STATE OF MICHIGAN
FISCAL YEAR 2026-27

Appropriations Summary and Analysis

HOUSE FISCAL AGENCY
Mary Ann Cleary, Director

AUGUST 2026

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August 2026

TO: Members of the Michigan House of Representatives

FROM: Mary Ann Cleary, Director

This ***FY 2026-27 Appropriations Summary and Analysis*** summarizes the FY 2026-27 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 2026-27 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 2026-27
Budget Detail

OVERVIEW

Budget Overview
Consensus Revenue Estimates
FY 2026-27 Balance Sheets
Summary Tables

FY 2026-27 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) 2026-27 appropriations.

The year-to-date (YTD) state budget for FY 2026-27 incorporates the May 2026 Consensus Revenue Estimating Conference (CREC) revenue estimates. In addition to those estimates, the budget assumes a General Fund/General Purpose (GF/GP) FY 2025-26 beginning balance of $240.6 million and a School Aid Fund (SAF) beginning balance of $1,705.6 million.

(Millions of Dollars)

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Enacted	*Difference: Enacted vs. FY 2025-26 YTD* Amount	%
Adjusted Gross	**$74,630.3**	**$73,951.9**	***($678.4)***	***-0.9%***
Federal	**$28,168.6**	**$25,641.9**	***($2,526.7)***	***-9.0%***
Local/Private	**$532.6**	**$543.7**	***$11.2***	***2.1%***
Restricted	**$31,814.5**	**$33,655.3**	***$1,840.7***	***5.8%***
GF/GP	**$14,114.6**	**$14,111.0**	***($3.6)***	***-0.0%***

Of the $47,766.3 million in state resources (restricted plus GF/GP) appropriated for FY 2026-27, an estimated $27,279.5 million (57.1% 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 2026-27 budget includes $886.6 million in ongoing GF/GP reductions achieved by reducing funding for programs such as Medicaid, using additional restricted funds and shifting some ongoing programs to one-time funding. The budget also includes $138.3 million in ongoing GF/GF investment increases and $455.2 million one-time GF/GP increases. School Aid Fund increases $702.8 million for ongoing program increases and $958.6 million in one-time SAF appropriations.

Major FY 2026-27 GF/GP ongoing program reductions include:

- $300.0 million GF/GP reduction in Higher Education is replaced with an equal SAF amount.
- $479.7 million Gross ($185.0 million GF/GP), Medicaid resource optimization. (DHHS)
- $75.0 million GF/GP reduction in Medicaid from sunsetting 21st Century Jobs Fund. (DHHS and LEO)
- $242.3 million Gross ($46.0 million GF/GP) moving a portion of CCBHCs to one-time. (DHHS)
- $41.5 million GF/GP from various program reductions or lapses withing the Department of Corrections. (MDOC)
- $239.6 million Gross ($34.5 million GF/GP) operational spending adjustments within DHHS. (DHHS)
- $26.7 million GF/GP state building authority rent from lease cancellation savings. (DTMB)
- $24.2 million GF/GP reduction in Michigan Indigent Defense Commission (MIDC) grants. (LARA)
- $19.2 million GF/GP reduction in post operations (MSP)
- $16.0 million GF/GP reduction in pure Michigan funding. (LEO)

Major FY 2026-27 GF/GP ongoing program increases include:

- $54.3 million Gross ($40.0 million GF/GP) for costs associated with implementation of H.R. 1. (DHHS)
- $33.6 million GF/GP for additional prisoner health care costs. (MDOC)
- $27.8 million Gross ($25.0 million GF/GP) to fund operations of the new Michigan psychiatric hospital. (DHHS)
- $10.0 million GF/GP for H.R. 1 Medicaid and SNAP work requirements. (LEO)

Major FY 2026-27 GF/GP one-time program increases include:

- $125.3 million for legislatively directed spending items. (LEO)
- $68.2 million for business attraction, community revitalization and entrepreneur ecosystem. (LEO)
- $20.0 million for local prosecutor support adjustment grants. (Treas)
- $14.5 million for the Going Pro program. (LEO)
- $11.0 million for pure Michigan grants (LEO)
- $10.0 million for public safety academy assistance scholarship program. (Treas)

Major FY 2026-27 School Aid funding increases include:

- $323.7 million to provide a district foundation allowance increase of $250 per-pupil taking it from $10,050 to $10,300 (2.5% increase).
- $282.7 million for increases to the At-Risk program and English Language Learners program.
- $186.1 million for three-year average membership for certain districts. (one-time)
- $150.0 million for educator compensation grants. (one-time)
- $73.8 million increase to the great start readiness program (GSRP).
- Continues universal school breakfast and lunch program, including $2.0 million GF/GP for nonpublic schools.

The FY 2026-27 enacted budget bills contain FY 2025-26 supplemental appropriations totaling $1,736.5 million Gross ($323.7 million GF/GP and negative $187.3 million SAF).

- $1,061.4 million Gross ($356.1 million GF/GP) funding for caseload in both DHHS and MiLEAP, and special financing adjustments, and state psychiatric DSH payment clawback. (DHHS) (MiLEAP)
- $351.8 million Gross ($118.9 million GF/GP) for direct care worker wage increase. (DHHS)
- $26.7 million GF/GP deposit in the Information Technology Investment Fund (ITIF). (DTMB)
- $18.0 million GF/GP for costs associated with implementation of H.R. 1, Medicaid work requirements. (LEO)
- $10.0 million GF/GP one-time deposit into the Disaster and Emergency Contingency Fund. (MSP)

The budget includes Capital Outlay appropriations for 15 planning authorizations (6 University projects and 9 community colleges projects) and 13 construction authorizations (7 university projects, 5 community college projects, and 1 state agency project).

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 2026 Consensus Revenue Estimating Conference revenue projections for GF/GP and SAF revenue for FY 2025-26 and FY 2026-27. NOTE: The revenue estimates do 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 decrease 0.2% in CY 2026 and increase 0.0% in CY 2027.
- The unemployment rate is forecast to increase and hold steady at 5.5% in CY 2026 and CY 2027.
- Personal income is forecast to increase 3.3% in CY 2026 and 3.2% in CY 2027.

General Fund/General Purpose Revenue by Source

Individual Income Tax

- Michigan individual income tax revenue is forecast to increase 13.3% in FY 2025-26 (includes removal of $600.0 million transportation earmark) and 0.4% in FY 2026-27.

Sales and Use Taxes

- Combined GF/GP sales and use tax revenue is estimated to decrease 22.7% to $2,161.2 million in FY 2025-26 and 4.1% to $2,072.1 million in FY 2026-27, in part due to the motor fuel sales tax exemption and GF/GP being used to hold the School Aid Fund harmless.

Net Business Taxes

- Net business taxes comprise 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 13.9% in FY 2025-26 and 5.8% in FY 2026-27 due to the inclusion of road funding earmarks.

GF/GP Tax Revenue

- GF/GP tax revenue in FY 2025-26 is expected to increase by 2.1% to $13,625.6 million before decreasing 0.9% to $13,501.7 million in FY 2026-27.

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 0.8% to $14,362.0 million in FY 2025-26 and 1.3% to $14,168.8 million in FY 2026-27.

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

	FY 2025-26	FY 2026-27	FY 2026-27 Over FY 2025-26 Change	
Individual Income Tax	$9,564.8	$9,604.9	$40.1	0.4%
Sales and Use Taxes	2,161.2	2,072.1	(89.1)	(4.1%)
Net Business Taxes	1,376.9	1,297.6	(79.3)	(5.8%)
Other Taxes	522.7	527.1	4.4	0.8%
GF/GP Tax Revenue	**$13,625.6**	**$13,501.7**	($123.9)	(0.9%)
Non-Tax Revenue	736.4	667.1	(69.3)	(9.4%)
Net GF/GP Revenue	**$14,362.0**	**$14,168.8**	($193.2)	(1.3%)

SCHOOL AID FUND REVENUE ESTIMATES
(Millions of Dollars)

Revenue	FY 2025-26	FY 2026-27	FY 2026-27 Over FY 2025-26 Change	
Sales and Use Taxes	$8,877.4	$9,036.4	$159.0	1.8%
Individual Income Tax Earmark	4,481.6	4,579.0	97.4	2.2%
Lottery, Casinos, and iGaming	1,870.0	1,897.5	27.5	1.5%
Cigarette Tax	206.6	198.7	(7.9)	(3.8%)
State Education Tax	3,055.0	3,197.0	142.0	4.6%
Real Estate Transfer Tax	460.0	470.0	10.0	2.2%
Recreational Marihuana	107.2	108.3	1.1	1.0%
Other Specific Taxes	157.0	161.0	4.0	2.5%
Net SAF Revenue	**$19,214.8**	**$19,647.9**	**$433.1**	**2.3%**

School Aid Fund Revenue by Source

Sales and Use Taxes

- Combined sales and use tax revenue dedicated to the SAF is forecast to increase 0.3% to $8,877.4 million in FY 2025-26 and 1.8% to $9,036.4 million in FY 2026-27.

Individual Income Tax Earmark

- SAF dedicated income tax revenue is forecast to increase to $4,481.6 million in FY 2025-26 and then increase 2.2% to $4,579.0 million in FY 2026-27.

Lottery, Casinos, and iGaming

- Revenue from the lottery, casinos, online gaming, and sports betting to the SAF is projected to be $1,870.0 million in FY 2025-26 and $1,897.5 million in FY 2026-27.

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 $206.6 million in FY 2025-26 and $198.7 million in FY 2026-27.

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 $3,055.0 million in FY 2025-26 and $3,197.0 million in FY 2026-27.
- RET is forecast to increase to $460.0 million in FY 2025-26 and $470.0 million in FY 2026-27.

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 2.7% to $19,214.8 million in FY 2025-26 and 2.3% to $19,647.9 million in FY 2026-27.

Budget Stabilization Fund Year-End Balances

The following table notes BSF deposits, withdrawals, and interest earnings from FY 1999-2000 to FY 2024-25, and HFA estimates of deposits, expected interest earnings, and year-end balances for FY 2025-26 and FY 2026-27. 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.)

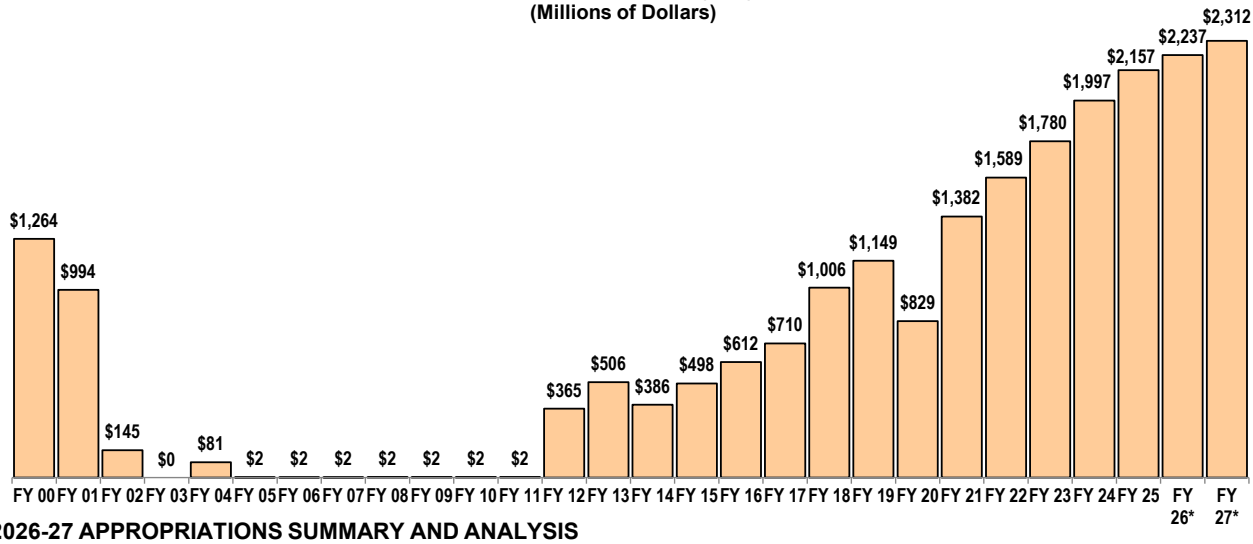
After deposits totaling $197.2 million and $9.3 million in interest earnings, the final BSF fund balance for FY 2021-22 was $1,588.8 million. Although the enacted FY 2022-23 budget did not contain an appropriation, a $100 million appropriation was included in the supplemental portion of the FY 2022-23 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 $2,236.9 million for FY 2025-26 and $2,312.2 for FY 2026-27.

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	93.3	2,157.4
2025-26*	0.0	0.0	79.5	2,236.9
2026-27*	0.0	0.0	75.2	2,312.2

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 2025-26	FY 2026-27
Personal Income	CY 2024	CY 2025
Amount	$645,847	$674,264
X Limit Ratio	9.49%	9.49%
State Revenue Limit	**$61,290.9**	**$63,987.7**
Total Revenue Subject to Revenue Limit	**$48,803.7**	**$49,817.9**
Amount (Under) Over State Revenue Limit	**($12,487.1)**	**($14,169.7)**

Implications of Exceeding the State Revenue Limit

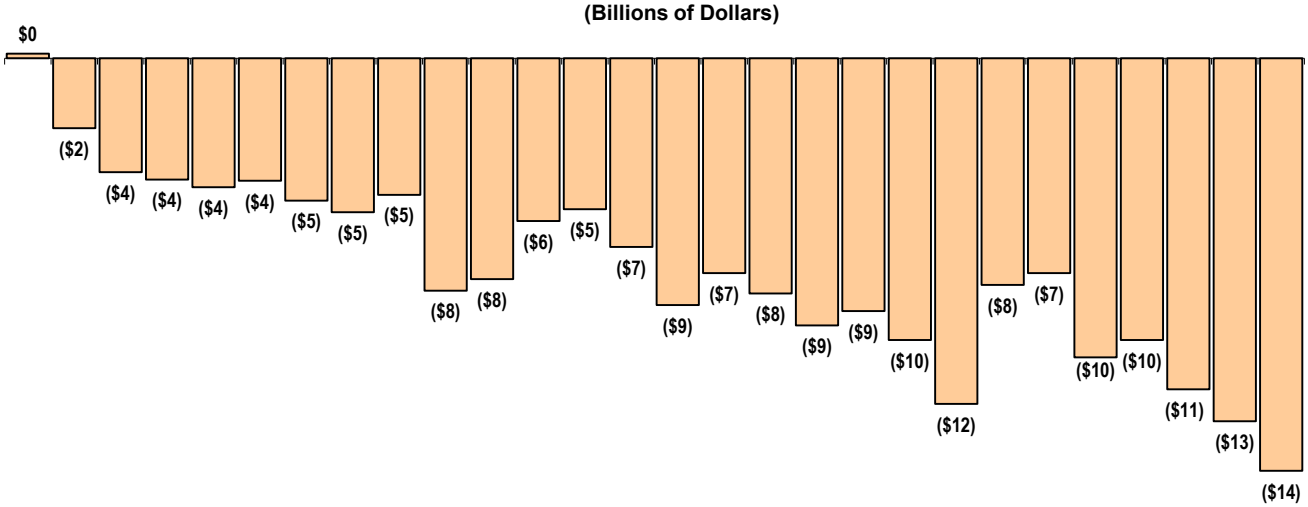
Article IX, Section 26, *Constitution of the State of Michigan*, provides that:

> . . . 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 2024-25 revenue limit calculation indicates that the state revenue collections were under the revenue limit by $11.4 billion. For both FY 2025-26 and FY 2026-27, state revenue is estimated to be substantially below the revenue limit by roughly $12.5 billion and $14.2 billion, respectively.

CONSTITUTIONAL REVENUE LIMIT
(Billions of Dollars)



**FY 26 and FY 27 are consensus estimates*

FY 2026-27
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 2026-27 based on the year-to-date state budget.

FY 2026-27 GENERAL FUND/GENERAL PURPOSE BALANCE SHEET
(Millions of Dollars)

Estimated Beginning Fund Balance	**$702.0**
Revenues	
May 2026 consensus revenue estimate	$14,168.8
Research & Development Tax Credit	(100.0)
Miscellaneous revenue adjustments	73.0
Revenue Sharing: Ongoing	(627.2)
Revenue sharing trust fund/public safety trust fund	(50.0)
Total Estimated Revenues	**$13,464.6**
Expenditures	
Appropriations: Ongoing	$13,588.1
Cost Changes to Baseline	816.0
GF/GP Ongoing reductions	(401.6)
Higher Ed GF/GP swap with SAF	(300.0)
DHHS Medicaid efficiencies	(185.0)
Ongoing Investments	138.3
Appropriations: One-Time	455.2
Total Estimated Expenditures	**$14,111.0**
Estimated Ending Fund Balance	**$55.6**
Ongoing Balance	*$13.8*
One-Time Balance	*$41.8*

Note: Numbers may not add due to rounding.

FY 2026-27 SCHOOL AID FUND BALANCE SHEET
(Millions of Dollars)

Estimated Beginning Fund Balance	**$1,039.5**
Revenues	
May 2026 consensus revenue estimate	$19,647.9
GF/GP Grant	58.0
Restricted SAF revenues	425.9
Federal Aid	418.3
Total Estimated Revenues	**$20,550.1**
Expenditures	
School Aid: Ongoing	$20,015.1
School Aid: One-Time SAF and GF/GP	895.5
School Aid: One-Time Reserve Funds	475.9
Investments/Reductions	(1,232.8)
May/Jan 2026 CREC Adjustments	(345.4)
Community Colleges: SAF	478.5
Community Colleges: One-Time	18.1
Higher Education: SAF	1,179.9
Higher Education: SAF - One-Time	69.8
Total Estimated Expenditures	**$21,554.7**
Estimated Ending Fund Balance	**$34.9**
Ongoing Balance	$4.0
One-Time Balance	$30.9

Note: Numbers may not add due to rounding.

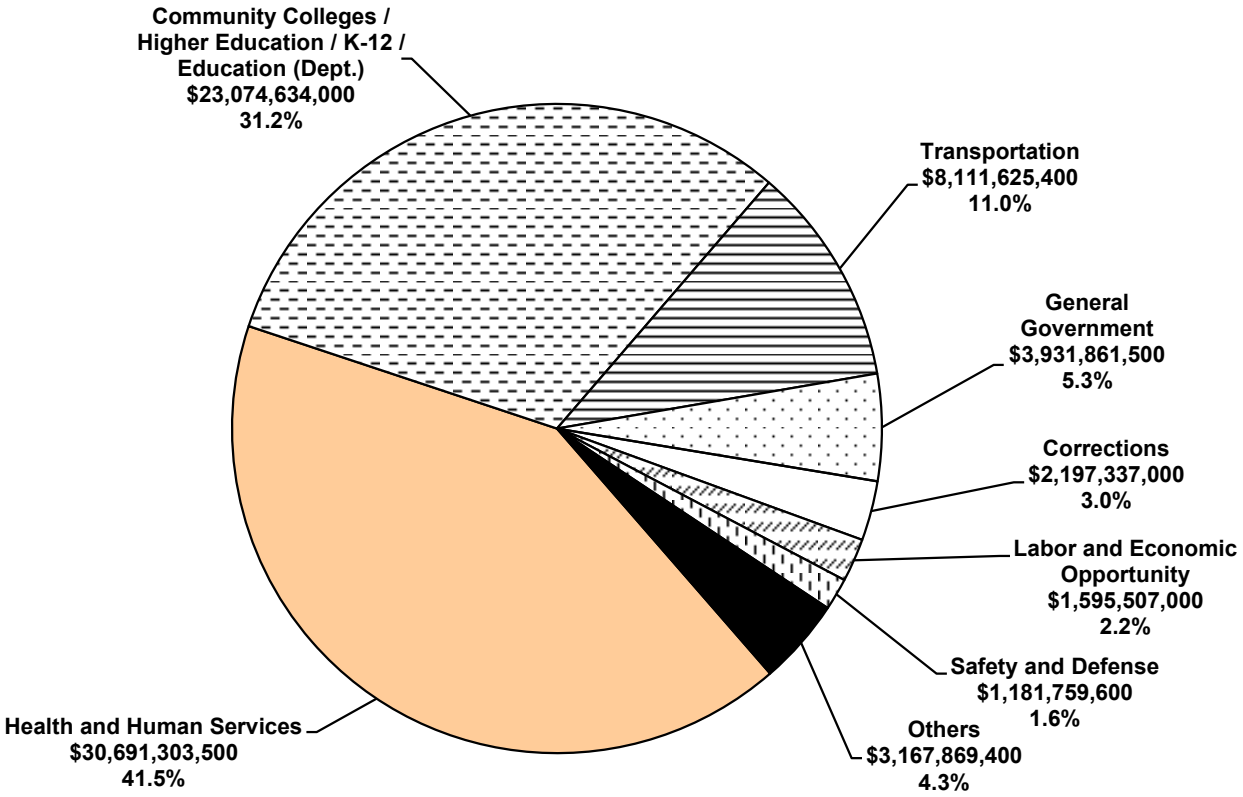
FY 2026-27 MERIT AWARD TRUST FUND BALANCE SHEET
(Millions of Dollars)

Estimated Beginning Fund Balance	**$16.5**
Revenues	
Annual tobacco settlement payment due to Michigan	$220.3
Debt service payments for prior securitization	(53.1)
Deposit to 21st Century Jobs Fund	0.0
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	**$169.3**
Expenditures	
Attorney General: Administration	$0.5
Community Health: Medicaid base funding	95.7
Community Health: Aging – Respite care	4.1
State Police: Tobacco settlement enforcement	0.9
MiLEAP: Tuition Incentive Program administration	1.3
Medicaid Long Term Care (LTC)	75.0
Total Estimated Expenditures	**$177.5**
Estimated Ending Fund Balance	**$8.3**

Note: Numbers may not add due to rounding.

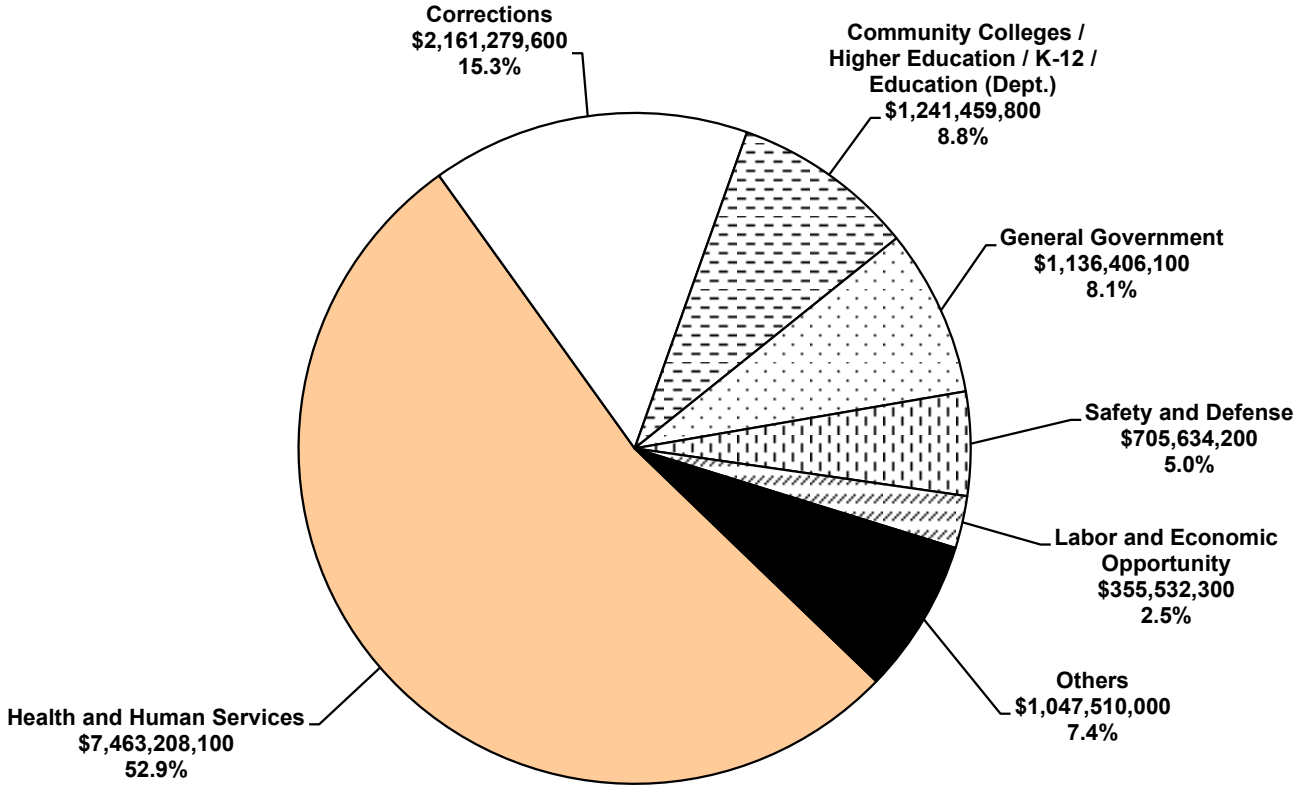
FY 2026-27 Year-to-Date Adjusted Gross Appropriations

Total: $73,951,897,400

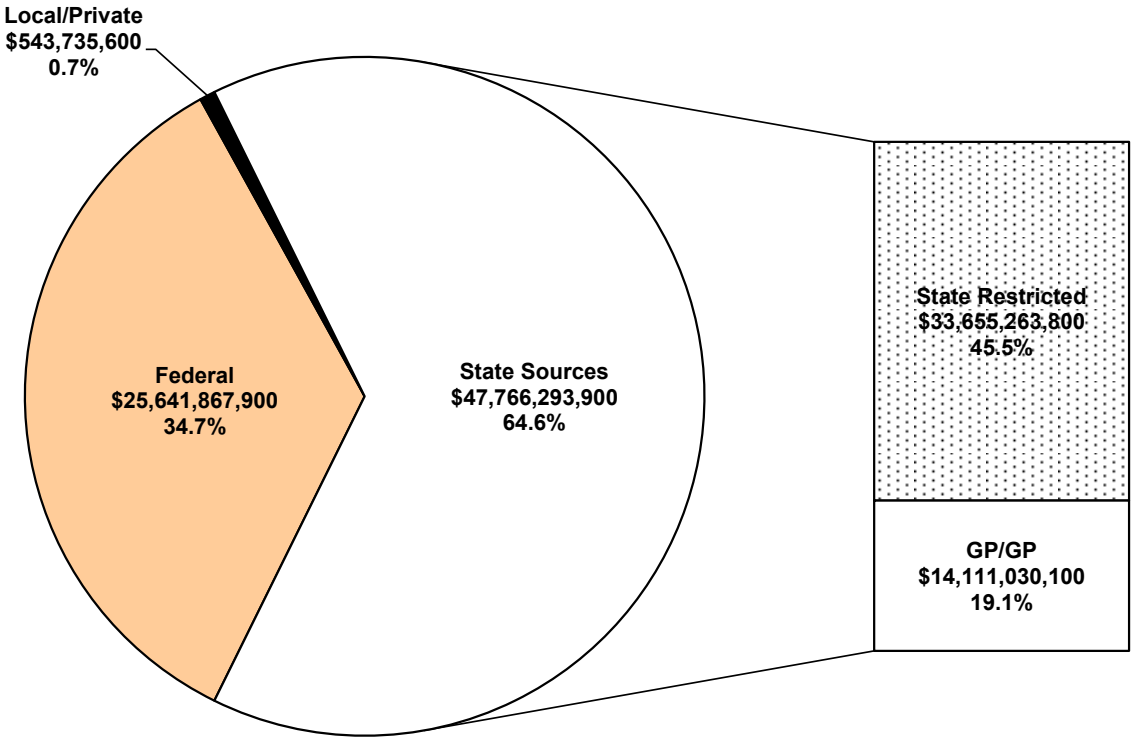


FY 2026-27 Year-to-Date General Fund/General Purpose (GF/GP) Appropriations

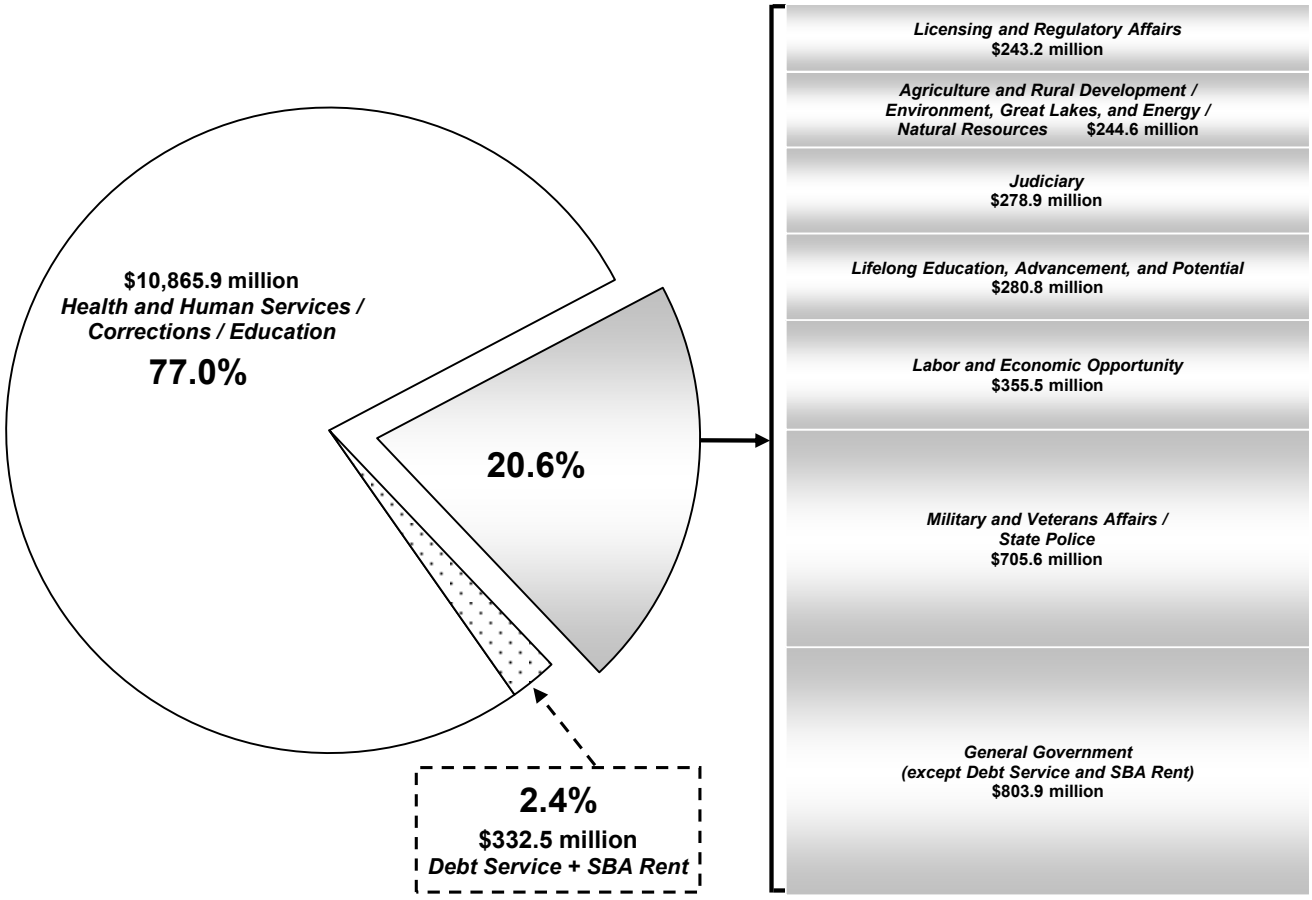
$14,111,030,100



FY 2026-27 Year-to-Date Adjusted Gross Sources = $73,951,897,400



FY 2026-27 Year-to-Date GF/GP Distribution = $14,111,030,100



SUMMARY TABLES

In the following tables, FY 2025-26 Year-to-Date (as of 2/11/2026) and FY 2026-27 appropriations as enacted.

Table 1 (page 15) details the FY 2026-27 appropriations by Source of Funds. When interdepartmental grants and intradepartmental transfers are deducted (to avoid double counting), gross appropriations of $75,190.7 million reduce to $73,951.9 million in adjusted gross appropriations.

Table 2 (page 16) and **Table 3** (page 17) compares FY 2025-26 to FY 2026-27 enacted appropriations.

Adjusted Gross Appropriations decrease from $74,630.3 million in FY 2025-26 to $73,951.9 million in FY 2026-27, a decrease of $678.4 million or 0.9%.

GF/GP Appropriations decrease from $14,114.6 million in FY 2025-26 to $14,111.0 million in FY 2026-27, a decrease of $3.6 million or 0.0%.

Table 4 (page 18) compares the number of authorized Full-Time Equated (FTE) Positions (classified and unclassified) from FY 2025-26 to FY 2026-27. A decrease of 25.3 FTEs is shown in Table 4—from 54,522.2 in FY 2025-26 to 54,496.9 in FY 2026-27. 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 2026-27 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 2026-27 budget provides for $27,279.5 million in state spending to local units of government, 57.1% of the estimated $47,766.3 million in state spending from state resources—well above the constitutional requirement.

TABLE 1
FY 2026-27 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	$135,935,700	$306,600	$135,629,100	$14,845,000	$0	$0	$48,638,700	$72,145,400
Attorney General	127,437,300	39,899,600	87,537,700	10,710,500	0	961,400	30,618,100	45,247,700
Capital Outlay	0	0	0	0	0	0	0	0
Civil Rights	29,444,300	0	29,444,300	3,435,200	0	18,700	58,500	25,931,900
Community Colleges	496,663,500	0	496,663,500	0	0	0	496,663,500	0
Corrections	2,197,337,000	0	2,197,337,000	5,222,600	275,000	0	30,559,800	2,161,279,600
Education	159,693,200	0	159,693,200	81,839,300	5,937,300	2,552,900	10,843,000	58,520,700
Environment, Great Lakes, and Energy	671,422,600	4,237,600	667,185,000	194,743,400	0	1,892,500	361,405,500	109,143,600
Executive Office	9,890,200	0	9,890,200	0	0	0	0	9,890,200
Health and Human Services	30,706,808,000	15,504,500	30,691,303,500	21,046,586,000	186,507,100	188,655,200	1,806,347,100	7,463,208,100
Higher Education	2,609,832,800	0	2,609,832,800	3,200,000	0	0	1,481,678,600	1,124,954,200
Insurance and Financial Services	82,333,800	791,600	81,542,200	250,000	0	0	81,292,200	0
Judiciary	377,620,800	1,902,300	375,718,500	7,323,000	0	1,912,900	87,542,000	278,940,600
Labor and Economic Opportunity (MSF)	1,595,507,000	0	1,595,507,000	1,005,099,800	5,700,000	6,597,200	222,577,700	355,532,300
Legislative Auditor General	32,657,700	7,668,900	24,988,800	0	0	0	2,587,900	22,400,900
Legislature	206,660,600	0	206,660,600	0	0	474,700	5,503,800	200,682,100
Licensing and Regulatory Affairs	613,161,700	30,303,000	582,858,700	30,589,900	0	0	309,096,900	243,171,900
Lifelong Ed., Advance., and Potential	753,214,500	0	753,214,500	469,495,500	0	1,000,000	1,897,300	280,821,700
Military and Veterans Affairs	263,426,200	101,800	263,324,400	154,412,200	0	100,000	12,961,300	95,850,900
Natural Resources	571,929,700	208,300	571,721,400	100,804,700	0	8,330,900	399,299,000	63,286,800
School Aid	19,808,444,500	0	19,808,444,500	418,269,900	0	0	19,332,189,700	57,984,900
State	300,237,300	20,000,000	280,237,300	1,460,000	0	50,100	266,798,000	11,929,200
State Police	947,957,000	29,521,800	918,435,200	100,351,800	5,088,800	35,000	203,176,300	609,783,300
Tech., Mgmt. and Budget: Operations	1,491,682,800	1,071,532,000	420,150,800	4,493,200	3,094,500	354,300	147,277,100	264,931,700
Tech., Mgmt. and Budget: SBA Rent	235,035,600	0	235,035,600	0	0	0	0	235,035,600
Transportation	8,116,180,700	4,555,300	8,111,625,400	1,963,413,500	87,448,500	20,500,000	6,040,263,400	0
Treasury: Operations	875,018,600	12,285,700	862,732,900	25,322,400	16,204,300	44,300	598,284,100	222,877,800
Treasury: Debt Service	97,479,000	0	97,479,000	0	0	0	0	97,479,000
Treasury: Revenue Sharing	1,677,704,300	0	1,677,704,300	0	0	0	1,677,704,300	0
TOTAL APPROPRIATIONS	**$75,190,716,400**	**$1,238,819,000**	**$73,951,897,400**	**$25,641,867,900**	**$310,255,500**	**$233,480,100**	**$33,655,263,800**	**$14,111,030,100**

TABLE 2

ADJUSTED GROSS APPROPRIATIONS
FY 2026-27 Enacted Appropriations Compared with FY 2025-26 YTD

Department/Budget Area	FY 2025-26 YTD as of 2/11/26	FY 2026-27 Enacted	FY 2026-27 vs. FY 2025-26 Difference	
Agriculture and Rural Development	$145,548,400	$135,629,100	($9,919,300)	(6.8%)
Attorney General	87,018,900	87,537,700	518,800	0.6%
Capital Outlay	0	0	0	-!
Civil Rights	28,439,700	29,444,300	1,004,600	3.5%
Community Colleges	493,032,100	496,663,500	3,631,400	0.7%
Corrections	2,163,994,500	2,197,337,000	33,342,500	1.5%
Education	164,746,700	159,693,200	(5,053,500)	(3.1%)
Environment, Great Lakes, and Energy	963,590,500	667,185,000	(296,405,500)	(30.8%)
Executive Office	9,609,200	9,890,200	281,000	2.9%
Health and Human Services	30,010,120,200	30,691,303,500	681,183,300	2.3%
Higher Education	2,336,912,000	2,609,832,800	272,920,800	11.7%
Insurance and Financial Services	78,642,600	81,542,200	2,899,600	3.7%
Judiciary	381,719,400	375,718,500	(6,000,900)	(1.6%)
Labor and Economic Opportunity (MSF)	1,731,079,700	1,595,507,000	(135,572,700)	(7.8%)
Legislative Auditor General	24,261,300	24,988,800	727,500	3.0%
Legislature	200,815,800	206,660,600	5,844,800	2.9%
Licensing and Regulatory Affairs	595,814,300	582,858,700	(12,955,600)	(2.2%)
Lifelong Ed., Advance., and Potential	662,243,200	753,214,500	90,971,300	13.7%
Military and Veterans Affairs	290,064,500	263,324,400	(26,740,100)	(9.2%)
Natural Resources	542,986,200	571,721,400	28,735,200	5.3%
School Aid	21,288,831,700	19,808,444,500	(1,480,387,200)	(7.0%)
State	274,983,000	280,237,300	5,254,300	1.9%
State Police	935,156,400	918,435,200	(16,721,200)	(1.8%)
Tech., Mgmt. and Budget: Operations	429,228,700	420,150,800	(9,077,900)	(2.1%)
Tech., Mgmt. and Budget: SBA Rent	261,651,700	235,035,600	(26,616,100)	(10.2%)
Transportation	7,885,129,600	8,111,625,400	226,495,800	2.9%
Treasury: Operations	867,551,800	862,732,900	(4,818,900)	(0.6%)
Treasury: Debt Service	89,881,000	97,479,000	7,598,000	8.5%
Treasury: Revenue Sharing	1,687,241,600	1,677,704,300	(9,537,300)	(0.6%)
TOTAL APPROPRIATIONS	**$74,630,294,700**	**$73,951,897,400**	**($678,397,300)**	**(0.9%)**

TABLE 3

GENERAL FUND/GENERAL PURPOSE APPROPRIATIONS
FY 2026-27 Enacted Appropriations Compared with FY 2025-26 YTD

Department/Budget Area	FY 2025-26 YTD as of 2/11/26	FY 2026-27 Enacted	FY 2026-27 vs. FY 2025-26 Difference	
Agriculture and Rural Development	$77,496,400	$72,145,400	($5,351,000)	(6.9%)
Attorney General	45,278,000	45,247,700	(30,300)	(0.1%)
Capital Outlay	0	0	0	--
Civil Rights	25,463,200	25,931,900	468,700	1.8%
Community Colleges	0	0	0	--
Corrections	2,128,211,700	2,161,279,600	33,067,900	1.6%
Education	62,546,100	58,520,700	(4,025,400)	(6.4%)
Environment, Great Lakes, and Energy	170,064,100	109,143,600	(60,920,500)	(35.8%)
Executive Office	9,609,200	9,890,200	281,000	2.9%
Health and Human Services	7,132,247,500	7,463,208,100	330,960,600	4.6%
Higher Education	1,482,943,700	1,124,954,200	(357,989,500)	(24.1%)
Insurance and Financial Services	0	0	0	--
Judiciary	276,073,800	278,940,600	2,866,800	1.0%
Labor and Economic Opportunity (MSF)	216,183,600	355,532,300	139,348,700	64.5%
Legislative Auditor General	21,748,400	22,400,900	652,500	3.0%
Legislature	194,837,300	200,682,100	5,844,800	3.0%
Licensing and Regulatory Affairs	279,485,700	243,171,900	(36,313,800)	(13.0%)
Lifelong Ed., Advance., and Potential	201,593,300	280,821,700	79,228,400	39.3%
Military and Veterans Affairs	128,171,000	95,850,900	(32,320,100)	(25.2%)
Natural Resources	73,009,400	63,286,800	(9,722,600)	(13.3%)
School Aid	73,151,100	57,984,900	(15,166,200)	(20.7%)
State	11,969,100	11,929,200	(39,900)	(0.3%)
State Police	638,435,100	609,783,300	(28,651,800)	(4.5%)
Tech., Mgmt. and Budget: Operations	276,667,200	264,931,700	(11,735,500)	(4.2%)
Tech., Mgmt. and Budget: SBA Rent	261,651,700	235,035,600	(26,616,100)	(10.2%)
Transportation	0	0	0	--
Treasury: Operations	237,919,400	222,877,800	(15,041,600)	(6.3%)
Treasury: Debt Service	89,881,000	97,479,000	7,598,000	8.5%
Treasury: Revenue Sharing	0	0	0	--
TOTAL APPROPRIATIONS	**$14,114,637,000**	**$14,111,030,100**	**($3,606,900)**	**(0.0%)**

TABLE 4

AUTHORIZED FULL-TIME EQUATED (FTE) POSITIONS*
FY 2026-27 Enacted Compared with FY 2025-26 Year-to-Date

