide a copy of their annual strategic plan which must include the mission, goals, strategies, and performance measures of the department or agency.

Sec. 226. Court Settlement Reporting **– NEW**
Requires notification to the legislature on any court settlement that may require further legislative review of state statutory programs or regulations.

Sec. 227. Reporting of Receipt of Private and Third-Party Funds **– NEW**
Requires departments and agencies to disclose on a publicly accessible website private and other third-party funds received in the previous fiscal year, including the source and purpose of the funding, and amount of any remaining funds.

Sec. 228. Authorization to Reallocate State Fiscal Recovery Funds **– DELETED**
Requires the state budget director to ensure that all State Fiscal Recovery Funds (SFRF) are expended by December 31, 2026; authorizes the state budget director to reallocate funds to fully utilize SFRF that are in jeopardy of not meeting the expenditure deadline; requires the state budget director to notify the Senate and House appropriations committees not later than 10 business days after making any reallocations.

Sec. 228. Legislatively Directed Spending Items **– NEW**
Requires the legislature to provide a list of legislatively directed spending items consistent with House and Senate rules; requires departments and agencies to do the following: establish a process to review, complete, and execute grant agreements; verify that grant recipients are not-for-profit entities that will use funds for a public purpose; review and verify all necessary information to ensure grant recipients are able to execute grant agreements, perform fiduciary duties, comply with applicable laws, and disburse grants according to grant disbursement schedules; prohibits disbursing funds if grant recipients do not meet disclosure requirements; requires grant agreements to include identifying information, descriptions of projects, tentative timelines, estimated budgets, ways grant funds will be used; authorizes departments and agencies to adopt MOUs with other departments to improve grant administration or oversight; requires grant recipients to respond to information requests; requires grants to be spent by September 30, 2030; requires funds to be returned if grant recipients do not submit required information; requires reports; requires the State Budget Office to compile LDSI information; prohibits awarding of additional funds to grant recipients that misuse funds; requires departments and agencies to refer misused grants for review following internal audit protocols.

DEPARTMENT OF ATTORNEY GENERAL
Summary of FY 2025-26 Enacted
Public Act 22 of 2025 (House Bill 4706, Article 5)

Analyst: Michael Cnossen

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Enacted	*Difference: Enacted From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$39,465,600	$39,381,700	*($83,900)*	*(0.2)*
Federal	10,391,600	10,567,200	*175,600*	*1.7*
Local	0	0	*0*	*--*
Private	0	950,000	*950,000*	*--*
Restricted	22,480,400	30,223,700	*7,743,300*	*34.4*
GF/GP	57,409,100	45,278,000	*(12,131,100)*	*(21.1)*
Gross	**$129,746,700**	**$126,400,600**	***($3,346,100)***	***(2.6)***
FTEs	627.4	685.0	*57.6*	*9.2*

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

Overview

The attorney general serves as legal counsel for state departments, agencies, boards, and commissions, and their officers; brings actions and intervenes in cases on the state's behalf; and represents legislators and judges who may be sued while acting in their official capacities. The attorney general issues opinions on questions of law submitted by members of the legislature and others, serves as chief law enforcement officer of the state, issues legal opinions that have the force of law until reversed by legislative or judicial action, and has supervisory powers over all local prosecuting attorneys.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
1. Organized Retail Crime Unit	**Gross**	**$961,900**	**$950,000**
Includes $950,000 in private revenues to support the work of the organized retail crime unit which works to reduce demand for stolen merchandise, limit opportunities to sell stolen merchandise, and reduce theft opportunities. Private revenues will come from unadjudicated forfeitures that result from the seizure of assets that arise from investigations of the organized retail crime unit and other department units.	Private	0	950,000
	GF/GP	$961,900	$0
2. DIFS Legal Services	**Gross**	**$1,270,000**	**$330,000**
Includes $330,000 in IDG revenue from the Department of Insurance and Financial Services to cover investigations and litigation costs from increased referrals of civil and criminal cases.	IDG	1,270,000	330,000
	GF/GP	$0	$0
3. Violence Against Women Federal Grant	**Gross**	**$0**	**$175,000**
Includes authorization to receive $175,000 in federal grant funding to support contractors, experts, and training to encourage treatment of domestic violence, dating violence, sexual assault, and stalking as serious violations and to develop arrest policies and enforcement of protection orders.	Federal	0	175,000
	GF/GP	$0	$0
4. NCHIP Grant Authorization Removal	**Gross**	**$121,200**	**($121,200)**
Removes $121,200 in federal funding authorization for the Prosecuting Attorneys Coordinating Council to reflect the reduction in funds available for the National Criminal History Improvement Program (NCHIP) grant.	Federal	121,200	(121,200)
	GF/GP	$0	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
5. Removal of FY 2023-24 One-Time Appropriations	**Gross**	**$1,850,000**	**($1,850,000)**
Removes $1.9 Gross ($1.0 million GF/GP) of one-time funding that was included in the FY 2024-25 budget to support the following: • $1.0 million GF/GP for the Operation Survivor Justice extradition program • $850,000 of IDG funds for legal services to the Michigan State Housing Development Authority.	IDG	850,000	(850,000)
	GF/GP	$1,000,000	($1,000,000)
6. GF/GP Reduction	**Gross**	**NA**	**($8,913,100)**
Reduces $8.9 million GF/GP reflecting a reduction in costs to be achieved through identifying administrative efficiencies.	GF/GP	NA	($8,913,100)
7. Public Safety Initiative	FTE	1.0	(1.0)
	Gross	**$888,300**	**($888,300)**
Removes $888,300 and authorization for 1.0 FTE position to reflect the elimination of the Public Safety Initiative, prosecutorial services to reduce backlog of outstanding warrants in high-crime areas of the state, including Detroit, Pontiac, Saginaw, Flint, and others, and to increase prosecutions and incarceration of offenders.	GF/GP	$888,300	($888,300)
8. Operations Line Item Unrolling	FTE	575.4	72.6
	Gross	**$115,988,100**	**$0**
Unrolls the Operations line into 31 new line items delineated by department divisions and increases FTE authorization by 72.6 FTE positions.	IDG	38,615,600	0
	Federal	7,269,700	0
	Restricted	22,025,300	0
	GF/GP	$48,077,500	$0
9. Prosecuting Attorneys Coordinating Council Transfer	FTE	14.0	(14.0)
	Gross	**$2,636,400**	**($2,636,400)**
Removes $2.6 million Gross ($2.2 million GF/GP) and authorization for 14.0 FTE positions to reflect the transfer of the Prosecuting Attorneys Coordinating Council to the Department of Labor and Economic Opportunity.	Restricted	455,100	(455,100)
	GF/GP	$2,181,300	($2,181,300)
10. Attorney General Support Fund	**Gross**	**$0**	**$8,000,000**
Includes $8.0 million in state restricted revenue from the Attorney General Support Fund.	Restricted	0	8,000,000
	GF/GP	$0	$0
11. Economic Adjustments	**Gross**	**NA**	**$1,607,900**
Reflects increased costs of $1.6 million Gross ($851,600 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	IDG	NA	436,100
	Federal	NA	121,800
	Restricted	NA	198,400
	GF/GP	NA	$851,600

Major Boilerplate Changes from FY 2024-25

***Sec. 311. Center for Civil Justice* – DELETED**
Requires department to provide $500,000 to the Center for Civil Justice to provide legal and technical assistance to low-income individuals and to pursue impact litigation that protects low-income and marginalized populations.

***Sec. 314. Lawsuit Settlement Proceeds Fund* – DELETED**
Allows department to use up to $2.7 million of lawsuit settlement proceeds for associated expenses with Flint Declaration of Emergency due to drinking water contamination; requires quarterly expenditure report detailing how funds related to Flint Declaration of Emergency were spent by case, purpose, hourly rate of retained attorney, and department involved; caps hourly rate of attorneys retained for investigation at $250 if reporting requirements are not fulfilled.

***Sec. 315. Legacy Costs* – NEW**
Identifies annual pension-related and retiree health care legacy costs.

Major Boilerplate Changes from FY 2024-25

***Sec. 322. Department Initiatives Quarterly Expenditure Report* – REVISED**
Requires department to submit quarterly expenditure reports by line item and fund source for the following initiatives and activities: Catholic Church Investigation, Elder Abuse Task Force, Conviction Integrity Unit, Opioid Litigation, Hate Crimes Unit, Payroll Fraud Enforcement Unit, PFAS contamination, Human Trafficking, Robocall Enforcement, Job Court, Organized Retail Crime Unit, reducing utility rate increases, Boy Scouts of America investigation, and Address Confidentiality Program. Revises to add section requiring a summary of activities, staffing levels, and outcomes.

FY 2024-25 Supplemental Appropriation Items **Public Act 22 of 2025 (House Bill 4706, Article 16)**		**Appropriation Change**
1. MCOLES Professional Development	**Gross**	**$62,000**
Includes authorization to receive an additional $62,000 in IDG revenue from the Michigan Commission on Law Enforcement Standards (MCOLES) under the Department of State Police to support professional development training on legal matters for public safety personnel.	IDG	62,000
	GF/GP	$0

DEPARTMENT OF CIVIL RIGHTS
Summary of FY 2025-26 Enacted
Public Act 22 of 2025 (House Bill 4706, Article 5)

Analyst: Michael Cnossen

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Enacted	*Difference: Enacted From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$0	$0	*$0*	*--*
Federal	2,890,900	2,899,300	*8,400*	*0.3*
Local	0	0	*0*	*--*
Private	18,700	18,700	*0*	*0.0*
Restricted	58,500	58,500	*0*	*0.0*
GF/GP	26,195,400	25,463,200	*(732,200)*	*(2.8)*
Gross	**$29,163,500**	**$28,439,700**	***($723,800)***	***(2.5)***
FTEs	175.0	174.0	*(1.0)*	*(0.6)*

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

Overview

The Michigan Civil Rights Commission is charged with investigating alleged discrimination against any person because of religion, race, color, national origin, sex, age, marital status, height, weight, arrest record, or physical and mental disabilities. The commission is directed to "secure the equal protection of such civil rights without such discrimination." The Department of Civil Rights serves as the administrative arm charged with implementing policies of the commission. The department works to prevent discrimination through educational programs that promote voluntary compliance with civil rights laws, investigates and resolves discrimination complaints, disseminates information on the rights and responsibilities of Michigan citizens as provided by law, and provides information and services to businesses on diversity initiatives, equal employment law, procurement opportunities, feasibility studies, and joint venture/strategic alliance matchmaking.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		**FY 2024-25 Year-to-Date (as of 2/5/25)**	**FY 2025-26 Enacted Change**
1. Information Technology Increase	**Gross**	**$775,900**	**$767,800**
Includes $767,800 GF/GP to support increased information technology demands due to significant staffing increases. Costs include the following: • $318,800 for DTMB staffing and infrastructure to support the Civil Rights Information System (CRIS) • $300,000 to develop a new Public Complaint Portal • $149,000 for new hardware for new department staff, including laptop workstations, smart phones, and telecommunications equipment.	GF/GP	$775,900	$767,800
2. Public Affairs Reduction	FTE	15.0	(1.0)
	Gross	**$2,665,400**	**($374,900)**
Reduces $374,900 GF/GP and authorization for 1.0 FTE position for Public Affairs.	GF/GP	$2,665,400	($374,900)
3. Museums Support	**Gross**	**$1,500,000**	**($1,500,000)**
Removes $1.5 million GF/GP to be allocated to the Arab American National Museum in Dearborn, Charles H. Wright Museum of African American History in Detroit, and Holocaust Memorial Center in Farmington Hills at $500,000 each.	GF/GP	$1,500,000	($1,500,000)

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
4. Economic Adjustments	**Gross**	**NA**	**$383,300**
Includes increased costs of $383,300 Gross ($374,900 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	Federal	NA	8,400
	GF/GP	NA	$374,900

Major Boilerplate Changes from FY 2024-25

***Sec. 410. Legacy Costs* – NEW**
Identifies annual pension-related and retiree health care legacy costs.

***Sec. 411. Museums Support* – DELETED**
Allocates $500,000 each to Arab American National Museum in Dearborn, Charles H. Wright Museum of African American History in Detroit, and Holocaust Memorial Center in Farmington Hills.

EXECUTIVE OFFICE
Summary of FY 2025-26 Enacted
Public Act 22 of 2025 (House Bill 4706, Article 5)

Analyst: Michael Cnossen

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

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

Overview

The Executive Office budget provides funding for the governor, the lieutenant governor, and their staffs. Major constitutionally specified responsibilities include organization and supervision of the Executive branch and annual preparation and submission of the executive budget.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		**FY 2024-25 Year-to-Date (as of 2/5/25)**	**FY 2025-26 Enacted Change**
1. Executive Office Economic Adjustments	**Gross**	**NA**	**$272,100**
Includes increased costs of $272,100 GF/GP for negotiated salary and wage increases (3.0% on October 1, 2025) for employees.	GF/GP	NA	$272,100

Major Boilerplate Changes from FY 2024-25

There is no boilerplate for the Executive Office.

LEGISLATURE
Summary of FY 2025-26 Enacted
Public Act 22 of 2025 (House Bill 4706, Article 5)

Analyst: Michael Cnossen

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Enacted	*Difference: Enacted From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$0	$0	*$0*	--
Federal	0	0	*0*	--
Local	0	0	*0*	--
Private	467,700	474,700	*7,000*	*1.5*
Restricted	5,422,500	5,503,800	*81,300*	*1.5*
GF/GP	194,753,100	194,837,300	*84,200*	*0.0*
Gross	**$200,643,300**	**$200,815,800**	***$172,500***	***0.1***
FTEs	0.0	0.0	*0.0*	--

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

Overview

The budget provides funding for the Legislative branch of state government, including the Legislative Council and agencies it governs, the Legislative Retirement System, and Property Management. The legislature enacts the laws of Michigan, levies taxes, and appropriates funding from revenue collected for support of public institutions and administration of the affairs of state government. The Legislative Council provides a wide variety of essential services to members and staff of the legislature. The Michigan Legislative Retirement System provides retirement allowances, survivors' allowances, and other benefits for members of the legislature and their spouses, dependents, survivors, and beneficiaries. Property Management employees maintain, operate, and repair the Cora Anderson House of Representatives Office Building and the Binsfield Senate Office Building. The Michigan State Capitol Historic Site includes the Capitol Building, its grounds and parking lot, and the Michigan State Capitol Commission.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		**FY 2024-25 Year-to-Date (as of 2/5/25)**	**FY 2025-26 Enacted Change**
1. Legislature Operations Adjustment	**Gross**	**$200,643,300**	**$2,964,800**
Includes $3.0 million Gross ($2.9 million GF/GP) for a 1.5% increase for legislative employees, operations, and property management.	Private	467,700	7,000
	Restricted	5,422,500	81,300
	GF/GP	$194,753,100	$2,876,500
2. Independent Citizens Redistricting Commission (ICRC)	**Gross**	**$2,992,300**	**($2,992,300)**
Removes $3.0 million GF/GP to reflect the commission going dormant until the next decennial census cycle.	GF/GP	$2,992,300	($2,992,300)
3. Senate and House Fiscal Agencies	**Gross**	**$9,472,600**	**$200,000**
Includes a total of $200,000 GF/GP, $100,000 for each the Senate Fiscal Agency and House Fiscal Agency.	GF/GP	$9,472,600	$200,000

Major Boilerplate Changes from FY 2024-25

Sec. 603. National Association Dues **– DELETED**
Requires the Legislative Council to distribute funds appropriated for payment of national association dues; requires first $34,800 to be paid to the National Conference of Commissioners of Uniform State Laws with the remaining funds distributed accordingly by the Legislative Council; authorizes the Legislative Council to approve up to $10,000 of remaining funds, if any are available, to pay for the registration fees of any state employees who serve as board members to any of the national associations receiving state funds for annual dues to attend that national association's annual conference; authorizes Legislative Council to use any remaining funds to pay for registration fees for any other state employees to attend annual conferences of associations receiving state funds.

Sec. 613. Independent Citizens Redistricting Commission Compensation **– DELETED**
Requires the council administrator to administer compensation, benefits, and other personnel support for the members, employees, staff, and consultants of the ICRC.

Sec. 614. Independent Citizens Redistricting Commission Reporting **– DELETED**
Requires the ICRC to issue a report providing a detailed listing of commission expenditures.

Sec. 615. Legacy Costs **– NEW**
Identifies annual pension-related and retiree health care legacy costs.

FY 2024-25 Supplemental Appropriation Items **Public Act 22 of 2025 (House Bill 4706, Article 16)**		**Appropriation Change**
1. Legislature Security and Enforcement Includes $3.0 million GF/GP for the House and $3.0 million GF/GP for the Senate to expand security and enforcement capabilities of the sergeant at arms.	**Gross** GF/GP	**$6,000,000** $6,000,000

LEGISLATIVE AUDITOR GENERAL
Summary of FY 2025-26 Enacted
Public Act 22 of 2025 (House Bill 4706, Article 5)

Analyst: Michael Cnossen

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Enacted	*Difference: Enacted From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$7,334,800	$7445,000	*$110,200*	*1.5*
Federal	0	0	*0*	*--*
Local	0	0	*0*	*--*
Private	0	0	*0*	*--*
Restricted	2,475,900	2,512,900	*37,000*	*1.5*
GF/GP	21,427,000	21,748,400	*321,400*	*1.5*
Gross	**$31,237,700**	**$31,706,300**	***$468,600***	***1.5***
FTEs	0.0	0.0	*0.0*	*--*

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

Overview

The legislative auditor general is responsible for conducting post financial and performance audits of state government operations. Audit reports provide a continuing flow of information to assist the legislature in its oversight of approximately 100 individual state funds. Audit reports provide citizens with a measure of accountability and assist state departments and agencies in improving financial management of their operations. The goal of the legislative auditor general is to improve accounting and financial reporting practices and to promote effectiveness, efficiency, and economy in state government. The mission is to improve the accountability of public funds and to improve the operations of state government for the benefit of the citizens of the state.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		**FY 2024-25 Year-to-Date (as of 2/5/25)**	**FY 2025-26 Enacted Change**
1. Legislative Auditor General Operations	**Gross**	**$31,237,700**	**$468,600**
Includes $468,600 Gross ($321,400 GF/GP) for a 1.5% increase for the Office of the Auditor General employees, operations, and property management.	IDG	7,334,800	110,200
	Restricted	2,475,900	37,000
	GF/GP	$21,427,000	$321,400

Major Boilerplate Changes from FY 2024-25

Sec. 631. Audit of Secretary of State's Review of Voter Rolls **– NEW**

Requires the Office of the Auditor General to conduct an audit of the secretary of state's systematic review of voter rolls based on generally accepted government auditing standards.

DEPARTMENT OF STATE
Summary of FY 2025-26 Enacted
Public Act 22 of 2025 (House Bill 4706, Article 5)

Analyst: Michael Cnossen

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Enacted	*Difference: Enacted From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$20,000,000	$20,000,000	*$0*	*0.0*
Federal	1,460,000	1,460,000	*0*	*0.0*
Local	0	0	*0*	*--*
Private	50,100	50,100	*0*	*0.0*
Restricted	258,360,700	261,503,800	*3,143,100*	*1.2*
GF/GP	11,969,100	11,969,100	*0*	*0*
Gross	**$291,839,900**	**$294,983,000**	***$3,143,100***	***1.1***
FTEs	1,635.0	1,607.0	*(28.0)*	*(1.7)*

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

Overview

The Department of State (DOS) is the oldest department in Michigan state government. It is administered by the secretary of state, an elected official who serves a four-year term of office and has constitutional and statutory duties. Services provided by the department include registering and titling automobiles, watercraft, and recreational vehicles; regulating automobile dealers and repair facilities; registering voters and administering elections; and streamlining the collection of revenue. The department operates programs designed to enhance driver safety, protect automotive consumers, and ensure the integrity of both the motor vehicle administration system and the statewide elections process.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
1. State Restricted Revenue Alignment	**Gross**	**NA**	**($440,200)**
Reduces state restricted revenue authorizations by $440,200 to align authorization levels with available estimated revenues. The authorization reductions include $143,500 of Notary Fee Fund revenue for Election Administration and Services and $296,700 of Expedient Service Fees Revenue for Information Technology Services and Projects.	Restricted	NA	(440,200)
	GF/GP	NA	$0
2. Restricted, GF/GP Fund Swap	**Gross**	**NA**	**$0**
Includes $182,700 in additional state restricted revenue and reduces GF/GP by a corresponding amount for a $0 net change.	Restricted	NA	182,700
	GF/GP	NA	($182,700)
3. FTE Authorization Reduction	FTE	NA	(28.0)
Reduces authorization for 28.0 unfunded FTE positions from the following line items:	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
• 15.0 from Branch Operations			
• 9.0 from Central Operations			
• 2.0 from Executive Direction			
• 2.0 from Department Services Operations			
4. Economic Adjustments	**Gross**	**NA**	**$3,583,300**
Reflects increased costs of $3.6 million Gross ($182,700 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	Restricted	NA	3,400,600
	GF/GP	NA	$182,700

Major Boilerplate Changes from FY 2024-25

***Sec. 705. Department Publications* – REVISED**
Authorizes DOS to accept gifts and grants to underwrite publications pertaining to the vehicle code and authorizes DOS to approve paid advertising in such publications; authorizes unexpended funds to be carried forward into the next fiscal year; requires annual report on details of gifts received under this subsection, expenditures made from those gifts, and other details. Revises to condition requirement to report on whether revenues are received.

***Sec. 710. IT Service Centralization* – NEW**
Requires Department of State to delegate responsibility for the procurement, development, and maintenance of all information technology services to DTMB.

***Sec. 716. In-Person Branch Office Service* – NEW**
Requires department to maintain "adequate in-person services" as defined in Michigan Vehicle Code, MCL 257.1a., which defines as providing in-person service options, without requirement of advance appointment, on each day and at each location a secretary of state branch office is open for services in this state.

***Sec. 717. Gifts to Support Department Activities* – REVISED**
Authorizes DOS to accept non-monetary gifts of a de minimus value to support licensing, regulation, and safety functions; prohibits acceptance if conditioned on future state spending; requires report. Revises to condition requirement to report on whether revenues are received.

***Sec. 720. Voter Registration Report* – NEW**
Requires department to report on figures on voter registrations from information returned on change of address notifications sent by secretary of state; requires report to include number of electors who corrected their voter registration records, and number of possible improper votes cast at preceding primary and general elections referred to law enforcement by secretary of state.

***Sec. 722. Legacy Mainframes System Modernization* – DELETED**
Requires expense report by fund source on Customer and Automotive Records System (CARS) including projected expenses in current and next fiscal years.

***Sec. 725. Legacy Costs* – NEW**
Identifies annual pension-related and retiree health care legacy costs.

***Sec. 728. Systematic Review of Qualified Voter File* – NEW**
Requires the department to conduct systematic reviews of the Qualified Voter File (QVF) by comparing information in it with the department's driver and identification data; requires notification to be sent to individuals whose voter registration status is in question to verify information before it is cancelled; requires report on various activities of the systematic reviews.

FY 2024-25 Supplemental Appropriation Items **Public Act 22 of 2025 (House Bill 4706, Article 16)**		**Appropriation Change**
1. Help America Vote Act Provides $9.6 million in federal funding to authorize expenditure of Election Security grants. The total requested amount is comprised of $7.6 million of a lapsed work project balance originally provided under the Consolidated Appropriations Act of 2020, $1.0 million provided under the Consolidated Appropriations Act of 2024, and $1.0 million from interest accrued from past and current HAVA fund balances.	**Gross** Federal GF/GP	**$9,583,500** 9,583,500 $0

FY 2024-25 Supplemental Boilerplate Items
Public Act 22 of 2025 (House Bill 4706, Article 16)

Sec. 601. Help America Vote Act
Designates unexpended funds for Help America Vote Act as a work project appropriation; requires funding to be used to support election security initiatives, including, but not limited to, election equipment upgrades, security and testing of voting systems, and election operation enhancements.

DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET
Summary of FY 2025-26 Enacted
Public Act 22 of 2025 (House Bill 4706, Article 5)

Analyst: Michael Cnossen

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Enacted	*Difference: Enacted From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$1,119,848,200	$1,152,596,000	*$32,747,800*	*2.9*
Federal	4,393,300	4,393,300	*0*	*0.0*
Local	2,334,000	2,360,100	*26,100*	*1.1*
Private	189,200	229,400	*40,200*	*21.2*
Restricted	296,362,300	145,578,700	*(150,783,600)*	*(50.9)*
GF/GP	539,964,000	538,318,900	*(1,645,100)*	*(0.3)*
Gross	**$1,963,091,000**	**$1,843,476,400**	***($119,614,600)***	***(6.1)***
FTEs	3,249.5	3,238.5	*(11.0)*	*(0.3)*

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

Overview

The Department of Technology, Management, and Budget (DTMB) is the centralized service agency for the executive branch. Its responsibilities include information technology services and project support for state departments and agencies; state facility and lease management; the state motor vehicle fleet; state purchasing and procurement; state retirement systems; internal audit; state budget development and monitoring; and state accounting and financial control systems. Autonomous units within DTMB include the following: State Budget Office, Office of the State the Child Advocate.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		**FY 2024-25 Year-to-Date (as of 2/5/25)**	**FY 2025-26 Enacted Change**
1. Information Technology Investment Fund (ITIF) (One-Time) Includes $15.0 million GF/GP for ITIF, the state's strategic portfolio of information technology system modernization projects, to support new legacy system modernization projects. With $35.0 million GF/GP in the current year base, a total of $50.0 million GF/GP will be available for ITIF.	**Gross**	**$35,000,000**	**$15,000,000**
	GF/GP	$35,000,000	$15,000,000
2. State Facilities Special Maintenance Reduces $4.0 million GF/GP for maintenance, demolition, and infrastructure projects for state-owned buildings and structures, which includes approximately 800 buildings and 5,000 structures.	**Gross**	**$28,000,000**	**($4,000,000)**
	GF/GP	$28,000,000	($4,000,000)
3. State Building Authority Capital Outlay Debt Financing Includes $15.5 million GF/GP to be set aside for projected payments on debt for capital construction projects financed through the State Building Authority. Additional funding will support a projected increase in payments due on existing and anticipated state capital outlay projects.	**Gross**	**$246,170,600**	**$15,481,100**
	GF/GP	$246,170,600	$15,481,100
4. Civil Service Commission IT System Upgrade Includes $7.5 million of state restricted funding from rates charged to departments and agencies to upgrade the Human Resource Management Network System (HRMN). The upgrade will enable the transition from the on-premises human resources, payroll and benefits system that supports over 50,000 users to a government cloud platform. Funding will support the first year of the multi-year project and supplement GF/GP revenue in ITIF included for the project.	**Gross**	**$4,645,900**	**$7,528,700**
	Restricted	2,897,400	7,528,700
	GF/GP	$1,748,500	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
5. State Budget Office Staffing Increase	FTE	NA	11.0
Includes $121,900 GF/GP and authorization for 11.0 FTE positions to support budget development, financial management, and internal auditing services within the State Budget Office.	**Gross**	**NA**	**$121,900**
	GF/GP	NA	$121,900
6. Office of the State Employer Training Program	**Gross**	**$1,786,800**	**$116,000**
Includes $116,000 of state restricted revenue for staffing to support labor relations and a new management training for managers and supervisors in the state classified service.	Restricted	815,100	116,000
	GF/GP	$971,700	$0
7. Annual IT IDG Baseline Adjustment	**Gross**	**$880,274,300**	**$19,166,000**
Increases IDG funding from Technology User Fee revenue by $19.2 million to reflect projects and service adjustments in other executive department and agency budgets, administrative cost allocation changes, and IT budgetary requests made by departments and agencies. Technology Service appropriation lines are prorated by department based on their total IT budget. Adjustments include $7.5 million from the Civil Service Commission for the project described under item number 6 and $9.9 million for various program adjustments under DHHS.	IDG	880,274,300	19,166,000
	GF/GP	$0	$0
8. Fleet Vehicle Travel Services Rate Increase	**Gross**	**$95,708,200**	**$5,426,600**
Includes $5.4 million in IDG funding from the Motor Transport Fund to align IDG authorization with revenue from rates charged to departments and agencies.	IDG	95,708,200	5,426,600
	GF/GP	$0	$0
9. Building Occupancy Charges – Rate Increase	**Gross**	**$109,241,200**	**$3,820,000**
Includes $3.8 million in IDG funding from building occupancy and parking charges to reflect building occupancy rate adjustments primarily attributable to increasing utility costs.	IDG	109,241,200	3,820,000
	GF/GP	$0	$0
10. State Records Center Staffing	**Gross**	**NA**	**$272,400**
Includes $272,400 in state restricted funding to align staffing resources for the State Records Center (SRC). The SRC is responsible for the storing and control of inactive records on behalf of state agencies and developing retention schedules for state and local government records.	Restricted	NA	272,400
	GF/GP	NA	$0
11. DMVA Accounting Services	**Gross**	**NA**	**$136,100**
Includes $136,100 in IDG funding to align departmental accounting service center funding support with funding from the Department of Military and Veterans Affairs and the Michigan Veterans' Facility Authority.	IDG	NA	136,100
	GF/GP	NA	$0
12. Federal and State Restricted Revenue Alignment	**Gross**	**NA**	**$1,300**
Includes a reduction of $38,700 in federal fund authorization for the Michigan Center for Data and Analytics and an increase of $40,000 in private funding from the National Association of Purchasing Officers to align authorization levels with available revenues and estimated expenditures for a net increase of $1,300.	Federal	NA	(38,700)
	Private	NA	40,000
	GF/GP	NA	$0
13. SWCAP Adjustment	**Gross**	**NA**	**$0**
Reallocates fund sourcing associated with the annual Statewide Cost Allocation Plan (SWCAP) for a net change of $0 Gross and decrease of $2.1 million GF/GP.	IDG	NA	(132,300)
	Restricted	NA	2,189,200
	GF/GP	NA	($2,056,900)
14. Microsoft Licensing Agreement Alignment	**Gross**	**NA**	**($400,000)**
Removes $400,000 GF/GP in ongoing funding from the Information Technology Services and Projects line item to align costs for the Enterprise Licensing Agreement contract that is executed with the Microsoft Corporation.	GF/GP	NA	($400,000)

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
15. Removal of FY 2024-25 One-Time Appropriations	**Gross**	**$26,400,000**	**($26,400,000)**
Removes $26.4 million GF/GP of one-time funding that was included in the FY 2024-25 budget to support the following: • $25.0 million for Michigan Public Safety Communication System lifecycle replacement • $1.4 million for menstrual products in state buildings.	GF/GP	$26,400,000	($26,400,000)
16. Removal of Make It in Michigan Transfer	**Gross**	**$166,265,800**	**($166,265,800)**
Removes $166.3 million of state restricted authorization to enable the allocation of Make It in Michigan grant awards to leverage federal funding opportunities for key projects for public, private, and non-profit organizations from the Infrastructure Investment and Jobs Act (IIJA), the CHIPS Act of 2022, and the Inflation Reduction Act of 2022, (IRA).	Restricted	166,265,800	(166,265,800)
	GF/GP	$0	$0
17. General Fund Reductions	**Gross**	**NA**	**($3,067,900)**
Reduces $3.1 million GF/GP from the following line items: • $1.0 million from Enterprise User Experience • $568,900 from Michigan Public Safety Communication System • $500,000 from Homeland Security Initiative/Cyber Security • $400,000 from Administrative Services • $399,000 from Property Management • $200,000 from Michigan Center for Data and Analytics.	GF/GP	NA	($3,067,900)
18. FTE Authorization Reduction	FTE	NA	(22.0)
Reduces authorization for 22.0 unfunded FTE positions from the following line items: • 7.0 from Information Technology Services • 4.0 from Business Support Services • 4.0 from Office of State Employer • 3.0 from Civil Service Commission Executive Direction • 2.0 from Michigan Center for Data and Analytics • 1.0 from Administrative Services • 1.0 from Executive Operations.	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
19. State Fleet Electric Vehicle Transition	**Gross**	**$1,000,000**	**($1,000,000)**
Removes $1.0 million for administration costs to begin transitioning the state's fleet of over 14,000 leased and owned vehicles to electric vehicles and to conduct an analysis on infrastructure needs of transitioning the state's fleet to electric power.	GF/GP	$1,000,000	($1,000,000)
20. Election Equipment Reserve Fund	**Gross**	**NA**	**$5,000,000**
Includes $5.0 million GF/GP to support the purchase of election equipment for local units of government.	GF/GP	NA	$5,000,000
21. Restricted, GF/GP Fund Swap	**Gross**	**NA**	**$0**
Includes $3.8 million in additional state restricted revenue and reduces GF/GP by a corresponding amount for a $0 net change. State restricted revenue increases include $1.3 million from State Sponsored Group Insurance and $2.5 million from Special Revenue Internal Service Fund.	Restricted	NA	3,782,300
	GF/GP	NA	($3,782,300)
22. Economic Adjustments	**Gross**	**NA**	**$9,449,000**
Reflects increased costs of $9.4 million Gross ($3.5 million GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	IDG	NA	4,331,400
	Federal	NA	38,700
	Local	NA	26,100
	Private	NA	200
	Restricted	NA	1,593,600
	GF/GP	NA	$3,459,000

Major Boilerplate Changes from FY 2024-25

Sec. 801. Contingency Authorization **– REVISED**
Appropriates up to $1.0 billion in federal, $250.0 million in state restricted, $20.0 million in local, and $20.0 million in private contingency authorization; authorizes expenditure of funds after legislative transfer to specific line items. Revises to increase maximum amounts of contingency authorizations to $50.0 million in federal, $200.0 million in state restricted, $5.0 million in local, and $5.0 million in private.

Sec. 809. Computer Contracts **– REVISED**
Requires DTMB to report revisions that increase or decrease current contracts for computer software development, hardware acquisition, or quality assurance by more than $500,000, individually or in aggregate. Revises to decrease reporting threshold of revisions to $250,000.

Sec. 812. Legacy Costs **– NEW**
Identifies annual pension-related and retiree health care legacy costs.

Sec. 815. Legal Services Fund **– NEW**
Requires itemized report on all expenditures from funds carried forward under work project account number 17458, titled "legal services", to provide support for major litigation involving the governor and attorney general in their official capacity, and for securing outside legal advice, as identified by the attorney general, on major statewide issues not unique to a single agency.

Sec. 821. State Retirement Systems Report **– NEW**
Requires Office of Retirement Services (ORS) to produce a report on Judges Retirement System, Military Retirement System, Michigan Public School Employees' Retirement System, State Employees' Retirement System, and State Police Retirement System showing tables and charts of annual required contribution flow per fiscal year and justification if payroll growth assumption is maintained at or above 0% for any pension or OPEB plan; requires additional items to be reported for Michigan Public School Employees' Retirement System; requires ORS to post most recent year's CAFR for each plan.

Sec. 829. IT Lifecycle Report **– NEW**
Requires report that analyzes and makes recommendations on life-cycle of IT hardware and software***.***

Sec. 834. Commercial-Off-the-Shelf Product Contract Conditions **– NEW**
Prohibits contracting for a commercial-off-the-shelf (COTS) product if the vendor would need to make significant customized changes to meet the contracted work requirements.

Sec. 835. Information Technology Contract Limits **– NEW**
Requires DTMB to provide a report on all new contracts that have a value greater than $10.0 million or are in effect for longer than 3 years.

Sec. 836. Independent Verification and Validation Contracting **– NEW**
Requires Independent Verification and Validation contracted vendors to provide their regular reporting to the legislature and the contracted software development vendor on the project.

Sec. 839. Federal and State Restricted Revenue for ITIF **– NEW**
Appropriates additional federal and state restricted revenue for the Enterprisewide Information Technology Investments line item up to amounts earned based on initiatives undertaken with the General Fund appropriation.

Sec. 840. IT Contract Requirements **– NEW**
Requires each request for proposal for a contract to include a clear statement of objectives not longer than 5 pages which communicates all essential operational requirements of the contracted service.

Sec. 863. Office Building Space Usage Report **– NEW**
Requires DTMB to submit report which evaluates office building and space usage by all state departments and develop a projection for future building occupancy; lists additional report requirements.

Sec. 867. Special Maintenance, Remodeling, and Additions for State Agencies **– NEW**
Appropriates federal and restricted funds earned based on initiatives undertaken with funds appropriated for Special Maintenance, Remodeling, and Additions for State Agencies; requires the state budget director to determine the appropriate manner for implementing this section.

Sec. 890. Free Menstrual Products Pilot Program **– DELETED**
Requires funds appropriated for menstrual products to be used to provide free menstrual discharge absorption devices in the restrooms of state-owned and managed buildings and state-leased buildings where possible.

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

Major Boilerplate Changes from FY 2024-25

***Sec. 890. Election Equipment Reserve Fund* – NEW**
Authorizes unexpended funds to be designated as a work project for the purchase of election equipment and authorizes funds to carry forward to subsequent fiscal year.

***Sec. 891. MPSCS Lifecycle Replacement* – DELETED**
Requires the MPSCS to perform lifecycle replacement work, including, but not limited to, equipment upgrades, security, and maintenance; designates unexpended funds as a work project.

***Sec. 894. Actuarial Cost of Living Study* – DELETED**
Requires the Office of Retirement Services to contract with the state's actuary to conduct a study to provide options related to providing cost-of-living adjustments in the State Employees' Retirement System; lists information to be included in the study.

FY 2024-25 Supplemental Boilerplate Items
Public Act 22 of 2025 (House Bill 4706, Article 16)

Sec. 701. Ambulance Service Providers
Requires proceeds received through litigation against, or bankruptcy proceedings involving, Wellpath Holdings and its affiliated companies or Grand Prairie Health Care Services to be used to reimburse ambulance service providers that are owed payments by Wellpath Holdings and its affiliated companies or Grand Prairie Health Care Services for services provided to the Department of Corrections during 2023 and 2024; requires amounts paid to be reduced if providers receive payment through litigation; requires money paid to providers to be returned to the state if providers receive payment from Wellpath Holdings and its affiliated companies or Grand Prairie Health Care Services.

DEPARTMENT OF TREASURY
Summary of FY 2025-26 Enacted
Public Act 22 of 2025 (House Bill 4706, Article 5)

Analyst: Michael Cnossen

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Enacted	*Difference: Enacted From FY 2024-25 YTD Amount*	*%*
IDG/IDT	$11,188,500	$11,670,700	*$482,200*	*4.3*
Federal	25,011,400	25,254,000	*242,600*	*1.0*
Local	15,207,100	15,311,600	*104,500*	*0.7*
Private	36,600	3,040,300	*3,003,700*	*8,206.8*
Restricted	2,343,150,900	2,273,268,100	*(69,882,800)*	*(3.0)*
GF/GP	308,655,700	327,800,400	*19,144,700*	*6.2*
Gross	**$2,703,250,200**	**$2,656,345,100**	***($46,905,100)***	***(1.7)***
FTEs	2,012.5	1,965.5	*(47.0)*	*(2.3)*

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

Overview

The Department of Treasury is the chief fiscal agency of the state and the primary source of advice to the governor on tax and fiscal policy issues. The department's mission is to collect state taxes; to invest, control, and disburse state monies; and to protect the state's credit rating and that of its cities. The department manages one of the nation's largest pension funds, administers revenue sharing, and administers student financial aid programs. It also investigates fraudulent financial activity, provides assistance on all property tax-related issues, and advises issuers of municipal obligations. The Bureau of State Lottery, the Michigan Gaming Control Board (MGCB), and the State Building Authority (SBA) are autonomous agencies housed within the department.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
1. Constitutional Revenue Sharing	**Gross**	**$1,073,331,400**	**($63,248,500)**
Reduces $63.2 million of restricted sales tax revenue relative to the FY 2024-25 budget act appropriated amount for constitutionally required payments to cities, villages, and townships (CVTs), for an estimated projected total of $1.0 billion in FY 2025-26. The reduction reflects the partial year removal of revenue from sales tax on motor fuel.	Restricted	1,073,331,400	(63,248,500)
	GF/GP	$0	$0
2. Statutory Revenue Sharing	**Gross**	**$333,547,300**	**$0**
Maintains FY 2024-25 statutory revenue sharing payments and formulas for cities, villages, townships (CVTs) and counties for a $0 change in FY 2025-26.	Restricted	333,547,300	0
	GF/GP	$0	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
3. Public Safety Revenue Sharing Grants	**Gross**	**NA**	**$70,000,000**
Includes $70.0 million Gross ($20.0 million GF/GP) for formula grants to counties and CVTs for uses related to public safety. Of this amount, $20.0 million is appropriated as one-time. Funding will be distributed as follows: • $42.6 million ($7.5 million one-time) to CVTs and $14.2 million ($2.5 million one-time) to counties. At least 75% of grant payments must go towards law enforcement. • $10.0 million of one-time funds to be used for scholarships to cadets for law enforcement academies. Scholarships will be capped at $20,000 per recruit. • $3.3 million to Department of Health and Human Services (DHHS) for Community Violence Intervention programs.	Restricted	NA	50,000,000
	GF/GP	NA	$20,000,000
4. Public Safety Constituency Grants	**Gross**	**NA**	**$25,000,000**
Includes $25.0 million GF/GP for competitive grants to local prosecutors and firefighters. Funding will be distributed as follows: • $17.0 million to county prosecutors to help reduce attorney caseloads. Counties must be 1 of the 15 counties with the highest violent crime rates. • $8.0 million to local units of government for fire equipment. Of this amount, at least $4.0 million must be distributed for on call, volunteer, or part time fire departments. Grants will be capped at $50,000.	GF/GP	NA	$25,000,000
5. Public Safety and Violence Prevention	**Gross**	**$75,000,000**	**(75,000,000)**
Removes $75.0 million for Public Safety and Violence Prevention revenue sharing payments for a $0 net change from FY 2024-25 to support public safety initiatives in CVTs. Funding would be authorized to be distributed similarly as proposed under House Bill 4606 of 2024 and as shown below: • $4.9 million, or 6.5%, to the Department of Health and Human Services (DHHS) for grants to CVTs, tribal entities, and community organizations for the purpose of advancing solutions to community violence • $1.5 million, or 2.0%, to the crime victim's rights fund created under section 4 of 1989 PA 196 (appropriated in the DHHS budget). • $68.6 million, or the remaining balance, to CVTs proportionate to violent crime data provided by Michigan State Police.	Restricted	75,000,000	(75,000,000)
	GF/GP	$0	$0
6. Recreational Marihuana Grants to Locals	**Gross**	**$96,380,000**	**$9,220,000**
Includes $9.2 million in state restricted Marihuana Regulation Fund revenue to align grant payments to municipalities and counties with the expected increase in revenue based on the current total estimate from the May revenue estimating conference.	Restricted	96,380,000	9,220,000
	GF/GP	$0	$0
7. MI Financial Empowerment Program	**Gross**	**$0**	**$3,000,000**
Includes $3.0 million as a one-time appropriation to authorize private funds by the Ballmer Group to create the MI Financial Empowerment program aimed at providing financial literacy education services to residents.	Private	0	3,000,000
	GF/GP	$0	$0
8. Marijuana Taxation Implementation – Comprehensive Road Funding Fund	**Gross**	**$0**	**$3,000,000**
Appropriates $3.0 million in state restricted Comprehensive Road Funding Fund, created under 2025 PA 23, to implement and administer the collection of excise taxes on certain sales or transfers of marijuana.	Restricted	0	3,000,000
	GF/GP	$0	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
9. Payment in Lieu of Taxes (PILT)	**Gross**	**$35,156,800**	**$3,155,700**
Includes $3.2 million Gross ($2.4 million GF/GP) for increased PILT payments to local units of government for state lands owned by the Department of Natural Resources. Funding will align payments with current property tax estimates. Increased payments will include $1.2 million for state purchased lands and $2.0 million for DNR swamp and tax reverted lands.	Private	36,600	3,700
	Restricted	7,312,800	731,500
	GF/GP	$27,807,400	$2,420,500
10. Gaming Control – Increased Funding Authorization	**Gross**	**NA**	**$703,300**
Authorizes an additional $703,300 in state restricted State Services Fee Fund revenue to be used for gaming-related enforcement services.	Restricted	NA	703,300
	GF/GP	NA	$0
11. Bureau of Local Government Audit and Assessment Services	**Gross**	**NA**	**$695,000**
Includes $695,000 GF/GP for increased costs associated with the Bureau of Local Government for audit and assessment services to local units of government.	GF/GP	NA	$695,000
12. Senior Citizen Cooperative Housing Tax Exemption Program	**Gross**	**$11,512,300**	**$612,700**
Includes $612,700 GF/GP for estimated payments to locals in lieu of property taxes for qualified senior housing facilities for new facilities or costs entering the program.	GF/GP	$11,512,300	$612,700
13. Restricted and IDG Revenue Adjustments	**Gross**	**NA**	**$400,000**
Includes $400,000 in IDG funding from the Michigan Department of Transportation due to increased costs associated with tax collections for the Motor Fuel and International Fuel Tax Agreement taxes.	IDG	NA	400,000
	GF/GP	NA	$0
14. Other Technical Adjustments	**Gross**	**NA**	**$1,407,400**
Includes a net increase of $1.4 million Gross for the following technical adjustments: • Increase of $26,700 in federal funding for the Low Income Heat and Energy Assistance Program • Increase of $159,800 in federal funding for student financial assistance programs • Reduction of $279,100 in state restricted revenue from the Health and Safety Fund for Health and Safety Grants • Increase of $1.5 million in state restricted revenue for administration of the qualified heavy equipment rental personal property tax exemption program.	Federal	NA	186,500
	Restricted	NA	1,220,900
	GF/GP	NA	$0
15. Michigan Infrastructure Council Reduction	FTE	3.0	0.0
Reduces $800,000 GF/GP for the Michigan Infrastructure Council which provides central coordination for statewide infrastructure asset management councils, develops strategic guidance across transportation, water, utility, and telecommunications infrastructure and coordinates with the Transportation Asset Management Council and Water Asset Management Council.	**Gross**	**$3,858,800**	**($800,000)**
	IDG	252,700	0
	GF/GP	$3,606,100	($800,000)
16. Language Access Plan	FTE	0.0	1.0
Includes $245,000 GF/GP and authorization for 1.0 FTE position to implement and administer a language access plan to ensure Treasury documents are translated for all major languages that interact with Treasury services and tax collections. The program will be included under the newly created Bureau of Operational Excellence described under item number 17.	**Gross**	**$0**	**$245,000**
	GF/GP	$0	$245,000

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
17. Bureau of Operational Excellence	FTE	24.0	0.0
Transfers $3.8 million Gross ($363,700 GF/GP) from 8 line items and authorization for 24.0 FTE positions, for a net $0 and FTE change, to a new line item that will support a new Bureau of Operational Excellence within Treasury to centralize lean process improvement and project management services.	**Gross**	**$3,811,900**	**$0**
	Restricted	3,448,200	0
	GF/GP	$363,700	$0
18. Funding and FTE Authorization Alignment Transfers	FTE	NA	0.0
Transfers $4.5 million and authorization for 31.0 FTE positions from 9 line items for a net $0 change, to align authorizations with workloads across several areas within Treasury.	**Gross**	**NA**	**$0**
	Restricted	NA	0
	GF/GP	NA	$0
19. Debt Service Adjustments	**Gross**	**$95,087,000**	**($5,206,000)**
Reduces general obligation debt service by $5.2 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.	GF/GP	$95,087,000	($5,206,000)
20. Tax Compliance Review Reduction	**Gross**	**NA**	**($2,057,700)**
Transfers $2.4 million of state restricted delinquent tax collection revenue from Tax Compliance to Tax Processing to backfill a $2.1 million GF/GP reduction from Tax Processing for a net $300,000 increase for Tax Processing and a $2.1 million GF/GP reduction.	Restricted	NA	0
	GF/GP	NA	($2,057,700)
21. Removal of Other FY 2024-25 One-Time Appropriations	**Gross**	**$25,592,000**	**($25,592,000)**
Removes $25.6 million Gross ($25.0 million GF/GP) of one-time funding that was included in the FY 2024-25 budget to support the following: • 12th District Court Security Upgrades ($1.0 million GF/GP) • 38th District Court Construction Project ($1.0 million GF/GP) • Eaton County Prosecutor Support ($250,000 GF/GP) • Local Prosecutors Support Grants ($16.8 million GF/GP) • Lottery IT Services and Projects ($592,000 state restricted) • MiABLE Outreach ($3.0 million GF/GP) • Secure Retirement for Small Businesses ($3.0 million GF/GP).	Restricted	592,000	(592,000)
	GF/GP	$25,000,000	($25,000,000)
22. FTE Authorization Reduction	FTE	NA	(62.0)
Reduces authorization for 62.0 unfunded FTE positions from the following line items: • 25.0 from Tax Compliance • 8.0 from Tax Processing • 6.0 from Lottery Operations • 5.0 from Treasury Executive Direction • 5.0 from Student Financial Assistance • 4.0 from Horse Racing • 3.0 from Supervision of the General Property Tax Law • 2.0 from Bureau of Accounting and Financial Services • 2.0 from Insurance Provider Assessment Program • 2.0 from Casino Operations.	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
23. Prosecuting Attorneys Coordinating Council Transfer	FTE	NA	14.0
Includes $2.7 million Gross ($2.2 million GF/GP) and authorization for 14.0 FTE positions for the transfer of the Prosecuting Attorneys Coordinating Council from the Department of Attorney General's budget to Treasury's budget.	**Gross**	**NA**	**$2,655,100**
	Restricted	NA	455,100
	GF/GP	NA	$2,200,000

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
24. Economic Adjustments	**Gross**	**NA**	**$4,904,900**
Reflects increased costs of $4.9 million Gross ($1.0 million GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	IDG	NA	82,200
	Federal	NA	56,100
	Local	NA	104,500
	Restricted	NA	3,626,900
	GF/GP	NA	$1,035,200

Major Boilerplate Changes from FY 2024-25

***Sec. 948. Legacy Costs* – NEW**
Identifies annual pension-related and retiree health care legacy costs.

REVENUE SHARING

***Sec. 959. Public Safety Revenue Sharing Grants* – NEW**
Allocates funding amounts for Public Safety Revenue Sharing grants to CVTs, counties, and DHHS; provides formula for payments to CVTs based on violent crime counts; requires use of the inverse taxable value formula used for statutory county revenue sharing payments to be used for grant payments to counties; requires not less than 75% of payments to go to law enforcement; provides direction on eligible and ineligible purposes of grant expenditures; requires Department of State Police to provide crime data; states legislative intent that funds appropriated will be maintained through FY 2027-28.