Department/Budget Area	FY 2025-26 YTD as of 2/11/26	FY 2026-27 Enacted	FY 2026-27 vs. FY 2025-26 Difference	
Agriculture and Rural Development	552.0	546.0	(6.0)	(1.1%)
Attorney General	685.0	680.0	(5.0)	(0.7%)
Capital Outlay	0.0	0.0	0.0	--
Civil Rights	174.0	174.0	0.0	0.0%
Community Colleges	0.0	0.0	0.0	-
Corrections	12,774.0	12,664.0	(110.0)	(0.9%)
Education	568.5	571.5	3.0	0.5%
Environment, Great Lakes, and Energy	1,637.0	1,641.0	4.0	0.2%
Executive Office	96.2	96.2	0.0	0.0%
Health and Human Services	15,114.5	15,277.5	163.0	1.1%
Higher Education	0.0	0.0	0.0	--
Insurance and Financial Services	396.5	396.5	0.0	0.0%
Judiciary	643.5	653.5	10.0	1.6%
Labor and Economic Opportunity (MSF)	2,633.5	2,639.5	6.0	0.2%
Legislative Auditor General	0.0	0.0	0.0	--
Legislature	0.0	0.0	0.0	--
Licensing and Regulatory Affairs	1,813.0	1,822.0	9.0	0.5%
Lifelong Ed., Advance., and Potential	348.0	348.0	0.0	0.0%
Military and Veterans Affairs	976.0	971.0	(5.0)	(0.5%)
Natural Resources	2,515.2	2,519.9	4.7	0.2%
School Aid	0.0	0.0	0.0	--
State	1,607.0	1,607.0	0.0	0.0%
State Police	3,576.0	3,475.0	(101.0)	(2.8%)
Tech., Mgmt. and Budget: Operations	3,238.5	3,260.5	22.0	0.7%
Tech., Mgmt. and Budget: SBA Rent	0.0	0.0	0.0	--
Transportation	3,208.3	3,219.3	11.0	0.3%
Treasury: Operations	1,965.5	1,934.5	(31.0)	(1.6%)
Treasury: Debt Service	0.0	0.0	0.0	--
Treasury: Revenue Sharing	0.0	0.0	0.0	--
TOTAL FTE POSITIONS	**54,522.2**	**54,496.9**	**(25.3)**	**(0.0%)**

** 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 2026-27 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	$120,784,100	$10,400,000	8.6%
Attorney General	75,865,800	0	0.0%
Capital Outlay	0	0	--
Civil Rights	25,990,400	0	0.0%
Community Colleges	496,663,500	496,663,500	100.0%
Corrections	2,191,839,400	122,247,200	5.6%
Education	69,363,700	18,547,700	26.7%
Environment, Great Lakes, and Energy	470,549,100	20,433,300	4.3%
Executive Office	9,890,200	0	0.0%
Health and Human Services	9,269,555,200	2,268,359,600	24.5%
Higher Education	2,606,632,800	0	0.0%
Insurance and Financial Services	81,292,200	0	0.0%
Judiciary	366,482,600	153,848,800	42.0%
Labor and Economic Opportunity (MSF)	578,110,000	34,399,500	6.0%
Legislative Auditor General	24,988,800	0	0.0%
Legislature	206,185,900	0	0.0%
Licensing and Regulatory Affairs	552,268,800	233,799,900	42.3%
Lifelong Ed., Advance., and Potential	282,719,000	312,500	0.1%
Military and Veterans Affairs	108,812,200	4,068,000	3.7%
Natural Resources	462,585,800	15,262,100	3.3%
School Aid	19,390,174,600	17,908,356,700	92.4%
State	278,727,200	11,416,400	4.1%
State Police	812,959,600	34,879,300	4.3%
Tech., Mgmt. and Budget: Operations	412,208,800	1,000,000	0.2%
Tech., Mgmt. and Budget: SBA Rent	235,035,600	0	0.0%
Transportation	6,040,263,400	3,834,129,900	63.5%
Treasury: Operations	821,161,900	433,707,700	52.8%
Treasury: Debt Service	97,479,000	0	0.0%
Treasury: Revenue Sharing	1,677,704,300	1,677,704,300	100.0%
TOTALS	**$47,766,293,900**	**$27,279,536,400**	**57.1%**

FY 2026-27
Budget Detail

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
Summary of FY 2026-27 Enacted
Public Act 21 of 2026 (Senate Bill 878, Article 1)

Analyst: William E. Hamilton

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Enacted	*Difference: Enacted From FY 2025-26 YTD* *Amount*	*%*
IDG/IDT	$336,600	$306,600	*($30,000)*	*(8.9)*
Federal	20,079,600	14,845,000	*(5,234,600)*	*(26.1)*
Local	0	0	*0*	*-*
Private	0	0	*0*	*-*
Restricted	47,972,400	48,638,700	*666,300*	*1.4*
GF/GP	77,496,400	72,145,400	*(5,351,000)*	*(6.9)*
Gross	**$145,885,000**	**$135,935,700**	***($9,949,300)***	***(6.8)***
FTEs	552.0	546.0	*(6.0)*	*(1.1)*

Note: Appropriation figures for all years 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 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
1. Information Technology	**Gross**	**$2,386,400**	**$422,800**
Includes $422,800 baseline increase (all restricted) for increased IT operational costs.	Restricted	249,000	422,800
	GF/GP	$2,137,400	$0
2. Food Safety and Quality Assurance	FTE	103.0	0.0
Replaces $2.5 million GF/GP with $2.5 million state restricted Dairy and Food Safety Fund for a net $0 Gross change.	**Gross**	**$18,407,500**	**$0**
	Federal	2,449,400	0
	Restricted	6,743,600	2,526,000
	GF/GP	$9,214,500	($2,526,000)
3. Environmental Stewardship/MAEAP	FTE	27.0	0.0
Reduces Freshwater Protection Fund support by $500,000 to align with anticipated revenue.	**Gross**	**$11,024,600**	**($500,000)**
	Federal	1,985,800	0
	Restricted	8,559,200	(500,000)
	GF/GP	$479,600	$0
4. Pesticide and Plant Pest Management	FTE	79.0	(3.0)
Reduces baseline GF/GP support by $200,000; reduces FTE authorization by 3.0 FTEs.	**Gross**	**$14,032,300**	**($200,000)**
	Federal	1,301,300	0
	Restricted	6,612,500	0
	GF/GP	$6,118,500	($200,000)
5. Right to Farm	FTE	6.5	0.0
Reduces IDG (from EGLE, biosolids) by $32,000 to align with anticipated revenue.	**Gross**	**$1,060,100**	**($32,000)**
	IDG	97,800	(32,000)
	GF/GP	$962,300	$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
6. Soil Health and Regenerative Agriculture	FTE	5.0	0.0
Reduces baseline support by $10,000 GF/GP.	**Gross**	**$2,035,500**	**($10,000)**
	GF/GP	$2,035,500	($10,000)
Note: Article 9 of Senate Bill 878, which makes appropriations for the Department of Labor and Economic Opportunity, establishes a $1.0 million legislatively directed spending item for this program through boilerplate section 1006:			
Sec. 1006. (11) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to the Michigan State University College of Agriculture and Natural Resources for the Agricultural Resiliency Program.			
An additional unspecified amount is appropriated for the Michigan State University Agricultural Resiliency Program in the Higher Education budget (House Bill 5630 amendments to the School Aid Act) in section 263b:			
Sec. 263b. Included in the appropriation in section 236 for fiscal year 2026-2027 for MSU AgBioResearch and MSU Extension is funding for the Agricultural Climate Resiliency Program. The Agricultural Climate Resiliency Program is intended to address environmental sustainability of Michigan agriculture and promote the protection and efficient use of Michigan's water resources.			
7. Agricultural Support	FTE	5.0	0.0
Reduces baseline funding by $5,000 GF/GP.	**Gross**	**$1,005,000**	**($5,000)**
	GF/GP	$1,005,000	($5,000)
8. Agricultural Development	FTE	16.0	0.0
Reduces baseline funding by $200,000 GF/GP.	**Gross**	**$4,882,500**	**($200,000)**
	Federal	2,689,900	0
	Restricted	173,600	0
	GF/GP	$2,019,000	($200,000)
9. Fair Food Network – Double Up Food Bucks	**Gross**	**$5,000,000**	**($1,000,000)**
Includes $4.0 million GF/GP in one-time funding, a net reduction of $1.0 million GF/GP, for program that provides a supplemental benefit to SNAP recipients for the purchase of fresh fruits and vegetables.	GF/GP	$5,000,000	($1,000,000)
10. Farm to Family Program	FTE	6.0	0.0
Line item, which was new in the FY 2024-25 budget, is intended to support regenerative farming, agriculture supply chains, and the promotion of Michigan food products. In addition to $3.0 million GF/GP in ongoing funding, enacted budget provides an additional $500,000 GF/GP in one-time funding to support careers in agriculture.	**Gross**	**$3,014,300**	**$500,000**
	GF/GP	$3,014,300	$500,000
11. Food and Agriculture Investment Grant Program	**Gross**	**$2,449,300**	**($225,000)**
Reduces baseline funding by $225,000 GF/GP.	GF/GP	$2,449,300	($225,000)
12. Food and Agriculture Supply Chain	FTE	1.0	0.0
Reduces baseline funding by $100,000 GF/GP.	**Gross**	**$305,100**	**($100,000)**
	GF/GP	$305,100	($100,000)

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
13. Intercounty Drain	FTE	5.0	0.0
Reduces baseline funding by $10,000 GF/GP.	**Gross**	**$897,800**	**($10,000)**
	GF/GP	$897,800	($10,000)
14. Producer Security/Grain Dealers	FTE	6.0	0.0
Reduces baseline funding by $20,000 GF/GP.	**Gross**	**$1,044,500**	**($20,000)**
	Restricted	910,800	0
	GF/GP	$133,700	($20,000)
15. Qualified Forest Program	FTE	4.0	0.0
Reduces baseline support by $100,000 GF/GP; eliminates $5.4 million federal spending authority because the associated federal reforestation grant is no longer available.	**Gross**	**$7,826,500**	**($5,500,000)**
	Federal	5,400,000	(5,400,000)
	Restricted	1,080,100	0
	GF/GP	$1,346,400	($100,000)
16. Rural Development Fund Grant Program	FTE	1.0	(1.0)
Eliminates $2.0 million grant program and related FTE position from the MDARD budget. The Office of Rural Development had been transferred to the Department of Labor and Economic Opportunity (LEO) by Executive Order 2023-6. The Rural Development Fund Board, including authority over the state restricted Rural Development Fund, was transferred to LEO under Executive Order 2025-9, effective December 18, 2025.	**Gross**	**$2,009,500**	**($2,009,500)**
	Restricted	2,009,500	(2,009,500)
	GF/GP	$0	$0
17. Consumer Protection	FTE	39.0	0.0
Reduces baseline funding by $10,000 GF/GP.	**Gross**	**$6,988,800**	**($10,000)**
	Restricted	4,965,200	0
	GF/GP	$2,023,600	($10,000)
18. Integrated Solutions	FTE	25.0	0.0
This line item, which was new in the FY 2025-26 budget, provides coordination and delivery of licensing, technology, and GIS services across the department. The enacted budget adjusts funding among five of the ten restricted fund sources supporting this line in order to better align available revenue and work activities, with a net increase in restricted fund support of $160,000; reduces GF/GP by $25,000.	**Gross**	**$3,724,100**	**$135,000**
	Restricted	1,768,700	160,000
	GF/GP	$1,955,400	($25,000)
19. Laboratory Services	FTE	25.0	(2.0)
Reduces baseline support by $100,000 GF/GP; reduces FTE authorization by 2.0 FTEs.	**Gross**	**$8,467,700**	**($100,000)**
	IDG	238,800	0
	Federal	1,758,100	0
	Restricted	2,164,500	0
	GF/GP	$4,306,300	($100,000)
20. Horse Racing Programs	**Gross**	**$4,514,200**	**($125,000)**
Retains current-year funding from the state restricted Agriculture Equine Industry Development Fund (AEIDF) for horse racing program line items that support purses, purse supplements, and breeders awards for standardbred horse racing; does not include $125,000 AEIDF for the Horse Racing Advisory Commission.	Restricted	4,514,200	(125,000)
	GF/GP	$0	$0
21. County Fair Grant Program	**Gross**	**$500,000**	**($500,000)**
Eliminates line item that provided capital grants to county fairs. Current-year funding was provided through $250,000 GF/GP ongoing and $250,000 GF/GP in one-time funding.	Restricted	0	0
	GF/GP	$500,000	($500,000)

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
22. Michigan Animal Agriculture Alliance (One-Time)	**Gross**	**$1,500,000**	**($1,000,000)**
Includes $500,000 GF/GP as one-time, a $1.0 million decrease from current year.	GF/GP	$1,500,000	($1,000,000)
# Although only $1.5 million GF/GP is appropriated in FY 2025-26; $1.5 million was appropriated in an FY 2024-25 supplemental which carried forward into FY 2025-26 as a work project.			
23. Fresh Food in Schools	**Gross**	**$0**	**$500,000**
Includes $500,000 GF/GP in one-time funding for a new scratch cooking grant program. Defined in Sec. 902 as a "pilot program."	GF/GP	$0	$500,000
24. Removal of FY 2025-26 One-Time Appropriations	**Gross**	**$1,250,000**	**($1,250,000)**
Removes $1.3 million GF/GP associated with the following FY 2025-26 one-time appropriations: • Emerging contaminants in food and agriculture, ($250,000 GF/GP) • Food and agriculture supply chain, ($500,000 GF/GP) • Food safety and quality assurance, ($500,000 GF/GP) Other FY 2025-26 one-time items are reviewed in other parts of this Summary, specifically: *Fair Food Network – Double Up Food Bucks*, $1.0 million GF/GP (Item #9, above); *County fairs, shows, and expositions*, $250,000 GF/GP (Item #21, above); *Michigan animal agriculture alliance*, $1.5 million GF/GP (Item #22, above).	GF/GP	$1,250,000	($1,250,000)
25. Economic Adjustments	**Gross**	**NA**	**$1,454,800**
Reflects increased costs of $1.5 million Gross ($930,000 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. department operating line items.	IDG/IDT	NA	2,000
	Federal	NA	80,500
	Restricted	NA	442,300
	GF/GP	NA	$930,000

Major Boilerplate Changes from FY 2025-26

***Sec. 204. State Administrative Board Transfers* – 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. 208. Funding Received and Expended in Addition to Appropriations* – NEW**
Requires report on funds the department receives and expends in addition to funds appropriated in part 1; requires report to detail type of funding received, date of receipt, amount received, amount expended, and purpose of expenditure; requires report on any funding the department anticipates receiving in addition to appropriations.

***Sec. 218. Legacy Costs* – REVISED**
Identifies estimated legacy costs funded from FY 2025-26 appropriations of $6.6 million ($6.6 million pension-related legacy costs; $0 health care-related). Revises to update fiscal year and dollar amounts.

***Sec. 219. Expending Available Work Project Authorization* – 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. 222. Communication with the Legislature* – UNENFORCEABLE**
Prohibits 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 as provided by law. *(Governor's signing letter states this section is unenforceable.)*

AGRICULTURE AND RURAL DEVELOPMENT

Major Boilerplate Changes from FY 2025-26

Sec. 228. E-Verify Requirement **– DELETED**
Deletes section that requires 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.

Sec. 229. Impact of Federal Policy Changes **– REVISED**
Requires department to report on federal policy changes that are expected to affect department operations, affect groups the department engages with, or create a regulatory gap. Revises to require reports due December 31, 2026, and June 1, 2027.

Sec. 228. State Fiscal Recovery Fund Reappropriation **– NEW**
Requires SBO director to ensure all state fiscal recovery funds are expended by December 31, 2026, as required by law; automatically reappropriates any state fiscal recovery funds that would otherwise lapse after September 30, 2026 and makes them available for expenditure for the same purpose as originally authorized until December 31, 2026.

Sec. 229. Reallocation of State Fiscal Recovery Funds **– NEW**
Authorizes SBO director to reallocate state fiscal recovery funds that are in jeopardy of not being spent; authorizes reallocations for payroll and covered benefits for eligible public health and safety employees of the Departments of Corrections and State Police; requires applicable reporting to be followed; requires SBO director to notify HAC/SAC not later than 10 days after reallocating funds.

Sec. 231. Precontract Risk Assessment **– NEW**
Requires department to use the same precontract risk assessment program utilized by DTMB to evaluate contractor financial compliance, security risks, and insurance requirements prior to contract execution.

Sec. 502. Soil Health and Regenerative Agriculture **– REVISED**
Defines and guides the Soil Health/Regenerative Agriculture appropriation. Revises to delete from the list of program outcomes paragraph (viii): "The increase of carbon sequestration capacity of soil."

Sec. 601. Food and Agriculture Investment Grant Program **– REVISED**
Directs expenditures from the Food and Agriculture Investment Grant program; strikes "members of socially disadvantaged groups" from the list of those the department is encouraged to identify and encourage to apply for grants.

Sec. 805. County Fair Capital Grant Program **– DELETED**
Deletes section that directs the appropriation for grants to county fairs; the related line item was not included in the enacted budget.

Sec. 901. Double Up Food Bucks Program **– REVISED**
Directs expenditures from the Double Up Food Bucks Program. The section governing the one-time appropriation is substantially the same as Sec. 703 in the FY 2025-26 budget. Revises to delete specific references to the Fair Food Network and instead refers to "organization." Directs that at least 90% (from 80%) of program funds be used as a direct reimbursement of participating vendors.

Sec. 902. Fresh Food In Schools **– NEW**
Defines and guides one-time appropriation for the new scratch cooking grant program established in part 1. Defined as a "pilot program." Grant applications may be submitted by local education agencies that provide locally produced agriculture products for schools. Requires that grants be used by local education agencies to promote scratch cooking,

COMMUNITY COLLEGES
Summary of FY 2026-27 Enacted
Public Act 25 of 2026 (House Bill 5630, Article 2)

Analyst: Perry Zielak

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Enacted	*Difference: Enacted From FY 2025-26 YTD* *Amount*	*%*
IDG/IDT	$0	$0	*$0*	--
Federal	0	0	*0*	--
Local	0	0	*0*	--
Private	0	0	*0*	--
Restricted	493,032,100	496,663,500	*3,631,400*	*0.7*
GF/GP	0	0	*0*	--
Gross	**$493,032,100**	**$496,663,500**	***$3,631,400***	***0.7***

Note: Appropriation figures for all years 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 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	FY 2026-27 Enacted Change
1. Community College Operations	**Gross**	**$374,543,100**	**$3,681,400**
Includes a net increase of $3.7 million School Aid Fund (SAF) for community college operations, a 1.0% increase when compared to FY 2025-26 operations appropriations. This includes: • $14.6 million SAF, or 4.0%, one-time increase to operations grants for community colleges when compared to FY 2025-26 ongoing operations, distributed through the performance funding formula. • The removal of $11.0 million SAF of FY 2025-26 one-time operations grants for community colleges. • $23,900 SAF increase based on FY 2024-25 North American Indian Tuition Waiver (ITW) program costs reported by institutions. Attainment of the one-time operations funding will be conditioned on restraining in-district tuition and fee increases to the greater of 4.0% or $199 (set at 4.5% or $227 in the current year). Projected funding changes for individual community colleges will range from a decrease of 0.3% to an increase of 2.0%. Total funding for operations will be $378.2 million SAF.	Restricted GF/GP	374,543,100 $0	3,681,400 $0
2. Michigan Public School Employee Retirement System (MPSERS) State Share of Unfunded Actuarial Accrued Liability (UAAL) Stabilization Payment	**Gross**	**$89,500,000**	**($4,700,000)**
Decreases funding by $4.7 million SAF for the state's share of community colleges' MPSERS UAAL, a 5.3% decrease. The state's share is the difference between the calculated UAAL contribution to the system and the employer contribution cap of 15.21% of payroll set by the Public School Employees Retirement Act (MCL 38.1341). Total funding for the state share of MPSERS will be $84.8 million SAF.	Restricted GF/GP	89,500,000 $0	(4,700,000) $0

COMMUNITY COLLEGES

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	FY 2026-27 Enacted Change
3. MPSERS Normal Cost Offset	**Gross**	**$19,600,000**	**$1,150,000**
Increases by $1.2 million SAF for the community colleges' MPSERS normal cost offset, a 5.9% increase, due to a slightly higher contribution needed to cover retirement benefits. Total funding for the MPSERS normal cost offset will be $20.8 million SAF.	Restricted	19,600,000	1,150,000
	GF/GP	$0	$0
4. Michigan Maritime Manufacturing Initiative	**Gross**	**$0**	**$3,500,000**
Includes $3.5 million SAF of one-time funding for a community college chosen through a competitive grant process to support the continuation of the Michigan Maritime Manufacturing Initiative, a partnership between the state and federal government to teach critical skills for maritime construction, welding, and machining.	Restricted	0	3,500,000
	GF/GP	$0	$0

Major Boilerplate Changes from FY 2025-26

***Sec. 201f. One-Time Performance Funding Payment Detail* – REVISED**
Details the one-time performance funding payment allocations for each community college for FY 2025-26. Revises language detailing the one-time performance funding payment allocations for FY 2026-27.

***Sec. 201h. MPSERS Normal Cost Offset FY 2025-26 Supplemental Appropriation Detail* – NEW**
Adds language that details the $2.4 million SAF supplemental appropriation to the MPSERS normal cost offset for FY 2025-26 due to a slightly higher contribution needed to cover retirement benefits.

***Sec. 201i. Legislatively Directed Spending Items* – REVISED**
Requires the legislature to provide the responsible entity 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 responsible entity to post information about grant recipients on its website; defines responsible entity. Revises to require the House and Senate to work with the State Budget Office (SBO) on the list of legislatively directed spending items, deletes various grant and administration requirements.

***Sec. 203. Use of Internet for Reporting Requirements* – REVISED**
Requires community colleges, the Workforce Development Agency, and the Center for Educational Performance and Information (CEPI) to use the Internet to fulfill reporting requirements. Revises to require community colleges to post each required report in a single archivable location on the college's website and maintain the previous seven years of reports grouped by fiscal year.

***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, improving energy efficiency, eliminating low-volume/high-cost instructional programs, self-insurance, and group purchasing. Adds web-based instruction as an efficiency measure.

***Sec. 213. Work Project Appropriations Status Report* – NEW**
Adds language that requires SBO 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. 217a. Community College Annual Reporting Requirements* – REVISED (PARTIALLY UNENFORCEABLE)**
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 last business day of November or have monthly operations payments withheld. Revises submission dates of various reporting requirements from the last business day of November to the first business day of November, adds requirement to archive previous versions from the prior seven fiscal years, and adds reporting requirement on severance payments. *(Governor's signing letter states subsection 4(h) of this section is unenforceable.)*

Major Boilerplate Changes from FY 2025-26

***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 first business day of November; details tuition restraint requirements in order to receive performance funding for FY 2025-26; and requires community colleges to limit in-district tuition and fee increases to 4.5% or $227, whichever is greater. Sets FY 2026-27 tuition and fee restraint to the greater of 4.0% or $199. Revises language that limits FY 2026-27 in-district tuition and fee increases to 4.0% or $199, whichever is greater, and limits FY 2027-28 in-district tuition and fee increases to the greater of 4.0% or $199.

***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. Revises language to include fewer reporting requirements and retains reporting that relates to academic and financial information.

***Sec. 217f. Institutional Salaries Spending Restriction* – UNENFORCEABLE**
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. 223. North American Indian Tuition Waiver Reporting Requirements* – REVISED**
Requires community colleges and tribal colleges receiving North American Indian tuition waiver funding to report to MiLEAP on the number of North American Indian tuition waiver applications received and approved, the number and monetary value of the waivers, the number of North American Indian students who receive a waiver, the number of students with waivers who withdrew from school, and the number of students with waivers who transferred to a 4-year institution or completed a degree or certificate program. Deletes language requiring reporting on students who withdraw and additional reports on graduation completions within 150% of the normal time to complete.

***Sec. 228. Communication With the Legislature* – 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.)*

COMMUNITY COLLEGES

FY 2026-27 Community College Operations Appropriations
Enacted Summary

% of Formula:					30%	10%	10%	10%	30%	5%	5%	100%					
	Total FY 2025-26 Appropriation	FY 26 Indian Tuition Waiver Payment	FY 2025-26 One-Time Distribution	FY 2025-26 Base Appropriation	Sustainability	Performance-Improvement	Performance-Completion Number	Performance-Completion Rate	Contact Hours	Admin.	Local Strategic Value	Total One-Time Formula Distribution	FY 2025 Indian Tuition Waiver Cost	Indian Tuition Waiver Adjustments	Total FY 27 Indian Tuition Waiver Payment	FY 2026-27 Appropriation	% Change
Alpena	$6,687,900	$13,500	$271,100	$6,403,300	$77,596	$20,692	$15,326	$39,926	$40,232	$26,564	$12,933	$233,300	$28,100	$14,600	$28,100	$6,664,700	(0.3%)
Bay de Noc	6,568,200	92,000	178,200	6,298,000	76,320	20,352	15,457	39,025	49,647	21,182	12,720	234,700	112,300	20,300	112,300	6,645,000	1.2%
Delta	17,427,500	51,800	493,300	16,882,400	204,584	54,556	57,946	54,556	205,027	33,660	34,097	644,400	46,000	(5,800)	46,000	17,572,800	0.8%
Glen Oaks	3,078,200	2,900	91,200	2,984,100	36,162	17,691	10,364	26,173	36,275	0	6,027	132,700	400	(2,500)	400	3,117,200	1.3%
Gogebic	5,578,600	40,100	139,500	5,399,000	65,426	41,379	9,398	37,152	28,081	19,623	10,904	212,000	18,900	(21,200)	18,900	5,629,900	0.9%
Grand Rapids	22,022,800	153,100	685,500	21,184,200	256,714	68,457	89,579	68,457	344,410	32,388	42,786	902,800	203,000	49,900	203,000	22,290,000	1.2%
Henry Ford	26,056,100	4,500	750,900	25,300,700	306,599	81,760	140,042	81,760	300,177	28,888	51,100	990,300	7,400	2,900	7,400	26,298,400	0.9%
Jackson	14,424,500	27,100	364,800	14,032,600	170,050	45,347	66,083	45,347	139,583	18,286	28,342	513,000	22,200	(4,900)	22,200	14,567,800	1.0%
Kalamazoo Valley	15,185,000	46,900	433,700	14,704,400	178,191	85,511	48,220	63,798	173,307	36,388	29,698	615,100	40,200	(6,700)	40,200	15,359,700	1.2%
Kellogg	11,777,800	26,700	324,400	11,426,700	138,471	37,873	42,309	36,926	121,367	33,733	23,078	433,800	43,300	16,600	43,300	11,903,800	1.1%
Kirtland	4,027,900	46,300	146,500	3,835,100	46,474	55,002	15,620	12,393	43,917	31,244	7,746	212,400	46,300	0	46,300	4,093,800	1.6%
Lake Michigan	6,619,800	19,400	192,200	6,408,200	77,656	45,204	21,400	36,518	74,147	16,106	12,943	284,000	9,100	(10,300)	9,100	6,701,300	1.2%
Lansing	37,141,200	82,100	924,700	36,134,400	437,884	131,950	102,694	134,668	280,454	28,400	72,981	1,189,000	71,800	(10,300)	71,800	37,395,200	0.7%
Macomb	39,342,100	90,900	1,090,600	38,160,600	462,438	147,496	125,781	139,031	471,371	27,216	77,073	1,450,400	27,000	(63,900)	27,000	39,638,000	0.8%
Mid Michigan	6,113,400	82,500	193,900	5,837,000	70,734	18,862	22,464	18,862	81,431	30,377	11,789	254,500	84,400	1,900	84,400	6,175,900	1.0%
Monroe County	5,575,500	400	206,600	5,368,500	65,057	17,348	19,452	33,078	61,682	22,602	10,843	230,100	2,700	2,300	2,700	5,601,300	0.5%
Montcalm	4,157,300	1,700	122,300	4,033,300	48,876	13,034	14,605	13,034	35,359	29,664	8,146	162,700	9,500	7,800	9,500	4,205,500	1.2%
Mott	18,519,800	10,300	491,700	18,017,800	218,343	63,794	61,204	58,225	191,129	29,265	36,391	658,400	14,300	4,000	14,300	18,690,500	0.9%
Muskegon	10,702,000	43,500	298,600	10,359,900	125,543	33,478	31,617	49,690	103,002	29,940	20,924	394,200	52,200	8,700	52,200	10,806,300	1.0%
North Central	4,254,400	162,400	144,300	3,947,700	47,839	40,497	12,624	30,755	51,415	26,675	7,973	217,800	162,900	500	162,900	4,328,400	1.7%
Northwestern	11,163,900	254,700	289,400	10,619,800	128,693	34,318	27,409	51,571	101,245	23,077	21,449	387,800	266,000	11,300	266,000	11,273,600	1.0%
Oakland	25,984,900	38,400	816,500	25,130,000	304,530	116,669	115,547	99,367	439,163	20,971	50,755	1,146,800	36,900	(1,500)	36,900	26,313,700	1.3%
Schoolcraft	15,500,500	25,300	503,200	14,972,000	181,434	48,382	64,397	64,293	257,986	37,548	30,239	684,300	17,100	(8,200)	17,100	15,673,400	1.1%
Southwestern	8,016,100	19,100	210,400	7,786,600	94,360	25,163	14,883	41,626	61,141	23,860	15,727	276,800	16,500	(2,600)	16,500	8,079,900	0.8%
St. Clair County	8,613,500	13,300	258,200	8,342,000	101,090	39,812	37,708	44,558	94,300	25,872	16,848	360,200	9,300	(4,000)	9,300	8,711,500	1.1%
Washtenaw	16,941,200	19,000	664,900	16,257,300	197,009	52,536	176,669	69,965	317,346	34,815	32,835	881,100	32,400	13,400	32,400	17,170,800	1.4%
Wayne County	20,063,700	2,500	600,900	19,460,300	235,824	81,282	95,785	62,886	253,627	23,861	39,304	792,600	3,700	1,200	3,700	20,256,600	1.0%
West Shore	2,999,300	17,600	85,000	2,896,700	35,103	24,557	8,416	9,361	32,179	19,297	5,850	134,800	28,000	10,400	28,000	3,059,500	2.0%
	$374,543,100	**$1,388,000**	**$10,972,500**	**$362,182,600**	**$4,389,000**	**$1,463,000**	**$1,463,000**	**$1,463,000**	**$4,389,000**	**$731,500**	**$731,500**	**$14,630,000**	**$1,411,900**	**$23,900**	**$1,411,900**	**$378,224,500**	**1.0%**

Requirement to receive performance funding for FY 2026-27:
1. Restrain FY 2026-27 in-district tuition/fee rate increase to 4.0% or $199 (whichever is greater)

Data Notes	
Component	Years
Performance improvement	FYs 2022-2024
Performance completion number	FYs 2022-2024
Performance completion rate	FYs 2022-2024
Contact hours	FY 2025
Administrative	FYs 2024-2025

DEPARTMENT OF CORRECTIONS
Summary of FY 2026-27 Enacted
Public Act 21 of 2026 (Senate Bill 878, Article 2)

Analyst: Robin R. Risko

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Enacted	*Difference: Enacted From FY 2025-26 YTD* *Amount*	*%*
IDG/IDT	$0	$0	*$0*	*--*
Federal	5,203,700	5,222,600	*18,900*	*0.4*
Local	275,000	275,000	*0*	*0.0*
Private	0	0	*0*	*--*
Restricted	30,304,100	30,559,800	*255,700*	*0.8*
GF/GP	2,128,211,700	2,161,279,600	*33,067,900*	*1.6*
Gross	**$2,163,994,500**	**$2,197,337,000**	***$33,342,500***	***1.5***
FTEs	12,774.0	12,664.0	*(110.0)*	*(0.9)*

Note: Appropriation figures for all years 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 July 1, 2026, the department was responsible for 72,980 offenders: 32,349 prisoners; 31,654 probationers; and 8,977 parolees. Compared to last year on July 1, there has been a net decrease in the total number of offenders. The total decreased by 101, or 0.1%. The number of prisoners decreased by 183, or 0.6%. The number of probationers increased by 279, or 0.9%. The number of parolees decreased by 197, or 2.1%.

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		**FY 2025-26 Year-to-Date (as of 2/11/26)**	**FY 2026-27 Enacted Change**
1. Prisoner Health Care and Healthcare Staffing Costs	**Gross**	**NA**	**$38,300,000**
Includes $34.2 million in ongoing GF/GP to support an increase in healthcare contract costs resulting from renegotiation of the integrated prisoner healthcare contract with VitalCore. Also includes $3.6 million in ongoing GF/GP and $500,000 in one-time GF/GP to support healthcare staffing costs.	GF/GP	NA	$38,300,000
2. Education/Skilled Trades/Career Readiness Programs	**Gross**	**$39,336,400**	**$2,614,700**
Includes an increase of $2.0 million in one-time GF/GP for increased academic, vocational, career, and technical education programming at prisons. Also includes an additional $614,700 in ongoing GF/GP to reflect a transfer of funding for the Enhanced Food Technology Program to the Education/Skilled Trades/Career Readiness Programs line item.	GF/GP	$39,336,400	$2,614,700
3. Contraband Prevention	**Gross**	**$2,750,000**	**$1,450,000**
Includes an additional $1.0 million in ongoing GF/GP and $450,000 in one-time GF/GP to support increased contraband prevention efforts and enhanced safety for employees and prisoners in correctional facilities. Efforts include increasing the frequency and enhancing the methods of screening all items and all individuals entering facilities, including employees, contractors, third-party vendors, visitors, and volunteers.	GF/GP	$2,750,000	$1,450,000

CORRECTIONS

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
4. Community Corrections Plans and Services	**Gross**	**$14,198,100**	**$1,000,000**
Includes $1.0 million GF/GP to support an increase in the number of counties participating in providing community-based corrections programming and services. Funding will also allow counties currently participating to enhance or expand existing programs and services.	GF/GP	$14,198,100	$1,000,000
5. Goodwill Flip the Script – LDSI	**Gross**	**$0**	**$850,000**
Includes $850,000 in one-time GF/GP for the Goodwill Flip the Script program which targets individuals who are entering the criminal justice system for the first or second time. The program offers individuals alternative sentencing programs, educational recovery for special adult populations with high rates of illiteracy, career development, and continuing education.	GF/GP	$0	$850,000
6. Higher Education in Prison	**Gross**	**$1,250,000**	**$700,000**
Includes an additional $200,000 in ongoing GF/GP and $500,000 in one-time GF/GP to continue the department's collaboration with 4-year state universities and colleges to provide prisoners with an opportunity to participate in certificate and associate and bachelor's degree programs while in prison.	GF/GP	$1,250,000	$700,000
7. Automation of Prisoner Count and Callout Processes	**Gross**	**NA**	**$450,000**
Includes $450,000 in one-time GF/GP to support costs of handheld devices for staff as part of automation of the prisoner count and callout processes in correctional facilities.	GF/GP	NA	$450,000
8. Offender Success Programming	**Gross**	**$15,742,200**	**$300,000**
Includes $300,000 GF/GP to support additional community-based services for parolees who have greater mental and physical health needs.	GF/GP	$15,742,200	$300,000
9. Peer-Supported Reentry	**Gross**	**$0**	**$250,000**
Includes $250,000 in one-time GF/GP to support, through a competitive bidding process, an organization that primarily employs individuals who were formerly incarcerated to provide reentry or other supportive services to individuals leaving prison and returning to communities.	GF/GP	$0	$250,000
10. FTE Reductions	FTE	0.0	(110.0)
Reduces unfunded vacant positions from the number of total authorized FTE positions.	**Gross**	**$0**	**$0**
	GF/GP	$0	$0
11. Funding Adjustments for Various Line Items	**Gross**	**NA**	**($15,183,700)**
Includes a net reduction of $15.2 million GF/GP from adjusting the following line items:	GF/GP	NA	($15,183,700)

- Executive Direction (reduce by $175,000)
- Judicial Data Warehouse User Fees (eliminate $50,600)
- Prosecutorial and Detainer Expenses (reduce by $250,000)
- Criminal Justice Reinvestment (eliminate $1.5 million)
- Enhanced Food Technology (eliminate $1.6 million)
- Offender Success Services (reduce by $3.0 million)
- Field Operations (reduce by $5.3 million)
- Parole Board Operations (reduce by $600,000)
- Central Records (reduce by $225,000)
- Inmate Legal Services (reduce by $20,000)
- Hepatitis C (reduce by $2.5 million)
- Vaccination Program (reduce by $50,000).

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		**FY 2025-26 Year-to-Date (as of 2/11/26)**	**FY 2026-27 Enacted Change**
12. Funding Adjustments for Correctional Facility Line Items	**Gross**	**NA**	**($26,332,100)**
Includes a net reduction of $26.3 million GF/GP for facility lines. Funding reductions will occur for facilities that have closed housing units and funding increases will occur for facilities that have structural deficits due primarily to low vacancy rates and required maintenance projects.	GF/GP	NA	($26,332,100)
13. Technical Adjustments	FTE	NA	0.0
Makes the following internal transfers which have a net 0 impact on funding levels and FTE positions:	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
• $175,000 and 1.0 FTE from Field Operations to Budget and Operations Administration to support artificial intelligence applications that impact safety and security			
• $175,000 and 1.0 FTE from Field Operations to Employee Wellness Programming to support wellness services for staff in the Upper Peninsula			
• 16.5 FTE positions from Mental Health and Substance Use Disorder Treatment Services to Clinical Complexes to reflect allocation of department employees.			
14. Removal of FY 2025-26 One-Time Appropriations	**Gross**	**$6,750,000**	**($6,750,000)**
Removes $6.8 million in one-time GF/GP that was included in the FY 2025-26 budget to support the following:	GF/GP	$6,750,000	($6,750,000)
• Automation of count and callout processes at facilities ($1.5 million)			
• Higher education in prison ($850,000)			
• Peer recovery coaches ($650,000)			
• Partially offset GF/GP reductions at various facilities ($3.8 million).			
15. Economic Adjustments	**Gross**	**NA**	**$35,693,600**
Reflects a net increase in costs of $35.7 million Gross ($35.4 million GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), overtime costs, longevity, insurances, actuarially required retirement contributions, worker's compensation, building occupancy charges, food, fuel and utilities, and other economic adjustments.	Federal	NA	18,900
	Restricted	NA	255,700
	GF/GP	NA	$35,419,000

Major Boilerplate Changes from FY 2025-26

GENERAL SECTIONS

Sec. 204. State Administrative Board Transfers **– 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. 212. Out-of-State Travel **– REVISED**
Requires MDOC to report on out-of-state travel expenses in the previous fiscal year that were funded in whole or in part with state appropriations; requires the report to include dates of each travel occurrence and details on sources of revenues used to finance transportation costs. Revised to delete reporting details on specific sources of revenues.

Sec. 213. Access to Government Services **– DELETED**
Prohibits appropriations from being used to restrict or impede a marginalized community's access to government resources, programs, or facilities; requires local governments to report on actions that attempt to restrict or interfere with duties of local health officers.

Sec. 219. Expending Available Work Project Authorization **– 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.)*

CORRECTIONS

Major Boilerplate Changes from FY 2025-26

Sec. 221. E-Verify Requirement **– DELETED**
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. Disciplinary Action Against State Employees **– UNENFORCEABLE**
Prohibits MDOC from taking disciplinary action against department employees or prisoners for communicating with members of the legislature or legislative staff unless the communication is prohibited by law and MDOC is exercising its authority. *(Governor's signing letter states this section is unenforceable.)*

Sec. 223. Prioritizing In-Person Work **– REVISED**
Requires MDOC to maximize utilization of its in-person workforce, prioritize occupancy utilization, and ensure occupancy rates are 80% or higher. Revised to require the Office of the State Employer to create and implement an occupancy utilization uniform policy on occupancy utilization and in-person and remote work.

Sec. 226. Impact of Federal Policy Changes **– REVISED**
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. Revised to require reporting on federal guidelines, rules, regulations, or other significant federal policy changes, including H.R. 1 and the Rural Health Transformation Program, which do or are expected to significantly impact MDOC operations or impede MDOC's ability to safeguard health or welfare of the public.

Sec. 228. State Fiscal Recovery Fund Reappropriation **– NEW**
Requires SBO director to ensure all state fiscal recovery funds are expended by December 31, 2026, as required by law; automatically reappropriates any state fiscal recovery funds that would otherwise lapse after September 30, 2026 and makes them available for expenditure for the same purpose as originally authorized until December 31, 2026.

Sec. 229. Reallocation of State Fiscal Recovery Funds **– NEW**
Authorizes SBO director to reallocate state fiscal recovery funds that are in jeopardy of not being spent; authorizes reallocations for payroll and covered benefits for eligible public health and safety employees of the Departments of Corrections and State Police; requires applicable reporting to be followed; requires SBO director to notify HAC/SAC not later than 10 days after reallocating funds.

Sec. 230. Severance Pay **– NEW**
Requires MDOC to report on severance pay agreed to for a director or other high-ranking not later than 14 days after a severance agreement is signed; requires report on total amount of severance pay remitted and number of department employees receiving severance pay in FY 2025-26; defines severance pay.

Sec. 231. Precontract Risk Assessment **– NEW**
Requires MDOC to establish a policy for conducting precontract risk assessments; requires report on assessments implemented and used to evaluate contractors.

DEPARTMENTAL ADMINISTRATION AND SUPPORT

Sec. 307. Prisoner Phone System and Contract **– REVISED**
Requires MDOC to ensure that a prisoner telephone system is maintained; requires the system to meet ongoing operational needs while maintaining the lowest per-minute rate possible; requires MDOC to notify the legislature at least 45 days in advance of changes to call rates, extensions of the contract, and rebidding of the contract. Revised to delete the requirement that MDOC notify the legislature of rebidding of the contract and to include new language requiring any savings resulting from using state appropriations rather than funds received through the telephone contract to be passed on to prisoners.

Sec. 322. Timely Payment of Claims Under Health Care Contract **– NEW**
Requires VitalCore to ensure all approved claims are submitted and paid within 45 days utilizing electronic fund transfers and all collection notices are resolved within 90 days.

Sec. 323. Support for Prisoner Health Care Costs **– DELETED**
Requires $30.0 million in GF/GP funds lapsed by MDOC in FY 2024-25 to be used to support prisoner health care costs.

Major Boilerplate Changes from FY 2025-26

OFFENDER SUCCESS ADMINISTRATION

***Sec. 413. Criminal Justice Reinvestment* – DELETED**
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; requires MDOC to report on programs, including reincarceration recidivism rates of participants, employment rates of participants completing the program, and cost of the program per participant.

HEALTH CARE

***Sec. 603. Health Care Utilization Reports* – REVISED**
Requires MDOC to report on prisoner health care utilization, including number of inpatient hospital days, outpatient visits, emergency room visits, prisoners receiving off-site in-patient medical care, and top 10 most common chronic care conditions. Revised to delete reporting on top 10 most common chronic conditions.

***Sec. 608. Prisoner Deaths* – REVISED**
Requires MDOC to report biannually on prisoner deaths that occurred within correctional facilities, including the official cause of death and the type of drug used if cause of death was drug overdose. Revised to require MDOC to request an autopsy for all unexpected or unexplained deaths, for deaths occurring under suspicious circumstances, for unattended deaths, and for deaths that are non-natural or injury related that occur within a prison.

CORRECTIONAL FACILITIES AND ADMINISTRATION

***Sec. 701. Food Service Reporting* – REVISED**
Requires MDOC to report, by facility, on average per-meal costs, including actual food costs, total compensation for all food service workers, including benefits and legacy costs, inspection and compliance costs, and contract sanitation information. Revised to add requirement that MDOC, to the extent possible, work with its food supplier to source products grown and produced in Michigan if they are of similar quality and price to products from non-Michigan sources.

***Sec. 703. Public Works Program* – DELETED**
Requires local governments and non-profit private organizations contracting with MDOC for public works services to be responsible for financing the entire cost of services.

***Sec. 719. Contraband Prevention* – REVISED**
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. Revised to define individuals as all department employees, contractors, third-party vendors, visitors, and volunteers, and to require MDOC to develop and implement contraband prevention policies that are uniform across all facilities.

***Sec. 721. Strip Search Protocol* – REVISED**
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. Revised to require MDOC to conduct a 1-year pilot program covering at least 5 facilities that require individuals participating in contact visits to pass through body scanners at the end of their visits and authorize individuals to be randomly selected to be strip searched after visits in addition to passing through body scanners; authorizes MDOC to conduct suspicion-based strip searches of individuals who have participated in visits; requires report on number of individuals scanned, number of individuals randomly selected for strip searches after being scanned, number of individuals subjected to suspicion-based strip searches, and number of substance use and smuggling misconducts issued; requires MDOC to ensure searches are conducted in a consistent manner while minimizing the time a person is in a state of complete undress.

***Sec. 722. Prisoner Benefit Fund* – NEW**
Requires MDOC to report by facility on the prisoner benefit fund including fund balance, amount deposited into the fund, source of deposit, amount spent from the fund, and general categories of expenditures.

CORRECTIONS

Major Boilerplate Changes from FY 2025-26

***Sec. 723. Prisoner Visitation* – NEW**
Expresses intent of the legislature that MDOC allow prisoners at least 1 in-person visit per 6-month period regardless of the prisoners' violation statuses, including prisoners who are on restricted visitation due to substance use; excludes prisoners who are on restricted visitation due to violence against other prisoners or staff; requires MDOC to explore the use of staggered time frames for visiting sign up, ensure child-friendly visitation areas, and work with vending contractor to provide healthy food choices in vending machines in visitation areas; requires MDOC to report on efforts taken to meet requirements of this section, including changes implemented, outcomes of changes, and effects on visitation privileges.

***Sec. 724. Wheelchair Access* – NEW**
Requires MDOC to report on the number of medical accommodations issued for wheelchairs, by type and by facility, number of wheelchairs available, number of wheelchair attendant jobs assigned, and number of prisoners with accommodations for attendants.

***Sec. 725. Access to Medical Examiners' and Autopsy Reports* – NEW**
Requires MDOC to provide copies of medical examiners' and/or autopsy reports within 30 days of being received by the department.

ONE-TIME APPROPRIATIONS

***Sec. 801. Goodwill Flip the Script (LDSI)* – NEW**
Requires funds to be expended for administration of the program; requires program to serve persons aged 16-39 targeting individuals entering the criminal justice system for the first or second time; requires program to provide alternative sentencing programs, educational recovery, career development and continuing education, and financial counseling and coaching services; requires report on program performance measures, number of individuals served, and outcomes of participants completing the program.

***Sec. 802. Peer-Supported Reentry* – NEW**
Requires MDOC to conduct a competitive process for selecting an organization that primarily employs individuals who have been incarcerated to provide reentry or other supportive services to individuals leaving prison and returning to communities.

FY 2025-26 Supplemental Appropriation Items **Public Act 21 of 2026 (Senate Bill 878, Article 18)**		**Appropriation Change**
1. Northern Michigan Training Academy	**Gross**	**$0**
Includes a net-to-zero transfer between the following line items: • Alger Correctional Facility (reduce by $1.8 million) • Baraga Correctional Facility (reduce by $1.8 million) • Marquette Branch Prison (reduce by $1.4 million) • Corrections Northern Training Facility (increase by $5.0 million). The transfer will support construction of the Northern Michigan training academy located in Chippewa County. Funding is available in the facility lines due to closed housing units.	GF/GP	$0

DEPARTMENT OF EDUCATION
Summary of FY 2026-27 Enacted
Public Act 21 of 2026 (Senate Bill 878, Article 3)

Analyst: Una Jakupovic

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Enacted	*Difference: Enacted From FY 2025-26 YTD* *Amount*	*%*
IDG/IDT	$0	$0	*$0*	*--*
Federal	83,575,100	81,839,300	*(1,735,800)*	*(2.1)*
Local	5,884,200	5,937,300	*53,100*	*0.9*
Private	2,547,500	2,552,900	*5,400*	*0.2*
Restricted	10,193,800	10,843,000	*649,200*	*6.4*
GF/GP	62,546,100	58,520,700	*(4,025,400)*	*(6.4)*
Gross	**$164,746,700**	**$159,693,200**	***($5,053,500)***	***(3.1)***
FTEs	568.5	571.5	*3.0*	*0.5*

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

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 2025-26 Year-to-Date (YTD) Appropriations		**FY 2025-26 Year-to-Date (as of 2/11/26)**	**FY 2026-27 Enacted Change**
1. Michigan Schools for the Deaf and Blind Fund Transfer	**Gross**	**$16,562,900**	**($2,841,400)**
Transfers $2.8 million GF/GP for Michigan Schools for Deaf and Blind Operations to the School Aid budget. Transfer includes economic adjustments.	Federal	7,672,200	0
	Local	5,884,200	0
	Restricted	206,100	0
	GF/GP	$2,800,400	($2,841,400)
2. Federal Authorization Reduction	**Gross**	**NA**	**($2,500,000)**
Includes a $2.5 million federal funding reduction across five line items:	Federal	NA	(2,500,000)
• Educator Excellence Operations ($785,600 federal)	GF/GP	NA	$0
• Strategic Planning and Implementation Operations ($35,500 federal)			
• Accountability Services Operations ($1,004,800 federal)			
• Educational Supports Operations ($646,500 federal)			
• Partnership District Support Operations ($27,600 federal).			
3. General Fund Reduction	**Gross**	**NA**	**($1,000,000)**
Includes a $1.0 million GF/GP funding reduction across seven line items:	GF/GP	**NA**	($1,000,000)
• Central Support Operations ($50,000 GF/GP)			
• Special Education Operations ($50,000 GF/GP)			
• ASL Literacy Resource ($250,000 GF/GP)			
• Educator Excellence Operations ($50,000 GF/GP)			
• Educator Recruitment and Preparation Programs ($500,000 GF/GP)			
• Office of Systems, Evaluation, and Technology ($50,000 GF/GP)			
• Educational Supports Operations ($50,000 GF/GP).			

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
4. General Fund Swap	**Gross**	**NA**	**$0**
Includes a $550,000 GF/GP reduction in Educator Excellence Operations replaced with state restricted Certification Fees for a net $0 Gross funding change.	Restricted	NA	550,000
	GF/GP	NA	($550,000)
5. Michigan School Meals Program	FTE	NA	3.0
Includes $380,000 GF/GP and authorization for 3.0 FTEs to support the state school meals program within the Office of Nutrition Services.	**Gross**	**NA**	**$380,000**
	GF/GP	NA	$380,000
6. New FY 2026-27 One-Time Appropriations	**Gross**	**NA**	**$1,000,000**
Includes $1.0 million GF/GP of one-time funding to support the following: • Artificial Intelligence Tools ($250,000 GF/GP) • Education Support Services ($750,000 GF/GP).	GF/GP	NA	$1,000,000
7. Removal of FY 2025-26 One-Time Appropriations	**Gross**	**$1,500,000**	**($1,500,000)**
Removes $1.5 million of one-time Gross ($1.5 million GF/GP) funding that was included in the FY 2025-26 budget to support the following: • Foster Care Oversight ($150,000 GF/GP) • Media Literacy ($300,000 GF/GP) • Mental Health Training ($150,000 GF/GP) • Michigan eLibrary ($900,000 GF/GP).	GF/GP	$1,500,000	($1,500,000)
8. 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 department activities. Includes net-to-zero transfers of 7.0 FTEs and $1.6 million Gross.	**Gross**	**NA**	**$0**
	Federal	NA	0
	Local	NA	0
	Private	NA	0
	Restricted	NA	0
	GF/GP	NA	$0
9. Economic Adjustments	**Gross**	**NA**	**$1,407,900**
Reflects increased costs of $1.4 million Gross ($486,000 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	Federal	NA	764,200
	Local	NA	53,100
	Private	NA	5,400
	Restricted	NA	99,200
	GF/GP	NA	$486,000

Major Boilerplate Changes from FY 2025-26

Note: Deleted boilerplate section numbers are section numbers as they appear in FY 2025-26. All other boilerplate section numbers are section numbers as they appear in FY 2026-27.

GENERAL

***Sec. 204. State Administrative Board Transfers* – RETAINED (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. 205. Internet Reporting Requirements* – REVISED**
Requires MDE to use the internet to fulfill reporting requirements; requires e-mail transmission and internet posting of reports. Revised to add website reporting requirements from deleted Sec. 225.

***Sec. 208. Additional Expenditures Reporting* – NEW**
Requires MDE to report on authorized expenditure of funds not appropriated in part 1, including the type, amount, and purpose of the funding; requires reporting on expenditures from the previous fiscal year and within 60 days of receiving funding this fiscal year and on anticipated expenditures in the next fiscal year; stipulates if another required report provides substantially similar information, this reporting is not required.

Major Boilerplate Changes from FY 2025-26

Sec. 214. Access to Government Services **– DELETED**
Prohibits appropriations from being used to restrict or impede a marginalized community's access to government resources, programs, or facilities; requires local governments to report on actions that attempt to restrict or interfere with duties of local health officers.

Sec. 219. Work Project Usage **– RETAINED (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. 222. Communication with the Legislature **– RETAINED (UNENFORCEABLE)**
Prohibits MDE 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 MDE is exercising its authority. *(Governor's signing letter states this section is unenforceable.)*

Sec. 223. In-Person Work **– REVISED**
Requires MDE to maximize utilization of its in-person workforce, prioritize occupancy utilization, and ensure occupancy rates are 80% or higher. Revised to require the Office of the State Employer to create and implement an occupancy utilization uniform policy on occupancy utilization and in-person and remote work.

Sec. 225. Website Reporting **– DELETED**
Requires MDE to make required reports readily accessible to the public and conspicuously posted in a single archivable location on the department's website; requires MDE to maintain reports from previous fiscal years in the same archivable location.

Sec. 226. Report on Federal Policy Changes **– REVISED**
Requires MDE to report on federal policy changes that are expected to affect department operations, affect groups the department engages with, or create a regulatory gap. Revised to require reporting on federal guidelines, rules, regulations, or other significant federal policy changes, including H.R. 1 and the Rural Health Transformation Program, which do or are expected to significantly impact MDE operations or impede MDE's ability to safeguard health or welfare of the public.

Sec. 227. Legislatively Directed Spending Items **– REVISED**
Requires the legislature to provide MDE 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 DIFS to post information about grant recipients on its website. Revised to require House/Senate to provide SBO a jointly agreed upon list of legislatively directed spending items within 30 days of enactment of the budget; requires MDE to post a report on March 15 and to update the report on June 15 and September 15.

Sec. 228. E-Verify Requirement **– DELETED**
Requires MDE 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 MDE to submit a report describing the processes it develops and implements; defines E-Verify.

Sec. 228. State Fiscal Recovery Fund Expenditure **– NEW**
Requires state budget director to ensure all state fiscal recovery funds are expended by December 31, 2026, as required by law; automatically reappropriates any state fiscal recovery funds that would otherwise lapse after September 30, 2026 and makes them available for expenditure for the same purpose as originally authorized until December 31, 2026.

Sec. 229. State Fiscal Recovery Fund Reallocation **– NEW**
Authorizes state budget director to reallocate state fiscal recovery funds that are in jeopardy of not being spent; authorizes reallocations for payroll and covered benefits for eligible public health and safety employees of the Departments of Corrections and State Police; requires applicable reporting to be followed; requires state budget director to notify HAC/SAC not later than 10 days after reallocating funds.

Sec. 230. Severance Pay **– NEW**
Requires MDE to report on severance pay agreed to for a director or other high-ranking official not later than 14 days after a severance agreement is signed; requires report on total amount of severance pay remitted and number of MDE employees receiving severance pay in FY 2025-26; defines severance pay.

EDUCATION (DEPARTMENT)

Major Boilerplate Changes from FY 2025-26

***Sec. 231. Precontract Risk Assessment Program* – NEW**
Requires MDE to establish a policy for conducting precontract risk assessments; requires report on assessments implemented and used to evaluate contractors.

GENERAL – MDE

***Sec. 307. MOASH Funding Prohibition* – NEW**
Prohibits funds from being provided to the Michigan Organization on Adolescent Sexual Health.

EDUCATOR EXCELLENCE

***Sec. 504. District Educator Preparation Programs* – REVISED**
Requires MDE to award funding to districts for educator preparation programing. Revised to allow funding to be awarded to nonpublic schools and require MDE to report on which districts and nonpublic schools received funding and how much each received.

SCHOOL SUPPORT SERVICES

***Sec. 602. School Board Training* – REVISED**
Requires MDE to approve and reimburse districts for one or more eligible training programs for school board members, covering conflicts of interest, labor relations, education law, school finance, board governance, and implicit bias training. Revised to remove implicit bias training from the list of eligible training programs and add district requirements established under section 1280f of the Revised School Code.

EDUCATIONAL SUPPORTS

***Sec. 701. MTSS, At-Risk, Reading Intervention Report* – DELETED**
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; provides report requirements.

ONE-TIME APPROPRIATIONS

***Sec. 1000. Foster Care Oversight* – DELETED**
Requires MDE to use funds and FTE position authorization to regularly review educational programs in child caring institutions, as required by 2024 PA 11.

***Sec. 1001. Artificial Intelligence Tools* – NEW**
Allocates $250,000 for MDE to develop state artificial intelligence model policies and tools and begin integrating artificial intelligence into MDE services and supports.

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

***Sec. 1001. Education Support Services* – NEW**
Requires $375,000 to be disbursed to Michigan public and cooperative libraries and $375,000 to be allocated to MDE's eLibrary services.

***Sec. 1002. Mental Health Training* – DELETED**
Requires MDE to provide technical assistance to all eligible districts to ensure effectiveness at using Medicaid dollars for mental health.

DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY
Summary of FY 2026-27 Enacted
Public Act 21 of 2026 (Senate Bill 878, Article 4)

Analyst: Austin Scott

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Enacted	*Difference: Enacted From FY 2025-26 YTD* *Amount*	*%*
IDG/IDT	$4,129,100	$4,237,600	*$108,500*	*2.6*
Federal	464,268,500	194,743,400	*(269,525,100)*	*(58.1)*
Local	0	0	*0*	*--*
Private	1,404,200	1,892,500	*488,300*	*34.8*
Restricted	327,853,700	361,405,500	*33,551,800*	*10.2*
GF/GP	170,064,100	109,143,600	*(60,920,500)*	*(35.8)*
Gross	**$967,719,600**	**$671,422,600**	***($296,297,000)***	***(30.6)***
FTEs	1,637.0	1,641.0	*4.0*	*0.2*

Note: Appropriation figures for all years 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 2025-26 Year-to-Date (YTD) Appropriations		**FY 2025-26 Year-to-Date (as of 2/11/26)**	**FY 2026-27 Enacted Change**
1. Water Resource Programs Funding Adjustment	FTE	165.0	4.0
Reduces $1.3 million GF/GP funding and adds $1.9 million from Land and Water Permit Fees for a net change of $600,000 in state restricted authorization and adds 4.0 FTE positions for water resource programs which administers Flood Hazard, National Flood Insurance, and Dam Safety programs; administers permit process for construction; enforces compliance enforcement for lakes, streams, wetlands, Great Lakes, flood plains, and sand dunes areas; oversees Great Lakes Shorelands Program; provides guidance and administrative support for land and water regulatory programs; administers wetland, coastal zone, and bottom land use; conducts protection activities for lakes, streams, wetlands, Great Lakes, flood plains, sand dunes, and high-risk erosion areas; provides additional funding for state wetlands regulatory program; monitors and assesses wetland resources; promotes wetland restoration.	**Gross**	**$28,239,600**	**$600,000**
	IDG	2,056,400	0
	Federal	5,099,100	0
	Restricted	2,487,300	1,905,000
	GF/GP	$18,596,800	($1,305,000)
2. Watershed Council Grants (One-Time)	**Gross**	**$600,000**	**($300,000)**
Reduces funding for Watershed Council Grants by $300,000 GF/GP and moves remaining funding from ongoing to one-time.	GF/GP	$600,000	($300,000)
3. Contaminated Site Remediation and Redevelopment Programs	FTE	324.0	0.0
Reduces funding for the remediation and redevelopment of contaminated sites by $294,600 GF/GP.	**Gross**	**$83,030,300**	**($294,600)**
	Federal	7,759,200	0
	Restricted	74,976,500	0
	GF/GP	$294,600	($294,600)

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
4. Water State Revolving Funds	**Gross**	**$390,000,000**	**($270,000,000)**
Reduces funding for low-interest loans for local sewage and storm water treatment facilities and drinking water infrastructure projects by $270.0 million in federal Infrastructure Investment and Jobs Act funding.	Federal	370,000,000	(270,000,000)
	Restricted	15,000,000	0
	GF/GP	$5,000,000	$0
5. Property Management	**Gross**	**$8,098,900**	**($500,000)**
Reduces funding for building occupancy charges and rent by $500,000 from the Renew Michigan Fund.	IDG	57,500	0
	Restricted	5,646,300	(500,000)
	GF/GP	$2,395,100	$0
6. Administrative Hearings Officers	**Gross**	**$906,600**	**($300,000)**
Reduces funding for hearings related to environmental permits by $300,000 in state restricted funding.	IDG	6,200	0
	Restricted	644,500	(300,000)
	GF/GP	$255,900	$0
7. Accounting Service Center	**Gross**	**$1,576,900**	**($100,000)**
Reduces funding for departmental accounting services by $100,000 from the Renew Michigan Fund.	IDG	9,800	0
	Restricted	1,102,600	(100,000)
	GF/GP	$464,500	$0
8. Michigan Geological Survey (One-time)	**Gross**	**$2,700,000**	**$0**
Continues support for the Michigan Geological Survey at Western Michigan University by moving $400,000 GF/GP from ongoing to one-time and continuing $2.3 million in one-time GF/GP funding from FY 2025-26 for a FY 2026-27 total of $2.7 million in one-time GF/GP funding and a net zero change.	GF/GP	$2,700,000	$0
9. Technical Adjustments	FTE	NA	0.0
Includes $28.7 million Gross ($0 GF/GP) for technical adjustments to align expenditures and increased available state restricted revenues ($28.1 million) and private revenues ($488,400).	**Gross**	**NA**	**$28,688,400**
	IDG	NA	54,200
	Private	NA	488,400
	Restricted	NA	28,145,800
	GF/GP	NA	$0
10. Removal of FY 2025-26 One-Time Appropriations	**Gross**	**$61,700,000**	**($61,700,000)**
Removes $61.7 million GF/GP of one-time funding that was included in the FY 2025-26 budget to support the following: • Document digitization, transparency, and modernization ($5.0 million GF/GP) • Geologic resources management – one-time ($5.0 million GF/GP) • Lead service line replacement – one-time ($17.4 million GF/GP) • Permitting guidebooks ($300,000 GF/GP) • Water state revolving funds – one-time ($34.0 million GF/GP).	GF/GP	$61,700,000	($61,700,000)
11. Economic Adjustments	**Gross**	**NA**	**$7,609,200**
Reflects increased costs of $7.6 million Gross ($2.7 million GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	IDG	NA	54,300
	Federal	NA	474,900
	Private	NA	(100)
	Restricted	NA	4,401,000
	GF/GP	NA	$2,679,100

Major Boilerplate Changes from FY 2025-26

***Sec. 232. Settlement Fund Revenue Carryforward* – REVISED**

Authorizes carryforward of settlement revenues into succeeding fiscal year. Revised to authorize the department to expend an additional $4.0 million to address dam safety emergencies.

Major Boilerplate Changes from FY 2025-26

***Sec. 238. Permitting Report* – REVISED**
Requires a report on the department's permitting programs including applications, approvals, denials, and backlogs. Revised to require the department to report 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. 249. Rule Promulgation* – DELETED**
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* – DELETED**
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.

***Sec. 257. Permitting Guidebooks Updates and Distribution* – NEW**
Requires the department to update the permitting guidebooks funded in FY 2025-26 as needed and to make paper copies available upon request.

***Sec. 258. Permit Fee Discounts for Delayed Permit Reviews* – NEW**
Requires the department to provide a discount on permit fees if the department fails to approve or deny the permit by the processing deadline; requires the department to report annually on the fiscal impact of discounts given under this section.

***Sec. 259. Asbestos Inspection Fund Carryforward* – NEW**
Authorizes carryforward of up to $2.0 million remaining in the Asbestos Inspection Fund into succeeding fiscal year.

***Sec. 302. Work Projects – Remediation and Redevelopment Division* – DELETED**
Authorizes unexpended funds appropriated for contaminated site remediation and redevelopment programs, emergency cleanup actions, and environmental cleanup and redevelopment program to be considered work project appropriations and carried forward into succeeding fiscal year; programs will perform contaminated site cleanups.

***Sec. 402. Permit Application Reporting* – DELETED**
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. 701. Work Project – Underground Storage Tank Authority* – DELETED**
Authorizes unexpended funds appropriated for Underground Storage Tank Cleanup Program to be considered work project appropriations and carried forward into succeeding fiscal year; program will perform contaminated site cleanups estimated to cost $20 million.

***Sec. 801. Work Project – Renew Michigan Program* – DELETED**
Authorizes unexpended funds appropriated for the Renew Michigan Program to be considered a work project appropriation and carried forward into succeeding fiscal year; program will support environmental cleanup and redevelopment, waste management, and recycling.

***Sec. 925. Geologic Resource Management Funding Plan* – DELETED**
Requires the department to work with stakeholders to align program costs with future program revenues. *(Document from the State Budget Office dated November 7 noted this section is unenforceable in FY 2025-26.)*

***Sec. 952. Water State Revolving Funds* – NEW**
Requires the department to submit a report to the standard report recipients detailing the percentage of funds awarded to systems based on population served.

FY 2025-26 Supplemental Appropriation Items **Public Act 21 of 2026 (Senate Bill 878, Article 18)**		**Appropriation Change**
1. IRA – Executive Direction – Port Upgrades	**Gross**	**$3,000,000**
Incudes $3.0 million in federal Inflation Reduction Act funds for grants to communities to support port upgrades.	Federal	3,000,000
	GF/GP	$0

FY 2025-26 Supplemental Appropriation Items **Public Act 21 of 2026 (Senate Bill 878, Article 18)**		**Appropriation Change**
2. Executive Direction – Ox Creek Watershed Appropriates $1.3 million in federal funds for stormwater management in the Ox Creek Watershed.	**Gross** Federal GF/GP	**$1,300,000** 1,300,000 $0
3. Dam Safety Emergency Program Provides $4.0 million from the Settlements Funds to expand support for safety costs related to emergency events at dams across the state.	**Gross** Restricted GF/GP	**$4,000,000** 4,000,000 $0
4. IIJA – Federal – Great Lakes Remedial Action Plan Grants Includes $1.2 million in federal Infrastructure Investment and Jobs Act funds for remediation of emerging contaminants at the local level.	**Gross** Federal GF/GP	**$1,162,000** 1,162,000 $0
5. Great Lakes Restoration Initiative Includes $6.5 million in federal funds to support environmental work in areas of concern in the Detroit and Rouge Rivers.	**Gross** Federal GF/GP	**$6,500,000** 6,500,000 $0
6. IIJA – Water Quality Programs Includes $1.3 million in federal Infrastructure Investment and Jobs Act funds to support local government costs related to sewer overflows and stormwater management.	**Gross** Federal GF/GP	**$1,331,000** 1,331,000 $0
7. Contaminated Site Remediation – 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
8. Environmental Cleanup and Redevelopment Program Appropriates $25.0 million from the Cleanup and Redevelopment Fund for remediation at contaminated sites where there is no liable party.	**Gross** Restricted GF/GP	**$25,000,000** 25,000,000 $0
9. State Sites Cleanup Program Includes $25.3 million in State Site Cleanup Funds for remediation at contaminated sites where the state is a liable party.	**Gross** Restricted GF/GP	**$25,256,000** 25,256,000 $0
10. IRA – Energy Programs Includes $4.1 million in federal Inflation Reduction Act funds for training residential contractors.	**Gross** Federal GF/GP	**$4,125,000** 4,125,000 $0
11. IRA – Material Management Programs – Clean Heavy Duty Vehicle Grants Appropriates $4.4 million in federal Inflation Reduction Act funds for the Clean Heavy-Duty Vehicle grant program to replace diesel recycling trucks with electric recycling trucks and charging equipment.	**Gross** Federal GF/GP	**$4,406,000** 4,406,000 $0
12. IIJA – Material Management Programs – SMART Manufacturing Grant Includes $2.0 million in federal Infrastructure Investment and Jobs Act funds for smart manufacturing technologies including automation and artificial intelligence to make traditional manufacturing processes more efficient.	**Gross** Federal GF/GP	**$2,000,000** 2,000,000 $0
13. Material Management Programs – Food Waste Reduction Includes $700,000 in federal funds to provide the food and beverage industry assistance with food waste reduction.	**Gross** Federal GF/GP	**$700,000** 700,000 $0
14. Material Management Programs – Replacement of High Emission Vehicles Appropriates $685,000 Gross ($200,000 federal; $485,000 private) to replace high-emission vehicles with lower emission vehicles.	**Gross** Federal Private GF/GP	**$685,000** 200,000 485,000 $0
15. Material Management Programs – Coal Combustion Residuals Permitting Includes $263,000 in federal funds to support ongoing permitting and compliance activities for the Coal Combustion Residuals Program.	**Gross** Federal GF/GP	**$263,000** 263,000 $0
16. IIJA – Water State Revolving Funds Appropriates $123.3 million in federal Infrastructure Investment and Jobs Act funds to support loans for local governments for water infrastructure projects.	**Gross** Federal GF/GP	**$123,273,000** 123,273,000 $0

FY 2025-26 Supplemental Appropriation Items **Public Act 21 of 2026 (Senate Bill 878, Article 18)**		**Appropriation Change**
17. IIJA – PFAS and Emerging Contaminants	**Gross**	**$39,585,000**
Includes $39.6 million in federal Infrastructure Investment and Jobs Act funds for water infrastructure projects including lead service line replacement.	Federal	39,585,000
	GF/GP	$0

FY 2025-26 Supplemental Boilerplate Items
Public Act 21 of 2026 (Senate Bill 878, Article 18)

Sec. 301. State Sites Cleanup Program
Requires deposit of surplus funds from the Cleanup and Redevelopment Fund into the State Sites Cleanup Fund.

Sec. 302. Environmental Cleanup and Redevelopment Program
Designates unexpended funds appropriated for the Environmental Cleanup and Redevelopment Program as a work project appropriation; funds will support contaminated site cleanup.

Sec. 303. PFAS and Emerging Contaminants
Designates unexpended funds appropriated for PFAS and Emerging Contaminants as a work project appropriation; funds will address emerging contaminants in drinking water.

Sec. 304. Executive Direction – Port Upgrades
Designates unexpended funds appropriated for Executive Direction as a work project appropriation; funds will support a ports program and implementation of the Michigan maritime strategy.

Sec. 305. Material Management Programs – Coal Combustion Residuals Permitting
Designates unexpended funds appropriated for Material Management Programs as a work project appropriation; funds will support the coal combustion residuals program.

Sec. 306. Energy Programs
Designates unexpended funds appropriated for Energy Programs as a work project appropriation; funds will provide training for residential contractors.

Sec. 307. Executive Direction – Ox Creek Watershed
Designates unexpended funds appropriated for Executive Direction as a work project appropriation; funds will support stormwater management in the Ox Creek Watershed.

Sec. 308. Material Management Programs – Replacement of High-Emission Vehicles
Designates unexpended funds appropriated for Material Management Programs as a work project appropriation; funds will be used to replace high-emission vehicles.

Sec. 309. Material Management Programs – SMART Manufacturing Grant
Designates unexpended funds appropriated for Material Management Programs as a work project appropriation; funds will support a SMART manufacturing grant program.

Sec. 310. Material Management Programs – Clean Heavy Duty Vehicle Grants
Designates unexpended funds appropriated for Material Management Programs as a work project appropriation; funds will support a heavy duty vehicles program.

Sec. 311. Material Management Programs – Food Waste Reduction
Designates unexpended funds appropriated for Material Management Programs as a work project appropriation; funds will support food waste reduction.

Sec. 312. Great Lakes Restoration Initiative
Designates unexpended funds appropriated for Great Lakes Restoration Initiative as a work project appropriation; funds will support work in areas of concern in the Detroit and Rouge Rivers.

Sec. 313. Great Lakes Remedial Action Plan Grants
Designates unexpended funds appropriated for Federal – Great Lakes Remedial Action Plan Grants as a work project appropriation; funds will support Great Lakes remedial action plan grants.

Sec. 314. Water Quality Programs
Designates unexpended funds appropriated for Water Quality Programs as a work project appropriation; funds will be used to provide grants to municipalities for sewer and water infrastructure projects.

ENVIRONMENT, GREAT LAKES, AND ENERGY

FY 2025-26 Supplemental Boilerplate Items
Public Act 21 of 2026 (Senate Bill 878, Article 18)

Sec. 315. Water State Revolving Funds
Designates unexpended funds appropriated for Water State Revolving Funds as a work project appropriation; funds will support drinking water and wastewater large-scale construction projects.

Sec. 316. State Sites Cleanup Program
Designates unexpended funds appropriated for State Sites Cleanup Program as a work project appropriation; funds will provide contaminated site cleanup at state-owned properties.

Sec. 317. Contaminated Site Remediation and Redevelopment Program
Designates unexpended funds appropriated for Contaminated Site Remediation and Redevelopment Program as a work project appropriation; funds will be used to remediate and redevelop contaminated sites.

GENERAL GOVERNMENT TOTALS
Summary of FY 2026-27 Enacted
Public Act 21 of 2026 (Senate Bill 878, Article 5)

Analyst: Michael Cnossen

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Enacted	*Difference: Enacted From FY 2025-26 YTD* *Amount*	*%*
IDG/IDT	$1,231,093,400	$1,151,386,200	*($79,707,200)*	*(6.5)*
Federal	44,573,800	45,421,300	*847,500*	*1.9*
Local	17,671,700	19,298,800	*1,627,100*	*9.2*
Private	4,763,200	1,903,500	*(2,859,700)*	*(60.0)*
Restricted	2,718,649,500	2,728,831,800	*10,182,300*	*0.4*
GF/GP	1,175,024,500	1,136,406,100	*(38,618,400)*	*(3.3)*
Gross	**$5,191,776,100**	**$5,083,247,700**	***($108,528,400)***	***(2.1)***
FTEs	7,766.2	7,752.2	*(14.0)*	*(0.2)*

Note: Appropriation figures for all years 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 2025-26

GENERAL SECTIONS

***Sec. 204. State Administrative Board Transfers* – 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. 208. Spending Report on Receive and Expend Authorizations* – NEW**

Requires departments and agencies to report details on expenditures from funds authorized in boilerplate to be received and expended in addition to funds appropriated in part 1 in the prior, current and subsequent fiscal years.

***Sec. 219. Expending Available Work Project Authorization* – 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. 220. E-Verify Requirement* – DELETED**

Requires departments and agencies 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 departments and agencies to verify the information directly or to receive certification from the contractor; requires departments and agencies to submit a report describing the processes it develops and implements; defines E-Verify.

***Sec. 221. Access to Government Services* – DELETED**

Prohibits appropriations from being used to restrict or impede a marginalized community's access to government resources, programs, or facilities; requires local governments to report on actions that attempt to restrict or interfere with duties of local health officers.

GENERAL GOVERNMENT TOTALS

Major Boilerplate Changes from FY 2025-26

Sec. 222. Disciplinary Action Against State Employees **– UNENFORCEABLE**
Prohibits departments and agencies 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 departments and agencies are exercising their authority. *(Governor's signing letter states this section is unenforceable.)*

Sec. 223. Prioritizing In-Person Work **– REVISED**
Requires departments and agencies to maximize utilization of its in-person workforce, prioritize occupancy utilization, and ensure occupancy rates are 80% or higher. Revises to require the Office of the State Employer to create an occupancy utilization uniform policy on occupancy, utilization, in-person, and remote work, and make the policy publicly available on each department's and agency's website.

Sec. 224. Agency Space Utilization Assessment **– NEW**
Requires each department and agency to complete a space utilization assessment using a form developed by the Department of Technology, Management and Budget (DTMB), for all space assigned under its building occupancy agreement and leased office locations and post on their website; requires agencies to develop, in coordination with DTMB, a plan to reduce and optimize assigned space; requires plans to prioritize use of state-owned facilities.

Sec. 226. Impact of Federal Policy Changes **– REVISED**
Requires departments and agencies to report on federal policy changes that are expected to affect departments and agencies operations, affect groups departments and agencies engages with, or create a regulatory gap. Revises to require biannual reports on any significant federal policy changes, including H.R. 1 and the Rural Health Transformation Program, that significantly impact department and agency operations, including increases or reductions in federal revenue and/or changes that are likely to improve or impede the department's ability to safeguard the health or welfare of the public.

Sec. 227. Legislatively Directed Spending Items **– REVISED**
Requires the legislature to provide the department 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. Revises to delete numerous requirements for departments and agencies administering grants and stipulations of grant agreements; deletes authorization to enter into a memorandum of understanding with another department or agency to perform duties under this section; deletes requirement for grant recipients to respond to all reasonable requests for information from departments and agencies; deletes deadline for expenditure of grant funding; deletes authorization for departments or agencies to cease awarding funds if they determine grant money is misused under the grant agreement.

Sec. 228. State Fiscal Recovery Funds **– NEW**
Requires SBO director to ensure all state fiscal recovery funds are expended by December 31, 2026, as required by law; automatically reappropriates any state fiscal recovery funds that would otherwise lapse after September 30, 2026 and makes them available for expenditure for the same purpose as originally authorized until December 31, 2026.

Sec. 229. Reallocation of State Fiscal Recovery Funds **– NEW**
Authorizes SBO director to reallocate state fiscal recovery funds that are in jeopardy of not being spent; authorizes reallocations for payroll and covered benefits for eligible public health and safety employees of the Departments of Corrections and State Police; requires applicable reporting to be followed; requires SBO director to notify HAC/SAC not later than 10 days after reallocating funds.

Sec. 229. Federal and Private Fund Sourcing Priorities **– DELETED**
Requires federal or private grant funding to be used prior to general fund appropriations when available for the same expenditure.

Sec. 230. Severance Pay **– NEW**
Requires departments and agencies to report on severance pay agreed to for a director or other high-ranking official not later than 14 days after a severance agreement is signed; requires report on total amount of severance pay remitted and number of department employees receiving severance pay in FY 2025-26; defines severance pay.

Sec. 231. Precontract Risk Assessment **– NEW**
Requires departments and agencies to establish a policy for conducting precontract risk assessments; requires report on assessments implemented and used to evaluate contractors.

Sec. 253. IT Service Centralization **– NEW**
Requires departments and agencies to delegate all responsibility for the procurement, development, and maintenance of all information technology services to DTMB.

Major Boilerplate Changes from FY 2025-26

***Sec. 254. Electric Vehicle Charging Stations* – NEW**
Prohibits departments and agencies from spending funds for electric vehicle charging stations.

FY 2025-26 Supplemental Boilerplate Items
Article 18, Senate Bill 878 (S-1) CR-1

GENERAL SECTIONS

Sec. 201. State Spending and Payments to Locals
Lists total state spending from state sources and total state spending from state sources to be paid to local units of government.

Sec. 202. Appropriations Subject to Management and Budget Act
Subjects appropriations to the Management and Budget Act, 1984 PA 431.

Sec. 203. Appropriations Subject to Federal Rules and Regulations
Requires funds appropriated to be used in a manner consistent with federal rules and regulations.

Sec. 204. Appropriations Subject to Federal Audit and Reporting Requirements
Subjects appropriations to applicable federal audit and reporting requirements; requires prompt action if instances of noncompliance are identified; requires the state budget director to notify appropriations committees and fiscal agencies of incidences of noncompliance.

Sec. 205. State Fiscal Recovery Funds
Requires SBO director to ensure all state fiscal recovery funds are expended by December 31, 2026, as required by law; automatically reappropriates any state fiscal recovery funds that would otherwise lapse after September 30, 2026 and makes them available for expenditure for the same purpose as originally authorized until December 31, 2026.

Sec. 206. Reallocation of State Fiscal Recovery Funds
Authorizes SBO director to reallocate state fiscal recovery funds that are in jeopardy of not being spent; authorizes reallocations for payroll and covered benefits for eligible public health and safety employees of the Departments of Corrections and State Police; requires applicable reporting to be followed; requires SBO director to notify HAC/SAC not later than 1 days after reallocating funds.

REPEALER

Sec. 1101. General Government
Repeals Sec. 822j of Article 5 of 2025 PA 22 and replaces it with Sec. 704 in this bill.

DEPARTMENT OF ATTORNEY GENERAL
Summary of FY 2026-27 Enacted
Public Act 21 of 2026 (Senate Bill 878, Article 5)

Analyst: Michael Cnossen

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Enacted	*Difference: Enacted From FY 2025-26 YTD* *Amount*	*%*
IDG/IDT	$39,381,700	$39,899,600	*$517,900*	*1.3*
Federal	10,567,200	10,710,500	*143,300*	*1.4*
Local	0	0	*0*	*--*
Private	950,000	961,400	*11,400*	*1.2*
Restricted	30,223,700	30,618,100	*394,400*	*1.3*
GF/GP	45,278,000	45,247,700	*(30,300)*	*(0.1)*
Gross	**$126,400,600**	**$127,437,300**	***$1,036,700***	***0.8***
FTEs	685.0	680.0	*(5.0)*	*(0.7)*

Note: Appropriation figures for all years 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 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
1. Funding and FTE Authorization Reductions	FTE	NA	(5.0)
Reduces $600,000 GF/GP total and authorization for 5.0 FTE positions across 11 line items by reducing $100,000 from the Office of Legislative Affairs and $50,000 from the following line items:	**Gross**	**NA**	**($600,000)**
	GF/GP	NA	($600,000)
• Civil Rights and Elections • Corporate Oversight Division • Corrections • Criminal Investigations • Fiscal Management • Health Education and Family Services • Office of Communications • Revenue And Tax • Solicitor General • State Operations.			
2. Economic Adjustments	**Gross**	**NA**	**$1,636,700**
Reflects increased costs of $1.6 million Gross ($569,700 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	IDG	NA	517,900
	Federal	NA	143,300
	Private	NA	11,400
	Restricted	NA	394,400
	GF/GP	NA	$569,700

Major Boilerplate Changes from FY 2025-26

***Sec. 315. Legacy Costs* – REVISED**
States the total amount of funding estimated to be expended on legacy costs in FY 2026-27 is $13.2 million ($11.9 million on pension-related legacy costs; $1.3 million on health care-related legacy costs). Revises to update fiscal year and dollar amounts.

***Sec. 317. Declaration of Emergency Due to Drinking Water Contamination Report* – DELETED**
Requires department to report all legal costs and expenses related to Declaration of Emergency in Flint and include line item sources on public tracking website; requires all materials related to any investigations to be preserved according to applicable document retention policies.

***Sec. 318. Native American Boarding School Investigation* – NEW**
Requires the department to report on activities related to any investigation of Native American boarding schools, expenditures by line item and work project account itemized by purpose and the number of full-time equated positions assigned to any investigation of Native American boarding schools and the number of hours expended, and the estimated date for completion of any investigation.

***Sec. 322. Department Initiatives Quarterly Expenditure Report* – REVISED**
Requires department to submit quarterly reports by line item and fund source for various ongoing and limited-term initiatives and activities of the department. Revises to delete reporting on Boy Scouts investigation.

***Sec. 325. Legislative Approval of Certain Legal Actions* – NEW**
States it is the intent of the legislature that the department not take any legal action or join or take part in any multi-state lawsuit, lawsuit against the federal government, or lawsuit against any oil or gas entity except on appropriation or legislative transfer.

FY 2025-26 Supplemental Appropriation Items **Public Act 21 of 2026 (Senate Bill 878, Article 18)**		**Appropriation Change**
1. Convictions and Expungements Includes $800,000 in state restricted revenue from the Michigan Set Aside Fund to support ongoing operations for assistance with convictions and expungements. These efforts include reviewing applications to set aside convictions, determining if applicants are statutorily eligible, and filing the responses on behalf of the attorney general. Funding was previously provided through a work project account for Clean Slate for Michigan that expired on 9/30/2025 and lapsed its funding back into the Set Aside Fund. This appropriation will maintain past funding from that work project.	**Gross** Restricted GF/GP	**$800,000** 800,000 $0

DEPARTMENT OF CIVIL RIGHTS
Summary of FY 2026-27 Enacted
Public Act 21 of 2026 (Senate Bill 878, Article 5)

Analyst: Michael Cnossen

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

Note: Appropriation figures for all years 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 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
1. Federal Equal Employment Opportunity Commission Reimbursement	**Gross**	**$1,257,700**	**$500,000**
	Federal	1,257,000	500,000
Includes $500,000 in federal funds from the federal Equal Employment Opportunity Commission to reflect a reimbursement rate increase for the closure of employment discrimination cases from $830 to $850 per case and to accommodate increasing employment cases, including cases received from the federal government.	GF/GP	$0	$0
2. Economic Adjustments	**Gross**	**NA**	**$504,600**
Reflects increased costs of $504,600 Gross ($468,700 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	Federal	NA	35,900
	GF/GP	NA	$468,700

Major Boilerplate Changes from FY 2025-26

***Sec. 406. Native American Boarding School Study* – REVISED**

Requires status update report on Native American boarding school study funded in the Department of Civil Rights in 2022 PA 166 to provide information on activities, costs, and anticipated completion date of study. Revises to include report on costs and removes references regarding completion of the report.

Major Boilerplate Changes from FY 2025-26

***Sec. 410. Legacy Costs* – REVISED**
States the total amount of funding estimated to be expended on legacy costs in FY 2025-26 is $2.7 million ($2.4 million on pension-related legacy costs; $260,500 on health care-related legacy costs). Revises to update fiscal year and dollar amounts.

FY 2025-26 Supplemental Appropriation Items **Public Act 21 of 2026 (Senate Bill 878, Article 18)**		**Appropriation Change**
1. Federal Equal Employment Opportunity Reimbursement Includes authorization to receive an additional $250,000 in federal Equal Employment Opportunity Commission funds. The state is reimbursed by the federal EEOC for closing employment discrimination cases before they reach the federal level. The reimbursement rate will increase by $20 per case, from $830 to $850. Funding will also be used to support costs associated with an increase in employment cases, including cases received from the federal government.	**Gross** Federal GF/GP	**$250,000** 250,000 $0

EXECUTIVE OFFICE
Summary of FY 2026-27 Enacted
Public Act 21 of 2026 (Senate Bill 878, Article 5)

Analyst: Michael Cnossen

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Enacted	*Difference: Enacted From FY 2025-26 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	9,609,200	9,890,200	*281,000*	*2.9*
Gross	**$9,609,200**	**$9,890,200**	***$281,000***	***2.9***
FTEs	96.2	96.2	*0.0*	*0.0*

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

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 2025-26 Year-to-Date (YTD) Appropriations		**FY 2025-26 Year-to-Date (as of 2/11/26)**	**FY 2026-27 Enacted Change**
1. Executive Office Economic Adjustments	**Gross**	**NA**	**$281,000**
Reflects increased costs of $281,000 GF/GP for negotiated salary and wage increases (3.0% on October 1, 2026) for employees.	GF/GP	NA	$281,000

Major Boilerplate Changes from FY 2025-26

There is no boilerplate for the Executive Office.

LEGISLATURE
Summary of FY 2026-27 Enacted
Public Act 21 of 2026 (Senate Bill 878, Article 5)

Analyst: Michael Cnossen

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

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

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 2025-26 Year-to-Date (YTD) Appropriations		**FY 2025-26 Year-to-Date (as of 2/11/26)**	**FY 2026-27 Enacted Change**
1. Legislature Operations Adjustment	**Gross**	**$200,815,800**	**$5,844,800**
Reflects increased costs of $5.8 million GF/GP for legislative employees, operations, and property management. The following are increases by budget area:	Private	474,700	0
	Restricted	5,503,800	0
	GF/GP	$194,837,300	$5,844,800

- Legislature $4.3 million GF/GP
- Legislative Council $716,100 GF/GP
- Legislative Retirement $146,700 GF/GP
- Property Management $508,200 GF/GP
- State Capitol Historic Site $185,900 GF/GP.