CASINO GAMING

***Sec. 971. Compulsive Gaming Prevention Fund and First Responder Presumed Coverage Fund Allocations* – REVISED**
Appropriates, pursuant to statute, the following to the Compulsive Gaming Prevention Fund: $2.0 million of the annual assessment revenue collected by Michigan Gaming Control Board from each casino licensee, $1.0 million from internet sports betting revenue, and $3.0 million from internet gaming fund; appropriates, pursuant to statute, the following to the First Responder Presumed Coverage Fund: $2.0 million from internet sports betting fund revenue and $2.0 million from internet gaming fund revenue. Revises to delete distribution amounts to cite new statute containing the distribution.

ONE-TIME APPROPRIATIONS

***Sec. 990. 12th District Court Project* – DELETED**
Requires funding to be used for security upgrades at a district court in Jackson.

***Sec. 991. Public Safety Constituency Grants* – NEW**
Allocates $17.0 million to county prosecutors and $8.0 million to local units of government for competitive grants for fire equipment and gear for firefighters; provides direction on eligible and ineligible purposes of grant expenditures; provides formulas and caps for individual grant amounts; requires at least $4.0 million of funds for firefighters to go to on call, volunteer, or part time forces.

***Sec. 992. Public Safety Revenue Sharing Grants (One-Time)* – NEW**
Allocates $10.0 million for competitive grants for public safety academy scholarships; limits scholarships to not more than $20,000 per recruit; requires grants to be awarded on a first-come, first-served basis to eligible recruits; provides recruit eligibility criteria; provides direction on eligible and ineligible purposes of grant expenditures; permits grants to be used as subgrants to other local units of government if stipulations provided in the section are met; allocates $7.5 million for CVTs and $2.5 million to counties as conditioned by section 959.

***Sec. 991. 38th District Court Project* – DELETED**
Requires funding to be used to build a district court and police station in Eastpointe.

***Sec. 992. Additional Local Prosecutor Support* – DELETED**
Requires funding to be used to reduce the average caseload per attorney in the office of the Eaton County prosecutor.

***Sec. 993. Local Prosecutor Support Grants* – DELETED**
Requires Treasury to award grants to the offices of county prosecutors to reduce the average caseload per attorney; describes program requirements.

GENERAL GOVERNMENT: TREASURY

Major Boilerplate Changes from FY 2024-25

***Sec. 994. MiABLE Savings Program* – DELETED**
Requires funding to support efforts of Michigan ABLE savings program established under Michigan Achieving A Better Life Experience (ABLE) Program Act (2015 PA 160); designates unexpended funds as a work project.

***Sec. 995. Secure Retirement for Small Businesses* – DELETED**
Requires appropriation to be used only to implement HB 5461 of 2024 to create a state-managed retirement plan marketplace that small businesses with fewer than 100 employees may voluntarily enroll in as a means to provide retirement plan options to their employees; authorizes Treasury to receive and expend private funds for development and operation of the marketplace; requires a report on the number of participating employers, employees, and financial services firms; requires Treasury to cooperate with DTMB and DIFS and other departments and agencies to establish and implement program oversight guidelines.

FY 2024-25 Supplemental Appropriation Items **Public Act 22 of 2025 (House Bill 4706, Article 16)**		**Appropriation Change**
1. Revenue Sharing Includes a corresponding positive and negative appropriation for a net $0 change to make technical adjustments in boilerplate to include reference to county incentive program payments for proper calculation of FY 2024-25 payments to counties.	**Gross** Restricted GF/GP	**$0** 0 $0
2. Grants for Local Prosecutors Includes a corresponding positive and negative appropriation for a net $0 change to make technical adjustments in boilerplate to enable the distribution of $18.8 million GF/GP for grants to the offices of county prosecutors to reduce the average caseload per attorney.	**Gross** GF/GP	**$0** $0
3. Lottery Operations Includes $2.0 million of state restricted funding from lottery ticket sales revenue to support lottery sales operations and security staffing at the Lottery headquarters building located in downtown Lansing.	**Gross** Restricted GF/GP	**$1,950,000** 1,950,000 $0

FY 2024-25 Supplemental Boilerplate Items
Public Act 22 of 2025 (House Bill 4706, Article 16)

Sec. 801. Tobacco Tax Revenue Distribution Appropriation Authorization
Requires revenue received under the Tobacco Products Tax Act related to Wayne County to be appropriated and distributed as required under the Tobacco Products Tax Act, 1993 PA 327.

Sec. 802. City, Village, and Township (CVT) Revenue Sharing and County Incentive Program
Specifies distribution to all CVTs that received a payment under Section 952 of article 5 of 2023 PA 119; eligible payment is equal to 100.0% of its FY 2023-24 eligible payment; any remaining amount is to be distributed according to one-third based on inverse taxable value per capita, one-third based on population, and one-third based on yield equalization; provides formulas for determining payments by type.

Sec. 803. Revenue Sharing Conditions
Outlines conditions under which cities, villages, and townships (Sec. 802) and counties (Sec. 804) receive revenue sharing payments.

Sec. 804. County Revenue Sharing Payments
Specifies distribution to all CVTs that received a payment under Section 955 of article 5 of 2023 PA 119; eligible payment is equal to 100.0% of its FY 2023-24 eligible payment; any remaining amount is to be distributed according to a formula based on taxable value per capita.

Sec. 805. Local Prosecutor Grants
Authorizes grants to be awarded to local county prosecutors to be used to reduce the average caseloads per attorney; specifies eligibility requirements; specifies grant distribution criteria; prohibits the department from using funds for administration; requires a report on counties receiving funds and amounts awarded.

FY 2024-25 Supplemental Boilerplate Items
Public Act 22 of 2025 (House Bill 4706, Article 16)

REPEALERS

Sec. 1101. Treasury – Revenue Sharing
Repeals sections 949f, 952, 954, and 955 included in 2024 PA 121 and replaces them with sections 802, 803, and 804 of this bill.

Sec. 1102. Treasury – Local Prosecutor Grants
Repeals section 993 included in 2024 PA 121 and replaces it with section 805 of this bill.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Summary of FY 2025-26 Enacted
Public Act 22 of 2025 (House Bill 4706, Article 6)

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

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Enacted	*Difference: Enacted From FY 2024-25 YTD Amount*	*%*
IDG/IDT	$14,707,900	$15,448,000	*$740,100*	*5.0*
Federal	26,644,177,600	20,776,106,700	*(5,868,070,900)*	*(22.0)*
Local	170,492,500	183,204,100	*12,711,600*	*7.5*
Private	177,599,600	178,884,400	*1,284,800*	*0.7*
Restricted	3,922,022,500	1,739,677,500	*(2,182,345,000)*	*(55.6)*
GF/GP	6,717,231,000	7,132,247,500	*415,016,500*	*6.2*
Gross	**$37,646,231,100**	**$30,025,568,200**	***($7,620,662,900)***	***(20.2)***
FTEs	15,941.5	15,114.5	*(827.0)*	*(5.2)*

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

Overview

The Department of Health and Human Services (DHHS) includes programs and services to assist Michigan's most vulnerable families, including public assistance programs, protecting children and assisting families by administering foster care, adoption, and family preservation programs and by enforcing child support laws, and funding for behavioral health (mental health and substance use disorder), public health, aging, crime victim, and medical services programs, including Medicaid and the Healthy Michigan Plan.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
MEDICAID – GENERAL			
1. Traditional Medicaid Cost Adjustments	**Gross**	**$20,522,491,800**	**$1,337,745,100**
Includes an increase of $1,337.7 million Gross ($255.9 million GF/GP) to recognize caseload, utilization, inflation, and special financing adjustments, and traditional FMAP cost-sharing adjustments from FMAP increasing from 65.13% to 65.30% for medical and behavioral health services in the traditional Medicaid program. Adjustments are based on the May CREC caseload consensus.	Federal	13,312,825,800	922,360,700
	Local	44,686,000	(1,403,300)
	Private	7,165,100	1,846,600
	Restricted	3,110,411,800	159,066,900
	GF/GP	$4,047,403,100	$255,874,200
2. Healthy Michigan Plan Cost Adjustments	**Gross**	**$6,648,194,800**	**$35,627,500**
Includes an increase of $35.6 million Gross ($11.8 million GF/GP) to recognize caseload, utilization, inflation, and special financing adjustments for medical and behavioral health services in the Healthy Michigan Plan (HMP). Adjustments are based on the May CREC caseload consensus.	Federal	5,976,755,900	29,679,300
	Local	1,771,700	139,900
	Private	1,122,800	(422,800)
	Restricted	577,498,600	(5,592,800)
	GF/GP	$91,045,800	$11,823,900
3. Actuarial Soundness	**Gross**	**NA**	**$664,555,100**
Includes $664.6 million Gross ($185.3 million GF/GP) to support actuarial soundness adjustments for prepaid inpatient health plans (PIHPs), Medicaid Health plans, Program of All-inclusive Care for the Elderly (PACE), home- and community-based services, Integrated Care Organizations (MI Health Link), and Healthy Kids Dental.	Federal	NA	479,254,200
	GF/GP	NA	$185,300,900

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
4. Hospital Rate Adjustments – Provider Tax Revisions	**Gross**	**$6,016,634,600**	**($6,016,634,600)**
Removes $6,016.6 million Gross ($0 GF/GP) of Hospital Quality Assurance Assessment Program (QAAP) for the Hospital Rate Adjustment (HRA) and Medicaid Access to Care Initiative (MACI) special Medicaid payments and associated federal match and moves funds into a boilerplate receive and expend authorization. Sec. 1834 is related boilerplate.	Federal	4,147,690,700	(4,147,690,700)
	Restricted	1,868,943,900	(1,868,943,900)
	GF/GP	$0	$0
5. IPA Special Payments – Provider Tax Revisions	**Gross**	**NA**	**($3,314,791,300)**
Removes $3,314.8 million Gross ($0 GF/GP) of Insurance Provider Assessment (IPA) revenue and associated federal match, to reflect federal changes to Medicaid financing provisions regarding provider taxes. Holds as boilerplate receive and expend authorization. Sec. 1833 is related boilerplate.	Federal	NA	(2,686,567,100)
	Restricted	NA	(628,224,200)
	GF/GP	NA	$0
DEPARTMENT ADMINISTRATION			
6. Coordination of Children's Healthcare	FTE	74.0	0.0
Transfers $22.7 million Gross ($8.7 million GF/GP) and 74.0 FTE positions from throughout DHHS Consolidates programs and services such as early child mental health, MiKidsNow, Transitions of Care programming, and youth smoking prevention under a single programmatic line item. YTD amounts reflect appropriations associated with programs transferred from other line items.	**Gross**	**$22,663,300**	**$0**
	TANF	450,200	0
	Federal	13,271,100	0
	Private	200,000	0
	Restricted	0	0
	GF/GP	$8,742,000	$0
7. Autism Navigator	**Gross**	**$2,025,000**	**($2,025,000)**
Removes $2.0 million GF/GP to eliminate Medicaid Autism Navigator service contracts.	GF/GP	$2,025,000	($2,025,000)
8. Departmentwide Administrative Reductions and FTE Authorization Alignments	FTE	NA	(8.0)
	Gross	**NA**	**($1,238,300)**
Removes 8.0 unfilled FTE positions from the Office of Inspector General line item, and reduces appropriations by $1.2 million GF/GP in historical lapses from the Administrative Hearings Officers ($538,300), Demonstration Projects ($300,000), and Worker's Compensation ($400,000) line items.	GF/GP	NA	($1,238,300)
9. Information Technology Systems and Services Cost Increase	**Gross**	**$532,841,400**	**$9,016,000**
Includes $9.0 million Gross ($4.2 million GF/GP) for cost adjustments related to increased prices for system hardware, software, program licensing fees, and vendor/service provider contractual costs.	IDT/IDG	609,700	0
	TANF	24,471,400	0
	Federal	356,556,000	4,775,900
	Local	6,700	0
	Private	5,250,000	0
	Restricted	2,010,400	0
	GF/GP	$143,937,200	$4,240,100
10. Information Technology Administrative Reduction	**Gross**	**NA**	**($7,186,300)**
Reduces IT appropriations by $7.2 million Gross ($2.7 million GF/GP).	Federal	NA	(4,478,300)
	GF/GP	NA	($2,708,000)
COMMUNITY SERVICES AND OUTREACH			
11. FTE Authorization Adjustments	FTE	187.7	(7.0)
Reduces 7.0 unfunded FTEs from Child Support Enforcement Operations.	**Gross**	**NA**	**$0**
	TANF	NA	0
	Federal	NA	0
	GF/GP	NA	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
12. Permanent Supportive Housing – One-Time	**Gross**	**NA**	**$5,000,000**
Includes $5.0 million GF/GP on a one-time basis for supportive housing services and to build administrative capacity to seek Medicaid reimbursement for eligible services.	GF/GP	NA	$5,000,000
13. Nazarene Community Housing – One-Time	**Gross**	**NA**	**$2,000,000**
Includes $2.0 million GF/GP on a one-time basis for capital costs to convert structures into emergency housing for women, children, and parolees.	GF/GP	NA	$2,000,000
14. Kids' Food Basket – One-Time	**Gross**	**$525,000**	**$1,000,000**
Includes $1.0 million GF/GP on a one-time basis for Kids' Food Basket. Program received $525,000 GF/GP ongoing in FY 2024-25, and this funding is continued.	GF/GP	$525,000	$1,000,000
CHILDREN'S SERVICES AGENCY – CHILD WELFARE			
15. FTE Authorization Adjustments	FTE	4,259.7	(276.0)
Reduces 276.0 unfunded FTEs from the following lines:	**Gross**	**NA**	**$0**
• CPS Caseload Staff – 137.0 unfunded FTEs.	GF/GP	NA	$0
• Foster Care Services Caseload Staff – 117.0 unfunded FTEs.			
• Child Welfare Licensing – 6.0 unfunded FTEs.			
• Children's Services Agency Administration – 16.0 unfunded FTEs.			
16. Child Welfare Caseload Adjustments	**Gross**	**$861,186,300**	**$64,082,700**
Increases funding by $64.1 million Gross ($59.5 million GF/GP) based on May caseload estimates as follows:	TANF	72,665,900	(771,100)
	Federal	211,630,600	677,000
• Adoption Subsidies is increased $1.1 million Gross ($3.1 million GF/GP).	Local	40,687,800	4,769,200
	Private	1,503,300	(276,400)
• Child care fund is increased $21.5 million Gross ($31.7 million GF/GP).	Restricted	3,615,800	156,500
	GF/GP	$531,082,900	$59,527,500
• Foster Care Payments is increased $41.1 million Gross (40.7 million GF/GP).			
• Guardianship Assistance Program is increased by $416,000 Gross ($41,300 GF/GP reduction).			
Amount includes $347,200 GF/GP reduction from changes in the FY 2025-26 FMAP to 65.30%.			
17. WMPC Contract Savings	**Gross**	**NA**	**($3,000,000)**
Assumes a savings of $3.0 million GF/GP as a result of the elimination of a contract with the West Michigan Partnership for Children (WMPC).	GF/GP	NA	($3,000,000)
18. Juvenile Justice Operation	FTE	NA	53.0
Includes $2.2 million Gross ($2.3 million GF/GP reduction) and an additional 53.0 FTEs for the following	**Gross**	**NA**	**$2,172,700**
	Federal	NA	90,500
• New Michigan Youth Treatment Center: $16.1 million Gross ($7.6 million GF/GP) and an additional 111.0 FTEs.	Local	NA	4,412,600
	GF/GP	NA	($2,330,400)
• Shawono Closure: $7.6 million Gross ($3.6 million GF/GP) savings and reduction of 58.0 FTEs.			
• Foster Care savings: $6.4 million GF/GP savings.			
19. Extracurricular Activities for Foster Youth – One-Time	**Gross**	**$100,000**	**$658,000**
Includes a net increase of $658,000 GF/GP to support costs of participation in extracurricular activities for foster youth. In FY 2024-25, $100,000 GF/GP was allocated on an ongoing basis. This amount has been removed from ongoing funding for FY 2025-26.	GF/GP	$100,000	$658,000

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
20. The New Foster Care – One-Time	**Gross**	**NA**	**$2,025,000**
Includes $2.0 million GF/GP to The New Foster Care for services through its Bridge Program, including housing, child welfare housing infrastructure, and other supportive housing projects.	GF/GP	NA	$2,025,000
21. Mothers in Foster Care – Wraparound Services – One-Time	**Gross**	**NA**	**$250,000**
Includes $250,000 GF/GP to Nia Purpose 4 Life to offer comprehensive mental health support, prenatal care coordination, parenting classes, mentorship, and social integration activities for foster care youth who are also mothers.	GF/GP	NA	$250,000
22. Child Welfare Lapse Savings	**Gross**	**NA**	**($12,000,000)**
Assumes savings of $12.0 million GF/GP from lapses in the following welfare lines: • Family Preservation Program – $5.0 million GF/GP. • Child Welfare Medical Evaluation/Psychiatric Evaluations – $1.5 million GF/GP. • Foster Care Payments – $5.0 million GF/GP. • Strong Families/Safe Children – $500,000 GF/GP.	GF/GP	NA	($12,000,000)
PUBLIC ASSISTANCE / LOCAL OFFICE OPERATIONS			
23. Public Assistance Caseload Adjustments	**Gross**	**$4,182,176,700**	**($523,357,100)**
Includes a net reduction of $523.4 million Gross ($1.6 million GF/GP) based on May caseload estimates for the Family Independence Program (FIP), Food Assistance Program (FAP), State Disability Assistance (SDA), and State Supplementation (SSI). The Gross reduction is primarily from a decrease in federal FAP authorization in the current year. Caseload changes include: • FIP – reduction of $4.3 million Gross ($355,100 GF/GP). • FAP – reduction of $518.6 million federal. • SDA – reduction of $415,700 Gross ($983,500 GF/GP). • SSI – reduction of $97,200 GF/GP.	TANF	90,370,200	(3,351,000)
	Federal	4,013,660,000	(518,591,700)
	Restricted	14,785,700	214,200
	GF/GP	$63,360,800	($1,628,600)
24. *Michigan Energy Assistance Program*	**Gross**	**$50,000,000**	**$50,000,000**
Includes $50.0 million Gross from the Low-income energy assistance fund (LIEAF) and its associated new revenue from PA 168 and 169 of 2024 for energy assistance services for low-income residents.	Restricted	50,000,000	50,000,000
	GF/GP	$0	$0
25. Nutrition Education Elimination	FTE	2.0	(2.0)
Assumes savings of $33.0 million federal and a reduction of 2.0 FTEs as a result of eliminating the Nutrition education program in alignment with the federal H.R. 1. (Note: $23.0 million was added into the FY 2024-25 supplemental to phase out federal program)	**Gross**	**$33,040,900**	**($33,040,900)**
	Federal	33,040,900	(33,040,900)
	GF/GP	$0	$0
26. Public Assistance Lapse Savings	**Gross**	**NA**	**($4,600,000)**
Assumes savings of $4.6 million GF/GP from lapses in various lines. Reductions include: • Community services and outreach administration – $250,000 GF/GP. • Indigent burial – $1.5 million GF/GP. • Electronic benefit transfer (EBT) – $1.5 million GF/GP. • Employment and training support services – $350,000 GF/GP. • Disability determination operations – $1.0 million GF/GP.	GF/GP	NA	($4,600,000)

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
27. Family Impact Teams	FTE	NA	(12.0)
Includes a net increase of $390,000 Gross ($0 GF/GP) for statewide expansion of Family Impact Teams. Funds will be used to embed public assistance local office staff in child welfare services to support families in applying for public assistance and accessing other resources. Amount includes a reduction of $26.6 million Gross ($11.3 million GF/GP) and a net reduction of 12.0 FTEs from the elimination of the Pathways to Potential program.	**Gross**	**NA**	**$390,000**
	IDG/IDT	NA	0
	TANF	NA	0
	Federal	NA	390,000
	GF/GP	NA	$0
28. FTE Authorization Adjustments	FTE	4,959.5	(212.0)
Reduces 212.0 unfunded FTEs from the following lines:	**Gross**	**NA**	**$0**
• Administrative support workers – 40.0 FTEs.	GF/GP	NA	$0
• Donated funds positions – 52.0 FTEs.			
• Local office policy and administration – 6.0 FTEs.			
• Public assistance local office staff – 114.0 FTEs.			
29. Water Affordability – One-Time	**Gross**	**$10,000,000**	**($5,000,000)**
Continues $5.0 million GF/GP on a one-time basis to support water affordability efforts, including paying water arrearages, shut off notices, and subsidizing other water affordability programs. Program received $10.0 million GF/GP in FY 2024-25 on a one-time basis.	GF/GP	$10,000,000	($5,000,000)
30. Public Assistance One-Time Items	**Gross**	**NA**	**$46,750,000**
Includes $46.8 million Gross ($23.8 million GF/GP) for the following on a one-time basis:	Federal	NA	23,000,000
• Matrix Human Services – $750,000 GF/GP.	GF/GP	NA	$23,750,000
• Electronic benefit transfer reinvestment – $16.0 million Gross ($8.0 million GF/GP).			
• Food assistance program reinvestment – $30.0 million Gross ($15.0 million GF/GP).			
BEHAVIORAL HEALTH			
31. Certified Community Behavioral Health Clinics (CCBHCs)	**Gross**	**$525,913,900**	**$39,372,800**
Adds $39.3 million Gross ($6.3 million GF/GP) for utilization and cost adjustments for the CCBHC demonstration program. Also includes a net $0 transfer of $350.8 million Gross ($75.7 million GF/GP) of base CCBHC payments currently within the Medicaid Mental Health and Healthy Michigan Plan – Behavioral Health lines into the supplemental payments CCBHC line.	Federal	441,942,600	33,086,200
	GF/GP	$83,971,300	$6,286,600
32. Michigan Opioid Healing and Recovery Fund	**Gross**	**$48,202,300**	**$83,547,700**
Includes a net increase of $83.5 million in Michigan Opioid Healing and Recovery Funds for a total of $131.8 million, $55.0 million on an ongoing basis and $76.8 million on a one-time basis to increase opioid use disorder services including: prevention activities, treatment, harm reduction, recovery, evaluation, and data collection. Sec. 917 and 1930. are related boilerplate.	Restricted	48,202,300	83,547,700
	GF/GP	$0	$0
33. Multicultural Integration Funding	**Gross**	**$25,884,900**	**$0**
Continues $8.6 million GF/GP on a one-time basis to multicultural organizations. $8.6 million GF/GP has been allocated on a one-time basis to these organizations for the past 3 fiscal years. Year-to-date amount includes both the ongoing and one-time amounts for multicultural integration.	TANF	421,000	0
	Federal	694,500	0
	GF/GP	$24,769,400	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
34. Behavioral Health Lapse Savings	**Gross**	**NA**	**($4,000,000)**
Reduces a total of $4.0 million GF/GP from health homes ($3.0 million) and community substance use disorder($1.0 million) based on anticipated, historic GF/GP lapse assumptions.	GF/GP	NA	($4,000,000)
35. Community Mental Health – Mobile Crisis	**Gross**	**NA**	**($4,148,200)**
Reduces funding for mobile crisis services based on anticipated utilization being lower than appropriations.	GF/GP	NA	($4,148,200)
36. New State Psychiatric Hospital Operations	FTE	786.2	0.0
Includes $100 placeholder transfer for the state to transition patients into the new State Psychiatric Hospital in Northville starting in the next fiscal year. The patients are currently residing at the Walter Reuther Psychiatric Hospital in Westland, and the year-to-date amount reflects the authorization for Walter Reuther. The new State Psychiatric Hospital has a 264-bed capacity, of which 72 would be for children and adolescents. The census for Walter Reuther and Hawthorn has averaged 215 individuals, of which 50 have been children and adolescents.	**Gross**	**$123,069,900**	**$0**
	Federal	29,765,600	0
	Local	6,263,900	0
	Restricted	5,282,600	0
	GF/GP	$81,757,800	$0
37. State Psychiatric Hospital Reductions	FTE	2,646.6	(388.0)
Reduces 388.0 unfunded FTEs from the following state hospital lines:	**Gross**	**NA**	**$0**
	Federal	NA	0
• Caro – 98.0 FTEs.	Restricted	NA	0
• Kalamazoo – 88.0 FTEs.	GF/GP	NA	$0
• Walter P. Reuther – 202.0 FTEs.			
38. Other State Psychiatric Hospital Adjustments	**Gross**	**NA**	**$4,727,600**
Includes a total of $4.7 million Gross ($618,400 GF/GP) for pharmaceutical cost increases, funding to open a new kitchen at the Forensic Center, and updated revenue estimates from first and third party reimbursements.	Federal	NA	109,200
	Local	NA	0
	Restricted	NA	4,000,000
	GF/GP	NA	$618,400
39. Behavioral Health One-Time Items	**Gross**	**NA**	**$8,033,700**
Includes $8.0 million GF/GP for the following programs:	GF/GP	NA	$8,033,700
• Statewide supports – $5.1 million GF/GP.			
• Team Wellness – $1.5 million GF/GP.			
• National Association of Yemeni Americans – $800,000 GF/GP.			
• Developmental Milestones – $500,000 GF/GP.			
• Suicide Prevention Council – $125,000.			
PUBLIC HEALTH AND AGING SERVICES			
40. Crime Victim's Rights Sustaining Grants Increase – One-Time	**Gross**	**$30,000,000**	**$5,000,000**
Includes $5.0 million GF/GP to offset a projected shortfall in the state restricted Crime Victim's Rights fund and federal Victims of Crime Act (VOCA) funding on a one-time basis.	GF/GP	$30,000,000	$5,000,000
41. Essential Local Public Health Services for Youth	**Gross**	**$117,662,000**	**$5,000,000**
Includes $5.0 million in local funding authorization to align vision and hearing screening service levels with School Aid Act Appropriations for schools and Child and Adolescent Health Centers.	Local	46,392,700	5,000,000
	GF/GP	$71,269,300	$0
42. Detroit Trauma Recovery Pilot – One-Time	**Gross**	**NA**	**$2,000,000**
Includes $2.0 million GF/GP to continue a 3-year trauma recovery center pilot in Detroit. In FY 2024-25, $4.0 million GF/GP was allocated on a one-time basis.	GF/GP	NA	$2,000,000

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
43. Community Health Screenings – One-Time	**Gross**	**NA**	**$5,000,000**
Includes $5.0 million GF/GP to provide free chest CT scans to underserved populations.	GF/GP	NA	$5,000,000
44. Community Violence Intervention Grants – One-Time	FTE	8.9	0.0
Includes $1.8 million GF/GP to support community-based violence prevention programming. In FY 2024-25, $800,000 GF/GP was allocated as ongoing funding along with 2.0 FTEs for the central Office of Community Violence along with $6.0 million for CVI programming on a one-time basis.	**Gross**	**$14,062,100**	**$1,800,000**
	Federal	12,620,000	0
	GF/GP	$1,442,100	$1,800,000
45. Public Health Lapse Savings	**Gross**	**NA**	**($5,200,000)**
Assumes a savings of $5.2 million GF/GO from the following lines: • Healthy Homes – $3.0 million GF/GP. • PFAS and Environmental Contamination Response – $1.0 million GF/GP. • Public Health Administration – $1.2 million GF/GP.	GF/GP	NA	($5,200,000)
46. Public Health One-Time Items	**Gross**	**NA**	**$12,708,700**
Includes $12.7 million Gross ($12.3 million GF/GP) for the following: • SOS Maternity – $1.5 million GF/GP. • Wigs 4 Kids – $125,000 GF/GP. • Revive Health Clinic – $300,000 GF/GP. • Blood Pressure Monitors for Mother on Medicaid – $800,000 GF/GP. • SB 29/SB 30 Implementation – $299,700 GF/GP. • National Kidney Foundation – $950,000 GF/GP. • United We Smile – $2.9 million GF/GP. • Cellular Therapy Versiti Michigan – $750,000 GF/GP (Note. Line item was moved to one-time unit). • National Council for Dementia Minds – $408,600. • My Community Dental Centers Equipment Funding – $4.0 million GF/GP. • Female Liver Screening – $250,000 GF/GP.	Federal	NA	425,100
	GF/GP	NA	$12,283,600
HEALTH SERVICES			
47. Health Services Administrative Reductions	**Gross**	**NA**	**($2,000,000)**
Reduces by $2.0 million Gross ($1.0 million GF/GP) related to Maximus contractual services.	Federal	NA	(1,000,000)
	GF/GP	NA	($1,000,000)
48. Rural Health Transformation Program Grants	**Gross**	**NA**	**$250,000,000**
Includes $250.0 million federal to support new federal grant program for rural health initiatives. Sec. 1803 is related boilerplate.	Federal	NA	250,000,000
	GF/GP	NA	$0
49. Preferred Pharmaceuticals Revision	**Gross**	**NA**	**($240,000,000)**
Reduces by $240.0 million Gross ($5.0 million GF/GP) to limit utilization of GLP-1 agonists.	Federal	NA	(235,000,000)
	GF/GP	NA	($5,000,000)
50. MI Choice – Structured Family Caregiving	**Gross**	**$2,881,800**	**($2,881,800)**
Removes $2.9 million Gross ($1.0 million GF/GP) to eliminate training supports and stipends for live-in family members that provide caregiving supports to Home and Community-Based Services waiver beneficiaries.	Federal	1,881,800	(1,881,800)
	GF/GP	$1,000,000	($1,000,000)
51. University DSH Backfill – One-Time	**Gross**	**$3,500,000**	**$0**
Transfers $3.5 million GF/GP associated with a disproportionate share hospital payment to Michigan State University/McLaren Greater Lansing to one-time.	GF/GP	$3,500,000	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
52. Dental Rate Safety Net Payments – One-Time	**Gross**	**NA**	**$4,000,000**
Includes $4.0 million GF/GP to provide higher rates for select dental services.	GF/GP	NA	$4,000,000
53. Federally Qualified Health Centers Training – One-Time	**Gross**	**NA**	**$2,000,000**
Includes $2.0 million GF/GP to support the Health Center's Career Training Program for recruitment and employee training.	GF/GP	NA	$2,000,000
54. Medicaid Orthodontic Benefit	**Gross**	**$4,301,700**	**($4,301,700)**
Removes $4.3 million Gross ($1.5 million GF/GP) to eliminate orthodontic benefit pilot program.	Federal	2,801,700	(2,801,700)
	GF/GP	$1,500,000	($1,500,000)
55. Birth Clinic Provider Enrollment – One-Time	**Gross**	**NA**	**$2,881,800**
Includes $2.9 million Gross ($1.0 million GF/GP) to include free-standing birthing clinics, and licensed midwives, as reimbursable Medicaid providers.	Federal	NA	1,881,800
	GF/GP	NA	$1,000,000
56. PACE Slot Increase	**Gross**	**$270,385,800**	**$2,899,400**
Includes $2.9 million Gross ($1.0 million GF/GP) to provide 54 additional slots at existing PACE sites in Newaygo (2), Saginaw (32), and Traverse City (20). Revises boilerplate Sec. 1854 to incorporate additional slots.	Federal	176,099,000	1,893,300
	GF/GP	$94,286,800	$1,006,100
57. Prior Authorization Processing	FTE	458.0	30.0
Includes $3.6 million Gross ($1.8 million GF/GP) to support 30.0 additional FTE positions. Staffing increase is requested in preparation for the January 2026 implementation of CMS regulations requiring the processing of all prior authorization requests within 7 calendar days.	**Gross**	**$128,854,100**	**$3,633,400**
	Federal	85,538,600	1,816,700
	Local	37,700	0
	Private	1,001,300	0
	Restricted	336,300	0
	GF/GP	$41,940,200	$1,816,700
58. Medicaid Eligibility Phone Renewal Services	**Gross**	**NA**	**$2,837,000**
Includes $2.8 million Gross ($1.4 million GF/GP) to provide Medicaid eligibility phone renewal services. These renewal services were previously funded with one-time Medicaid redetermination funding and remain federally mandated.	Federal	NA	1,418,500
	GF/GP	NA	$1,418,500
59. Restricted Fund Adjustments	**Gross**	**NA**	**$0**
Includes net-zero adjustments that replace $22.1 million GF/GP with state restricted revenues. Adjustments include $17.5 million additional Merit Award Trust Fund revenue to be available by eliminating tobacco settlement deposits into the Budget Stabilization Fund.	Restricted	NA	22,135,200
	GF/GP	NA	($22,135,200)
60. Health Services One-Time Items	**Gross**	**NA**	**$11,000,000**
Includes $11.0 million GF/GP in one-time funding for the following: • Sheridan Community Hospital – $10.0 million. • Mary Free Bed – $1.0 million.	GF/GP	NA	$11,000,000
61. Removal of FY 2024-25 One-Time Appropriations	**Gross**	**$195,654,900**	**($195,654,900)**
Removes $195.7 million Gross ($155.3 million GF/GP) of one-time funding for 74 items that were included in the FY 2024-25 budget. Any funding retained into FY 2025-26 is noted elsewhere.	Federal	15,354,900	(15,354,900)
	Restricted	25,000,000	(25,000,000)
	GF/GP	$155,300,000	($155,300,000)

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
62. Economic Adjustments	**Gross**	**NA**	**$34,660,000**
Reflects increased costs of $34.7 million Gross ($23.7 million GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	IDG	NA	12,900
	Federal	NA	10,572,500
	Local	NA	51,100
	Private	NA	138,300
	Restricted	NA	216,600
	GF/GP	NA	$23,668,600

Major Boilerplate Changes from FY 2024-25

GENERAL SECTIONS

***Sec. 214. Federal Policy Change Report* – NEW**
Requires DHHS to report any federal policy changes that affect the department, those that engage with the department, or create a regulatory gap with a potential negative public impact.

***Sec. 225. Internet Posting of Reports* – NEW**
Requires DHHS to conspicuously post each report required by boilerplate by the report's due date on the department's Michigan.gov website.

***Sec. 233. State Administrative Board Transfers* – NEW (UNENFORCEABLE)**
Authorizes the legislature to intertransfer funds via concurrent resolution if the State Administrative Board transfers funds. (*Governor's signing letter states this section is unenforceable.*)

***Sec. 236. Prioritizing In-Person Work* – NEW**
Requires the department to maximize utilization of its in-person workforce, prioritize occupancy utilization, and ensure occupancy rates are 80% or higher.

***Sec. 237. E-Verify Requirement* – NEW**
Requires the department to require contractors and subcontractors to use the E-Verify system to verify that all persons hired during the contract term are legally present and authorized to work in the United States; authorizes the department to verify the information directly or to receive certification from the contractor; requires the department to submit a report describing the processes it develops and implements; defines E-Verify.

***Sec. 240. Use of Existing Work Project Authorization* – RETAINED (UNENFORCEABLE)**
Establishes that appropriations in part 1 shall, to the extent possible, not be expended until all existing work project authorization available for the same expenditures is fully expended. *(Governor's signing letter states section is unenforceable.)*

***Sec. 245. Annual Strategic Plan* – NEW**
Requires the department to provide a copy of its annual strategic plan which must include the mission, vision, goals, strategies, and performance measures of the department.

***Sec. 246. Court Approved Judgments* – NEW**
Requires the DHHS to report on any court settlement that may require further legislative review of state statutory programs or regulations.

***Sec. 247. Private and Other Third-Party Funds Disclosure Report* – NEW**
Requires the DHHS to disclose on a publicly accessible website private and other third-party funds received in the previous fiscal year, including the amount and specific source of funding, the purpose for which funding was expended, and the amount of any remaining funds.

***Sec. 250. Single Recipient Grants* – REVISED**
Requires that for any grant program or project funded in part 1 intended for a single recipient organization or local government, the grant program or project is for a public purpose and the department shall follow procurement statutes of this state, including any bidding requirements, unless it can fully validate, through information detailed in this section and outline departmental process for review and execution of grants. Also includes reporting requirements. Revises to update provisions for legislatively directed spending items.

Major Boilerplate Changes from FY 2024-25

Sec. 264. Disciplinary Action Against State Employees **– RETAINED (UNENFORCEABLE)**
Prohibits the department from taking disciplinary action against department employees for communicating with members of the legislature or legislative staff unless the communication is prohibited by law and the department is exercising its authority. *(Governor's signing letter states this section is unenforceable.)*

Sec. 296. Employee Legal Costs Related to Flint Water System **– DELETED**
Requires that DHHS, as permissible under the Governmental Immunity Act, be responsible for legal costs of private attorneys defending current and former DHHS employees in a legal action or investigation related to the City of Flint or other community in which a declaration of emergency was issued because of drinking water contamination.

DEPARTMENTAL ADMINISTRATION AND SUPPORT

Sec. 303. Medicaid Community Engagement Requirement Training **– NEW**
Requires DHHS to develop and administer caseworker training programs and materials to implement and administer new federal community engagement requirements for Healthy Michigan Plan eligibility.

COMMUNITY SERVICES AND OUTREACH

Sec. 464. Diaper Assistance Grants **– REVISED**
Allocates $6.4 million to purchase diapering supplies in bulk and allocate those supplies to diaper assistance programs, maternity homes, local county offices, and other nonprofit agencies that distribute diapers free of charge; states requirements of eligibility; states requirements of distribution; requires report; designates unexpended funds as work project appropriation. Revises by requiring the funds to be allocated as grants and limiting administrative expenditures to 10% of funds.

Sec. 465. 2-1-1 Statewide Calling System **– REVISED**
Allocates $2.9 million to Michigan 2-1-1 to coordinate and support a statewide 2-1-1 call system; funding shall not exceed 50% of total operating expenses; requires 2-1-1 to refer to DHHS any calls reporting fraud, waste, or abuse of state-administered public assistance. Revises by striking requirement that funding shall not exceed 50% of total operating expenses and requiring 2-1-1 to continue to seek funding from nonprofit organizations.

Sec. 466. Runaway and Homeless Youth Grants **– REVISED**
Allocates $5.3 million to support program expansion; establishes methodology for allocating funding based on geographic coverage, population demographics, scope of services provided, and need; requires that provider agencies must provide continued infrastructure improvements and support for expanded staff, supervision, and training, and expansion of direct services for client stabilization; requires annual report. Revises by deleting the allocation, methodology, and requirement to provide continued infrastructure improvements, staff supports, and direct services expansion.

CHILDREN'S SERVICES AGENCY – CHILD WELFARE

Sec. 503. Child Welfare Performance-Based Funding **– DELETED**
Directs DHHS to review actuarially sound case rates for child welfare services by DHHS and private providers.

Sec. 504. West Michigan Partnership for Children Consortium **– DELETED**
Allows DHHS to continue a master agreement with the West Michigan Partnership for Children Consortium and requires the Consortium to maintain a revised agreement that supports the transition to a global capitated payment model and maintain a risk reserve of at least $1.5 million; requires report.

Sec. 513. Child Placements in Out-of-State Facilities **– REVISED**
Restricts placement of children in out-of-state facilities unless specified criteria are met; requires report on number of children in out-of-state placements, costs of placements, per diems of residential facilities, and a list of each placement. Revises to also report on the out-of-state facilities visited by DHHS before the child's placement.

Sec. 532. DHHS/Provider Meetings **– NEW**
Requires DHHS to hold semiannual meetings with residential providers to receive feedback and discuss potential improvements to the residential system.

Sec. 546. Foster Care Agency Administrative Rates **– REVISED**
Establishes foster care administrative rate of $60.20 for private child placing agencies under contract with DHHS; requires payments for independent living plus services at the statewide per diem; requires providers to submit quarterly expenditure reports, if required by federal guidelines. Revises to require DHHS to distribute per diem payments before incentive payments.

HEALTH AND HUMAN SERVICES

Major Boilerplate Changes from FY 2024-25

***Sec. 564. Parent-Child and Parent-Caseworker Visitations* – REVISED**
Requires DHHS to maintain policy for parent-child visitations; requires local offices to meet an 85% success rate, after accounting for factors outside of the caseworker's control; requires caseworkers to achieve a success rate of 85% for parent-caseworker visitations, after accounting for factors outside of the caseworker's control; requires report. Revises to require child placing agencies to meet 85% success rate.

PUBLIC ASSISTANCE

***Sec. 613. Indigent Burial* – REVISED**
Provides reimbursements for final disposition of indigent persons; establishes maximum allowable reimbursements; accounts for religious preferences that prohibit cremation; establishes a time limit on applications for burial services; allows individuals to donate up to $6,000.00 toward burial services; and requires a report. Revises by increasing maximum allowable reimbursement amounts.

***Sec. 688. Heat and Eat Program* – DELETED**
Requires DHHS to allocate funding for the Heat and Eat program, which provides energy assistance payments of $20.01 to certain Food Assistance Program (FAP) recipients making them potentially eligible for additional FAP benefits.

LOCAL OFFICE OPERATIONS AND SUPPORT SERVICES

***Sec. 825. Vehicle Repairs* – REVISED**
Provides for work-related transportation repairs and limits repair grants to $2,000 per-year. Revises by requiring a report.

BEHAVIORAL HEALTH SERVICES

***Sec. 917. Michigan Opioid Healing and Recovery Fund and Report* – REVISED**
Allocates $19.2 million from the Michigan Opioid Healing and Recovery Fund, MCL 12.253, to supplement other opioid-related programs and services; allocates $4.0 million for peer recovery services; and requires a semiannual report. Revises by updating allocation to $55.0 million and outlines distributions. (Sec. 1930. outlines the distribution of the one-time portion.)

***Sec. 994. National Accreditation Review Criteria for Behavioral Health Services* – NEW**
Requires DHHS to seek, if necessary, a federal waiver to allow a CMHSP, PIHP, or subcontracting provider agency that is reviewed and accredited by a national accrediting entity for behavioral health care services to be in compliance with state program review and audit requirements; requires a report that lists each CMHSP, PIHP, and subcontracting provider agency that is considered in compliance with state requirements; requires DHHS to continue to comply with state and federal law not initiate an action by negatively impacts beneficiary safety; defines "national accrediting entity."

***Sec. 1002. CCBHC Organization Criteria* – REVISED**
Establishes criteria organizations need to meet to be part of the CCBHC expansion including be a CMHSP or other eligible organization as outlined in federal law and be able to achieve CCBHC certification by September 1, 2024, and requires administrative funds be used for outreach to encourage CCBHC expansion into new counties. Revises by prohibiting funds from being used to expand the CCBHC demonstration and removes outreach provision.

***Sec. 1014. Multicultural Integration Funding* – REVISED**
Requires that certain providers awarded grants for physical and behavioral health services to multicultural populations must comply with stated performance-related metrics, have accreditations, and report annually to DHHS; grants shall not be released unless prior year reporting requirements are satisfied; requires a report. Revises to require funds only be used on proven or established programs.

***Sec. 1034. PIHP Performance Incentives* – NEW**
Requires PIHP to verify compliance with applicable reimbursement rates or fees required for autism services and direct care in section 924 and 231 using actual claims and utilization data; requires DHHS to seek CMS approval to condition PIHP performance incentives on compliance with the provider rates for autism services and direct care in section 924 and 231; and requires DHHS to audit the claims and utilization data and notify a PIHP if the audit determines provides are not being reimbursed at not the required rates.

PUBLIC HEALTH

***Sec. 1160. Crime Victim Grants Reporting* – NEW**
Requires DHHS to provide a report detailing the distribution of crime victim rights justice assistance grants, crime victim rights services grants, and crime victim rights sustaining grants from the previous fiscal year along with the name of the agencies that received funding.

Major Boilerplate Changes from FY 2024-25

Sec. 1186. Stroke and STEMI Initiative **– DELETED**
Allocates $2.0 million GF/GP to establish a statewide stroke and ST-elevation myocardial infarction (STEMI) care system integrated into the statewide trauma and EMS systems including facility designations and registries; requires report.

Sec. 1403 Palliative Care Advisory Task Force **– NEW**
Allows DHHS to implement a Palliative Care Advisory Task Force to complete the following should funding become available: provide definition of palliative care, conduct research, recommend provisions for expansion of palliative care, develop program metrics, collaborate to improve services, public engagement strategies, and identify capacity; requires report.

HEALTH SERVICES

Sec. 1601. Remedial Services Costs and Medicaid Eligibility **– DELETED**
Requires remedial service costs to be used in determining medically needy eligibility for those in adult foster care and homes for the aged.

Sec. 1608. Federal Medicaid Eligibility and New Resident Eligibility **Requirements – NEW**
Provides legislative intent that the department comply with federal residency and eligibility requirements within PL 119-21 when determining eligibility for Medicaid.

Sec. 1633. Federal Provider Tax Transition Period **– NEW**
Requires DHHS to request a transition period for implementing new federal provider tax rules and to coordinate with the Department of Treasury and insurance providers to establish a reasonable payment timeline.

Sec. 1634. Insurance Provider Assessment Alternative **– NEW**
Eliminates the Insurance Provider Assessment upon the establishment of an alternative provider assessment or other revenue source, and lowers assessment rates if alternative revenue sources do not equate to previous IPA revenue.

Sec. 1640. Adult Home Help Direct Care Worker Wages **– NEW**
Requires department to maintain adult home help caregiver wage rates.

Sec. 1644. Medicaid Fee-For-Service Direct Care Worker Wage Increase **– REVISED**
Requires DHHS to increase the established Medicaid fee-for-service wages by $0.20 per-hour for direct care workers and defines the term “direct care worker”. Revises to “maintain” wage rate.

Sec. 1647. Home- and Community-Based Services Fund Report **– NEW**
Requires the department to report on any changes to the approved HCBS fund spending plan, and requires an annual report on total expenditures with grantee and program progress details.

Sec. 1693. Special Medicaid Reimbursement Appropriation Increase **– DELETED**
Allows for an increase in special Medicaid reimbursement appropriation if a Medicaid state plan amendment for such payments above the appropriated level is submitted.

Sec. 1786. Vaccine Reimbursements **– REVISED**
Requires DHHS to maintain the Medicaid reimbursement rate for injectable and oral vaccines at $23.03. Revises to include nasally administered vaccines as eligible for the reimbursement rate.

Sec. 1802. Rural Hospital Payments **– REVISED**
Directs $8.5 million in lump sum payments to non-critical access hospitals that qualified for rural hospital access payments in FY 2013-14 at a rate proportional to each hospital’s obstetrical care and newborn care volume; $15.2 million GF/GP and any associated federal match to hospitals providing services to low-income rural residents; provides for eligibility exemptions; and requires the department to publish the payment distribution from the previous fiscal year. Revises to remove eligibility exemptions.

Sec. 1805. Long-Term Care Bed Dual Certification **– DELETED**
Requires DHHS to seek a state plan amendment to allow long-term care facilities to seek dual Medicare/Medicaid eligibility for beds currently certified for Medicare recipients, and details eligibility criteria. Document from the State Budget Office dated September 3, 2024 noted this section is unenforceable for FY 2024-25.

Sec. 1833. Insurance Provider Assessment Authorization **– NEW**
Permits DHHS to receive and expend not more than $3.3 billion of state restricted insurance provider assessment (IPA) revenue, and associated federal Medicaid reimbursements, if revenues are available; and requires legislative notification.

HEALTH AND HUMAN SERVICES

Major Boilerplate Changes from FY 2024-25

***Sec. 1834. Quality Assurance Assessment Program Authorization* – NEW**
Permits DHHS to receive and expend not more than $6.0 billion of state restricted quality assurance assessment program (QAAP) revenue, and associated federal Medicaid reimbursements, if revenues are available and DHHS has received CMS approval; and requires legislative notification.

***Sec. 1880. Medicaid Pharmaceutical Quality and Clinical Standards* – REVISED**
Requires DHHS to align all pharmacy-related policies with federal quality and clinical standards and any single preferred drug list utilization management criteria to be established in consultation with the Medicaid health plans and the Michigan pharmacy and therapeutics committee. Revises to also limit utilization of GLP-1 agonists.

***Sec. 1889. QAAP Revenue Expenditure Restriction* – NEW**
Requires all quality assurance assessment program tax revenue to be expended on services provided under the state Medicaid program and Healthy Michigan Plan.

INFORMATION TECHNOLOGY
***Sec. 1902. Comprehensive Child Welfare Information System Implementation Report* – NEW**
Requires the department to report on the development, implementation, and project completion timeline for CCWIS.

FY 2024-25 Supplemental Appropriation Items **Public Act 22 of 2025 (House Bill 4706, Article 16)**		**Appropriation Change**
1. Traditional Medicaid Cost Adjustments Includes a net increase of $866.3 million Gross ($173.6 million GF/GP) to support caseload, utilization, inflation, and special financing adjustments for the Traditional Medicaid program.	**Gross** Federal Local Private Restricted GF/GP	**$866,345,700** 572,547,100 (5,254,800) 1,858,600 123,597,200 $173,597,600
2. Healthy Michigan Plan Cost Adjustments Includes a net increase of $9.3 million Gross ($12.8 million GF/GP) to support caseload, utilization, inflation and special financing adjustments for the Healthy Michigan Plan program.	**Gross** Federal Local Private Restricted GF/GP	**$9,347,100** 5,738,200 134,700 (422,800) (8,874,700) $12,771,700
3. Direct Care Worker Wage Increase Continuation Includes $193.6 million Gross ($54.9 million ARP-GF/GP) to preserve the $3.40 per hour DCW wage increase incorporated during the COVID-19 Public Health Emergency (PHE). The wage increase was covered in-full by the federal government during the PHE, but the option to retain the increase was shifted to states with the end of the PHE declaration. This appropriation retains the PHE wage increase, and address the February 2025 minimum wage increase, for DCW services within Behavioral Health, MI Choice, and MI Health Link. ARP-GF/GP appropriation comprises a technical one-time deposit into the ARP-Home- and Community-Based Services Projects Fund.	**Gross** Federal Restricted ARP-GF/GP	**$193,588,000** 114,012,000 24,682,000 $54,894,000
4. Property Management – Occupancy Adjustment Includes a net GF/GP increase of $1.1 million GF/GP to account for a transfer totaling $1.6 million Gross ($1.3 million GF/GP) to correct building occupancy charge economic adjustments improperly applied to disability determination operations in the previous fiscal year.	**Gross** Federal GF/GP	**$0** (1,100,100) $1,100,100
5. Demonstration Projects – Private Revenue Carry-Forward Includes a net-zero reappropriation of the Demonstration Projects line item in order to include a new section of boilerplate that authorizes carry-forward and expenditure of private revenue received.	**Gross** Federal Local Private GF/GP	**$0** 0 0 0 $0
6. Child Support Enforcement Grant Revenue Authorizes receipt of $3.4 million in federal NextGen Employment and Technical Assistance and Evaluation Grant funds awarded to the Office of Child Support.	**Gross** Federal GF/GP	**$3,424,700** 3,424,700 $0

FY 2024-25 Supplemental Appropriation Items **Public Act 22 of 2025 (House Bill 4706, Article 16)**		**Appropriation Change**
7. Federal Grant Authorization Increase – Community Services Increases federal authorization by $11.6 million for the following: • Community Services Block Grant – increase of $11.3 million. • Continuum of Care – increase of $277,800.	**Gross** Federal GF/GP	**$11,608,400** 11,608,400 $0
8. Child Welfare Caseload Adjustments Reflects a net increase in funding for child welfare programs of $26.6 million Gross ($23.4 million GF/GP) to be allocated as follows: • Adoption Subsidies is decreased by $352,400 Gross ($2.1 million GF/GP increase). • Child Care Fund is increased by $3.4 million Gross ($3.1 million GF/GP). • Foster Care Payments is increased by $23.4 million Gross ($18.3 million GF/GP). • Guardianship Assistance Program is increased by $151,700 Gross ($92,800 GF/GP reduction).	**Gross** Federal Local GF/GP	**$26,560,400** 1,636,600 1,497,600 $23,426,200
9. Children Trust Fund Grant Revenue Authorizes $128,700 in federal Community-Based Child Abuse Prevention (CBAP) grant funding.	**Gross** Federal GF/GP	**$128,700** 128,700 $0
10. Public Assistance Caseload Adjustments Includes a net reduction of $632.1 million Gross ($2.0 million GF/GP) for caseload and cost adjustments for the Family Independence Program, Food Assistance Program, State Disability Assistance, and State Supplementation. Caseload changes include: • FIP – reduction of $5.4 million Gross ($476,000 GF/GP). • FAP – reduction of $625.8 million Gross ($198,300 GF/GP). • SDA – reduction of $440,600 Gross ($897,400 GF/GP). • SSI – reduction of $406,900 GF/GP.	**Gross** Federal Restricted GF/GP	**($632,050,400)** (629,994,000) (77,800) ($1,978,600)
11. Nutrition Education Authorizes $23.0 million in federal funding to allow for utilization of remaining SNAP-Education grant funding.	**Gross** Federal GF/GP	**$23,000,000** 23,000,000 $0
12. Community SUD Prevention, Education, and Treatment Authorizes $565,800 in state restricted funds for expenditure of revenues collected for FY 2024-25 program support in excess of current appropriations.	**Gross** Restricted GF/GP	**$565,800** 565,800 $0
13. Family Support Subsidy Reduces federal authorization by $7,100 to reflect available revenue.	**Gross** Federal GF/GP	**($7,100)** (7,100) $0
14. Certified Community Behavioral Health Clinics (CCBHC) Includes $28.3 million Gross ($4.5 million GF/GP) to support utilization and cost adjustments for the CCBHC demonstration program.	**Gross** Federal GF/GP	**$28,288,700** 23,771,900 $4,516,800
15. Health Homes Reduces funding by $178,700 Gross ($0 GF/GP) to recognize discontinuation of local revenue supporting the line item; reduction is partially offset by authorizing additional state restricted revenue.	**Gross** Local Restricted GF/GP	**($178,700)** (246,900) 68,200 $0
16. Psychiatric Hospital Revenue Adjustments Includes $4.0 million Gross ($0 GF/GP) expenditure authorization for third-party (state restricted) revenue collections exceeding current appropriations; includes net-zero transfers of $3.0 million federal and $200,000 local authorization between hospital line items.	**Gross** Federal Local Restricted GF/GP	**$4,000,000** 0 0 4,000,000 $0

FY 2024-25 Supplemental Appropriation Items **Public Act 22 of 2025 (House Bill 4706, Article 16)**		**Appropriation Change**
17. Federal/Restricted Grant Authorization Increase – Public Health Includes $3.3 million Gross ($2.8 million federal) to adjust authorization for the following: • Federal Family Violence Prevention Services grants: $893,800. • Federal Laboratory Grants: $500,000. • BioWatch IDG Authorization: $727,200. • Restricted Michigan Biologic Products Institute (MBPI) Pharmaceutical Product funds: ($779,000). • Federal CDC Oral Health Grant: $380,800. • Restricted Body Art Fee Revenue: $500,000. • Federal Hepatitis C Prevention Medicaid Match: $300,000.	**Gross** IDG Federal Restricted GF/GP	**$3,272,800** 727,200 2,824,600 (279,000) $0
18. School Aid Act Funding Alignment Increases local authorization by $5.0 million to align with requirements of the School Aid Act.	**Gross** Local GF/GP	**$5,000,000** 5,000,000 $0
19. CSHCS – Parent Fee Revenue Authorization Authorizes an additional $300,000 of state restricted parent fee revenue.	**Gross** Restricted GF/GP	**$300,000** 300,000 $0
20. CSHCS – Federal Grant Authorization Authorizes $450,000 in federal funding to recognize the first year of a federal grant awarded to support epilepsy transition services.	**Gross** Federal GF/GP	**$450,000** 450,000 $0
21. Direct Care Worker Federal Match – Aging Services Includes $221,600 GF/GP to offset the reduction of federal authorization due to certain aging services that are not eligible for Medicaid match and require state funds.	**Gross** Federal GF/GP	**$0** (221,600) $221,600
22. Medicaid Eligibility Phone Renewal Services Includes $2.8 million Gross ($1.4 million GF/GP) to provide Medicaid eligibility phone renewal services. These renewal services were previously funded with one-time Medicaid redetermination funds and the services are now federally mandated.	**Gross** Federal GF/GP	**$2,837,000** 1,418,500 $1,418,500
23. Restricted Fund Adjustments Includes net-zero Gross adjustments that add $7.7 million GF/GP to offset state restricted revenues. Adjustments include: • Medicaid Benefits Trust Fund: decrease of $6.5 million. • Healthy Michigan Fund: decrease of $1.2 million.	**Gross** Restricted GF/GP	**$0** (7,650,000) $7,650,000
24. Information Technology – Cost Allocation Includes a net-zero $5.6 million Gross cost allocation adjustment of non-GF/GP revenue authorization between the Bridges and Information Technology Services and Projects line items.	**Gross** Federal Local Restricted GF/GP	**$0** 6,700 (6,700) 0 $0
25. Federal COVID-related Funding Includes a total of $73.7 million in federal funding for the following public health programs: • Epidemiology and Laboratory Capacity for Infection Diseases (ELC): $61.0 million. • Strengthening Public Health Infrastructure, Workforce, and Data Systems: $10.0 million. • Emerging Infections Programs: $2.7 million.	**Gross** Federal GF/GP	**$73,651,400** 73,651,400 $0
26. Health Services Grant Includes $13.0 million GF/GP to revise associated boilerplate for McLaren Northern Michigan for renovations for emergency department mental health intake and emergency psychiatric assessment, treatment, and healing (EmPATH) unit. To receive these funds McLaren Northern Michigan must agree to decline funds previously allocated for a similar purpose in a previous appropriations bill.	**Gross** GF/GP	**$13,000,000** $13,000,000

FY 2024-25 Supplemental Appropriation Items **Public Act 22 of 2025 (House Bill 4706, Article 16)**		**Appropriation Change**
27. Medicaid Health Plan Services Includes $100.0 million GF/GP for actuarial costs, accruals, or account payables that exceed other funds available for reimbursing Medicaid health plans.	**Gross** GF/GP	**$100,000,000** $100,000,000
28. Prenatal and Infant Support Program Authorizes allocation of $250.0 million of state restricted Healthy Michigan Funds to Michigan State University for the prenatal and infant support program, which is for expectant mothers and households with a child less than 1 year in age.	**Gross** Restricted GF/GP	**$250,000,000** 250,000,000 $0
29. Federal State Psychiatric DSH Clawback Includes $160.3 million GF/GP for the second and third years, of a 4-year repayment plan, back to the federal government for state psychiatric disproportionate share hospital payments that the state inappropriately claimed prior to 2007. The total GF/GP cost is $236.6 million.	**Gross** GF/GP	**$160,283,200** $160,283,200

FY 2024-25 Supplemental Boilerplate Items
Public Act 22 of 2025 (House Bill 4706, Article 16)

Sec. 351. Private Funding Authorization
Authorizes DHHS to accept monetary and nonmonetary gifts, bequests, donations, contributions, or grants from any private or public source to support departmental functions or programs, as specified by the source; authorizes unexpended private funding in the Demonstration Projects line to be carried forward and not lapse to the general fund.

Sec. 352. FY 2023-24 Medicaid Capitation Rates
Requires DHHS to issue payments to Medicaid health plans implementing the capitation rates referenced in the October 10, 2024 DHHS actuarial rate certification report.

Sec. 353. Nutrition Education
Designates unexpended funds for Nutrition Education as a work project appropriation; requires funding to be used to facilitate nutrition education programs aimed at food assistance recipients.

Sec. 354. ARP – Home- and Community-Base Services Projects Fund (ARP-HCBS)
Creates the ARP – Home- and Community-Based Services Projects Fund within the Department of Treasury; includes a boilerplate appropriation of $535.2 million Gross ($0 GF/GP) of state restricted ARP-HCBSP Fund ($254.6 million) revenues and federal match ($280.6 million) – where applicable – and specifies allocations; allows for the expenditure of remaining funds after project completion, with notification to the legislature; designates unexpended funds for ARP-HCBSP Fund as a work project appropriation; requires funds to be used to enhance, expand, or strengthen home and community-based services and supports pursuant to section 9817 of the federal American Rescue Plan Act of 2021; and requires legislative reports.

Sec. 355. ARP – Strengthen Public Health Infrastructure
Directs DHHS to expend $10.0 million in federal funding to support data modernization and improve critical public health infrastructure; designates unexpended funds as a work project appropriation; requires funding to be used to improve data modernization and infrastructure for public health.

Sec. 356. Federal COVID Emerging Infections Program
Directs DHHS to expend $2.7 million in federal funding to improve immunization record collection and data analysis and to update information technology systems; designates unexpended funds as a work project appropriation; requires funding to be used to improve data systems, analysis, and collection.

Sec. 357. Federal COVID Epidemiology and Laboratory Capacity
Directs DHHs to expend $61.0 million in federal funding for epidemiology and laboratory capacity for infectious diseases; designates unexpended funds as a work project appropriation; requires funding to be used to support epidemiology and laboratory capacity for infectious diseases.

Sec. 358. Health Service Grants
Allocates funding to McLaren Northern Michigan for renovations to the emergency department to accommodate behavioral health patients; designates unexpended funds as a work project appropriation.

FY 2024-25 Supplemental Boilerplate Items
Public Act 22 of 2025 (House Bill 4706, Article 16)

Sec. 359. Medicaid Health Plan Services
Allows DHHS to reimburse Medicaid health plans for any costs associated with capitated rates, amended capitated rates, accruals, or account payables that exceed other funds; designates unexpended funds for Medicaid Health Plan Services as a work project appropriation; requires funds to be used to financially support actuarially sound capitation rates for Medicaid health plans.

Sec. 360. Prenatal and Infant Support Program
Allocates $250.0 million in Healthy Michigan funding to Michigan State University for an established prenatal and infant support program for households with expectant mothers and very young children to improve health and economic stability; designates unexpended funds as a work project appropriation.

Sec. 361. State Psychiatric DSH Allowance
Designates unexpended funds as a work project appropriation; requires funding to be used to pay second and third year of a 4-year repayment plan back to the federal government.

HIGHER EDUCATION
Summary of FY 2025-26 Enacted
Public Act 15 of 2025 (Senate Bill 166, Article 3)

Analyst: Perry Zielak

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Enacted	*Difference: Enacted From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$0	$0	*$0*	*--*
Federal	3,200,000	3,200,000	*0*	*0.0*
Local	0	0	*0*	*--*
Private	0	0	*0*	*--*
Restricted	461,668,300	850,768,300	*389,100,000*	*84.3*
GF/GP	1,859,424,300	1,482,943,700	*(376,480,600)*	*(20.2)*
Gross	**$2,324,292,600**	**$2,336,912,000**	***$12,619,400***	***0.5***

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

Overview

The Higher Education budget, contained in Article 3 of the compiled School Aid Act, provides funding for operational support of the state's 15 public universities, the AgBioResearch and Extension programs operated by Michigan State University; some retirement costs for employees who participate in the state public school employee retirement system; various financial aid programs for students attending public and independent colleges and universities in the state; and several other smaller higher education-related programs.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		**FY 2024-25 Year-to-Date (as of 2/5/25)**	**FY 2025-26 Enacted Change**
1. University Operations/Appropriations	**Gross**	**$1,683,793,700**	**$47,979,000**
Includes a net increase of $48.0 million Gross ($152.0 million GF/GP reduction) for university operations, a 2.8% increase when compared to FY 2024-25 ongoing plus one-time operations appropriations. This includes:	Restricted	443,168,300	200,000,000
	GF/GP	$1,240,625,400	($152,021,000)

- $50.1 million GF/GP one-time increase to operations grants for universities, with all universities receiving a 3.0% increase when compared to FY 2024-25 ongoing operations.
- $13.0 million GF/GP ongoing increase to the seven universities that participate in the Michigan Public School Employee Retirement System (MPSERS), distributed proportionately based on FY 2024-25 base operations funding.
- $1.2 million GF/GP increase based on FY 2023-24 North American Indian Tuition Waiver program costs reported by institutions.
- Removal of $16.3 million GF/GP one-time FY 2024-25 operations funding.
- Replaces $200.0 million GF/GP with a corresponding amount of School Aid Fund (SAF).

Attainment of the one-time operations increase will be conditioned on restraining resident undergraduate tuition and fee increases to the greater of 4.5% or $735 (set at 4.5% or $703 in the current year). Projected funding changes for universities will range from 1.9% to 4.8%. Total funding for operations will be $1.7 billion Gross ($1.1 billion GF/GP).

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
2. Michigan State University Extension and AgBioResearch Programs Increase	**Gross**	**$73,537,500**	**$1,488,700**
	GF/GP	$73,537,500	$1,488,700
Includes a net increase of $1.5 million GF/GP for MSU's AgBioResearch and Extension program funding, a 2.0% increase when compared to FY 2024-25 ongoing plus one-time appropriations. This includes: • $1.2 million GF/GP one-time operations increase for the MSU AgBioResearch program, a 3.0% increase. • Removal of $385,200 GF/GP in one-time AgBioResearch operations funding. • $1.0 million GF/GP one-time operations increase for the MSU Extension program, a 3.0% increase. • Removal of $332,200 GF/GP in one-time Extension operations funding. Total funding for AgBioResearch and Extension programs will be $75.0 million GF/GP.			
3. Michigan Public School Employee Retirement System (MPSERS) Normal Cost Offset	**Gross**	**$8,500,000**	**($900,000)**
	Restricted	8,500,000	(900,000)
	GF/GP	$0	$0
Decreases funding by $900,000 SAF for the MPSERS normal cost offset, a 10.6% 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 will be $7.6 million SAF.			
4. Michigan Achievement Scholarship/Postsecondary Scholarship Fund Deposit	**Gross**	**$330,000,000**	**($30,000,000)**
	Restricted	0	200,000,000
	GF/GP	$330,000,000	($230,000,000)
Includes a net decrease of $30.0 million Gross ($230.0 million GF/GP reduction) for deposit into the Postsecondary Scholarship Fund, a 9.1% decrease, which is the funding source for Michigan Achievement Scholarships. This includes the removal of $30.0 million GF/GP one-time funding and the replacement of $200.0 million GF/GP with a corresponding amount of SAF. The scholarships are awarded to eligible in-state students that graduate high school or achieve an equivalency certificate in 2023 or after and attend an eligible Michigan public university, community college, tribal college or independent nonprofit college or university full-time. After a total $300.0 million Gross deposit into the Postsecondary Scholarship Fund, total funding for Michigan Achievement Scholarships for FY 2025-26 will be $300.0 million restricted.			
5. Tuition Incentive Program	**Gross**	**$93,800,000**	**$28,500,000**
	GF/GP	$93,800,000	$28,500,000
Increases funding by $28.5 million GF/GP for the Tuition Incentive Program (TIP), a 30.4% increase. TIP pays Medicaid-eligible students' tuition costs for associate degrees under Phase I and bachelor's degrees under Phase II. The increase addresses increased student participation and increased tuition and fees. Total funding for TIP will be $122.3 million GF/GP.			
6. Michigan Competitive Scholarships	**Gross**	**$19,930,900**	**($19,930,900)**
	GF/GP	$19,930,900	($19,930,900)
Removes $19.9 million GF/GP of funding for Michigan Competitive Scholarships but adds $50.0 million GF/GP in one-time funding for the sunset of this scholarship program and Tuition Grants (identified in Item #8 below). The scholarships are awarded to students with a qualifying SAT score and demonstrated financial need. The removal is due to the continued sunset of the scholarship program as student awards increase under the Michigan Achievement Scholarship program.			

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
7. Tuition Grant Program	**Gross**	**$41,522,700**	**($41,522,700)**
Removes $41.5 million GF/GP of funding for the Tuition Grant program, but adds $50.0 million GF/GP in one-time funding for the sunset of this scholarship program and Michigan Competitive Scholarships (identified in Item #8 below). The program provides need-based tuition assistance to students at Michigan independent (i.e., private, non-profit) colleges and universities. The removal is due to the continued sunset of the scholarship program as student awards increase under the Michigan Achievement Scholarship program.	GF/GP	$41,522,700	($41,522,700)
8. Michigan Competitive Scholarship and Tuition Grant Program Sunset Fund	**Gross**	**$0**	**$50,000,000**
Adds $50.0 million GF/GP of one-time funding for the phase-out of the Michigan Competitive Scholarship and Tuition Grant programs, which will provide funding for current students remaining in the scholarship programs until the end of their program eligibility.	GF/GP	$0	$50,000,000
9. Michigan Reconnect Program	**Gross**	**$52,000,000**	**($10,000,000)**
Decreases funding by $10.0 million GF/GP for the Michigan Reconnect Program, a 19.2% decrease. 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. Total funding for the Michigan Reconnect Program will be $42.0 million GF/GP.	GF/GP	$52,000,000	($10,000,000)
10. Midwestern Higher Education Compact	**Gross**	**$116,800**	**$5,300**
Increases funding by $5,300 GF/GP for the Midwestern Higher Education Compact membership dues. The interstate compact works to institute opportunities to realize economies of scale and increase postsecondary opportunities. Total funding for Midwestern Higher Education Compact will be $122,100 GF/GP.	GF/GP	$116,800	$5,300
11. Removal of FY 2024-25 One-Time Appropriations	**Gross**	**$13,000,000**	**($13,000,000)**
Removes $13.0 million Gross ($3.0 million GF/GP) of one-time funding that was included in the FY 2024-25 budget to support the following:	Restricted	10,000,000	(10,000,000)
• MPSERS UAAL Payment ($10.0 million SAF). • Michigan Transfer Pathways ($1.0 million GF/GP). • FAFSA Completion Incentive Program ($980,000 GF/GP). • Western Michigan University's Project Clean MI Program ($750,000 GF/GP). • Education Performance Study ($200,000 GF/GP). • Kalamazoo Campus Safety Grant ($70,000 GF/GP).	GF/GP	$3,000,000	($3,000,000)

Major Boilerplate Changes from FY 2024-25

***Sec. 236d. One-Time Operations Payment Detail* – REVISED**
Revises language detailing the one-time operations payment allocations for each university and the MSU AgBioResearch and Extension programs for FY 2025-26.

***Sec, 236e. Michigan Competitive Scholarship and Tuition Grant Program Sunset Appropriation* – NEW**
Adds language that details the $50.0 million GF/GP one-time appropriation for the sunset of the Michigan Competitive Scholarship and Tuition Grant programs. Provides for a work project authorization through September 30, 2029.

***Sec. 236f. Michigan Geological Survey FY 2023-24 Appropriation Detail Revision* – DELETED**
Deletes language allowing the $3.0 million GF/GP appropriation for the Michigan Geological Survey to address renovation costs for a new or existing facility.

HIGHER EDUCATION

Major Boilerplate Changes from FY 2024-25

***Sec. 236j. Postsecondary Scholarship Fund Detail* – REVISED**
Creates the Postsecondary Scholarship Fund in the Department of Treasury. States money in the fund would require an appropriation to be expended; provides that money in the fund at the end of a fiscal year does not lapse. Revises language to include $300.0 million deposit into the fund for FY 2025-26 and specifies that up to $80.0 million of the unspent and unreserved balance of SAF for FY 2024-25 is deposited into the fund. Includes technical changes on use of funds for marketing purposes and the other state scholarship programs that could use funds from the Postsecondary Scholarship Fund with written notification to the Legislature.

***Sec. 236n. Tuition Incentive Program FY 2023-24 Supplemental Appropriation Detail* – DELETED**
Deletes language that details the $8.0 million federal TANF supplemental appropriation to the Tuition Incentive Program for FY 2023-24 to address increased program spending levels due to increased student participation and higher tuition and fee rates.

***Sec. 236r. Education Performance Study of Charter School Authorizing Bodies* – DELETED**
Deletes language that specifies funding for the education performance study must be used by the Michigan Department of Education and at least one Michigan-based educational research institution to analyze and provide recommendations based on the charter school authorizing body report findings required in section 275k and section 217c of the FY 2024-25 Community Colleges budget.

***Sec. 236s. Legislatively Directed Spending Items* – NEW**
Adds language that specifies a standard grant distribution process that would establish a process to review, complete, and execute a grant agreement with a grant recipient; verify that a grant recipient will utilize funds for a public purpose; review and verify all necessary information to ensure the grant recipient is able to execute the grant agreement; and include an oversight process of distributed grant funds.

***Sec. 241a. Annual University HEIDI and Public Reporting Requirements* – REVISED**
Directs universities to submit annual HEIDI data by October 15 (November 15 for Wayne State). Details various annual reporting requirements around university finances, budget, revenue, expenditures, and employee compensation. Adds language requiring universities to report on information related to the current university president and revises reporting dates from October 15 to November 1.

***Sec. 241c. University Tuition and Fee Restraint and Annual Rate Reporting Requirements* – REVISED**
Requires tuition and fee data to be submitted to the HEIDI database and a report of any revisions to tuition and fees within 15 days of adoption, and specifies tuition and fee restraint requirements in order to receive the ongoing and one-time operations increase for FY 2024-25, set at 4.5% or $703, whichever is greater and limits FY 2025-26 resident tuition and fee increases to the greater of 4.5% and $735. Revises language that limits FY 2025-26 resident tuition and fee increases to 4.5% or $735, whichever is greater, and limits FY 2026-27 resident tuition and fee increases to the greater of 4.0% or $651. Revises certification of tuition and fee rates from the last business day of August to the first business day of November.

***Sec. 241e. Institutional Best Practices Detail* – REVISED**
Requires public universities to certify following at least 2 of 5 institutional best practices to receive both ongoing and one-time operations increases, one of which must be the best practice on transfers and working to increase the number of reverse transfer or articulation agreements. Revises language to remove reference tying compliance with the requirements to one-time operations payments.

***Sec. 241h. Institutional Salaries Spending Restriction* – NEW (UNENFORCEABLE)**
Adds language that restricts public universities from spending more than 10% of operations appropriations on administration, includes which costs are not considered administrative spending, with the sum of 50% of money spent over the cap reduced from operations funding. *(Governor's signing letter states this section is unenforceable.)*

***Sec. 247. Michigan Reconnect Program* – REVISED**
States the Michigan Reconnect program is administered by MiLEAP. Adds language that allows MiLEAP to use program funding to support current students participating in the program under the temporary expansion to include 21-24 year olds, which ended in December 2024.

***Sec. 248. Michigan Achievement Scholarship Program Detail* – REVISED**
Provides for distribution of funds appropriated for Michigan Achievement Scholarships. Specifies criteria for scholarship eligibility. Details award amounts to cover last-dollar in-district tuition and fees minus gift aid and a $1,000 additional payment to Pell-eligible community college or tribal institution students, and up to $5,500 for students at public universities, baccalaureate programs at community colleges, or independent nonprofit colleges or universities. Updates reporting dates for institutional financial aid requirement.

Major Boilerplate Changes from FY 2024-25

Sec. 251. Michigan Competitive Scholarship Program Detail **– REVISED**
Provides for distribution of funds appropriated for State Competitive Scholarships. Revises reference from ongoing to one-time funding appropriation.

Sec. 252. Tuition Grant Program Detail **– REVISED**
Provides for distribution of funds appropriated for Tuition Grants. Revises references from ongoing to one-time funding appropriation.

Sec. 269. Saginaw Chippewa Tribal College North American Indian Tuition Waiver Funding **– REVISED**
Specifies a $76,300 pass-through payment from Central Michigan's North American Indian Tuition Waiver appropriation to Saginaw Chippewa Tribal College for costs of the Indian Tuition Waiver Program. Requires the tribal college to report waiver information specified under Sec. 268 to MiLEAP. Revises payment from $76,300 to $80,800.

Sec. 270c. Keweenaw Bay Ojibwa Community College North American Indian Tuition Waiver Funding **– REVISED**
Specifies a $155,200 pass-through payment from Northern Michigan's North American Indian Tuition Waiver appropriation to Keweenaw Bay Ojibwa Community College for costs of the Indian Tuition Waiver Program. Requires the tribal college to report waiver information specified under Sec. 268 to MiLEAP. Revises payment from $155,200 to $105,700.

Sec. 275d. Communication with the Legislature **– RETAINED (UNENFORCEABLE)**
Forbids a university from taking disciplinary action against an employee for communicating with the legislature. *(Governor's signing letter states this section is unenforceable.)*

Sec. 275k. University Charter School Authorization Reporting Requirement **– REVISED**
Requires universities that serve or have served as an authorizer of charter schools to submit a report to the legislature and the Michigan Department of Education with various details on public school academies authorized by the institution. Adds language requiring universities to adopt a facilities policy that prevents blight from public school academies that have vacated buildings or properties.

Sec. 285. Facilitating Community College Transfer-Friendly Policies **– REVISED**
Requires universities to work with community colleges to encourage the transfer of students and credits. Adds requirement that public universities must consult with MiLEAP at least once an academic year on policies and services for transfer credits and transfer students.

Sec. 286. Reverse Transfer Agreement Policies **– REVISED**
Requires universities to work with community colleges to implement state reverse transfer agreements for students transferring from a community college to a university to be able to transfer credits back to the community college and be awarded a credential. Adds requirement that public universities must consult with MiLEAP at least once an academic year on policies and services on reverse transfer agreements.

Sec. 287. Average Cost of Attendance Report **– DELETED**
Deletes language that requires CEPI to work with MiLEAP to collect and publish the average cost of attendance for full-time, first-time students from the federal Integrated Postsecondary Education Data System for each Michigan community college, tribal institution, public university, and independent nonprofit college or university.

FY 2025-26 University Operations Appropriations Enacted Summary

University	Total FY 2024-25 Appropriation	FY 2024-25 Indian Tuition Waiver Payment	FY 2024-25 One-Time Appropriation	FY 2024-25 Base Appropriation	MPSERS Support Payment	Total One-Time Operations Increase	FY 24 Indian Tuition Waiver Cost	Indian Tuition Waiver Pass-Through Payments	Indian Tuition Waiver Adjustment	Total FY 26 Indian Tuition Waiver Payment	Total FY 2025-26 Appropriation	Percent Change	Change From FY 2024-25 Total
Central	$97,771,900	$1,606,800	$938,200	$95,226,900	$2,558,800	$2,885,000	$1,599,600	$80,800	$73,600	$1,680,400	$102,351,100	4.7%	$4,579,200
Eastern	85,208,400	401,200	827,400	83,979,800	2,256,500	2,544,200	412,900	0	11,700	412,900	89,193,400	4.7%	3,985,000
Ferris	61,137,700	732,100	589,300	59,816,300	1,607,300	1,812,200	798,300	0	66,200	798,300	64,034,100	4.7%	2,896,400
Grand Valley	99,837,200	1,323,200	961,100	97,552,900	0	2,955,400	1,219,100	0	(104,100)	1,219,100	101,727,400	1.9%	1,890,200
Lake Superior	15,981,300	1,373,200	142,500	14,465,600	388,700	438,300	948,300	498,800	73,900	1,447,100	16,739,700	4.7%	758,400
Michigan State	326,827,700	2,143,100	3,167,700	321,516,900	0	9,740,500	2,508,800	0	365,700	2,508,800	333,766,200	2.1%	6,938,500
Michigan Tech	55,781,900	781,600	536,600	54,463,700	1,463,400	1,650,000	731,900	0	(49,700)	731,900	58,309,000	4.5%	2,527,100
Northern	54,783,700	1,412,700	520,700	52,850,300	1,420,100	1,601,100	1,312,100	105,700	5,100	1,417,800	57,289,300	4.6%	2,505,600
Oakland	74,047,200	291,200	719,600	73,036,400	0	2,212,700	325,200	0	34,000	325,200	75,574,300	2.1%	1,527,100
Saginaw Valley	34,731,400	198,500	336,900	34,196,000	0	1,036,000	183,000	0	(15,500)	183,000	35,415,000	2.0%	683,600
UM-Ann Arbor	365,681,400	1,521,300	3,552,800	360,607,300	0	10,924,800	1,900,600	0	379,300	1,900,600	373,432,700	2.1%	7,751,300
UM-Dearborn	32,033,000	208,800	310,500	31,513,700	0	954,700	194,300	0	(14,500)	194,300	32,662,700	2.0%	629,700
UM-Flint	26,955,700	291,900	260,100	26,403,700	0	799,900	480,900	0	189,000	480,900	27,684,500	2.7%	728,800
Wayne State	229,975,400	425,700	2,239,500	227,310,200	0	6,886,500	477,100	0	51,400	477,100	234,673,800	2.0%	4,698,400
Western	123,039,800	613,600	1,194,400	121,231,800	3,257,500	3,672,800	757,400	0	143,800	757,400	128,919,500	4.8%	5,879,700
TOTAL:	**$1,683,793,700**	**$13,324,900**	**$16,297,300**	**$1,683,793,700**	**$12,952,300**	**$50,114,100**	**$13,849,500**	**$685,300**	**$1,209,900**	**$14,534,800**	**$1,731,772,700**	**2.8%**	**$47,979,000**

Requirements to receive operations increase for FY 2025-26:
1. Restrain FY 2025-26 resident undergraduate tuition/fee rate increase to 4.5% or $735 (whichever is greater).
2. Participate in at least three reverse transfer agreements with community colleges.
3. Maintain a dual enrollment credit policy that does not consider whether credits were used toward high school graduation, the course location, the course delivery method, or the student enrollment composition within the course.
4. Actively participate in and submit timely updates to the Michigan Transfer Network.

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
Summary of FY 2025-26 Enacted
Public Act 22 of 2025 (House Bill 4706, Article 7)

Analyst: Una Jakupovic

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Enacted	*Difference: Enacted From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$753,500	$763,800	*$10,300*	*1.4*
Federal	700,000	250,000	*(450,000)*	*(64.3)*
Local	0	0	*0*	*--*
Private	0	0	*0*	*--*
Restricted	77,167,900	78,392,600	*1,224,700*	*1.6*
GF/GP	0	0	*0*	*--*
Gross	**$78,621,400**	**$79,406,400**	***$785,000***	***1.0***
FTEs	404.5	396.5	*(8.0)*	*(2.0)*

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

Overview

The Department of Insurance and Financial Services (DIFS) is responsible for regulating and promoting the insurance and financial services industries operating within this state. The department also provides consumer protection by managing consumer information and inquiries and investigating consumer complaints. DIFS administers and enforces state statutes pertaining to state-chartered banks and credit unions; mortgage brokers, lenders, and servicers; consumer finance entities; insurance companies, agents, and products; and health maintenance organizations.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
1. Attorney General Services	**Gross**	**NA**	**$330,000**
Includes $330,000 in state restricted authorization to support legal services provided by the Attorney General to align with growth in the number of civil and criminal case referrals by the department.	Restricted	NA	330,000
	GF/GP	NA	$0
2. FTE Reductions	FTE	NA	(8.0)
Includes reductions to FTE authorizations for the following line items**:**	**Gross**	**NA**	**$0**
• Reduction of 1.0 FTE for Consumer Services and Protection	GF/GP	NA	$0
• Reduction of 7.0 FTEs for Financial Institutions Evaluation.			
3. Removal of FY 2024-25 One-Time Appropriations	**Gross**	**$500,000**	**($500,000)**
Removes $500,000 Gross ($0 GF/GP) of one-time funding that was included in the FY 2024-25 budget to support the following:	Restricted	500,000	(500,000)
	GF/GP	$0	$0
• Automobile Insurance Study ($250,000 Gross)			
• Insurance Complaints and Health Care Appeals Outreach Campaign ($250,000 Gross).			
4. Technical Adjustments	FTE	NA	0.0
Includes internal FTE adjustments, funding adjustments, and transfers throughout the budget, which have no overall impact on Gross, GF/GP, or FTE position authorization. Adjustments are made to align funding to the current organizational structure and align DIFS estimated expenditures and services. Includes a transfer of 1.0 FTE from the Insurance Evaluation line item to the Consumer Services and Protection line item.	**Gross**	**NA**	**$0**
	IDG	NA	600
	Federal	NA	(450,000)
	Restricted	NA	449,400
	GF/GP	NA	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
5. Economic Adjustments	**Gross**	**NA**	**$955,000**
Reflects increased costs of $955,000 Gross ($0 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	IDG	NA	9,700
	Restricted	NA	945,300
	GF/GP	NA	$0

Major Boilerplate Changes from FY 2024-25

Note: Deleted boilerplate section numbers are section numbers as they appear in FY 2024-25. All other boilerplate section numbers are section numbers as they appear in FY 2025-26.

***Sec. 208. Hiring of External Legal Counsel* – DELETED**
Prohibits using appropriations to hire a person to provide legal services that are the responsibility of the attorney general; prohibition does not apply to legal services for bonding activities or services authorized by attorney general.

***Sec. 210. Transparency Website* – REVISED**
Requires DIFS, in cooperation with DTMB, to maintain a searchable website accessible by the public at no cost that includes information on expenditures, vendor payments, number of active employees, job specifications, and wage rates. Revised to remove certain report requirements and require the website to be updated quarterly.

***Sec. 218. Report on Federal Policy Changes* – NEW**
Requires DIFS to report on federal policy changes that are expected to affect department operations, affect groups the department engages with, or create a regulatory gap.

***Sec. 219. State Administrative Board Transfers* – NEW (UNENFORCEABLE)**
Authorizes the legislature to intertransfer funds via concurrent resolution if the State Administrative Board transfers funds. *(Governor's signing letter states this section is unenforceable.)*

***Sec. 220. In-Person Work* – NEW**
Requires DIFS to maximize utilization of its in-person workforce, prioritize occupancy utilization, and ensure occupancy rates are 80% or higher.

***Sec. 221. E-Verify Requirement* – NEW**
Requires DIFS to require contractors and subcontractors to use the E-Verify system to verify that all persons hired during the contract term are legally present and authorized to work in the United States; authorizes the department to verify the information directly or receive certification from the contractor; requires DIFS to submit a report describing the processes it develops and implements; defines E-Verify.

***Sec. 222. State Fiscal Recovery Fund (SFRF)* – DELETED**
Requires state budget director to ensure all SFRF revenue is expended by December 31, 2026; authorizes state budget director to reallocate appropriated funds for the purpose of fully expending funds; requires all guidance, implementation, and reporting provisions of federal law to be followed; requires state budget director to notify appropriations committees of reallocations made; authorizes state budget director and state departments to make accounting transactions necessary to implement reallocation.

***Sec. 222. Work Projects Report* – NEW**
Requires DIFS to report information on all work project accounts, including the status of each account and the amount of any funds that lapsed from previous accounts.

***Sec. 223. Legacy Costs* – NEW**
States the total amount of funding estimated to be expended on legacy costs in FY 2025-26 is $6.5 million ($5.9 million on pension related legacy costs and $638,800 on health care legacy costs).

***Sec. 224. Annual Strategic Plan* – NEW**
Requires DIFS to provide a copy of its annual strategic plan which must include the mission, vision, goals, strategies, and performance measures of the department.

Major Boilerplate Changes from FY 2024-25

Sec. 225. State Obligations **– NEW**
Requires DIFS to report on any court settlement that may require further legislative review of state statutory programs or regulations.

Sec. 226. Private and Third-Party Funds **– NEW**
Requires DIFS to disclose on a publicly accessible website private and other third-party funds received in the previous fiscal year, including the amount and specific source of funding, the purpose for which funding was expended, and the amount of any remaining funds.

Sec. 227. Website Reporting **– NEW**
Requires DIFS to make required reports readily accessible to the public and conspicuously posted in a single archivable location on the department's website; requires DIFS to maintain reports from previous fiscal years in the same archivable location.

Sec. 228. Legislatively Directed Spending Items **– NEW**
Requires the legislature to provide DIFS and the state budget director with a list of legislatively directed spending items; provides requirements for the administering of grants; provides requirements for grant agreements; requires grant recipients to respond to reasonable information requests; provides deadline for grant expenditure; requires DIFS to post information about grant recipients on its website.

Sec. 250. Increased Payment Options **– REVISED**
Allows DIFS to accept credit card or other electronic means of payment. Revises to require DIFS to report on fees collected from credit card payments.

Sec. 252. Television and Radio Production Expenditure Report **– NEW**
Requires DIFS to report any expenditure of funds to a third-party vendor for television or radio productions; specifies information to be included.

Sec. 301. Health Insurance Rate Change Report **– REVISED**
Requires DIFS to electronically transmit the annual health insurance rate change report prepared pursuant to 45 CFR 154.301(b), including the total number of objections issued for insurance filings. Executive revises to remove requirement that the report be distributed to standard report recipients. Revised to require the report to contain the number of filings that are approved, denied, and objected to by DIFS, the percentage of filings processed within the statutory time frame, and the average processing time.

Sec. 302. Conservatorship and Insurance Liquidation Funds **– REVISED**
Requires funds collected by DIFS in connection with a conservatorship pursuant to section 32 of 1987 PA 173 and from corporations being liquidated pursuant to 1956 PA 218 to be appropriated for expenses necessary to provide required services and to not lapse to general fund; limits appropriations to $1.0 million. Revised to lower appropriation limit to $600,000.

Sec. 303. Fees for Customized Listings **– REVISED**
Permits DIFS to provide customized lists of non-confidential information to interested parties and to charge reasonable fees; states that funds lapse to appropriate restricted fund accounts and limits amount appropriated to $1.0 million. Revised to lower appropriation limit to $600,000.

Sec. 306. Automobile Insurance Rate Filings Report **– REVISED**
Requires DIFS to report on filings received from auto insurers in the previous calendar year, including the number of auto insurance rate filings received, the average number of days to process filings, and the number of objections issued. Revised to require report be distributed additionally to the chairs of the senate and house committees that address financial and insurance issues.

Sec. 307. Customer Service Outreach and Education **– REVISED**
Requires DIFS to expend $600,000 to add up to 3.0 FTEs to provide customer service outreach or education relating to financial services and insurance, with at least 1.0 FTE trained and experienced to assist catastrophic accident survivors. Revised to require DIFS to have at least 1.0 FTE to provide outreach and education and be trained to assist catastrophic accident survivors and require a report that includes the number of consumers assisted, number of complaints received, number of utilization orders issued, and the number that upheld and reversed the insurer's decision.

Sec. 308. Outreach and Education Plan **– DELETED**
Requires DIFS to create a plan to increase outreach, education, and support services, with consideration of demographics and areas with greatest need; allows DIFS to partner with other state agencies to meet requirements.

INSURANCE AND FINANCIAL SERVICES

Major Boilerplate Changes from FY 2024-25

***Sec. 401. Automobile Insurance Reform Study* – DELETED**
Requires DIFS to study and report on the effects of the 2019 automobile insurance reform; allows DIFS to consult or contract with policy research entities; recommends that the study consider impacts on costs, participants, demographics, and access to care and providers, as well as the total impact on insured accident victims and access to long-term care providers.

***Sec. 402. Outreach Campaign and Report* – DELETED**
Requires DIFS to provide an outreach campaign informing residents of DIFS services and information, including filing complaints and appealing health insurance denials; allows campaign to include paid advertising, media outreach, and targeted outreach to stakeholders; requires DIFS to report on outreach campaign expenditures.

JUDICIARY
Summary of FY 2025-26 Enacted
Public Act 22 of 2025 (House Bill 4706, Article 8)

Analyst: Robin R. Risko

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Enacted	*Difference: Enacted From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$2,402,300	$1,902,300	*($500,000)*	*(20.8)*
Federal	7,132,600	7,270,900	*138,300*	*1.9*
Local	0	0	*0*	*--*
Private	1,905,300	1,906,400	*1,100*	*0.1*
Restricted	95,887,300	96,468,300	*581,000*	*0.6*
GF/GP	266,113,900	276,073,800	*9,959,900*	*3.7*
Gross	**$373,441,400**	**$383,621,700**	***$10,180,300***	***2.7***
FTEs	643.5	643.5	*0.0*	*0.0*

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

Overview

Article VI of the State Constitution of 1963 forms the basis for Michigan's judicial branch of government. The Judiciary budget provides operational funding for the Michigan Supreme Court, the Court of Appeals, the State Appellate Defender Office, and other judicial agencies. The budget funds the salaries of justices of the Supreme Court and judges of the appeals, circuit, probate, and district courts according to constitutional and statutory requirements. Funding assistance for local trial court operations is provided through a variety of grant programs. The largest of these, the Court Equity Fund Reimbursement program, reimburses counties for trial court operations based on a statutory formula that recognizes circuit and probate caseloads and the number of judgeships.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
1. Statewide Case Management System	**Gross**	**$13,499,100**	**$3,820,000**
Includes $1.8 million in ongoing GF/GP and $2.0 million in one-time GF/GP for continued support of the statewide judicial case management system as trial courts continue transitioning to the system from locally managed systems.	GF/GP	$13,499,100	$3,820,000
2. Eliminate GF/GP for Swift and Sure	**Gross**	**$3,350,000**	**($1,812,400)**
Eliminates GF/GP funding used to support the Swift and Sure Sanctions Program and transfers it to SCAO to support ongoing costs of the Statewide Case Management System.	Restricted	1,537,600	0
	GF/GP	$1,812,400	($1,812,400)
3. Juvenile Lifer Resentencing Hearings	**Gross**	**NA**	**$2,325,000**
Includes $2.3 million in one-time GF/GP for SADO to hire employees to assist with the increase in resentencing hearings resulting from recent Supreme Court decisions that require courts to resentence individuals who were sentenced to life without parole for crimes they committed at ages 19 and 20. Boilerplate section 402 authorizes 14.0 limited term employees.	GF/GP	NA	$2,325,000

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
4. SADO Salary Adjustments	**Gross**	**NA**	**$591,000**
Includes a total of $591,000 GF/GP to cover costs of pay increases for SADO employees. Of the total, $488,500 is included to cover costs of negotiated pay increases for UAW-represented employees and $102,500 is included to cover costs of pay increases for non-represented employees to keep pace with adjustments provided to union-represented employees.	GF/GP	NA	$591,000
5. Judgeship Changes	**Gross**	**$305,500**	**$539,200**
Includes a total of $539,200 Gross ($123,500 GF/GP) to support costs of judgeship changes. Funding will support annualizing costs of one probate court judgeship in Macomb County and one district court judgeship in Kent County, authorized under Public Acts 310 and 311 of 2023, respectively. Funding for three quarters of the fiscal year was included in the FY 2024-25 budget. Funding will also support the addition of two circuit court judgeships, one in Kalamazoo County and one in Allegan County, authorized under 2022 PA 277. The effective date of the judgeship changes was January 1, 2025.	Restricted	133,800	415,700
	GF/GP	$171,700	$123,500
6. Judicial Tenure Commission	**Gross**	**NA**	**$500,000**
Includes $500,000 in one-time GF/GP for the Judicial Tenure Commission to hire employees to assist with addressing the judicial complaint backlog. Boilerplate section 401 authorizes 3.0 limited term employees.	GF/GP	NA	$500,000
7. Michigan Legal Help	**Gross**	**$600,000**	**$400,000**
Transfers funding appropriated for Michigan Legal Help from the SCAO line item into a new line item specifically for Michigan Legal Help and includes an additional $400,000 GF/GP to support increased salary costs for program personnel and increased information technology costs for hosting the Michigan Legal Help website.	GF/GP	$600,000	$400,000
8. Drug Court Case Management System	**Gross**	**NA**	**$265,000**
Includes $265,000 GF/GP to support increased contractual costs of maintaining the drug court case management information system.	GF/GP	NA	$265,000
9. Editor for Office of Reporter of Decisions	**Gross**	**$0**	**$167,400**
Includes $167,400 in one-time GF/GP for a legal editor position in the Office of Reporter of Decisions to support ongoing caseloads and reduce the backlog of decisions awaiting editing and publication. Boilerplate section 403 authorizes 1.0 limited term employee.	GF/GP	$0	$167,400
10. Federal Funds Adjustment for Drug Treatment Courts	**Gross**	**$2,258,700**	**$100,000**
Includes authorization to receive an additional $100,000 in federal grant funding from the Office of Highway Safety Planning. Funding will support drug treatment courts.	Federal	2,258,700	100,000
	GF/GP	$0	$0
11. SOCC Recommendations for Supreme Court Justices	**Gross**	**$166,600**	**($166,600)**
Removes $166,600 GF/GP that was included in the FY 2024-25 budget to support recommendations made by SOCC in May 2023 to provide a 7% salary increase for Supreme Court justices in 2025 and 2026, and a $10,000 expense allowance for each justice. Recommendations needed legislative approval via a concurrent resolution prior to the November 2024 general election in order to take effect. The resolution did not make it all the way through the legislative process.	GF/GP	$166,600	($166,600)

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		**FY 2024-25 Year-to-Date (as of 2/5/25)**	**FY 2025-26 Enacted Change**
12. Removal of FY 2024-25 One-Time Appropriations	**Gross**	**$2,500,000**	**($2,500,000)**
Removes $2.5 million Gross ($2.0 million GF/GP) of one-time funding that was included in the FY 2024-25 budget to support the following: • Eviction Diversion Pilot program ($500,000) • Operation Drive ($1.0 million) • Prescription Compliance Through Oral Fluid Testing program ($500,000) • Status Offender Pilot program ($500,000).	IDG GF/GP	500,000 $2,000,000	(500,000) ($2,000,000)
13. Economic Adjustments	**Gross**	**NA**	**$5,951,700**
Reflects a net increase in costs of $6.0 million Gross ($5.7 million GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), insurances, actuarially required retirement contributions, worker's compensation, building occupancy charges, and rent.	Federal Private Restricted GF/GP	NA NA NA NA	38,300 1,100 165,300 $5,747,000

Major Boilerplate Changes from FY 2024-25

Note: Section numbers listed below reflect section numbers included in the enacted bill for new and revised sections; current law section numbers are listed for sections that were deleted.