Major Boilerplate Changes from FY 2025-26

***Sec. 615. Legacy Costs* – REVISED**

States the total amount of funding estimated to be expended on legacy costs in FY 2025-26 is $18.2 million ($16.4 million on pension-related legacy costs; $1.8 million on health care-related legacy costs). Revises to update fiscal year and dollar amounts.

***Sec. 616. Senate Fiscal Agency Rent Charges* – NEW**

Authorizes funds appropriated to the Senate Fiscal Agency to be used to pay rent charges for leased premises in a non-state-owned building; subjects payment of rent charges to approval of the Senate Fiscal Agency governing board.

LEGISLATIVE AUDITOR GENERAL
Summary of FY 2026-27 Enacted
Public Act 21 of 2026 (Senate Bill 878, Article 5)

Analyst: Michael Cnossen

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Enacted	*Difference: Enacted From FY 2025-26 YTD* *Amount*	*%*
IDG/IDT	$7,445,000	$7,668,900	*$223,900*	*3.0*
Federal	0	0	*0*	*--*
Local	0	0	*0*	*--*
Private	0	0	*0*	*--*
Restricted	2,512,900	2,587,900	*75,000*	*3.0*
GF/GP	21,748,400	22,400,900	*652,500*	*3.0*
Gross	**$31,706,300**	**$32,657,700**	***$951,400***	***3.0***
FTEs	0.0	0.0	*0.0*	*--*

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

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 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
1. Legislative Auditor General Operations	**Gross**	**$31,706,300**	**$951,400**
Includes $951,400 Gross ($652,500 GF/GP) for operations and staff of the Office of Auditor General.	IDG	7,445,000	223,900
	Restricted	2,512,900	75,000
	GF/GP	$21,748,400	$652,500

Major Boilerplate Changes from FY 2025-26

There are no major boilerplate changes for the Legislature.

DEPARTMENT OF STATE
Summary of FY 2026-27 Enacted
Public Act 21 of 2026 (Senate Bill 878, Article 5)

Analyst: Michael Cnossen

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Enacted	*Difference: Enacted From FY 2025-26 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	261,503,800	266,798,000	*5,294,200*	*2.0*
GF/GP	11,969,100	11,929,200	*(39,900)*	*(0.3)*
Gross	**$294,983,000**	**$300,237,300**	***$5,254,300***	***1.8***
FTEs	1,607.0	1,607.0	*0.0*	*0.0*

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

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 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
1. Enhanced Driver License Fund Shift with GF/GP	**Gross**	**$32,224,600**	**$0**
Includes $1.2 million in state restricted Enhanced Driver License and Enhanced Official State Personal Identification Funds and reduces GF/GP revenue by a corresponding amount for a $0 net change. Increased restricted revenue from the fund is available due to increasing customer transactions for obtaining federal REAL ID identification requirements.	Restricted	20,255,500	1,196,000
	GF/GP	$11,969,100	($1,196,000)
2. ADA Digital Compliance	**Gross**	**$0**	**$750,000**
Includes $750,000 GF/GP as one-time funding to support 2 limited term employees for training of DOS staff on how to review digital content to ensure it complies with new federal standards as defined by Web Content Accessibility Guidelines (WCAG) 2.1 Level AA standards.	GF/GP	$0	$750,000
3. Economic Adjustments	**Gross**	**NA**	**$4,504,300**
Reflects increased costs of $4.5 million Gross ($406,100 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	Restricted	NA	4,098,200
	GF/GP	NA	$406,100

Major Boilerplate Changes from FY 2025-26

***Sec. 725. Legacy Costs* – REVISED**
States the total amount of funding estimated to be expended on legacy costs in FY 2025-26 is $18.6 million ($16.8 million on pension-related legacy costs; $1.8 million on health care-related legacy costs). Revises to update fiscal year and dollar amounts.

DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET
Summary of FY 2026-27 Enacted
Public Act 21 of 2026 (Senate Bill 878, Article 5)

Analyst: Michael Cnossen

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Enacted	*Difference: Enacted From FY 2025-26 YTD* *Amount*	*%*
IDG/IDT	$1,152,596,000	$1,071,532,000	*($81,064,000)*	*(7.0)*
Federal	4,393,300	4,493,200	*99,900*	*2.3*
Local	2,360,100	3,094,500	*734,400*	*31.1*
Private	229,400	354,300	*124,900*	*54.4*
Restricted	145,578,700	147,277,100	*1,698,400*	*1.2*
GF/GP	538,318,900	499,967,300	*(38,351,600)*	*(7.1)*
Gross	**$1,843,476,400**	**$1,726,718,400**	***($116,758,000)***	***(6.3)***
FTEs	3,238.5	3,260.5	*22.0*	*0.7*

Note: Appropriation figures for all years 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; 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 State Budget Office and the Office of the Child Advocate.

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
1. Michigan Public Safety Communications System (MPSCS) Lifecycle Replacement Maintenance	**Gross**	**$49,511,500**	**$1,000,000**
	Local	2,300,400	0
Includes $1.0 million GF/GP to assist lifecycle equipment upgrades and replacements and maintenance of the growing emergency radio communication system that serves over 2,600 local public safety agencies statewide. Funding may be used for costs for radio communications technicians, maintenance mechanics, IT specialists and a steeplejack and to help reduce a backlog of vehicle radio equipment installations and services as well as replacement of aging equipment at tower locations.	GF/GP	$47,211,100	$1,000,000
2. MPSCS Contract Cost	**Gross**	**$49,511,500**	**$2,000,000**
Includes $2.0 million Gross ($1.3 million GF/GP) to cover ongoing contract costs that support operations, maintenance, and equipment of the radio network.	Local	2,300,400	700,000
	GF/GP	$47,211,100	$1,300,000
3. State Building Authority Capital Outlay Debt Financing	**Gross**	**$261,651,700**	**$83,900**
Includes $83,900 GF/GP to account for debt increases on existing projects nearing completion but does not include funding for new projects with planning authorization not yet given construction authorization by the legislature.	GF/GP	$261,651,700	$83,900
4. State Building Authority – State Agency Cancelled Leases	**Gross**	**$81,465,200**	**($26,700,000)**
Reflects a savings of $26.7 million GF/GP from cancelled building leases from the State Building Authority Rent – State Agencies line item.	GF/GP	$81,465,200	($26,700,000)

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
5. Office of the Child Advocate Case Management System	**Gross**	**$3,878,000**	**$140,000**
Includes $140,000 GF/GP to cover ongoing contracting costs of cloud hosting and maintenance and support costs of Michigan's Child Advocate Information System. The system is used to enable the office to verify circumstances of child deaths to comply with a 2018 Office of Auditor General performance audit (071-0176-17) finding.	GF/GP	$3,878,000	$140,000
6. Building Operations Division	FTE	266.0	9.0
Includes $5.4 million in IDG authorization for building occupancy and parking charges and authorization for 9.0 FTE positions to cover increased costs to the Building Operations Division (BOD). Funding will support the following:	**Gross**	**$110,985,500**	**$5,410,100**
	IDG	110,985,500	5,410,100
	GF/GP	$0	$0
• $3.8 million and 4.0 FTEs for expanded operations at the state's Secondary Complex in Dimondale. Expansions include renovations and additions at the state police drive track facility and the Public Health and Environmental Science Laboratory.			
• $1.1 million for building occupancy rate increases to cover a projected 4% increase in utility costs.			
• $505,600 and 5.0 FTEs for the transfer of spending authority from information technology and telecommunications to BOD for customer program support.			
7. SIGMA Contract Cost Alignment	**Gross**	**NA**	**$360,700**
Includes $360,700 in state restricted SIGMA User Fees to align resources with contractual maintenance and operations cost increases for the Statewide Integrated Governmental Management Applications (SIGMA), the state's enterprise resource planning tool.	Restricted	NA	360,700
	GF/GP	NA	$0
8. Fleet Vehicle Travel Services Rate Increase	**Gross**	**$101,194,600**	**$6,300,000**
Includes $6.3 million in IDG funding from the Motor Transport Fund to align IDG authorization with revenue from rates charged to departments and agencies.	IDG	101,194,600	6,300,000
	GF/GP	$0	$0
9. Annual IT IDG Baseline Adjustment	FTE	1,433.5	13.0
Increases IDG funding from Technology User Fee revenue by $2.8 million and authorization for 13.0 FTE positions 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.	**Gross**	**$902,505,300**	**$2,766,200**
	IDG	902,505,300	2,766,200
	GF/GP	$0	$0
10. IT IDG Authorization Reduction	**Gross**	**$902,505,300**	**($100,000,000)**
Reduces IDG funding from Technology User Fee revenue by $100.0 million to align authorization for department and agency IT service costs with expenditures.	IDG	902,505,300	(100,000,000)
	GF/GP	$0	$0
11. State Archives of Michigan - Federal and Private Grant Awards	**Gross**	**NA**	**$225,000**
Includes $225,000 in private and federal funding authorization to receive federal and private grant awards to support the preservation of archival records. Potential federal grants will be from the National Endowment for the Humanities, Institute of Museum and Library Services, and The National Historical Publications and Records Commission. Private funds will come from programs funded by the Mellon Foundation.	Federal	NA	100,000
	Private	NA	125,000
	GF/GP	NA	$0
12. 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 an increase of $521,700 GF/GP.	IDG	NA	(125,100)
	Restricted	NA	(396,600)
	GF/GP	NA	$521,700

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
13. Office of Performance Management and Communications Transfer	**Gross**	**NA**	**$0**
	IDG	NA	0
Transfers $3.3 million Gross ($1.1 million GF/GP) and authorization for 22.5 FTE positions for the Office of Performance Management and Communications from the Administrative Services line to the Executive Operations line and renames as Performance, Audit and Communication Services for a net impact of $0. The transfer will align funding with the current reporting structure.	Restricted	NA	0
	GF/GP	NA	$0
14. Accounting Service Center	**Gross**	**NA**	**($25,800)**
Includes a reduction of $25,800 in IDG funding from Accounting Service Center User Charges to align departmental accounting service center funding support with funding and services to the Department of Civil Rights.	IDG	NA	(25,800)
	GF/GP	NA	$0
15. Federal and State Restricted Revenue Alignment	**Gross**	**NA**	**($80,500)**
Includes a reduction of $80,500 in federal fund authorization for the Michigan Center for Data and Analytics to align authorization with available federal revenue from the Department of Labor for Labor Force Statistics and Employment Training Administration programs.	Federal	NA	(80,500)
	GF/GP	NA	$0
16. Information Technology Investment Fund (ITIF)	**Gross**	**$50,000,000**	**($15,000,000)**
Removes $15.0 million of one-time GF/GP funding for ITIF, the state's strategic portfolio of information technology system modernization projects; maintains $35.0 million GF/GP in the current year base to support new legacy system modernization projects.	GF/GP	$50,000,000	($15,000,000)
17. Removal of FY 2025-26 One-Time Appropriations	**Gross**	**$5,000,000**	**($5,000,000)**
Removes $5.0 million of one-time GF/GP that was included in the FY 2025-26 budget to support replacing election equipment through the Election Equipment Reserve Fund. A reduction of $15.0 to reflect the removal of one-time funding for the Information Technology Investment Fund is accounted for in item number 16 above.	GF/GP	$5,000,000	($5,000,000)
18. Legal Services	**Gross**	**$0**	**$8,300,000**
Includes $8.3 million GF/GP of one-time funding to support legal costs incurred by the state.	GF/GP	$0	$8,300,000
19. Funding Reductions	**Gross**	**NA**	**($1,020,200)**
Reduces $1.0 million GF/GP from cybersecurity and $20,200 GF/GP from the Office of Retirement Services.	GF/GP	NA	($1,020,200)
20. Make It in Michigan Transfer Placeholders	**Gross**	**$400**	**($400)**
Removes 4 $100 placeholders in place to facilitate future transfers from the Make it In Michigan Competitiveness Fund.	Federal	100	(100)
	Local	100	(100)
	Private	100	(100)
	Restricted	100	(100)
	GF/GP	$0	$0
21. State Facilities Special Maintenance	**Gross**	**$24,000,000**	**($2,000,000)**
Reduces $2.0 million GF/GP for maintenance, demolition, and infrastructure projects for state-owned buildings and structures, which includes approximately 800 buildings and 5,000 structures.	GF/GP	$24,000,000	($2,000,000)
22. Office of the State Employer	FTE	**$1,923,800**	**$500,000**
Includes $500,000 GF/GP to initiate a pilot program to provide federal student loan reduction education for state of Michigan employees with the goal of increasing participation in the federal Public Service Loan Forgiveness Program and supporting employee recruitment and retention.	**Gross**	954,300	0
	Restricted	$969,500	$500,000
	GF/GP		

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
23. Economic Adjustments	**Gross**	**NA**	**$5,983,000**
Reflects increased costs of $6.0 million Gross and decreased costs of $477,000 GF/GP for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	IDG	NA	4,610,600
	Federal	NA	80,500
	Local	NA	34,500
	Restricted	NA	1,734,400
	GF/GP	NA	($477,000)

Major Boilerplate Changes from FY 2025-26

***Sec. 812. Legacy Costs* – REVISED**
States the total amount of funding estimated to be expended on legacy costs in FY 2025-26 is $51.3 million ($46.3 million on pension-related legacy costs; $5.0 million on health care-related legacy costs). Revises to update fiscal year and dollar amounts.

***Sec. 815. Legal Services Fund* – DELETED**
Requires itemized quarterly reports 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. 816. In-Person Work and Building Utilization Requirements* – DELETED**
Requires Office of State Employer to set requirements on in-person work and utilization of state buildings to optimize Michigan non-field employees with in-person work status and to achieve occupancy rates of 80% or higher in state-owned or occupied buildings.

***Sec. 822j. Make it in Michigan Competitiveness Fund* – DELETED**
Creates Make it in Michigan Competitiveness Fund in Treasury; deposits funding appropriated in part 1 in fund; prohibits expenditures from fund without appropriation or legislative transfer; provides guidance and restrictions regarding transfers from fund; states that fund is to be used to leverage major funding opportunities available from recent federal legislation including, but not limited to, Infrastructure Investment and Jobs Act (IIJA), CHIPS and Science Act, and Inflation Reduction Act; directs formation of interagency evaluation committee to recommend appropriations or transfers; establishes reporting requirements to legislature.

***Sec. 829a. SIGMA Maintenance and Notification* – NEW**
Requires the State Budget Office to work with departments, agencies, and key stakeholders, including the House and Senate Fiscal Agencies, to ensure that all department and agency SIGMA reporting needs are met; requires State Budget Office to work with a vendor if any upgrade is necessary to comply with this requirement.

***Sec. 829b. Solar Energy Projects Selection Process* – NEW**
Authorizes requests for proposals or other arrangements for installation of solar energy projects at state-owned or leased facilities to consider the value of the lifecycle carbon emissions in manufacturing of solar equipment as part of selection process; requires DTMB to report on implementation of this section.

***Sec. 836. Independent Verification and Validation Contracting* – REVISED**
Requires Independent Verification and Validation (IV&V) contracted vendors to provide regular reporting to the legislature and to the contracted software development vendor on the project. Revises to require IV&V services for contracts $10.0 million or over; requires DTMB to make every effort to ensure costs for IV&V services do not exceed 5% of the contract costs.

***Sec. 867. Special Maintenance, Remodeling, and Additions for State Agencies* – DELETED**
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. Election Equipment Reserve Fund* – DELETED**
Authorizes unexpended funds to be designated as a work project for the purchase of election equipment; authorizes funds to carry forward to subsequent fiscal year.

Major Boilerplate Changes from FY 2025-26

***Sec. 891. Office of the State Employer – State Employee Loan Forgiveness Pilot* – NEW**
Requires funds to be used to initiate a pilot program to provide federal student loan reduction education for state of Michigan employees with the goal of increasing participation in the federal Public Service Loan Forgiveness Program and supporting employee recruitment and retention.

FY 2025-26 Supplemental Appropriation Items **Public Act 21 of 2026 (Senate Bill 878, Article 18)**		**Appropriation Change**
1. State Archives of Michigan Federal Grant Includes $100,000 in federal National Historical Publications and Records Commission funds to support onsite assessments of 24 local history organizations. Supported costs include financial and professional support for projects and resources on emergency and disaster planning.	**Gross** Federal GF/GP	**$100,000** 100,000 $0
2. Emergency Services Contracted Providers Includes $6.0 million GF/GP to be used to provide grants to reimburse qualified ambulance providers that have transported prisoners for the Department of Corrections.	**Gross** GF/GP	**$6,000,000** $6,000,000
3. Gubernatorial Transition Costs Includes $3.0 million GF/GP to support costs of the upcoming gubernatorial transition. Costs include, but are not limited to, office space leasing, office equipment, supplies, contractual services, security, and payment of accrued benefits for outgoing employees.	**Gross** GF/GP	**$3,000,000** $3,000,000
4. Information Technology Investment Fund (ITIF) Includes $26.7 million GF/GP funding for ITIF, the state's strategic portfolio of information technology system modernization projects, to support new legacy system modernization projects.	**Gross** GF/GP	**$26,733,300** $26,733,300
5. Make it in Michigan Includes $100 in state restricted revenue as a placeholder to facilitate administrative transfers of funding from the Make it in Michigan Competitiveness Fund to leverage specific major funding opportunities available from recent federal legislation including, but not limited to, Infrastructure Investment and Jobs Act (IIJA), CHIPS and Science Act, and Inflation Reduction Act and other purposes, when they become available.	**Gross** Restricted GF/GP	**$100** 100 $0

FY 2025-26 Supplemental Boilerplate Items
Public Act 21 of 2026 (Senate Bill 878, Article 18)

Sec. 701. Gubernatorial Transition Costs
Designates unexpended funds appropriated for Gubernatorial Transition Costs as a work project appropriation; funds will be used to support executive office transition costs.

Sec. 702. Civil Service Commission Information Technology (IT) Upgrade
Requires any upgrade to the Human Resources Management Network IT system to comply with information technology standard, policies, and procedures of the Department of Technology, Management, and Budget, including governance, project management, risk management, quality assurance as well as adherence to industry best practices.

Sec. 703. Information Technology Work Project Authorization
Designates appropriations for Information Technology Investment Fund as a work project account.

Sec. 704. Make it in Michigan Competitiveness Fund
Creates Make it in Michigan Competitiveness Fund in Treasury; requires deposits of funding appropriated in part 1 into the fund; prohibits expenditures from fund without appropriation or legislative transfer; provides guidance and restrictions regarding transfers from fund; states that fund is to be used to leverage major funding opportunities available from recent federal legislation including, but not limited to, Infrastructure Investment and Jobs Act (IIJA), CHIPS and Science Act, and Inflation Reduction Act; directs formation of interagency evaluation committee to recommend appropriations or transfers; establishes reporting requirements to legislature.

FY 2025-26 Supplemental Boilerplate Items
Public Act 21 of 2026 (Senate Bill 878, Article 18)

Sec. 705. Contingency Authorization
Appropriates up to $50.0 million in state restricted contingency authorization; authorizes expenditure of funds after legislative transfer to specific line items.

Sec. 706. Emergency Services Contracted Providers Fund
Creates the Emergency Services Contracted Providers fund within Treasury; requires the fund to be used to reimburse ambulance providers owed payments by a health care service provider contracted by the Department of Corrections; requires the Department of Technology, Management and Budget to collaborate with the Department of Corrections to develop a grant program to disburse reimbursements; sets requirements for the grant application process and distribution.

DEPARTMENT OF TREASURY
Summary of FY 2026-27 Enacted
Public Act 21 of 2026 (Senate Bill 878, Article 5)

Analyst: Michael Cnossen

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Enacted	*Difference: Enacted From FY 2025-26 YTD* *Amount*	*%*
IDG/IDT	$11,670,700	$12,285,700	*$615,000*	*5.3*
Federal	25,254,000	25,322,400	*68,400*	*0.3*
Local	15,311,600	16,204,300	*892,700*	*5.8*
Private	3,040,300	44,300	*(2,996,000)*	*(98.5)*
Restricted	2,273,268,100	2,275,988,400	*2,720,300*	*0.1*
GF/GP	327,800,400	320,356,800	*(7,443,600)*	*(2.3)*
Gross	**$2,656,345,100**	**$2,650,201,900**	***($6,143,200)***	***(0.2)***
FTEs	1,965.5	1,934.5	*(31.0)*	*(1.6)*

Note: Appropriation figures for all years 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 2025-26 Year-to-Date (YTD) Appropriations		**FY 2025-26 Year-to-Date (as of 2/11/26)**	**FY 2026-27 Enacted Change**
1. Constitutional Revenue Sharing	**Gross**	**$1,010,082,900**	**($9,537,300)**
Reduces $9.5 million of restricted sales tax revenue relative to the FY 2025-26 budget act appropriated amount for constitutionally required payments to cities, villages, and townships, for an estimated projected total of $1.0 billion in FY 2026-27. When compared to updated May 2026 CREC estimates for FY 2025-26, the FY 2026-27 appropriation reflects a $33.3 million decrease.	Restricted	1,010,082,900	(9,537,300)
	GF/GP	$0	$0
2. City, Village, and Township (CVT) and County Revenue Sharing	**Gross**	**$624,658,700**	**$0**
Maintains FY 2025-26 statutory revenue sharing payment funding and distribution formulas for CVTs and counties.	Restricted	624,658,700	0
	GF/GP	$0	$0
3. Public Safety Revenue Sharing Grants	**Gross**	**$50,000,000**	**$0**
Maintains $50.0 million of ongoing funding for formula grants to counties and CVTs for uses related to public safety. Funding will be distributed as follows: • $35.1 million to CVTs based on annual violent crime rates. At least 75% of grant payments must go towards law enforcement. • $11.7 million to counties based on inverse taxable values. At least 75% of grant payments must go towards law enforcement. • $3.3 million to Department of Health and Human Services (DHHS) for Community Violence Intervention programs. FY 2025-26 one-time appropriation of $20.0 for Public Safety Revenue Sharing Grants is removed as noted below in item number 14.	Restricted	50,000,000	0
	GF/GP	$0	$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
4. Debt Service Adjustments	**Gross**	**$89,881,000**	**$7,598,000**
Includes a net increase of $7.6 million distributed according to updated debt service projections as follows: • Clean Michigan Initiative – decrease of $12.3 million • Great Lakes Water Quality Bonds – increase of $22.4 million • Quality of Life Bonds – decrease of $2.5 million.	GF/GP	$89,881,000	$7,598,000
5. Payment in Lieu of Taxes (PILT)	**Gross**	**$38,312,500**	**$3,470,900**
Includes $3.5 million Gross ($2.7 million GF/GP) for increased PILT payments to local units of government for state lands owned by the Department of Natural Resources. Funding will align payments with current property tax estimates. Increased payments will include $1.3 million for state purchased lands and $2.2 million for DNR swamp and tax reverted lands.	Private	40,300	4,000
	Restricted	8,044,300	804,500
	GF/GP	$30,227,900	$2,662,400
6. Senior Citizen Cooperative Housing Tax Exemption Program	**Gross**	**$12,125,100**	**$400,000**
Includes $400,000 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	$12,125,100	$400,000
7. Bureau of Local Government Audit and Assessment Services	**Gross**	**NA**	**$198,300**
Includes $198,300 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	$198,300
8. City Income Tax Program Flint Inclusion	**Gross**	**$11,222,000**	**$1,000,000**
Includes $1.0 million of local city income tax fund revenue to expand services of the City Income Tax Program to the City of Flint.	Local	11,222,000	1,000,000
	GF/GP	$0	$0
9. Collections Services Bureau Increase	**Gross**	**$29,067,700**	**$500,000**
Includes $500,000 in IDG authorization from state agency collection fees to support operational costs and activities of the Collections Services Bureau.	IDG	6,097,200	500,000
	Restricted	22,414,300	0
	GF/GP	$556,200	$0
10. Restricted and IDG Revenue Adjustments	**Gross**	**NA**	**$22,278,700**
Includes the following adjustments to align restricted authorizations with revenue: • $22.5 million in restricted revenue for the Qualified Heavy Equipment Rental Personal Property Exemption Reimbursement Distribution • $28,700 in restricted revenues for Emergency 911 Payments • ($250,000) in local assessor training fees for property tax assessor training.	Local	NA	(250,000)
	Restricted	NA	22,528,700
	GF/GP	NA	$0
11. Tax Administration – Marihuana Wholesale Tax FTEs	FTE	325.0	3.0
Includes authorization for 3.0 FTE positions for the Tax Processing line to help administer the marihuana wholesale tax.	**Gross**	**$43,736,200**	**$0**
	IDG	2,966,300	0
	Restricted	28,938,300	0
	GF/GP	$11,831,600	$0
12. Funding and FTE Authorization Alignment Transfers	FTE	NA	0.0
Transfers $6.5 million and authorization for 47.0 FTE positions between 13 line items to align authorizations with workloads across several areas within Treasury for a net $0 and 0.0 FTE change.	**Gross**	**NA**	**$0**
	Restricted	NA	0
	GF/GP	NA	$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
13. Recreational Marihuana Grants to Locals	**Gross**	**$105,600,000**	**($11,300,000)**
Reduces state restricted Marihuana Regulation Fund revenue by $11.3 million to align grant payments to municipalities and counties with the expected increase in revenue based on the current total estimate from the January revenue estimating conference.	Restricted	105,600,000	(11,300,000)
	GF/GP	$0	$0
14. Removal of Other FY 2025-26 One-Time Appropriations	FTE	14.0	(14.0)
Removes $53.2 million of one-time Gross ($47.2 million GF/GP) funding and authorization for 14.0 FTE positions that was included in the FY 2025-26 budget to support the following:	**Gross**	**$53,155,100**	**($53,155,100)**
	Private	3,000,000	(3,000,000)
	Restricted	2,955,100	(2,955,100)
• Public Safety Constituency Grants ($25.0 million GF/GP)	GF/GP	$47,200,000	($47,200,000)
• Public Safety Revenue Sharing Grants ($20.0 million GF/GP)			
• Financial Literacy ($3.0 million private)			
• Comprehensive Road Funding Administration ($2.5 million state restricted)			
• Prosecuting Attorneys Coordinating Council (PACC) ($2.7 million Gross, $2.2 million GF/GP and 14.0 FTE positions). The office was transferred to the Department of Licensing and Regulatory Affairs.			
15. Funding and FTE Reductions	FTE	NA	(20.0)
Reduces $1.0 million from the Supervision of the General Property Tax Law line and reduces authorization for 20.0 FTE positions (10.0 positions from Bureau of Accounting and Financial Services and 10.0 from Tax Compliance).	**Gross**	**NA**	**($1,000,000)**
	GF/GP	NA	($1,000,000)
16. Wrongful Imprisonment Compensation Fund	**Gross**	**$10,000,000**	**($5,000,000)**
Reduces $5.0 million GF/GP from the annual deposit into the Wrongful Imprisonment Compensation Fund to reflect past spending and the sufficient existing fund balance. The fund provides payments to individuals who were wrongly convicted of crimes and imprisoned pursuant to the provisions of the Wrongful Imprisonment Compensation Act, 2016 PA 343.	GF/GP	$10,000,000	($5,000,000)
17. Prosecutor Support Grants	**Gross**	**NA**	**$20,047,000**
Includes $20.0 million GF/GP for grants to local prosecutors who have previously qualified for grants based on high crime statistics. The FY 2025-26 budget included $17.0 million for local prosecutors under one-time Public Safety Constituency Grants that are removed as noted under item number 14.	GF/GP	NA	$20,047,000
18. Local Prosecutor Support Adjustment Grants	**Gross**	**$0**	**$2,953,000**
Includes $3.0 million GF/GP for grants to local prosecutors that received reduced grant awards from the department since FY 2023-24.	GF/GP	$0	$2,953,000
19. Public Safety Academy Assistance Scholarship Program	**Gross**	**$0**	**$10,000,000**
Includes $10.0 million GF/GP for the Michigan Commission on Law Enforcement Standards (MCOLES) to be used to award competitive scholarships to cadets for law enforcement academies or for the salaries of academy recruits. Scholarships will be capped at $20,000 per recruit. The FY 2025-26 budget included $10.0 million police academy scholarships under one-time Public Safety Revenue Sharing Grants that are removed as noted under item number 14.	GF/GP	$0	$10,000,000
20. Revenue Sharing Information Technology	**Gross**	**$0**	**$2,000,000**
Includes $2.0 million GF/GP to improve web portal data collection and financial reporting, audit and compliance documentation, and other information sharing capabilities between local units of government and Treasury.	GF/GP	$0	$2,000,000

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
21. Economic Adjustments	**Gross**	**NA**	**$3,403,300**
Reflects increased costs of $3.4 million Gross and decreased costs of $102,300 GF/GP for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	IDG	NA	115,000
	Federal	NA	68,400
	Local	NA	142,700
	Restricted	NA	3,179,500
	GF/GP	NA	($102,300)

Major Boilerplate Changes from FY 2025-26

Sec. 917. Write-Offs and Advances **– REVISED**
Appropriates funds for write-offs and advances for Treasury programs of not more than current-year authorizations that would otherwise lapse to General Fund; requires report on amounts appropriated and an explanation for each write-off or advance that occurred. Revises report due date from November 30 to 30 days after publication of the Annual Comprehensive Financial Report.

Sec. 948. Legacy Costs **– REVISED**
States the total amount of funding estimated to be expended on legacy costs in FY 2025-26 is $26.5 million ($23.9 million on pension-related legacy costs; $2.6 million on health care-related legacy costs). Revises to update fiscal year and dollar amounts.

Sec. 949o. Private Grants Receipt and Expend Authorization **– NEW**
Appropriates private revenue upon receipt for expenditure on grants to promote financial literacy; requires Treasury to notify the legislature of receipt of a private grant, its purpose, source, and grant amount not later than 10 days after receiving the grant; limits appropriation of private grant funding under this section to $5.0 million; requires a report on the amount of private revenue received in the previous fiscal year and the amount carried forward into the current fiscal year.

Sec. 949p. Spending Authorization of MiABLE Program Fees **– NEW**
Authorizes revenue from Michigan Achieving a Better Life Experience (MiABLE) program maintenance or user fees to spent for the MiABLE program; requires MiABLE program fees to be used to develop and conduct a marketing campaign to promote awareness of the program to Michigan residents; lists eligible expenses.

Sec. 949q. Statutory Revenue Sharing Payment Factors Reporting **– NEW**
Requires the department to report the taxable value and local tax effort used to calculate payments under sections 952 and 955 for each CVT and county that receives a payment.

REVENUE SHARING

Sec. 956. Financially Distressed Cities, Villages, and Townships **– REVISED**
Specifies distribution of $2.5 million as grants to CVTs that have one or more conditions of probable financial distress; requires CVTs to work with Treasury to develop plan for grant funding; requires grants to be used for specific projects or services that move the CVT toward financial stability; caps grants at $2.0 million; designates unexpended funds as work project; requires report. Revises to remove work project authorization.

ONE-TIME APPROPRIATIONS

Sec. 991. Public Safety Constituency Grants **– DELETED**
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 to be used for on call, volunteer, or part time firefighter forces.

Sec. 991. Local Government Financial Reporting **– NEW**
Requires funds to be used to improve web portal data collection and financial reporting, audit and compliance documentation, and other information sharing capabilities between local units of government and Treasury.

Major Boilerplate Changes from FY 2025-26

***Sec. 992. Public Safety Revenue Sharing Grants* – DELETED**
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-serve 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. 992. Local Prosecutor Grants* – NEW**
Requires Treasury to issue grants to county prosecutors that received prosecutor support grants in FYs 2023-24, 2024-25, and 2025-26; requires Treasury to issue grants not later than 10 business days after receiving documentation needed to calculate grant amounts.

***Sec. 993. Local Prosecutor Support Adjustment Grants* – NEW**
Requires Treasury to issue grants to county prosecutors that received prosecutor support grants in FYs 2023-24, 2024-25, and 2025-26 but did not receive a grant in subsequent years or received a grant in a subsequent year at a lesser amount.

***Sec. 994. Public Safety Academy Assistance Grant Program* – NEW**
Requires MCOLES to award 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.

FY 2025-26 Supplemental Appropriation Items **Public Act 21 of 2026 (Senate Bill 878, Article 18)**		**Appropriation Change**
1. Senior Property Tax Credit Implementation Includes $750,000 in state restricted Delinquent Tax Revenue to adjust information technology systems to implement the proposed senior property tax credit included in the FY 2026-27 executive recommended budget.	**Gross** Restricted GF/GP	**$750,000** 750,000 $0
2. MGCB Responsible Gaming Youth Expansion Includes $300,000 of state restricted revenue from the Fantasy Contest Fund, Internet Gaming Fund, and Internet Sports Betting Fund to expand existing responsible gaming programs to specifically target youth to counter gambling addiction.	**Gross** Restricted GF/GP	**$300,000** 300,000 $0
3. MGCB Information Technology Includes $3.1 million of state restricted revenue from the Fantasy Contest Fund, Internet Gaming Fund, Internet Sports Betting Fund, and State Services Fee Fund for modernization of legacy information technology systems and new technology solutions for internet gaming oversight, enforcement, and responsible gaming processes. From the total funding, $2.5 million will be appropriated as a one-time appropriation.	**Gross** Restricted GF/GP	**$3,120,000** 3,120,000 $0
4. Public Safety Revenue Sharing Grants Includes $1.0 million in state restricted sales tax revenue to provide grants to entities to train officers to communicate better with members of the public who experience language barriers, are hard of hearing, or are deaf.	**Gross** Restricted GF/GP	**$1,000,000** 1,000,000 $0

FY 2025-26 Supplemental Boilerplate Items
Public Act 21 of 2026 (Senate Bill 878, Article 18)

Sec. 901. Law Enforcement Communication Training
Requires the department to create and administer a grant program to support 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 holds an oral transliteration certificate; requires oral transliteration certificate to be held by an officer, board member, or principal of the entity administering training for at least one year; designates unexpended funds as work project appropriation.

FY 2025-26 Supplemental Boilerplate Items
Public Act 21 of 2026 (Senate Bill 878, Article 18)

Sec. 902. MGCB Responsible Gaming for Youth Expansion Work Project Authorization
Designates appropriations intended for Michigan Gaming Control Board responsible gaming for youth expansion as a work project account.

Sec. 903. MGCB Information Technology Work Project Authorization
Designates appropriations intended for Michigan Gaming Control Board information technology modernization as a work project account.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Summary of FY 2026-27 Enacted
Public Act 21 of 2026 (Senate Bill 878, Article 6)

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

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Enacted	*Difference: Enacted From FY 2025-26 YTD* *Amount*	*%*
IDG/IDT	$15,448,000	$15,504,500	$56,500	*0.4*
Federal	20,776,106,700	21,046,586,000	270,479,300	*1.3*
Local	183,204,100	186,507,100	3,303,000	*1.8*
Private	178,884,400	188,655,200	9,770,800	*5.5*
Restricted	1,739,677,500	1,806,347,100	66,669,600	*3.8*
GF/GP	7,132,247,500	7,463,208,100	330,960,600	*4.6*
Gross	**$30,025,568,200**	**$30,706,808,000**	**$681,239,800**	***2.3***
FTEs	15,114.5	15,277.5	163.0	*1.1*

Note: Appropriation figures for all years 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 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
MEDICAID – GENERAL			
1. Traditional Medicaid Cost Adjustments	**Gross**	**$17,109,563,700**	**$812,446,500**
Includes an increase of $812.4 million Gross ($209.7 million GF/GP) to recognize caseload, utilization, inflation, and special financing adjustments, and traditional FMAP cost-sharing adjustments from FMAP increasing from 65.30% to 65.70% for medical and behavioral health services in the traditional Medicaid program. Also incorporates estimates of caseload and provider tax-related savings resulting from the implementation of federal requirements under H.R.1, totaling $142.1 million Gross ($55.9 million GF/GP).	Federal	11,416,017,600	621,030,500
	Local	43,035,800	(728,400)
	Private	9,011,700	(767,400)
	Restricted	1,203,228,900	(16,818,100)
	GF/GP	$4,438,269,700	$209,729,900
2. Healthy Michigan Plan Cost Adjustments	**Gross**	**$2,800,801,300**	**($147,763,400)**
Includes a net reduction of $147.8 million Gross ($41.2 million GF/GP) to recognize caseload, utilization, inflation, and special financing adjustments for medical and behavioral health services in the Healthy Michigan Plan (HMP). Also incorporates estimates of caseload and provider tax-related savings resulting from the implementation of federal requirements under H.R.1, totaling $204.4 million Gross ($14.0 million GF/GP).	Federal	2,515,803,400	(113,224,600)
	Local	1,911,600	588,400
	Private	700,000	(50,000)
	Restricted	164,256,300	6,172,700
	GF/GP	$118,130,000	($41,249,900)

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
3. Actuarial Soundness	**Gross**	**NA**	**$658,058,000**
Includes $658.1 million Gross ($182.1 million GF/GP) for estimated managed care actuarial soundness adjustments for prepaid inpatient health plans (PIHPs) (3.0%), Medicaid health plans (5.0%), Program of All-inclusive Care for the Elderly (PACE) (3.5%), home- and community-based services (MI Choice) (6.8%), Integrated Care Organizations (MI Health Link) (4.3%), and Healthy Kids Dental (1.3%).	Federal	NA	475,911,200
	GF/GP	NA	$182,146,800
DEPARTMENT ADMINISTRATION			
4. H.R. 1 Print Center Costs	**Gross**	**NA**	**$10,051,500**
Includes $10.1 million Gross ($3.7 million GF/GP) for printing, materials, and other increased mailing costs largely attributable to new work requirements and redetermination requirements of H.R. 1.	Federal	NA	6,393,800
	GF/GP	NA	$3,657,700
5. Direct Care Worker Payments Oversight	FTE	NA	5.0
Includes $1.0 million Gross ($620,000 GF/GP) and 5.0 FTE positions to provide for audits of direct care worker staffing agencies to ensure pass through of state-funded DCW wage uplifts.	**Gross**	**NA**	**$1,000,000**
	Federal	NA	380,000
	GF/GP	NA	$620,000
6. Actual Operational Spending Adjustments	FTE	NA	0.0
Assumes a savings of $239.6 million Gross ($34.5 million GF/GP) to align appropriations throughout the department based on anticipated GF/GP lapse savings (across 52 line items) and anticipated federal funds (across 55 line items). Major GF/GP adjustments include: • Behavioral health community supports: $12.1 million. • Prenatal care outreach: $2.6 million. • Children's protective services staff: $2.6 million. • Foster care caseload staff: $1.9 million. • Foster care supervisors: $1.8 million. • Adoption support services: $1.5 million. • Local health services: $1.4 million. • Community support services: $1.3 million. Major federal adjustments include: • Crime victim justice assistance grants: $21.7 million. • Opioid response activities: $20.0 million. • Disability determination: $20.0 million. • Low-income home energy assistance program: $20.0 million. • Health homes: $16.0 million. • Behavioral health program administration: $12.0 million. • Health services administration: $10.0 million. • Women, infants, children – food costs: $10.0 million.	**Gross**	**NA**	**($239,561,700)**
	Federal	NA	(205,078,300)
	GF/GP	NA	($34,483,400)
COMMUNITY SERVICES AND OUTREACH			
7. School Success Partnership Program	**Gross**	**$1,525,000**	**($1,525,000)**
Removes $1.5 million TANF for the School Success Partnership Program operated by the Northeast Michigan Community Services Agency. This reduction is in part to avoid duplication of services as Family Impact Teams are expanded statewide, and is part of a broader effort to reduce TANF expenditures described in item #17 below.	TANF	1,525,000	(1,525,000)
	GF/GP	$0	$0
8. Federal Grant Increase – Continuum of Care and Weatherization	**Gross**	**NA**	**$1,118,700**
Includes $1.1 million Gross ($69,100 GF/GP) to recognize an increase in federal grant awards for the Continuum of Care (CoC) and the Weatherization Program. The GF/GP increase is a state match to unlock the full amount of available federal CoC funds.	Federal	NA	1,049,600
	GF/GP	NA	$69,100

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
9. Permanent Supportive Housing – One-Time	**Gross**	**$5,000,000**	**$0**
Continues $5.0 million GF/GP in the one-time appropriations unit for supportive housing services.	GF/GP	$5,000,000	$0
10. Weatherization Assistance – One-Time	**Gross**	**$0**	**$5,000,000**
Includes $5.0 million GF/GP for weatherization assistance programming.	GF/GP	$0	$5,000,000
CHILDREN'S SERVICES AGENCY – CHILD WELFARE			
11. Child Welfare Caseload Adjustments	**Gross**	**$912,365,100**	**$96,558,300**
Includes $96.6 million Gross ($123.4 million GF/GP) based on May caseload estimates as follows:	Federal	215,063,500	(14,184,800)
	TANF	71,894,800	(18,740,900)
• Adoption Subsidies is increased by $4.5 million Gross ($21.8 million GF/GP increase).	Local	45,457,000	5,231,200
	Private	1,226,900	410,200
• Child care fund is increased by $77.8 million Gross ($73.5 million GF/GP).	Restricted	3,500,000	406,700
	GF/GP	$575,222,900	$123,435,900
• Foster Care Payments is increased by $14.2 million Gross ($26.8 million GF/GP).			
• Guardianship Assistance Program is increased by $241,900 Gross ($1.3 million GF/GP).			
Amount includes $802,800 GF/GP reduction from changes in the FY 2026-27 FMAP to 65.70%.			
12. Title IV-E Match Rate Change	**Gross**	**NA**	**$0**
Includes a $3.3 GF/GP reduction to offset an increase in federal Title IV-E authorization as result of the match rate being changed to align with the FMAP.	Federal	NA	3,256,800
	GF/GP	NA	($3,256,800)
13. Child Caring Institution Infrastructure Fund – One-Time	**Gross**	**NA**	**$1,975,000**
Includes $2.0 million GF/GP on a one-time basis to be awarded as grants to support capital improvements to state- and privately-run child caring institutions following instances that result in damage caused by the youth housed at the facility.	GF/GP	NA	$1,975,000
14. Private Agency Travel Reimbursement	**Gross**	**NA**	**$270,000**
Includes $270,000 Gross ($226,100 GF/GP) to provide travel reimbursements for private foster care agencies that provide transportation for family visitations.	Federal	NA	43,900
	GF/GP	NA	$226,100
PUBLIC ASSISTANCE			
15. Public Assistance Caseload Adjustments	**Gross**	**$3,627,570,000**	**$24,272,000**
Includes a net increase of $24.3 million Gross ($7.4 million GF/GP) based on May caseload estimates. Caseload changes include:	Federal	3,495,068,300	18,120,900
	TANF	53,779,100	0
• FIP – net increase of $7.1 million Gross ($8.0 million GF/GP).	Restricted	14,957,200	(1,292,600)
• FAP – increase of $18.1 million Federal.	GF/GP	$63,765,400	$7,443,700
• SDA – reduction of $909,100 Gross ($549,300 GF/GP).			
• SSI – no changes.			
16. Food Assistance Work Requirement Savings – H.R. 1	**Gross**	**$3,499,778,300**	**($71,712,000)**
Assumes a savings of $71.7 million in federal Supplemental Nutrition Assistance Program (SNAP) funds for estimated caseload reductions due to the implementation of work requirements mandated by H.R. 1.	Federal	3,495,068,300	(71,712,000)
	Restricted	4,710,000	0
	GF/GP	$0	$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
17. TANF Reductions	**Gross**	**NA**	**($24,873,100)**
Includes a reduction of $24.9 million TANF across multiple line items in the department based on available TANF funds and anticipated TANF expenditures. Larger reductions include:	TANF	NA	(24,873,100)
	GF/GP	NA	$0
• Emergency services local office allocations - $7.0 million.			
• Homeless programs - $5.5 million.			
• Public assistance local office staff - $2.8 million.			
• Child welfare noncaseload staff - $1.8 million.			
• Bridges information system - $1.5 million.			
18. Rx Kids	**Gross**	**$20,000,000**	**$0**
Removes $20.0 million TANF specifically allocated to Rx Kids and redistributes the TANF funds in multiple lines across the department as follows:	TANF	20,000,000	0
	GF/GP	$0	$0
• Coordinated children's healthcare policy and supports - $4.5 million.			
• FIP – Child Supplemental Payments - $2.0 million.			
• Family, maternal, and child health administration - $4.5 million.			
• Prenatal care outreach and services delivery supports - $4.5 million.			
• Special projects - $4.5 million.			
19. Water Affordability – One-Time	**Gross**	**$5,000,000**	**$0**
Continues $5.0 million GF/GP for income-based water affordability grants through qualified providers.	GF/GP	$5,000,000	$0
LOCAL OFFICE OPERATIONS			
20. SNAP and Medicaid Work Requirement Implementation – H.R. 1	FTE	NA	0.0
	Gross	**NA**	**$54,271,700**
Includes $54.3 million Gross ($40.0 million GF/GP) to implement SNAP and Medicaid work requirements mandated by H.R. 1. Investments are intended to support administration of increased casework and to provide for beneficiary outreach and education on changes to eligibility. An additional 421.0 limited-term FTEs are authorized in boilerplate Sec. 278.	Federal	NA	14,271,700
	GF/GP	NA	$40,000,000
21. SNAP Administrative Cost Share Increase – H.R.-1			
Includes net-zero adjustments that replace $94.3 million of federal funding for SNAP administrative costs with GF/GP due to an increase in the state SNAP administrative cost share from 50% to 75% as a requirement of H.R. 1. Larger impacts by section include:	**Gross**	**NA**	**$0**
	Federal	NA	(94,250,600)
	GF/GP	NA	$94,250,600
• Local Office Operations - $64.8 million.			
• Department Administration - $13.9 million.			
• Information Technology - $13.0 million.			
• Child Welfare - $2.0 million.			
BEHAVIORAL HEALTH			
22. Southeast Michigan State Psychiatric Hospital	FTE	584.2	150.0
	Gross	**$119,200,400**	**$27,832,900**
Adds $27.8 million Gross ($25.0 million GF/GP) and authorizes an additional 150.0 FTEs for expanded operational costs at the new Southeast Michigan State Psychiatric Hospital, which will have a 264-bed capacity. The census for Walter Reuther and Hawthorn, the two facilities this new hospital will replace, had averaged 215 individuals, of which 50 were children and adolescents.	Federal	27,090,300	2,382,900
	Local	6,063,900	450,000
	Restricted	4,282,600	0
	GF/GP	$81,763,600	$25,000,000