GENERAL SECTIONS

***Sec. 210. Legacy Costs* – NEW**
States the total amount of funding estimated to be expended on legacy costs in FY 2025-26 is $12.0 million ($10.9 million for pension-related legacy costs; $1.2 million for health care-related legacy costs).

***Sec. 212. Retention of Reports* – REVISED**
Requires the judicial branch to follow federal and state guidelines for short- and long-term retention of records; authorizes electronically retaining copies of reports unless otherwise required by federal and state guidelines. Revised to include requirement to follow federal and state law in addition to federal and state guidelines.

***Sec. 213. Expending Available Work Project Authorization* – NEW (UNENFORCEABLE)**
Prohibits appropriations that have unexpended work project authorization associated with them, to the extent possible, from being expended until all existing work project authorization for the same purpose is exhausted. (*Governor's signing letter states this section is unenforceable.)*

***Sec. 214. Work Project Appropriations Status Report* – NEW**
Requires the judicial branch to report information on all work project accounts, including the status of each account and the amount of any funds that lapsed from previous accounts.

***Sec. 217. Private and Third-Party Funds* – NEW**
Requires the judicial branch to disclose on a publicly accessible website private and other third-party funds received in the previous fiscal year, including the amount and specific source of funding, the purpose for which funding was expended, and the amount of any remaining funds.

JUDICIAL BRANCH

***Sec. 304. Funding for Recommendations of Mental Health Diversion Council* – DELETED**
Expresses intent that $1.7 million of the appropriation for mental health courts is intended to address recommendations of the Mental Health Diversion Council.

JUDICIARY

Major Boilerplate Changes from FY 2024-25

ONE-TIME APPROPRIATIONS

***Sec. 401. Eviction Diversion Pilot Program* – DELETED**
Requires one-time appropriation to be used to support an eviction diversion pilot program in 14A District Court in Washtenaw County; requires funding to be used to assist tenants experiencing financial hardship through a collaborative program designed to settle landlord-tenant disputes and prevent eviction and homelessness; requires SCAO to report on the number of program participants, the number of disputes settled, the number of evictions avoided, and other program outcomes, including the benefit of the program to participants and the benefit of the program to the state; designates unexpended funding as a work project appropriation.

***Sec. 401. Limited-Term Employees for Judicial Tenure Commission* – NEW**
Authorizes the Judicial Tenure Commission to hire up to 3.0 limited term employees to assist the commission with addressing the judicial complaint backlog.

***Sec. 402. Status Offender Pilot Program* – DELETED**
Requires SCAO to establish a grant program to award 5 eligible courts with grants of up to $100,000 for innovative, community-based diversion programs and services that work solely with youth for who the court receives a complaint, referral, or petition for what is alleged to be a status offense; authorizes SCAO to partner with DHHS; designates unexpended funding as a work project account.

***Sec. 402. Limited-Term Employees for SADO* – NEW**
Authorizes SADO to hire up to 14.0 limited term employees to assist with the increase in resentencing hearings resulting from recent Supreme Court decisions that require courts to resentence individuals who were sentenced to life without parole for crimes they committed at ages 19 and 20.

***Sec. 403. Operation Drive* – DELETED**
Requires $500,000 to be allocated to the 52nd District Court in Oakland County and $500,000 to be allocated to district courts statewide that want to establish a program; requires courts receiving funding to work with the 44th District Court in Royal Oak on establishing a program; requires the program to provide individuals with guidance on how to address underlying issues that led to driver license suspension, guidance on how to maintain the individual's responsibility, and guidance on how to address traffic tickets, warrants, court appearances, and payment of fees and fines; designates unexpended funding as a work project appropriation.

***Sec. 403. Limited-Term Employees for Supreme Court* – NEW**
Authorizes the Supreme Court to hire 1.0 limited term employee to serve as an editor for the Office of Reporter of Decisions; requires the editor to work to reduce the Court of Appeals backlog of opinions awaiting review and editing.

***Sec. 404. Prescription Compliance through Oral Fluid Testing Program* – DELETED**
Requires $500,000 to be used to continue the program in veterans, mental health, and drug treatment courts that want to participate; requires SCAO to report on the number of programs, the number of program participants in each jurisdiction, the number of tests completed, program testing and results, program treatment, and program outcomes, including rearrest rate of participants, and the benefit of the program to the state; designates unexpended funding as a work project appropriation.

FY 2024-25 Supplemental Appropriation Items **Public Act 22 of 2025 (House Bill 4706, Article 16)**		**Appropriation Change**
1. Judgeship Changes	**Gross**	**$316,200**
Includes $316,200 Gross ($45,100 GF/GP) to support the addition of two circuit court judgeships, one in Kalamazoo County and one in Allegan County, authorized under 2022 PA 277. The effective date of the judgeship changes was January 1, 2025, so funding is needed to cover costs for three-quarters of the fiscal year.	Restricted	271,100
	GF/GP	$45,100
2. Funding Adjustment for Status Offender Pilot Program	**Gross**	**$12,100**
Includes authorization to receive an additional $12,100 in federal grant funding through an IDG from the Department of Health and Human Services for the Status Offender Pilot program. Funding was awarded by the Office of Juvenile Justice Delinquency and Prevention and is being used by eligible courts to provide services for diverted youth.	IDG	12,100
	GF/GP	$0

FY 2024-25 Supplemental Boilerplate Items
Public Act 22 of 2025 (House Bill 4706 (H-1) CR-1, Article 16

Sec. 401. Status Offender Pilot Program
Requires SCAO to establish a grant program to award 5 eligible courts with grant funding for innovative, community-based diversion programs and services for youth charged with or alleged to have committed a status offense; designates funding as a work project appropriation.

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
Summary of FY 2025-26 Enacted
Public Act 22 of 2025 (House Bill 4706, Article 9)

Analyst: Marcus Coffin

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Enacted	*Difference: Enacted From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$0	$0	*$0*	*--*
Federal	1,191,165,800	1,188,234,200	*(2,931,600)*	*(0.2)*
Local	10,700,000	6,200,000	*(4,500,000)*	*(42.1)*
Private	12,584,600	8,088,200	*(4,496,400)*	*(35.7)*
Restricted	413,774,700	312,373,700	*(101,401,000)*	*(24.5)*
GF/GP	793,569,400	216,183,600	*(577,385,800)*	*(72.8)*
Gross	**$2,421,794,500**	**$1,731,079,700**	***($690,714,800)***	***(28.5)***
FTEs	2,671.5	2,633.5	*(38.0)*	*(1.4)*

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

Overview

The Department of Labor and Economic Opportunity (LEO) engages in economic development, community growth and development, affordable housing, tourism, job creation and retention, and workforce development activities. LEO includes the Michigan Strategic Fund (MSF)/Michigan Economic Development Corporation (MEDC), Bureau of Employment Relations, Bureau of Services for Blind Persons, Michigan Occupational Safety & Health Administration (MIOSHA), Workforce Development, Michigan Rehabilitation Services, Office of Global Michigan, Unemployment Insurance Agency (UIA), Workers' Disability Compensation Agency, State Land Bank Authority, and Michigan State Housing Development Authority (MSHDA).

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
1. Revitalization and Placemaking Program Removal	**Gross**	**$50,000,000**	**($50,000,000)**
Removes $50.0 million of state restricted funding authorization that was appropriated in FY 2024-25 for the Revitalization and Placemaking Program to reflect the sunset of the program's funding source, which is a $50.0 million earmark from Corporate Income Tax revenue that was authorized under 2023 PA 4 for Fiscal Years 2022-23, 2023-24, and 2024-25. The Revitalization and Placemaking Program provided access to gap financing for place-based infrastructure development, real estate rehabilitation and development, and public space improvements.	Restricted	50,000,000	(50,000,000)
	GF/GP	$0	$0
2. Michigan Rehabilitation Services Federal Authorization	**Gross**	**NA**	**$5,391,000**
Authorizes Michigan Rehabilitation Services to receive $5.4 million of federal funding made available from the U.S. Department of Education. This federal funding will be used to support an IT project to acquire a modern content management system that will have the capability to create accurate federal reports.	Federal	NA	5,391,000
	GF/GP	NA	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
3. State Brownfield Redevelopment Fund	**Gross**	**$3,002,100**	**$4,000,000**
Includes an additional $4.0 million of state restricted funding authorization from the State Brownfield Redevelopment Fund for the Job Creation Services line item, which supports activities of the MSF. Under the Brownfield Redevelopment Financing Act, 1996 PA 381, up to 15% of amounts annually deposited to the State Brownfield Redevelopment Fund may be used by the MSF and the Department of Environment, Great Lakes, and Energy to implement the Brownfield Redevelopment Financing Act and Part 196 of the Natural Resources and Environmental Protection Act.	Restricted	3,002,100	4,000,000
	GF/GP	$0	$0
4. First Responder Presumed Coverage Claims	**Gross**	**$4,000,000**	**$2,500,000**
Includes an additional $2.5 million of state restricted funding authorization from the Christopher R. Slezak First Responder Presumed Coverage Fund (FRPCF) to adequately cover claims for wage loss and medical care expenses paid to eligible first responders. Legislation enacted in 2021, specifically 2021 PA 117 and 2021 PA 129, expanded both the population of first responders who are eligible to make claims through the program and the types of cancer that qualify for reimbursement. As a result of these changes and maturation of the program, there has been marked growth in the number of open claims, with projected claims levels growing by approximately 2,000% between the program's inception in 2017 and 2025.	Restricted	4,000,000	2,500,000
	GF/GP	$0	$0
5. Office of Rural Prosperity Federal Funding Authorization	FTE	1.0	0.0
Authorizes the Office of Rural Prosperity to receive $1.5 million of federal funding that may become available to it, including funding from the U.S. Department of Agriculture that is currently available.	**Gross**	**$697,400**	**$1,500,000**
	Federal	0	1,500,000
	GF/GP	$697,400	$0
6. Wage and Hour Program	FTE	33.0	0.0
Includes an additional $1.0 million GF/GP (one-time) for the Wage and Hour Program, which conducts various activities to administer and enforce requirements pertaining to wages and fringe benefits.	**Gross**	**$4,555,000**	**$1,000,000**
	Restricted	4,555,000	0
	GF/GP	$0	$1,000,000
7. Volunteer Income Tax Assistance Grants	**Gross**	**$1,000,000**	**($1,000,000)**
Removes $1.0 million GF/GP that supported a volunteer income tax assistance grant program for tax preparation services.	GF/GP	$1,000,000	($1,000,000)
8. Personal Assistance Services Reimbursement for Employment Program (PASREP)	**Gross**	**$400,000**	**($400,000)**
Removes $400,000 GF/GP for PASREP, which reimburses eligible persons with disabilities for personal assistance costs incurred to gain or maintain employment.	GF/GP	$400,000	($400,000)
9. Business Attraction and Community Revitalization Reduction	**Gross**	**$100,000,000**	**($40,650,000)**
Removes all GF/GP funding for the Business Attraction and Community Revitalization (BACR) line item, a $40.7 million reduction. The BACR line item supports performance-based incentives to encourage business investment and growth in Michigan and projects to improve communities.	Restricted	59,350,000	0
	GF/GP	$40,650,000	($40,650,000)
10. Pure Michigan	**Gross**	**$26,000,000**	**($9,000,000)**
Reduces the Pure Michigan line item by $9.0 million Gross ($0 GF/GP) to align overstated local and private funding authorization with anticipated revenue for the Pure Michigan marketing and tourism program.	Local	5,000,000	(4,500,000)
	Private	5,000,000	(4,500,000)
	Restricted	0	0
	GF/GP	$16,000,000	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
11. Community Development Financial Institutions	**Gross**	**$0**	**$5,000,000**
Includes $5.0 million GF/GP (one-time) for the creation of a Michigan Community Development Financial Institutions Fund to provide grants to eligible CDFIs, which are mission-driven financial institutions that specialize in increasing access to financial services in underserved and low-income areas.	GF/GP	$0	$5,000,000
12. Office of Global Michigan	FTE	15.0	0.0
Shifts $500,000 of GF/GP funding that supports the Office of Global Michigan line item from ongoing to one-time and reduces ongoing GF/GP funding for the line by an additional $1.5 million.	**Gross**	**$43,949,800**	**($1,511,700)**
	Federal	38,419,100	0
	GF/GP	$5,530,700	($1,511,700)
13. Legislatively Directed Spending Items	**Gross**	**$0**	**$28,013,700**
Includes $28.0 million GF/GP (one-time) to support 22 projects that were submitted by legislative members and subject of testimony in public hearings. See Table 1 for information on recipients.	GF/GP	$0	$28,013,700
14. Going Pro	**Gross**	**$54,750,000**	**($22,945,400)**
Removes $22.9 million of GF/GP funding for the Going Pro program and shifts the remaining GF/GP funding ($22.3 million) from ongoing to one-time. The program offers awards to employers to assist in training, developing, and retaining current and newly hired employees.	Restricted	9,540,800	0
	GF/GP	$45,209,200	($22,945,400)
15. Information Technology Reduction	**Gross**	**$33,535,600**	**($70,600)**
Reduces funding for the Information Technology Services and Projects line item by $70,600.	Federal	26,568,600	0
	Restricted	6,206,900	0
	GF/GP	$760,100	($70,600)
16. Strategic Outreach and Attraction Reserve Fund (SOAR)	**Gross**	**$200**	**($200)**
Removes $100 state restricted funding placeholders that were included in FY 2024-25 for the Critical Industry Program (CIP) and the Michigan Strategic Site Readiness Program (MSSRP) line items and supported by the SOAR funding source. These appropriations enabled legislative transfers to shift funding from the SOAR Fund to the CIP and MSSRP, so that expenditures could be made for projects under those programs that were approved by the Michigan Strategic Fund Board.	Restricted	200	(200)
	GF/GP	$0	$0
17. FY 2025-26 One-Time Grants and Programs	**Gross**	**$0**	**$15,778,500**
Includes $15.8 million GF/GP (one-time) for the 12 items listed below:	GF/GP	$0	$15,778,500

- Arts and Cultural Grants ($1.0 million GF/GP)
- Emerging Community Grants ($2.0 million GF/GP)
- Empowerment Plan ($500,000 GF/GP)
- Food Pantry Support ($800,000 GF/GP)
- Habitat for Humanity ($500,000 GF/GP)
- Home Repair Grants ($1.2 million GF/GP)
- Michigan Black Business Alliance ($1.0 million GF/GP)
- Museum Support ($1.5 million GF/GP)
- North Rosedale Park ($500,000 GF/GP)
- Redford Water Infrastructure ($750,000 GF/GP)
- Sheet Metal Training Center ($1.0 million GF/GP)
- Workforce and Employer Expansion ($5.0 million GF/GP).

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
18. FTE Authorization and GF/GP Funding Reductions and Shifts	FTE	NA	(38.0)
Reduces FTE authorization in the Job Creation Services line item by 34.0 FTE positions, in the Insurance Funds Administration line item by 2.0 FTE positions, and in the Michigan Rehabilitation Services line item by 2.0 FTE positions. Includes a $3.1 million GF/GP funding reduction across numerous line items, in addition to shifting ongoing funding to one-time, as detailed below:	**Gross**	**NA**	**($3,123,300)**
	GF/GP	NA	($3,123,300)
• Reduces the 23+ High School Diploma Program line item by $1.0 million GF/GP.			
• Reduces the Centers for Independent Living line item by $1.0 million GF/GP.			
• Reduces the At-Risk Youth Grants line item by $515,500 GF/GP.			
• Reduces the Office of Future Mobility and Electrification line item by $500,000 GF/GP.			
• Includes smaller reductions across 7 other line items that sum to $107,800 GF/GP.			
• Shifts $8.7 million of ongoing GF/GP funding for the Arts and Cultural Program to one-time.			
• Shifts $1.0 million of ongoing GF/GP funding for the Office of Defense and Aerospace Innovation to one-time.			
• Shifts $250,000 of GF/GP funding for the Community and Worker Economic Transition Office from ongoing to one-time.			
• Shifts $250,000 of GF/GP funding for the Helmets to Hardhats line item from ongoing to one-time.			
19. Removal of FY 2024-25 One-Time Appropriations	**Gross**	**$638,812,000**	**($633,012,000)**
Removes $633.0 million Gross ($559.0 GF/GP) of one-time funding that was included in the FY 2024-25 budget for numerous programs and grants. Funding for 53 of the 60 FY 2024-25 one-time items is eliminated, but funding for the following one-time items is retained in FY 2025-26:	Federal	14,000,000	(14,000,000)
	Restricted	60,000,000	(60,000,000)
	GF/GP	$564,812,000	($559,012,000)
• Detroit Right to Counsel ($1.5 million GF/GP)			
• Focus: HOPE ($1.0 million GF/GP)			
• Michigan Women Forward ($750,000 GF/GP)			
• Reignite ($250,000 GF/GP)			
• SER Metro ($500,000 GF/GP)			
• Starfish Family Services ($1.0 million GF/GP)			
• Wayne Metro ($800,000 GF/GP).			

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
20. Technical Adjustments	**Gross**	**NA**	**($2,043,100)**
Includes numerous internal transfers to reflect accurate funding allocations and technical adjustments to align fund sources with anticipated revenues. These technical adjustments include the following:	Federal	NA	(1,955,000)
	Restricted	NA	(97,600)
	GF/GP	NA	$9,500
21. Economic Adjustments	**Gross**	**NA**	**$9,858,300**
Includes a net increase in costs of $9.9 million Gross ($1.5 million GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, overtime costs, insurances, workers' compensation, building occupancy charges, food, fuel, and utilities, and other economic adjustments.	Federal	NA	6,132,400
	Private	NA	3,600
	Restricted	NA	2,196,800
	GF/GP	NA	$1,525,500

- Transfers $592,800 of federal funding and $160,500 GF/GP from the Michigan Community Service Commission and the Michigan Rehabilitation Services line items to the Information Technology Services and Projects line item.
- Transfers $300,000 of private funding authorization from the Workforce Development line item to the Prosperity line item.
- Includes an additional $294,000 of state restricted funding authorization from Corporation Fees in the MIOSHA line item to align with increased expenditures for services provided by the Michigan Office of Administrative Hearings and Rules in LARA.
- Transfers $100,000 of private funding authorization from the Workforce Development line item to the Michigan Office of Rural Prosperity line item to reflect current fund sources supporting the program.
- Aligns federal funding authorization from 11 sources and state restricted funding authorization from 7 sources across 11 line items.

Major Boilerplate Changes from FY 2024-25

GENERAL SECTIONS

Note: Boilerplate section numbers listed in this document are section numbers as they appear in the Public Act.

***Sec. 206. Disciplinary Action Against State Employees* – RETAINED (UNENFORCEABLE)**
Prohibits LEO from taking disciplinary action against department employees for communicating with members of the legislature or legislative staff unless the communication is prohibited by law and the department is exercising its authority. *(Governor's signing letter states this section is unenforceable.)*

***Sec. 208. Hiring of External Legal Counsel* – DELETED**
Prohibits using appropriations to hire a person to provide legal services that are the responsibility of the attorney general; prohibition does not apply to legal services for bonding activities or services the attorney general authorizes.

***Sec. 211. Transparency Website* – REVISED**
Requires LEO, in cooperation with DTMB, to maintain a searchable website accessible by the public at no cost that includes information on expenditures, vendor payments, number of active employees, job specifications, and wage rates. Revised to delete reporting on the number of active employees, job specifications, and wage rates, and to require the website to be updated quarterly.

***Sec. 216. Receipt and Retention of Reports* – REVISED**
Requires LEO to receive and retain copies of all reports funded by the department's budget, while complying with federal and state guidelines for records retention. Revised to include a requirement to follow federal and state law in addition to federal and state guidelines.

***Sec. 217. Report on Policy Changes for Public Act Implementation* – REVISED**
Requires LEO to report on policy changes made to implement public acts that took effect during the previous calendar year. Revised to require the report to include reference to the public act that necessitates the policy change.

Major Boilerplate Changes from FY 2024-25

***Sec. 218. Work Project Expenditures* – RETAINED (UNENFORCEABLE)**
Stipulates that appropriations are not to be expended, if possible, until all existing work project authorization for the same purpose is exhausted. *(Governor's signing letter states this section is unenforceable.)*

***Sec. 221. State Fiscal Recovery Fund (SFRF)* – DELETED**
Requires the state budget director to ensure all SFRF revenue is expended by December 31, 2026; authorizes the state budget director to reallocate appropriated funds for the purpose of fully expending funds; requires all guidance, implementation, and reporting provisions of federal law to be followed; requires the state budget director to notify appropriations committees of reallocations made; authorizes state budget director and state departments to make accounting transactions necessary to implement reallocation.

***Sec. 221. State Administrative Board Transfers* – NEW (UNENFORCEABLE)**
Authorizes the legislature to intertransfer funds via concurrent resolution if the State Administrative Board transfers funds. *(Governor's signing letter states this section is unenforceable.)*

***Sec. 222. Single Recipient Grants* – DELETED**
Requires grant funding intended for a single recipient organization or local government to be used for a program or project that is for a public purpose; requires LEO to follow state procurement statutes, including bidding requirements; authorizes SBO to compile and submit reports; lists eligibility requirements to receive grant funding; provides timeframes for receiving and expending grant funding; requires information on grants/projects to be posted on a public website, including receiving entity and grant sponsor; requires reports.

***Sec. 222. Legislatively Directed Spending Items* – NEW**
Requires the legislature to provide LEO and the state budget director with a list of legislatively directed spending items; provides requirements for the administration of grants; provides requirements for grant agreements; requires grant recipients to respond to reasonable information requests; provides deadline for grant expenditure; requires the department to post information about grant recipients on its website.

***Sec. 223. In-Person Work* – NEW**
Requires LEO to maximize utilization of its in-person workforce, prioritize occupancy utilization, and ensure occupancy rates are 80% or higher.

***Sec. 224. Impact of Federal Policy Changes* – NEW**
Requires LEO to report on federal policy changes that are expected to affect department operations, affect groups the department engages with, or create a regulatory gap.

***Sec. 225. E-Verify Requirement* – NEW**
Requires LEO to require contractors and subcontractors to use the E-Verify system to verify that all persons hired during the contract term are legally present and authorized to work in the United States; authorizes LEO to verify the information directly or to receive certification from the contractor; requires LEO to submit a report describing the processes it develops and implements; defines E-Verify.

***Sec. 226. Posting of Reports* – NEW**
Requires LEO to make required reports readily accessible to the public and conspicuously posted in a single archivable location on the department's website; requires LEO to maintain reports from previous fiscal years in the same archivable location.

***Sec. 227. Work Project Appropriations Status Report* – NEW**
Requires LEO to report information on all work project accounts, including the status of each account and the amount of any funds that lapsed from previous accounts.

***Sec. 228. Legacy Costs* – NEW**
States the total amount of funding estimated to be expended on legacy costs in FY 2025-26 is $39.6 million ($35.8 million on pension-related legacy costs; $3.9 million on health care-related legacy costs).

***Sec. 229. Annual Strategic Plan* – NEW**
Requires LEO to provide a copy of its annual strategic plan which must include the mission, vision, goals, strategies, and performance measures of the department.

***Sec. 230. State Obligations* – NEW**
Requires LEO to report on any court settlement that may require further legislative review of state statutory programs or regulations.

LABOR AND ECONOMIC OPPORTUNITY

Major Boilerplate Changes from FY 2024-25

Sec. 231. Private and Third-Party Funds **– NEW**
Requires LEO to disclose on a publicly accessible website private and other third-party funds received in the previous fiscal year, including the amount and specific source of funding, the purpose for which funding was expended, and the amount of any remaining funds.

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY (LEO)

Sec. 303. SIGMA System Reporting **– DELETED**
Requires LEO to use SIGMA to report encumbrances and expenditures.

Sec. 304. Private Grant Funded Projects **– REVISED**
Authorizes appropriation of private grant revenues, subject to a limitation of $1.5 million; requires LEO to report on fund source, purpose, and amount of the grant within 10 days of receipt. Revised to require a report on amount of private revenue generated in FY 2024-25 and amount carried forward into FY 2025-26.

Sec. 305. Informational, Training, and Special Events Revenues and Expenditures **– REVISED**
Authorizes LEO to charge registration fees for events sponsored by LEO; requires fees to reflect costs of sponsoring events; appropriates revenue generated by fees for sponsorship costs; authorizes excess revenue to be carried forward; limits appropriation to $500,000. Revised to require reporting on amount of registration fees generated in FY 2024-25 and amount carried forward into FY 2025-26.

Sec. 306. Sale of Documents **– REVISED**
Authorizes LEO to sell various agency documents at cost of production; requires revenue to carry forward and be expended only on costs of production and distribution; appropriates funds collected for cost of publication and distribution. Revised to require a report on the amount of revenue from document sales in FY 2024-25 and amount carried forward into FY 2025-26.

STRATEGIC OUTREACH AND ATTRACTION RESERVE FUND

Sec. 351. Strategic Outreach and Attraction Reserve Appropriation **– DELETED**
Appropriates up to $500.0 million of restricted funding from the SOAR fund; requires funds to support activities under the Michigan Strategic Fund Act, after transfer; requires funding not restricted, obligated, or committed at fiscal year close to lapse to the general fund.

Sec. 352. Critical Industry Program and Michigan Strategic Site Readiness Program **– DELETED**
States that the legislature finds and declares that Critical Industry Program (CIP) and Michigan Strategic Site Readiness Program (MSSRP) appropriations are for a public purpose to serve the health, safety, and general welfare of state residents.

Sec. 353. SOAR Program: CIP and MSSRP Expenditures **– DELETED**
Expresses legislative intent that CIP and MSSRP funding be expended to maximize job creation, grow wages, support existing businesses, attract new business development, and include community support and equity; states legislative intent that the MSF prioritize specific conditions when expending funds, including claw-back provisions if jobs are not retained for 5 years, locating projects in qualified census tracts or communities that have unemployment rates higher than state average, first-source hiring provisions, community benefits agreements, and agreements that qualified business offer specific employee services.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

Sec. 401. Michigan State Housing Development Authority Annual Report **– REVISED**
Requires MSHDA to annually present a report on the status of the authority's housing production goals under all financing programs; prohibits MSHDA from restricting eligibility for housing units without a permanent foundation unless it is a federal restriction for program; requires report on production goals, including efforts to raise affordable housing goals, program summaries, status of goal progress, and program utilization explanations. Revised to streamline reporting requirements.

Sec. 403. Transition and Supportive Housing **– Revised**
Requires that at least 2.0 FTEs work with MDHHS on transition and supportive housing to support the transition to permanent housing. Revised to require a report on MSHDA's work with LEO, MSF, MDHHS, and other departments.

Major Boilerplate Changes from FY 2024-25

Sec. 405. Lapsing of Work Project Funds **– NEW**
Expresses legislative intent that the state budget director lapse $14.0 million of work project funds for a blight elimination program appropriated under 2022 PA 166; requires any lapsed funds to be appropriated for grants to local land banks for blight removal or redevelopment projects and requires reporting.

MICHIGAN STRATEGIC FUND

Sec. 503. Pure Michigan Appropriation **– REVISED**
(1) Requires Pure Michigan appropriations to be used for specified purposes and allows up to 4.25% of the appropriation to be used for administration; (2) authorizes MSF to contract any authorized activities; (3) authorizes MSF to work with local units of government, non-profit entities, and private entities on Pure Michigan promotion campaigns; (4) requires a report on utilization of funds for eligible activities; (5) requires Pure Michigan appropriations to be used to market Michigan as a travel and tourist destination with the sole purpose of attracting new visitors and retaining former visitors; (6) requires funds appropriated for Pure Michigan to be used exclusively for marketing Michigan as a travel and tourist destination and prohibits MEDC from using funds to sponsor or support non-tourism incentives and campaigns. Revised to reduce the 4.25% cap under item (1) to 4.0%, to require MSF Board approval for contracting, to replace the current item (6) with a condition that local visitor's bureaus can only receive Pure Michigan funding once per fiscal year, and to make other technical changes.

Sec. 507. MEDC Reporting **– REVISED**
Requires MEDC/MSF to report information on MEDC's budget, including expenditures and revenues, FTE numbers, activities, programs, grants, and subprograms funded with the Business Attraction and Community Revitalization line item. Revised to require information on whether FTEs are filled or unfilled.

Sec. 509. Land Options and Purchases **– REVISED**
Prohibits MEDC from purchasing land or land options unless the land is in an economically distressed area, the purchase is at invitation of local unit of government and economic development agency, or land is obtained from the State Land Bank Authority or a local land bank authority; authorizes consideration of purchases where proposed use is consistent with a regional land use plan, will result in redeveloping an economically distressed area, can be supported with existing infrastructure, and will not cause population to shift from population centers; requires a report that lists all properties purchased, all options on land purchased, the location of the land purchased, and the purchase price if the fund purchases land or options for land. Revised to delete current language and to instead require notification not later than 45 days after the purchase of land or options on land, including land location, selling entity information, and purchase price of the land or option on land.

Sec. 514. Business Attraction and Community Revitalization Allocation **– REVISED**
Requires not less than 20% of funds appropriated for the program to be granted for brownfield redevelopment and historic preservation projects under the Community Revitalization Program. Revised to specify that the following allocations must be made from the Business Attraction and Community Revitalization appropriation: not less than 25% to provide grant or loan funding for business support services to small and medium-sized businesses, not less than 19% for grants to small business support hubs and community incubators, not less than 30% for cash and loan assistance to small businesses through the Business Development Program, not less than 2% to provide CDFI supplemental support, and not more than 4% for program administration; the remainder of the funds may be used to support the Community Revitalization Program and up to 7% may be used to provide additional support to the Business Development Program.

Sec. 517. Arts and Cultural Grant Program **– REVISED**
(1) Requires Michigan Arts and Culture Council to administer an arts and cultural grant program that maintains an equitable geographic distribution of funding and utilizes past arts and cultural grant programs as a guideline; requires council to publish application criteria; authorizes council to charge a non-refundable application fee, appropriated for expenses necessary to administer the programs; requires a report to the legislature on awards; (2) allows up to 3% of the arts and cultural appropriation to be expended for program administration; (3) requires $250,000 from the arts and cultural program appropriation to be awarded to the Michigan Traditional Arts Program at Michigan State University; (4) requires $1.0 million from the arts and cultural program appropriation to be awarded to Concert of Colors. Revised to delete items (3) and (4).

Sec. 526. Michigan Defense Center **– REVISED**
Requires that funding be used to support the defense and homeland security industry in Michigan; allows funding to be used to help businesses identify federal defense contract opportunities, provide technical assistance for federal defense contract bidding, and strengthen cybersecurity compliance at Michigan businesses. Revised to require a report on the defense industry and the Office of Defense and Aerospace Innovation.

LABOR AND ECONOMIC OPPORTUNITY

Major Boilerplate Changes from FY 2024-25

Sec. 527. Revitalization and Placemaking Program Expenditures **– DELETED**
Requires Revitalization and Placemaking Program appropriation to be expended for projects as described in section 696 of the Income Tax Act of 1967.

Sec. 528. Revitalization and Placemaking Program **– DELETED**
Establishes various requirements for use of the Revitalization and Placemaking Program appropriation (including allocation and applicant requirements); outlines LEO's responsibilities and permissible activities; requires LEO to award $18.0 million to 1 project in Detroit, Grand Rapids, Lansing, and Ann Arbor, and $7.0 million, less implementation costs, to projects in regional prosperity zones; outlines oversight mechanisms and requires claw-back provisions; designates unexpended funds as a work project appropriation.

EMPLOYMENT SERVICES

Sec. 601. Wage and Hour Program Investigations **– REVISED**
Requires LEO to conduct investigations of child labor violations and wage theft from workers. Revised to require LEO to engage with employers and employees to enhance education and outreach in accordance with the Youth Employment Standards Act, Payment of Wages and Fringe Benefits Act, Improved Workforce Opportunity Wage Act, Earned Sick Time Act, Human Trafficking Notification Act, and Prevailing Wage on State Projects Act.

Sec. 602. First Responder Presumed Coverage Fund **– NEW**
Appropriates all funds necessary from the Slezak First Responder Presumed Coverage Fund to pay approved first responder presumed coverage claims and administrative costs; requires LEO to provide a report to the Michigan Gaming Control Board, the Department of Treasury, and the State Budget Office that includes the total of all approved claims and administrative costs.

WORKFORCE DEVELOPMENT

Sec. 702. Workforce Development Grants **– REVISED**
Allows LEO to provide grants to non-profit organizations that offer programs to WIOA-eligible youth that focus on entrepreneurship, work-readiness skills, job shadowing, apprenticeship readiness, and financial literacy; stipulates eligibility criteria for organizations and requires LEO to develop other appropriate eligibility requirements. Revised to delete a provision requiring eligible organizations to have capacity to provide similar programs in urban areas and to require a report on grant expenditures, number of students served, and organizations that received funding.

Sec. 705. Going Pro Program Reporting **– REVISED**
(1) Requires LEO to publish biannual data and reports concerning the status of Going Pro, including number of awardees participating, funding information, training models established, and utilization metrics; (2) requires LEO to expand workforce training and reemployment services to better connect workers to in-demand jobs and identify specific outcomes and performance metrics for the initiative; (3) requires LEO to report on recommendations for enhanced reporting on training outcomes associated with the Going Pro Talent Fund. Revised to adjust reporting requirements and to delete item (3).

Sec. 706. Going Pro Program Administration **– REVISED**
Requires Going Pro to be administered according to specific guidelines; allows up to 2% of the Going Pro appropriation to be used for administration; requires at least 5% of the available funding to be reserved for businesses in talent fund priority industry sectors. Revised to change requirements for talent fund priority industry sector applications and to include language allowing the MiSTEM Advisory Council to assist with application processing.

Sec. 712. High School Equivalency-to-School Program **– REVISED**
Requires funds to be used to cover the cost of a high school equivalency test free of charge for individuals meeting certain requirements; requires LEO to develop procedures, provide program information, and provide a full-year cost estimate; requires report on utilization. Revised to allow for vouchers.

Sec. 716. Volunteer Income Tax Assistance Grants **– DELETED**
Requires LEO to allocate funds to a nonprofit trade association to provide free tax preparation services for tax filers, expanded statewide access to free tax preparation services, and expanded local capacity to provide free tax preparation services; allows up to 5% of the appropriation to be used for administration.

Sec. 717. Rural Development Fund Grant Program **– NEW**
Requires Office of Rural Prosperity to collaborate with MDARD on the Rural Development Fund grant program.

Major Boilerplate Changes from FY 2024-25

UNEMPLOYMENT

Sec. 804. UIA Branch Offices **– REVISED**
Requires funds appropriated for UIA to be used to staff unemployment insurance agency branch offices for in-person claimant service appointments; requires biannual report on in-person office operations. Revised to require information on staffing distribution and volumes of claimants served through different venues.

Sec. 805. UIA Limited-Term Employee Authorization **– REVISED**
Authorizes UIA to hire up to 500 limited-term employees if UIA local offices offer full-time, in-person services. Revised to authorize up to 250 limited-term employees, with up to an additional 250 limited-term employees authorized if the number of unemployment claims increases by 20% or more in a month.

REHABILITATION SERVICES

Sec. 902. Michigan Rehabilitation Services Report **– REVISED**
Requires annual report on efforts taken to improve MRS; specifies information that must be included in the report. Revised to add an additional item to the report regarding MRS program goals and to make other technical changes.

Sec. 905. Independent Living **– REVISED**
(1) Requires that funds appropriated for Independent Living be used to support Centers for Independent Living in various capacities that include serving underserved areas and building capacity, and establishes requirements for applications, use of funds, and service provision; (2) requires LEO to provide a report on direct customer and system outcomes and performance measures; (3) designates unexpended GF/GP as a work project appropriation. Revised to delete item (3) and to make other technical changes.

Sec. 906. Personal Assistance Services Reimbursement for Employment Program **– DELETED**
Requires LEO to allocate PASREP appropriations to support administration of the program; allows MRS to work collaboratively with service organizations to administer the program; requires annual reporting on PASREP.

Sec. 906. Federal Workforce Innovation and Opportunity Vocational Rehabilitation Funds **– NEW**
Appropriates federal Workforce Innovation and Opportunity vocational rehabilitation funds from prior years that have already met state matching requirements; allows LEO to carry forward unexpended federal Workforce Innovation and Opportunity vocational rehabilitation funds.

COMMISSIONS

Sec. 951. Commissions Reporting and Expenditures **– REVISED**
Requires Office of Global Michigan to coordinate with affiliated commissions to produce a report detailing commission activities, including interaction volumes, activity descriptions, and programmatic costs; requires an expenditure of appropriated funds by a commission to directly relate to the mission statement of that commission. Revised to include reporting on grants and to delete the requirement that a commission expenditure directly relate to the commission's mission statement.

ONE-TIME APPROPRIATIONS

Sec. 1001-1054. FY 2024-25 One-Time Boilerplate Sections **– PARTIALLY DELETED**
Stipulates how 60 different FY 2024-25 one-time appropriations are to be used and allocated. All sections are deleted except for language related to Focus: HOPE, Michigan Women Forward, Reignite, Right to Counsel, SER Metro, Starfish Family Services, and Wayne Metro.

Sec. 1001. Arts and Cultural Grants **– NEW**
Requires $750,000 to be awarded to a cultural exchange network to support a free, public music and arts festival; requires $250,000 to be awarded to the folk and traditional arts program based at Michigan State University.

Sec. 1004. Emerging Community Grants **– NEW**
Requires funds to be used to provide grants to nonprofit organizations and community organizations dedicated to supporting emerging populations; allows grants to be used to support facility acquisitions, facility upgrades, economic development activities, and programming to support the organization's community.

Sec. 1005. Empowerment Plan **– NEW**
Requires funds to be awarded to Empowerment Plan, a nonprofit 501(c)(3).

LABOR AND ECONOMIC OPPORTUNITY

Major Boilerplate Changes from FY 2024-25

Sec. 1007. Food Pantry Support **– NEW**
Requires $300,000 to be awarded to the Brightmoor Connection Food Pantry to support its supply and operations; requires $500,000 to be awarded to a Gleaners Community Food Bank to support fresh food security network infrastructure.

Sec. 1008. Habitat for Humanity **– NEW**
Requires funds to be awarded to Habitat for Humanity to support affordable housing construction statewide.

Sec. 1009. Helmets to Hardhats **– REVISED**
Requires funding to be awarded to a national nonprofit program that connects national guard, reserve, retired, and transitioning active-duty military service members with skilled training and quality career opportunities in the construction industry. Revised to allow grants to be used for wraparound services and to require the awardee to offer an online program application.

Sec. 1010. Home Repair Grants **– NEW**
Requires funds to be allocated to provide grants for home repairs and weatherization to households with incomes not greater than 250% of the federal poverty level.

Sec. 1011. Legislatively Directed Spending Items **– NEW**
Allocates funds appropriated for Legislatively Directed Spending Items for 22 different programs and projects (see Table 1 for information on recipients).

Sec. 1012. Michigan Black Business Alliance **– NEW**
Requires funds to be awarded to a nonprofit business alliance in Detroit to operate entrepreneur capital connection and technical assistance programs.

Sec. 1014. North Rosedale Park **– NEW**
Requires funds to be allocated to a nonprofit park civic association in Detroit to support improvements to the community house space.

Sec. 1015. Redford Water Infrastructure **– NEW**
Requires funds to be awarded to Redford Township to construct a combined sewer overflow basin.

Sec. 1018. Sheet Metal Training Center **– NEW**
Requires funds to be awarded to sheet metal apprenticeship training centers for infrastructure upgrades, technology enhancements, and modernization and expansion of classroom and lab facilities.

Sec. 1021. Workforce and Employer Expansion **– NEW**
Requires LEO to use funds to address current and future workforce needs; allows funds to be used for developing customized talent solutions, to support statewide pre-apprenticeship and registered apprenticeship expansion, and to expand existing, or create new, employer-led collaboratives and other sector strategies.

[continued on next page]

Table 1: Legislatively Directed Spending Items
Public Act 22 of 2025 (House Bill 4706, Article 9)

Sec. 1011	1	Sheridan Township Bridge Repairs	$3,300,000
	2	City of Vassar Public Safety Building	2,000,000
	3	Utica Police Department Equipment	250,000
	4	City of Rochester Hills Park Infrastructure	2,000,000
	5	Shelby Township Community Pool	1,000,000
	6	City of Harbor Beach North Park Campground Expansion	1,000,000
	7	Jackson County Parks (The Cascades)	1,500,000
	8	City of Marysville Seawall Replacement	750,000
	9	City of Springfield Law Enforcement Carport	125,000
	10	Common Ground	175,000
	11	Hindu Community Relations Council of Michigan	300,000
	12	Isabella County US-127 Feasibility Study	250,000
	13	Macomb County Public Works Muck Control	800,000
	14	MDOT M-53 Project in Washington Township	60,000
	15	Southwest Shiawassee Emergency Services Ambulances	1,231,000
	16	City of Albion Police Body-Worn Cameras	32,000
	17	Park Township Coast Guard Station Conversion	600,000
	18	City of Bronson UV Water Disinfection System	609,000
	19	Bronson Health Foundation	31,700
	20	Four Lakes Task Force Dam Restoration	9,800,000
	21	City of Portage Stormwater Runoff Project	2,000,000
	22	City of Cadillac Culvert Project	200,000
		TOTAL	**$28,013,700**

FY 2024-25 Supplemental Appropriation Items
Public Act 22 of 2025 (House Bill 4706, Article 16)

		Appropriation Change
1. Community and Worker Economic Transition Office	**Gross**	**$22,653,100**
Includes $22.7 million of federal funding authorization to allow the Community and Worker Economic Transition Office to utilize grant funding from the U.S. Department of Energy to issue grants to small- and medium-sized auto suppliers that are experiencing an industry transition.	Federal	22,653,100
	GF/GP	$0
2. Office of Rural Prosperity	**Gross**	**$350,000**
Includes $350,000 of federal funding authorization to allow the Michigan Office of Rural Prosperity to expend two grants received from the U.S. Department of Agriculture, both of which will support the development of community facilities projects. Under the U.S. Department of Agriculture's guidelines, community facilities include health care facilities, public facilities (town halls, courthouses, etc.), community support services (childcare centers, community centers, etc.), public safety services, educational services (including museums and libraries), utility services, and local food systems.	Federal	350,000
	GF/GP	$0
3. Federal Funding for Michigan Rehabilitation Services	**Gross**	**$35,000,000**
Includes $35.0 million of federal funding authorization for Michigan Rehabilitation Services (MRS) to align spending authorization with available federal resources and projected program expenditures and to allow MRS to spend federal carryforward funding from FY 2024-25. The funds would be used to address the needs of current MRS applicants and eligible individuals with disabilities.	Federal	35,000,000
	GF/GP	$0
4. First Responder Presumed Coverage Fund	**Gross**	**$2,500,000**
Includes $2.5 million of state restricted funding authorization from the Slezak First Responder Presumed Coverage Fund to align funding authorization with projected FY 2024-25 benefit payments, which cover wage loss and medical care expenses for eligible first responders who are diagnosed with specific types of cancer. Eligibility to receive benefits from the First Responder Presumed Coverage Fund was expanded under legislation enacted during the 2021-2022 legislative session, with expansion of both the categories of eligible first responders and types of cancer that are covered.	Restricted	2,500,000
	GF/GP	$0

FY 2024-25 Supplemental Appropriation Items **Public Act 22 of 2025 (House Bill 4706, Article 16)**		**Appropriation Change**
5. Wage and Hour Program Includes authorization for an additional 8.0 FTE positions within the Wage and Hour Program. This authorization would be used to onboard 3 technicians and 5 investigators. Technicians would facilitate registration, rate establishment surveys, collection of certified payroll data, and issuance of rate schedules; investigators would review certified payroll records and conduct onsite investigations, inspections, outreach, and education.	FTE **Gross** GF/GP	8.0 **$0** $0
6. Community Development Block Grant – Disaster Recovery Includes $43.6 million of federal funding authorization to allow for the expenditure of a special allocation of Community Development Block Grant Disaster Recovery funds that were received to address severe storms that affected Southeast and Central Michigan in August 2023.	**Gross** Federal GF/GP	**$43,570,000** 43,570,000 $0
7. Community Enhancement Grants Includes $12.9 million GF/GP for community enhancement grants that would be distributed as follows: • $1.0 million to a railroad history museum in Durand to support property improvements. • $1.0 million to the Concert of Colors to support a diversity, music, and arts festival that is free and open to the public. • $1.0 million to the City of Grosse Pointe Farms to support a seawall project. • $3.0 million to St. Luke's Community Center in Flint to support infrastructure improvements. • $4.0 million to the Jewish Federation of Detroit to implement community safety measures. • $1.9 million to the City of Cadillac for permanent or temporary repairs that are necessary due to a failed culvert system. • $1.0 million to Washtenaw County for road improvements.	**Gross** GF/GP	**$12,900,000** $12,900,000
8. Legislatively Directed Spending Items Includes $120.0 million GF/GP to support 98 projects that were submitted by legislative members. The projects were the subject of testimony received in public hearings. See Tables 1, 2, and 3 at the end of this document for information on recipients.	**Gross** GF/GP	**$120,000,000** $120,000,000
9. Grant Award for Michigan Rehabilitation Services Includes $9.5 million of federal funding authorization to allow for the expenditure of Michigan Rehabilitation Services' receipt of a one-time multi-year grant award from the U.S. Department of Education that is focused on career development and job placement of individuals with disabilities.	**Gross** Federal GF/GP	**$9,467,300** 9,467,300 $0
10. Michigan Works! Skills Scholarships Includes a net $0 reappropriation to revise the purpose of the program from supporting youth career exploration initiatives with a healthcare focus to supporting tuition assistance for an industry-recognized credential or certification.	**Gross** GF/GP	**$0** $0
11. Transmission Siting and Economic Development Program Includes $35.8 million of federal funding authorization to allow for the expenditure of a grant received from the U.S. Department of Energy that would support apprenticeship programs, home weatherization, and workforce training programs in communities in Branch and Calhoun Counties.	**Gross** Federal GF/GP	**$35,800,000** 35,800,000 $0

FY 2024-25 Supplemental Appropriation Items
Public Act 22 of 2025 (House Bill 4706, Article 16)

		Appropriation Change
12. Lost Wages Assistance Unemployment Program	**Gross**	**$5,570,300**
Includes $5.6 million GF/GP to cover overpayment liability resulting from the COVID-era Lost Wages Assistance unemployment program. In 2020, FEMA administered the nationwide Lost Wages Assistance program, which provided self-certifying unemployment claimants with a weekly supplemental federal payment. With the conclusion and closure of the program, the state faces an overpayment balance of $5.7 million, which must be repaid to FEMA. The overpayment largely results from self-attestations for eligibility that were proven to be fraudulent or improper, and there is a high probability that the state will be unable to recover funds that were distributed due to impostor fraud.	GF/GP	$5,570,300

FY 2024-25 Supplemental Boilerplate Items
Public Act 22 of 2025 (House Bill 4706, Article 16)

Sec. 451. Community and Worker Economic Transition Office
Designates unexpended funds for the office as a work project appropriation; funds would be used to provide grants to auto suppliers that are experiencing an industry transition.