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
23. Other State Psychiatric Hospital Cost Adjustments	**Gross**	**NA**	**$8,012,200**
Includes a net increase of $8.0 million Gross ($18.5 million GF/GP) for state psychiatric hospital cost adjustments including, $10.8 million GF/GP to offset less Medicaid reimbursable activities and $6.0 million GF/GP for one-time costs for medical and business record systems and to purchase personal protection devices at Caro, Center for Forensic Psychiatry, and Kalamazoo.	Federal	NA	(10,507,500)
	Local	NA	0
	Restricted	NA	0
	GF/GP	NA	$18,519,700
24. Family Support Subsidy	**Gross**	**$16,290,400**	**$882,700**
Increases family support subsidy costs $882,700 federal TANF based on updated, estimated number of income-eligible families with a child under age 18 living at home who is cognitively impaired, severely multiply impaired, or autistic.	TANF	16,290,400	882,700
	GF/GP	$0	$0
25. Applied Behavior Analysis (ABA) Service Delivery	**Gross**	**$467,644,200**	**($21,552,500)**
Reduces $21.6 million Gross ($7.4 million GF/GP) from the department implementing service and delivery changes to ABA services either independently or associated with federal policy or regulatory modifications. Section 923 is related boilerplate.	Federal	308,507,000	(14,160,000)
	GF/GP	$159,137,200	($7,392,500)
26. Certified Community Behavioral Health Clinics (CCBHCs)	**Gross**	**$916,062,700**	**$0**
Includes $7.9 million GF/GP to offset a like amount of federal funds based on updated, anticipated federal cost reimbursements.	Federal	750,583,900	(7,868,200)
	GF/GP	$165,478,800	$7,868,200
27. Certified Community Behavioral Health Clinics (CCBHCs) to One-Time	**Gross**	**$916,062,700**	**$0**
Moves $242.3 million Gross ($46.0 million GF/GP) to the one-time unit. This results in a net $0 change in FY 2026-27.	Federal	750,583,900	0
	GF/GP	$165,478,800	$0
28. Health Homes	**Gross**	**$50,239,800**	**$0**
Adds $4.9 million GF/GP to account for a temporary enhanced Medicaid match ending for most of the behavioral health and substance use disorder health homes. Health homes receive a 90% enhanced federal match for its first 8 quarters.	Federal	39,527,000	(4,900,600)
	Restricted	560,000	0
	GF/GP	$10,152,800	$4,900,600
29. Nursing Home PAS/ARR-OBRA	**Gross**	**$15,213,600**	**$3,600,000**
Includes $3.6 million Gross ($900,000 GF/GP) based on anticipated cost and utilization increased of pre-admission screenings for persons with serious mental illness who are seeking admission into a nursing home.	Federal	11,424,200	2,700,000
	GF/GP	$3,789,400	$900,000
30. Federal Authorization Adjustments	**Gross**	**NA**	**$11,300,000**
Adds $11.3 million federal for the following behavioral health programs: • $8.3 million federal Medicaid reimbursements based on the expected opening of new psychiatric residential treatment facilities in Grand Rapids, Lansing, and Livonia which have an estimated combined number of 50 beds. • $3.0 million from the federal Mental Health Block Grant.	Federal	NA	11,300,000
	GF/GP	NA	$0
31. Multicultural Integration Funding to One-Time	**Gross**	**$17,284,900**	**$0**
Moves a portion of funding ($1.0 million GF/GP) for Multicultural Integration to the one-time unit. This results in a net $0 change in FY 2026-27.	Federal	694,500	0
	TANF	421,000	0
	GF/GP	$16,169,400	$0
32. Crisis Stabilization Units – One-Time	**Gross**	**NA**	**$5,000,000**
Adds $5.0 million GF/GP to support the 2 existing crisis stabilization units, operated by Network 180 and DWIHN, on a one-time basis.	GF/GP	NA	$5,000,000
33. Mosaic Counseling	**Gross**	**$100,000**	**$531,900**
Includes $531,900 GF/GP to increase support for Mosaic Counseling.	GF/GP	$100,000	$531,900

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
34. Opioid Healing and Recovery Fund – One-Time	**Gross**	**$76,750,000**	**($6,250,000)**
Includes a net reduction of $6.2 million state restricted Opioid Health and Recovery one-time funding, for a total FY 2026-27 one-time amount of $70.5 million. Sec. 1914 is related boilerplate that also changes the allocation of these funds.	Restricted	76,750,000	(6,250,000)
	GF/GP	$0	$0
PUBLIC HEALTH			
35. Community Violence Intervention Interagency Agreement	**Gross**	**$0**	**$3,250,000**
Includes $3.3 million in restricted Public Safety and Violence Prevention Trust Fund authorization to be allocated to community partners as revenue sharing grants. Allocation is required by PA 22 of 2025.	Restricted	0	3,250,000
	GF/GP	$0	$0
36. State Restricted Fund Adjustments	**Gross**	**NA**	**$0**
Includes net-zero adjustments that replaces $2.0 million GF/GP with state restricted revenues including: • Newborn Screening Fees: $1.0 million. • Fees and collections: $1.0 million.	Restricted	NA	2,000,000
	GF/GP	NA	($2,000,000)
37. CenteringPregnancy Funding to One-Time	**Gross**	**$5,000,000**	**$0**
Moves a portion of funding ($4.0 million Gross ($2.0 million GF/GP)) for CenteringPregnancy to the one-time unit. This results in a net $0 change in FY 2026-27.	Federal	2,500,000	0
	GF/GP	$2,500,000	$0
HEALTH SERVICES			
38. Medicaid Pharmaceutical Savings	**Gross**	**NA**	**($311,182,900)**
Assumes $311.2 million Gross ($84.0 million GF/GP) in savings through pharmacy fee alignment, a single pharmacy benefits administrator contract, prioritization of generics and biosimilars, and adoption of federal pharmaceutical cost containment programs; Sec. 1623, Sec. 1624, and Sec. 1880 are related boilerplate.	Federal	NA	(227,182,900)
	GF/GP	NA	($84,000,000)
39. Long-Term Care – Non-Medicaid DCW Wages	**Gross**	**$2,634,382,500**	**($73,857,500)**
Includes a reduction of $73.9 million GF/GP to stop the use of state funds to provide for a continuation of the COVID-19 public health emergency-era direct care worker wage uplift for services provided to non-Medicaid recipients of skilled nursing services; Sec. 1643 is related boilerplate.	Federal	1,684,819,400	0
	Local	6,463,700	0
	Private	6,100,000	0
	Restricted	448,909,600	0
	GF/GP	$488,089,800	($73,857,500)
40. Adult Dental Carve-Out	**Gross**	**NA**	**($45,768,900)**
Assumes $45.8 million Gross ($11.3 million GF/GP) of cost savings through the expansion of the Healthy Kids Dental contract to include managed care adult dental services; Sec. 1627 is related boilerplate.	Federal	NA	(34,518,900)
	GF/GP	NA	($11,250,000)
41. Medicaid Managed Care Efficiencies	**Gross**	**NA**	**($27,341,700)**
Assumes $27.3 million Gross ($8.5 million GF/GP) in cost savings related to managed care administrative efficiencies, third-party contracting, and site neutrality; Sec. 1515 and Sec. 1516 are related boilerplate.	Federal	NA	(18,841,700)
	GF/GP	NA	($8,500,000)
42. MiDocs Financing	**Gross**	**NA**	**$0**
Includes a net-zero adjustment replacing $10.0 million GF/GP with $10.0 million SAF as pass-through state restricted revenue from public universities hosting MiDocs residency slots.	Restricted	NA	10,000,000
	GF/GP	NA	($10,000,000)
43. Rural Health Transformation Program	FTE	0.0	2.0
Includes a reduction of $76.8 million to align appropriation with actual grant award, transfers 2.0 FTE positions, and designates the federal grant as a separate fund source; Sec. 1803 is related boilerplate.	**Gross**	**$250,000,000**	**($76,800,000)**
	Federal	250,000,000	(76,800,000)
	GF/GP	$0	$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
44. Medicare/Medicaid Dual Eligible – Programmatic Structure	**Gross**	**$438,634,200**	**$0**
Includes a net-zero adjustment to transition the current integrated care organizations (MI Health Link) to a managed care format as the new MI Coordinated Health program; Sec. 1775 is related boilerplate.	Federal	276,594,200	0
	GF/GP	$162,040,000	$0
45. Long-Term Care – Current Asset Value	**Gross**	**$2,634,382,500**	**$11,661,800**
Includes $11.7 million Gross ($4.0 million GF/GP) to increase current asset value for skilled nursing facilities in order to defray costs for capital improvements.	Federal	1,684,819,400	7,661,800
	Local	6,463,700	0
	Private	6,100,000	0
	Restricted	448,909,600	0
	GF/GP	$488,089,800	$4,000,000
46. Private Duty Nursing	**Gross**	**$5,891,400**	**$11,246,600**
Includes $11.2 million Gross ($3.9 million GF/GP) for CMS service requirements and a rate increase for home health private duty nursing services to Medicaid recipients under the age of 21.	Federal	3,784,300	7,389,000
	Private	100,000	0
	GF/GP	$2,007,100	$3,857,600
47. Ground Emergency Medical Transportation – Federal Match	FTE	NA	6.0
Includes $31.5 million Gross ($0 GF/GP) and 6.0 administrative FTE positions to incorporate assumed additional revenues related to federal cost sharing for existing medical transportation costs incurred by government-owned providers.	**Gross**	**NA**	**$31,500,000**
	Federal	NA	31,350,000
	Local	NA	150,000
	GF/GP	NA	$0
48. MI Choice – Structured Family Caregiving	**Gross**	**$0**	**$2,881,800**
Includes $2.9 million Gross ($1.0 million GF/GP) to reinstate training supports and stipends for live-in family members that provide caregiving supports to Home and Community-Based Services waiver beneficiaries, funding was reduced by the same amount in FY 2025-26.	Federal	0	1,881,800
	GF/GP	$0	$1,000,000
49. GLP-1 Savings	**Gross**	**NA**	**($1,666,700)**
Includes a reduction of $1.7 million GF/GP to annualize FY 2025-26 GLP-1 policy-related savings that were effective January 1, 2026.	GF/GP	NA	($1,666,700)
50. Mobile Radiograph Services	**Gross**	**NA**	**$498,500**
Includes $498,500 Gross ($171,000 GF/GP) to increase base reimbursement rates for mobile x-ray and ultrasound services provided to long-term care facilities, to incorporate transportation costs; Sec. 1792 is related boilerplate.	Federal	NA	327,500
	GF/GP	NA	$171,000
51. Nursing Facility Staffing – Penalty Revenues – One-Time	**Gross**	**NA**	**$10,000,000**
Includes $10.0 million private revenues to support nursing facility workforce training programs, career development, and other hiring and retention efforts for CNAs and RNs. Revenues are available from civil monetary penalty payments by nursing facilities for infractions involving non-compliance with federal requirements, and allowable under CMS guidance for staffing level-related efforts. Program supported over a 5-year period with the intent to work project the appropriations.	Private	NA	10,000,000
	GF/GP	NA	$0
52. Home Help Caregiver Council – One-Time	FTE	0.0	3.0
Includes $4.0 million Gross ($2.0 million GF/GP) and 3.0 FTE positions to establish the Home Help Caregiver Council, in accordance with 2024 PA 144. Funding to provide for administrative costs, pre-service orientation, communications, advisory group support, and voluntary training over a 5-year period with the intent to work project the appropriations.	**Gross**	**$0**	**$4,000,000**
	Federal	0	2,000,000
	GF/GP	$0	$2,000,000

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
53. Healthy Michigan Plan – Fee-For-Service	**Gross**	**$2,362,533,800**	**$0**
Includes net-zero transfer of $582.4 million Gross ($19.6 million GF/GP) to create a separate line item for services provided to the Medicaid expansion population not enrolled in managed care.	Federal	2,105,873,500	0
	Local	1,911,600	0
	Private	700,000	0
	Restricted	177,374,300	0
	GF/GP	$76,674,400	$0
54. Tobacco Settlement: 21st Century Jobs Trust Fund to Merit Award Trust Fund	**Gross**	**NA**	**$0**
	Restricted	NA	75,000,000
Includes net-zero adjustments that replace $75.0 million GF/GP with state restricted fund revenues from allowing $75.0 million for the 21st Century Jobs Trust Fund to sunset. Those tobacco settlement funds are then deposited into the Merit Award Trust Fund instead.	GF/GP	NA	($75,000,000)
55. Restricted Fund Adjustments	**Gross**	**NA**	**$0**
Includes net-zero adjustments that replace $6.4 million state restricted revenues with $6.4 million GF/GP adjustments include: • Merit Award Trust Fund: increase of $13.0 million. • Medicaid Benefits Trust Fund: reduction of $18.2 million. • Healthy Michigan Fund: reduction of $1.2 million.	Restricted	NA	(6,400,000)
	GF/GP	NA	$6,400,000
56. One-Time Grant Funding	**Gross**	**$0**	**$27,525,000**
Includes $27.5 million GF/GP for the following one-time grants: • Access Health: $1.3 million. • Auburn Hills ambulance: $450,000. • Autism Navigators: $750,000. • Center for Behavioral Health and Justice at WSU: $2.0 million. • Common Ground Crisis Center: $405,000. • Community Opportunity Hub (Anchor Detroit/Life Remodeled): $1.0 million. • Community Overcoming Violent Encounters: $500,000. • CPR and AED devices through Albion Department of Public Safety: $56,000. • Dental Safety Net Providers (MCDC): $1.0 million. • Eye Care for Detroit mobile vision services: $375,000. • Families and Children Together in Genesee: $2.0 million. • First Responder Mental Health Supports (Frontline Strong Together): $1.0 million. • FQHC training program: $1.5 million. • Holland Hospital advanced endoscopy: $1.7 million. • IM Kids 3rd Meal: $500,000. • Michigan Coalition Against Homelessness: $700,000. • Mobile mental health crisis unit through Jackson-Hillsdale CMH: $210,000. • National Kidney Foundation Medicaid outreach: $1.0 million. • North Central Michigan College dental clinic: $2.5 million. • Northern Bay ambulance: $300,000. • Recovery Staff and Training (Haven of Rest Ministries): $300,000. • St. Louis Center: $2.0 million. • Tri-Cities Family YMCA: $2.1 million. • Uterine fibroid study: $250,000. • Victims services training through MI Sheriffs' Association: $85,000. • Violence Prevention Task Force: $2.5 million. • YesRX cancer drug repository: $1.0 million.	GF/GP	$0	$27,525,000

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
57. Removal of FY 2025-26 One-Time Appropriations	**Gross**	**$202,056,900**	**($202,056,900)**
Removes $202.1 million Gross ($100.0 million GF/GP) of one-time funding that was included in the FY 2025-26 budget to support 37 one-time line items in FY 2025-26. Any funding retained into FY 2026-27 is noted elsewhere.	Federal	25,306,900	(25,306,900)
	Restricted	76,750,000	(76,750,000)
	GF/GP	$100,000,000	($100,000,000)
58. Economic Adjustments	**Gross**	**NA**	**$44,870,900**
Reflects increased costs of $44.9 million Gross ($29.4 million GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	IDG	NA	56,500
	TANF	NA	(3,400)
	Federal	NA	14,822,200
	Local	NA	74,000
	Private	NA	166,000
	Restricted	NA	322,400
	GF/GP	NA	$29,433,200

Major Boilerplate Changes from FY 2025-26

GENERAL SECTIONS

***Sec. ~~233.~~ 204. State Administrative Board Transfers* – UNENFORCEABLE**
Authorizes the legislature to intertransfer funds via concurrent resolution if the State Administrative Board transfers funds. *(Governor's signing letter states that this section is unenforceable.)*

***Sec. ~~240.~~ 219. Expending Available Work Project Authorization* – 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 that this section is unenforceable.)*

***Sec. ~~264.~~ 222. Disciplinary Action Against State Employees* – 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 that this section is unenforceable.)*

***Sec. 228. State Fiscal Recovery Fund Reappropriation* – NEW**
Allows for the automatic reappropriation of state fiscal recovery funds for the same, original appropriated purpose so funds are expended by December 31, 2026, and any subsequent financial close out period.

***Sec. 229. ARPA Revenue Pre-Expiration Reallocation* – NEW**
Permits the state budget director to reallocate federal state fiscal recovery funds so they are expended by December 31, 2026 for payroll and benefits for public health and safety employees at the department of corrections and department of state police; and requires legislative notification within 10 business days of the reallocation.

***Sec. ~~231.~~ 264. Direct Care Worker Wage Increase and Report* – REVISED**
Requires DHHS, Medicaid managed care organizations of MI Choice, MI Health Link, and PIHPs to continue the wage increase of up to $3.40 per hour paid to direct care workers funded by DHHS appropriations, and states specific workers and wage increases to be supported. Includes provisions if a worker elects to reject the increase. Requires DHHS to report on previous fiscal year information and outcomes. Revises to remove specific direct care wage and references rate of previous fiscal year; requires pass-through of wage uplift directly to direct care workers, and requires documented proof from contractors; and requires the department to recoup payments from employers that do not provide for the wage uplift pass-through.

***Sec. ~~250.~~ 227. Legislatively Directed Spending Items* – REVISED**
Requires the legislature to provide the department 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. Revises to require the House and Seante to submit a jointly agreed upon list of legislatively directed spending items to SBO and requires DHHS to post a report by March 15 and updated June 15 and September 15.

HEALTH AND HUMAN SERVICES

Major Boilerplate Changes from FY 2025-26

***Sec. 278. H.R. 1 Staffing Authorization* – NEW**
Authorizes the department, with State Budget Director approval, to hire up to 421.0 additional FTE positions with available appropriations; requires the positions to be temporary and for the purpose of implementation of, and compliance with, PL 119-21; and requires positions to be included in quarterly FTE reports.

COMMUNITY SERVICES AND OUTREACH

***Sec. 464. Diaper Assistance Grants* – REVISED**
Allocates $6.4 million as grants 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 reporting by county.

CHILDREN'S SERVICES AGENCY – CHILD WELFARE/JUVENILE JUSTICE

***Sec. 527. Child Welfare Training Report* – NEW**
Requires DHHS to report on the materials being used to train providers on the use of seclusion and restraint practices in child caring institutions.

***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 by updating the Independent Living (IL) and Host-Home housing rates.

***Sec. 562. Time and Travel Reimbursements for Foster Parents* – REVISED**
Requires DHHS to provide time and travel reimbursements for foster parents who transport foster children to parent-child visitation, requires DHHS to provide written notification of right to request reimbursements to foster parents, and requires reimbursement within 60 days after receiving reimbursement request. Revises by allowing private agencies to receive reimbursement for providing transportation for parent-child visits.

***Sec. 702. Shawono Center Report* – REVISED**
Requires DHHS to report on the location and placement type of youth that were placed in the Shawono Center as of January 24,2025, the location of staff previously employed at the Shawono Center as of January 24,2025, and the number of former staff that are still employed by DHHS. Revises by requiring DHHS to provide information on youth placement and staffing for the two state run facilities.

PUBLIC ASSISTANCE/LOCAL OFFICE OPERATIONS

***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 requiring DHHS to notify applicants of reason for benefit denial and provide information on how to appeal the decision.

***Sec. 620. Medicaid Eligibility Determination Standards of Promptness* – REVISED**
Requires DHHS to determine Medicaid eligibility within 90 days when disability is an eligibility factor and 45 days for other Medicaid applicants, including patients in nursing homes; and requires quarterly reports on Medicaid standards of promptness. Revises by removing reference to federal continuous enrollment requirement.

***Sec. 625. SSI Advocacy Grant* – REVISED**
Allocates $975,000 to the Legal Services Association of Michigan (LSAM) to assist current or potential SDA recipients in applying for SSI or other federal disability benefits and requires LSAM to report to DHHS on services provided with grant funds. Revises to allocate funds as a competitive grant.

***Sec. 627. Food Assistance Eligibility Verification* – NEW**
Requires DHHS to conduct food assistance redeterminations and mid-certification contacts and verify eligibility according to state and federal law; require DHHS to review information received through state and federal data matches to determine eligibility; requires DHHS to review Bridge Card data on a monthly basis to identify and investigate patterns of exclusive out-of-state use and refer cases to the Office of Inspector General if appropriate; require a quarterly report on data sources used to verify food assistance eligibility, the number of individuals no longer eligible due to changes in one of the listed eligibility factors, and number of individuals who became ineligible for food assistance after H.R. 1 policy changes were implemented.

Major Boilerplate Changes from FY 2025-26

Sec. 634. Restaurant Meal Program Eligibility **– NEW**
Prohibits the expansion of the restaurant meal program and limits eligible program recipients to individuals that are older than 60 years of age, disabled, homeless, and/or a spouse of an eligible program recipient.

Sec. 678. Annual FIP Young Child Supplement **– REVISED**
Provides for annual supplemental payments to FIP cases that include young children; allocates additional funds by 2 age categories, 0 through 5 and 6 through 13; establishes distribution methodology; and requires an annual report. Revises for Part 1 funding increase.

Sec. 689. Prenatal and Infant Support Program **– DELETED**
Allocates $20 million for programs to improve the economic stability of families with very young children; requires DHHS to give preference to programs that demonstrate effectiveness in improving economic stability for households with pregnant women and young children, partnerships with local health care providers and nonprofit agencies that provide for improved maternal and infant health outcomes, and compliance with TANF requirements; requires report.

Sec. 801. Food Assistance Program Error Rate **– REVISED**
Requires the department to provide a quarterly report containing monthly data on the active-case FAP payment error rate as provided to the U.S. Department of Agriculture – Food and Nutrition Services. Revises by requiring a monthly report.

Sec. 851. Adult Services Field Staff Ratios **– REVISED**
Requires the department to reduce the number of older adults who are victims of crime or fraud; establishes criteria for the service standard of promptness. Revises by striking requirement for the department to complete investigations within 30 days.

BEHAVIORAL HEALTH SERVICES

Sec. 917. Michigan Opioid Healing and Recovery Fund and Report **– REVISED**
Allocates $55.0 million from the Michigan Opioid Healing and Recovery Fund, MCL 12.253, to supplement other opioid-related programs and services; permits DHHS to expend remaining funds for additional activities; and requires a semiannual report. Revises category amounts and removes DHHS ability to expend remaining funds on additional activities.

Sec. 920. Rate-Setting Process for PIHPs **– REVISED**
Requires the Medicaid rate-setting process for PIHPs include any state and federal wage and compensation increases. Adds requirement that DHHS complete rate setting process before requiring PIHPs to implement new direct care worker wage requirements, and requires a report.

Sec. 923. ABA Adjustments **– NEW**
Requires DHHS to identify and implement services delivery and policy modifications to realize utilization efficiencies for ABA either independently or in alignment with federal policy modifications.

Sec. 924. Autism Services Fee Schedule **– REVISED**
Requires DHHS to maintain a fee schedule for autism services by not allowing expenditures used for actuarially sound rate certification to exceed the identified fee schedule, also sets behavioral technician fee schedule at not less than $66.00 per hour. Revises to only require a minimum fee of not less than $66.00 per hour for behavioral technicians.

Sec. 925. Autism Services Quality Control **– NEW**
Requires DHHS to dedicate up to 1.0% from the autism line to contract with an independent agency to identify fraud, institute quality control measures, and provide technical assistance to improve outcomes and accountability.

Sec. 1005. Health Home Programs **– REVISED**
Requires DHHS to maintain the number of behavioral health homes in PIHP regions and the number of opioid health homes in PIHP regions, and permits expansion into additional PIHP regions; requires a report. Revises to permit DHHS to submit a legislative request to expand the number of health homes and revises the report to list the number of health homes that qualify for enhanced federal reimbursement and the date when the enhanced federal reimbursement expires.

PUBLIC HEALTH

Sec. 1146. Michigan Coalition to End Domestic Violence/Uniting Three Fires **– REVISED**
Allocates $1.0 million to the Michigan Coalition to End Domestic Violence and Uniting Three Fires to support services for victims of domestic violence, sexual violence, human trafficking; includes funding for the statewide tribal domestic and sexual violence coalition. Revises by allocating funds as completive grants.

HEALTH AND HUMAN SERVICES

Major Boilerplate Changes from FY 2025-26

***Sec. ~~1830.~~ 1348. Centering Pregnancy* – REVISED**
Allocates $5.0 million to provide grants to prenatal health care providers operating group-based maternity programs through hospitals. Revises by moving program to the family health services unit, making technical adjustments, and modifying allocation amount.

HEALTH SERVICES

***Sec. 1522. Medicaid Eligibility Verification Data Retrieval* – NEW**
Prohibits department from accepting self-attestation for certain Medicaid eligibility information; requires ex parte validation of eligibility; requires requesting and reviewing pertinent data from state and federal data sources; and requires the removal of Medicaid participants found ineligible through the validation process.

***Sec. 1530. Medicaid Waiver Approvals* – NEW**
Prohibits the department from requesting or implementing a CMS waiver or Medicaid State Plan amendment prior to statutory approval.

***Sec. 1608. Medicaid Eligibility Residency Requirements* – DELETED**
Provides legislative intent that the department comply with residency provisions when determining Medicaid eligibility.

***Sec. 1633. Federal Provider Tax Transition Period* – REVISED**
Requires the department 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. Revises to require department to provide for notification of transition while establishing provider tax restrictions included in H.R. 1.

***Sec. 1634. Insurance Provider Assessment Alternative* – DELETED**
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. 1644. Medicaid Fee-For-Service Direct Care Worker Wages* – REVISED**
Requires the department to maintain the established Medicaid fee-for-service wages for direct care workers, and defines the term "direct care worker." Revises to require the department to maintain the $3.40 per hour wage increase for direct care workers; require pass-through of funds for wage uplift; and require the department to recoup funds not passed through by employers.

***Sec. 1645. Nursing Facility Non-Clinical Staff Wages* – REVISED**
Requires the department to maintain the established wages for non-clinical staff working in skilled nursing facilities, and details job classifications applicable to this section. Revises to allow the department to utilize matching revenue for direct care worker wages; require pass-through of funds for wages; and require the department to recoup funds not passed through by employers.

***Sec. 1647. Home- and Community-Based Services Fund Report* – REVISED**
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. Revises to retain final, cumulative report.

***Sec. 1762. Medicaid Health Plan – Medical Loss Ratio* – NEW**
Requires the department to ensure adherence to CMS guidance for Medicaid health plan medical loss ratio requirements, and disallows use of investment income as part of medical loss ratio.

***Sec. 1763. Drug Utilization Reviews* – NEW**
Requires documented net-cost reviews and affirmative determination of a drug's clinical appropriateness and cost effectiveness prior to inclusion on the state single preferred drug list; and requires a report.

***Sec. 1793. Health Plan Pharmaceutical Encounter Data Report* – NEW**
Requires the department to evaluate and report on pharmacy encounter data, and to provide guidance on rate recertification.

***Sec. 1803. Rural Health Transformation Program* – REVISED**
Requires the department to distribute federal grant funding; requires a report on the Rural Health Transformation Program grant application submitted to CMS; and requires a report on final grant award, denial, and any CMS-required modifications. Revises to require a report on revised grant award, and identify proposals to increase grant award; report on all reports submitted to CMS; require point-in-time expenditure-triggered reports; specify dashboard metrics, and require their public availability; require quarterly reports on MIHIN expansion; require prioritization of department personnel for administrative operations, and report on administrative costs for Michigan Public Health Institute contractual services; and require all reports to be available on the grant website.

Major Boilerplate Changes from FY 2025-26

***Sec. 1831. Hospital Maternal Health Incentives* – REVISED**
Allocates $10.0 million for data-sharing systems and services between maternity care providers for improvements in service quality and maternal safety. Revised to include metrics-related reporting requirement.

***Sec. 1880. Medicaid Pharmaceutical Quality and Clinical Standards* – REVISED**
Requires the department 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; and limits GLP-1 agonist utilization to specified cases. Revised to require utilization of generic and biosimilar pharmaceuticals, and include a provision of secession if conflict occurs with federal policy pertaining to pharmaceutical programs.

FY 2025-26 Supplemental Appropriation Items **Public Act 21 of 2026 (Senate Bill 878, Article 18)**		**Appropriation Change**
1. Traditional Medicaid and Healthy Michigan Plan Cost Adjustments Includes $1,054.1 million Gross ($263.0 million GF/GP) for caseload, utilization, inflation, and special financing adjustments for the Traditional Medicaid and Healthy Michigan Plan programs based on May CREC cost adjustments.	**Gross** Federal Local Private Restricted GF/GP	**$1,054,092,500** 740,527,800 (140,100) (416,400) 51,170,700 $262,950,500
2. Quality Assurance Assessment Program (QAAP) Revenue Accrual Across FY 2024-25 and FY 2025-26 Offsets $270.0 million GF/GP with a like amount of QAAP revenue that would have been commonly booked as FY 2024-25 revenues through the accrual process. Supplemental request 2025-6, which was not enacted into law, included an inverse recommendation to account for $270.0 million in less QAAP revenue that needs to be offset with GF/GP in FY 2024-25.	**Gross** Restricted GF/GP	**$0** 270,040,000 ($270,040,000)
3. Direct Care Worker Wages Includes $351.8 million Gross ($118.9 million GF/GP) to backfill federal COVID-19 Public Health Emergency (ARPA) revenue and retain $3.40 per hour wage add-on, incorporate state minimum wage increases for CY 2025 and 2026, include an additional $1.27 per hour increase to recognize minimum wage rate effective January 1, 2027, and provide for statutorily-required sick-leave payment costs for Medicaid reimbursed Direct Care Worker wages. Funds had initially been included as a FY 2026-27 cost increase.	**Gross** Federal GF/GP	**$351,849,500** 232,945,200 $118,904,300
4. Child Welfare Caseload Adjustments Increases funding for child welfare programs by $26.9 million Gross ($33.3 million GF/GP) for FY 2025-26 based on current caseload projections for Adoption Subsidies, Child Care Fund, Foster Care Payments, and Guardianship Assistance Program based on May CREC caseload adjustments.	**Gross** Federal Local GF/GP	**$26,927,600** (8,836,500) 2,462,200 $33,301,900
5. Strong Families Safe Children Includes authorization to receive $500,000 in additional federal Promoting Safe and Stable Families Program grant funding.	**Gross** Federal GF/GP	**$500,000** 500,000 $0
6. Public Assistance Caseload Adjustments Includes a net reduction of $118.2 million Gross (net increase of $5.2 million GF/GP) for caseload and cost adjustments for the Family Independence Program, Food Assistance Program, State Disability Assistance, and State Supplementation based on May CREC caseload adjustments. Caseload changes include: • FIP – increase of $4.7 million Gross ($5.9 million GF/GP). • FAP – reduction of $121.7 million Federal. • SDA – reduction of $1.2 million Gross ($719,800 GF/GP). • SSI – no change.	**Gross** Federal Restricted GF/GP	**($118,188,900)** (121,721,100) (1,631,500) $5,163,700

FY 2025-26 Supplemental Appropriation Items **Public Act 21 of 2026 (Senate Bill 878, Article 18)**		**Appropriation Change**
7. Equifax Contract Increase Includes $1.0 million Gross ($731,100 GF/GP) to support contractual income verification services provided by Equifax. Contract cost increases are in part attributable to implementation of H.R. 1 work requirements.	**Gross** Federal GF/GP	**$1,033,000** 301,900 $731,100
8. Michigan Clinical Consultation and Care Federal Authorization Transfers $500,000 of federal funds authorization from the Behavioral Health Administration line item to the Michigan Clinical Consultation and Care line item based on anticipated federal authorization utilization.	**Gross** Federal GF/GP	**$0** 0 $0
9. Family Support Subsidy Includes authorization to receive an additional $382,500 in federal TANF funds based on updated caseload estimates totaling 4,625.	**Gross** Federal GF/GP	**$382,500** 382,500 $0
10. Psychiatric Residential Treatment Facilities Includes $8.3 million in federal Medicaid reimbursements based on the expected opening of new psychiatric residential treatment facilities in Grand Rapids, Lansing, and Livonia. The facilities have an estimated combined number of 50 beds.	**Gross** Federal GF/GP	**$8,300,000** 8,300,000 $0
11. Certified Community Behavioral Health Clinics (CCBHCs) Includes $7.9 million GF/GP to offset a like amount of federal funds based on updated anticipated federal cost reimbursements.	**Gross** Federal GF/GP	**$0** (7,868,200) $7,868,200
12. Federal Mental Health Block Grant Includes authorization to receive an additional $3.0 million in Federal Mental Health Block Grant funds based on the anticipated federal award.	**Gross** Federal GF/GP	**$3,000,000** 3,000,000 $0
13. Nursing Home PAS/ARR-OBRA Includes $3.6 million Gross ($900,000 GF/GP) to cover anticipated costs and an anticipated increase in pre-admission screenings for persons with serious mental illness who are seeking admission into a nursing home.	**Gross** Federal GF/GP	**$3,600,000** 2,700,000 $900,000
14. Southeast Michigan State Psychiatric Hospital Transition Costs Includes $7.9 million GF/GP and authorization for 53.8 FTE positions in anticipation of the new state hospital set to open in October 2026.	FTE **Gross** GF/GP	53.8 **$7,894,400** $7,894,400
15. Other State Psychiatric Hospital Cost Adjustments Includes $519,600 Gross ($11.3 million GF/GP) for other state psychiatric hospital cost adjustments including a reduction in anticipated federal reimbursements and additional food costs.	**Gross** Federal Local Restricted GF/GP	**$519,600** (10,765,800) 0 0 $11,285,400
16. Federal Domestic Violence and Rape Prevention Services Includes authorization to receive an additional $315,000 in federal funds for Family Violence Prevention and Services Act (FVPSA) and Sexual Assault Services Program (SASP).	**Gross** Federal GF/GP	**$315,000** 315,000 $0
17. Federal Hepatitis C Prevention Funding Includes authorization to receive an additional $575,000 in federal grant funding or Hepatitis C prevention activities.	**Gross** Federal GF/GP	**$575,000** 575,000 $0
18. Community Violence Intervention Interagency Agreement Authorizes $3.3 million in state restricted Public Safety and Violence Prevention Trust Funds to be allocated to community partners as revenue sharing grants. Allocation is required by 2025 PA 22.	**Gross** Restricted GF/GP	**$3,250,000** 3,250,000 $0
19. Dental Programs Shifts funding authorization from GF to federal to reflect a portion of work that is eligible for Medicaid match.	**Gross** Federal GF/GP	**$0** 83,000 ($83,000)

FY 2025-26 Supplemental Appropriation Items **Public Act 21 of 2026 (Senate Bill 878, Article 18)**		**Appropriation Change**
20. Private CSHCS Administration Funding Includes authorization to receive an additional $12,000 in private funds from the American Academy of Pediatrics. The CSHCS program will assist AAP with their program called "Blueprint for Change" for children with special health care needs.	**Gross** Private GF/GP	**$12,000** 12,000 $0
21. Private Duty Nursing Includes $9.9 million Gross ($3.4 million GF/GP) for CMS service requirements for home health private duty nursing services to Medicaid recipients under the age of 21.	**Gross** Federal GF/GP	**$9,931,700** 6,485,400 $3,446,300
22. MI Coordinated Health Transition Includes a net increase of $15.7 million Gross (net reduction of $2.0 million GF/GP) from transfers in associated fee-for-service costs for persons enrolled in Coordination-Only D-SNP as those costs will move into the managed care MI Coordinated Health (MICH). Executive estimates both home help and long-term care costs will increase under MICH but other services would be offset through increased Medicare coverage.	**Gross** Federal GF/GP	**$15,665,300** 17,634,400 ($1,969,100)
23. Medicaid State Restricted Fund Adjustments Includes net-zero adjustments that replace $1.4 million state restricted revenues with $1.4 million GF/GP. Adjustments include: • Merit Award Trust Fund: increase of $13.0 million. • Medicaid Benefits Trust Fund: reduction of $13.2 million. • Healthy Michigan Fund: reduction of $1.2 million.	**Gross** Restricted GF/GP	**$0** (1,400,000) $1,400,000
24. Community Health Screening Reappropriations Includes a net-zero reappropriation of $5.0 million GF/GP on a one-time basis to make technical adjustments in boilerplate for community health screenings in medically underserved communities and associated collection and distribution of public health data.	**Gross** GF/GP	**$0** $0
25. Community Navigation Partners Includes $20.0 million GF/GP for competitive awards to community organizations to assist individuals navigate changes to Medicaid and food assistance programs.	**Gross** GF/GP	**$20,000,000** $20,000,000
26. Dental Clinic Reappropriations Includes a net-zero reappropriation of $2.9 million GF/GP on a one-time basis to make technical adjustments in boilerplate to support a Northern Michigan dentistry clinic.	**Gross** GF/GP	**$0** $0
27. Underserved Healthcare Facility Project Reappropriations Includes a net-zero reappropriation of $1.5 million GF/GP on a one-time basis to make technical adjustments in boilerplate to support a pediatric and sedation dentistry clinic.	**Gross** GF/GP	**$0** $0
28. Medicaid Work Requirement Grant Includes $5.0 million in federal grant funds to support implementation costs and other changes needed to implement required federal changes to the Medicaid program.	**Gross** Federal GF/GP	**$5,000,000** 5,000,000 $0
29. Maternal Health Policy Reappropriations Includes a net-zero reappropriation of $299,700 GF/GP on a one-time basis to implement PA 256 of 2024, which establishes a doula scholarship program. Enacted appropriation directed funds to be used to implement Senate Bills 29 and 30.	**Gross** GF/GP	**$0** $0
30. Federal State Psychiatric DSH Clawback Includes $54.7 million GF/GP for the final payment of a 4-year repayment plan 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. Funds had initially been included as a FY 2026-27 cost.	**Gross** GF/GP	**$54,722,900** $54,722,900

HEALTH AND HUMAN SERVICES

FY 2025-26 Supplemental Boilerplate Items
Public Act 21 of 2026 (Senate Bill 878, Article 18)

Sec. 401. Medicaid Work Requirement Grant
Requires the department to use funds for administrative costs associated with implementing the work and community engagement requirements and other federal changes to Medicaid eligibility determinations or redeterminations established by H.R. 1; designates unexpended funds as a work project appropriation.

Sec. 402. Community Health Screenings
Allocates $5.0 million to Mobile Insite to conduct community health screenings and collect and distribute public health data on rural or medically underserved communities to the department; designates unexpended funds as a work project appropriate.

Sec. 403. Implementation of Maternal Health Policy Changes
Requires the department to use funds to implement PA 256 of 2024, which establishes a doula scholarship program.

Sec. 404. Underserved Healthcare Facility Project
Allocates $1.5 million to Team Cares to support a pediatric and sedation dentistry clinic for uninsured or underinsured children and adolescents and eligible adults who have a mental illness, severe emotional disturbance, intellectual developmental disorder, or co-occurring substance abuse disorder; designates unexpended funds as a work project appropriation.

Sec. 405. Insurance Provider Assessment (IPA)
Adds $7.4 million of state restricted IPA funds to section 1833 of 2025 PA 22.

Sec. 406. Quality Assurance Assessment Program (QAAP)
Adds $2.0 million of state restricted QAAP funds to section 1834 of 2025 PA 22.

Sec. 407. Community Navigation Partners
Allocates $20.0 million for competitive awards to community organizations to assist individuals navigate changes to Medicaid and food assistance programs; designates unexpended funds as a work project appropriate.

Sec. 408. Dental Clinic
Allocates $2.9 million to Northwest Michigan Health Services for a dental clinic to support United We Smile; designates unexpended funds as a work project appropriate.

Sec. 409. Direct Care Wages
Allocates funds for minimum wages increases in 2026, 2027, and sick leave costs related to changes to state law; designates unexpended funds as a work project appropriate.

REPEALER

Sec. 1102. Health and Human Services
Repeals Sec. 1934, Sec. 1964, Sec. 1968, and Sec. 1977 of Article 6 of 2025 PA 22 and replaces them with Sec. 408, Sec. 402, Sec. 403, and Sec. 404 in this bill, respectively.

HIGHER EDUCATION
Summary of FY 2026-27 Enacted
Public Act 25 of 2026 (House Bill 5630, Article 3)

Analyst: Perry Zielak

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Enacted	*Difference: Enacted From FY 2025-26 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	850,768,300	1,481,678,600	*630,910,300*	*74.2*
GF/GP	1,482,943,700	1,124,954,200	*(357,989,500)*	*(24.1)*
Gross	**$2,336,912,000**	**$2,609,832,800**	***$272,920,800***	***11.7***

Note: Appropriation figures for all years 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 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	FY 2026-27 Enacted Change
1. University Operations	**Gross**	**$1,731,772,700**	**$17,557,300**
Includes a net increase of $17.6 million Gross ($149.2 million GF/GP reduction) for university operations, a 1.0% increase when compared to FY 2025-26 operations appropriations. This includes:	Restricted	643,168,300	166,760,700
• $66.8 million School Aid Fund (SAF) one-time increase to operations grants for universities, with all universities receiving a 4.0% increase when compared to FY 2025-26 ongoing operations.	GF/GP	$1,088,604,400	($149,203,400)
• The removal of $50.1 million GF/GP of FY 2025-26 one-time operations grants for universities.			
• $830,700 SAF increase based on FY 2024-25 North American Indian Tuition Waiver (ITW) program costs reported by institutions.			
• Replaces $99.1 million GF/GP with a corresponding amount of SAF.			
Attainment of the one-time operations funding will be conditioned on restraining resident undergraduate tuition and fee increases to the greater of 4.0% or $651 (set at 4.5% or $735 in the current year). Projected funding changes for universities will range from 0.9% to 1.6%. Total funding for operations will be $1.7 billion Gross ($939.4 million GF/GP).			

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	FY 2026-27 Enacted Change
2. Michigan State University Extension and AgBioResearch Programs	**Gross**	**$75,025,700**	**$713,500**
	Restricted	0	2,919,600
	GF/GP	$75,025,700	($2,206,100)

Includes a net increase of $713,500 Gross ($2.2 million GF/GP reduction) for MSU's AgBioResearch and Extension program funding when compared to FY 2025-26 appropriations. This includes:

- $1.6 million SAF one-time operations increase for the MSU AgBioResearch program, a 4.0% increase.
- The removal of $1.2 million GF/GP of FY 2025-26 one-time operations increase for the MSU AgBioResearch program.
- $1.4 million SAF one-time operations increase for the MSU Extension program, a 4.0% increase.
- The removal of $1.0 million GF/GP of FY 2025-26 one-time operations increase for the MSU Extension program.

Total funding for AgBioResearch and Extension programs will be $75.7 million Gross ($72.8 million GF/GP).

3. Michigan Achievement Scholarship	**Gross**	**$300,000,000**	**$232,000,000**
	Restricted	200,000,000	232,000,000
	GF/GP	$100,000,000	$0

Increases funding by $232.0 million restricted for the Michigan Achievement Scholarship, a 77.3% increase, from the Postsecondary Scholarship Fund. The scholarships are awarded to eligible in-state students that graduate high school or achieve an equivalency certificate in 2023 or after and attend an eligible Michigan public university, community college, tribal college or independent nonprofit college or university full-time. The increase reflects rising costs as more students become eligible and participate in the scholarship program. Total funding for the Michigan Achievement Scholarship will be $532.0 million Gross ($100.0 million GF/GP).

4. Tuition Incentive Program	**Gross**	**$122,300,000**	**$43,500,000**
	Restricted	0	156,300,000
	GF/GP	$122,300,000	($112,800,000)

Increases funding by $43.5 million SAF for the Tuition Incentive Program (TIP), a 35.6% 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. Replaces $112.8 million GF/GP with a corresponding amount of SAF. Total funding for TIP will be $165.8 million Gross ($9.5 million GF/GP).

5. Michigan Reconnect	**Gross**	**$42,000,000**	**$25,000,000**
	Restricted	0	67,000,000
	GF/GP	$42,000,000	($42,000,000)

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

6. Children of Veterans and Officer's Survivor Tuition Grant Programs	**Gross**	**$2,000,000**	**$0**
	Restricted	0	1,780,000
	GF/GP	$2,000,000	($1,780,000)

Includes a net change of $0 Gross ($1.8 million GF/GP reduction) for the Children of Veterans and Officer's Survivor Tuition Grant programs. The grants are awarded to children of deceased or permanently disabled military veterans or to surviving spouses and children of Michigan police officers and firefighters killed in the line of duty. Replaces $1.8 million GF/GP with a corresponding amount of SAF. Total funding for the Children of Veterans and Officer's Survivor Tuition Grant programs will be $2.0 million Gross ($220,000 GF/GP).

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	FY 2026-27 Enacted Change
7. Michigan Public School Employee Retirement System (MPSERS) Normal Cost Offset	**Gross**	**$7,600,000**	**($5,850,000)**
	Restricted	7,600,000	(5,850,000)
Decreases funding by $5.9 million SAF for the MPSERS normal cost offset, a 77.0% decrease, due to a lower contribution needed to cover retirement benefits and maintain the assumed rate of return at 6.0% for the seven universities with MPSERS employees (Central, Eastern, Ferris, Lake Superior State, Michigan Tech, Northern, and Western). Total funding for the MPSERS normal cost offset will be $1.8 million SAF.	GF/GP	$0	$0
8. Michigan Competitive Scholarship and Tuition Grant Program Sunset One-Time Funding	**Gross**	**$50,000,000**	**($50,000,000)**
	GF/GP	$50,000,000	($50,000,000)
Removes $50.0 million GF/GP of one-time funding for the phase-out of the Michigan Competitive Scholarship and Tuition Grant programs, which provides funding for current students remaining in the scholarship programs until the end of their program eligibility. Funding will continue for the remaining students in both scholarship programs through an authorized work project until FY 2028-29.			
9. MiDocs Payment	**Gross**	**$0**	**$10,000,000**
	Restricted	0	10,000,000
Includes $10.0 million SAF for a pass-through payment to a public university that participates in the MiDocs program. Funds distributed to a public university will remit the payment to the Michigan Department of Health and Human Services. The MiDocs program works to expand graduate medical education residency positions in underserved areas of the state.	GF/GP	$0	$0

Major Boilerplate Changes from FY 2025-26

Sec. 236d. One-Time Operations Payment Detail **– REVISED**
Details the one-time operations payment allocations for each university, along with one-time appropriations for MSU AgBioResearch and Extension programs. Revises language detailing the one-time operations payment allocations for each university and the MSU AgBioResearch and Extension programs for FY 2026-27 and conditions payments on requirements found in sections 241a, 241b, 241c, and 244.

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 that states the fund supports all state financial aid programs and adds language specifying a $100.0 million deposit into the fund for FY 2026-27 from the school aid stabilization fund or FY 2025-26 lapsed school aid fund.

Sec. 236k. FAFSA Completion Ticket to Tuition Incentive **– NEW**
Adds language requiring $1.0 million from state scholarship marketing funds be used for the Free Application for Federal Student Aid (FAFSA) Completion Ticket to Tuition Incentive, a promotional program for Michigan residents who successfully complete the FAFSA for the first time and ensures a geographic diversity of winners and one winner from the Upper Peninsula.

Sec. 236l. MiDocs Pass-Through Payment **– NEW**
Adds language requiring a pass-through payment for the MiDocs program through a participating public university to the Michigan Department of Health and Human Services to support graduate medical education programs.

Sec. 236s. Legislatively Directed Spending Items **– REVISED**
Requires the legislature to provide the responsible entity 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 responsible entity to post information about grant recipients on its website; defines responsible entity. Revises to require the legislature to work with the State Budget Office (SBO) on the list of legislatively directed spending items, deletes various grant and administration requirements.

HIGHER EDUCATION

Major Boilerplate Changes from FY 2025-26

***Sec. 237c. Work Project Appropriations Status Report* – NEW**
Adds language that requires SBO 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. 238. Use of Internet for Reporting Requirements* – REVISED**
Requires institutions of higher education to use Internet and email to submit reports. Revises to require public universities to post each required report in a single archivable location on the university's website and maintain the previous seven fiscal year reports grouped by fiscal year.

***Sec. 239a. Cost Containment and Efficiency Initiatives* – NEW**
Adds language that encourages public universities to evaluate and pursue efficiency and cost-containment measures, including joint ventures, consolidating services, program collaboration, improving energy efficiency, eliminating low-volume/high-cost instructional programs, self-insurance, and group purchasing.

***Sec. 241a. Annual University HEIDI and Public Reporting Requirements* – REVISED (PARTIALLY UNENFORCEABLE)**
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. Revises reporting dates from November 1 to the first business day of November, adds transfer and credits certification requirements originally located in Sec. 241c, adds reporting requirement on severance payments and requirement to archive previous versions from the prior seven fiscal years. *(Governor's signing letter states subsection 4(l) of this section is unenforceable)*.

***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 2025-26, set at 4.5% or $735, whichever is greater and limits FY 2026-27 resident tuition and fee increases to the greater of 4.0% and $651. Revises reporting date from the first business day of November to the last business day of August. Revises language that limits FY 2026-27 resident tuition and fee increases to 4.0% or $651, whichever is greater, and limits FY 2027-28 resident tuition and fee increases to the greater of 4.0% or $651.

***Sec. 241h. Institutional Salaries Spending Restriction* – UNENFORCEABLE**
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. 247a. Michigan Reconnect Program Expansion* – NEW**
Adds language that allows 21-24 year olds to participate in the Michigan Reconnect program under appropriated program funding.

***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. Revises language with various technical adjustments on program eligibility and adds reporting requirement on various details about scholarship participants and award amounts to be posted on a statewide dashboard in partnership with CEPI.

***Sec. 248a. Michigan Achievement Skill Scholarship Program Detail* – REVISED**
Details process for awarding Michigan Achievement Skills Scholarship funds for students participating in an eligible qualified occupational training program; details award amounts of up to $2,000 per year for a maximum of two years. Revises language with various technical adjustments on program eligibility and adds reporting requirement on various details about scholarship participants and award amounts.

***Sec. 256. Tuition Incentive Program Detail* – REVISED**
Specifies criteria for Tuition Incentive Program (TIP) eligibility. Provides for award conditions and limits under Phase I dealing with associate degree and certificate programs and Phase II, third and fourth years toward bachelor's degree; prohibits term and semester credit hour caps. Revises language to add special education graduates to program eligibility and includes language directing MiLEAP to examine and recommend changes to TIP and submit a report.

Major Boilerplate Changes from FY 2025-26

Sec. 268. North American Indian Tuition Waiver Reporting Requirements **– REVISED**
States legislative intent that funds be allocated for unfunded Indian Tuition Waiver costs at public universities from the General Fund. Requires MiLEAP to report certain information related to the waivers by January 15, and requires universities and tribal colleges receiving waiver pass-through funding to provide data under guidelines and procedures developed by MiLEAP by January 1. Deletes language requiring reporting on students who withdraw and additional reports on graduation completions within 150% of the normal time to complete.

Sec. 269. Saginaw Chippewa Tribal College North American Indian Tuition Waiver Funding **– REVISED**
Specifies a $80,800 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 $80,800 to $96,700.

Sec. 270. Bay Mills Community College North American Indian Tuition Waiver Funding **– REVISED**
Specifies a $498,800 pass-through payment from Lake Superior State's North American Indian Tuition Waiver appropriation to Bay Mills 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 $498,800 to $465,000.

Sec. 270c. Keweenaw Bay Ojibwa Community College North American Indian Tuition Waiver Funding **– REVISED**
Specifies a $105,700 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 $105,700 to $112,200.

Sec. 275d. Communication with the Legislature **– 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. Revises language to include fewer reporting requirements and retains reporting that relates to academic and financial information.

Sec. 276. Martin Luther King, Jr. – Cesar Chavez – Rosa Parks (KCP) Future Faculty Program **– REVISED**
Provides for fellowship program, funded by allocations from public university appropriations, intended to increase number of academically or economically disadvantaged candidates pursuing faculty teaching or administration careers, and details reporting and institutional requirements of unexpended and unencumbered program funds. Revises name of program to King-Huerta-Hood-Parks.

Sec. 277. KCP College Day Program **– REVISED**
Provides for program, funded by allocations from public university appropriations, intended to introduce academically or economically disadvantaged schoolchildren to the potential of a college education. Revises name of program to King-Huerta-Hood-Parks.

Sec. 278. KCP Select Student Support Services Program **– REVISED**
Provides for program, funded by distinct appropriation for grants to public/independent institutions, intended to develop academically/economically disadvantaged student retention programs. Revises name of program to King-Huerta-Hood-Parks.

Sec. 279. KCP College/University Partnership Program **– REVISED**
Provides for program, funded by distinct appropriation for grants to public/independent institutions, intended to increase the number of academically or economically disadvantaged students who transfer from community colleges to baccalaureate institutions. Revises name of program to King-Huerta-Hood-Parks.

Sec. 280. KCP Visiting Professors Program **– REVISED**
Provides for program, funded by allocations from public university appropriations, intended to increase the number of instructors to provide role models for academically or economically disadvantaged students, and details requirements of unexpended and unencumbered program funds. Revises name of program to King-Huerta-Hood-Parks.

HIGHER EDUCATION

Major Boilerplate Changes from FY 2025-26

***Sec. 281. KCP Morris Hood, Jr. Educator Development Program* – REVISED**
Provides for program, funded by distinct appropriation for grants to public/independent institutions, intended to increase the number of academically or economically disadvantaged students enrolling in and completing K-12 teacher education programs. Revises name of program to King-Huerta-Hood-Parks.

FY 2026-27 University Operations Appropriations
Enacted Summary

University	FY 2025-26 Appropriation	FY 2025-26 Total Indian Tuition Waiver Payment	FY 2025-26 One-Time Appropriation	FY 2025-26 Base Appropriation	Total One-Time Operations Increase	FY 25 Indian Tuition Waiver Cost	Indian Tuition Waiver Pass-Through Payments	Indian Tuition Waiver Adjustment	Total FY 27 Indian Tuition Waiver Payment	Total FY 2026-27 Appropriation	Percent Change	Change From FY 2025-26 Total
Central	$102,351,100	$1,680,400	$2,885,000	$97,785,700	$3,920,600	$1,877,400	$96,700	$293,700	$1,974,100	$103,680,400	1.3%	$1,329,300
Eastern	89,193,400	412,900	2,544,200	86,236,300	3,457,500	423,900	0	11,000	423,900	90,117,700	1.0%	924,300
Ferris	64,034,100	798,300	1,812,200	61,423,600	2,462,700	771,500	0	(26,800)	771,500	64,657,800	1.0%	623,700
Grand Valley	101,727,400	1,219,100	2,955,400	97,552,900	3,911,200	1,235,500	0	16,400	1,235,500	102,699,600	1.0%	972,200
Lake Superior	16,739,700	1,447,100	438,300	14,854,300	595,600	1,099,900	465,000	117,800	1,564,900	17,014,800	1.6%	275,100
Michigan State	333,766,200	2,508,800	9,740,500	321,516,900	12,890,700	2,413,500	0	(95,300)	2,413,500	336,821,100	0.9%	3,054,900
Michigan Tech	58,309,000	731,900	1,650,000	55,927,100	2,242,300	800,700	0	68,800	800,700	58,970,100	1.1%	661,100
Northern	57,289,300	1,417,800	1,601,100	54,270,400	2,175,900	1,542,400	112,200	236,800	1,654,600	58,100,900	1.4%	811,600
Oakland	75,574,300	325,200	2,212,700	73,036,400	2,928,300	378,300	0	53,100	378,300	76,343,000	1.0%	768,700
Saginaw Valley	35,415,000	183,000	1,036,000	34,196,000	1,371,000	240,800	0	57,800	240,800	35,807,800	1.1%	392,800
UM-Ann Arbor	373,432,700	1,900,600	10,924,800	360,607,300	14,458,000	1,746,100	0	(154,500)	1,746,100	376,811,400	0.9%	3,378,700
UM-Dearborn	32,662,700	194,300	954,700	31,513,700	1,263,500	248,800	0	54,500	248,800	33,026,000	1.1%	363,300
UM-Flint	27,684,500	480,900	799,900	26,403,700	1,058,600	537,600	0	56,700	537,600	27,999,900	1.1%	315,400
Wayne State	234,673,800	477,100	6,886,500	227,310,200	9,113,600	598,700	0	121,600	598,700	237,022,500	1.0%	2,348,700
Western	128,919,500	757,400	3,672,800	124,489,300	4,991,200	776,500	0	19,100	776,500	130,257,000	1.0%	1,337,500
TOTAL:	**$1,731,772,700**	**$14,534,800**	**$50,114,100**	**$1,667,123,800**	**$66,840,700**	**$14,691,600**	**$673,900**	**$830,700**	**$15,365,500**	**$1,749,330,000**	**1.0%**	**$17,557,300**

Requirements to receive operations increase for FY 2026-27:

1. Restrain FY 2026-27 resident undergraduate tuition/fee rate increase to 4.0% or $651(whichever is greater).

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
Summary of FY 2026-27 Enacted
Public Act 21 of 2026 (Senate Bill 878, Article 7)

Analyst: Una Jakupovic

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

Note: Appropriation figures for all years 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 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
1. Deferred Presentment Contract Increase	**Gross**	**NA**	**$1,400,000**
Includes $1.4 million in state restricted Deferred Presentment Service Transaction Fees for contractual increases to support the operation and maintenance of a deferred presentment database.	Restricted	NA	1,400,000
	GF/GP	NA	$0
2. Staffing Increase	FTE	NA	0.0
Includes $466,000 Gross ($13,000 IDG; $453,000 multiple state restricted sources) in the Consumer Services and Protection and Insurance Evaluation line items to support additional staff. Authorization to hire up to 3.0 limited-term FTEs is included in boilerplate.	**Gross**	**NA**	**$466,000**
	IDG	NA	13,000
	Restricted	NA	453,000
	GF/GP	NA	$0
3. Technical Adjustments	**Gross**	**NA**	**$0**
Includes internal FTE adjustments, funding adjustments, and fund name changes, which have no overall impact on Gross, GF/GP, or FTE position authorization. Adjustments include a transfer of 2.0 FTEs and $348,600 between four line items and renaming of three funds.	IDG	NA	6,600
	Federal	NA	0
	Restricted	NA	(6,600)
	GF/GP	NA	$0
4. Economic Adjustments	**Gross**	**NA**	**$1,061,400**
Reflects increased costs of $1.1 million Gross ($0 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	IDG	NA	8,200
	Federal	NA	0
	Restricted	NA	1,053,200
	GF/GP	NA	$0

Major Boilerplate Changes from FY 2025-26

Note: Deleted boilerplate section numbers are section numbers as they appear in FY 2025-26. All other boilerplate section numbers are section numbers as they appear in FY 2026-27.

GENERAL

***Sec. 204. State Administrative Board Transfers* – RETAINED (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. 205. Internet Reporting Requirements* – REVISED**
Requires DIFS to use the internet to fulfill reporting requirements; requires e-mail transmission and internet posting of reports. Revised to add website reporting requirements from deleted Sec. 227.

***Sec. 208. Additional Expenditures Reporting* – NEW**
Requires DIFS to report on authorized expenditure of funds not appropriated in part 1, including the type, amount, and purpose of the funding; requires reporting on expenditures from the previous fiscal year and within 60 days of receiving funding this fiscal year and on anticipated expenditures in the next fiscal year; stipulates if another required report provides substantially similar information, this reporting is not required.

***Sec. 215. Access to Government Services* – DELETED**
Prohibits appropriations from being used to restrict or impede a marginalized community's access to government resources, programs, or facilities; requires local governments to report on actions that attempt to restrict or interfere with duties of local health officers.

***Sec. 219. Work Project Usage* – RETAINED (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. 221. E-Verify Requirement* – DELETED**
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. Communication with the Legislature* – RETAINED (UNENFORCEABLE)**
Prohibits DIFS 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 DIFS is exercising its authority. *(Governor's signing letter states this section is unenforceable.)*

***Sec. 223. In-Person Work* – REVISED**
Requires DIFS to maximize utilization of its in-person workforce, prioritize occupancy utilization, and ensure occupancy rates are 80% or higher. Revised to require the Office of the State Employer to create and implement an occupancy utilization uniform policy on occupancy utilization and in-person and remote work.

***Sec. 226. Report on Federal Policy Changes* – REVISED**
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. Revised to require reporting on federal guidelines, rules, regulations, or other significant federal policy changes, including H.R. 1 and the Rural Health Transformation Program, which do or are expected to significantly impact DIFS operations or impede DIFS' ability to safeguard health or welfare of the public.

***Sec. 227. Website Reporting* – DELETED**
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. 227. Legislatively Directed Spending Items* – REVISED**
Requires the legislature to provide DIFS 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 DIFS to post information about grant recipients on its website. Revised to require House/Senate to provide SBO a jointly agreed upon list of legislatively directed spending items within 30 days of enactment of the budget; requires DIFS to post a report on March 15 and to update the report on June 15 and September 15.

INSURANCE AND FINANCIAL SERVICES

Major Boilerplate Changes from FY 2025-26

Sec. 228. State Fiscal Recovery Fund Expenditure **– NEW**
Requires state budget director to ensure all state fiscal recovery funds are expended by December 31, 2026, as required by law; automatically reappropriates any state fiscal recovery funds that would otherwise lapse after September 30, 2026 and makes them available for expenditure for the same purpose as originally authorized until December 31, 2026.

Sec. 229. State Fiscal Recovery Fund Reallocation **– NEW**
Authorizes state budget director to reallocate state fiscal recovery funds that are in jeopardy of not being spent; authorizes reallocations for payroll and covered benefits for eligible public health and safety employees of the Departments of Corrections and State Police; requires applicable reporting to be followed; requires state budget director to notify HAC/SAC not later than 10 days after reallocating funds.

Sec. 230. Severance Pay **– NEW**
Requires DIFS to report on severance pay agreed to for a director or other high-ranking official not later than 14 days after a severance agreement is signed; requires report on total amount of severance pay remitted and number of DIFS employees receiving severance pay in FY 2025-26; defines severance pay.

Sec. 231. Precontract Risk Assessment Program **– NEW**
Requires DIFS to establish a policy for conducting precontract risk assessments; requires report on assessments implemented and used to evaluate contractors.

GENERAL – DIFS

Sec. 251. Insurance Bureau Fund Use **– DELETED**
Authorizes Insurance Bureau Fund appropriations for use to support legislative participation in insurance activities coordinated by insurance and legislative associations, in accordance with Insurance Code of 1956.

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

INSURANCE AND FINANCIAL SERVICES REGULATION

Sec. 304. Annual Reports Transmission **– DELETED**
Requires DIFS to electronically transmit the annual report required under the Insurance Code of 1956 and the Banking Code of 1999.

Sec. 306. Automobile Insurance Rate Filings Report **– DELETED**
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.

Sec. 307. Customer Service Outreach and Education **– REVISED**
Requires DIFS to have at least 1.0 FTE to provide outreach and education and be trained to assist catastrophic accident survivors; requires DIFS to report on 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. Revised to instead require at least 1.0 FTE to provide assistance in understanding automobile insurance coverage and options and to develop referral partnerships with community-based organizations; modify report requirements.

Sec. 308. Consumer Services and Protection **– NEW**
Allows DIFS to use appropriated funds to hire up to 2.0 limited-term FTEs to support PRIRA appeal reviews and consumer complaint reviews and evaluations.

Sec. 309. Insurance Evaluation **– NEW**
Allows DIFS to use appropriated funds to hire up to 1.0 limited-term FTE to support data review and analysis.

FY 2025-26 Supplemental Appropriation Items **Public Act 21 of 2026 (Senate Bill 878, Article 18)**		**Appropriation Change**
1. Deferred Presentment Contract Increase	**Gross**	**$1,400,000**
Includes $1.4 million in state restricted Deferred Presentment Service Transaction Fees for contractual increases to support the operation and maintenance of a deferred presentment database.	Restricted	1,400,000
	GF/GP	$0

JUDICIARY
Summary of FY 2026-27 Enacted
Public Act 21 of 2026 (Senate Bill 878, Article 8)

Analyst: Robin R. Risko

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Enacted	*Difference: Enacted From FY 2025-26 YTD* *Amount*	*%*
IDG/IDT	$1,902,300	$1,902,300	*$0*	*0.0*
Federal	7,270,900	7,323,000	*52,100*	*0.7*
Local	0	0	*0*	*--*
Private	1,906,400	1,912,900	*6,500*	*0.3*
Restricted	96,468,300	87,542,000	*(8,926,300)*	*(9.3)*
GF/GP	276,073,800	278,940,600	*2,866,800*	*1.0*
Gross	**$383,621,700**	**$377,620,800**	***($6,000,900)***	***(1.6)***
FTEs	643.5	653.5	*10.0*	*1.6*

Note: Appropriation figures for all years 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 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
1. Statewide Case Management System	FTE	67.0	9.0
Includes $2.0 million GF/GP in the Branchwide Appropriations line item and includes authorization for 9.0 FTE positions. Funding for the 9.0 positions was included in the FY 2025-26 budget.	**Gross**	**$15,311,500**	**$2,007,600**
	Restricted	0	0
	GF/GP	$15,311,500	$2,007,600
2. Swift and Sure Sanctions Probation Program	**Gross**	**$1,537,600**	**($1,537,600)**
Eliminates all funding for the Swift and Sure Sanctions Probation Program.	Restricted	1,537,600	(1,537,600)
	GF/GP	$0	$0
3. Alignment of Restricted Fund Authorization	**Gross**	**NA**	**($14,100,000)**
Reduces Gross and state restricted fund authorization by $14.1 million to align state restricted fund sources with available state restricted revenues: • Court Equity Fund Reimbursements ($11.0 million) • Statewide e-File System ($2.0 million) • Drunk Driving Case-Flow Program ($1.1 million).	Restricted	NA	(14,100,000)
	GF/GP	NA	$0
4. Fund Source Shifts	**Gross**	**NA**	**$0**
Increases state restricted fund authorization and reduces GF/GP by the same amount for the following: • Court of Appeals Motion/Filing Fees ($1.5 million) • Court Fee Fund ($3.5 million) • Judicial Technology Improvement Fund ($350,000) • Juror Compensation Reimbursement Fund ($1.0 million).	Restricted	NA	6,300,000
	GF/GP	NA	($6,300,000)

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
5. Problem-Solving Courts	**Gross**	**$20,107,300**	**$250,000**
Includes a total of $250,000 GF/GP to support higher than anticipated costs for newly established programs ($149,300 for drug treatment courts; $72,600 for mental health courts; $28,100 for veterans courts).	IDG	1,500,000	0
	Federal	2,550,000	0
	Restricted	1,920,500	0
	GF/GP	$14,136,800	$250,000
6. Community Dispute Resolution Program	FTE	3.0	1.0
Includes $184,500 in state restricted Community Dispute Resolution funds for 1.0 additional FTE position that will assist with increased caseload activities resulting from increased program utilization.	**Gross**	**$3,388,800**	**$184,500**
	Private	85,000	0
	Restricted	2,424,700	184,500
	GF/GP	$879,100	$0
7. Hall of Justice Security	**Gross**	**NA**	**$100,000**
Includes $100,000 GF/GP to support contractual hourly rate increases for armed security officers at the Hall of Justice.	GF/GP	NA	$100,000
8. Court of Appeals Rent Adjustment	**Gross**	**NA**	**($359,000)**
Reflects a savings of $359,000 GF/GP in rent costs due to Court of Appeals judges and staff moving from leased space in Troy to state space in the Cadillac Place office building in Detroit.	GF/GP	NA	($359,000)
9. Juvenile Lifer Resentencing Hearings	FTE	18.5	0.0
Includes $2.4 million GF/GP for SADO to support resentencing hearings for individuals who were sentenced to life without parole for crimes they committed at ages 19 and 20. Authorizes 14.0 limited-term FTE positions in boilerplate.	**Gross**	**$3,055,800**	**$2,371,800**
	GF/GP	$3,055,800	$2,371,800
10. Appellate Indigent Defense Workload Standards	**Gross**	**NA**	**$720,000**
Includes $720,000 GF/GP in the Branchwide Appropriations line item for SADO to support ongoing caseload demands and to help meet workload standards assessed by the National Center for State Courts.	GF/GP	NA	$720,000
11. SADO Salary Adjustments	**Gross**	**NA**	**$434,500**
Includes a total of $434,500 GF/GP to cover costs of pay increases for SADO employees ($382,300 for negotiated pay increases for UAW-represented employees; $52,200 for pay increases for non-represented employees).	GF/GP	NA	$434,500
12. MAACS Roster Attorney Compensation Grants	**Gross**	**$3,208,100**	**$1,200,000**
Includes $1.2 million GF/GP to support an increase in base pay rates for Michigan Appellate Assigned Counsel roster attorneys and to support adjustments in attorney caseloads, travel, and other expenses. Under this program, the state provides support to counties for one-half of the costs they pay to provide appellate defense for indigent individuals.	GF/GP	$3,208,100	$1,200,000
13. Removal of FY 2025-26 One-Time Appropriations	**Gross**	**$5,000,000**	**($3,000,000)**
Removes $1.0 million of the $2.3 million of one-time GF/GP that was included in the FY 2025-26 budget for juvenile life resentencing. Removes $2.0 million for statewide case management system. Retains $1.3 million for juvenile life resentencing, $500,000 for judicial tenure commission, and $160,000 for editor position.	GF/GP	$5,000,000	($3,000,000)
14. Economic Adjustments	**Gross**	**NA**	**$5,727,300**
Reflects increased costs of $5.7 million Gross ($5.4 million GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), longevity, insurances, actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	Federal	NA	52,100
	Private	NA	6,500
	Restricted	NA	226,800
	GF/GP	NA	$5,441,900

Major Boilerplate Changes from FY 2025-26

GENERAL SECTIONS

***Sec. 205. Purchase of Foreign Goods and Services* – DELETED**
Prohibits the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services are available; requires preference to be given to goods and services manufactured or provided by Michigan businesses and Michigan businesses owned and operated by veterans.

***Sec. 211. Disciplinary Action Against State Employees* – DELETED (UNENFORCEABLE)**
Prohibits the judicial branch from taking disciplinary action against an employee for communicating with members of the legislature or legislative staff unless the communication is prohibited by law and the judicial branch is exercising its authority. *(Governor's signing letter states this section is unenforceable.)*

***Sec. 212. Out-of-State Travel* – REVISED**
Requires SCAO to report on out-of-state travel expenses in the previous fiscal year that were funded in whole or in part with state appropriations; requires the report to include dates of each travel occurrence and details on sources of revenues used to finance transportation costs. Revises to refer to local and private fund sources as "other revenues" and to delete reporting details on specific sources of revenues.

***Sec. 215. Approval of Expenditures and Fund Transfers* – DELETED**
Prohibits funding appropriated from being expended or transferred without approval of the authorized agent (designated by the Chief Justice of the Supreme Court); requires approval of expenditures by the Supreme Court.

***Sec. 219. Expending Available Work Project Authorization* – 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. 228. State Fiscal Recovery Funds* – NEW**
Requires the chief justice to ensure all state fiscal recovery funds are expended by December 31, 2026, as required by law; automatically reappropriates any state fiscal recovery funds that would otherwise lapse after September 30, 2026 and makes them available for expenditure for the same purpose as originally authorized until December 31, 2026.

JUDICIAL BRANCH

***Sec. 307. Swift and Sure Sanctions Program* – DELETED**
Requires SCAO to administer the Swift and Sure Sanctions program and distribute grants to qualifying courts; authorizes SCAO to expend not more than $150,000 to pay for employee costs associated with administration of the program; reserves $500,000 to be allocated for programs in counties that had more than 325 individuals sentenced to prison in the previous calendar year; requires SCAO to work with the Department of Corrections to report, for each individual court, by program, courts participating in the program, number of offenders participating in the program, criminal history of offenders, recidivism rates, parameters of the program, and an accounting of previous year expenditures, including grant amounts requested, grant amounts awarded, and grant amounts expended, by court.

***Sec. 312. Medication-Assisted Treatment Program* – DELETED**
Requires the judicial branch to maintain a medication-assisted treatment program to provide treatment for opioid- and alcohol-addicted individuals who are referred to and who voluntarily participate in the program; requires the judicial branch to report on the program, including itemized spending by court, number of participants, and statistics that indicate average program participation duration and success rates.

FY 2025-26 Supplemental Appropriation Items **Public Act 21 of 2026 (Senate Bill 878, Article 18)**		**Appropriation Change**
1. Juvenile Justice Data Management Project Authorizes the State Court Administrative Office to receive $6.0 million in federal Bureau of Statistics, National Criminal History Improvement Project funds for continuation and enhancement of the juvenile justice supervision data system.	**Gross** Federal GF/GP	**$6,000,000** 6,000,000 $0

JUDICIARY

FY 2025-26 Supplemental Boilerplate Items
Public Act 21 of 2026 (Senate Bill 878, Article 18)

Sec. 451. Juvenile Justice Data Management Project
Designates unexpended funds for the juvenile justice data management project as a work project appropriation; funds will be used for continuation and enhancement of the juvenile justice supervision data system.

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
Summary of FY 2026-27 Enacted
Public Act 21 of 2026 (Senate Bill 878, Article 9)

Analyst: Marcus Coffin

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Enacted	*Difference: Enacted From FY 2025-26 YTD* *Amount*	*%*
IDG/IDT	$0	$0	*$0*	*--*
Federal	1,188,234,200	1,005,099,800	*(183,134,400)*	*(15.4)*
Local	6,200,000	5,700,000	*(500,000)*	*(8.1)*
Private	8,088,200	6,597,200	*(1,491,000)*	*(18.4)*
Restricted	312,373,700	222,577,700	*(89,796,000)*	*(28.7)*
GF/GP	216,183,600	355,532,300	*139,348,700*	*64.5*
Gross	**$1,731,079,700**	**$1,595,507,000**	***($135,572,700)***	***(7.8)***
FTEs	2,633.5	2,639.5	*6.0*	*0.2*

Note: Appropriation figures for all years 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 2025-26 Year-to-Date (YTD) Appropriations		**FY 2025-26 Year-to-Date (as of 2/11/26)**	**FY 2026-27 Enacted Change**
1. Conference Expenditure Reductions	**Gross**	**NA**	**($189,184,500)**
Includes reductions totaling $189.2 million Gross ($2.2 million GF/GP) across the following lines:	Federal	NA	(185,770,800)
	Private	NA	(1,000,000)
• Unemployment Insurance Agency ($95.0 million Gross)	Restricted	NA	(229,200)
• Workforce Development ($80.0 million Gross)	GF/GP	NA	($2,184,500)
• Executive Direction and Operations ($6.0 million Gross)			
• Michigan Community Service Commission ($3.0 million Gross)			
• Michigan Rehabilitation Services ($3.0 million Gross)			
• At-Risk Youth Grants ($1.2 million GF/GP) – The remaining funding for this item is shifted from ongoing to one-time			
• Office of Defense and Aerospace Innovation ($500,000 GF/GP)			
• Office of Global Michigan ($500,000 GF/GP).			
2. Legislatively Directed Spending Items	**Gross**	**NA**	**$125,300,000**
Includes $125.3 million GF/GP (one-time) to support 135 legislatively directed spending items. See Table 6 for information on recipients.	GF/GP	NA	$125,300,000
3. Business Attraction, Community Revitalization, and Entrepreneurial Ecosystem	**Gross**	**$75,000,000**	**($75,000,000)**
	Restricted	75,000,000	(75,000,000)
Removes $75.0 million of ongoing state restricted 21st Century Jobs Trust Funds from the Business Attraction and Community Revitalization line ($59.4 million) and the Entrepreneurship Ecosystem line ($15.7 million), reflecting the complete removal of appropriations from the 21st Century Jobs Trust Fund.	GF/GP	$0	$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
4. Michigan Small Business, Community Growth, and Entrepreneurship Support	**Gross**	**$0**	**$68,234,500**
	GF/GP	$0	$68,234,500
Includes $68.2 million GF/GP (one-time) for various business and community supports, with allocations made for the following: • $30.0 million for small business development grants, loans, investments, technical assistance, program support, outreach activities, and other economic assistance activities that support small business growth. • $28.6 million for community revitalization; placemaking; business attraction, retention, and expansion; redevelopment; and other economic development activities to grow Michigan's economy. • $9.7 million for entrepreneurship and innovation, including activities that strengthen the entrepreneurial and innovation ecosystem and accelerate the creation, startup, growth, retention, attraction, and commercialization of high-tech, high-growth businesses.			
5. Contingent Fund, Penalty and Interest Reductions	**Gross**	**$43,397,900**	**($22,982,900)**
	Restricted	43,397,900	(22,982,900)
Removes $23.0 million of state restricted Contingent Fund, Penalty and Interest (Contingent Fund P&I) funds. The Contingent Fund P&I fund receives revenue from penalties, damages, and interest on contributions collected under the Michigan Employment Security Act. Fund revenue is strongly associated with unemployment conditions and the business cycle, and revenue has been declining. Line items that are affected include the following: Going Pro ($9.5 million), Unemployment Insurance Agency ($2.8 million), and Workforce Development ($10.6 million). It should be noted that the $9.5 million reduction to Going Pro eliminates all ongoing funding for that program.	GF/GP	$0	$0
6. Medicaid and SNAP Work Requirements	**Gross**	**NA**	**$10,000,000**
	GF/GP	NA	$10,000,000
Includes $10.0 million GF/GP to comply with new federal work requirements prescribed under H.R. 1 (One Big Beautiful Bill Act) for Medicaid and SNAP eligibility. Funds will be distributed to Michigan Works agencies to support activities related to job search and job readiness, job placement assistance, skills training, vocational services, and pre-apprenticeship activities.			
7. Going Pro	**Gross**	**$22,263,800**	**($7,763,800)**
	GF/GP	$22,263,800	($7,763,800)
Reduces one-time GF/GP funding for the Going Pro program by $7.8 million, resulting in $14.5 million GF/GP (one-time) being available for the program in FY 2026-27. Going Pro makes awards to employers to assist with training, developing, and retaining current and newly hired employees. As is noted in item 5, all ongoing funding for Going Pro has been eliminated from the budget.			
8. Pure Michigan/Special Events and National Convention Attraction	**Gross**	**$17,000,000**	**($6,000,000)**
	Local	500,000	(500,000)
	Private	500,000	(500,000)
Removes all ongoing GF/GP, local, and private funds for Pure Michigan and includes $9.0 million GF/GP (one-time) for the program and $2.0 million GF/GP (one-time) for special events. Funds for special events will be used to promote Michigan as a destination for special events, including national conventions, national conferences, major sporting events, and other significant events with a national audience. Funds will be used to attract eligible special events (events with a regular attendance of more than 500 people) and to support costs associated with hosting eligible events.	GF/GP	$16,000,000	($5,000,000)

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
9. Rural Development Fund Grant Program	FTE	0.0	1.0
Includes $4.0 million of state restricted Rural Development Funds ($2.0 million ongoing; $2.0 million one-time) and authorization for 1.0 FTE position to reflect the transfer of the program from the Department of Agriculture and Rural Development to the Department of Labor and Economic Opportunity, operationalizing Executive Order 2025-9. The program provides grants to projects that address expansion and sustainability of land-based industries; worker training related to land-based industries; and energy, livestock processing, transportation, housing, communications, broadband, water, and wastewater infrastructure in rural communities. The $2.0 million one-time funding component will augment ongoing funding for grants, bringing the total amount available for Rural Development Fund Grants in FY 2026-27 to $3.8 million.	**Gross**	**$0**	**$4,014,900**
	Restricted	0	4,014,900
	GF/GP	$0	$0
10. Continuum of Care	**Gross**	**$0**	**$4,000,000**
Includes $4.0 million GF/GP (one-time) for eviction prevention efforts, permanent supportive housing, rapid rehousing, other eligible projects, and eligible public service activities allowed under the Department of Housing and Urban Development's Continuum of Care Competition and Youth Homelessness Demonstration Program.	GF/GP	$0	$4,000,000
11. Registered Apprenticeships	**Gross**	**NA**	**$4,000,000**
Includes $4.0 million GF/GP (one-time) to support and expand registered apprenticeship and apprenticeship readiness programs, which will provide additional opportunities for individuals to meet new federal work requirements under H.R. 1. Funds will be used to reimburse apprenticeship employer-sponsors for Registered Apprenticeship Program training costs, specific supportive services for registered apprentices, grant program coordination costs, and grantee administrative costs.	GF/GP	NA	$4,000,000
12. MIOSHA Safety Education and Training Fund	**Gross**	**$11,739,000**	**$1,700,000**
Includes an additional $1.7 million of state restricted Safety Education and Training Funds to expand consultation, education, and training services that the Michigan Occupational Safety and Health Administration offers to employers to address workplace safety and risk.	Restricted	11,739,000	1,700,000
	GF/GP	$0	$0
13. Community College Skilled Trades Equipment Program	**Gross**	**$4,600,000**	**($1,582,500)**
Reduces state restricted Contingent Fund P&I funds for the Community College Skilled Trades Equipment Program by $1.6 million. The Community College Skilled Trades Equipment Program line supports debt service payments for an FY 2014-15 bond issuance that provided competitive grants for skilled trades equipment upgrades at community colleges. The final debt service payment will be made in FY 2026-27, and this reduction aligns funding authorization with the outstanding amount of the final payment.	Restricted	4,600,000	(1,582,500)
	GF/GP	$0	$0
14. Arts and Cultural Program	**Gross**	**$12,385,200**	**($1,187,900)**
Reduces GF/GP funding for the Arts and Cultural Program by $1.2 million ($502,700 ongoing; $685,200 one-time), resulting in $11.2 million GF/GP ($8.0 million one-time) being available for the program in FY 2026-27. The program provides grants to support arts and cultural programs throughout Michigan.	Federal	1,050,000	0
	Private	200,000	0
	GP/GP	$11,135,200	($1,187,900)

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
15. Talent Partnership	**Gross**	**$0**	**$1,000,000**
Includes $1.0 million GF/GP (one-time) for a grant program to support implementation of transformational community development initiatives in central city neighborhoods and concentrated districts and to leverage interdepartmental and cross-sector coordination through local talent plans.	GF/GP	$0	$1,000,000
16. Office of Future Mobility and Electrification – Advanced Air Mobility Initiative	**Gross**	**$0**	**$800,000**
Includes $800,000 GF/GP (one-time) to support costs associated with a memorandum of understanding related to Executive Directive 2025-4, which established the Michigan Advanced Air Mobility Initiative.	GF/GP	$0	$800,000
17. Reentry Support	**Gross**	**$0**	**$750,000**
Includes $750,000 GF/GP (one-time) to support grants to nonprofit organizations that operate programs that provide job readiness training, transitional employment, job coaching and placement, and postplacement retention services to parolees and probationers at moderate or high risk to recidivate.	GF/GP	$0	$750,000
18. Food Assistance Employment and Training Program	**Gross**	**NA**	**$560,000**
Includes an additional $560,000 of federal U.S. Department of Agriculture grant funding to recognize an increased annual federal grant award that supports the Food Assistance Employment and Training Program. The program is provided through Michigan Works agencies and offers individualized services to assist SNAP recipients with achieving their employment goals.	Federal	NA	560,000
	GF/GP	NA	$0
19. Post-Secondary Schools IT System	**Gross**	**NA**	**$100,000**
Includes $100,000 of state restricted Distance Education Funds to support ongoing operation and maintenance costs for the Michigan Post-Secondary Schools (MiPSS) System, which is an IT system that maintains approval activities related to establishing private post-secondary education and training institutions, as well as institutions' use of GI Bill benefits. The system has recently required changes and enhancements to improve efficiency and effectiveness for internal and external users, which has resulted in IT project cost increases.	Restricted	NA	100,000
	GF/GP	NA	$0
20. State Land Bank Authority Restricted Funding Swap	FTE	9.0	0.0
Replaces $2.0 million GF/GP with state restricted Land Bank Fast Track Funds in the State Land Bank Authority line.	**Gross**	**$6,412,400**	**$0**
	Federal	1,000,000	0
	Restricted	3,385,000	2,027,400
	GF/GP	$2,027,400	($2,027,400)
21. Office of Future Mobility and Electrification	FTE	0.0	5.0
Includes authorization for 5.0 FTE positions in the Office of Future Mobility and Electrification. No additional funding is included, but the adjustment aligns FTE authorization with the office's operations.	**Gross**	**$1,500,000**	**$0**
	GF/GP	$1,500,000	$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
22. Removal of FY 2025-26 One-Time Appropriations	**Gross**	**$57,592,200**	**($57,592,200)**
Removes $57.6 million of one-time GF/GP funding that was included in the FY 2025-26 budget to support the following: • Arts and Cultural Grants ($1.0 million) • Community and Worker Economic Transition Office ($250,000) • Community Development Financial Institutions Fund Grants ($5.0 million) • Detroit Right to Counsel ($1.5 million) • Emerging Community Grants ($2.0 million) • Empowerment ($500,000) • Focus: HOPE ($1.0 million) • Food Pantry Support ($800,000) • Habitat for Humanity ($500,000) • Helmets to Hardhats ($250,000) • Home Repair Grants ($1.2 million) • Legislatively Directed Spending Items ($28.0 million) • Michigan Black Business Alliance ($1.0 million) • Michigan Office of Defense and Aerospace Innovation ($1.0 million) • Michigan Women Forward ($750,000) • Museum Support ($1.5 million) • North Rosedale Park ($500,000) • Office of Global Michigan ($500,000) • Redford Water Infrastructure ($750,000) • Reignite ($250,000) • SER Metro ($500,000) • Sheet Metal Training Center ($1.0 million) • Starfish Family Services ($1.0 million) • Wage and Hour Program ($1.0 million) • Wayne Metro ($800,000) • Workforce and Employer Expansion ($5.0 million).	GF/GP	$57,592,200	($57,592,200)
23. Internal FTE Authorization Alignment	FTE	NA	0.0
Includes an internal net-zero realignment of FTE authorization across five line items to align staffing authorization with current department needs. Impacted lines include the following: • Executive Direction and Operations (increase of 9.0 FTEs) • Unemployment Insurance Agency (decrease of 8.0 FTEs) • Unemployment Insurance Appeals Commission (increase of 2.0 FTEs) • Workers' Disability Compensation Appeals Commission (decrease of 2.0 FTEs) • Workforce Development (decrease of 1.0 FTE).	**Gross** GF/GP	**NA** NA	**$0** $0
24. Technical Adjustments	**Gross**	**NA**	**($2,610,300)**
Includes numerous technical adjustments across 14 lines to align authorization from federal and state restricted sources with anticipated revenues. Also eliminates $38,300 of state restricted Second Injury Funds for Michigan Rehabilitation Services (MRS), as MRS does not use the fund source; internally shifts $1,500 GF/GP from the Michigan Community Service Commission line to the Hispanic/Latino Commission of Michigan line; and shifts the 23+ High School Diploma Program ($2.0 million GF/GP) from ongoing to one-time.	Federal Restricted GF/GP	NA NA NA	(2,368,600) (241,700) $0

LABOR AND ECONOMIC OPPORTUNITY

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
25. Economic Adjustments	**Gross**	**NA**	**$7,872,000**
Reflects increased costs of $7.9 million Gross ($1.0 million GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, workers' compensation, building occupancy charges, rent, and other economic adjustments.	Federal	NA	4,445,000
	Private	NA	9,000
	Restricted	NA	2,398,000
	GF/GP	NA	$1,020,000

Major Boilerplate Changes from FY 2025-26

GENERAL SECTIONS

Sec. 204. State Administrative Board Transfers **– 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. 208. Receive and Expend in Addition to Appropriations **– NEW**
Requires LEO to report on funds received and expended in addition to funds appropriated in part 1 for the previous and current fiscal year; requires report to detail type of funding received, date of receipt, amount received, amount expended, and purpose of expenditure; requires report on any funding the department anticipates receiving in addition to appropriations.