Sec. 452. Michigan Office of Rural Prosperity
Designates unexpended funds for the office as a work project appropriation; funds would be used to provide grants to support community facility projects in rural communities.

Sec. 453. Legislatively Directed Spending Items
Allocates funds appropriated for Legislatively Directed Spending Items for 26 different programs and projects (see Table 2 at the end of this document for information on recipients).

Sec. 454. Legislatively Directed Spending Items
Allocates funds appropriated for Legislatively Directed Spending Items for 52 different programs and projects (see Table 3 at the end of this document for information on recipients).

Sec. 455. Legislatively Directed Spending Items
Allocates funds appropriated for Legislatively Directed Spending Items for 20 different programs and projects (see Table 4 at the end of this document for information on recipients).

Sec. 456. Legislatively Directed Spending Items – Work Project Authorization
Designates unexpended funds from the Legislatively Directed Spending Items line item as a work project appropriation; funds would be used for the purposes outlined in sections 453, 454, and 455.

Sec. 457. Community Development Block Grant – Disaster Recovery
Designates unexpended funds as a work project appropriation; funds would be used to support disaster recovery and resiliency efforts.

Sec. 458. Transmission Siting and Economic Development Program
Designates unexpended funds as a work project appropriation; funds would be used to establish apprenticeship programs for the utility industry, provide for weatherization of homes, and develop and leverage existing training programs for energy infrastructure workers.

Sec. 459. State Restricted Contingency Authorization
Appropriates up to $154.1 million in state restricted contingency authorization; authorizes expenditure of funds after legislative transfer to a specific line item.

Sec. 460. Prevailing Wage Fund
Appropriates funds in the Prevailing Wage Fund (which receives fees and fines imposed under 2023 PA 10) for the purpose of implementing prevailing wage provisions contained within 2023 PA 10.

LABOR AND ECONOMIC OPPORTUNITY

FY 2024-25 Supplemental Boilerplate Items
Public Act 22 of 2025 (House Bill 4706, Article 16)

Sec. 461. Federal HUD-CPD Community Development Block Grant Funding
Appropriates remaining federal funding from the Community Development Block Grant (CDBG) program that was provided to the Michigan Strategic Fund (MSF). Executive Reorganization Order 2023-1 shifted the CDBG program to MSHDA, beginning with program year 2023 allocations, but left CARES Act CDBG funding and prior year program allocations with MSF. This language would provide the necessary authorization to enable utilization of remaining federal resources for which projects are underway. Funds were intended to assist local communities prevent, prepare for, and respond to coronavirus and would be used to reimburse expenses not already covered with other federal or state funding.

Sec. 462. Federal Workforce Innovation and Opportunity Vocational Rehabilitation Funding
Appropriates federal Workforce Innovation and Opportunity Act (WIOA) vocational rehabilitation funding from prior years for the purposes intended, allowing Michigan Rehabilitation Services to spend federal carryforward funding from FY 2023-24 that already met state matching requirements.

Sec. 463. Community Enhancement Grants – Railroad History Museum
Requires $1.0 million of the Community Enhancement Grants appropriation to be awarded a railroad history museum in Durand to support property improvements.

Sec. 464. Community Enhancement Grants – Concert of Colors
Requires $1.0 million of the Community Enhancement Grants appropriation to be awarded to the Concert of Colors to support a diversity, music, and arts festival that is free and open to the public.

Sec. 465. Community Enhancement Grants – Grosse Pointe Farms Seawall Project
Requires $1.0 million of the Community Enhancement Grants appropriation to be awarded to the City of Grosse Pointe Farms to support a seawall project.

Sec. 466. Community Enhancement Grants – St. Luke's Community Center
Requires $3.0 million of the Community Enhancement Grants appropriation to be awarded to St. Luke's Community Center in Flint to support infrastructure improvements.

Sec. 467. Community Enhancement Grants – Jewish Federation
Requires $4.0 million of the Community Enhancement Grants appropriation to be awarded to the Jewish Federation of Detroit to implement community safety measures.

Sec. 468. Community Enhancement Grants – City of Cadillac Culvert Repairs
Requires $1.9 million of the Community Enhancement Grants appropriation to be awarded to the City of Cadillac for permanent or temporary repairs that are necessary due to a failed culvert system.

Sec. 469. Community Enhancement Grants – Washtenaw County Road Improvements
Requires $1.0 million of the Community Enhancement Grants appropriation to be awarded to Washtenaw County for road improvements.

Sec. 470. Michigan Works! Skills Scholarships
Requires funds to be used by Michigan Works! agencies to provide tuition assistance for obtaining an industry-recognized credential or certification in a high-demand occupation; outlines tuition assistance eligibility criteria; requires reporting and program coordination.

REPEALERS

Sec. 1103. LEO – Repeals Michigan Works! Skills Scholarships
Repeals section 1028 included in 2024 PA 121 and replaces it with section 470 of this bill.

Table 2: Legislatively Directed Spending Items Sec. 453
Public Act 22 of 2025 (House Bill 4706, Article 16)

Sec. 453	1	Allband Communications	$2,119,000
	2	American Legion Devereaux Post 141	1,000,000
	3	Barry County Brown Road River Crossing	2,537,600
	4	Blendon Township Water Infrastructure	920,000
	5	Calhoun County Law Enforcement Tasers	737,000
	6	Charlevoix Township Fire Truck	1,000,000
	7	City of Davison Road Infrastructure	4,400,000
	8	City of Flat Rock Fire Truck	1,000,000
	9	City of Ishpeming Fire Truck	900,000
	10	City of Marine City Guy Community Center	1,000,000
	11	City of Monroe Rail Grade Separation	500,000
	12	City of Rockwood Water Treatment Infrastructure	1,500,000
	13	City Sterling Heights Fire Truck	2,100,000
	14	Grand Rapids Art Museum	2,000,000
	15	Jackson Interfaith Shelter	1,000,000
	16	Kawkawlin Township Infrastructure	1,935,000
	17	Kent County Youth Agricultural Association	1,800,000
	18	Kirtland Community College Timber Harvester Simulator	100,000
	19	Lake Mitchell Sewer Authority Infrastructure Repairs	2,410,400
	20	Marquette Sawyer Regional Airport Infrastructure	3,000,000
	21	Macomb Township Boulevard Creation	2,500,000
	22	Mecosta County Harding Road Bridge Improvements	1,320,000
	23	Oakland-Macomb Interceptor Drain Drainage District	2,500,000
	24	Shelby Township M-20 Project	400,000
	25	Springfield Township Community Fire Protection Wells	900,000
	26	Troy School District (Smith Middle School Traffic)	421,000
		TOTAL	**$40,000,000**

LABOR AND ECONOMIC OPPORTUNITY

Table 3: Legislatively Directed Spending Items Sec. 454
Public Act 22 of 2025 (House Bill 4706, Article 16)

Sec. 454	1	Ingham County Land Bank	$2,000,000
	2	City of Mason Fire Tanker and Equipment	600,000
	3	Ann Arbor Community Foundation Philanthropic Initiatives	1,000,000
	4	Grand Rapids African American Health Institute	500,000
	5	Mel Trotter Ministries	900,000
	6	Mosaic Counseling	500,000
	7	Kent School Services Network	1,000,000
	8	Sentencing Commission	750,000
	9	Living and Learning Center (Northville)	150,000
	10	Oakland County Health Network	500,000
	11	Oakland County Temporary Housing	500,000
	12	Michigan State Police – Local Law Enforcement Personal Protection Order Reimbursement	1,000,000
	13	Gleaners Community Food Bank	500,000
	14	Genesis HOPE	500,000
	15	City of Flint Haskell Community Center	500,000
	16	St. Mark Community Outreach Center	1,250,000
	17	City of Taylor Equipment and Infrastructure	1,000,000
	18	City of Ecorse Dora Gaines Park Improvements	200,000
	19	City of St. Clair Shores Nautical Mile Enhancements	1,000,000
	20	Chesterfield Township Brandenburg Park	500,000
	21	City of Grosse Pointe Park Schaap Performing Arts Center	1,700,000
	22	City of Manchester Industrial Park Infrastructure Improvements	404,000
	23	Ypsilanti Historical Society Museum Improvements	140,000
	24	Trinity Health Food is Medicine Program	500,000
	25	City of Eastpointe Fire Equipment	130,000
	26	Roseville Community Schools Science Facility Renovation	800,000
	27	Big Brothers Big Sisters of Southwest Michigan Facility Improvements	40,000
	28	Douglass Community Association (Kalamazoo) Upgrades and Improvements	1,000,000
	29	City of Kalamazoo Fire Equipment	500,000
	30	City of Huntington Woods HVAC Upgrades	85,000
	31	Say Detroit Programming	750,000
	32	Detroit Police Athletic League	500,000
	33	Lighthouse of Oakland County	1,500,000
	34	City of Livonia Non-Motorized Infrastructure Improvements	1,000,000
	35	Inkster Cultural Center	500,000
	36	Schoolcraft Community College Masonry Apprenticeship Center Improvements	750,000
	37	Huron Waterloo Pathways Initiative	1,000,000
	38	City of Ann Arbor Treeline Conservancy Program	1,000,000
	39	City of Jackson Ella Sharp Park Trail Improvements	750,000
	40	Goodwill Flip the Script Program	950,000
	41	MSHDA Owosso Affordable Housing Project	800,000
	42	Ingham County Water Projects	500,000
	43	Shiawassee County Animal Control	350,000
	44	Care Free Medical (Ingham County) Facility Improvements and Services	500,000
	45	City of Warren Public Safety Dispatch Center	900,000
	46	City of Sterling Heights Police Training Center Improvements	1,000,000
	47	City of Allen Park Fire Trucks and Equipment	1,301,000
	48	Bloomfield Township Police Equipment and Vehicles	1,500,000
	49	City of Hazel Park Fire Trucks and Equipment	2,500,000
	50	Beyond Basics (Farmington) Literacy and Tutoring Programs	1,000,000
	51	IT for Michigan Department of State Bridge and Tunnel Tolling	300,000
	52	Center for Civil Justice (Flint) Legal and Technical Assistance	500,000
		TOTAL	**$40,000,000**

Table 4: Legislatively Directed Spending Items Sec. 455
Public Act 22 of 2025 (House Bill 4706, Article 16)

Sec. 455	1	Ypsilanti Downtown Development Authority Cross Street Bridge Replacement	$3,000,000
	2	Michigan Professional Fire Fighters Union Training Seminar	1,200,000
	3	Freedom River (Brighton) Veterans Wellness Facility	300,000
	4	Cass Lakeside Community Association Algonquin Avenue Bridge	1,000,000
	5	City of Wayne Atwood Park Upgrades	210,000
	6	City of Livonia Rotary Park Pavilion Repair	300,000
	7	Launch Michigan (Lansing)	1,000,000
	8	Ingham County Lake Lansing Dam Repair	750,000
	9	Greater Grand Rapids Chamber Foundation Housing and Support Services	810,000
	10	City of Midland Flood Mitigation	10,000,000
	11	City of Romulus Fire Truck	1,000,000
	12	City of St. Clair Shores Public Library Renovations and Improvement	500,000
	13	City of Mount Clemens Lead Service Line Replacement	3,000,000
	14	Saginaw County Road Commission Building Compliance	1,200,000
	15	City of Lathrup Village Water Main Replacement	1,100,000
	16	Special Olympics Michigan Program Expansion	1,000,000
	17	Canton Township Michigan Avenue Innovation Network	380,000
	18	Wayne County West Road Project (Trenton)	10,000,000
	19	Muskegon County Housing Redevelopment	3,000,000
	20	Diversified Community Services Afterschool and Summer Programming	250,000
		TOTAL	**$40,000,000**

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
Summary of FY 2025-26 Enacted
Public Act 22 of 2025 (House Bill 4706, Article 10)

Analyst: Una Jakupovic

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Enacted	*Difference: Enacted From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$27,682,800	$30,192,600	*$2,509,800*	*9.1*
Federal	30,471,300	30,369,700	*(101,600)*	*(0.3)*
Local	0	0	*0*	*--*
Private	0	0	*0*	*--*
Restricted	281,979,200	285,958,900	*3,979,700*	*1.4*
GF/GP	308,605,700	279,485,700	*(29,120,000)*	*(9.4)*
Gross	**$648,739,000**	**$626,006,900**	***($22,732,100)***	***(3.5)***
FTEs	1,821.0	1,813.0	*(8.0)*	*(0.4)*

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

Overview

The Department of Licensing and Regulatory Affairs (LARA) is the state's primary regulatory entity. The department oversees regulation across a variety of sectors, including commercial and occupational activities, construction and fire safety, health care and human services, public utilities, liquor control, and cannabis. Units within LARA also conduct and adjudicate administrative hearings, oversee rules promulgation, provide support for the Michigan Indigent Defense Commission and the Unarmed Combat Commission, and administer multiple grant programs, including Michigan Indigent Defense Commission grants.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
1. Michigan Indigent Defense Commission (MIDC) Grants	**Gross**	**$258,345,300**	**($22,328,500)**
Includes a reduction of $22.3 million GF/GP for Michigan Indigent Defense Commission Grants.	Restricted	300,000	0
	GF/GP	$258,045,300	($22,328,500)
2. FTE Reductions	FTE	NA	(22.0)
Includes reductions to FTE authorizations for the following line items:	**Gross**	**NA**	**$0**
• Reduction of 10.0 FTEs for Unclassified Salaries	GF/GP	NA	$0
• Reduction of 1.0 FTE for Administrative Services			
• Reduction of 1.0 FTE for Public Service Commission			
• Reduction of 2.0 FTEs for Liquor Licensing and Enforcement			
• Reduction of 2.0 FTEs for Bureau of Community and Health Systems			
• Reduction of 2.0 FTEs for Bureau of Survey and Certification			
• Reduction of 4.0 FTEs for Michigan Office of Administrative Hearings and Rules.			
3. Interdepartmental Grant Adjustments	**Gross**	**$26,096,000**	**$2,234,600**
Includes $2.2 million in IDG funding for the Michigan Office of Administrative Hearings and Rules (MOAHR) to support increased cases and workloads relating to UIA and MIOSHA within the Department of Labor and Economic Opportunity.	IDG	26,096,000	2,234,600
	GF/GP	$0	$0
4. Homes for the Aged	**Gross**	**NA**	**$700,000**
Includes $700,000 GF/GP to support oversight of state-licensed homes for the aged.	GF/GP	NA	$700,000

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
5. Nursing Home Surveys and Investigations	**Gross**	**NA**	**$428,500**
Includes $428,500 GF/GP to support nursing home complaint intake and investigations.	GF/GP	NA	$428,500
6. Mortuary Science Staffing Increase	FTE	NA	2.0
Includes $305,700 in state restricted funding and authorization for 2.0 FTEs within the Corporations, Securities, and Commercial Licensing Bureau to support two new license types in the mortuary science profession created by 2024 PA 107. The positions would include one regulation agent and one departmental analyst.	**Gross**	**NA**	**$305,700**
	Restricted	NA	305,700
	GF/GP	NA	$0
7. MIDC Operations	**Gross**	**$3,140,200**	**$200,000**
Includes $200,000 GF/GP for Michigan Indigent Defense Commission operations.	GF/GP	$3,140,200	$200,000
8. Elevator Inspectors	FTE	NA	8.0
Includes authorization for 8.0 FTEs (no additional funding authorization) to hire additional elevator inspectors within the Bureau of Construction Codes.	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
9. Residential Builders	FTE	NA	5.0
Includes authorization for 5.0 FTEs (no additional funding authorization) to hire staff in the Bureau of Construction Codes focused on consumer complaints related to residential builders.	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
10. Net-to-Zero General Fund Reduction	**Gross**	**NA**	**$0**
Includes a reduction of $867,600 GF/GP, replaced by state restricted funding (Health Professional Regulatory Fund) in the following line items: • Bureau of Professional Licensing ($384,900 GF/GP) • Information Technology Services and Projects ($482,700 GF/GP).	Restricted	NA	867,600
	GF/GP	NA	($867,600)
11. Urban Search and Rescue	**Gross**	**$1,000,000**	**($1,000,000)**
Removes Urban Search and Rescue from the ongoing line items and transfers to one-time appropriations.	GF/GP	$1,000,000	($1,000,000)
12. New FY 2025-26 One-Time Appropriations	**Gross**	**NA**	**$6,600,000**
Includes $6.6 million Gross ($5.0 million GF/GP) of one-time funding to support the following: • Accounting Continuing Education ($200,000 Gross) • BFS – Smoke Detectors ($1.0 million Gross) • CRA Social Equity Program ($1.0 million Gross) • Michigan Saves ($3.0 million Gross) • Real Estate Continuing Education ($400,000 Gross) • Urban Search and Rescue ($1.0 million Gross).	Restricted	NA	1,600,000
	GF/GP	NA	$5,000,000
13. Removal of FY 2024-25 One-Time Appropriations	FTE	1.0	(1.0)
Removes $14.3 million Gross ($12.0 million GF/GP) of one-time funding that was included in the FY 2024-25 budget to support the following: • 5-Year Energy Waste Reduction and Demand Response Statewide Study ($1.0 million Gross) • BFS – Smoke Detectors ($1.0 million Gross) • CRA Social Equity Program ($1.0 million Gross) • Health Professions Implicit Bias Study ($250,000 Gross) • Juvenile Indigent Defense Grants ($1.0 million Gross) • Michigan Saves ($5.0 million Gross) • Renewable Energy and Electrification Infrastructure Enhancement and Development ($5.0 million Gross and 1.0 FTE).	**Gross**	**$14,250,000**	**($14,250,000)**
	Restricted	2,250,000	(2,250,000)
	GF/GP	$12,000,000	($12,000,000)

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
14. Technical Adjustments	FTE	NA	0.0
Includes internal FTE adjustments, funding adjustments, and transfers throughout the budget, which have no overall impact on Gross, GF/GP, or FTE position authorization. Adjustments are made to reflect employee counts more accurately and to align funding authorization with revenue received and department operations and activities. Includes a shift of funding and FTE authorization out of the MOAHR line item into a new Michigan Tax Tribunal line item. Also includes a shift of funding and FTE authorization out of the Administrative Services and Executive Director Programs line items to a new Regulatory Effectiveness Office line item.	**Gross**	**NA**	**$0**
	Federal	NA	(377,000)
	Restricted	NA	377,000
	GF/GP	NA	$0
15. Economic Adjustments	**Gross**	**NA**	**$4,377,600**
Reflects increased costs of $4.4 million Gross ($747,600 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	IDG	NA	275,200
	Federal	NA	275,400
	Restricted	NA	3,079,400
	GF/GP	NA	$747,600

Major Boilerplate Changes from FY 2024-25

Note: Deleted boilerplate section numbers are section numbers as they appear in FY 2024-25. All other boilerplate section numbers are section numbers as they appear in FY 2025-26.

***Sec. 208. Hiring of External Counsel* – DELETED**
Prohibits using appropriations to hire a person to provide legal services that are the responsibility of the attorney general; prohibition does not apply to legal services for bonding activities or services the attorney general authorizes.

***Sec. 210. Transparency Website* – REVISED**
Requires LARA, in cooperation with DTMB, to maintain a searchable website accessible by the public at no cost that includes information on expenditures, vendor payments, number of active employees, job specifications, and wage rates. Revised to remove certain report requirements and require the website to be updated quarterly.

***Sec. 214. State Administrative Board Transfers* – NEW (UNENFORCEABLE)**
Authorizes the legislature to intertransfer funds via concurrent resolution if the State Administrative Board transfers funds. *(Governor's signing letter states this section is unenforceable.)*

***Sec. 215. In-Person Work* – NEW**
Requires LARA to maximize utilization of its in-person workforce, prioritize occupancy utilization, and ensure occupancy rates are 80% or higher.

***Sec. 218. E-Verify Requirement* – NEW**
Requires LARA to require contractors and subcontractors to use the E-Verify system to verify that all persons hired during the contract term are legally present and authorized to work in the United States; authorizes the department to verify the information directly or to receive certification from the contractor; requires LARA to submit a report describing the processes it develops and implements; defines E-Verify.

***Sec. 221. Work Projects Report* – NEW**
Requires LARA to report information on all work project accounts, including the status of each account and the amount of any funds that lapsed from previous accounts.

***Sec. 222. Legacy Costs* – NEW**
States the total amount of funding estimated to be expended on legacy costs in FY 2025-26 is $27.6 million ($24.9 million on pension-related legacy costs and $2.7 million on health care-related legacy costs).

***Sec. 223. Annual Strategic Plan* – NEW**
Requires the department to provide a copy of its annual strategic plan which must include the mission, vision, goals, strategies, and performance measures of the department.

Major Boilerplate Changes from FY 2024-25

Sec. 224. State Obligations **– NEW**
Requires LARA to report on any court settlement that may require further legislative review of state statutory programs or regulations.

Sec. 225. Private and Third-Party Funds **– NEW**
Requires LARA to disclose on a publicly accessible website private and other third-party funds received in the previous fiscal year, including the amount and specific source of funding, the purpose for which funding was expended, and the amount of any remaining funds.

Sec. 226. Single Recipient Grants **– DELETED**
Requires grant funding intended for a single recipient organization or local government to be used for a program or project that is for a public purpose; requires department to follow state procurement statutes, including bidding requirements; authorizes SBO to compile and submit reports; lists eligibility requirements to receive grant funding; provides timeframes for receiving and expending grant funding; requires information on grants/projects to be posted on a public website, including receiving entity and grant sponsor; requires reports.

Sec. 226. Website Reporting **– NEW**
Requires LARA to make required reports readily accessible to the public and conspicuously posted in a single archivable location on the department's website; requires LARA to maintain reports from previous fiscal years in the same archivable location.

Sec. 227. State Fiscal Recovery Fund (SFRF) **– DELETED**
Requires state budget director to ensure all SFRF revenue is expended by December 31, 2026; authorizes state budget director to reallocate appropriated funds for the purpose of fully expending funds; requires all guidance, implementation, and reporting provisions of federal law to be followed; requires state budget director to notify appropriations committees of reallocations made; authorizes state budget director and state departments to make accounting transactions necessary to implement reallocation.

Sec. 227. Legislatively Directed Spending Items **– NEW**
Requires the legislature to provide LARA and the state budget director with a list of legislatively directed spending items; provide requirements for the administration of grants; provide requirements for grant agreements; requires grant recipients to respond to reasonable information requests; provides deadline for grant expenditure; requires LARA to post information about grant recipients on its website.

Sec. 250. Television and Radio Production Expenditure Report **– NEW**
Requires LARA to report any expenditure of funds to a third-party vendor for television or radio productions; specifies information to be included.

Sec. 251. Training Materials Reporting **– NEW**
Requires LARA to report on materials that employees and contractors are required to review or complete for mandatory training.

Sec. 256. Increased Payment Options **– REVISED**
Allows LARA to accept credit card or other electronic means of payment; requires LARA to report on fees collected from credit card payments.

Sec. 259. Report on Federal Policy Changes **– NEW**
Requires LARA to report on federal policy changes that are expected to affect department operations, affect groups the department engages with, or create a regulatory gap.

Sec. 280. Attorney General Support Fund **– NEW**
Creates the attorney general support fund and appropriates $8.0 million in corporation fees to the fund.

Sec. 301. Low-Income Energy Assistance Grant Program **– REVISED**
Stipulates that MPSC administers the low-income energy assistance grant program on behalf of MDHHS, and funds supporting the program are appropriated upon awarding of grants and may be used for grant payments or administrative program expenses. Revised to require MPSC to report on the median annual household income of grant recipients and the number of grants administered in each county.

Sec. 303. Energy Utility Rates Report **– NEW**
Requires the MPSC to designate 1.0 FTE to assist consumers with utility issues, disruption, or outages; requires the MPSC to report on electric rates, comparison of electric bills, power supply cost recovery factors, natural gas rates, gas cost recovery factors, reliability data, number of consumers assisted, and number of complaints.

LICENSING AND REGULATORY AFFAIRS

Major Boilerplate Changes from FY 2024-25

***Sec. 401. MLCC Investigation of Direct Shipments of Wine and Report* – REVISED**
Requires MLCC to use funds appropriated from Direct Shipper Enforcement Fund – as required under Section 203(11) of Michigan Liquor Control Code, 1998 PA 58 – to investigate illegal direct shipments of wine and that notice be sent to entities found to have illegally shipped wine into the state; requires MLCC to submit report detailing activities to investigate illegal shipping of wine. Revised to require the report to contain the number of unlicensed out-of-state entities that have illegally shipped wine into the state and the number of notices sent.

***Sec. 501. Fire Safety Fees* – REVISED**
Establishes fee schedule for inspections of hospitals and plan reviews of hospitals and schools by Bureau of Fire Services, in accordance with Section 2c of 1941 PA 207. Revised to include fees for nursing homes, homes for the aged, and adult foster care facilities.

***Sec. 505. Fees for False Final Inspections by the Bureau of Fire Services* – REVISED**
Authorizes BFS to assess a fee not to exceed $800 if BFS responds to multiple confirmed false inspection appointments; requires LARA to identify revenue generated by fee within state's accounting system; requires report pertaining to fee, its effect on BFS costs, and recommendations to legislature. Revised to lower maximum assessed fee to $500.

***Sec. 506. Michigan Automated Prescription System (MAPS) Report* – REVISED**
Requires LARA to submit report detailing usage statistics for MAPS, department actions resulting from information obtained from MAPS, and integrations between MAPS and electronic health record systems. Revised to require the report to contain the department's recommendations for electronic health integration.

***Sec 508. Homeowner Construction Lien Recovery Fund* – REVISED**
Appropriates unexpended funds in Homeowner Construction Lien Recovery Fund for payment of court-ordered construction lien judgments entered prior to August 23, 2010. Revised to require LARA to report the revenue sources for the fund.

***Sec. 510. Nursing Home Surveys and Investigations Report* – REVISED**
Requires LARA to report on Bureau of Survey and Certification activities, including surveys and investigations of nursing homes. Revised to specify inclusion of surveys and investigations of hospitals and acute and continuing care facilities.

***Sec. 511. Report on Premanufactured Unit Plans* – DELETED**
Requires BCC to report on changes made to decrease processing time of premanufactured unit plan submissions, the processing times in the current and previous fiscal year, and the number of plans submitted in the current and previous fiscal year.

***Sec. 601. Cannabis Regulatory Agency Programs Report* – REVISED**
Requires LARA to submit report on all marihuana programs administered by the CRA; requires report to include information on application volumes and determinations, timeliness, revenues, complaints, investigations, enforcement actions, and other topics. Revised to require the report to contain the costs of administering the licensing program under each act.

***Sec. 602. Cannabis Regulatory Agency Investigative Reports* – REVISED**
Requires CRA to annually post on a publicly accessible website the number of investigative reports identifying violations of the Michigan Medical Marihuana Act, the Medical Marihuana Facilities Licensing Act, the Michigan Regulation and Taxation of Marihuana Act, or administrative rules enacted under the previously mentioned acts, the number of reports that identify suspected marihuana product without required tracking numbers, the number of public complaints regarding product without required tracking numbers or unlicensed commercial production or sale of delta 8 THC, the number and outcome of CRA disciplinary proceedings, number of law enforcement agency referrals, and information on licensees subject to disciplinary proceedings. Revised to require reporting on the current licensing status of disciplined licensees and the number of licenses revoked and require information on the penalties issued for each disciplinary proceeding.

***Sec. 603. Hemp Programs Report* – REVISED**
Requires LARA to submit a report on all hemp programs administered by the CRA, which must include revenue collected from regulatory and licensing activities, total cost of administering hemp regulatory and licensing programs, number of hemp licensees by county, and a description of any fees CRA assesses on hemp licensees. Revised to require LARA to report on the number of inspections and results of each inspection and the number of hemp license applications and approvals.

***Sec. 604. Prohibition of Cannabis Regulatory Agency Partiality* – NEW**
Prohibits the CRA from exhibiting partiality toward or bias against any licensee.

Major Boilerplate Changes from FY 2024-25

***Sec. 802. Michigan Indigent Defense Commission Report on Incremental Costs* – REVISED**
Requires MIDC to submit report on incremental costs associated with standard development process, compliance plan process, and collection of data from all indigent defense systems and attorneys providing indigent defense. Revised to require the MIDC to report the total cost calculation for each indigent defense standard, how much each recipient is receiving for each standard, and the causal factors associated with any changes in grant funding.

***Sec. 803. Michigan Indigent Defense Commission Report on Grant Funding* – DELETED**
Requires MIDC to submit report explaining the total cost calculation for each indigent defense standard, including a comprehensive itemization of costs included for each standard, listing of how much funding each grant recipient is receiving for each standard, and explanation of factors associated with any increase or decrease in MIDC grant funding from the previous fiscal year level.

***Sec. 803. Minimum Standards for Youth Defense Services* – NEW**
Indicates legislative intent that the MIDC begin the statutory process of developing and implementing minimum standards for youth defense services.

***Sec. 805. MIDC Construction Expenses Prohibition* – NEW (UNENFORCEABLE)**
Prohibits MIDC grants from being used to support any construction expenses for a new structure.
(Governor's signing letter states this section is unenforceable.)

***Sec. 1002. Michigan Saves Appropriation Use* – REVISED**
Allows MPSC to award a $5.0 million grant to a nonprofit green bank to make loans more affordable for families, businesses, and public entities in Michigan; stipulates grant funds may be used for a loan loss reserve fund or similar financial instrument; requires Michigan Saves to report on the number of loans issued, the types of projects, and the project locations. Revised to allow the MPSC to award $1.5 million to Michigan Saves to conduct a grant program and $1.5 million to a nonprofit green bank to support a loan loss reserve fund or similar financial instrument.

***Sec. 1003. UM Law School Juvenile Indigent Defense Grants* – DELETED**
Requires LARA to provide grants to the University of Michigan Law School to provide financial assistance to unrepresented juvenile defendants or their guardians; designates unexpended funds as a work project appropriation.

***Sec. 1003. Michigan Realtors Association* – NEW**
Requires the Bureau of Professional Licensing to provide grants to the Michigan Realtors Association to approve and track real estate continuing education.

***Sec. 1004. Michigan Association of CPAs* – NEW**
Requires the Bureau of Professional Licensing to provide grants to the Michigan Association of CPAs to support the maintenance and operation of the continuing professional education tracker and web portal.

***Sec. 1005. Renewable Energy and Electrification Infrastructure Enhancement and Development* – DELETED**
(1) Requires funding to be expended, aside from administration, only for grants to businesses, nonprofit organizations, and local or state government units for planning, developing, designing, acquiring, or constructing renewable energy and electrification infrastructure projects; (2) establishes goal of distributing 50% of the total amount of funding for grants awarded for electric vehicle fast-charging infrastructure for charging ports that provide a power level of at least 200 kW and 50% of the total for charging ports that provide a power level of at least 350 kW; (3) requires MPSC to develop guidelines and implement a grant application process within 6 months and requires prioritization for grants that meet the goals of the MI Healthy Climate Plan; (4) requires grant applicants to perform an impact study that provides sufficient detail to allow the proposed project to be evaluated; (5) establishes further requirements for grant applicants for renewable natural gas infrastructure projects; (6) provides a 45-day review period for affected entities to review and comment on an application and a 15-day period for an applicant to modify their initial proposal; (7) requires MPSC to award grants to applicants who have met the grant criteria, with priority given to applicants in distressed areas; (8) requires grant recipients to report to MPSC on how the money was used within 30 days after a project's completion; (9) prohibits grant funding from being used to expand the use of conventional natural gas; (10) allows the MPSC to expend up to $125,000 for administration expenses; (11) defines "renewable energy and electrification infrastructure projects" and "renewable natural gas."

***Sec. 1005. Urban Search and Rescue* – NEW**
Requires the Bureau of Fire Services to provide funds to Michigan Task Force 1 to support activities related to emergency response.

LICENSING AND REGULATORY AFFAIRS

FY 2024-25 Supplemental Appropriation Items **Public Act 22 of 2025 (House Bill 4706, Article 16)**		**Appropriation Change**
1. Federal Energy and Benchmarking Grants Includes $3.1 million in new federal authorization for grant funding from the U.S. Department of Energy to support the development of a statewide energy code and energy benchmarking and performance metrics within the Bureau of Construction Codes.	**Gross** Federal GF/GP	**$3,053,600** 3,053,600 $0
2. Mobile Home Park Investigations and Enforcement Includes $2.4 million in state restricted fund authorization from the Mobile Home Code Fund and 4.0 limited term employees for the Bureau of Construction Codes to support investigation and enforcement activity related to unlicensed mobile home parks.	**Gross** Restricted GF/GP	**$2,400,000** 2,400,000 $0

FY 2024-25 Supplemental Boilerplate Items
Public Act 22 of 2025 (House Bill 4706, Article 16)

Sec. 501. Mobile Home Park Investigations and Enforcement
Authorizes LARA to hire up to 4.0 limited term employees to support investigation and enforcement activity related to unlicensed mobile home parks; designates unexpended funds as a work project appropriation.

DEPARTMENT OF LIFELONG EDUCATION, ADVANCEMENT, AND POTENTIAL
Summary of FY 2025-26 Enacted
Public Act 22 of 2025 (House Bill 4706, Article 11)

Analysts: Noel Benson and Perry Zielak

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Enacted	*Difference: Enacted From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$0	$0	*$0*	*--*
Federal	505,391,000	457,769,900	*(47,621,100)*	*(9.4)*
Local	0	0	*0*	*--*
Private	250,000	1,000,000	*750,000*	*300.0*
Restricted	1,863,900	1,880,000	*16,100*	*0.9*
GF/GP	136,489,300	201,593,300	*65,104,000*	*47.7*
Gross	**$643,994,200**	**$662,243,200**	***$18,249,000***	***2.8***
FTEs	343.0	348.0	*5.0*	*1.5*

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

Overview

The Department of Lifelong Education, Advancement, and Potential (MiLEAP) is responsible for administering and coordinating statewide education efforts outside of the K-12 school system, which includes child care, child care worker and facility licensing, early childhood education, out of school time, and postsecondary scholarships and transfer opportunities. The department is grouped into three offices overseeing those efforts: the Office of Early Childhood Education, which is focused on child care and child care facilities; the Office of Education Partnerships, which is focused on building relationships in child care and postsecondary arenas; and the Office of Higher Education, which is focused on postsecondary scholarships, transfers and increasing degree and credential attainment.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		**FY 2024-25 Year-to-Date (as of 2/5/25)**	**FY 2025-26 Enacted Change**
1. Child Development and Care Caseload Costs	**Gross**	**$499,035,800**	**$44,276,200**
Increases funding by $44.3 million Gross ($93.0 million GF/GP) to reflect May 2025 Consensus Revenue Estimating Conference caseload estimates for the Child Development and Care (CDC) program. This includes a $48.7 million replacement of federal funding with a corresponding amount of GF/GP.	Federal	429,525,100	(48,723,800)
	GF/GP	$69,510,700	$93,000,000
2. Child Development and Care Federal Requirements	**Gross**	**$0**	**$3,500,000**
Provides $3.5 million GF/GP of one-time funding to initiate the shift to a prospective payment system for supporting child care providers.	GF/GP	$0	$3,500,000
3. Office of Education Partnerships Family and Community Engagement Program Transfer	FTE	6.0	6.0
	Gross	**$1,062,500**	**$1,320,700**
Transfers $1.3 million federal and authorization for 6.0 FTE positions from the Office of Great Start for the Family and Community Engagement program (identified in Item #10 below). The program assists parents and guardians with becoming more involved in their child's education through partnerships with family engagement centers or intermediate school districts.	Federal	0	1,320,700
	GF/GP	$1,062,500	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
4. College Success Fund and Student Wraparound Supports	**Gross**	**$0**	**$1,000,000**
Provides $1.0 million GF/GP of one-time funding for reenrollment initiatives for adults who did not finish a certificate or degree and to support hunger-free campus activities.	GF/GP	$0	$1,000,000
5. Michigan Center for Civic Education	**Gross**	**$0**	**$1,000,000**
Provides $1.0 million GF/GP of one-time funding to support the civic education and engagement programs provided by the Michigan Center for Civic Education.	GF/GP	$0	$1,000,000
6. Michigan Center for Adult College Success	**Gross**	**$1,833,400**	**($833,400)**
Reduces funding by $833,400 GF/GP for the Michigan Center for Adult College Success and maintains as one-time funding.	GF/GP	$1,833,400	($833,400)
7. Department of the Attorney General Services	**Gross**	**$0**	**$569,500**
Provides $569,500 GF/GP across multiple lines to cover higher than anticipated costs for services rendered by the Department of the Attorney General that were not originally included in the FY 2024-25 budget.	GF/GP	$0	$569,500
8. Executive Direction and Operations	FTE	30.0	7.0
Includes a net decrease of $500,000 Gross ($750,000 GF/GP reduction) and increases authorization by 7.0 FTE positions for Executive Direction and Operations to provide internal department accountants instead of using an external service.	**Gross**	**$7,531,200**	**($500,000)**
	Federal	750,000	250,000
	GF/GP	$6,781,200	($750,000)
9. Student Financial Assistance Programs MI Student Scholarship and Grants Portal and FTE Authorizations	FTE	45.0	5.0
	Gross	**$9,184,100**	**$300,000**
Increases funding by $300,000 GF/GP to cover additional information technology costs for maintaining the MI Student Scholarships and Grants Portal, which is the primary administration system for state-sponsored financial aid programs. Additionally, authorizes 5.0 FTE positions to convert some employee classifications from temporary to ongoing in the Office of Sixty by 30, which works to ensure that 60% of Michigan residents obtain a postsecondary degree or skills credential by 2030.	Restricted	1,254,700	0
	GF/GP	$7,929,400	$300,000
10. Office of Great Start Private Funding Authorization, Federal Preschool Development Funds Transfer, and Family and Community Engagement Program Transfer	FTE	71.0	(6.0)
	Gross	**$17,824,500**	**($270,700)**
	Federal	14,857,000	(1,020,700)
	Private	250,000	750,000
Includes a net decrease of $270,700 Gross for the Office of Great Start. This includes the following:	Restricted	64,600	0
	GF/GP	$2,652,900	$0
• Transfer of $1.3 million federal and authorization for 6.0 FTE positions to the Office of Education Partnerships for the Family and Community Engagement program. (Item #3 above)			
• Increase of $750,000 in private revenues, for a total of $1.0 million, for the Office of Great Start. Increased private funding was received in FY 2024-25, but the department lacked sufficient authorization to expend received funds.			
• Transfer of $300,000 federal from the School Aid budget for the administration of the Preschool Development Funds in Sec. 39a(2)(d) of the School Aid budget, which are used to promote and expand high-quality preschool services.			
11. Ensuring Access to Postsecondary Opportunities	**Gross**	**$0**	**$260,000**
Provides $260,000 GF/GP of one-time funding to support public outreach to raise awareness among men of postsecondary opportunities.	GF/GP	$0	$260,000

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
12. Departmental Adjustments in Child Care Licensing and Regulation	FTE	172.0	(5.0)
	Gross	**$29,626,300**	**($250,000)**
Reduces funding by $250,000 GF/GP and reduces FTE authorization by 5.0 positions in child care licensing and regulation, which supports the Child Care Licensing Bureau that is responsible for ensuring new and existing child care facilities are compliant with state requirements.	Federal	25,493,200	0
	Restricted	501,700	0
	GF/GP	$3,631,400	($250,000)
13. Community College Workforce Initiative	**Gross**	**$0**	**$240,000**
Provides $240,000 GF/GP of one-time funding to support a statewide approach for small and medium-sized employers to obtain workforce training at community colleges.	GF/GP	$0	$240,000
14. Child Development and Care External Support	**Gross**	**$11,028,100**	**$700**
Provides additional $700 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.	Federal	11,028,100	700
	GF/GP	$0	$0
15. Nonpublic Dual Enrollment	**Gross**	**$3,500,000**	**$0**
Removes $3.5 million GF/GP of ongoing funding and replaces with $3.5 million GF/GP of one-time funding for the nonpublic dual enrollment program, which pays the tuition of eligible nonpublic school students enrolled in postsecondary institutions.	GF/GP	$3,500,000	$0
16. Removal of FY 2024-25 One-Time Appropriations	FTE	2.0	(2.0)
	Gross	**$33,166,600**	**($33,166,600)**
Removes $33.2 million GF/GP of one-time funding and authorization for 2.0 FTE positions that were included in the FY 2024-25 budget to support the following: • Child Care Program Stabilization Grants ($24.0 million GF/GP) • Wonderschool ($5.0 million GF/GP) • One-Time Administration Supports ($1.2 million GF/GP and 2.0 FTEs) • Adult Education Outreach Project ($1.0 million GF/GP) • Foster Care Supports ($500,000 GF/GP) • Hunger-Free Campus Grant Pilot Program ($500,000 GF/GP) • Youth Mentorship ($500,000 GF/GP) • After School Programming Extension ($300,000 GF/GP) • Postsecondary Enrollment ($166,000 GF/GP)	GF/GP	$33,166,600	($33,166,600)
17. Economic Adjustments	**Gross**	**NA**	**$802,600**
Reflects increased costs of $802,600 Gross ($234,500 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	Federal	NA	552,000
	Restricted	NA	16,100
	GF/GP	NA	$234,500

Major Boilerplate Changes from FY 2024-25

***Sec. 206. Communication with the Legislature* – RETAINED (UNENFORCEABLE)**
Prohibits MiLEAP from taking disciplinary action against an employee for communicating with a legislator or staff. *(Governor's signing letter states this section is unenforceable.)*

***Sec. 208. Hiring Outside Legal Counsel* – DELETED**
Deletes language that prohibits MiLEAP from hiring a person to provide legal services that are the responsibility of the Attorney General.

LIFELONG EDUCATION, ADVANCEMENT, AND POTENTIAL

Major Boilerplate Changes from FY 2024-25

***Sec. 213. Submission of Reports* – DELETED**
Deletes language that requires the department to submit reports to the senate and house appropriation subcommittees, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office, that list the statutory or bill section requiring the report and compile, post, and maintain the reports on a public website.

***Sec. 217. Transfer of Funds by Legislature* – NEW (UNENFORCEABLE)**
Adds language that states the legislature may inter-transfer funds within the department through a concurrent resolution if the State Administrative Board transfers funds from any appropriation. *(Governor's signing letter states this section is unenforceable.)*

***Sec. 218. Work Project Account Information* – NEW**
Adds language that requires the department to submit reports every six months of information related to department work project accounts.

***Sec. 220. Department Policy Changes Made to Implement Public Acts Report* – REVISED**
Requires MiLEAP to report by April 1 on each specific policy change made to implement a public act affecting MiLEAP that took effect during the prior calendar year and adds requirement to reference the specific public act that necessitates the policy change.

***Sec. 222. Requirement to Expend Available Work Project Authorization* – RETAINED (UNENFORCEABLE)**
Prohibits appropriations from being expended until all existing work project authorization available for the same purpose is exhausted, to the extent possible. *(Governor's signing letter states this section is unenforceable.)*

***Sec. 224. State Fiscal Recovery Funds Reallocation Authorization* – DELETED**
Deletes language that directs the state budget director to reallocate state fiscal recovery funds that are in jeopardy of not meeting the expenditure deadline of December 31, 2026, and requires a notification to the Legislature within 10 days after making the reallocation.

***Sec. 224. Departmental Legacy Costs* – NEW**
Adds language listing the pension and retiree health care legacy costs for the department.

***Sec. 225. Posting Required Departmental Reports* – NEW**
Adds language that requires MiLEAP to post each required report in a single archivable location on the department's website and maintain previous reports grouped by fiscal year.

***Sec. 226. In-Person and Remote Work* – NEW**
Adds language that requires MiLEAP to maximize utilization of its in-person workforce, comply with the requirements on in-person work and occupancy rates set by the Office of the State Employer, and adhere to civil service rules on working during business hours.

***Sec. 227. Federal Policy Changes Impact Report* – NEW**
Adds language that requires MiLEAP to issue a quarterly report on the impacts that federal policy changes have on the department, industries, communities, and associated populations that engage with or are served by the department, and regulations that protect the public.

***Sec. 228. Utilization of E-Verify* – NEW**
Adds language that requires MiLEAP to condition all contractors and subcontractors to use the federal E-Verify system for all employees hired during the length of the contract with MiLEAP.

***Sec. 230. Annual Departmental Strategic Plan* – NEW**
Adds language that requires MiLEAP to report on its annual strategic plan.

***Sec. 231. Court Settlement Impact on Programs or Regulations* – NEW**
Adds language that requires MiLEAP to report on any court settlements that may require a legislative review of state statutory programs or regulations.

***Sec. 232. Third-Party Funds Report* – NEW**
Adds language that requires MiLEAP to report on various information related to third-party funds received and expended by the department in the previous fiscal year.

Major Boilerplate Changes from FY 2024-25

***Sec. 233. Legislatively Directed Spending Items* – NEW**
Adds language that specifies a standard grant distribution process that would establish a process to review, complete, and execute a grant agreement with a grant recipient; verify that a grant recipient will utilize funds for a public purpose; review and verify all necessary information to ensure the grant recipient is able to execute the grant agreement; and include an oversight process of distributed grant funds.

***Sec. 250. Individual Grant Recipient Transparency* – DELETED**
Deletes language that requires MiLEAP to follow a standard grant distribution process; establish a process to review, complete, and execute a grant agreement with a grant recipient; verify that a grant recipient will utilize funds for a public purpose; review and verify all necessary information to ensure the grant recipient is able to execute the grant agreement; and establish a timeline to review all grant elements.

***Sec. 706. Dual Enrollment Task Force* – NEW**
Adds language creating a task force to recommend improvements to the dual enrollment system, specifies task force duties and appointees, and requires a report submitted by September 30, 2026.

***Sec. 1002. CDC Provider Reimbursement Rates* – REVISED**
Requires MiLEAP to publish reimbursement rates on its website and the Great Start to Quality webpage. Allows MiLEAP, with the approval of the state budget director, to receive and expend federal child care development block grant funds at risk of being lapsed back to the federal government. Deletes language that increases reimbursement rates for child care providers by 15% from the rates established in FY 2023-24.

***Sec. 1003. Early Childhood Comprehensive Systems Annual Report* – NEW**
Adds language that requires MiLEAP to submit an annual report on all funding appropriated to contracts for the early childhood comprehensive systems planning.

***Sec. 1007. CDC Annual Report* – REVISED**
Requires MiLEAP to create an annual report to track the affordability, availability, health and safety, and quality of child care; actions taken to improve the quality, health, and safety of child care; the child care workforce; and total funding appropriated to contracts for the early childhood comprehensive systems planning during the previous fiscal year. Removes reporting language on the early childhood comprehensive systems planning and relocates to Section 1003.

***Sec. 1012. CDC Provider Rate Increase* – REVISED**
Requires MiLEAP to work in collaboration with DHHS to continue the network of infant and early childhood mental health consultation, which provides mental health consultation to child care providers; requires $3.0 million to be used for this purpose. Revises amount from $3.0 million to $1.5 million and specifies funds are appropriated from child development and care contracted services.

***Sec. 1025. Receipt of Private Donations* – NEW**
Adds language that states private donations will be appropriated upon receipt as permitted under state and federal law; requires MiLEAP to notify the subcommittee chairs, fiscal agencies, and state budget director of the receipt and details of private donations; and prohibits private appropriations from exceeding $3.0 million.

***Sec. 1030. Administration of Tri-Share Program* – REVISED**
Requires funding to be used to continue the Tri-Share Child Care program; allows funding of new child care facilitator hubs provided that existing hubs receive sufficient support; requires new hubs to increase the number of participating counties or serve statewide employers; caps administration costs at $200,000. Revises language to direct MiLEAP to establish and support Tri-Share regional facilitator hubs and statewide services, and to create benchmarks for regional hubs that receive funding. Adds language that allows funds to be used for families living in Wisconsin but have a family member employed in Michigan.

***Sec. 1101. Adult Learners Pilot Program* – DELETED**
Deletes language that states MiLEAP must distribute grants for an adult learners pilot program to no more than four nonprofit organizations in coordination with the Goodwill Association of Michigan.

***Sec. 1101. Child Development and Care Public Assistance One-Time Funds* – NEW**
Adds language that states funds would be used to begin implementing prospective payments to child care providers.

***Sec. 1102. After School Programming Extension* – DELETED**
Deletes language that states MiLEAP must allocate funding to the Michigan Alianza Latina para Mejoramiento y Avance (MI-ALMA) and the Exito Educativo program for an afterschool program for Latino parents and students to learn about high school graduation requirements, supports, and college pathways.

LIFELONG EDUCATION, ADVANCEMENT, AND POTENTIAL

Major Boilerplate Changes from FY 2024-25

***Sec. 1102. College Success Fund and Student Wraparound Supports* – NEW**
Adds language stating $500,000 would be used to support Hunger-Free Campus activities and $500,000 would be used to support reenrollment initiatives for citizens with some college but no degree or credential.