Sec. 212. Out-of-State Travel **– REVISED**
Requires LEO to report on out-of-state travel expenses in the previous fiscal year that were funded in whole or in part with state appropriations; requires the report to include dates of each travel occurrence and details on sources of revenues used to finance transportation costs. Revised to delete requirement to report details on sources of revenues used to finance transportation costs.

Sec. 213. Access to Government Services **– DELETED**
Prohibits appropriations from being used to restrict or impede a marginalized community's access to government resources, programs, or facilities; requires local governments to report on actions that attempt to restrict or interfere with duties of local health officers.

Sec. 219. Expending Available Work Project Authorization **– 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. 222. Legislatively Directed Spending Items **– DELETED**
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. 222. Disciplinary Action Against State Employees **– 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. 223. Prioritizing In-Person Work **– REVISED**
Requires LEO to maximize utilization of its in-person workforce, prioritize occupancy utilization, and ensure occupancy rates are 80% or higher. Revised to require the Office of the State Employer to create and implement an occupancy utilization uniform policy on occupancy utilization and in-person and remote work.

Sec. 224. Space Utilization Assessment **– NEW**
Requires LEO agencies to complete a space utilization assessment by July 1 for all space assigned under its building occupancy agreement and leased office locations and post to its website; requires LEO agencies to coordinate with DTMB to develop a plan to reduce, consolidate, or optimize assigned space, prioritizing use of state-owned facilities.

Major Boilerplate Changes from FY 2025-26

Sec. 225. E-Verify Requirement **– DELETED**
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. Impact of Federal Policy Changes **– REVISED**
Requires LEO to report on federal policy changes that are expected to affect LEO operations, affect groups LEO engages with, or create a regulatory gap. Revised to require reporting on federal guidelines, rules, regulations, or other significant federal policy changes, including H.R. 1 and the Rural Health Transformation Program, which do or are expected to significantly impact LEO operations or impede LEO's ability to safeguard health or welfare of the public.

Sec. 227. Legislatively Directed Spending Items **– NEW**
Requires the Senate and House to provide SBO a jointly agreed upon list of legislatively directed spending items within 30 days of enactment of the budget; requires the department that is administering the grants to report comprehensive information on March 15 and to update the report by June 15 and September 15.

Sec. 228. State Fiscal Recovery Funds Reappropriation **– NEW**
Requires SBO director to ensure all state fiscal recovery funds are expended by December 31, 2026, as required by law; automatically reappropriates any state fiscal recovery funds that would otherwise lapse after September 30, 2026, and makes them available for expenditure for the same purpose as originally authorized until December 31, 2026.

Sec. 229. Reallocation of State Fiscal Recovery Funds **– NEW**
Authorizes SBO director to reallocate state fiscal recovery funds that are in jeopardy of not being spent; authorizes reallocations for payroll and covered benefits for eligible public health and safety employees of the Departments of Corrections and State Police; requires applicable reporting to be followed; requires SBO director to notify HAC/SAC not later than 10 business days after reallocating funds.

Sec. 230. Severance Pay **– NEW**
Requires LEO to report on severance pay agreed to for a director or other high-ranking department official not later than 14 days after a severance agreement is signed; requires report on total amount of severance pay remitted and number of department employees receiving severance pay in FY 2025-26; defines severance pay.

Sec. 231. Precontract Risk Assessment **– NEW**
Requires LEO to establish a policy for conducting precontract risk assessments; requires report on assessments implemented and used to evaluate contractors.

Sec. 232. Terrorism Exclusion **– NEW**
Requires LEO to list all organizations receiving a grant or funding from the department and certify that none of the organizations have been convicted of violating MCL 750.543k (material support for terrorist acts); requires funds to be withheld from organizations that have been convicted of violating MCL 750.543k.

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

Sec. 301. General Fund Prioritization **– DELETED**
Requires federal or private grant funding to be used prior to general fund appropriations when available for the same expenditure.

Sec. 303. Private Grant Funds **– 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 and to report on the amount of private revenue generated in and carried forward from the previous fiscal year. Revised to increase the $1.5 million appropriation cap to $3.0 million.

Sec. 308. Women in the Workforce **– NEW**
Requires LEO to develop recommendations for employers on best practices to support, attract, and retain women in the workforce; allows LEO to partner with other stakeholders to complete the recommendations; requires recommendations on postpartum care, menstruation and menopause support, and fair and transparent pay practices to be published on LEO's website.

LABOR AND ECONOMIC OPPORTUNITY

Major Boilerplate Changes from FY 2025-26

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

***Sec. 403. MSHDA Collaborative Work* – REVISED**
Requires that at least two MSHDA staff work with MDHHS on transition and supportive housing to support the transition to permanent housing; requires reporting on work MSHDA has undertaken with LEO, MSF, MDHHS, or any other department. Revised to eliminate the provision regarding two positions and to require a list of programs that have interdepartmental coordination.

***Sec. 405. Blight Elimination Program Work Project Lapse* – DELETED**
Expresses legislative intent that the state budget director lapse a total of $14.0 million from a work project for the Blight Elimination Program; requires any lapsed funds to be appropriated for grants to local land banks for blight removal and redevelopment projects and requires reporting in the event such an appropriation occurs.

MICHIGAN STRATEGIC FUND

***Sec. 504. Local Promotion Fund – Pure Michigan* – DELETED**
Creates a local promotion fund whereby MSF may receive funds from local units of government and non-profit entities; specifies that funds received are available for expenditure for Pure Michigan campaigns; authorizes funds to be used for media production and placements, national and international marketing campaigns, and for other activities that promote Michigan as a place to live, work, and play; requires reporting on funds generated by local units of government.

***Sec. 505. Private Promotion Fund – Pure Michigan* – DELETED**
Creates a private promotion fund whereby MSF may receive funds from private entities; specifies that funds received are available for expenditure for Pure Michigan campaigns; authorizes funds to be used for media production and placements, national and international marketing campaigns, and for other activities that promote Michigan.

***Sec. 514. Business Attraction and Community Revitalization* – DELETED**
Requires the Business Attraction and Community Revitalization appropriation to be distributed as follows: (1) not less than 25% must be used to provide grant or loan funding for business support services to small and medium-sized businesses, including small business federal grant match and programming costs, technical assistance, manufacturing and automation support services, the Match on Main program, and the Public Spaces Community Places program; (2) not less than 19% must be used to award grants to small business support hubs and community incubators with the goal of increasing local economic and community development, with the grants used for establishment, expansion, or operation of small business support hubs or community incubators that promote mentorship, training, integrated supports, technical assistance, or networking opportunities, with preference given to hubs located in geographically diverse areas that promote innovation and entrepreneurship; (3) not less than 30% must be used by the Business Development Program to provide cash or loan assistance to small businesses; (4) not less than 2% must be used to provide supplemental support to CDFIs; (5) not more than 4% may be used for administering programs and activities authorized under the Michigan Strategic Fund Act; (6) all remaining funds may be used to support the Community Revitalization Program and up to 7% of the total Business Attraction and Community Revitalization appropriation may be used to provide additional support to the Business Development Program.

***Sec. 517. Arts and Cultural Grant Program* – REVISED**
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; stipulates requirements the council must fulfill, including publishing of materials and assessing non-refundable application fees, which are appropriated for expenses necessary to administer the program; requires a report to the legislature on awards; allows up to 3% of the arts and cultural program appropriation to be expended for administration. Revised to extend a reporting deadline and to require reporting on the amount of application fees collected.

***Sec. 518. Business Attraction and Community Revitalization General Fund Transfers* – DELETED**
Requires GF/GP funds appropriated for Business Attraction and Community Revitalization to be transferred to the 21st Century Jobs Trust Fund, pursuant to the Michigan Strategic Fund Act; appropriates transferred funds and makes them available for allocation.

***Sec. 527. MSF Business Assistance Reporting* – NEW**
Requires that MSF post the following on its website and outlines required information: (1) a list of all businesses that have received a grant, loan, or other economic assistance under the MSF Act that have ceased operations in Michigan after January 1, 2021; (2) a list of qualified businesses that are seeking to amend an agreement with MSF; and (3) a list of qualified businesses that have defaulted on terms of an agreement with the MSF; prohibits the MSF Board or its delegate from approving a grant, loan, company specific tax credit, or other economic assistance under the MSF Act without posting proposed draft contract approval agreements and other related information.

Major Boilerplate Changes from FY 2025-26

Sec. 528. Tribal Government Services **– NEW**
Appropriates $2.0 million from the Lawful Internet Gaming Act and the Lawful Sports Betting Act for tribal government grants to federally recognized tribal governments for the purpose of funding essential tribal government services; requires funds to be distributed according to an allocation plan recommended by the Inter-Tribal Council of Michigan.

WORKFORCE DEVELOPMENT

Sec. 707. MiSTEM Advisory Council **– REVISED**
Requires MiSTEM Advisory Council funding to be used to support MiSTEM Network staff and for administrative, training, and travel costs related to the MiSTEM Council; delineates functions that MiSTEM Network staff must fulfill and requires report on activities and performance of the MiSTEM network regions. Revised to allow MiSTEM Network to receive funds from private sources, appropriate any private funds for expenditure in alignment with the statewide STEM strategy, and require reporting.

Sec. 709. Federal Work Requirements Support **– NEW**
Allocates $10.0 million to assist individuals with SNAP work requirement and Medicaid community engagement requirement compliance; establishes criteria for counting qualifying hours for community service activities; requires quarterly reporting on outcomes related to SNAP and Medicaid work and community engagement requirements.

Sec. 715. Community and Worker Economic Transition Office **– REVISED**
Authorizes LEO to hire employees and deploy capabilities to evaluate and address impacts of economic transitions on workers, communities, and employers; requires the department to develop and submit a community and worker economic transition plan not later than December 31, 2025; requires LEO to submit an annual report on office activities and progress made on the transition plan, in addition to information on the mission statement, goals, metrics, and recommendations of the Community and Worker Economic Transition Office. Revised to remove the community and worker economic transition plan development and submission requirement and include additional reporting on impacts.

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

Sec. 716. Michigan High-Speed Internet Office FTEs **– NEW**
Appropriates 8.0 FTEs for the Michigan High-Speed Internet Office.

Sec. 718. Michigan High-Speed Internet Office Report **– NEW**
Requires the Michigan High-Speed Internet Office to report on any impediments to grantees of federal broadband grant programs.

Sec. 719. Michigan Works Employer Collaboration **– NEW**
Requires each regional Michigan Works agency to increase the number of employers that it collaborates with and to report on the number of added and removed employers.

Sec. 720. Broadband Projects Reappropriation **– NEW**
Automatically reappropriates any unexpended and unencumbered broadband projects funded by the Capital Projects Fund for the same purpose as originally authorized if the U.S. Department of Treasury authorizes an extension.

REHABILITATION SERVICES

Sec. 905. Centers for Independent Living **– REVISED**
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; requires the department to provide a report on direct customer and system outcomes and performance measures. Revised to require that Michigan Rehabilitation Services enter and operate under a memorandum of understanding that clearly identifies funds that will be provided to the Centers for Independent Living.

COMMISSIONS

Sec. 951. Commissions Reporting **– REVISED**
Requires the Office of Global Michigan to coordinate with any affiliated commissions to produce a report detailing commission activities (including interaction volumes, activity descriptions, and programmatic costs) and grant information. Revised to require each commission to produce its own report and to adjust reporting requirements.

LABOR AND ECONOMIC OPPORTUNITY

Major Boilerplate Changes from FY 2025-26

ONE-TIME APPROPRIATIONS

***Sec. 1001-1021. FY 2025-26 One-Time Boilerplate Sections* – DELETED**
Stipulates how 21 different FY 2025-26 one-time appropriations are to be used and allocated.

***Sec. 1001. 23+ High School Diploma Program* – REVISED**
Requires appropriation for 23+ High School Diploma Program to be awarded for a program to assist adults 23 years of age and older with obtaining high school diplomas and placement in career training programs; specifies eligibility requirements; provides detailed reimbursement rates for certain performance measures. Revised to allow LEO to prioritize funding for previously qualified program providers based on number of students served, number of graduates, and a provider's ability to offer statewide access.

***Sec. 1002. At-Risk Youth Grants* – REVISED**
Requires funding appropriated for At-Risk Youth Grants to be awarded to the Michigan franchise holder of the national Jobs for America's Graduates program. Revised to require funds to be provided to a Michigan-based nonprofit organization with demonstrated experience delivering statewide youth career development programming and outlines additional requirements; requires the organization to maintain established partnerships with local education agencies and workforce development boards and possess the organizational capacity to distribute funds statewide; requires the organization to utilize a formula-based methodology to allocate funds based on regional program performance, capacity, and the concentration of youth facing barriers to employment or postsecondary success.

***Sec. 1003. Continuum of Care* – NEW**
Requires Continuum of Care appropriation to be allocated for eviction prevention efforts, permanent supportive housing, rapid rehousing, other eligible projects, and to homeless persons for eligible public service activities allowed under the United States Housing and Urban Development's Continuum of Care Competition and Youth Homelessness Demonstration Program; outlines purposes for which funds can be allocated; prioritizes projects to maintain rapid rehousing projects and permanent supportive housing projects that are not awarded FY 2026-2027 funding from the U.S. Department of Housing and Urban Development within HUD-recognized continuums of care.

***Sec. 1005. Going Pro Administration* – REVISED**
Requires Going Pro to be administered according to specific outlined 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 require Going Pro funds to be distributed to first-time recipients and recipients who did not receive an award in the previous fiscal year, to the extent possible.

***Sec. 1006. Legislatively Directed Spending Items* – NEW**
Allocates funds appropriated for Legislatively Directed Spending Items for 135 different programs and projects (see Table 6 for information on recipients).

***Sec. 1007. Michigan Small Business, Community Growth, and Entrepreneurship Support* – NEW**
Requires the Michigan Small Business, Community Growth, and Entrepreneurship Support appropriation to be allocated as follows: (1) $30.0 million to provide small business development grants, loans, investments, technical assistance, program support, outreach activities, or other economic assistance for activities that support small business growth; (2) $28.6 million to provide support for community revitalization, placemaking, business attraction, business retention, business expansion, redevelopment, and other economic development activities related to growing Michigan's economy; (3) $9.7 million for entrepreneurship and innovation, including activities that strengthen the entrepreneurial and innovation ecosystem and accelerate the creation, startup, growth, retention, attraction, and commercialization of high-tech, high-growth businesses, with assistance provided to entrepreneurs, startups, growth-stage companies, investors, universities, research institutions, nonprofit organizations, economic development organizations, and other entities.

***Sec. 1008. Business Attraction and Community Revitalization Funds Reporting* – REVISED**
Requires MSF to report quarterly on the amount of Business Attraction and Community Revitalization funds considered appropriated, pre-encumbered, encumbered, and expended; requires the report to include funds previously appropriated that have lapsed back to the fund after being considered appropriated, pre-encumbered, encumbered, or expended for any reason. Revised to reference the Michigan Small Business, Community Growth, and Entrepreneurship Support line and to require additional expenditure information.

Major Boilerplate Changes from FY 2025-26

***Sec. 1009. Business Attraction and Community Revitalization Outcomes and Performance Measures* – REVISED**
Requires MSF to identify specific outcomes and performance measures for Business Attraction and Community Revitalization; requires reporting on the outcomes and measures, results and data for the previous fiscal year if the information is available, and a summary of any metrics used to evaluate program outcomes and performance. Revised to reference the Michigan Small Business, Community Growth, and Entrepreneurship Support line; expand reporting measures; and make other technical changes.

***Sec. 1011. Pure Michigan* – REVISED**
(1) Requires the Pure Michigan appropriation to be used for specified purposes, including up to 4% for program administration; (2) authorizes MSF to contract any authorized activities; (3) authorizes MSF to work with local units of government and nonprofit 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 only to market Michigan as a travel and tourist destination with the sole purpose of attracting new visitors and retaining former visitors; (6) limits local visitor bureaus to one Pure Michigan distribution per fiscal year. Revised to eliminate the 4% cap in item (1), delete item (2), include new language requiring MSF to cooperate with local ethnic chambers and nonprofits, and increase the limit on distributions under item (6) to two times per fiscal year.

***Sec. 1012. Reentry Employment Services Grants* – NEW**
Requires Reentry Support funds to be allocated for reentry employment services grants to nonprofit organizations that operate programs that provide job readiness training, transitional employment, job coaching and placement, and postplacement retention services to parolees and probationers at moderate to high risk to recidivate.

***Sec. 1013. Registered Apprenticeships* – NEW**
Requires LEO to maintain an online form that allows individuals interested in receiving information on registered apprenticeships to contact the department and requires LEO to share information obtained from the form with entities that receive funding for registered apprenticeships; requires entities who receive information on interested parties to contact those interested parties; requires LEO to prioritize funding for registered apprenticeship programs that produce the highest job placement and starting wage rates.

***Sec. 1014. Talent Partnership* – NEW**
(1) Requires funds to be used to administer a grant program to support implementation of transformational community development initiatives; (2) requires grant funding to be used to implement transformational public space development projects and to leverage coordination through local talent plans, also establishes criteria that qualified plan proposals must include; (3) declares that the Talent Partnership appropriation is for a public purpose; (4) outlines actions LEO may take to implement the program; (5) requires LEO to allocate grant program funding through local talent plans from eligible applicants that use a blend of layered, multifaceted activities; (6) requires eligible applicants to be a consortium of entities, requires consortium applicants to appoint a lead applicant to serve as a fiduciary and project manager, establishes other consortium requirements, and requires applicants to submit not more than 1 local talent plan and to provide at least 50% local or private match funds to be considered for a grant; (7) requires approved local talent plans to include certain specified activities; (8) establishes additional criteria that approved local talent plans must satisfy; (9) allows LEO to establish a state agency workgroup to support implementation; (10) allows LEO to retain up to 3% of funds for implementation costs, to retain an additional 2% of funds to reimburse other state agencies for support activities, and to contract with nonprofit research organizations or public education institutions; (11) requires LEO to post local talent plan guidelines online and to identify research or resources that may be used to support plan development; (12) establishes criteria that LEO must use when evaluating applications and selecting grant recipients; (13) requires LEO to award funds in a geographically diverse manner and in a way that allows grant awards to continue implementation of existing talent plans; (14) requires LEO to publish approved local talent plans and funding allocations and allows LEO to approve subsequent funding rounds if funds are available; (15) outlines oversight mechanisms and requires claw-back provisions; (16) requires LEO to provide an annual report on the program.

***Sec. 1015. Special Events and National Convention Attraction* – NEW**
Requires $2.0 million to be used to promote Michigan as a destination for special events, including national conventions, national conferences, major sporting events, and other significant events with a national audience; requires MSF to develop program guidelines, allows funds to be used for attracting events and for associated hosting costs, and requires eligible events to have a regular attendance of more than 500 people; designates unexpended funds as a work project appropriation.

FY 2025-26 Supplemental Appropriation Items **Public Act 21 of 2026 (Senate Bill 878, Article 18)**		**Appropriation Change**
1. Workforce Development Includes $3.0 million of ongoing GF/GP and $15.0 million of one-time GF/GP to support costs incurred by the workforce system for assisting individuals to achieve compliance with new federal work requirements prescribed under H.R. 1 (One Big Beautiful Bill Act) for Medicaid and Supplemental Nutrition Assistance Program (SNAP) eligibility. The Michigan Works system has experienced increased case volumes associated with SNAP requirements, documenting a 16,783% increase in SNAP referrals and a 616% increase in SNAP participants between FY 2024-25 Q1 and FY 2025-26 Q1. Funds will be used to support data system changes, program implementation, and Michigan Works programming and staffing. Michigan Works programming costs include education/training activities, work activities, employment support, job search/job readiness, and administration. LEO and MDHHS anticipate that case volumes could be higher for Medicaid recipients than they currently are for SNAP recipients, with Medicaid work requirements becoming effective in January 2027.	**Gross** GF/GP	**$18,000,000** $18,000,000
2. Post-Secondary Schools IT System Includes $100,000 of state restricted Distance Education Funds to support ongoing operation and maintenance costs for the Michigan Post-Secondary Schools (MiPSS) System, which is an IT system that maintains approval-related activities related to establishing private post-secondary education and training institutions, as well as institutions' use of GI Bill benefits. The system has recently required changes and enhancements to improve efficiency and effectiveness for internal and external users, which has resulted in IT project cost increases.	**Gross** Restricted GF/GP	**$100,000** 100,000 $0
3. Wage and Hour Includes $600,000 of state restricted Prevailing Wage Funds to implement 2023 PA 10, which pertains to prevailing wages on state projects. The fund receives application fees remitted by contractors who apply for state project registration under the act. Legislative changes effective in April 2025 allow LEO to collect registration fees, but an appropriation was needed to allow LEO to spend the fees for the purpose allowed in statute (implementation of the act).	**Gross** Restricted GF/GP	**$600,000** 600,000 $0
4. Arts and Cultural Program Includes an additional $450,000 of federal funding to recognize an increased federal award that the state has received from the National Foundation on the Arts and the Humanities in support of arts programs throughout Michigan. The amount of the federal award that the state has been receiving has gradually increased and this adjustment allows for the expenditure of the received award amount.	**Gross** Federal GF/GP	**$450,000** 450,000 $0
5. Rural Jobs and Capital Investment Includes $7.5 million of state restricted Rural Jobs and Capital Investment Creation Funds to make grants, loans, and other economic assistance available to rural jobs and capital investment funds, as provided under MCL 125.2090n. Appropriations were previously made to the Rural Jobs and Capital Investment Creation Fund under 2020 PA 166 ($1.5 million GF/GP) and 2021 PA 87 ($5.0 million GF/GP), but the fund has been dormant and no distributions were ever made.	**Gross** Restricted GF/GP	**$7,500,000** 7,500,000 $0
6. Legislatively Directed Spending Items Includes $1.5 million GF/GP to be awarded to Bloomfield Township in Oakland County to support a fire station and $1.0 million GF/GP to be awarded to Shelby Township in Oceana County for community infrastructure.	**Gross** GF/GP	**$2,500,000** $2,500,000
7. Office of Future Mobility and Electrification – Aviation and Advanced Air Mobility Includes $1.0 million GF/GP (one-time) to support programs in Michigan's aviation and advanced air mobility sector, in alignment with Executive Directive 2025-4. Funds will be used to deploy infrastructure to enable Beyond Visual Line of Sight (BVLOS) operations, attract and retain advanced air mobility companies, and develop the advanced air mobility workforce.	**Gross** GF/GP	**$1,000,000** $1,000,000

FY 2025-26 Supplemental Appropriation Items
Public Act 21 of 2026 (Senate Bill 878, Article 18)

		Appropriation Change
8. State Historic Preservation Office Grant Program	**Gross**	**$750,000**
Includes $750,000 of federal grant funding (one-time) from the National Parks Service that was awarded to the Michigan State Historic Preservation Office (SHPO) for the Michigan Rural Heritage Partnership Program. Through the program, SHPO will support stabilization and rehabilitation of historic properties in rural communities throughout Michigan; SHPO's goal us to support 7-12 projects through a competitive process.	Federal	750,000
	GF/GP	$0

FY 2025-26 Supplemental Boilerplate Items
Public Act 21 of 2026 (Senate Bill 878, Article 18)

Sec. 501. State Historic Preservation Office Grant Program
Designates unexpended funds for the program as a work project appropriation; funds will be used to support stabilization and rehabilitation of historic properties in rural communities.

Sec. 503. Office of Future Mobility and Electrification
Requires funds to be used to further the emerging aviation and advanced air mobility sector, in alignment with Executive Directive No. 2025-4, including for advanced air mobility infrastructure deployment, efforts to develop the sector, and workforce development strategies to aid the industry transition; requires the Office of Future Mobility and Electrification to collaborate with other state departments to implement the program, allows LEO to adopt memoranda of understanding with other state departments to perform required duties, and appropriates any grant money awarded to a state department for the purpose of the intended grant; appropriates federal funds received by the Office of Future Mobility and Electrification or another state department or agency for advancing the aviation and advanced mobility sector for the purposes outlined in the federal grant award; designates unexpended funds for the office as a work project appropriation and requires funds to be used to support the emerging aviation and advanced air mobility sector.

Sec. 504. Tribal Government Grants
Appropriates $2.0 million from the Lawful Internet Gaming Act and the Lawful Sports Betting Act for tribal government grants to federally recognized tribal governments for the purpose of funding essential tribal government services; requires funds to be distributed according to an allocation plan recommended by the Inter-Tribal Council of Michigan.

Sec. 505. Workforce Development
Designates unexpended funds for Workforce Development as a work project appropriation; funds would be used to support workforce system costs associated with meeting federal work requirements.

Sec. 507. Rural Jobs and Capital Investment
Requires that MSF, in conjunction with MEDC and LEO, make grants, loans, and economic assistance available to rural jobs and capital investment funds, as provided in MCL 125.2090n.

Sec. 508. Legislatively Directed Spending Items
Requires $1.5 million GF/GP to be awarded to Bloomfield Township in Oakland County to support a fire station and $1.0 million GF/GP to be awarded to Shelby Township in Oceana County for community infrastructure.

LABOR AND ECONOMIC OPPORTUNITY

Table 6: Legislatively Directed Spending Items Sec. 1006
Public Act 21 of 2026 (Senate Bill 878, Article 9)

Sec. 1006.	1	Helmets to Hardhats	$250,000
	2	City of Detroit - Right to Counsel Program	$1,250,000
	3	Arab American National Museum	$500,000
	4	Charles H. Wright Museum of African American History	$500,000
	5	Zekelman Holocaust Center	$500,000
	6	Target Alpena Development Corporation	$1,500,000
	7	Washington Heights United Methodist Church and Community Homeownership Project (Calhoun County)	$750,000
	8	City of the Village of Clarkston - Walkability and Pedestrian Safety	$834,400
	9	Lenawee Now Foundation Workforce Programs	$1,500,000
	10	Michigan's Military Heritage Museum	$615,600
	11	Michigan State University - Agricultural Resiliency Program	$1,000,000
	12	City of Escanaba - Road Infrastructure Projects	$2,000,000
	13	Sault Tribe Housing Authority	$1,500,000
	14	Jewish Federation of Detroit	$6,000,000
	15	City of Mount Clemens - Sewer Infrastructure Project	$2,000,000
	16	Eaton County - Bank Intercounty Drain Project	$2,000,000
	17	Face Addiction Now - Substance Use Disorder Programming	$1,000,000
	18	City of St. Joseph - Harbor Study	$1,500,000
	19	City of Dearborn - Public Safety Facilities	$1,000,000
	20	Grand Rapids Economic Development Corporation	$1,000,000
	21	Canton Township - Public Safety Training Facility	$1,000,000
	22	Village of Barton Hills - Water Infrastructure	$790,000
	23	ALS Association	$750,000
	24	Highland Park Public Safety Facility	$500,000
	25	Flint Development Center - Youth and Family Discovering Wellness Program	$300,000
	26	Friends of the Children - Detroit	$500,000
	27	ELKS Epicurian Lodge #674 (Saginaw County)	$20,000
	28	Conductive Learning Center	$200,000
	29	West Michigan Welcome Back Center	$300,000
	30	Detroit Auto Show	$2,000,000
	31	Michigan Minority Supplier Development Council	$500,000
	32	Michigan Nonprofit Association - 2030 Census	$2,000,000
	33	Autism Alliance	$500,000
	34	Michigan Saves	$2,000,000
	35	Michigan Pipe Trades Association - Apprentice Training	$1,000,000
	36	Ingham County Housing Trust Fund	$1,500,000
	37	Advance Peace Program (Ingham County) - Gun Violence Prevention Initiatives	$500,000
	38	Delta Township - Infrastructure Reconstruction	$1,500,000
	39	United Mentoring Program	$200,000
	40	Shelby Township Training Facility (Oceana County)	$2,000,000
	41	Van Buren Township Belleville Lake Project	$1,000,000
	42	Wayne-Westland Community School District	$250,000
	43	Michigan Hispanic Collaborative	$500,000
	44	Chaldean Community Foundation - Education Programs	$500,000
	45	Arab Community Center for Economic and Social Services	$500,000
	46	Leaders Advancing and Helping Communities Program (Wayne County)	$500,000
	47	Project SEARCH - Employment Opportunities	$250,000
	48	Citadel Community Development Corporation - Community-Based Public Health Model	$1,500,000
	49	Inner City Empowerment Program (Detroit)	$740,000
	50	Family Assistance for Renaissance Men Cohort Model	$100,000
	51	City Year, Inc - AmeriCorps Detroit Public Schools	$750,000
	52	Brilliant Detroit - Education Programs	$750,000
	53	Redford Township - Transportation and Infrastructure Projects	$150,000
	54	Children's Center of Wayne County, Inc.	$500,000
	55	Michigan Science Center	$100,000
	56	School District of the City of Flint	$2,000,000
	57	City of Ecorse - Brownfield Site Development	$500,000
	58	Rescue Ministries of Mid-Michigan (Saginaw County) - Housing Projects	$100,000

Table 6: Legislatively Directed Spending Items Sec. 1006
Public Act 21 of 2026 (Senate Bill 878, Article 9)

59	Chesterfield Township - Fire Boat Operations	$500,000
60	Dutton Farms Workforce Development Programming (Macomb County)	$250,000
61	Grosse Pointe Public Schools System	$115,000
62	American Association of University Women Grosse Pointe Education System	$75,000
63	Mount Clemens School District	$150,000
64	Student Advocacy Center of Michigan (Ypsilanti)	$75,000
65	Fraser Public Schools	$900,000
66	38th District Court	$1,000,000
67	Texas Township - Large Capacity Tanker	$650,000
68	Comstock Township - Traffic Safety Vehicle	$566,000
69	City of Ferndale - Fire House Rehabilitation	$500,000
70	Michigan Black Business Alliance	$250,000
71	Women of Tomorrow	$250,000
72	Schoolcraft College - Michigan Masonry Trades Apprenticeship and Training Center	$750,000
73	City of Inkster - Downtown Amphitheater	$250,000
74	HYPE Athletics Center Youth Programs (Dearborn Heights)	$500,000
75	Village of Brooklyn - Weatherwax Park	$500,000
76	Jackson College – Jet's Village	$750,000
77	Dewitt Township - Valley Farms Recreation Complex Upgrades	$500,000
78	State Alliance of Michigan YMCAs - Civics Programs	$500,000
79	City of Warren - Recreation Infrastructure Improvements	$569,000
80	KEYS Grace Academy - Educational Programs	$750,000
81	City of Detroit - Student Transportation	$1,000,000
82	Village of Carsonville - Water Infrastructure Upgrades	$1,000,000
83	Macomb County Department of Roads - Rivergate Drive Construction	$3,500,000
84	City of Owosso - Nitrification Tower Replacement	$3,275,000
85	Bay City - Lafayette Bridge Replacement	$1,995,000
86	Bangor Charter Township - Water Distribution System Improvements	$600,000
87	Denmark Township - Sewer Lagoon Liner Replacement	$1,500,000
88	Baraga County Road Commission - Flood Damage Recovery	$682,000
89	906 Adventure Team - Gluski Park Development (Marquette County)	$500,000
90	United Way of Marquette County - Volunteer Income Tax Assistance Program	$35,000
91	Waucedah Township - Waucedah Road Replacement	$1,000,000
92	Mason-Griffith Founders Chapter of Trout Unlimited - River Infrastructure and Restoration	$2,500,000
93	Bedford Township Veterans Memorial (Monroe County)	$25,000
94	Cheboygan County Sheriff's Office	$30,000
95	Holland Tulip Time Festival Inc.	$70,000
96	City of New Baltimore - Sewer Interceptor Repairs	$1,250,000
97	City of St. Clair - Soil Stabilization	$600,500
98	Bedford Charter Township - Fire Station Construction (Calhoun County)	$950,000
99	Watertown Township - Fire Truck Purchase	$750,000
100	Waterford Charter Township - Regional Fire Station Construction	$2,000,000
101	City of Wayne - Advanced Life Support Ambulance	$400,000
102	City of Wayne - Police Laptop Replacement	$33,600
103	Adrian Charter Township - Consolidated Public Safety Facility	$350,000
104	Ronald Township - Community Center and Fire Station Construction	$1,200,000
105	Elsie Area Fire Station	$910,000
106	Village of Breckenridge - Sewer Rehabilitation and Manhole Protection	$800,000
107	VFW Post 4037 and American Legion Post 167 Building Remodel (Oakland County)	$1,000,000
108	Central Michigan University Orphan Wells Study	$250,000
109	City of Wyandotte - Ladder Truck Purchase	$1,900,000
110	City of Riverview Fire Department - Fire Truck Purchase	$1,012,900
111	City of Southgate - Police Radio Upgrade	$222,000
112	Gogebic Community College Elevator Replacement	$600,000
113	Bessemer Area Schools Elevator Compliance	$600,000
114	Groveland Township - Well Construction	$950,000
115	Muskegon County Road Commission - Blackmer Road Repair	$3,300,000
116	Fenton Charter Township - US-23 Interchange	$2,500,000
117	Village of Shepherd - Sewer Lining and Manhole Rehabilitation Project	$1,000,000

LABOR AND ECONOMIC OPPORTUNITY

Table 6: Legislatively Directed Spending Items Sec. 1006
Public Act 21 of 2026 (Senate Bill 878, Article 9)

118	City of Buchanan and Bertrand Township - Water and Sewer Extension	$3,000,000
119	St. Clair County Road Commission - Airport Drive Repair	$344,000
120	City of Escanaba - Ladder Truck Purchase	$350,000
121	City of Utica - Water Main Replacement Projects	$3,730,000
122	Jackson County - Aviation Maintenance Technician Trade School	$300,000
123	City of Coleman - Sanitary Sewer Lift Station Improvements	$650,000
124	City of Beaverton - Water Main Installation	$450,000
125	Ottawa County - Groundwater Feasibility Study	$500,000
126	Allegan County Drain Commission - Bates Drain Improvements	$1,000,000
127	Macomb County Public Works - Stormwater Infrastructure Improvements	$2,000,000
128	City of Rockwood - Police Patrol Vehicle Purchase	$80,000
129	Berlin Charter Township - Municipal Septic Connection	$700,000
130	Rochester Community House Expansion and Renovation (Oakland County)	$1,400,000
131	Van Buren County Road Commission - Bridge Replacement	$800,000
132	VFW Post 6464 Facility Improvements (Livingston County)	$300,000
133	Sherwood Township Fire Department - Well Construction	$45,000
134	City of Hudson Senior Center Improvements	$60,000
135	Shelby Township - Schoenherr Road Bridge Reconstruction	$3,000,000
	TOTAL	**$125,300,000**

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
Summary of FY 2026-27 Enacted
Public Act 21 of 2026 (Senate Bill 878, Article 10)

Analyst: Una Jakupovic

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Enacted	*Difference: Enacted From FY 2025-26 YTD* *Amount*	*%*
IDG/IDT	$30,192,600	$30,303,000	*$110,400*	*0.4*
Federal	30,369,700	30,589,900	*220,200*	*0.7*
Local	0	0	*0*	*--*
Private	0	0	*0*	*--*
Restricted	285,958,900	309,096,900	*23,138,000*	*8.1*
GF/GP	279,485,700	243,171,900	*(36,313,800)*	*(13.0)*
Gross	**$626,006,900**	**$613,161,700**	***($12,845,200)***	***(2.1)***
FTEs	1,813.0	1,822.0	*9.0*	*0.5*

Note: Appropriation figures for all years 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 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
1. Michigan Indigent Defense Commission Grants Reduction	**Gross**	**$236,016,800**	**($24,216,900)**
Includes a $24.2 million GF/GP reduction for MIDC grants.	Restricted	300,000	0
	GF/GP	$235,716,800	($24,216,900)
2. General Fund Swaps	**Gross**	**NA**	**$0**
Includes a reduction of $16.3 million GF/GP replaced by state restricted authorization across three line items: Bureau of Community and Health Systems, Bureau of Construction Codes, and Bureau of Fire Services.	Restricted	NA	16,300,000
	GF/GP	NA	($16,300,000)
3. FTE Reductions	FTE	NA	(11.0)
Includes reductions to FTE authorizations for the following line items:	**Gross**	**NA**	**$0**
• Executive Director Programs (1.0 FTE)	GF/GP	NA	$0
• Bureau of Community and Health Systems (2.0 FTEs)			
• Bureau of Survey and Certification (2.0 FTEs)			
• Corporations, Securities, and Commercial Licensing Bureau (3.0 FTEs)			
• Michigan Office of Administrative Hearings and Rules (3.0 FTEs).			
4. Utility Consumer Representation Increase	**Gross**	**$2,100,000**	**$1,000,000**
Includes $1.0 million in state restricted Utility Consumer Representation Funds for grants to support the representation of residential utility customers in proceedings before the Michigan Public Service Commission.	Restricted	2,100,000	1,000,000
	GF/GP	$0	$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
5. Property Management Reduction	**Gross**	**$6,924,200**	**($654,100)**
Includes a reduction in state restricted and federal authorization for Property Management.	Federal	393,400	(71,100)
	Restricted	6,297,100	(583,000)
	GF/GP	$233,700	$0
6. Firefighter Training and Storage Tanks Program Support	FTE	NA	3.0
Includes $509,000 in state restricted Corporation Fees and authorization for 3.0 FTEs for the Bureau of Fire Services to support the firefighter training program (2.0 FTEs) and resources for hazardous materials safety inspection of aboveground and underground storage tank facilities (1.0 FTE).	**Gross**	**NA**	**$509,000**
	Restricted	NA	509,000
	GF/GP	NA	$0
7. Licensing and Regulation Fund Shortfall	**Gross**	**$16,975,900**	**$550,000**
Includes $550,000 in state restricted Corporation Fees for the Corporations, Securities, and Commercial Licensing Bureau to offset an expected reduction of revenue in the Licensing and Regulation Fund.	Restricted	16,975,900	550,000
	GF/GP	$0	$0
8. Underground Facilities Safety Education and Training	**Gross**	**NA**	**$500,000**
Includes $500,000 in state restricted Civil Fines, Excavating, and Blasting Funds for the Michigan Public Service Commission to support underground facilities safety education and training.	Restricted	NA	500,000
	GF/GP	NA	$0
9. Compliance and Risk Management Section	FTE	NA	3.0
Includes $491,100 in state restricted funding and authorization for 3.0 FTEs to support the establishment of a Compliance and Risk Management section within Financial Operations (currently Administrative Services).	**Gross**	**NA**	**$491,100**
	Restricted	NA	491,100
	GF/GP	NA	$0
10. Interdepartmental Grants Adjustment	**Gross**	**NA**	**($208,400)**
Includes a reduction of $208,400 in IDG funding for the Michigan Office of Administrative Hearings and Rules from the Department of Health and Human Services to reflect adjustments related to H.R. 1 implementation.	IDG/IDT	NA	(208,400)
	GF/GP	NA	$0
11. Federal Digital Accessibility Compliance	**Gross**	**NA**	**$167,400**
Includes $167,400 in state restricted Corporation Fees, Health Professions Regulatory Funds, and Marihuana Regulation Funds for Information Technology to support digital accessibility compliance.	Restricted	NA	167,400
	GF/GP	NA	$0
12. Bureau of Professional Licensing – Federal Grant	**Gross**	**NA**	**$109,000**
Includes $109,000 in federal grant funds for the Bureau of Professional Licensing to support the second and third years of a 3-year grant awarded by the Federal Financial Institutions Examination Council for the State Appraiser Regulatory Agency Support Grant Program to support an appraiser IT project, expert review, and grant management.	Federal	NA	109,000
	GF/GP	NA	$0
13. Michigan Public Service Commission – Software Contract	**Gross**	**NA**	**$107,400**
Includes $107,400 in state restricted Public Utility Assessments for Information Technology to support contractual increases for the Michigan Public Service Commission's customer relations management system.	Restricted	NA	107,400
	GF/GP	NA	$0
14. Michigan Indigent Defense Commission – Software Contract	**Gross**	**NA**	**$17,400**
Includes $17,400 GF/GP for Information Technology to support contractual increases for the Michigan Indigent Defense Commission's grant management software.	GF/GP	NA	$17,400

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
15. New FY 2026-27 One-Time Appropriations	FTE	NA	14.0
Includes $10.9 million Gross ($8.5 million GF/GP) of one-time funding to support the following:	**Gross**	**NA**	**$10,914,400**
	Restricted	NA	2,414,400
	GF/GP	NA	$8,500,000
• Accounting Continuing Education ($200,000 state restricted Accountancy Enforcement Fund)			
• CRA Social Equity Program ($1.0 million state restricted Marihuana Regulation Fund)			
• Compact Implementation Fees ($400,000 GF/GP)			
• Customer Satisfaction Survey ($100,000 GF/GP)			
• Prosecuting Attorneys Coordinating Council ($3.5 million Gross)			
• Real Estate Continuing Education ($400,000 state restricted Real Estate Education Fund)			
• Renewable Energy and Electrification Infrastructure Enhancement and Development ($5.0 million GF/GP)			
• Tax tribunal – Small Claims ($359,300 state restricted Corporation Fees).			
16. Removal of FY 2025-26 One-Time Appropriations	**Gross**	**$6,600,000**	**($6,600,000)**
Removes $6.6 million of one-time Gross ($5.0 million GF/GP) funding that was included in the FY 2025-26 budget to support the following:	Restricted	1,600,000	(1,600,000)
	GF/GP	$5,000,000	($5,000,000)
• Accounting Continuing Education ($200,000 state restricted)			
• BFS – Smoke Detectors ($1.0 million GF/GP)			
• CRA Social Equity Program ($1.0 million state restricted)			
• Michigan Saves ($3.0 million GF/GP)			
• Real Estate Continuing Education ($400,000 state restricted)			
• Urban Search and Rescue ($1.0 million GF/GP).			
17. Technical Adjustments	**Gross**	**NA**	**$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 authorization with department operations and activities. Includes a rollup of the two Liquor Control Commission line items into one line item. Also includes a shift of $4.9 million Gross from four line items to Information Technology to reflect actual IT spending.	IDG/IDT	NA	0
	Federal	NA	(99,900)
	Restricted	NA	99,900
	GF/GP	NA	$0
18. Economic Adjustments	**Gross**	**NA**	**$4,468,500**
Reflects increased costs of $4.5 million Gross ($685,700 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	IDG/IDT	NA	318,800
	Federal	NA	282,200
	Restricted	NA	3,181,800
	GF/GP	NA	$685,700

Major Boilerplate Changes from FY 2025-26

Note: Deleted boilerplate section numbers are section numbers as they appear in FY 2025-26. All other boilerplate section numbers are section numbers as they appear in FY 2026-27.