***Sec. 1104. Child Care Program Stabilization Grants* – DELETED**
Deletes language that states MiLEAP would use appropriated funding for distribution of grants that support licensed child care providers; lists criteria MiLEAP must consider when selecting providers and must distribute grants no later than January 1, 2025.

***Sec. 1104. Ensuring Access to Postsecondary Opportunities* – NEW**
Adds language that states funds would be used to raise awareness of postsecondary opportunities among men through public outreach.

***Sec. 1105. One-Time Administration Supports* – DELETED**
Deletes language that provides authorization for 2.0 FTE positions and funding to support the Michigan Transfer Network, which improves transfers between postsecondary institutions, and provides a financial resource navigator to assist the public about Free Application for Federal Student Aid (FAFSA) completion, state scholarships and student loan options.

***Sec. 1105. Community College Workforce Initiative* – NEW**
Adds language that states funds would be used to create a statewide approach for small and medium size employers to obtain workforce training for employees at community colleges.

***Sec. 1106. Hunger-Free Campus Grant Pilot Program* – DELETED**
Deletes language that states the purposes of the Hunger-Free Campus grant program, awards Michigan State University, Northern Michigan University, Grand Rapids Community College, and Macomb Community College $125,000 of grant funding.

***Sec. 1106. Michigan Center for Civic Education* – NEW**
Adds language that states funds would be used to support the nonprofit organization that improves law and civic education for youth through engagement programs.

***Sec. 1107. Wonderschool* – DELETED**
Deletes language that states MiLEAP must allocate funds for a program that will increase the supply of child care family homes, group homes, and centers through a recruiting, coaching, and mentorship process.

***Sec. 1108. Foster Care Supports* – DELETED**
Deletes language that states MiLEAP must allocate funds to a nonprofit organization that is focused on postsecondary access and success with foster care and homeless youth to build a support network for postsecondary success for at-risk youth.

***Sec. 1109. Postsecondary Enrollment* – DELETED**
Deletes language that states MiLEAP must allocate funds to an education company with current partnerships with state colleges and universities to re-engage adult learners to complete a postsecondary degree or credential.

***Sec. 1110. Youth Mentorship* – DELETED**
Deletes language that states MiLEAP must allocate funds to a nonprofit organization to mentor and help provide successful strategies for Lansing Public School students in grades 6 through 12.

FY 2024-25 Supplemental Appropriation Items **Public Act 22 of 2025 (House Bill 4706, Article 16)**		**Appropriation Change**
1. Child Development and Care Public Assistance	**Gross**	**$37,517,100**
Includes $37.5 million in federal fund authorization to cover payroll payments to child care providers.	Federal	37,517,100
	GF/GP	$0
2. Office of Great Start	**Gross**	**$750,000**
Includes $750,000 in private fund authorization to allow the department to expend revenue received from private foundations for the Office of Great Start.	Private	750,000
	GF/GP	$0

FY 2024-25 Supplemental Boilerplate Items
Public Act 22 of 2025 (House Bill 4706, Article 16)

Sec. 526. Funding for Centro Multicultural la Familia
Requires funds to be allocated to Centro Multicultural la Familia to support lowering barriers to postsecondary education for disadvantaged youth; designates unexpended funds as a work project appropriation.

REPEALERS

Sec. 1104. MiLEAP – MI-ALMA Grant
Repeals section 1102 included in 2024 PA 121.

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
Summary of FY 2025-26 Enacted
Public Act 22 of 2025 (House Bill 4706, Article 12)

Analyst: Aaron A. Meek

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Enacted	*Difference: Enacted From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$101,800	$101,800	*$0*	*0.0*
Federal	144,786,800	148,840,000	*4,053,200*	*2.8*
Local	0	0	*0*	*–*
Private	100,000	100,000	*0*	*0.0*
Restricted	13,221,400	12,953,500	*(267,900)*	*(2.0)*
GF/GP	117,694,100	128,171,000	*10,476,900*	*8.9*
Gross	**$275,904,100**	**$290,166,300**	***$14,262,200***	***5.2***
FTEs	1,060.0	976.0	*(84.0)*	*(7.9)*

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

Overview

The Department of Military and Veterans Affairs (DMVA) provides for the operations of the Michigan National Guard in support of military and security needs of the state and federal government. The department, through the Michigan Veterans Affairs Agency, oversees state programs for veterans, grants to veterans service organizations, the County Veteran Service Fund, and the Michigan Veterans Trust Fund. The department also houses the independent Michigan Veterans Facility Authority, which manages and operates the state's three veterans homes.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
1. Selfridge Air National Guard Base	**Gross**	**NA**	**$26,000,000**
Includes $26.0 million one-time GF/GP to continue funding for infrastructure improvements related to runway placement project at Selfridge Air National Guard Base. This is $11.0 million more than the $15.0 million one-time GF/GP provided in FY 2024-25 for the same purpose.	GF/GP	NA	$26,000,000
2. Veterans Nonprofit Improvement Grants	**Gross**	**$0**	**$4,000,000**
Includes $4.0 million one-time GF/GP to support competitive grants for improving and repairing facilities owned by nonprofit organizations that provide veterans services.	GF/GP	$0	$4,000,000
3. Michigan Veterans Affairs Agency (MVAA) Administration	FTE	49.0	0.0
Reduces funding for MVAA operations and administration by $1.7 million GF/GP.	**Gross**	**$10,150,600**	**($1,738,800)**
	Federal	750,000	0
	Private	10,000	0
	Restricted	50,000	0
	GF/GP	$9,340,600	($1,738,800)
4. Military Retirement	**Gross**	**$2,770,600**	**($185,000)**
Reduces authorization by $185,000 GF/GP for Military Retirement System to align funding with anticipated retirement obligations based on annual actuarial valuation of military retirement pension benefits.	GF/GP	$2,770,600	($185,000)

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
5. Veterans Homes – FTE Reduction	FTE	0.0	(88.0)
Reduces FTE authorization for state veterans homes as follows:	**Gross**	**$0**	**$0**
• Chesterfield Township Home for Veterans – 5.0 FTEs	GF/GP	$0	$0
• D.J. Jacobetti Home for Veterans – 21.0 FTEs			
• Grand Rapids Home for Veterans – 62.0 FTEs.			
6. National Guard Member Benefits Program	FTE	NA	4.0
Transfers $11.3 million GF/GP and 3.5 FTE positions from Michigan National Guard State Tuition Assistance Program (MINGSTAP), and 4.0 FTE positions from Military Training Sites and Support Facilities, into new Michigan National Guard Member Benefit Program line item. This line item covers MINGSTAP and new programs for child care assistance for Michigan National Guard members during annual and weekend drilling and reimbursement for TRICARE health and dental insurance premiums. Also authorizes additional 4.0 FTE positions to administer child care assistance program.	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
7. Removal of FY 2024-25 One-Time Appropriations	**Gross**	**$19,000,000**	**($19,000,000)**
Removes $19.0 million of one-time GF/GP that was included in FY 2024-25 budget to support the following:	GF/GP	$19,000,000	($19,000,000)
• Selfridge Air National Guard Base ($15.0 million GF/GP)			
• Eliminating Veteran Homelessness Grants ($2.5 million GF/GP)			
• Veterans of Foreign Wars National Home ($1.5 million GF/GP).			
8. Technical Adjustments	**Gross**	**NA**	**$2,775,000**
Includes $2.8 million Gross for adjustments to federal and state restricted fund sources to align Michigan Veterans' Facility Authority authorization with changing cost factors for state veterans homes, including shifting membership and changes in per diem rates paid by U.S. Department of Veterans Affairs.	Federal	NA	3,054,400
	Restricted	NA	(279,400)
	GF/GP	NA	$0
Also includes the following internal net-to-zero transfers to align funding and FTE authorization with department activity:			
• Transfers $40,000 GF/GP from Grand Rapids Home for Veterans to Veterans Cemetery to align authorization with projected expenditures			
• Transfers $107,000 GF/GP from Michigan Veterans Affairs Agency Administration to Headquarters and Armories to cover additional billed costs for services provided by Department of Technology, Management, and Budget Accounting Service Center.			
9. Economic Adjustments	**Gross**	**NA**	**$2,411,000**
Reflects a net increase in costs of $2.4 million Gross ($1.4 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	Federal	NA	998,800
	Restricted	NA	11,500
	GF/GP	NA	$1,400,700

Major Boilerplate Changes from FY 2024-25

***Sec. 214. State Administrative Board Transfers* – NEW (UNENFORCEABLE)**
Authorizes the legislature, by a concurrent resolution adopted by a majority of members elected to and serving in each house, to inter-transfer funds if the State Administrative Board transfers funds. *(Governor's signing letter states this section is unenforceable.)*

***Sec. 222. Work Project Expenditures* – NEW (UNENFORCEABLE)**
Prohibits appropriations from being expended in cases where existing work project authorization is available for the same expenditures. *(Governor's signing letter states this section is unenforceable.)*

MILITARY AND VETERANS AFFAIRS

Major Boilerplate Changes from FY 2024-25

***Sec. 226. Legislatively Directed Spending Items* – NEW**
Requires the legislature to provide the department and the state budget director with a list of legislatively directed spending items; provides requirements for the administering of grants; provides requirements for grant agreements; requires grant recipients to respond to reasonable information requests; provides deadline for grant expenditure; requires the department to post information about grant recipients on its website.

***Sec. 227. Report Accessibility and Posting* – NEW**
Requires department to make required reports readily accessible to the public and conspicuously post each report in a single archivable location on department's Michigan.gov website not later than the report's due date; requires department to maintain all reports from current and previous fiscal years on its website.

***Sec. 229. Annual Strategic Plan* – REVISED**
Requires department to submit its annually updated departmental strategic plan to the legislature. Revised to require strategic plan to include mission, vision, goals, strategies, and performance measures of department.

***Sec. 230. Authorization to Reallocate State Fiscal Recovery Funds* – DELETED**
Requires state budget director to ensure that all State Fiscal Recovery Funds (SFRF) are expended by December 31, 2026; authorizes state budget director to reallocate funds to fully utilize SFRF that are in jeopardy of not meeting expenditure deadline; requires state budget director to notify appropriations committees not later than 10 business days after making any reallocations.

***Sec. 233. Prioritization of In-Person Work* – NEW**
Requires department to maximize utilization of its in-person state workforce; requires department to prioritize occupancy utilization of office space for each department division; requires monitoring of employees who complete work outside of an office; requires department to comply with in-person work requirements set by Office of the State Employer and ensure utilization and occupancy rates of state buildings are 80% or higher; requires department to establish policies and processes to ensure all employees are working during agreed upon business hours.

***Sec. 234. E-Verify System* – NEW**
Requires department to use E-Verify system to verify that all persons hired during contract term by a contractor or subcontractor are legally present and authorized to work in the United States; requires report on processes developed and implemented for use of E-Verify system; defines "E-Verify."

***Sec. 235. Work Project Report* – REVISED**
Requires department to provide biannual reports on status of work projects, financial status, and employment levels. Revised to delete financial status and employment level provisions; to require department to produce annual work project report not later than six months after State Budget Office sends work project letters; and to require report to include the following: a list of all work project accounts; status of all work project accounts, including amounts expended, amounts encumbered, and available balances for each account; and amount of funds that lapsed from any previously designated work project accounts, names and descriptions of the accounts, and funds that received lapsed amounts.

***Sec. 236. Legacy Costs* – NEW**
Estimates total legacy costs for department to be $11.5 million ($10.4 million for pension-related and $1.1 million for healthcare-related legacy costs).

***Sec. 237. Private and Third-Party Funds* – NEW**
Requires department to report on funds received from private and other third-party sources; requires department to post report on its website.

***Sec. 239. Report on Federal Policy Changes* – NEW**
Requires annual report on federal policy changes that are expected to affect departmental operations, affect groups the department engages with, affect regulations that impact those groups, or create a regulatory gap that could negatively impact the public.

***Sec. 240. Legal Settlement Costs* – NEW**
Requires department to report on any court settlement that may require further legislative review of state statutory programs or regulations.

Major Boilerplate Changes from FY 2024-25

MILITARY

***Sec. 307. Michigan National Guard Tuition Assistance Program* – REVISED**
Requires department to establish and maintain tuition assistance program for members of Michigan National Guard and other eligible recipients as defined in 2014 PA 259; states program objectives, performance metrics, and reporting requirements. Revised to require funds appropriated for Michigan National Guard Member Benefit Program be used to support tuition assistance program and to require the following information be included in annual report: number of members, spouses, children, and dependents that received tuition assistance; educational institutions from which recipients received education or training; total amount of financial assistance received by each educational or training institution; total funds expended on financial assistance by recipient type and educational or training program type; total funds expended on administrative costs; descriptions of filled and vacant FTE positions; number of applications approved and denied; number of recipients that successfully completed an educational or training program; descriptions of each educational or training program offered; a list of any ineligible educational institutions and training programs; and an explanation of any identified barriers to successful utilization of the tuition assistance program.

***Sec. 314. Michigan National Guard Healthcare Reimbursement* – NEW**
Requires department to create and administer TRICARE premium reimbursement program for Michigan National Guard members who are eligible for coverage under TRICARE dental program or TRICARE reserve select program; requires funds appropriated for Michigan National Guard Member Benefit Program be used to support TRICARE premium reimbursement program; authorizes department to establish other eligibility criteria and to promulgate rules to administer program.

***Sec. 315. Michigan National Guard Child Care Assistance Program* – NEW**
Requires department to create and administer child care assistance program for eligible Michigan National Guard members; requires funds appropriated for Michigan National Guard Member Benefit Program be used to support child care assistance program; requires annual report that includes the following information: number of eligible members receiving child care stipend and total number of MNG members by service branch; number of children for whom a stipend is paid and the associated number of hours paid by service branch; hourly rate paid; program expenditures for child care stipends; program expenditures for administrative costs; and any other pertinent information on program operations.

***Sec. 316. Michigan National Guard Member Benefit Fund* – NEW**
Requires funds appropriated for Michigan National Guard Member Benefit Program to be deposited into the restricted Michigan National Guard Member Benefit Fund; appropriates funds in Michigan National Guard Member Benefit Fund for expenditure to support Michigan National Guard Tuition Assistance Program, TRICARE premium reimbursement program, and child care assistance program; requires annual report on revenues, expenditures by program, and starting and year-end fund balances.

MICHIGAN VETERANS AFFAIRS AGENCY

***Sec. 413. County Veteran Service Fund* – REVISED**
Requires funds appropriated for County Veteran Service Fund to be deposited into the restricted County Veteran Service Fund created in 2018 PA 210; appropriates funds in County Veteran Service Fund for expenditure to support county veteran service grants; authorizes department to use funds to cover costs associated with administration and providing technical assistance to counties participating in grant program; requires annual detailed expenditures report on counties' use of grant funding. Revised to require annual report to include information about grant allocation process and timeline, grant funds expended by and recovered from counties, and counties that did not request grant funding; to require MVAA to notify legislature of changes to county grant awards; to require counties to submit quarterly and annual reports to MVAA on grant fund expenditures, service delivery, and county veteran services funding; to prohibit counties from expending grant funds for non-allowable expenditures; and to define “allowable expenditures.”

MICHIGAN VETERANS’ FACILITY AUTHORITY

***Sec. 511. MVFA Internal Allocation of Federal Revenues* – NEW**
Authorizes department, upon approval from state budget director, to align appropriations of federal fund sources with available revenues; prohibits changes that would produce a gross increase or decrease in total authorization for individual MVFA line item appropriations; requires quarterly report on actions taken under this section.

MILITARY AND VETERANS AFFAIRS

Major Boilerplate Changes from FY 2024-25

ONE-TIME APPROPRIATIONS

***Sec. 702. Veterans Nonprofit Improvement Grants* – NEW**
Requires MVAA to create and operate grant program to provide grants of up to $300,000 to nonprofit organizations that provide, or assist in providing, services to veterans for purposes of improving or upgrading facilities; requires applicants to submit itemized list of facilities and proposed improvements as part of grant application; requires report on grant expenditures and locations of recipient facilities; authorizes up to $300,000 to be expended by MVAA for administrative costs; defines "facility" and "nonprofit organization."

FY 2024-25 Supplemental Appropriation Items **Public Act 22 of 2025 (House Bill 4706, Article 16)**		**Appropriation Change**
1. Marquette Home for Veterans – Land Acquisition Transfers $4.5 million GF/GP from Michigan National Guard Tuition Assistance Fund line item to the Michigan Veterans' Facility Authority to support land acquisition costs for the new state veterans' home to be located in the Marquette area.	**Gross** GF/GP	**$0** $0

DEPARTMENT OF NATURAL RESOURCES
Summary of FY 2025-26 Enacted
Public Act 22 of 2025 (House Bill 4706, Article 13)

Analyst: Austin Scott

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Enacted	*Difference: Enacted From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$207,000	$208,100	*$1,100*	*0.5*
Federal	96,140,700	100,214,800	*4,074,100*	*4.2*
Local	0	0	*0*	*--*
Private	7,609,200	7,609,200	*0*	*0.0*
Restricted	353,865,900	362,152,800	*8,286,900*	*2.3*
GF/GP	76,757,000	73,009,400	*(3,747,600)*	*(4.9)*
Gross	**$534,579,800**	**$543,194,300**	***$8,614,500***	***1.6***
FTEs	2,545.3	2,515.2	*(30.1)*	*(1.2)*

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

Overview

The Department of Natural Resources (DNR) manages Michigan's natural and cultural resources through conservation and protection. State parks, wildlife, fisheries, forests, and minerals management are all administered by DNR.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		**FY 2024-25 Year-to-Date (as of 2/5/25)**	**FY 2025-26 Enacted Change**
1. Fish Production (One-Time)	FTE	63.0	(4.0)
Adds $2.8 million in one-time GF/GP and reduces 4.0 FTE positions to stock and produce fish in Great Lakes and inland fisheries. Year-to-date amount includes the ongoing amount for Fish Production.	**Gross**	**$11,016,400**	**$2,800,000**
	Federal	7,595,300	0
	Restricted	3,421,100	0
	GF/GP	$0	$2,800,000
2. Reforestation (One-Time)	**Gross**	**$0**	**$2,200,000**
Appropriates $2.2 million in one-time GF/GP for the reforestation of state forest lands affected by the northern Michigan ice storm.	GF/GP	$0	$2,200,000
3. Ice Storm Wildfire Protection (One-Time)	**Gross**	**$0**	**$2,000,000**
Includes $2.0 million in one-time GF/GP for fire suppression resources for the increased fire risk from the northern Michigan ice storm.	GF/GP	$0	$2,000,000
4. Elberta Waterfront Community Conservation Project (One-Time)	**Gross**	**$0**	**$1,750,000**
Provides $1.8 million in one-time GF/GP for a waterfront community conservation project in Elberta.	GF/GP	$0	$1,750,000
5. Removal and Repair of High Hazard Dams (One-Time)	**Gross**	**$0**	**$1,450,000**
Appropriates $1.5 million in one-time GF/GP for the removal and repair of high hazard dams.	GF/GP	$0	$1,450,000
6. Nature Awaits	FTE	13.8	0.0
Reduces GF/GP authorization by $2.0 million and designates remaining funding as one-time for grants to schools to cover transportation and other costs related to connecting all Michigan fourth graders to the state park system.	**Gross**	**$4,045,300**	**($2,045,300)**
	GF/GP	$4,045,300	($2,045,300)
7. Invasive Species Prevention and Control Reduction	FTE	21.0	0.0
Reduces $1.2 million GF/GP to help prevent, detect, eradicate, and control invasive species.	**Gross**	**$7,109,200**	**($1,200,000)**
	GF/GP	$7,109,200	($1,200,000)

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
8. Wetland Restoration, Enhancement, and Acquisition Reduction	**Gross**	**$3,000,000**	**($1,000,000)**
Reduces $1.0 million GF/GP to support access for public recreation in wetland areas.	Restricted	1,000,000	0
	GF/GP	$2,000,000	($1,000,000)
9. Michigan Conservation Corps	**Gross**	**$935,000**	**($435,000)**
Reduces $435,000 GF/GP for statewide summer employment program for at-risk youth and qualifying military veterans.	GF/GP	$935,000	($435,000)
10. Mackinac Island State Park Commission Reduction	FTE	17.0	0.0
Reduces $421,700 GF/GP for the Mackinac Island State Park Commission including cuts to Historical Facilities System and Mackinac Island State Park Operations.	**Gross**	**$2,255,600**	**($421,700)**
	Restricted	1,833,900	0
	GF/GP	$421,700	($421,700)
11. Marketing and Outreach – Shooting Range Operations and Maintenance and GF/GP Reduction.	FTE	88.8	7.5
	Gross	**$17,433,700**	**$281,300**
Includes a net increase of $281,300 Gross for departmental marketing and outreach efforts from $481,300 in available federal funding and authorizes 7.5 new FTE positions for the operation and maintenance of state shooting range facilities; reduces GF/GP authorization by $200.000.	Federal	1,960,900	481,300
	Restricted	14,371,900	0
	GF/GP	$1,100,900	($200,000)
12. Wildlife Management	FTE	221.5	(20.0)
Reduces 20.0 FTE positions and $200,000 to support wildlife division programs; manage all wildlife lands and facilities, maintain healthy deer population, provide deer hunting and viewing opportunities, encourage native wildlife and plant population growth in forest habitats, maintain and increase forest game species, provide science-based recommendations for wildlife management, ensures viable populations of native wildlife and plants in wetlands, maintain and increase wetland game species, support management efforts to increase supply of farmland game species, and ensures facilities and wildlife habitat on state game and wildlife areas are adequate for public demand.	**Gross**	**$47,802,600**	**($200,000)**
	Federal	26,263,300	0
	Private	315,700	0
	Restricted	16,589,600	0
	GF/GP	$4,634,000	($200,000)
13. State Parks	FTE	805.6	0.0
Reduces $200,000 GF/GP to maintain and operate 103 state park facilities, maintain recreation lands with natural resources value, support private concessions that enhance recreation opportunities, and operate campground reservation system for state parks and state forest campgrounds.	**Gross**	**$101,791,400**	**($200,000)**
	Federal	144,200	0
	Private	428,300	0
	Restricted	98,485,700	0
	GF/GP	$2,733,200	($200,000)
14. General Law Enforcement Reduction	FTE	293.0	0.0
Reduces $98,000 GF/GP to enforce natural resources (game, fish, forestry), environmental pollution, and outdoor recreation (boating, hunting, ORV, snowmobile safety) laws and to provide oversight and guidance on issues pertaining to hunter education and marine safety	**Gross**	**$54,037,500**	**($98,000)**
	Federal	6,991,100	0
	Restricted	28,131,200	0
	GF/GP	$18,915,200	($98,000)
15. Off-road Vehicle Trail Improvement Fund Revenue	**Gross**	**NA**	**$3,965,900**
Provides $4.0 million in additional revenue from the Off-road Vehicle Trail Improvement Fund according to revenue distribution defined in the Natural Resources and Environmental Protection Act.	Restricted	NA	3,965,900
	GF/GP	NA	$0
16. Federal High-speed Internet Infrastructure Funding	**Gross**	**NA**	**$1,417,500**
Appropriates $1.4 million in available federal funding for the installation of high-speed internet infrastructure on DNR lands.	Federal	NA	1,417,500
	GF/GP	NA	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
17. Capital Outlay Adjustments	**Gross**	**NA**	**$1,317,400**
Provides a net increase of $1.3 million Gross ($0 GF/GP) for funding increases to State Game and Wildlife Area Infrastructure and State Parks Repair and Maintenance. Funding decreases are included to Wetlands Restoration, Enhancement, and Acquisition; Local Boating Infrastructure and Maintenance; and State Boating Infrastructure and Maintenance.	Federal	NA	1,292,400
	Restricted	NA	25,000
	GF/GP	NA	$0
18. Parks and Recreation Division – Park Supervisors	FTE	NA	3.4
Includes $355,000 in state restricted funding and authorizes 3.4 new FTE positions for park supervisors.	**Gross**	**NA**	**$355,000**
	Restricted	NA	355,000
	GF/GP	NA	$0
19. Fisheries Resource Management	FTE	162.5	(15.0)
Reduces 15.0 FTE positions for Fisheries Division administration, Inland Fishery Resources Program, Great Lakes Fishery Resource Program, and commercial and recreational fisheries administration.	**Gross**	**$23,718,100**	**$0**
	Federal	4,532,400	0
	Private	136,700	0
	Restricted	17,834,100	0
	GF/GP	$1,214,900	$0
20. Minerals Management	FTE	20.0	(2.0)
Reduces 2.0 FTE positions to develop state-owned mineral resources, encourage private sector to explore and develop state-owned minerals, review mineral leasing programs, manage mineral exploration and development, easements (public utilities and oil and gas pipelines), natural gas storage facilities, and solid waste transfer station sites; oversee trespass and encroachment on state forest land and administer land exchanges or acquisition of forested property.	**Gross**	**$3,080,500**	**$0**
	Restricted	3,080,500	0
	GF/GP	$0	$0
21. Technical Adjustments	**Gross**	**NA**	**$763,600**
Provides $763,600 Gross ($0 GF/GP) for technical adjustments to align expenditures and increased available state restricted and federal revenues.	Federal	NA	352,200
	Restricted	NA	411,400
	GF/GP	NA	$0
22. Forest Resources Division Rollup	FTE	19.5	0.0
Rolls funding for Adopt-A-Forest Program ($25,000 Gross), cooperative resource programs ($1.7 million Gross and 11.0 FTE positions), forest fire equipment ($931,500 Gross), and forest management initiative ($944,200 Gross and 8.5 FTE positions) into forest management and timber market development ($2.6 million Gross and 19.5 FTE positions) and wildfire protection ($931,500 Gross) for a net zero change.	**Gross**	**$3,551,300**	**$0**
	Federal	736,700	0
	Private	124,500	0
	Restricted	2,351,700	0
	GF/GP	$338,400	$0
23. Finance and Operations Rollup	FTE	2.0	0.0
Rolls funding for minerals management ($159,600 state restricted funding and 1.0 FTE position) and marketing and outreach ($199,000 in state restricted funding and 1.0 FTE position) into departmental finance and operations for a net zero change.	**Gross**	**$358,600**	**$0**
	Restricted	358,600	0
	GF/GP	$0	$0
24. Removal of FY 2024-25 One-Time Appropriations	**Gross**	**$9,000,000**	**($9,000,000)**
Removes $9.0 million GF/GP of one-time funding that was included in the FY 2024-25 budget to support the following: • America 250 Commission grants ($5.0 million) • American chestnut restoration initiative ($500,000) • Huron Waterloo Pathways Initiative's Border-To-Border Trail ($1,749,900) • Mass timber market development ($1.0 million) • Phragmites management equipment ($250,000) • Sportsmen Against Hunger refrigeration units ($500,000) • Upper Peninsula ski project ($100)	GF/GP	$9,000,000	($9,000,000)

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
25. Economic Adjustments	**Gross**	**NA**	**$4,913,800**
Reflects increased costs of $4.9 million Gross ($852,400 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	IDG	NA	1,100
	Federal	NA	530,700
	Restricted	NA	3,529,600
	GF/GP	NA	$852,400

Major Boilerplate Changes from FY 2024-25

***Sec. 205. State Administrative Board Transfers* – NEW (UNENFORCEABLE)**
Allows legislature to adopt a concurrent resolution to intertransfer funds within the department's budget if the State Administrative Board transfers appropriated funds. *(Governor's signing letter states this section is unenforceable.)*

***Sec. 207. Disciplinary Action Against State Employees* – RETAINED (UNENFORCEABLE)**
Prohibits department from disciplining state employees for communicating with members of the legislature and their staffs unless communication is prohibited by law. *(Governor's signing letter states this section is unenforceable.)*

***Sec. 216. In-Person Work Prioritization* – NEW**
Requires the department to prioritize utilization of departmental office space, comply with Office of State Employer requirements, and comply with civil service rules for work hours.

***Sec. 219. E-Verify Requirement* – NEW**
Requires departmental contractors and subcontractors to use the E-Verify system to certify personnel are legally authorized to work in the United States and requires the department to annually report on processes implemented under this section.

***Sec. 220. Expending Available Work Project Authorization* – RETAINED (UNENFORCEABLE)**
Advises department not to expend appropriations until existing work project authorization for the same purpose has been expended. *(Governor's signing letter states this section is unenforceable.)*

***Sec. 222. Work Project Reporting* – NEW**
Requires the department to report quarterly on the status of work project accounts including funds expended, funds encumbered, and funds available.

***Sec. 223. Federal Policy Change Report* – NEW**
Requires the department to report annually to standard report recipients any federal policy changes that affect the department, those that engage with the department, related regulations, or create a regulatory gap with a potential negative public impact.

***Sec. 224. Identification of Legacy Costs* – NEW**
Estimates annual appropriations for legacy costs, including pension-related legacy costs and health care-related legacy costs.

***Sec. 225. Department Scorecard* – NEW**
Requires department to maintain on a publicly accessible website a department scorecard with key metrics concerning the department's performance.

***Sec. 226. Internet Posting of Reports* – NEW**
Requires the department to conspicuously post each report required by boilerplate by the report's due date on the department's Michigan.gov website.

***Sec. 227. Court Approved Judgment Cap* – NEW**
Requires the department to report on any court settlement that may require further legislative review of state statutory programs or regulations.

***Sec. 228. Private and Other Third-Party Funds Report* – NEW**
Requires the department to disclose private and other third-party funds received in the previous fiscal year.

***Sec. 229. Energy and Noise Efficiency* – DELETED**
Requires preference for goods and services that are energy efficient and minimize noise pollution.

Major Boilerplate Changes from FY 2024-25

***Sec. 229. Legislatively-Directed Spending Items* – NEW**
Defines requirements for legislatively-directed spending items.

***Sec. 230. Single Grant Recipient Requirements* – DELETED**
Provides process requirements for grants or projects awarded to single recipient organizations or local governments.

***Sec. 232. State Fiscal Recovery Funds* – DELETED**
Requires the state budget director to ensure that State Fiscal Recovery Funds allocated under the American Rescue Pan Act of 2021 be expended before 2027; requires the state budget director to notify the House and Senate Appropriations Committees of reallocations made under this section.

***Sec. 234. Solar and Wind Project Prohibition* – NEW**
Prohibits the department from using funds in part 1 for utility scale solar or wind development projects.

***Sec. 251. Invasive Species Initiative* – REVISED**
Requires $3.6 million of funding for Invasive Species Initiative to be allocated as grants for prevention, detection, eradication, and control of invasive species. Revises to $2.4 million.

***Sec. 253. Prohibition on Expending Funds for Legal Actions Against Swine Hunting* – NEW**
Prohibits the department from using funds in part 1 for legal services against hunting operation concerning swine.

***Sec. 254. Feeding Birds or Wildlife Near a Residence* – NEW**
Prevents the department from prohibiting an individual from feeding birds or wildlife within 300 feet of a residence if feed quantity totals less than 2 gallons.

***Sec. 255. References to State-managed Lands* – NEW**
States that state lands managed by the department shall be identified as department-managed public lands or publicly owned lands.

***Sec. 256. Contingency Authorization for New Hunting and Fishing License Revenue* – NEW**
Allows for the legislative transfer process to increase state restricted authorization by up to $30.0 million if legislation is enacted to raise hunting and fishing license prices.

***Sec. 257. Permits or Easements for Broadband* – NEW**
Requires the department to prioritize right-of-way permits or easements for construction or maintenance of broadband facilities on state land and prohibits the department from requiring a centerline survey as a condition of the road right-of-way permit or easement if the applicant can provide detailed engineering plans and if the broadband facilities are contained completely in the right-of-way.

***Sec. 501. Little Manistee River Designation Prohibition* – NEW**
Prohibits Fisheries Resource Management funding from being expended to designate the Little Manistee River as a natural river as defined in Part 305 of the Natural Resources and Environmental Protection Act.

***Sec. 701. Recreation Passport Selection* – NEW**
Requires the department to provide the choice to opt in to purchasing a Recreation Passport.

***Sec. 1201. Work Project – Ice Storm Wildfire Protection* – NEW**
Authorizes unexpended funds for Ice Storm Wildfire Protection totaling $2.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to enhance fire suppression resources for Michigan due to increased fire risk from the northern Michigan ice storm.

***Sec. 1202. Work Project – Reforestation* – NEW**
Authorizes unexpended funds for Reforestation totaling $2.2 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used for the reforestation of state forest lands impacted by the northern Michigan ice storm.

FY 2024-25 Supplemental Appropriation Items **Public Act 22 of 2025 (House Bill 4706, Article 16)**		**Appropriation Change**
1. Wildlife and Fisheries – Capital Outlay	**Gross**	**$4,900,000**
Appropriates $4.9 million from the Game and Fish Protection Fund for wildlife and fisheries capital outlay infrastructure maintenance and improvements.	Restricted	4,900,000
	GF/GP	$0

NATURAL RESOURCES

FY 2024-25 Supplemental Appropriation Items **Public Act 22 of 2025 (House Bill 4706, Article 16)**		**Appropriation Change**
2. Wildlife and Fisheries – Cormorant Management Provides $1.6 million from the Game and Fish Protection Fund to protect state fisheries and wildlife habitats from cormorants.	**Gross** Restricted GF/GP	**$1,600,000** 1,600,000 $0
3. Federal High-Speed Internet Infrastructure Funding Appropriates $1.4 million in available federal funding for the installation of high-speed internet infrastructure on DNR lands.	**Gross** Federal GF/GP	**$1,417,500** 1,417,500 $0
4. State Parks Repair and Maintenance Provides $15.0 million from the State Park Improvement Account for capital outlay projects at state park facilities.	**Gross** Restricted GF/GP	**$15,000,000** 15,000,000 $0
5. Arctic Grayling Fish Passage Includes $2.5 million from the U.S. Fish and Wildlife Service to the Conservation Resource Alliance and Trout Unlimited to remove fish passage barriers by replacing ineffective road-stream crossings on state forest lands.	**Gross** Federal GF/GP	**$2,500,000** 2,500,000 $0
6. Decree Negotiations Includes $613,200 GF/GP to complete the buyout of a state commercial fishing license that is no longer eligible for use under the 2023 Great Lakes Consent Decree that prohibits state licenses for commercial fishing in the Big Bay de Noc management unit of Lake Michigan.	**Gross** GF/GP	**$613,200** $613,200
7. Northern Michigan Ice Storm Includes $14.0 million GF/GP for cleanup and reforestation activities necessitated by the 2025 ice storm in northern Michigan.	**Gross** GF/GP	**$14,000,000** $14,000,000

FY 2024-25 Supplemental Boilerplate Items
Public Act 22 of 2025 (House Bill 4706, Article 16)

Sec. 551. Arctic Grayling Fish Passage
Designates unexpended funds for Arctic Grayling Fish Passage as a work project appropriation; requires funding to be used to replace road-stream crossings on state forest lands.

Sec. 552. Northern Michigan Ice Storm
Designates unexpended funds for Northern Michigan Ice Storm as a work project appropriation; requires funding to be used for reforestation of state forest lands impacted by the storm.

Sec. 553. Limited Term Employees for High-Speed Internet Infrastructure
Authorizes the department to add 9.0 limited term employees to facilitate installation of high-speed internet infrastructure on department-managed lands.

REPEALERS

Sec. 1105. DNR Huron Waterloo Pathways Initiatives Border-to-Border Trail
Repeals section 1201 included in 2024 PA 121.

SCHOOL AID
Summary of FY 2025-26 Enacted
Public Act 15 of 2025 (Senate Bill 166, Article 1)

Analysts: Jacqueline Mullen and Noel Benson

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Enacted	*Difference: Enacted From FY 2024-25 YTD Amount*	*%*
IDG/IDT	$0	$0	*$0*	*--*
Federal	2,272,793,500	2,407,708,500	*134,915,000*	*5.9*
Local	0	0	*0*	*--*
Private	0	0	*0*	*--*
Restricted	18,418,651,300	18,807,972,100	*389,320,800*	*2.1*
GF/GP	78,830,600	73,151,100	*(5,679,500)*	*(7.2)*
Gross	**$20,770,275,400**	**$21,288,831,700**	***$518,556,300***	***2.5***

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

Overview

The School Aid budget makes appropriations to the state's 537 local school districts, 285 public school academies (PSAs), and 56 intermediate school districts (ISDs) for operations and certain categorical programs. It also appropriates funds to the Michigan Department of Education (MDE), Michigan Department of Lifelong Education, Advancement, and Potential (MiLEAP), Center for Educational Performance and Information (CEPI), and other entities to implement certain grants and other programs related to K-12 education.

Major Budget Changes From FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 YTD (as of 2/5/25)	FY 2025-26 Enacted Change
1. Foundation Allowances (Secs. 22a & 22b)	**Gross**	**$10,247,000,000**	**$717,500,000**
Increases by $593.5 million Gross (including a reduction of $150,000 GF/GP) to provide a $442 (4.6%) per-pupil increase in the foundation allowance, from $9,608 to $10,050, including for cyber schools. Also provides $124.0 million one-time SAF for Detroit Public Schools Community District (DPSCD) foundation costs.	Restricted	10,246,613,600	717,650,000
	GF/GP	$386,400	($150,000)
2. Foundations: Cost Adjustments (Secs. 22a & 22b)	**Gross**	**NA**	**($359,000,000)**
Reduces by $359.0 million SAF to reflect May consensus estimates.	Restricted	NA	(359,000,000)
	GF/GP	NA	$0
3. At-Risk (Sec. 31a)	**Gross**	**$1,034,924,000**	**$258,731,000**
Increases by $258.7 million SAF (25.0% increase) for a total of $1.3 billion SAF. Expands to allow all schools to use up to 30% of funds to reduce the student-teacher ratio in grades K-3, instead of only schools in opportunity index bands 5 and 6. Allows districts in opportunity index band 4 to use up to 30% of funds to support retention and recruitment efforts, in addition to districts in bands 5 and 6. Adds requirement that recipient districts must provide a report to parents on how the funding was used and allow parents to provide feedback.	Restricted	1,034,924,000	258,731,000
	GF/GP	$0	$0
4. Universal School Breakfast and Lunch (Sec. 30d)	**Gross**	**$200,000,000**	**$1,600,000**
Retains and revises $30.0 million one-time School Meals Reserve Fund to $30.0 million ongoing SAF and provides $1.6 million one-time GF/GP for a total of $201.6 million Gross ($200.0 million ongoing SAF and $1.6 million one-time GF/GP) for providing free school breakfast and lunch for all PreK-12 students. Expands to include nonpublic school students. Encourages recipients to buy local ingredients when possible.	Restricted	200,000,000	0
	GF/GP	$0	$1,600,000

Major Budget Changes From FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 YTD (as of 2/5/25)	FY 2025-26 Enacted Change
5. Per-Pupil Mental Health & School Safety Grant (Sec. 31aa)	**Gross**	**$151,500,000**	**$169,500,000**
Revises $151.5 million Gross ($25.0 million ongoing SAF; $1.5 million GF/GP) to be $321.0 million one-time Gross ($300.0 million SAF; $21.0 million GF/GP. Allocates $53.5 million Gross ($3.5 million GF/GP) for competitive grants for school resource officers to be spent over four years. Allocates $53.5 million Gross ($3.5 million GF/GP) for competitive grants for staff for student mental health needs to be spent over four years. Adds implementing cell phone free school policies as an eligible use of funds. Adds requirement that recipients agree to be subject to a comprehensive investigation after a mass casualty event.	Restricted	150,000,000	150,000,000
	GF/GP	$1,500,000	$19,500,000
6. Michigan Public School Employees' Retirement System (MPSERS) (Secs. 147a, 147c, 147e, & 147g)	**Gross**	**$2,650,758,700**	**($659,258,700)**
	Restricted	2,650,358,700	(659,258,700)
	GF/GP	$400,000	$0
Reduces state support for K-12 MPSERS costs by $659.3 million SAF. Revises as follows: • Moves $598.0 million SAF to effectively lower the 20.96% UAAL contribution cap for districts, ISDs, libraries, and community colleges to 15.22% from Sec. 147a(4) to Sec. 147c (MPSERS State Share of Unfunded Liability Payments) to reflect the statutory cap of 15.21% beginning in FY 2025-26 under 2024 PA 127. • Eliminates $250.0 million one-time MPSERS Reserve Fund for a payment into the system (Sec. 147c(2)). • Eliminates $181.5 million one-time SAF to reimburse the costs associated with certain employees' healthcare premium subsidy benefits (see Sec. 27*l*). • Eliminates $111.9 million SAF ($11.9 million one-time) for cost offsets for districts, ISDs, and district libraries (Sec. 147a(1) & (3)). • Eliminates $84.1 million one-time MPSERS Reserve Fund to accelerate the reduction in the payroll growth assumption to 0.25% and shifts associated costs to SAF. The payroll growth assumption will be 0% in FY 2025-26 and beyond. • Reduces by $31.7 million SAF for cost adjustments.			
7. Special Education (Secs. 51a, 51c, 51d, 51e, 53a, 54, & 56)	**Gross**	**$2,597,096,100**	**$205,500,000**
Increases special education expenditures by $205.5 million Gross ($0 GF/GP) for a total of $2.8 billion Gross ($0 GF/GP) as follows: • Increases by $23.5 million SAF to increase special education foundation allowances by 4.6%. • Increases by $50.0 million in federal funding. • Increases by $132.0 million SAF to reflect May cost estimates.	Federal	533,000,000	50,000,000
	Restricted	2,064,096,100	155,500,000
	GF/GP	$0	$0
8. Infrastructure Grants (Sec. 12e) **– NEW**	**Gross**	**$0**	**$100,000,000**
Provides $100.0 million one-time School Consolidation and Infrastructure Fund for competitive grants to districts and ISDs for infrastructure needs identified in the statewide facilities study under Sec. 11y. Prioritizes applicants that are in opportunity index band 4 or higher, that have needs related to HVAC or roofing, or that have no ability to issue bonds for infrastructure needs. Allows additional School Consolidation and Infrastructure Fund to be expended if the appropriation is insufficient for all grant requests.	Restricted	0	100,000,000
	GF/GP	$0	$0
9. Grow Your Own Program (Sec. 27b) **– NEW**	**Gross**	**$0**	**$70,000,000**
Provides $70.0 million one-time SAF for three tiers of competitive grants to districts, ISDs, and consortia of ISDs for grow your own programs and educator development programs.	Restricted	0	70,000,000
	GF/GP	$0	$0

Major Budget Changes From FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 YTD (as of 2/5/25)	FY 2025-26 Enacted Change
10. Pathways to Success (Sec. 61v) **– NEW** Provides $70.0 million one-time SAF for competitive grants to districts in CTE deserts to create and sustain high-skill and high-demand CTE programs. Awards each grant over a three-year period, with increased local match required in the second and third years. Allocates $1.5 million for a statewide CTE program enrollment campaign.	**Gross** Restricted GF/GP	**$0** 0 $0	**$70,000,000** 70,000,000 $0
11. Class Size Reduction Grants (Sec. 31c) **– NEW** Provides $65.0 million one-time SAF for grants to districts for pilot programs to maintain or establish small classes in grades K-3. Requires recipient to be in opportunity index band 4 or higher. Requires grants to be awarded to Muskegon Heights Public School Academy System, Benton Harbor Area Schools, Flint School District, and Wayne-Westland Community School District. Caps class size at 19 pupils per class and average class size at 17 pupils per class. Requires recipient districts to use at least 30% of Sec. 31a At-Risk funds to reduce class size.	**Gross** Restricted GF/GP	**$0** 0 $0	**$65,000,000** 65,000,000 $0
12. Fund Deposits Transfers $83.4 million Consolidation and Infrastructure fund into the School Aid Fund and deposits the following into subaccounts of the School Aid Fund and General Fund (*Note: The columns on the right reflect appropriations and do not include deposits)*: • $130.0 million SAF into the School Transportation Fund. • $326.1 million SAF into a new School Aid Pupil Support Fund. • $1.8 million GF/GP into a new General Pupil Support Fund.	**Gross** Restricted GF/GP	**$0** 0 $0	**$0** 0 $0
13. Flint Emergency Declaration (Sec. 11s) Reduces by $75,000 GF/GP and revises the remaining $8.0 million ongoing Gross ($3.0 million GF/GP) to be one-time for nutrition programs, school nurses, social workers, interventions, and other supports and staff for children in the Flint School District.	**Gross** Restricted GF/GP	**$8,075,000** 5,000,000 $3,075,000	**($75,000)** 0 ($75,000)
14. Partnership Districts (Sec. 21h) Eliminates $6.1 million ongoing SAF and provides $6.1 million one-time School Aid Pupil Support Fund for districts that are in a partnership to improve student achievement and district financial stability. Provides intent to fund the section with State School Aid Pupil Support Reserve Fund through FY 2027-28. Adds that MDE may require training for district leadership and board members.	**Gross** Restricted GF/GP	**$6,137,400** 6,137,400 $0	**$0** 0 $0
15. Out-of-Formula Payment (Sec. 22c) Eliminates $3.0 million SAF for payments of $171 per pupil to out-of-formula districts.	**Gross** Restricted GF/GP	**$3,000,000** 3,000,000 $0	**($3,000,000)** (3,000,000) $0
16. Isolated Districts (Sec. 22d) Increases by $566,200 SAF (4.6% increase, which is in line with the foundation increase) for a total of $12.9 million SAF to increase the allocations for small, isolated districts; districts with fewer than 10.0 pupils per square mile; districts with greater than 250 square miles; and a district on an island accessible by bridge (Grosse Ile) by 4.6%.	**Gross** Restricted GF/GP	**$12,306,900** 12,306,900 $0	**$566,200** 566,200 $0
17. Transportation Costs (Sec. 22l) Retains $125.0 million one-time School Transportation Fund to districts and ISDs based on riders per square mile and the cost per rider.	**Gross** Restricted GF/GP	**$125,000,000** 125,000,000 $0	**$0** 0 $0

Major Budget Changes From FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 YTD (as of 2/5/25)	FY 2025-26 Enacted Change
18. Technology Regional Data Hubs (Sec. 22m)	**Gross**	**$3,500,000**	**$1,500,000**
Provides an additional $1.5 million one-time SAF for a total of $5.0 million SAF ($3.5 million ongoing; $1.5 million one-time) to support integration of local school data systems into the Michigan Data Hub Network.	Restricted	3,500,000	1,500,000
	GF/GP	$0	$0
19. Dropout Recovery Programs (Sec. 25g)	**Gross**	**$3,050,000**	**($1,800,000)**
Retains $500,000 of $2.3 million one-time SAF and maintains $750,000 ongoing SAF for a total of $1.3 million SAF for the cost of dropout recovery programs.	Restricted	3,050,000	(1,800,000)
	GF/GP	$0	$0
20. MI Future Educator Fellowship Program (Sec. 27a)	**Gross**	**$25,000,000**	**$0**
Retains $10.0 million one-time Educator Fellowship Public Provider Fund for a total of $25.0 million Gross ($5.0 million GF/GP) to offset tuition costs for college students earning their initial certification.	Restricted	20,000,000	0
	GF/GP	$5,000,000	$0
21. MI Future Educator Student Teacher Stipend Program (Sec. 27c)	**Gross**	**$50,000,000**	**$0**
Retains $20.0 million one-time Educator Fellowship Public Provider Fund for a total of $50.0 million Gross ($0 GF/GP) for payments to student teachers. Caps the number of semesters an individual may receive payment at two.	Restricted	50,000,000	0
	GF/GP	$0	$0
22. Enrollment Stabilization (Sec. 29)	**Gross**	**$71,000,000**	**$0**
Retains $71.0 million one-time Enrollment Stabilization Fund to offset a portion of the cost of declining enrollment.	Restricted	71,000,000	0
	GF/GP	$0	$0
23. Locally Grown Produce in Schools (Sec. 31j)	**Gross**	**$4,500,000**	**($4,500,000)**
Eliminates $4.5 million Gross ($500,000 GF/GP) for a program to purchase locally grown fruits and vegetables for use in school lunches.	Restricted	4,000,000	(4,000,000)
	GF/GP	$500,000	($500,000)
24. Great Start Readiness Program (Secs. 32d & 39)	**Gross**	**$628,320,000**	**$28,247,600**
Increases by $28.5 million SAF and eliminates $250,000 one-time GF/GP for a total of $656.6 million Gross ($350,000 GF/GP) for school readiness preschool programs for 4-year-old children. Revises as follows: • Increases by $28.5 million SAF to increase the allocations per child by 4.6%, from $10,185 to $10,650 for a full-day program; from $5,093 to $5,325 for a part-day program; from $12,222 to $12,780 for an extended program; and from $6,111 to $6,390 for an extended blended program. (See Major Boilerplate Changes for additional formula revisions.) • In addition to an ongoing allocation of $10.0 million SAF for transportation costs, retains an appropriation of $18.0 million one-time GSRP Reserve Fund. Expands allowable uses from parent-accompanied transportation to also include parent-provided transportation. • Eliminates $250,000 one-time GF/GP for a longitudinal evaluation of GSRP.	Restricted	627,720,000	28,497,600
	GF/GP	$600,000	($250,000)
25. GSRP Classroom Start-Up Grants (Sec. 32d(29)	**Gross**	**$25,000,000**	**($15,000,000)**
Retains $10.0 million one-time SAF (a $15.0 million reduction) to provide grants to ISDs of up to $50,000 for each new or expanding GSRP classroom. Adds modular classroom units and costs to become a licensed facility as eligible uses. Adds that grant recipients must demonstrate professional learning in the science of reading.	Restricted	25,000,000	(15,000,000)
	GF/GP	$0	$0

Major Budget Changes From FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 YTD (as of 2/5/25)	FY 2025-26 Enacted Change
26. Out of School Time (Sec. 32n) Revises $50.0 million ongoing SAF to be one-time Pupil Support Fund and increases by $25.0 million Pupil Support Fund for a total of $75.0 million one-time School Aid Pupil Support Fund for Clinton County RESA to collaborate with MiLEAP to award competitive grants to CBOs, IHEs, public libraries, local governments, or ISDs for before and after school programs and summer school programs. Provides intent to fund the section with State School Aid Pupil Support Reserve Fund through FY 2027-28 ($85.0 million in FY 2026-27 and $100.0 million in FY 2027-28). Allocates the greater of 0.25% or $250,000 to CCRESA for administration; allocates $500,000 for program evaluation; and allocates 1.5% for statewide supports. Removes $18.0 million in allocations for specific entities (See Supplemental Recommendations for FY 2024-25 below).	**Gross** Restricted GF/GP	**$75,000,000** 75,000,000 $0	**$0** 0 $0
27. Early Childhood Block Grants (Sec. 32p) Eliminates $19.4 million SAF for early childhood funding block grants to ISDs and for early childhood programs for children from birth through age 8.	**Gross** Restricted GF/GP	**$19,400,000** 19,400,000 $0	**($19,400,000)** (19,400,000) $0
28. Three-Year-Old GSRP Pilot Program (Sec. 32t) **– NEW** Provides $25.0 million one-time SAF to Clinton County RESA to initiate phase two of a three-year-old preschool pilot program to provide services to children who meet eligibility criteria. Funding is to be distributed over two years. Revises the department administering the section from MDE to MiLEAP. Requires Clinton County RESA to partner with Michigan State University to research outcomes. (This section provided $18.0 million one-time SAF in FY 2023-24 for distribution over 3 years.)	**Gross** Restricted GF/GP	**$0** 0 $0	**$25,000,000** 25,000,000 $0
29. Early Literacy Added Instructional Time (Sec. 35a(5)) Eliminates $19.9 million SAF for districts to provide additional instructional time to pupils in grades Pre-K to 5.	**Gross** Restricted GF/GP	**$19,900,000** 19,900,000 $0	**($19,900,000)** (19,900,000) $0
30. Literacy Essentials (Sec. 35a(7)) Eliminates $6.0 million SAF to Gogebic-Ontonagon, in partnership with an association representing ISD administrators, to implement literacy essentials, professional learning, regional lead literacy coaches, principal literacy training, and mathematics instructional coaching (see Sec. 35m).	**Gross** Restricted GF/GP	**$6,000,000** 6,000,000 $0	**($6,000,000)** (6,000,000) $0
31. LETRS Professional Learning (Sec. 35a(10)) Retains $10.0 million one-time SAF for LETRS professional learning for PreK to grade 3 teachers, administrators, and literacy coaches. Awards funding directly to an ISD identified by the department. (See Major Boilerplate Changes for Sec. 35a below.)	**Gross** Restricted GF/GP	**$10,000,000** 10,000,000 $0	**$0** 0 $0
32. School Libraries (Sec. 35e) **– NEW** Provides $250,000 one-time SAF to Wayne State University to convene a committee to study Michigan's public school library system.	**Gross** Restricted GF/GP	**$0** 0 $0	**$250,000** 250,000 $0
33. Literacy Supports (Sec. 35m) Retains $70.0 million one-time SAF (reduction of $17.0 million SAF) for districts and ISDs to improve literacy outcomes. Allocates $4.0 million SAF to Gogebic-Ontonagon ISD for literacy essentials, professional learning, regional lead literacy coaches, and principals literacy training. Allocates $1.6 million SAF for the MiMTSS Technical Assistance Center.	**Gross** Restricted GF/GP	**$87,000,000** 87,000,000 $0	**($17,000,000)** (17,000,000) $0

Major Budget Changes From FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 YTD (as of 2/5/25)	FY 2025-26 Enacted Change
34. Federal Grants (Sec. 39a)	**Gross**	**$815,200,000**	**$75,915,000**
Increases federal grants under the Every Student Succeeds Act (ESSA) by $70.0 million, increases other federal grants by $6.2 million, and transfers $300,000 from the Preschool Development Funds grants to the MiLEAP budget for program administration, a net increase of $75.9 million for a total of $891.1 million.	Federal	815,200,000	75,915,000
	Restricted	0	0
	GF/GP	$0	$0
35. English Language Learner Grants (Sec. 41)	**Gross**	**$50,186,100**	**$12,546,500**
Increases by $12.5 million SAF (25% increase) for a total of $62.7 million SAF for services for English language learners (ELLs). Allows funding to be used for software to assist learning.	Restricted	50,186,100	12,546,500
	GF/GP	$0	$0
36. MiMTSS Technical Assistance Center (Sec. 54b)	**Gross**	**$1,600,000**	**($1,600,000)**
Eliminates $1.6 million GF/GP to expand the implementation of a Multi-Tiered System of Supports (MTSS) using the MiMTSS Technical Center (see Sec. 35m).	Restricted	0	0
	GF/GP	$1,600,000	($1,600,000)
37. Career and Technical Education (CTE) (Sec. 61a)	**Gross**	**$39,899,800**	**$1,834,000**
Increases by $1.8 million SAF (4.6% increase, which is in line with the proposed foundation increase) for a total of $41.7 million SAF for reimbursements to districts and ISDs for vocational education programs.	Restricted	39,899,800	1,834,000
	GF/GP	$0	$0
38. CTE Early/Middle College & Dual Enrollment (Sec. 61b)	**Gross**	**$8,000,000**	**$368,000**
Increases by $368,000 (4.6% increase, which is in line with the proposed foundation allowance) for a total of $8.4 million SAF for CTE early middle college and CTE dual enrollment programs and for planning grants for the development or expansion of CTE early middle college programs. Adds that if proration is required, it must only apply to dual enrollment programs.	Restricted	8,000,000	368,000
	GF/GP	$0	$0
39. CTE Incentive Payment (Sec. 61d)	**Gross**	**$5,304,300**	**$8,095,700**
Eliminates $5.3 million ongoing SAF and provides $13.4 million one-time SAF for per-pupil payments for pupils in CTE programs. Increases payment per CTE pupil from $35 to $88.	Restricted	5,304,300	8,095,700
	GF/GP	$0	$0
40. Detroit Area PreCollege Engineering Program (Sec. 65)	**Gross**	**$900,000**	**$0**
Revises $900,000 ongoing SAF to be $900,000 one-time School Aid Pupil Support Fund for the Detroit Area PreCollege Engineering Program (DAPCEP). Provides intent to fund the section with State School Aid Pupil Support Reserve Fund through FY 2027-28.	Restricted	900,000	0
	GF/GP	$0	$0
41. College & Career Preparation (Sec. 67)	**Gross**	**$4,000,000**	**($1,000,000)**
Eliminates $1.0 million one-time GF/GP and maintains $3.0 million ongoing GF/GP for a total of $3.0 million GF/GP for the College Access Program administered in collaboration with the Michigan College Access Network (MCAN).	Restricted	0	0
	GF/GP	$4,000,000	($1,000,000)
42. FAFSA Completion Challenge (Sec. 67f)	**Gross**	**$10,000,000**	**$0**
Retains $10.0 million one-time funding but revises fund source from SAF to School Aid Pupil Support Fund for equal payments per 12th grade student to districts that require all students to take the FAFSA. Provides intent to fund the section with State School Aid Pupil Support Reserve Fund through FY 2027-28.	Restricted	10,000,000	0
	GF/GP	$0	$0
43. ISD General Operations (Sec. 81)	**Gross**	**$79,424,700**	**$3,733,000**
Increases by $3.7 million SAF (4.7% increase, similar to the 4.6% increase in the foundation allowance) for a total of $83.2 million SAF. Adds that districts must include constituent districts, including PSAs, in ISD-wide meetings and activities.	Restricted	79,424,700	3,733,000
	GF/GP	$0	$0

Major Budget Changes From FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 YTD (as of 2/5/25)	FY 2025-26 Enacted Change
44. AP/IB/CLEP Incentive Program (Sec. 94)	**Gross**	**$1,200,000**	**$1,400,000**
Provides an additional $1.4 million one-time GF/GP for a total of $2.6 million GF/GP ($1.4 million one-time) to pay all or part of Advanced Placement (AP), International Baccalaureate (IB), and College-Level Examination Program (CLEP) fees for students, prioritizing those with low family income status.	Restricted	0	0
	GF/GP	$1,200,000	$1,400,000
45. Center for Educational Performance and Information (Sec. 94a)	**Gross**	**$19,412,700**	**$2,000,000**
Increases by $2.0 million Federal for a total of $21.4 million Gross ($19.4 million GF/GP) for the Center for Educational Performance and Information (CEPI) to collect education data required by law, maintain the P-20 longitudinal data system, and maintain the MI School Data web portal. (See item #54 for Economic Adjustments below, which reflects an additional increase of $145,500 GF/GP for CEPI, for a total of $21.6 million Gross ($19.4 million GF/GP).)	Federal	193,500	2,000,000
	Restricted	0	0
	GF/GP	$19,219,200	$0
46. Michigan Education Research Institute (Sec. 94e)	**Gross**	**$1,000,000**	**$0**
Retains $1.0 million one-time SAF for the Michigan Education Research Institute (MERI) to collaborate with MDE, MiLEAP, and CEPI to maintain a research ready dataset and conduct education-related research.	Restricted	1,000,000	0
	GF/GP	$0	$0
47. Community Violence Intervention Grants (Sec. 97n) **– NEW**	**Gross**	**$0**	**$10,000,000**
Provides $10.0 million one-time SAF for competitive grants to implement a plan to reduce or prevent youth violence.	Restricted	0	10,000,000
	GF/GP	$0	$0
48. Michigan Virtual University (Sec. 98)	**Gross**	**$9,800,000**	**$0**
Retains and revises $1.8 million one-time GF/GP to be ongoing and maintains $8.0 million ongoing GF/GP for a total of $9.8 million GF/GP for Michigan Virtual University. Removes $500,000 caps on allocations for expanding new professional development programs and operating a statewide research laboratory. Revises the goal of reaching 60% of residents with high-quality degrees from 2025 to 2030.	Restricted	0	0
	GF/GP	$9,800,000	$0
49. FIRST Robotics (Sec. 99h)	**Gross**	**$5,323,200**	**$276,800**
Increases by $276,800 one-time School Aid Pupil Support Fund and revises $5.3 million ongoing Gross ($600,000 GF/GP) to be $4.7 million one-time School Aid Pupil Support Fund and $600,000 one-time General Pupil Support Fund for a total of $5.6 million Gross ($0 GF/GP) for competitive grants to districts, ISDs, and nonpublic schools for robotics competition programs. Provides intent to fund the section with the above reserve funds through FY 2027-28.	Restricted	4,723,200	876,800
	GF/GP	$600,000	($600,000)
50. MiSTEM Grants (Sec. 99s)	**Gross**	**$7,634,300**	**($7,634,300)**
Eliminates $7.6 million SAF for STEM programs.	Restricted	7,634,300	(7,634,300)
	GF/GP	$0	$0
51. Adult Education (Sec. 107)	**Gross**	**$40,500,000**	**($7,586,400)**
Reduces by $7.6 million SAF for a total of $32.9 million SAF for adult education programs provided by a district, ISD, or consortium of districts or ISDs.	Restricted	40,500,000	(7,586,400)
	GF/GP	$0	$0

Major Budget Changes From FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 YTD (as of 2/5/25)	FY 2025-26 Enacted Change
52. Removal of FY 2024-25 One-Time Appropriations	**Gross**	**$208,500,000**	**($208,500,000)**
Eliminates $208.5 million Gross (including the removal of $24.2 million GF/GP) of one-time funding that was included in the FY 2024-25 budget to support the following:	Restricted	184,350,000	(184,350,000)
	GF/GP	$24,150,000	($24,150,000)

- Sec. 22e – Charter School Per-Pupil Payment ($57.0 million SAF)
- Sec. 25/ – Early Warning Intervention System ($5.0 million SAF)
- Sec. 27f – Michigan Education Justice Coalition ($4.0 million SAF)
- Sec. 27g – Michigan Educator Workforce Initiative ($12.5 million SAF)
- Sec. 27k – Student Loan Repayment Program ($25.0 million Gross; $600,000 GF/GP)
- Sec. 27o – Learner Wallet ($2.0 million GF/GP)
- Sec. 27p – Talent Together – Grow Your Own ($12.5 million SAF)
- Sec. 27r – West Michigan Teacher Collaborative ($7.0 million SAF)
- Sec. 27s – Black Male Educators Alliance ($2.5 million SAF)
- Sec. 31g – Student Wellness Software Pilot ($1.3 million SAF)
- Sec. 32d(30) – GSRP Awareness Campaign ($2.0 million GF/GP)
- Sec. 32p(6) – Dolly Parton Imagination Library ($4.0 million SAF)
- Sec. 35a(8) – Michigan Education Corps ($5.0 million SAF)
- Sec. 35d – Orton-Gillingham ($1.0 million SAF)
- Sec. 35n – READ Innovation Competition ($10.0 million SAF)
- Sec. 41b – Immigrant Support Services ($1.0 million SAF)
- Sec. 51h – Special Education Study ($500,000 GF/GP)
- Sec. 55 – Conductive Learning ($500,000 SAF)
- Sec. 67a – MITES ($50,000 GF/GP)
- Sec. 67b – PRIME ($1.0 million GF/GP)
- Sec. 67d – ProStart/HTM Hospitality and Tourism CTE Grants ($1.0 million GF/GP)
- Sec. 94d – Special Education Personnel Task Force ($1.0 million GF/GP)
- Sec. 97a – Navigate 360 ($500,000 GF/GP)
- Sec. 97h – School Safety Tip Line ($1.0 million SAF)
- Sec. 97j – Raptor Technologies ($250,000 GF/GP)
- Sec. 97k – Student Advocacy Hotline ($100,000 SAF)
- Sec. 97m – 42 Strong ($1.0 million GF/GP)
- Sec. 98d – Michigan Learning Channel ($3.0 million SAF)
- Sec. 99 – One-Time Grants ($32.3 million Gross; $12.1 million GF/GP)
- Sec. 99b – Computer Science Professional Learning ($500,000 SAF)
- Sec. 99c – Playworks ($1.0 million GF/GP)
- Sec. 99g – Helping Women Period Pilot ($1.0 million SAF)
- Sec. 99i – Women in Technology ($250,000 GF/GP)
- Sec. 99t – Math Nation ($1.0 million GF/GP)
- Sec. 99x – Teach for America ($3.0 million SAF)
- Sec. 99aa – Project SEARCH ($1.0 million SAF)
- Sec. 99ee – Hispanic Collaborative ($2.0 million SAF)
- Sec. 99ff – Junior Achievement ($1.9 million SAF)
- Sec. 99hh – City Year Detroit ($3.0 million SAF)

Major Budget Changes From FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 YTD (as of 2/5/25)	FY 2025-26 Enacted Change
53. Other Cost Adjustments	**Gross**	**$986,737,400**	**$20,065,000**
Revises the following to reflect updated cost estimates:	Federal	916,400,000	7,000,000
• Sec. 11m – Increases cash flow borrowing by $4.0 million SAF for a total of $5.0 million SAF.	Restricted	70,337,400	13,065,000
• Sec. 26b – Increases payment in lieu of taxes (PILT) by $265,000 SAF for a total of $5.5 million SAF.	GF/GP	$0	$0
• Sec. 26c – Increases required funds for districts and ISDs with an approved Promise Zone development plan by $8.8 million SAF for a total of $43.3 million SAF.			
• Sec. 31d – Increases federal funding for school lunch programs by $7.0 million for a total of $953.0 million Gross ($0 GF/GP). Also appropriates the amount necessary from the School Meals Reserve Fund if fund are insufficient.			
54. Economic Adjustments	**Gross**	**NA**	**$181,900**
Reflects increased costs of $181,900 Gross ($145,500 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	Restricted	NA	36,400
	GF/GP	NA	$145,500

Major Boilerplate Changes from FY 2024-25

Sec. 6. Pupil Membership Definitions **– REVISED**
Extends through the 2025-2026 school year the sunset for a provision that previously (through the 2023-24 school year) allowed instruction by a noncertificated, nonendorsed teacher engaged to teach under Sec. 1233b of the Revised School Code.

Adds that a pupil in a dropout recovery program may be counted in membership based on the pupil's number of completed courses (each course equivalent to 1/12 of an FTE) rather than the number of months the pupil is enrolled in the program.

Sec. 12d. Rightsizing Grants **– REVISED**
Lapses and re-appropriates FY 2023-24 allocation of $4.0 million SAF to Taylor School District for a new high school to also allow funds to be used for other infrastructure purposes.

Sec. 18. Financial Reporting **– REVISED**
Adds that if the issuance of a Federal Compliance Supplement is delayed, the single audit portion of a district or ISD's audit may be postponed to within 30 days of the Compliance Supplement issuance.

Sec. 18d. Educator Compensation Requirement **– NEW**
Provides intent that districts make permanent increases to educator and staff compensation, with prioritization for starting salaries, in any year where the foundation allowance is increased.

Sec. 19. State and Federal Reporting Requirements **– REVISED**
Strikes requirement that a district must provide CEPI with information related to personnel vacancies within 30 days of changes in employment or assignment status, including vacancy start and end dates and reasons for vacancy and vacancy termination.

Sec. 21f. Virtual Courses **– REVISED**
Revises the limit on the number of days a course may meet virtually in a school year without parental consent from 15 to 0; also revise the limit on the number of days a district may provide virtual instruction due to emergency closures, testing days, and professional development from 15 to 0.

Sec. 27h. Mentoring Grants **– REVISED**
Lapses and reappropriates the $49.4 million SAF remaining in the FY 2023-24 work project for mentoring grants for new teachers, school counselors, and administrators and re-appropriates it according to the following boilerplate changes: requires prioritization of teachers and school administrators; revises allowable uses to restrict stipends, training, and staffing costs to be used only for mentoring teachers (strikes counselors and administrators); allows districts to provide mentoring services to school administrators directly without having to contract with a state professional organization.

SCHOOL AID

Major Boilerplate Changes from FY 2024-25

***Secs. 32d & 39. Great Start Readiness Program* – REVISED**
Removes specific program provisions, including the definitions for each type of program offered and requirements related to teacher eligibility, program budgets, assessments, and counting children for the requirement that at least 30% of slots be filled by community-based providers; revises to allow MiLEAP flexibility to determine program options and requirements.

Revises funding formula from being based on the number of children served in the prior school year or the number of children the applicant has capacity to serve to being based on the number of children served in the current school year. If funds are insufficient, uses the former formula plus an additional proportional amount based on the new formula.

Removes household income requirements, but requires children with lower income or other risk factors to be enrolled before children with lesser needs.

Adds requirement that an ISD recipient must publish an online data dashboard that includes the number of allocations requested from the state, a list of programs offering GSRP in its boundaries, and current enrollment data for each subrecipient, including open and filled slots and waitlist information.

***Sec. 32y. Extension for Former Sec. 32x Funds* – NEW**
Provides that funds allocated under Sec. 32x (Learning by Hearings Program) for FY 2023-24 may be available for expenditure through September 30, 2029.

***Sec. 33. K-5 Music Education* – REVISED**
Lapses and re-appropriates $2.5 million SAF from a $11.0 million SAF FY 2023-24 appropriation for music or visual arts programs to allocate the $2.5 million SAF to Eaton Regional Education Service Agency for the Michigan Assessment Consortium to be used in implementing MI Creative Potential.

***Sec. 35a. Early Literacy* – REVISED**
Revises requirement for the State Superintendent to report annually on early literacy by adding that the report must include the number of literacy coaches supported and the percentage who have received LETRS training.

***Sec. 97g. Cybersecurity Risk Assessments* – REVISED**
Provides that funds allocated for FY 2023-24 may be available for expenditure by the recipient through September 30, 2028.

***Sec. 101. Eligibility to Receive State Aid* – REVISED**
Allows a reduced schedule for a pupil in grades 6 to 8 if it is determined to be in the pupil's best educational interest due to the pupil's participation in advanced curriculum.

Removes current cap of three hours (unless given approval by MDE to count more than three hours) per school week that may be considered pupil instruction due to travel time between instructional sites for pupils enrolled in a cooperative education program or special education program.

***Sec. 104b. Michigan Merit Examination* – REVISED**
Removes the requirement that MDE include building-level statewide assessment scores and graduation rates for consortium pupils (pupils enrolled in a program operated under a cooperative arrangement between districts or ISDs) with the scores for the school building in which the consortium pupil is enrolled or would otherwise attend.

***Sec. 111. Tuition Rates* – REVISED**
Adds that tuition for a nonresident pupil may only be charged to the pupil's district of residence, not the pupil's parent or custodian.

***Sec. 164k. District Non-Compliance Policy* – NEW**
Requires MDE to withhold 5% of a recipient's state aid payment for non-compliance of any of the following requirements: federal requirements regarding school meals; a requirement that all students complete the federal application for free and reduced-price meals; a prohibition against student financial incentives for attending on count day; a requirement that student survey questions be public; and a requirement that districts not using MDE-designated evidence-based curriculum must notify parents.

***Sec. 164l. Legislatively Directed Spending Items* – NEW**
Creates transparency requirements for the grant distribution, review, and verification process.

Supplemental Recommendations for FY 2024-25 Appropriations		**FY 2024-25 Recommendation**
1. Foundation Allowances (Secs. 22a & 22b) Reduces by $59.0 million SAF for a total of $10.2 billion Gross ($386,400 GF/GP) to reflect May consensus estimates.	**Gross** Restricted GF/GP	**($59,000,000)** (59,000,000) $0
2. Promise Zones (Sec. 26c) Increases by $3.2 million SAF for a total of $37.7 million SAF in required funds for districts and ISDs with an approved Promise Zone development plan.	**Gross** Restricted GF/GP	**$3,200,000** 3,200,000 $0
***3. Educator Compensation Program (Sec. 27l)* – NEW** Provides $350.3 million Gross ($0 GF/GP) as follows: $203.0 million one-time SAF for per-pupil payments to districts to increase educator compensation; and $147.3 million one-time MPSERS Reserve Fund to reimburse districts, ISDs, district libraries, and community colleges for the costs associated with the MPSERS healthcare premium subsidy benefit. (Note: The $203.0 million SAF allocation is conditional on the lapse of a FY 2023-24 work project of the same amount under Sec. 27k (Student Loan Repayment Program).	**Gross** Restricted GF/GP	**$350,300,000** 350,300,000 $0
4. Out of School Time (Sec. 32n) Increases allocation for specific entities by $4.0 million SAF to $22.0 million SAF for a total appropriation of $79.0 million SAF ($50.0 million ongoing; $29.0 million one-time) for before and after school programs and summer school programs.	**Gross** Restricted GF/GP	**$4,000,000** 4,000,000 $0
5. Immigrant Support Services (Sec. 41b) Increases by $1.0 million one-time GF/GP for a total of $2.0 million one-time GF/GP for KEYS Grace Academy, in partnership with Kalasho Education and Youth Services, to provide education support services to immigrants.	**Gross** Restricted GF/GP	**$1,000,000** 0 $1,000,000
6. Special Education (Secs. 51a, 51c, 51d, 51e, 53a, 54, & 56) Reduces by $35.4 million SAF for a total of $2.6 billion Gross ($0 GF/GP) to reflect May consensus estimates for special education appropriations.	**Gross** Restricted GF/GP	**($35,400,000)** (35,400,000) $0
7. Conductive Learning Center (Sec. 55) Revises fund source from SAF to GF/GP for a total of $500,000 GF/GP to maximize the independence and mobility of people with neuromotor disabilities; awards funding directly to the Conductive Learning Center rather than Grand Valley State University.	**Gross** Restricted GF/GP	**$0** (500,000) $500,000
***8. Huron Downriver CTE Consortium (Sec. 61j)* – NEW** Provides $5.0 million one-time SAF to Huron School District to support the Downriver Career and Technical Education Consortium.	**Gross** Restricted GF/GP	**$5,000,000** 5,000,000 $0
***9. Student Advocacy Center of Michigan (Sec. 97k)* – NEW** Increases by $150,000 one-time SAF for a total of $250,000 one-time SAF to Clintondale Community Schools for safety and security upgrades.	**Gross** Restricted GF/GP	**$150,000** 150,000 $0
10. One Time Grants – Algonac Asbestos Remediation (Sec. 99(9)) Revises $500,000 SAF to be GF/GP for asbestos remediation and redevelopment of a school building. Revises recipient from Algonac Community School District to the City of Algonac.	**Gross** Restricted GF/GP	**$0** (500,000) $500,000
11. One Time Grants – Rudyard Area Schools (Sec. 99(13)) Revises $1.0 million GF/GP to SAF for a total of $6.0 million Gross ($2.9 million GF/GP) to Rudyard Area Schools for infrastructure.	**Gross** Restricted GF/GP	**$0** 1,000,000 ($1,000,000)
***12. One Time Grants – Grand Rapids Supplemental Meal Funding (Sec. 99(20))* – NEW** Provides $1.2 million one-time SAF to Grand Rapids Public Schools to supplement funding for the school meals program.	**Gross** Restricted GF/GP	**$1,200,000** 1,200,000 $0
***13. One Time Grants – Livonia Thrive Track (Sec. 99(21))* – NEW** Provides $750,000 one-time SAF for Livonia Thrive Track – Healthy Living Skills for Independence Program.	**Gross** Restricted GF/GP	**$750,000** 750,000 $0

Supplemental Recommendations for FY 2024-25 Appropriations		**FY 2024-25 Recommendation**
14. One Time Grants – Grosse Pointe Technology (Sec. 99(22)) **– NEW** Provides $450,000 one-time SAF for Grosse Pointe Public Schools for technology costs.	**Gross** Restricted GF/GP	**$450,000** 450,000 $0
15. One Time Grants – ACCESS Innovation Center (Sec. 99(23)) **– NEW** Provides $1.0 million one-time SAF to a district to partner with the Arab Community Center for Economic and Social Services.	**Gross** Restricted GF/GP	**$1,000,000** 1,000,000 $0
16. One Time Grants – Lansing Infrastructure (Sec. 99(24)) **– NEW** Provides $1.2 million one-time SAF to Lansing Public School District to support renovation of the Don Johnson Fieldhouse and expansion of the Lansing Student Development Program.	**Gross** Restricted GF/GP	**$1,200,000** 1,200,000 $0
17. One Time Grants – Clintondale Flood Damage (Sec. 99(25)) **– NEW** Provides $1.0 million one-time SAF to Clintondale Community Schools for expenses for school buildings related to flood damage.	**Gross** Restricted GF/GP	**$1,000,000** 1,000,000 $0
18. One Time Grants – Schools to Tools (Sec. 99(26)) **– NEW** Provides $3.0 million one-time SAF to an ISD to partner with the Michigan Regional Council of Carpenters and Millwrights for the schools to tools program.	**Gross** Restricted GF/GP	**$3,000,000** 3,000,000 $0
19. One Time Grants – Sam Beauford Woodworking Institute (Sec. 99(27)) **– NEW** Provides $12.0 million one-time SAF to an ISD to partner with the Sam Beauford Woodworking Institute to support the expansion of education opportunities.	**Gross** Restricted GF/GP	**$12,000,000** 12,000,000 $0
20. One Time Grants – Mid Peninsula HVAC (Sec. 99(28)) **– NEW** Provides $245,000 one-time SAF to Mid Peninsula School District for improvements to an HVAC system.	**Gross** Restricted GF/GP	**$245,000** 245,000 $0
21. Hispanic Collaborative (Sec. 99ee) Increases by $1.0 million one-time SAF for a total of $3.0 million SAF to Wayne RESA to partner with a nonprofit to support Hispanic students.	**Gross** Restricted GF/GP	**$1,000,000** 1,000,000 $0
22. Menominee Emergency Water and Asbestos Event (Sec. 99mm) **– NEW** Provides $4.5 million one-time SAF for Menominee Area Public Schools to cover the cost of an emergency water and asbestos event, cost inflation for unfinished bond work delayed due to asbestos cleanup, and for costs related to consolidation activities.	**Gross** Restricted GF/GP	**$4,500,000** 4,500,000 $0
23. Education Assessments (Sec. 104) Increases by $2.0 million one-time SAF for a total of $47.5 million Gross ($0 GF/GP) for state assessments.	**Gross** Federal Restricted GF/GP	**$2,000,000** 2,000,000 0 $0
24. MPSERS (Secs. 147a, 147c, 147e, & 147g) Increases by $12.9 million SAF to reflect May cost estimates for the Michigan Public School Employees' Retirement System.	**Gross** Restricted GF/GP	**$12,900,000** 12,900,000 $0

SCHOOL AID LINE ITEM SUMMARY

		FY 2024-2025	FY 2024-2025		FY 2025-2026	FY 2025-2026	FY 2025-2026	FY 2025-2026	
		FY 25 2024 PA 148 YTD	Change from FY 25 YTD	FY 25 2025 PA 15 Enacted	FY 26 Exec Rec	FY 26 Senate	FY 26 House	Change from FY 25 YTD	FY 26 2025 PA 15 Enacted
Sec.									
11j	School Bond Redemption Fund	$23,000,000		$23,000,000	$23,000,000	$23,000,000	$23,000,000		$23,000,000
11m	Cash Flow Borrowing Costs	$1,000,000		$1,000,000	$5,000,000	$5,000,000	$5,000,000	$4,000,000	$5,000,000
11s	Flint Declaration of Emergency	$8,075,000		$8,075,000	$8,075,000	$8,075,000	$0	($75,000)	$8,000,000
11x	Infrastructure, Consolidation, Class Sizes, Literacy - **NEW**	$0		$0	$0	$0	$286,500,000		$0
12e	Infrastructure Grants - **NEW**	$0		$0	$0	$350,000,000	$0	$100,000,000	$100,000,000
12f	Consolidation Grants - **NEW**	$0		$0	$150,000,000	$0	$0		$0
12f	Educator Housing - **NEW**	$0		$0	$0	$20,150,000	$0		$0
16b	Targeted Interventions - **NEW**	$0		$0	$232,000,000	$0	$0		$0
16c	Targeted Interventions - ISD Administration - **NEW**	$0		$0	$18,000,000	$0	$0		$0
21h	Partnership Model Districts	$6,137,400		$6,137,400	$6,137,400	$6,137,400	$0		$6,137,400
22a	Foundations: Proposal A Obligation Payment	$3,993,000,000	($66,000,000)	$3,927,000,000	$3,803,000,000	$3,803,000,000	$3,785,000,000	($208,000,000)	$3,785,000,000
22b	Foundations: Discretionary Payment	$6,254,000,000	$7,000,000	$6,261,000,000	$6,576,000,000	$6,587,000,000	$6,661,000,000	$566,500,000	$6,820,500,000
22c	Out of Formula Payment	$3,000,000		$3,000,000	$3,000,000	$3,000,000	$0	($3,000,000)	$0
22d	Isolated District Funding	$12,306,900		$12,306,900	$12,816,900	$12,823,800	$0	$566,200	$12,873,100
22e	Charter School Per-Pupil Payment	$57,000,000		$57,000,000	$0	$0	$0	($57,000,000)	$0
22f	Per-Pupil Payments - **NEW**	$0		$0	$0	$0	$3,075,683,900		$0
22h	Hold Harmless Payments - **NEW**	$0		$0	$0	$0	$130,900,000		$0
22*l*	Transportation Costs	$125,000,000		$125,000,000	$125,000,000	$125,000,000	$0		$125,000,000
22m	Technology Regional Data Hubs	$3,500,000		$3,500,000	$3,500,000	$3,500,000	$0	$1,500,000	$5,000,000
24	Court-Placed Pupils	$7,650,000		$7,650,000	$7,650,000	$7,650,000	$7,650,000		$7,650,000
24a	Juvenile Detention Facility Programs	$1,355,700		$1,355,700	$1,355,700	$1,355,700	$1,355,700		$1,355,700
25f	Strict Discipline Academies	$1,600,000		$1,600,000	$1,600,000	$1,600,000	$1,600,000		$1,600,000
25g	Dropout Recovery Programs	$3,050,000		$3,050,000	$750,000	$3,000,000	$750,000	($1,800,000)	$1,250,000
25*l*	Early Warning Intervention System	$5,000,000		$5,000,000	$0	$0	$0	($5,000,000)	$0
26a	Renaissance Zone Reimbursement	$14,000,000		$14,000,000	$14,000,000	$14,000,000	$14,000,000		$14,000,000
26b	PILT Reimbursement	$5,284,000		$5,284,000	$5,549,000	$5,549,000	$5,549,000	$265,000	$5,549,000
26c	Promise Zone Funding	$34,500,000	$3,200,000	$37,700,000	$43,300,000	$43,300,000	$43,300,000	$8,800,000	$43,300,000
26d	Brownfield Redevelopment Reimbursement	$14,400,000		$14,400,000	$14,400,000	$14,400,000	$14,400,000		$14,400,000
27a	Mi Future Educator Fellowship Program	$25,000,000		$25,000,000	$25,000,000	$25,000,000	$0		$25,000,000
27b	Grow Your Own Programs - **NEW**	$0		$0	$50,000,000	$0	$0	$70,000,000	$70,000,000
27c	Mi Future Educator Student Teacher Stipend Program	$50,000,000		$50,000,000	$50,000,000	$50,000,000	$0		$50,000,000
27f	Michigan Education Justice Coalition	$4,000,000		$4,000,000	$0	$0	$0	($4,000,000)	$0
27g	Michigan Educator Workforce Initiative	$12,500,000		$12,500,000	$0	$12,500,000	$0	($12,500,000)	$0
27k	Student Loan Repayment Program	$25,000,000		$25,000,000	$0	$500,000	$0	($25,000,000)	$0
27*l*	Educator Compensation - **NEW**	$0	$350,300,000	$350,300,000	$0	$0	$0		$0
27o	Learner Wallet Pilot	$2,000,000		$2,000,000	$0	$0	$0	($2,000,000)	$0
27p	Talent Together - Grow Your Own	$12,500,000		$12,500,000	$0	$12,500,000	$0	($12,500,000)	$0
27r	West Michigan Teacher Collaborative	$7,000,000		$7,000,000	$0	$4,500,000	$0	($7,000,000)	$0
27s	Black Male Educators Alliance	$2,500,000		$2,500,000	$0	$0	$0	($2,500,000)	$0
29	Enrollment Stabilization	$71,000,000		$71,000,000	$71,000,000	$71,000,000	$0		$71,000,000
30d	Universal School Breakfast and Lunch	$200,000,000		$200,000,000	$200,000,000	$200,000,000	$0	$1,600,000	$201,600,000
31a	At-Risk Pupil Support	$1,034,924,000		$1,034,924,000	$1,077,224,000	$1,293,655,000	$1,034,924,000	$258,731,000	$1,293,655,000
31a(7)(19)	School-Based Health Centers	$33,000,000		$33,000,000	$33,000,000	$40,000,000	$0		$33,000,000
31a(8)	Hearing, Vision, and Dental Screening	$11,650,000		$11,650,000	$11,650,000	$11,650,000	$0		$11,650,000
31c	Small Class Size Pilots - **NEW**	$0		$0	$0	$65,000,000	$0	$65,000,000	$65,000,000
31d	State School Lunch Programs	$29,553,400		$29,553,400	$29,553,400	$29,553,400	$29,553,400		$29,553,400
31d	School Lunch Programs - Federal	$916,400,000		$916,400,000	$923,400,000	$923,400,000	$923,400,000	$7,000,000	$923,400,000
31f	School Breakfast Program	$16,900,000		$16,900,000	$16,900,000	$16,900,000	$0		$16,900,000
31g	Student Wellness Software Pilot	$1,250,000		$1,250,000	$0	$0	$0	($1,250,000)	$0
31j	Local Produce in School Meals	$4,500,000		$4,500,000	$4,500,000	$4,500,000	$0	($4,500,000)	$0

SCHOOL AID LINE ITEM SUMMARY

Sec.		FY 2024-2025 FY 25 2024 PA 148 YTD	FY 2024-2025 Change from FY 25 YTD	FY 2024-2025 FY 25 2025 PA 15 Enacted	FY 2025-2026 FY 26 Exec Rec	FY 2025-2026 FY 26 Senate	FY 2025-2026 FY 26 House	FY 2025-2026 Change from FY 25 YTD	FY 2025-2026 FY 26 2025 PA 15 Enacted
31n	School Mental Health and Support Services	$107,845,000		$107,845,000	$107,845,000	$107,845,000	$0		$107,845,000
31aa	Per-Pupil Mental Health & School Safety Grant	$151,500,000		$151,500,000	$150,000,000	$350,000,000	$0	$169,500,000	$321,000,000
32d	Great Start Readiness Program	$609,720,000		$609,720,000	$630,770,000	$634,820,000	$559,720,000	$28,497,600	$638,217,600
32d(3)	GSRP Longitudinal Evaluation	$600,000		$600,000	$350,000	$600,000	$350,000	($250,000)	$350,000
32d(22)	GSRP Transportation - GSRP Reserve Fund	$18,000,000		$18,000,000	$18,000,000	$18,000,000	$28,000,000		$18,000,000
32d(29)	GSRP Start Up Grants	$25,000,000		$25,000,000	$25,000,000	$25,000,000	$0	($15,000,000)	$10,000,000
32d(30)	GSRP Awareness Campaign	$1,950,000		$1,950,000	$1,950,000	$1,950,000	$0	($1,950,000)	$0
32n	Out-of-School Time	$75,000,000	$4,000,000	$79,000,000	$50,000,000	$96,000,000	$0		$75,000,000
32p	Early Childhood Block Grants	$19,400,000		$19,400,000	$19,400,000	$19,400,000	$0	($19,400,000)	$0
32p(6)	Dolly Parton Imagination Library	$4,000,000		$4,000,000	$4,000,000	$0	$0	($4,000,000)	$0
32t	Three-Year-Old GSRP Pilot Program - **NEW**	$0		$0	$61,000,000	$30,000,000	$0	$25,000,000	$25,000,000
35a(4)	Early Literacy Teacher Coaches	$42,000,000		$42,000,000	$45,250,000	$42,000,000	$0		$42,000,000
35a(5)	Early Literacy Added Instructional Time	$19,900,000		$19,900,000	$39,800,000	$19,900,000	$0	($19,900,000)	$0
35a(7)	Literacy and Math Essentials	$6,000,000		$6,000,000	$6,000,000	$6,000,000	$0	($6,000,000)	$0
35a(8)	Michigan Education Corps	$5,000,000		$5,000,000	$5,000,000	$5,000,000	$0	($5,000,000)	$0
35a(10)	PD - Literacy Coaches and Classroom Teachers	$10,000,000		$10,000,000	$10,000,000	$10,000,000	$0		$10,000,000
35d	Orton Gillingham Dyslexia Program	$1,000,000		$1,000,000	$0	$2,500,000	$0	($1,000,000)	$0
35e	School Libraries - **NEW**	$0		$0	$0	$15,000,000	$0	$250,000	$250,000
35f	Chaldean Community Foundation - **NEW**	$0		$0	$0	$1,500,000	$0		$0
35m	Literacy Supports	$87,000,000		$87,000,000	$0	$74,195,600	$0	($17,000,000)	$70,000,000
35n	READ Innovation Competition	$10,000,000		$10,000,000	$0	$0	$0	($10,000,000)	$0
39a(1)	Federal ESSA Grant Funds	$754,700,000		$754,700,000	$824,700,000	$824,700,000	$824,700,000	$70,000,000	$824,700,000
39a(2)	Other Federal Funding	$60,500,000		$60,500,000	$66,415,000	$66,415,000	$66,715,000	$5,915,000	$66,415,000
41	English Language Learner Grants	$50,186,100		$50,186,100	$52,286,100	$62,732,600	$0	$12,546,500	$62,732,600
41b	Immigrant Support Services	$1,000,000	$1,000,000	$2,000,000	$0	$1,500,000	$0	($1,000,000)	$0
51a(1)	Special Education - Federal Reimbursement	$450,000,000		$450,000,000	$500,000,000	$500,000,000	$500,000,000	$50,000,000	$500,000,000
51a(2)	Special Ed ISD Durant Costs	$456,800,000	($15,400,000)	$441,400,000	$491,700,000	$491,700,000	$492,400,000	$35,600,000	$492,400,000
51a(5)	Special Ed Admin Rules Changes	$3,200,000		$3,200,000	$3,200,000	$3,200,000	$3,200,000		$3,200,000
51a(10)	Special Ed Foundations for Non Sec. 52 to ISDs	$1,700,000	($100,000)	$1,600,000	$1,500,000	$1,500,000	$1,600,000	($100,000)	$1,600,000
51c	Special Ed Headlee Obligation (Durant)	$1,016,400,000	($23,300,000)	$993,100,000	$1,108,900,000	$1,108,900,000	$1,107,900,000	$91,500,000	$1,107,900,000
51d	Special Education - Other Federal Grants	$83,000,000		$83,000,000	$83,000,000	$83,000,000	$83,000,000		$83,000,000
51e	Special Education Foundation Payment	$499,600,000	$3,400,000	$503,000,000	$523,900,000	$524,400,000	$524,800,000	$28,500,000	$528,100,000
51g	MITTIN Special Education Curricular Resources	$3,000,000		$3,000,000	$3,000,000	$3,000,000	$0		$3,000,000
51h	Special Education Study	$500,000		$500,000	$0	$0	$0	($500,000)	$0
53a	Special Ed for Court Placed Pupils	$10,500,000		$10,500,000	$10,500,000	$10,500,000	$10,500,000		$10,500,000
54	Special Ed Michigan School Blind/Deaf	$1,688,000		$1,688,000	$1,688,000	$1,688,000	$1,688,000		$1,688,000
54b	MiMTSS Technical Assistance Center	$1,600,000		$1,600,000	$1,600,000	$1,600,000	$0	($1,600,000)	$0
54d	Early On	$23,670,700		$23,670,700	$28,404,700	$24,664,900	$23,670,700		$23,670,700
55	Conductive Learning	$500,000		$500,000	$0	$0	$0	($500,000)	$0
56	Special Ed ISD Millage Equalization	$40,008,100		$40,008,100	$89,208,100	$40,008,100	$0		$40,008,100
56(7)	Special Ed Millage Incentive	$34,200,000		$34,200,000	$0	$34,200,000	$0		$34,200,000
61a	Career and Tech Ed Programs	$39,899,800		$39,899,800	$41,599,800	$41,575,600	$0	$1,834,000	$41,733,800
61b	CTE Early/Middle College & Dual Enrollment	$8,000,000		$8,000,000	$8,400,000	$8,336,000	$0	$368,000	$8,368,000
61c	CTE Equipment Grants - **NEW**	$0		$0	$20,000,000	$0	$0		$0
61d	CTE Incentive Payment	$5,304,300		$5,304,300	$5,554,300	$40,527,100	$0	$8,095,700	$13,400,000
61j	Huron Downriver CTE Consortium - **NEW**	$0	$5,000,000	$5,000,000	$0	$100	$0		$0
61v	CTE Pathways to Success - **NEW**	$0		$0	$125,000,000	$50,000,000	$0	$70,000,000	$70,000,000
62	ISD Career & Tech Ed Millage Equalization	$9,190,000		$9,190,000	$9,190,000	$9,190,000	$0		$9,190,000
65	Detroit PreCollege Engineering	$900,000		$900,000	$900,000	$900,000	$0		$900,000
67	Career and College Readiness Tools	$4,000,000		$4,000,000	$4,000,000	$4,000,000	$0	($1,000,000)	$3,000,000
67a	MITES	$50,000		$50,000	$0	$100	$0	($50,000)	$0

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Sec.		FY 2024-2025 FY 25 2024 PA 148 YTD	FY 2024-2025 Change from FY 25 YTD	FY 2024-2025 FY 25 2025 PA 15 Enacted	FY 2025-2026 FY 26 Exec Rec	FY 2025-2026 FY 26 Senate	FY 2025-2026 FY 26 House	FY 2025-2026 Change from FY 25 YTD	FY 2025-2026 FY 26 2025 PA 15 Enacted
67b	PRIME	$1,000,000		$1,000,000	$0	$0	$0	($1,000,000)	$0
67d	ProStart/HTM Hospitality and Tourism CTE Grants	$1,000,000		$1,000,000	$0	$100	$0	($1,000,000)	$0
67f	FAFSA Completion Challenge	$10,000,000		$10,000,000	$10,000,000	$10,000,000	$0		$10,000,000
74	School Bus Driver Safety Instruction	$2,025,000		$2,025,000	$2,025,000	$2,025,000	$2,025,000		$2,025,000
74	School Bus Inspections	$1,888,500		$1,888,500	$1,924,900	$1,924,900	$1,888,500	$36,400	$1,924,900
74d	Nature Awaits Transportation - **NEW**	$0		$0	$1,800,000	$0	$0		$0
81	ISD General Operations Support	$79,424,700		$79,424,700	$82,664,700	$82,760,500	$79,424,700	$3,733,000	$83,157,700
94	AP/IB/CLEP Incentive Program	$1,200,000		$1,200,000	$2,200,000	$2,550,000	$0	$1,400,000	$2,600,000
94a	Center for Educational Performance and Information	$19,219,200		$19,219,200	$20,614,700	$19,364,700	$19,219,200	$145,500	$19,364,700
94a	Center for Educational Performance and Info - Federal	$193,500		$193,500	$2,193,500	$2,193,500	$2,193,500	$2,000,000	$2,193,500
94d	Special Education Task Force	$1,000,000		$1,000,000	$0	$100	$0	($1,000,000)	$0
94e	Michigan Education Research Institute	$1,000,000		$1,000,000	$1,000,000	$0	$0		$1,000,000
95b	EVAAS - **NEW**	$0		$0	$0	$0	$2,000,000		$0
97a	Navigate 360	$500,000		$500,000	$0	$100	$0	($500,000)	$0
97h	School Safety Tip Line	$1,000,000		$1,000,000	$0	$0	$0	($1,000,000)	$0
97j	Raptor Technologies	$250,000		$250,000	$0	$0	$0	($250,000)	$0
97k	Student Advocacy Hotline	$100,000	$150,000	$250,000	$0	$100	$0	($100,000)	$0
97m	Peer Mentoring	$1,000,000		$1,000,000	$0	$0	$0	($1,000,000)	$0
97n	Community Violence Intervention Plans - **NEW**	$0		$0	$0	$20,150,000	$0	$10,000,000	$10,000,000
98	Michigan Virtual University	$9,800,000		$9,800,000	$9,800,000	$8,000,000	$8,000,000		$9,800,000
98d	Michigan Learning Channel	$3,000,000		$3,000,000	$0	$3,000,000	$0	($3,000,000)	$0
99	One-Time Grants	$32,250,000	$20,845,000	$53,095,000	$0	$1,200	$0	($32,250,000)	$0
99b	Computer Science Professional Learning	$500,000		$500,000	$0	$0	$0	($500,000)	$0
99c	Playworks	$1,000,000		$1,000,000	$0	$100	$0	($1,000,000)	$0
99g	Helping Women Period Pilot	$1,000,000		$1,000,000	$0	$0	$0	($1,000,000)	$0
99h	FIRST Robotics	$5,323,200		$5,323,200	$4,723,200	$6,264,200	$0	$276,800	$5,600,000
99i	MI Council of Women in Technology Foundation	$250,000		$250,000	$0	$100	$0	($250,000)	$0
99o	School-Based Driver's Training Programs - **NEW**	$0		$0	$0	$4,500,000	$0		$0
99p	Debate and Forensic Events - **NEW**	$0		$0	$0	$3,000,000	$0		$0
99q	Civics Education - **NEW**	$0		$0	$0	$5,000,000	$0		$0
99s(4)	MiSTEM Council and Grants	$3,050,000		$3,050,000	$3,050,000	$3,050,000	$0	($3,050,000)	$0
99s(5)(7)	MiSTEM Centers Transition	$4,584,300		$4,584,300	$4,904,300	$4,584,300	$0	($4,584,300)	$0
99t	Math Nation	$1,000,000		$1,000,000	$0	$0	$0	($1,000,000)	$0
99x	Teach for America	$3,000,000		$3,000,000	$0	$40,000,000	$0	($3,000,000)	$0
99aa	Project SEARCH	$1,000,000		$1,000,000	$0	$100	$0	($1,000,000)	$0
99ee	Hispanic Collaborative	$2,000,000	$1,000,000	$3,000,000	$0	$2,500,000	$0	($2,000,000)	$0
99ff	Junior Achievement	$1,900,000		$1,900,000	$0	$2,000,000	$0	($1,900,000)	$0
99hh	City Year Detroit	$3,000,000		$3,000,000	$0	$3,000,000	$0	($3,000,000)	$0
99ii	Wayne-Westland Driver's Training Pilot - **NEW**	$0		$0	$0	$100	$0		$0
99jj	Dearborn Driver's Training Pilot - **NEW**	$0		$0	$0	$100	$0		$0
99mm	Menominee Cleanup - **NEW**	$0	$4,500,000	$4,500,000	$0	$0	$0		$0
104	Education Assessments - State	$37,509,400	$2,000,000	$39,509,400	$37,509,400	$37,509,400	$0		$37,509,400
104	Education Assessments - Federal	$8,000,000		$8,000,000	$8,000,000	$8,000,000	$8,000,000		$8,000,000
104h	Benchmark Assessments	$11,500,000		$11,500,000	$11,500,000	$11,500,000	$0		$11,500,000
107	Adult Education	$40,500,000		$40,500,000	$40,500,000	$40,500,000	$0	($7,586,400)	$32,913,600
147a(1)	MPSERS Cost Offset	$100,000,000		$100,000,000	$100,000,000	$100,000,000	$100,000,000	($100,000,000)	$0
147a(2)	MPSERS Normal Cost Offset for Lower AROR/Dedicated Gains	$365,200,000	$49,800,000	$415,000,000	$336,300,000	$336,300,000	$336,300,000	($28,900,000)	$336,300,000
147a(3)	MPSERS Cost Offset - ISDs and District Libraries	$11,939,000		$11,939,000	$0	$0	$0	($11,939,000)	$0
147a(4)	MPSERS Cost Offset - Reduced UAAL Rate Cap	$598,000,000		$598,000,000	$0	$0	$0	($598,000,000)	$0
147c	MPSERS State Share of Unfunded Liability Payments	$1,289,400,000		$1,289,400,000	$1,536,800,000	$1,536,800,000	$914,500,000	$247,400,000	$1,536,800,000

SCHOOL AID

SCHOOL AID LINE ITEM SUMMARY

Sec.		FY 2024-2025 FY 25 2024 PA 148 YTD	FY 2024-2025 Change from FY 25 YTD	FY 2024-2025 FY 25 2025 PA 15 Enacted	FY 2025-2026 FY 26 Exec Rec	FY 2025-2026 FY 26 Senate	FY 2025-2026 FY 26 House	FY 2025-2026 Change from FY 25 YTD	FY 2025-2026 FY 26 2025 PA 15 Enacted
147e	MPSERS Added Normal/DC Costs for PA 92 of 2017	$104,700,000	($33,100,000)	$71,600,000	$118,400,000	$118,400,000	$118,400,000	$13,700,000	$118,400,000
147g	MPSERS Employee Healthcare Reimbursement	$181,519,700		$181,519,700	$90,000,000	$153,264,400	$0	($181,519,700)	$0
152a	Adair - Database Payment	$41,000,500		$41,000,500	$41,000,500	$41,000,500	$41,000,500		$41,000,500
152b	Nonpublic School Reimbursement	$1,000,000		$1,000,000	$0	$0	$1,000,000		$1,000,000
		$20,770,275,400	**$314,295,000**	**$21,084,570,400**	**$21,192,282,600**	**$21,805,290,900**	**$21,905,761,100**	**$518,556,300**	**$21,288,831,700**

REVENUE BY SOURCE								
Federal Aid	$2,272,793,500	$0	$2,272,793,500	$2,407,708,500	$2,407,708,500	$2,408,008,500	$134,915,000	$2,407,708,500
School Aid Fund	$17,769,551,300	$166,995,000	$17,936,546,300	$18,486,998,000	$18,779,755,700	$19,111,272,000	$596,783,400	$18,366,334,700
School Aid Pupil Support Reserve Fund	$0	$0	$0	$0	$0	$0	$97,037,400	$97,037,400
General Pupil Support Reserve Fund	$0	$0	$0	$0	$0	$0	$600,000	$600,000
MPSERS Obligation Reform Reserve Fund	$334,100,000	$147,300,000	$481,400,000	$0	$0	$0	($334,100,000)	$0
Educator Fellowship Public Provider Fund	$30,000,000	$0	$30,000,000	$30,000,000	$70,000,000	$0	$0	$30,000,000
School Transportation Fund	$125,000,000	$0	$125,000,000	$125,000,000	$125,000,000	$0	$0	$125,000,000
School Meals Reserve Fund	$30,000,000	$0	$30,000,000	$0	$0	$0	($30,000,000)	$0
GSRP Reserve Fund	$18,000,000	$0	$18,000,000	$18,000,000	$18,000,000	$28,000,000	$0	$18,000,000
Enrollment Stabilization Fund	$71,000,000	$0	$71,000,000	$71,000,000	$71,000,000	$0	$0	$71,000,000
School Consolidation and Infrastructure Fund	$0	$0	$0	$0	$283,400,000	$286,500,000	$100,000,000	$100,000,000
Community District Trust Fund	$41,000,000	$0	$41,000,000	$0	$0	$0	($41,000,000)	$0
General Fund/General Purpose	$78,830,600	$0	$78,830,600	$53,576,100	$50,426,700	$71,980,600	($5,679,500)	$73,151,100
TOTAL REVENUE	**$20,770,275,400**	**$314,295,000**	**$21,084,570,400**	**$21,192,282,600**	**$21,805,290,900**	**$21,905,761,100**	**$518,556,300**	**$21,288,831,700**

DEPARTMENT OF STATE POLICE
Summary of FY 2025-26 Enacted
Public Act 22 of 2025 (House Bill 4706, Article 14)

Analyst: Aaron A. Meek

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Enacted	*Difference: Enacted From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$27,189,800	$29,030,200	*$1,840,400*	*6.8*
Federal	99,062,700	101,314,700	*2,252,000*	*2.3*
Local	4,975,700	5,035,600	*59,900*	*1.2*
Private	35,000	35,000	*0*	*0.0*
Restricted	174,984,300	190,336,000	*15,351,700*	*8.8*
GF/GP	646,861,000	638,435,100	*(8,425,900)*	*(1.3)*
Gross	**$953,108,500**	**$964,186,600**	***$11,078,100***	***1.2***
FTEs	3,856.0	3,576.0	*(280.0)*	*(7.3)*

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

Overview

The Michigan Department of State Police (MSP) is the state's primary law enforcement and emergency response authority. The department is responsible for criminal law enforcement and investigation, traffic and motor carrier safety, and homeland security. The department is also responsible for the administration and implementation of various state programs, technologies, and specialized services intended to enhance the capabilities and coordination of federal, state, local, and tribal law enforcement agencies, the criminal justice system, and the entire public safety community.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
1. Post Operations	FTE	2,247.5	(243.0)
Includes net increase of $2.2 million Gross (net reduction of $6.8 million GF/GP and 243.0 FTE positions), which includes the following:	**Gross**	**$419,601,000**	**$2,233,000**
	IDG/IDT	2,100	0
• Reduction of $9.5 million GF/GP and 280.0 FTE positions	Federal	2,124,100	0
• Transfers $9.9 million Gross ($8.9 million GF/GP) and 30.0 FTE positions from Secure Cities Partnership	Restricted	45,847,500	9,028,600
	GF/GP	$371,627,300	($6,795,600)
• Transfers $1.8 million GF/GP and 7.0 FTE positions from Professional Development Bureau			
• Increase of $8.0 million in state restricted authorization for Traffic Law Enforcement and Safety Fund to offset GF/GP reduction (net-zero Gross change).			
2. Removal of Professional Development Bureau	FTE	39.0	(30.0)
Eliminates $3.0 million GF/GP in training funds and reallocates $7.6 million Gross ($5.1 million GF/GP) and 30.0 FTE authorization to Post Operations and Training Operations. (Remaining funding and FTE authorization are moved to Training Operations via a separate technical transfer.)	**Gross**	**$12,074,300**	**($10,557,500)**
	Federal	1,937,000	(1,990,700)
	Restricted	571,100	(486,500)
	GF/GP	$9,566,200	($8,080,300)
3. Removal of Secure Cities Partnership	FTE	30.0	(30.0)
Transfers $9.9 million Gross ($8.9 million GF/GP) and 30.0 FTE positions to Post Operations.	**Gross**	**$9,939,000**	**($9,939,000)**
	Restricted	1,028,600	(1,028,600)
	GF/GP	$8,910,400	($8,910,400)

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
4. Training Operations	FTE	38.0	23.0
Transfers $5.8 million Gross ($3.3 million GF/GP) and 23.0 FTE positions (after technical adjustments) from Professional Development Bureau.	**Gross**	**$8,259,500**	**$5,763,500**
	IDG/IDT	3,560,600	0
	Federal	0	1,990,700
	Restricted	547,800	486,500
	GF/GP	$4,151,100	$3,286,300
5. Michigan Commission on Law Enforcement Standards	FTE	27.0	0.0
Eliminates $5.5 million GF/GP appropriated for Michigan Commission on Law Enforcement Standards as follows:	**Gross**	**$33,946,300**	**($5,500,000)**
	Federal	280,400	0
• Eliminates $500,000 GF/GP for De-Escalation Training	Restricted	14,263,200	0
• Eliminates $5.0 million GF/GP for In-Service Training.	GF/GP	$19,402,700	($5,500,000)
6. Departmentwide	**Gross**	**$53,292,400**	**($5,000,000)**
Eliminates $5.0 million GF/GP for department-wide costs.	IDG/IDT	484,800	0
	Federal	112,300	0
	Restricted	1,509,000	0
	GF/GP	$51,186,300	($5,000,000)
7. Trooper Recruit School Onboarding, Training, and Outfitting	**Gross**	**$5,000,000**	**($5,000,000)**
Eliminates $5.0 million GF/GP for recruiting efforts and costs of training and equipping new recruits.	GF/GP	$5,000,000	($5,000,000)
8. Intelligence Operations	FTE	233.0	0.0
Includes $143,600 GF/GP to cover licensing costs for software used by Intelligence Operations Division.	**Gross**	**$35,424,200**	**$143,600**
	IDG/IDT	100,000	0
	Restricted	3,227,500	0
	GF/GP	$32,096,700	$143,600
9. New FY 2025-26 One-Time Appropriations	**Gross**	**$0**	**$2,500,000**
Includes $2.5 million GF/GP for the following one-time appropriations:	GF/GP	$0	$2,500,000
• Cold Case Investigations ($600,000 GF/GP)			
• Law Enforcement Communication Training ($500,000 GF/GP)			
• Michigan Public Safety Critical Incident Mapping Grant ($400,000 GF/GP)			
• Trooper Recruit Schools ($1.0 million GF/GP).			
10. Removal of FY 2024-25 One-Time Appropriations	**Gross**	**$24,900,000**	**($24,900,000)**
Removes $24.9 million one-time GF/GP that was included in the FY 2024-25 budget to support the following:	GF/GP	$24,900,000	($24,900,000)
• Cold Case Investigations ($1.0 million GF/GP)			
• Disaster and Emergency Contingency Fund ($10.0 million GF/GP)			
• Disaster Recovery Grants ($3.2 million GF/GP)			
• Law Enforcement Communication Training ($500,000 GF/GP)			
• Michigan International Speedway Security ($200,000 GF/GP)			
• Public Safety Academy Assistance Programs ($10.0 million GF/GP).			
11. Technical Adjustments	FTE	NA	0.0
Includes funding adjustments totaling $1.9 million Gross to align federal and state restricted fund authorization with available revenues and internal FTE adjustments throughout the budget to align FTE authorization with department activity.	**Gross**	**NA**	**$1,880,600**
	Federal	NA	783,400
	Restricted	NA	1,097,200
	GF/GP	NA	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
12. Economic Adjustments	**Gross**	**NA**	**$59,453,900**
Reflects a net increase in costs of $59.5 million Gross ($49.8 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	IDG/IDT	NA	1,840,400
	Federal	NA	1,468,600
	Local	NA	59,900
	Restricted	NA	6,254,500
	GF/GP	NA	$49,830,500

Major Boilerplate Changes from FY 2024-25

***Sec. 208. Use of Funding for Legal Services* – DELETED**
Prohibits using appropriations to hire a person to provide legal services that are the responsibility of the attorney general; prohibition does not apply to legal services for bonding activities or to services authorized by attorney general.

***Sec. 208. State Administrative Board Transfers* – NEW (UNENFORCEABLE)**
Authorizes the legislature, by a concurrent resolution adopted by a majority of members elected to and serving in each house, to intertransfer funds if the State Administrative Board transfers funds.

***Sec. 215. Prioritization of In-Person Work* – NEW**
Requires department to maximize utilization of its in-person state workforce; requires department to prioritize occupancy utilization of office space for each department division; requires monitoring of employees who complete work outside of an office; requires department to comply with in-person work requirements set by Office of the State Employer and ensure utilization and occupancy rates of state buildings are 80% or higher; requires department to establish policies and processes to ensure all employees are working during agreed upon business hours.

***Sec. 217. E-Verify System* – NEW**
Requires department to use E-Verify system to verify that all persons hired during contract term by a contractor or subcontractor are legally present and authorized to work in the United States; requires report on processes developed and implemented for use of E-Verify system; defines "E-Verify."

***Sec. 218. Report on Federal Policy Changes* – NEW**
Requires annual report on federal policy changes that are expected to affect departmental operations, affect groups the department engages with, affect regulations that impact those groups, or create a regulatory gap that could negatively impact the public.

***Sec. 221. Report Accessibility and Posting* – NEW**
Requires department to make required reports readily accessible to the public and conspicuously post each report in a single archivable location on department's Michigan.gov website not later than the report's due date; requires department to maintain all reports from current and previous fiscal years on its website.

***Sec. 222. Work Project Expenditures* – NEW (UNENFORCEABLE)**
Prohibits appropriations from being expended in cases where existing work project authorization is available for the same expenditures. *(Governor's signing letter states this section is unenforceable.)*

***Sec. 223. Work Project Report* – REVISED**
Requires department to report on its performance against key metrics, status of work projects, and financial status. Revised to move performance metric provisions to Sec. 228, delete financial status provisions, and require the department to do the following: produce annual work project report not later than six months after State Budget Office sends work project letters; requires report to include the following: a list of all work project accounts; status of all work project accounts, including amounts expended, amounts encumbered, and available balances for each account; and amount of funds that lapsed from any previously designated work project accounts, names and descriptions of the accounts, and funds that received lapsed amounts.

***Sec. 224. Legacy Costs* – NEW**
Estimates total legacy costs for department to be $170.4 million ($130.0 million for pension-related and $40.4 million for healthcare-related legacy costs).

STATE POLICE

Major Boilerplate Changes from FY 2024-25

***Sec. 225. Annual Strategic Plan* – NEW**
Requires department to submit its annually updated departmental strategic plan to legislature; requires strategic plan to include mission, vision, goals, strategies, and performance measures of department.

***Sec. 226. Legal Settlement Costs* – NEW**
Requires department to report on any court settlement that may require further legislative review of state statutory programs or regulations.

***Sec. 227. Private and Third-Party Funds* – NEW**
Requires department to report on funds received from private and other third-party sources; requires department to post report on its website.

***Sec. 230. Legislatively Directed Spending Items* – NEW**
Requires the legislature to provide the department and the state budget director with a list of legislatively directed spending items; provides requirements for the administering of grants; provides requirements for grant agreements; requires grant recipients to respond to reasonable information requests; provides deadline for grant expenditure; requires the department to post information about grant recipients on its website.

***Sec. 232. Receive and Expend Authorization for Federal Revenues* – REVISED**
Authorizes department to expend federal revenues received in excess of appropriations; requires department to report prior to expending excess federal revenues; limits federal receive and expend under Sec. 232 and Sec. 704(3) to $105.0 million. Revised to increase federal receive and expend limit to $750.0 million.

***Sec. 239. Authorization to Reallocate State Fiscal Recovery Funds* – DELETED**
Requires state budget director to ensure that all State Fiscal Recovery Funds (SFRF) are expended by December 31, 2026; authorizes state budget director to reallocate funds to fully utilize SFRF that are in jeopardy of not meeting expenditure deadline; requires state budget director to notify appropriations committees not later than 10 business days after making any reallocations.

***Sec. 250. Grants Transparency* – DELETED**
Provides eligibility and process requirements for grants or projects awarded to single recipient organizations or local governments; provides timeframes for receiving grant money; requires interest earned from grant money in excess of $1,000 to be returned to Treasury; requires department to report on grant recipient, project purpose, project location, status of funds allocated and disbursed under grant agreement, and legislative sponsor if applicable.

LAW ENFORCEMENT SERVICES

***Sec. 401. Professional Development Training* – REVISED**
Authorizes Professional Development Bureau to conduct training directly related to an employee's departmental role, professional development training, training that allows the employee to seek expanded opportunities within MSP, advanced education training, and de-escalation training; requires a report on training courses and outlines required information; requires department to distribute and review course evaluations. Revised to replace references to Professional Development Bureau with references to Training Operations and to delete language related to de-escalation training.

***Sec. 408. Trooper Recruit Schools* – REVISED**
Stipulates that unexpended general fund/general purpose appropriated for Trooper Recruit School Onboarding, Training, and Outfitting must be deposited into the Trooper Recruit School Fund created under the Michigan Vehicle Code, 1949 PA 300. Revised as follows: requires department to make an organized, strategic effort to recruit, onboard, train, and outfit trooper school candidates and other new employees; requires department to report on trooper, motor carrier, or state properties security recruit schools within 60 days; authorizes department to use attrition-related funds to offset cost of recruiting efforts; deletes reference to Trooper Recruit School Onboarding, Training, and Outfitting line item and requires unexpended and unencumbered general fund/general purpose appropriated for Training Operations to be deposited into Trooper Recruit School Fund created under Michigan Vehicle Code, 1949 PA 300, at the end of the fiscal year.

***Sec. 409. Local Law Enforcement Training* – REVISED**
Requires department to work with MDCR and MCOLES to provide the following training to local police departments and officers free of charge: cultural awareness and competency, tolerance, diversity, and implicit bias, conflict management and de-escalation, use of force on vulnerable individuals, and mental health and wellness; requires quarterly reporting on the training. Revised to delete language related to training on tolerance, diversity, implicit bias, and de-escalation.

Major Boilerplate Changes from FY 2024-25

FIELD SERVICES

***Sec. 601. General Law Enforcement and Traffic Safety* – REVISED**
Stipulates that MSP troopers shall not be prohibited from responding to criminal or emergency situations and shall make every effort to protect residents; requires MSP to maintain staff and resources to enhance traffic safety and dedicate a minimum of 455,200 hours to statewide patrol, with a minimum of 40,000 in distressed cities; requires MSP to report number of residence checks of registered sex offenders; requires report on Secure Cities Partnership. Revised to delete language related to minimum patrol hours in distressed cities and to eliminate report on Secure Cities Partnership.

***Sec. 605. Department Diversity* – REVISED**
Requires department to make an organized and strategic effort to recruit new employees that mirror the diversity of Michigan's communities, including individuals who are Black, Jewish, Native American, LGBTQ+, Indian/Hindu, Hispanic, Arab/Muslim, and Asian and Pacific Islander; requires an annual report on MSP's diversification efforts; allows MSP to utilize attrition savings to offset costs of diversity recruiting. Revised to delete all references to specific communities.

SPECIALIZED SERVICES

***Sec. 704. Emergency Management and Homeland Security* – REVISED**
Requires department to coordinate emergency and disaster response activities of governmental units; authorizes expenditure of appropriated funds to call upon state agencies or departments to protect life or property or to protect health or safety of any area under a state of emergency or disaster; requires report to state budget director and submission of recommendations to legislature for supplemental appropriations; authorizes department to expend additional funds from various sources to provide emergency management training or emergency response activities with notification of legislature; limits federal receive and expend under Sec. 704(3) and Sec. 232 to $105.0 million; requires department to maintain partnerships to protect the state from all hazards; requires department to serve local emergency management preparedness programs and local emergency planning committees, operate and maintain State Emergency Operations Center, respond to civil disorders and natural disasters at a specified level, and perform hazardous materials response training; requires department to conduct a minimum of three training sessions to enhance emergency response; appropriates amounts necessary from Disaster and Emergency Contingency Fund to cover costs related to disasters and emergencies; requires reporting if expenditures are made from the Disaster and Emergency Contingency Fund; requires department to report biannually on assessment of critical infrastructure vulnerabilities; requires carryforward of unexpended revenue collected for the emergency management and homeland security training center. Revised to increase federal receive and expend limit to $750.0 million.

ONE-TIME APPROPRIATIONS

***Sec. 801. Cold Case Investigations* – REVISED**
Allocates $1.0 million to cold case investigations and course programs; allocates $400,000 of total to department's Special Investigation Division; requires at least $250,000 to be used to support cold case murder investigations in Lansing; allocates $200,000 to department's Forensic Science Division and $200,000 each to cold case course programs at Western Michigan University and Northern Michigan University for programmatic and operational expenses. Revised to require department to administer competitive grant program for universities that operate cold case programs with the department; allow for grant awards of up to $200,000 per recipient to support cold case program; require grant funds to be used only for programmatic and operational expenses of university's cold case program; and define "cold case program."

***Sec. 802. Law Enforcement Communication Training* – REVISED**
Requires MCOLES to provide training to law enforcement officers to assist with communication for those with language barriers or who are deaf or hard of hearing; requires training to be developed by an entity that is MCOLES-approved and holds an oral transliteration certificate; designates unexpended funds as work project appropriation. Revised to require oral transliteration certificate to be held by an officer, board member, or principal of the entity administering training for at least one year.

***Sec. 803. Public Safety Critical Incident Mapping* – NEW**
Requires department to administer competitive grant program to assist counties in the development of critical incident mapping; limits individual grants to counties to $25,000 and limits overall eligibility to three individual grants; requires county recipients to use grant funds to implement critical incident mapping that satisfies certain criteria; authorizes MSP to determine grant disbursement schedule.

STATE POLICE

FY 2024-25 Supplemental Appropriation Items **Public Act 22 of 2025 (House Bill 4706, Article 16)**		**Appropriation Change**
1. Emergency Management and Homeland Security – Receipt of Federal Funds Increases federal authorization by $800.0 million to align budget authorization with available Department of Homeland Security revenues. Federal funds will be used to reimburse local sub-recipients, including county and municipal governments, for previously approved disaster response and recovery projects.	**Gross** Federal GF/GP	**$800,000,000** 800,000,000 $0
2. Post Operations – Wage Increases Includes increase of $31.1 million Gross ($28.5 million GF/GP) to support collectively bargained wage increases for non-supervisory enlisted positions (troopers and sergeants) in the Michigan State Police.	**Gross** Restricted GF/GP	**$31,096,800** 2,643,200 $28,453,600
3. Disaster and Emergency Contingency Fund Includes $10.0 million GF/GP to be deposited into Disaster and Emergency Contingency Fund to support disaster response and recovery activities related to the northern Michigan ice storm in March 2025.	**Gross** GF/GP	**$10,000,000** $10,000,000
4. Forensic Science Increases state restricted fund authorization by $3.8 million to align budget authorization with available State Services Fee Fund revenues. Additional authorization will be used to support forensic science equipment upgrades and maintenance.	**Gross** Restricted GF/GP	**$3,800,000** 3,800,000 $0
5. Grants and Community Services Increases state restricted fund authorization by $3.3 million to recognize receipt of higher than anticipated Auto Theft Prevention Fund revenues. Additional authorization will be used by the Automobile Theft Prevention Authority to increase grant awards to auto theft prevention teams, prosecutors' offices, and non-profit organizations.	**Gross** Restricted GF/GP	**$3,250,000** 3,250,000 $0
6. Criminal Justice Information Center Increases state restricted fund authorization by $3.0 million to align budget authorization with available Criminal Justice Information Center service fee revenues. Additional authorization will be used to support various information technology system upgrades, including eDaily, Statewide Records Management System, Michigan Incident Crime Reporting and crime dashboard, and Statewide Network of Agency Photos.	**Gross** Restricted GF/GP	**$3,000,000** 3,000,000 $0
7. Secondary Road Patrol Program Increases state restricted fund authorization by $3.0 million to recognize receipt of higher than anticipated Secondary Road Patrol and Training Fund revenues. Additional authorization will be used to increase grant awards for county sheriffs.	**Gross** Restricted GF/GP	**$3,000,000** 3,000,000 $0
8. Biometrics and Identification Increases state restricted fund authorization by $1.1 million to align budget authorization with available Criminal Justice Information Center service fee revenues. Additional authorization will be used to support a one-time Automated Print Identification System record digitization project.	**Gross** Restricted GF/GP	**$1,100,000** 1,100,000 $0
9. Training Operations Increases intradepartmental transfer authorization by $300,000 to recognize receipt of higher than anticipated Michigan Justice Training Fund grant revenues from the Michigan Commission on Law Enforcement Standards.	**Gross** IDG/IDT GF/GP	**$300,000** 300,000 $0

FY 2024-25 Supplemental Boilerplate Items
Public Act 22 of 2025 (House Bill 4706, Article 16)

Sec. 651. Disaster and Emergency Contingency Fund
Requires funds appropriated for Disaster and Emergency Contingency Fund to be deposited into the fund.

DEPARTMENT OF TRANSPORTATION
Summary of FY 2025-26 Enacted
Public Act 22 of 2025 (House Bill 4706, Article 15)

Analyst: William E. Hamilton

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Enacted	*Difference: Enacted From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$4,316,700	$4,366,200	*$49,500*	*1.1*
Federal	2,273,675,100	2,329,605,500	*55,930,400*	*2.5*
Local	87,448,500	87,448,500	*0*	*0.0*
Private	18,800,000	20,500,000	*1,700,000*	*9.0*
Restricted	4,230,660,000	5,447,575,600	*1,216,915,600*	*28.8*
GF/GP	193,000,000	0	*(193,000,000)*	*(100.0)*
Gross	**$6,807,900,300**	**$7,889,495,800**	***$1,081,595,500***	***15.9***
FTEs	3,228.3	3,208.3	*(20.0)*	*(0.6)*

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

Overview

The state transportation budget supports state and local highway programs, public transportation programs, aeronautics programs, and administration of the Michigan Department of Transportation (MDOT). Historically, approximately two-thirds of the revenue in this budget has come from state restricted revenue, with approximately one-third from federal sources. State-restricted revenue in this budget includes revenue from motor fuel taxes, vehicle registration taxes, as well as from a $600.0 million earmark of Income Tax Act revenue, and an earmark of revenue from the state excise tax on recreational marijuana. For FY 2025-26, approximately $4.0 billion in state restricted revenue will be credited to the Michigan Transportation Fund (MTF) and then distributed in accordance with 1951 PA 51 ("Act 51") to other state transportation funds and programs, including the State Trunkline Fund (STF), the Comprehensive Transportation Fund (CTF), and local road agencies (county road commissions and cities/villages). Revenue from aviation fuel and registration taxes, as well as a portion of Airport Parking Tax revenue, is credited to the State Aeronautics Fund for aeronautics programs. Federal funds for transportation programs are authorized under the federal Infrastructure Investment and Jobs Act (IIJA).

The Enacted budget agreement also reflects, in part, revenue and distributions made in a **Transportation Funding Package**. Bills in that package include those listed below:

House Bill 4183 would amend the Motor Fuel Tax Act to increase the motor fuel tax rate from 31 cents per gallon to at least 51 cents per gallon beginning January 1, 2026.

House Bill 4180 and **House Bill 4182** would amend the General Sales Tax Act and the Use Tax Act, respectively, to exempt motor fuel from the sales and use taxes beginning January 1, 2026, and hold the School Aid Fund harmless for revenue lost due to the exemptions.

House Bill 4181 would amend the Streamlined Sales and Use Tax Revenue Equalization Act.

House Bill 4951 would create a new act to impose excise taxes on certain sales or transfers of marijuana and deposit the revenue in the Neighborhood Roads Fund proposed in Senate Bill 578.

House Bill 4961 would amend the Income Tax Act to, among other things, redirect $600.0 million in income tax revenue currently earmarked to the MTF, as well as additional revenue from the corporate income tax, to the Neighborhood Roads Fund proposed in Senate Bill 578.

Senate Bill 578 would amend Act 51 to create the Neighborhood Roads Fund (NRF) and the Infrastructure Projects Authority Fund and prescribe the distribution of money from each fund.

TRANSPORTATION

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
1. Debt Service	**Gross**	**$340,703,700**	**$100,500**
Debt service totals $340.8 million, $100,500 more than FY 2024-25. Of total debt service, $333.6 million is for debt service on STF bonds.	Restricted	340,703,700	100,500
	GF/GP	$0	$0
The debt service appropriation is primarily based on debt service schedules for previously issued and outstanding bonds, including STF Rebuilding Michigan bonds issued in 2020, 2021, and 2023. Debt service also includes estimated debt service on the final Rebuilding Michigan bond issue, which may be issued later in 2025. Total outstanding bonded debt at September 30, 2025 was $3.0 billion, of which, $2.8 billion represented STF bonds.			
2. Services Provided by Other State Departments (IDGs)	**Gross**	**$50,705,700**	**$2,266,500**
Recognizes economic and cost allocation adjustments for line items that authorize the reimbursement of other state departments from restricted transportation funds for services provided.	Restricted	50,705,700	2,266,500
	GF/GP	$0	$0
3. Departmental Administration and Support	FTE	315.3	1.0
Includes $171,900 in ongoing MTF funding, and authorization for 1.0 FTE position in Finance, Contracts, and Support Services, for a road usage charge study and pilot project (the balance of funding for this project is shown in the one-time section, below).	**Gross**	**$60,653,700**	**$171,900**
	IDG	4,316,700	0
	Restricted	56,337,000	171,900
	GF/GP	$0	$0
4. Design and Engineering Services	FTE	1,682.3	(27.0)
Increases baseline support by $1.0 million MTF for "Signal Maintenance and Energy Programs." Reduces staffing authorization by 27.0 FTE positions, exclusive of position transfers (no associated funding reductions).	**Gross**	**$259,917,700**	**$1,000,000**
	Federal	23,529,800	0
	Restricted	236,387,900	1,000,000
	GF/GP	$0	$0
5. State Trunkline Maintenance	FTE	909.7	0.0
Increases baseline funding by $15.4 million STF to reflect increased costs of service contracts, concrete, aggregate, and other maintenance materials.	**Gross**	**$486,654,800**	**$15,446,900**
	Restricted	486,654,800	15,446,900
	GF/GP	$0	$0
6. State Trunkline Road and Bridge Capital Program	**Gross**	**$1,617,892,700**	**$233,320,000**
Appropriation for the capital State Trunkline Road and Bridge Construction line item totals $1.85 billion, an increase of $233.3 million. This reflects a $53.5 million increase in estimated federal funds available under IIJA; a $13.7 million increase in state restricted Blue Water Bridge Fund support for Blue Water Bridge capital projects; and $166.1 million increase in STF support, in part from estimated revenue increases in the new Transportation Funding Package.	Federal	1,261,773,700	53,492,700
	Local	30,003,500	0
	Private	10,000,000	0
	Restricted	316,115,500	179,827,300
	GF/GP	$0	$0
7. MTF/NRF Distribution to Cities/Villages	**Gross**	**$734,069,200**	**$255,824,400**
Includes $989.9 million for distribution to cities and villages per Act 51 formula, a $255.8 million increase. This reflects an estimated $13.4 million increase in MTF revenue for distribution to cities and villages, and $242.4 million from the new NRF established under Senate Bill 578. Both changes reflect estimated additional revenue from the new Transportation Funding Package.	Restricted	734,069,200	255,824,400
	GF/GP	$0	$0
8. MTF/NRF Distribution to County Road Commissions	**Gross**	**$1,316,610,100**	**$474,249,000**
Includes $1.8 billion for distribution to county road commissions per Act 51 formula, a $474.2 million increase. This reflects an estimated $24.1 million increase in MTF revenue for distribution to county road commission, and $450.2 million from the new NRF established under Senate Bill 578. Both changes reflect additional revenue from the new Transportation Funding Package.	Restricted	1,316,610,100	474,249,000
	GF/GP	$0	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
9. Local Federal Aid and Road and Bridge	**Gross**	**$411,168,800**	**$17,831,000**
Includes $429.0 million for the line item representing federal-aid highway funds available for local road agency federal-aid projects – an increase of $17.8 million. The increase reflects estimated federal funds made available to Michigan under IIJA as allocated for eligible local road agency programs in accordance with Act 51.	Federal	411,168,800	17,831,000
	GF/GP	$0	$0
10. Movable Bridge Fund/Program	**Gross**	**$6,167,100**	**$141,900**
Includes $141,900 MTF inflationary adjustment, as required by Act 51, for program that provides funding to the department and certain local road agencies for operating costs of movable bridges under state and local jurisdiction. Senate Bill 578 includes new provisions governing the use of Movable Bridge Fund revenue.	Restricted	6,167,100	141,900
	GF/GP	$0	$0
11. Local Rail Grade Separation Fund	**Gross**	**$0**	**$40,000,000**
Includes $40.0 million from an earmark of NRF in Senate Bill 578, part of the Transportation Funding Package.	Restricted	0	40,000,000
	GF/GP	$0	$0
12. Transportation Economic Development Fund (TEDF)	**Gross**	**$52,726,300**	**$462,200**
Includes $53.2 million in restricted TEDF support, an increase of $464,200 from current year, reflecting estimated available TEDF revenue. The TEDF program is a targeted transportation program established and governed by statute, 1987 PA 231.	Restricted	52,726,300	462,200
	GF/GP	$0	$0
13. Passenger Transportation Services	FTE	40.0	6.0
Recognizes $800,000 increase in estimated federal support; increases staffing authorization by 6.0 FTEs (no associated funding increase).	**Gross**	**$6,476,900**	**$800,000**
	Federal	1,200,000	800,000
	Restricted	5,276,900	0
	GF/GP	$0	$0
14a. Local Bus Operating – Baseline CTF Funding	**Gross**	**$226,750,000**	**$44,857,300**
Increases CTF support for local bus operating assistance to $271.6 million, an increase of $44.9 million. Of the increase, $2.5 million represents a shift of CTF from Transit capital, (Item #16, below), and $42.4 million from the estimated CTF share of increased MTF revenue in the Transportation Funding Package.	Restricted	226,750,000	44,857,300
	GF/GP	$0	$0
The enacted budget does not retain $20.0 million one-time federal ARP funding for bus operating assistance, shown below.			
14b. Local Bus Operating – Federal ARP Funds (One-Time)	**Gross**	**$20,000,000**	**($20,000,000)**
Removes $20.0 million in one-time federal ARP funding appropriated in FY 2024-25 for local bus operating assistance.	Federal	20,000,000	(20,000,000)
	GF/GP	$0	$0
15. Transit Programs – Non-Urban Operating/Capital	**Gross**	**$40,626,500**	**$496,500**
Includes $41.1 million for non-urbanized area formula grant program established under 49 USC 5311 ($39.1 million federal funds and $2.0 million local funds). The $496,500 increase in federal funds reflects estimated federal grants available to Michigan under IIJA.	Federal	38,626,500	496,500
	Local	2,000,000	0
	GF/GP	$0	$0
16. Transit Capital	**Gross**	**$254,601,300**	**($6,807,800)**
Net decrease of $6.8 million reflects a $2.9 million increase in estimated federal aid under IIJA; and a $9.7 million decrease in CTF support. The CTF decrease reflects a $6.8 million decline in estimated available CTF revenue as well as a $2.9 million shift to other public transportation programs – $2.5 million to Local bus operating (Item #14a, above) and $430,700 to Intercity Services.	Federal	144,067,200	2,874,400
	Local	31,000,000	0
	Private	2,000,000	0
	Restricted	77,534,100	(9,682,200)
	GF/GP	$0	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
17. Infrastructure Projects Authority Fund	**Gross**	**$0**	**$65,000,000**
Includes new $65.0 million line item to recognize program established from a NRF earmark in Senate Bill 578, part of the Transportation Funding Package.	Restricted	0	65,000,000
	GF/GP	$0	$0
18. Rail Operations and Infrastructure	**Gross**	**$152,189,200**	**($2,800,700)**
Net decrease of $2.8 million reflects a $4.5 million decrease in CTF support as a result of a decline in estimated available CTF revenue; includes an increase of $1.7 million in private funds in anticipation of private funding for a specific project.	Federal	30,000,000	0
	Local	100,000	0
	Private	2,000,000	1,700,000
	Restricted	120,089,200	(4,500,700)
	GF/GP	$0	$0
19. Capital Outlay - Airport Improvement Program (AIP)	**Gross**	**$182,242,300**	**$6,802,700**
Increase of $6.8 million in state restricted State Aeronautics Fund support was based on estimated available restricted revenue at the time the Conference Report for House Bill 4706 was adopted. However, the appropriation of State Aeronautics Fund revenue in this budget may exceed current revenue estimates. (This program is shown in the budget under the line item, Airport Safety, Protection, and Improvement.)	Federal	155,000,000	0
	Local	17,500,000	0
	Private	2,000,000	0
	Restricted	7,742,300	6,802,700
	GF/GP	$0	$0
20. IIJA Airport Infrastructure Grants	**Gross**	**$115,000,000**	**$0**
Retains $115.0 million federal spending authority for a program of federal aid to public airports established under Division J of IIJA.	Federal	115,000,000	0
	GF/GP	$0	$0
21. Detroit Metropolitan Wayne County Airport	**Gross**	**$6,760,000**	**$6,260,000**
Increase of $6.3 million represents a $260,000 increase in estimated baseline Qualified Airport Fund revenue, as well an additional $6.0 million in Qualified Airport Fund revenue from potential amendments to the State Aeronautics Code. However, the appropriation of Qualified Airport Fund revenue in this budget may exceed current revenue estimates. The Qualified Airport Fund was established through 2015 amendments to the State Aeronautics Code.	Restricted	6,760,000	6,260,000
	GF/GP	$0	$0
22. Removal of FY 2024-25 One-Time Appropriations	**Gross**	**$193,990,000**	**($193,990,000)**
Removes $194.0 million ($193.0 million GF/GP) in one-time items. Specific items are shown below:	Restricted	990,000	(990,000)
	GF/GP	$193,000,000	($193,000,000)
• Critical infrastructure projects, ($74.5 million GF/GP) • New technology and mobility, ($24.0 million GF/GP) • Air service/airport revitalization, ($6.0 million GF/GP) • MI Contracting Opportunity, ($5.0 million GF/GP) • School zone automated speed enforcement, ($2.5 million GF/GP) • Local rail grade crossing improvements, ($2.0 million GF/GP) • Lake Michigan car ferry, ($2.0 million GF/GP) • Local road and material research program, ($1.0 million GF/GP) • Supplier risk and information subscription, ($50,000 GF/GP) • Blue Water Bridge equipment and facilities ($990,000 BWBF) • Federal Aid Match ($76.0 million GF/GP) An additional one-time item, $20.0 million from federal ARP funds for local bus operating assistance, is described in Item #14b above.			
23. Maritime and Port Fund (One-Time)	**Gross**	**$0**	**$5,294,700**
Includes $5.3 million CTF for credit to the Maritime and Port Fund, defined in boilerplate section 721.	Restricted	0	5,294,700
	GF/GP	$0	$0
24. Railroad Heritage Preservation (One-Time)	**Gross**	**$0**	**$5,294,700**
Includes $5.3 million CTF for new program defined in boilerplate section 753.	Restricted	0	5,294,700
	GF/GP	$0	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Enacted Change
25. Non-Motorized Trails (One-Time)	**Gross**	**$0**	**$5,294,700**
Includes $5.3 million CTF for non-motorized trails, defined in boilerplate section 723.	Restricted	0	5,294,700
	GF/GP	$0	$0
26. State Aeronautics Fund (One-Time)	**Gross**	**$0**	**$5,294,700**
Includes $5.3 million CTF for credit to the State Aeronautics Fund for improvements to General Aviation airports; defined in boilerplate section 724.	Restricted	0	5,294,700
	GF/GP	$0	$0
27. Road Usage Charge Study and Pilot (One-Time)	FTE	0.0	0.0
Includes $7.8 million MTF ($7.7 million one-time and $171,900 ongoing) and 1.0 FTE position to support a study and pilot of road usage charge revenue options, an anticipated 3-year project. The ongoing funding and FTE are included in Finance, Contracts, and Support Services (See Item #3, above). Related boilerplate in Section 1005.	**Gross**	**$0**	**$7,650,000**
	Restricted	0	7,650,000
	GF/GP	$0	$0
28. Economic Adjustments	**Gross**	**NA**	**$10,907,200**
Reflects increased costs of $10.9 million Gross ($0 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	IDG/IDT	NA	49,500
	Federal	NA	1,100
	Restricted	NA	10,856,600
	GF/GP	NA	$0

Major Boilerplate Changes from FY 2024-25

***Sec. 206. Communications with the Legislature* – RETAINED (UNENFORCEABLE)**
With certain specific exceptions, this section prohibits the department from taking disciplinary action against an employee for communicating with a member of the legislature or legislative staff. Enacted budget retains standard language. (*The Governor has deemed this section as unenforceable in that it impinged on executive branch authority in violation of Article 3, Section 2 of the Michigan Constitution which deals with the separation of powers*.)

***Sec. 208. Hire of Outside Legal Counsel* – DELETED**
Deletes section that prohibits the department from hiring a person to provide legal services that are the responsibility of the Attorney General; exempts legal services for bonding activities and outside legal services authorized by the Attorney General.

***Sec. 226. State Workforce* – NEW**
Requires the department to maximize utilization of in-person state workforce.

***Sec. 227. Accessibility of Required Reports* – NEW**
Requires the department to make each required report readily accessible to the public and conspicuously post each required report in a single archivable location on the department's or agency's Michigan.gov website.

***Sec. 228. E-Verify Requirement* – NEW**
Requires the department to require all contractors and subcontractors to agree to use the E-Verify system to verify that all people hired during the contract term are legally present and authorized to work in the United States; allows the department to verify the information directly or receive certification from the contractor; requires the department to submit a report describing the processes it has developed and implemented.

***Sec. 232. Federal Policy Changes* – NEW**
New section requires the department to report on federal policy changes that affect department operations, affect industry or other groups, affect current regulations, or create a regulatory gap.

***Sec. 234. Annual Legacy Costs* – NEW**
Identifies estimated department "legacy costs" for the fiscal year ending September 30, 2026 of $41.8 million, of which pension related costs were $37.7 million and retiree health care costs $4.1 million.

***Sec. 235. Annual Strategic Plan Report* – NEW**
New section requires the department, not later than April 1, to provide standard report recipients a copy of its annual strategic plan.

TRANSPORTATION

Major Boilerplate Changes from FY 2024-25

Sec. 236. Report on Court Settlements **– NEW**
New section requires the department to report on any court settlement that may require further legislative review of statutory programs or regulations.

Sec. 237. Report on Private and Other 3rd Party Funds **– NEW**
New section requires the department, by November 15, to disclose on a publicly accessible website, private and other third-party funds received by the department in the previous fiscal year.

Sec. 239. Requirements for Legislatively Directed Spending Items **– NEW**
Includes new language governing legislatively directed spending items.

Sec. 309. Pavement Marking Material **– NEW**
Includes new section to establish specific criteria for procurement of pavement marking materials.

Sec. 312. Property Management **– NEW**
Includes new reporting requirement on the utilization of department properties, including, but not limited to, salt storage facilities, garages, and regional offices.

Sec. 314. MI Contracting Opportunity Loan **Fund – NEW**
Includes new section that establishes an MI Contracting Opportunity Loan Fund as a revolving loan fund; initially funded from appropriations made in FY 2024-25 transportation budget.

Sec. 315. Movable Bridge Fund **– NEW**
Includes new section that requires the department to use "any additional funds" in the Moveable Bridge Fund to cover other costs for any required local federal bridge load analysis, inspection, or other local federal mandate. (Senate Bill 578 includes new provisions governing the use of Movable Bridge Fund revenue.)

Sec. 388. I-375 Project Prohibition **– NEW**
Includes new section prohibiting the department from spending funds appropriated in part 1 in support of a federal aid grant for an I-375 project in Detroit.

Sec. 705. Rail Abandonment Notice **– NEW**
Includes new section that requires MDOT to notify legislature when railroad companies file for abandonment of lines.

Sec. 720. Farebox Recovery Intent Language **– NEW**
Includes new section that indicates legislative intent that transit agencies strive to achieve at least 6% farebox recovery.

Sec. 721. Maritime and Port Facility Fund **– NEW**
Directs that the $5.3 million part 1 appropriation be credited to the Maritime and Port Facility fund created in 2022 PA 159.

Sec. 723. Non-Motorized Trails **– NEW**
Directs that the $5.3 million part 1 appropriation be used to establish and maintain a system of nonmotorized trails.

Sec. 724. State Aeronautics Fund Deposit **– NEW**
Directs that the $5.3 million part 1 appropriation be credited to the State Aeronautics Fund and used for capital improvements at general aviation airports in this state.

Sec. 753. Railroad Heritage Preservation **– NEW**
Directs use of the $5.3 million part 1 appropriation; directs the department to establish a railroad heritage preservation program to provide funding to organizations for the promotion of railroading in Michigan with a focus on Michigan railroad history. Directs the department to administer the program as a competitive grant program.

Sec. 802. Air Service Prioritization **– NEW**
Includes new section that establishes priority use of the air service appropriation, including for the department to re-establish and maintain air service between Marquette and Lansing with priority service for emergencies, routine travel for elected state officials, and other uses.

Sec. 1005. Road Usage Charge Pilot Project **– NEW**
Includes new language defining road usage charge study, funded at $7.7 million MTF in part 1.

FY 2024-25 Supplemental Appropriation Items **Public Act 22 of 2025 (House Bill 4706, Article 16)**		**Appropriation Change**
1. Critical Infrastructure Projects Includes $750,000 for Van Buren Charter Township for intersection safety improvements and $5.0 million for Wayne County for a rail grade separation project.	**Gross** GF/GP	**$5,750,000** $5,750,000

FY 2024-25 Supplemental Boilerplate Items
Public Act 22 of 2025 (House Bill 4706, Article 16)

Sec. 751. Employees for Aeronautics
Authorizes the department to hire up to 2.0 full-time employees for aeronautics programs.

Sec. 752. Critical Infrasturcture Project for Van Buren Charter Township
Allocates funding to Van Buren Charter Township for intersection safety improvements; designates unexpended funds as a work project appropriation.

Sec. 753. Critical Infrasturcture Project for Wayne County
Allocates funding to Wayne County for a rail grade separation project; designates unexpended funds as a work project appropriation.

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Kevin Koorstra, Deputy Director

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Capital Outlay ..... Perry Zielak
Community Colleges ..... Perry Zielak
Corrections ..... Robin R. Risko
Education (Department) ..... Noel Benson
Environment, Great Lakes, and Energy ..... Austin Scott
General Government:
Attorney General/Civil Rights/Executive Office/Legislature/Legislative Auditor General/ Lottery/State (Department)/Technology, Management, and Budget/Treasury ..... Michael Cnossen
Health and Human Services:
Aging, Child Welfare, Public Health ..... Sydney Brown
Child Support, Community Services, Local Office Operations, Public Assistance ..... Cassidy Uchman
Behavioral Health, Medicaid ..... Kevin Koorstra
Medicaid ..... Kent Dell
Higher Education ..... Perry Zielak
Insurance and Financial Services ..... Una Jakupovic
Judiciary ..... Robin R. Risko
Labor and Economic Opportunity (Michigan Strategic Fund) ..... Marcus Coffin
Licensing and Regulatory Affairs ..... Una Jakupovic
Lifelong Education, Advancement, and Potential ..... Noel Benson; Perry Zielak
Military and Veterans Affairs ..... Aaron A. Meek
Natural Resources ..... Austin Scott
Natural Resources Trust Fund ..... Austin Scott
School Aid ..... Noel Benson; Jacqueline Mullen
State Police ..... Aaron A. Meek
Transportation ..... William E. Hamilton
Unemployment Insurance ..... Marcus Coffin

Economic/Revenue Forecasting ..... Benjamin Gielczyk
Local Finance/Revenue Sharing/Tax Analysis ..... Benjamin Gielczyk

Legislative Analysis ..... Rick Yuille
Edith Best; Leah Doemer; Josh Roesner; Alex Stegbauer

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