GENERAL

Sec. 204. State Administrative Board Transfers **– RETAINED (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. 205. Internet Reporting Requirements **– REVISED**
Requires LARA to use the internet to fulfill reporting requirements; requires e-mail transmission and internet posting of reports. Revised to add website reporting requirements from deleted Sec. 226.

LICENSING AND REGULATORY AFFAIRS

Major Boilerplate Changes from FY 2025-26

***Sec. 208. Additional Expenditures Reporting* – NEW**
Requires LARA to report on funds received and expended, in addition to funds appropriated in part 1; requires report to detail type of funding received, date of receipt, amount received, amount expended, and purpose of expenditure; requires report on any funding the department anticipates receiving in addition to appropriations.

***Sec. 218. E-Verify* – DELETED**
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 LARA 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. 219. Access to Government Services* – DELETED**
Prohibits appropriations from being used to restrict or impede a marginalized community's access to government resources, programs, or facilities; requires local governments to report on actions that attempt to restrict or interfere with duties of local health officers.

***Sec. 219. Work Project Usage* – RETAINED (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. 222. Communication with the Legislature* – RETAINED (UNENFORCEABLE)**
Prohibits LARA 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 LARA is exercising its authority. *(Governor's signing letter states this section is unenforceable.)*

***Sec. 223. In-Person Work* – REVISED**
Requires LARA to maximize utilization of its in-person workforce, prioritize occupancy utilization, and ensure occupancy rates are 80% or higher. Revised to require the Office of the State Employer to create and implement an occupancy utilization uniform policy on occupancy utilization and in-person and remote work.

***Sec. 226. Website Reporting* – DELETED**
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. 226. Report on Federal Policy Changes* – REVISED**
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. Revised to require reporting on federal guidelines, rules, regulations, or other significant federal policy changes, including H.R. 1 and the Rural Health Transformation Program, which do or are expected to significantly impact LARA operations or impede LARA's ability to safeguard the health or welfare of the public.

***Sec. 227. Legislatively Directed Spending Items* – REVISED**
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. Revised to require House/Senate to provide SBO a jointly agreed upon list of legislatively directed spending items within 30 days of enactment of the budget; requires LARA to post a report on March 15 and to update the report on June 15 and September 15.

***Sec. 228. State Fiscal Recovery Fund Expenditure* – NEW**
Requires state budget director to ensure all state fiscal recovery funds are expended by December 31, 2026, as required by law; automatically reappropriates any state fiscal recovery funds that would otherwise lapse after September 30, 2026 and makes them available for expenditure for the same purpose as originally authorized until December 31, 2026.

***Sec. 229. State Fiscal Recovery Fund Reallocation* – NEW**
Authorizes state budget director to reallocate state fiscal recovery funds that are in jeopardy of not being spent; authorizes reallocations for payroll and covered benefits for eligible public health and safety employees of the Departments of Corrections and State Police; requires applicable reporting to be followed; requires state budget director to notify HAC/SAC not later than 10 days after reallocating funds.

Major Boilerplate Changes from FY 2025-26

Sec. 230. Severance Pay **– NEW**
Requires LARA to report on severance pay agreed to for a director or other high-ranking official not later than 14 days after a severance agreement is signed; requires report on total amount of severance pay remitted and number of LARA employees receiving severance pay in FY 2025-26; defines severance pay.

Sec. 231. Precontract Risk Assessment Program **– NEW**
Requires LARA to establish a policy for conducting precontract risk assessments; requires report on assessments implemented and used to evaluate contractors.

GENERAL – LARA

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

Sec. 257. Regulatory Statistical Report **– REVISED**
Requires LARA to submit an annual report specifying and summarizing statistical information pertaining to fees, revenues, expenditures, application determinations, timeliness, examinations, complaints, investigations, enforcement actions, administrative hearings, and adjudications for regulatory activities and products administered by specified agencies within LARA. Revised to add television and radio production reporting requirements from deleted Sec. 250 but requires report only if LARA spends funds on productions.

Sec. 258. Pending Litigation **– NEW**
Stipulates that pending litigation related to a licensee must not delay LARA investigations and licensing actions, unless prohibited by law or good cause is shown.

Sec. 259. Employee Performance Monitoring System **– NEW**
Expresses legislative intent that LARA establish a consistent employee performance monitoring process; requires quarterly reports on planned or implemented changes to that process and the number of evaluations performed.

Sec. 260. Regulatory Effectiveness Office **– NEW**
Requires LARA to report legislative recommendations for licensing and regulation and plans for improving licensing and regulation activities and internal compliance.

MICHIGAN PUBLIC SERVICE COMMISSION

Sec. 304. Rate Case Reporting **– NEW**
Requires the MPSC to publish on its website a summary of each pending rate case and a summary of the most recent decided rate case; requires the summary to include the total change in rates requested, a projection of the impact for a typical residential customer, and a link to the E-Dockets page for the specific rate case; requires the MPSC to report its final decision, along with a link to the order and justification, to the standard report recipients and standing committees on energy.

OCCUPATIONAL REGULATION

Sec. 511. Notice of AFC, HFA, and LTC Facility Closing **– NEW**
Requires LARA to serve a facility and notify offices of representing legislators and the subcommittees on MDHHS when an order of suspension is received for a home for the aged or nursing home.

Sec. 512. Business Registry Portal **– NEW**
Requires LARA to make the necessary changes to the MiBusiness Registry Portal, upon appropriation, to allow each entity to opt in to a primary user authentication system if the necessary amendments are enacted.

MICHIGAN INDIGENT DEFENSE COMMISSION

Sec. 802. Michigan Indigent Defense Commission Report on Incremental Costs **– REVISED**
Requires the MIDC to report the incremental costs associated with the standard development process, the total cost calculation for each indigent defense standard, the amount each recipient is receiving for each standard, and the causal factors associated with any changes in grant funding. Revised reporting requirements to instead include a list of the total amount approved for each funding unit, a list of expenditures by category for each funding unit, a comparison of the total system cost for the previous five fiscal years organized by MIDC region, a description of how compliance was assessed for each standard, and information on challenges facing the commission.

LICENSING AND REGULATORY AFFAIRS

Major Boilerplate Changes from FY 2025-26

***Sec. 803. Minimum Standards for Youth Defense Services* – REVISED**
Indicates legislative intent that the MIDC begin the statutory process of developing and implementing minimum standards for youth defense services. Revised to require MIDC to utilize available funding to begin developing and implementing minimum standards for youth defense services upon enactment of SB 81 or HB 4070.

ONE-TIME APPROPRIATIONS

***Sec. 1001. Bureau of Fire Services – Smoke Detectors* – DELETED**
Requires BFS to purchase and distribute sealed-battery smoke detectors to Michigan residents and allows BFS to purchase smoke detectors with additional capabilities for individuals with physical or psychological conditions that require an accommodative technology; requires report on number of smoke detectors purchased, per-unit price, listing of all local units that received smoke detectors, and number distributed.

***Sec. 1002. Michigan Saves* – DELETED**
Allows 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. Customer Satisfaction Survey* – NEW**
Allocates funding to support measuring and improving customer satisfaction; allows LARA to partner with an external entity to support a customer satisfaction program.

***Sec. 1004. Prosecuting Attorneys Coordinating Council* – NEW**
Stipulates that $800,000 of the appropriation for the Prosecuting Attorneys Coordinating Council is allocated to LARA to support central administrative services.

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

***Sec. 1006. Renewable Energy and Electrification Infrastructure Enhancement and Development* – NEW**
Provides purposes for which funding may be used; stipulates grant distribution requirements; requires the MPSC to develop guidelines; requires applicants to perform an impact study; provides application submission and review requirements; requires grant recipients to report on how grant money was used; prohibits the MPSC from using more than $125,000 for administrative-related expenses.

***Sec. 1007. Tax Tribunal – Small Claims* – NEW**
Allows LARA to use appropriated funds to hire 2.0 limited-term employees to support a backlog in smalls claims cases within the Michigan Tax Tribunal.

***Sec. 1008. Compact Implementation Fees* – NEW**
Stipulates that appropriated funds are to be used to support implementation costs associated with interstate licensure compacts.

FY 2025-26 Supplemental Appropriation Items **Public Act 21 of 2026 (Senate Bill 878, Article 18)**		**Appropriation Change**
1. Bureau of Professional Licensing – Federal Grant Includes $39,700 in federal grant funds from the Federal Financial Institutions Examination Council for the State Appraiser Regulatory Agency Support Grant Program to support the first year of a 3-year grant awarded to LARA for an appraiser IT project, expert review, and grant management.	**Gross** Federal GF/GP	**$39,700** 39,700 $0
2. Michigan Saves Unappropriates and reappropriates $1.5 million GF/GP for Michigan Saves to allow for revisions to boilerplate.	**Gross** GF/GP	**$0** $0
3. Michigan Indigent Defense Commission Grants Unappropriates and reappropriates $50.0 million GF/GP for Michigan Indigent Defense Commission Grants to allow for revisions to boilerplate.	**Gross** GF/GP	**$0** $0

FY 2025-26 Supplemental Boilerplate Items
Public Act 21 of 2026 (Senate Bill 878, Article 18)

Sec. 551. Legislatively Directed Spending Items
Requires the legislature to provide the department 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. 552. Michigan Saves Appropriation Use
Allows MPSC to award a $1.5 million grant to Michigan Saves to conduct a grant program for clean energy improvement and on-site wastewater system replacement or repair; allows MPSC to award $1.5 million to a nonprofit green bank to support a loan loss reserve fund or similar financial instrument; stipulates that Sec. 551(6) does not apply to funds used to support a loan loss reserve fund and requires those funds be deposited into a loan loss reserve fund by September 30, 2030.

Sec. 554. Michigan Indigent Defense Commission Grants
Requires funds appropriated for Michigan Indigent Defense Commission Grants to be designated as a work project appropriation; specifies that the purpose of the work project is to support court-mandated resentencing of youthful defendants, planning or implementation costs related to the possible expansion of commission standards to include juvenile defendants, enhanced cost verification of local compliance plans, and grants to local indigent defense systems to support costs not covered by other funding; specifies the total cost of the work project; and specifies that the tentative completion date of the work project is September 30, 2030.

REPEALER

Sec. 1103. Licensing and Regulatory Affairs
Repeals Sec. 1002 of Article 10 of 2025 PA 22 and replaces it with Sec. 552 in this bill.

DEPARTMENT OF LIFELONG EDUCATION, ADVANCEMENT, AND POTENTIAL
Summary of FY 2026-27 Enacted
Public Act 21 of 2026 (Senate Bill 878, Article 11)

Analysts: Noel Benson and Perry Zielak

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Enacted	*Difference: Enacted From FY 2025-26 YTD* *Amount*	*%*
IDG/IDT	$0	$0	*$0*	*--*
Federal	457,769,900	469,495,500	*11,725,600*	*2.6*
Local	0	0	*0*	*--*
Private	1,000,000	1,000,000	*0*	*0.0*
Restricted	1,880,000	1,897,300	*17,300*	*0.9*
GF/GP	201,593,300	280,821,700	*79,228,400*	*39.3*
Gross	**$662,243,200**	**$753,214,500**	***$90,971,300***	***13.7***
FTEs	348.0	348.0	*0.0*	*0.0*

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

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 2025-26 Year-to-Date (YTD) Appropriations		**FY 2025-26 Year-to-Date (as of 2/11/26)**	**FY 2026-27 Enacted Change**
1. Child Development and Care Public Assistance	**Gross**	**$543,312,000**	**$88,071,600**
Increases funding by $88.1 million Gross ($76.9 million GF/GP) to reflect implementation of the May 2026 Consensus Revenue Estimating Conference caseload estimates for the Child Development and Care (CDC) program. This includes an increase of $11.2 million federal. Total funding for the CDC Public Assistance program will be $631.4 million Gross ($239.4 million GF/GP).	Federal	380,801,300	11,171,600
	GF/GP	$162,510,700	$76,900,000
2. Early Childhood Investment Fund	**Gross**	**$0**	**$5,000,000**
Provides $5.0 million GF/GP of ongoing funding for the creation of the Early Childhood Investment Fund, which will be utilized to provide supplemental support to the CDC program, Early On program, Great Start Readiness Program, and programs for infants and toddlers.	GF/GP	$0	$5,000,000
3. Child Development and Care Public Assistance One-Time	**Gross**	**$3,500,000**	**($3,500,000)**
Removes $3.5 million GF/GP of one-time funding for CDC Public Assistance.	GF/GP	$3,500,000	($3,500,000)
4. Time and Attendance Billing System	**Gross**	**$0**	**$2,000,000**
Provides $2.0 million GF/GP of one-time funding to invest in a time and attendance billing system for the CDC program that assists with meeting federal provider compliance provisions.	GF/GP	$0	$2,000,000

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
5. College Success Fund and Student Wraparound Supports	**Gross**	**$1,000,000**	**($687,500)**
Reduces one-time funding by $687,500 GF/GP for College Success Fund and Student Wraparound Supports, which provides competitive grants to community colleges, public universities, and private colleges and universities for student support services and efforts to improve degree and certificate completion rates. Total funding for College Success Fund and Student Wraparound Supports will be $312,500 GF/GP.	GF/GP	$1,000,000	($687,500)
6. Child Care Licensing and Regulation	FTE	167.0	0.0
Reduces funding by $500,000 GF/GP, which supports the operations of the Child Care Licensing Bureau. Total funding for Child Care Licensing and Regulation will be $29.5 million Gross ($3.1 million GF/GP).	**Gross**	**$29,987,600**	**($500,000)**
	Federal	25,904,800	0
	Restricted	501,700	0
	GF/GP	$3,581,100	($500,000)
7. Nonpublic Dual Enrollment	**Gross**	**$3,500,000**	**$500,000**
Removes $3.5 million GF/GP of one-time funding and replaces with $4.0 million GF/GP of ongoing funding for a net $500,000 GF/GP increase for the nonpublic dual enrollment program, which pays the tuition of eligible nonpublic school students enrolled in postsecondary institutions, to reflect implementation of May 2026 Consensus Revenue Estimating Conference estimates. Total funding for nonpublic dual enrollment will be $4.0 million GF/GP.	GF/GP	$3,500,000	$500,000
8. Reenrollment Services	**Gross**	**$0**	**$500,000**
Provides $500,000 GF/GP of one-time funding to increase the recruitment and reenrollment of students who leave postsecondary education without obtaining a degree, certificate, or credential.	GF/GP	$0	$500,000
9. Student Financial Assistance Programs	FTE	50.0	1.0
Transfers $159,700 GF/GP and authorization of 1.0 FTE position from Michigan Indian Tuition Waiver to Student Financial Assistance Programs to consolidate student financial assistance programs under one line item (See Item #10). Total funding for Student Financial Assistance Programs will be $9.8 million Gross ($8.5 million GF/GP).	**Gross**	**$9,597,700**	**$159,700**
	Restricted	1,270,800	0
	GF/GP	$8,326,900	$159,700
10. Michigan Indian Tuition Waiver	FTE	1.0	(1.0)
Transfers $159,700 GF/GP and authorization of 1.0 FTE position from Michigan Indian Tuition Waiver to Student Financial Assistance Programs to consolidate student financial assistance programs under one line item (See Item #9).	**Gross**	**$159,700**	**($159,700)**
	GF/GP	$159,700	($159,700)
11. Ensuring Access to Postsecondary Opportunities	**Gross**	**$260,000**	**($135,000)**
Reduces one-time funding by $135,000 GF/GP for Ensuring Access to Postsecondary Opportunities, which supports public outreach to raise awareness among men of postsecondary opportunities. Total funding for Ensuring Access to Postsecondary Opportunities will be $125,000 GF/GP.	GF/GP	$260,000	($135,000)
12. Michigan Center for Adult College Success	**Gross**	**$1,000,000**	**$62,500**
Increases one-time funding by $62,500 GF/GP for the Michigan Center for Adult College Success. Total funding for the Michigan Center for Adult College Success will be $1.1 million GF/GP.	GF/GP	$1,000,000	$62,500

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
13. Child Development and Care External Support	**Gross**	**$11,028,800**	**$45,300**
Provides additional $45,300 federal for defined calculations from an interdepartmental grant with the Michigan Department of Health and Human Services (DHHS) to support CDC-related activities, including program eligibility determinations and responding to administrative hearings. Total funding for CDC External Support will be $11.1 million Federal.	Federal	11,028,800	45,300
	GF/GP	$0	$0
14. Before and After School Administration	**Gross**	**$371,200**	**($30,000)**
Reduces funding by $30,000 GF/GP for Before and After School Administration, which administers funding provided in Sec. 32m of the School Aid Act for programs to provide additional education opportunities to students in grades K to 12. Total funding for Before and After School Administration will be $341,200 GF/GP.	GF/GP	$371,200	($30,000)
15. Removal of FY 2025-26 One-Time Appropriations	**Gross**	**$1,240,000**	**($1,240,000)**
Removes $1.2 million GF/GP of one-time funding that was included in the FY 2025-26 budget to support the following: • Michigan Center for Civic Education ($1.0 million GF/GP) • Community College Workforce Initiative ($240,000 GF/GP)	GF/GP	$1,240,000	($1,240,000)
16. Economic Adjustments	**Gross**	**NA**	**$884,400**
Reflects increased costs of $884,400 Gross ($358,400 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	Federal	NA	508,700
	Restricted	NA	17,300
	GF/GP	NA	$358,400

Major Boilerplate Changes from FY 2025-26

***Sec. 204. Internet Availability of Required Report* – REVISED**
Requires MiLEAP to use internet to fulfill reporting requirements; requires transmission of reports via email and internet posting of reports. Adds language originally included in Sec. 225 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 and renumbers as Sec. 205.

***Sec. 206. Communication with the Legislature* – REVISED (UNENFORCEABLE)**
Prohibits MiLEAP from taking disciplinary action against an employee for communicating with a legislator or staff unless the communication is prohibited by law and the department is exercising its authority. Renumbers as Sec. 222. *(Governor's signing letter states this section is unenforceable.)*

***Sec. 214. Access to State and Local Government Services* – DELETED**
Deletes language that prohibits appropriations from being used to restrict or impede a marginalized community's access to government resources, programs, or facilities; requires local governments to report any action or policy that interferes with the duties of local health officers.

***Sec. 217. State Administrative Board Transfers* – REVISED (UNENFORCEABLE)**
Authorizes the legislature to intertransfer funds via concurrent resolution if the State Administrative Board transfers funds. Renumbers as Sec. 204. *(Governor's signing letter states this section is unenforceable.)*

***Sec. 218. Work Project Appropriations Status Report* – REVISED**
Requires MiLEAP 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. Adds additional reporting date of April 15 and renumbers as Sec. 220.

***Sec. 222. Requirement to Expend Available Work Project Authorization* – REVISED (UNENFORCEABLE)**
Prohibits appropriations from being expended until all existing work project authorization available for the same purpose is exhausted, to the extent possible. Renumbers as Sec. 219. *(Governor's signing letter states this section is unenforceable.)*

Major Boilerplate Changes from FY 2025-26

***Sec. 226. Prioritizing In-Person Work* – REVISED**
Requires MiLEAP to maximize utilization of its in-person workforce, prioritize occupancy utilization, and ensure occupancy rates are 80% or higher. Revises with a technical change adding timesheet reporting and renumbers as Sec. 223.

***Sec. 227. Impact of Federal Policy Changes Report* – REVISED**
Requires MiLEAP to report quarterly on federal policy changes that are expected to affect department operations, affect groups the department engages with, or create a regulatory gap. Revises language to require reporting on reductions or changes that would improve or impede MiLEAP's ability to safeguard public health or welfare due to federal policies.

***Sec. 228. E-Verify Requirement* – DELETED**
Deletes language that requires MiLEAP 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 MiLEAP to verify the information directly or to receive certification from the contractor; requires MiLEAP to submit a report describing the processes it develops and implements; defines E-Verify.

***Sec. 228. State Fiscal Recovery Funds Expended* – NEW**
Adds language that directs the state budget director to ensure state fiscal recovery funds are expended by December 31, 2026, and any state fiscal recovery funds that would lapse after September 30, 2026 are automatically reappropriated for the same purpose as originally authorized.

***Sec. 229. State Fiscal Recovery Funds Reallocation Authorization* – NEW**
Adds 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 must notify the legislature within 10 days after making the reallocation.

***Sec. 230. Severance Pay Report* – NEW**
Adds language that requires MiLEAP to report on any amounts of severance pay for high-ranking department officials within 14 days of the severance agreement signing and report the total amount of severance pay for the prior fiscal year.

***Sec. 231. Precontract Risk Assessment Requirement* – NEW**
Adds language that requires MiLEAP to use the Department of Technology, Management, and Budget's (DTMB) precontract risk assessment program to evaluate financial compliance, security risks, and insurance requirement prior to executing a contract.

***Sec. 233. Legislatively Directed Spending Items* – REVISED**
Requires the legislature to provide the department 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 MiLEAP to post information about grant recipients on its website. Revises to require the legislature to work with the State Budget Office on the list of legislatively directed spending items, deletes various grant and administration requirements. Renumbers as Sec. 227.

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

***Sec. 1006. Early Childhood Investment Fund* – NEW**
Adds language that creates the Early Childhood Investment Fund in the Department of Treasury. Provides that money in the fund at the end of a fiscal year does not lapse; specifies that expenditures from the fund is to add supplemental support for various state-supported child care programs. Requires MiLEAP to report on expenditures by January 1, and restricts use of the fund for the CDC program for FY 2026-27.

***Sec. 1011. CDC Payments Based on Enrollment* – REVISED**
Requires MiLEAP to implement payments to providers based on enrollment rather than attendance. Revises language to implement payments based on a child's care services agreement and agreed upon hours per week, specifies providers must complete time and attendance records daily, and details policies around billing for absent children.

LIFELONG EDUCATION, ADVANCEMENT, AND POTENTIAL

Major Boilerplate Changes from FY 2025-26

***Sec. 1030. Administration of Tri-Share Program* – REVISED**
Requires funding appropriated in part 1 to be used to continue the Tri-Share Child Care program; requires the department to establish and support regional facilitator hubs and statewide services; requires the creation of benchmarks for the regional facilitator hubs; allows facilitator hubs licensed in the state to enroll children living in Wisconsin with a parent who is employed in Michigan. Adds language that requires MiLEAP to innovate program and administration options to attract employer participation.

***Sec. 1101. Child Development and Care Public Assistance One-Time Funds* – DELETED**
Deletes language that requires funds to be used to begin implementing prospective payments to child care providers, which would be required under recent federal guideline revisions.

***Sec. 1101. Reenrollment Services* – NEW**
Adds language that states funds would be used to deliver reenrollment services for students with some college and no degree to increase the number of Michigan adults with a postsecondary degree, certificate, or credential.

***Sec. 1102. College Success Fund and Student Wraparound Supports* – DELETED**
Deletes language that states $500,000 would be used to support Hunger-Free Campus activities, which some community colleges and public universities implemented as a pilot program during the prior fiscal year, and $500,000 would be used to support reenrollment initiatives for citizens with some college but no degree or credential.

***Sec. 1105. Community College Workforce Initiative* – DELETED**
Deletes language that authorizes up to $240,000 to be used to convene a workgroup that would document and publish a statewide approach for small and medium size employers to obtain workforce training for employees at community colleges.

***Sec. 1105. Time and Attendance Billing System* – NEW**
Adds language that states MiLEAP shall use the funds to invest in a time and attendance billing system that assists in meeting federal provider compliance provisions.

***Sec. 1106. Michigan Center for Civic Education* – DELETED**
Deletes language that requires $1.0 million to be allocated to the Michigan Center for Civic Education, a nonprofit organization that improves law and civic education for youth through engagement programs.

FY 2025-26 Supplemental Appropriation Items **Public Act 21 of 2026 (Senate Bill 878, Article 18)**		**Appropriation Change**
1. Child Development and Care Public Assistance Includes $43.9 million in federal fund authorization to cover payments to child care providers to reflect implementation of the May 2026 Consensus Revenue Estimating Conference caseload estimates for the CDC program.	**Gross** Federal GF/GP	**$43,860,000** 43,860,000 $0
2. Dual Enrollment Payments Includes $500,000 GF/GP of one-time funding to the nonpublic dual enrollment program to fully reimburse program-related costs.	**Gross** GF/GP	**$500,000** $500,000

FY 2025-26 Supplemental Boilerplate Items
Public Act 21 of 2026 (Senate Bill 878, Article 18)

Sec. 575. Dual Enrollment Payments
Requires dual enrollment payments to be distributed as provided under the Postsecondary Enrollment Options Act, 1996 PA 160, and the Career and Technical Preparation Act, 2000 PA 258, as determined by the department.

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
Summary of FY 2026-27 Enacted
Public Act 21 of 2026 (Senate Bill 878, Article 12)

Analyst: Aaron A. Meek

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Enacted	*Difference: Enacted From FY 2025-26 YTD* *Amount*	*%*
IDG/IDT	$101,800	$101,800	*$0*	*0.0*
Federal	148,840,000	154,412,200	*5,572,200*	*3.7*
Local	0	0	*0*	*--*
Private	100,000	100,000	*0*	*0.0*
Restricted	12,953,500	12,961,300	*7,800*	*0.1*
GF/GP	128,171,000	95,850,900	*(32,320,100)*	*(25.2)*
Gross	**$290,166,300**	**$263,426,200**	***($26,740,100)***	***(9.2)***
FTEs	976.0	971.0	*(5.0)*	*(0.5)*

Note: Appropriation figures for all years 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 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
1. Michigan Youth ChalleNGe Academy	FTE	68.0	(5.0)
Removes $240,000 GF/GP and 5.0 FTE positions from the Michigan Youth ChalleNGe Academy line item.	**Gross**	**$10,441,800**	**($240,000)**
	Federal	6,967,600	0
	Private	90,000	0
	GF/GP	$3,384,200	($240,000)
2. Michigan National Guard Member Benefit Fund	**Gross**	**$11,244,800**	**($220,000)**
Removes $220,000 GF/GP from the Michigan National Guard Member Benefit Fund line item.	GF/GP	$11,244,800	($220,000)
3. County Veteran Service Grants	**Gross**	**$4,255,500**	**($20,000)**
Removes $20,000 GF/GP from the County Veteran Service Grants line item.	GF/GP	$4,255,500	($20,000)
4. Veterans Service Grants	**Gross**	**$4,255,500**	**($20,000)**
Removes $20,000 GF/GP from the Veterans Service Grants line item.	GF/GP	$4,255,500	($20,000)
5. Veterans Trust Fund Administration	**Gross**	**$1,185,200**	**($11,800)**
Removes $11,800 in state restricted authorization from the Veterans Trust Fund Administration line item to align authorization with expenditures in previous fiscal years.	Restricted	1,185,200	(11,800)
	GF/GP	$0	$0
6. Veterans Home Direct Care – Fund Swap	**Gross**	**$107,598,900**	**$0**
Includes $2.9 million in federal Veterans Health Administration revenue to offset a $2.9 million GF/GP reduction. Funding supports operations at the state's three veterans homes.	Federal	53,437,100	2,931,900
	Restricted	6,303,000	0
	GF/GP	$47,858,800	($2,931,900)

MILITARY AND VETERANS AFFAIRS

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
7. Removal of FY 2025-26 One-Time Appropriations	**Gross**	**$30,000,000**	**($30,000,000)**
Removes $30.0 million of one-time GF/GP funding that was included in the FY 2025-26 budget to support the following: • Selfridge Air National Guard Base ($26.0 million GF/GP) • Veterans Nonprofit Improvement Grants ($4.0 million GF/GP).	GF/GP	$30,000,000	($30,000,000)
8. Technical Adjustments	**Gross**	**NA**	**$1,400,000**
Includes $1.4 million in federal National Guard Bureau revenue to support the following line items: • Headquarters and Armories ($1.0 million) • Michigan Youth ChalleNGe Academy ($400,000).	Federal	NA	1,400,000
	GF/GP	NA	$0
9. Economic Adjustments	**Gross**	**NA**	**$2,371,700**
Reflects increased costs of $2.4 million Gross ($1.1 million GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	Federal	NA	1,240,300
	Restricted	NA	19,600
	GF/GP	NA	$1,111,800

Major Boilerplate Changes from FY 2025-26

Note: Deleted boilerplate sections are numbered as they appear in FY 2025-26. All other boilerplate sections are numbered as they appear in FY 2026-27.

GENERAL SECTIONS

***Sec. 204. State Administrative Board Transfers* – 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. 212. Out-of-State Travel* – REVISED**
Requires the department to report on out-of-state travel expenses in the previous fiscal year that were funded, in whole or in part, with state appropriations; requires the report to include dates of each travel occurrence and details on sources of revenues used to finance transportation costs. Revised to delete reporting on sources of revenues.

***Sec. 213. Access to Government Services* – DELETED**
Prohibits appropriations from being used to restrict or impede a marginalized community's access to government resources, programs, or facilities; requires local governments to report on actions that attempt to restrict or interfere with duties of local health officers.

***Sec. 218. Legacy Costs* – REVISED**
States the total amount of funding estimated to be expended on legacy costs in FY 2025-26 is $11.5 million ($10.4 million on pension-related legacy costs; $1.1 million on health care-related legacy costs). Revised to update legacy costs for FY 2026-27 to $9.1 million ($9.1 million on pension-related legacy costs; $0 on health care-related legacy costs).

***Sec. 219. Expending Available Work Project Authorization* – 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. 220. Work Project Appropriations Status Report* – REVISED**
Requires the department 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. Revised to require additional report on or before April 15.

***Sec. 222. Disciplinary Action Against State Employees* – 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.)*

Major Boilerplate Changes from FY 2025-26

Sec. 223. Prioritizing In-Person Work **– REVISED**
Requires the department to maximize utilization of its in-person workforce, prioritize occupancy utilization, and ensure occupancy rates are 80% or higher. Revised to require the office of the state employer to create, implement, and make publicly available a uniform policy on occupancy, utilization, and in-person and remote work.

Sec. 224. Space Utilization Assessment **– NEW**
Requires the department to complete a space utilization assessment by July 1 for all space assigned under its building occupancy agreement and leased office locations; requires assessments to be posted on the department's website; requires the department and DTMB to create a plan to reduce, consolidate, or optimize assigned space and to prioritize the use of state-owned facilities.

Sec. 226. Impact of Federal Policy Changes **– REVISED**
Requires the department to report on federal policy changes that are expected to affect department operations, affect groups the department engages with, or create a regulatory gap. Revised to require the department to report on federal guidelines, rules, regulations, or other significant federal policy changes that are significantly likely to impact the department's operations or ability to protect public health or welfare, including details on the impact of federal revenue changes.

Sec. 227. Legislatively Directed Spending Items **– REVISED**
Requires the legislature to provide the department 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. Revised to reference statutory provisions related to grant administration, grant agreements, and other requirements.

Sec. 228. State Fiscal Recovery Fund Reappropriation **– NEW**
Requires state budget director to ensure all state fiscal recovery funds are expended by December 31, 2026, as required by law; automatically reappropriates any state fiscal recovery funds that would otherwise lapse after September 30, 2026, and makes them available for expenditure for the same purpose as originally authorized until December 31, 2026.

Sec. 229. Reallocation of State Fiscal Recovery Funds **– NEW**
Authorizes state budget director to reallocate state fiscal recovery funds that are in jeopardy of not being spent; authorizes reallocations for payroll and covered benefits for eligible public health and safety employees of the Departments of Corrections and State Police; requires applicable reporting to be followed; requires state budget director to notify appropriations committees not later than 10 days after reallocating funds.

Sec. 230. Severance Pay **– NEW**
Requires the department to report on any amounts of severance pay agreed to for a department director, deputy director, or other high-ranking department official with 14 days; requires report to include name of official and amount of severance pay; requires annual report on total amount of severance pay remitted to former employees and total number of former employees remitted severance pay during prior fiscal year; defines "severance pay."

Sec. 231. Precontract Risk Assessments **– NEW**
Requires the department to establish a policy for conducting precontract risk assessments to evaluate contractor financial risks, security risks, and insurance requirements prior to contract execution; requires report on the assessments used and contracts executed under the assessments.

Sec. 234. E-Verify Requirement **– DELETED**
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. 254. Authorization to Expend Privately Donated Funds **– NEW**
Authorizes the department to receive and expend private donations in excess of appropriations for purposes designated by donor, if specified; authorizes unexpended donations to carry forward and not lapse at close of fiscal year; requires annual report on private donations to the department and notification to the legislature within 14 days of donations of $10,000 or more.

MILITARY AND VETERANS AFFAIRS

Major Boilerplate Changes from FY 2025-26

MICHIGAN VETERANS AFFAIRS AGENCY

***Sec. 412. Veterans Service Fund* – NEW**
Creates Veterans Service Fund to support grants to veterans service organizations under Section 411; requires the department to be the administrator of the fund for auditing purposes; authorizes unexpended funds to carry forward and not lapse at close of fiscal year.

***Sec. 413. County Veteran Service Grants* – REVISED**
Requires funds appropriated for county veteran service grants 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 the department to use funds to cover costs associated with administration and providing technical assistance to counties participating in grant program; requires 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; requires the MVAA to notify legislature of changes to county grant awards; requires quarterly and annual reports from grantees on expenditures, service delivery, and county veteran services funding; prohibits counties from expending grant funds for non-allowable expenditures; defines "allowable expenditures." Revised to delete allowable expenditures provisions.

MICHIGAN VETERANS' FACILITY AUTHORITY

***Sec. 507. Posting to Public Website* – REVISED**
Requires Michigan Veterans Homes to post on its website all adopted policies related to administrative operations of a veterans home, agenda and minutes of MVFA board meetings, copy of each veterans home's USDVA State Veteran Home quarterly report; requires bimonthly reports on details of care hours and finances; requires report on results of any annual or for-cause survey conducted by an overseeing entity of veterans homes with any corresponding corrective action plan; requires the MVFA to provide a report detailing strategies and actions taken to maximize revenues from non-GF/GP sources and cost saving strategies. Revised to remove USDVA State Veteran Home quarterly report from reporting requirements.

ONE-TIME APPROPRIATIONS

***Sec. 701. Selfridge Air National Guard Base* – DELETED**
Requires funds to be used to comply with Air Installation Compatible Use Zone Program requirements and projects including shifting runway location and roadway repairs; lists eligible uses of funds.

***Sec. 702. Veterans Nonprofit Improvement Grants* – DELETED**
Requires the 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."

DEPARTMENT OF NATURAL RESOURCES
Summary of FY 2026-27 Enacted
Public Act 21 of 2026 (Senate Bill 878, Article 13)

Analyst: Austin Scott

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Enacted	*Difference: Enacted From FY 2025-26 YTD* *Amount*	*%*
IDG/IDT	$208,100	$208,300	*$200*	*0.1*
Federal	100,214,800	100,804,700	*589,900*	*0.6*
Local	0	0	*0*	*--*
Private	7,609,200	8,330,900	*721,700*	*9.5*
Restricted	362,152,800	399,299,000	*37,146,200*	*10.3*
GF/GP	73,009,400	63,286,800	*(9,722,600)*	*(13.3)*
Gross	**$543,194,300**	**$571,929,700**	***$28,735,400***	***5.3***
FTEs	2,515.2	2,519.9	*4.7*	*0.2*

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

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 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
1. Nature Awaits (One-Time)	FTE	13.8	0.2
Adjusts one-time funding for the Nature Awaits program which provides grants to schools to cover transportation and other costs related to connecting all Michigan fourth graders to the state park system by reducing GF/GP by $1.2 million and adding 0.2 FTE positions and for an FY 2026-27 one-time appropriation of $850,000 GF/GP and 14.0 FTE positions.	**Gross**	**$2,011,800**	**($1,161,800)**
	GF/GP	$2,011,800	($1,161,800)
2. State Water Trail Organizations (One-Time)	**Gross**	**$0**	**$500,000**
Adds $500,000 in one-time GF/GP for grants to state water trail organizations.	GF/GP	$0	$500,000
3. Whitefish Recovery (One-Time)	**Gross**	**$0**	**$350,000**
Adds $350,000 in one-time GF/GP for whitefish recovery to support efforts to recover and monitor up to three lake whitefish stocks.	GF/GP	$0	$350,000
4. Cultural Resource Management	**Gross**	**$1,022,600**	**($100,000)**
Reduces $100,000 GF/GP for archeological operations and the identification, treatment, and disposition of Native American cultural items.	GF/GP	$1,022,600	($100,000)
5. Gas Tax Revenue Distribution	**Gross**	**NA**	**$17,700,000**
Includes an increase of $17.7 million in gas tax revenue in accordance with statutory formula across multiple appropriations including programs in boating, snowmobiling, and recreational trails.	Restricted	NA	17,700,000
	GF/GP	NA	$0
6. Capital Outlay Adjustments	**Gross**	**NA**	**$12,050,000**
Provides an increase of $12.1 million in state restricted funding increases to State Parks Repair and Maintenance, Snowmobile Trail Development and Maintenance, and Wetlands Restoration, Enhancement, and Acquisition.	Restricted	NA	12,050,000
	GF/GP	NA	$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
7. Off-Road Vehicle Trail Improvement Funding Decrease	**Gross**	**NA**	**($3,965,900)**
Includes a decrease of $4.0 million from the ORV Trail Improvement Fund in accordance with statutory formula across multiple appropriations including programs in ORV trail development, maintenance and law enforcement.	Restricted	NA	(3,965,900)
	GF/GP	NA	$0
8. Off-Road Vehicle Trail Improvement Funding for Silver Lake State Park	**Gross**	**NA**	**$1,404,100**
Includes an increase of $1.4 million from the ORV Trail Improvement Fund in accordance with statutory formula across multiple appropriations including support for the ORV area at Silver Lake State Park.	Restricted	NA	1,404,100
	GF/GP	NA	$0
9. National Recreational Trails	**Gross**	**$3,911,600**	**($1,393,700)**
Reduces $1.4 million in federal authorization from the US Department of Transportation for a grant program that assists states with the development and maintenance of recreational trails.	Federal	3,911,600	(1,393,700)
	GF/GP	$0	$0
10. State Game and Wildlife Area Infrastructure (One-Time)	**Gross**	**$0**	**$1,000,000**
Adds $1.0 million from the Game and Fish Protection Account for improvements to state game areas and wildlife areas.	Restricted	0	1,000,000
	GF/GP	$0	$0
11. Fisheries Infrastructure (One-Time)	**Gross**	**$0**	**$900,000**
Appropriates $900,000 from the Game and Fish Protection Account for infrastructure improvements to state fisheries.	Restricted	0	900,000
	GF/GP	$0	$0
12. Cormorant Population Management (One-Time)	**Gross**	**$0**	**$500,000**
Adds $500,000 from the Game and Fish Protection Account on a time-time basis to manage cormorants statewide.	Restricted	0	500,000
	GF/GP	$0	$0
13. Michigan Historical Center	FTE	42.0	1.5
Adds $436,200 from the Michigan Historical Center Operations Fund and authorizes 1.5 new FTE positions to expand support for ongoing operations in the Michigan Historical Center.	**Gross**	**$6,838,300**	**$436,200**
	Federal	1,225,300	0
	Restricted	2,285,400	436,200
	GF/GP	$3,327,600	$0
14. Parks and Recreation Division	FTE	NA	3.0
Appropriates $393,700 in state restricted funding and authorizes 3.0 new FTE positions for supervisory roles in state parks.	**Gross**	**NA**	**$393,700**
	Restricted	NA	393,700
	GF/GP	NA	$0
15. Recreational Boating – Gray Haven State Harbor	FTE	182.0	0.0
Provides $200,000 from the Waterways Account for operations at Gray Haven State Harbor.	**Gross**	**$24,547,600**	**$200,000**
	Federal	2,129,600	0
	Restricted	22,418,000	200,000
	GF/GP	$0	$0
16. Fisheries Equipment (One-Time)	**Gross**	**$0**	**$200,000**
Includes $200,000 from the Game and Fish Protection Account for equipment to be used at state fisheries.	Restricted	0	200,000
	GF/GP	$0	$0
17. Hartwick Pines Visitor Center Upgrades (One-Time)	**Gross**	**$0**	**$200,000**
Adds $200,000 from the State Park Improvement Fund for upgrades to the visitor center at Harwick Pines State Park in Crawford County.	Restricted	0	200,000
	GF/GP	$0	$0
18. Natural Resources Heritage – Kirtland's Warbler Management	FTE	9.0	0.0
Appropriates $150,000 in private funding from the Nongame Wildlife Fund to manage Kirtland's Warbler habitat.	**Gross**	**$661,800**	**$150,000**
	Federal	209,300	0
	Private	0	150,000
	Restricted	452,500	0
	GF/GP	$0	$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
19. Technical Adjustments	**Gross**	**NA**	**$4,021,700**
Includes $4.0 million Gross ($0 GF/GP) for technical adjustments to align expenditures and increased available state restricted revenues ($2.7 million) and federal revenues ($1.3 million).	Federal	NA	1,300,000
	Restricted	NA	2,721,700
	GF/GP	NA	$0
20. Internal Authorization Shifts	**Gross**	**NA**	**$0**
Shifts $2.8 million cumulative from the Game and Fish Protection Account and ORV trail Improvement Fund between seven appropriations for a net zero change to move funding from grant programs to ongoing operations.	Restricted	NA	0
	GF/GP	NA	$0
21. Removal of FY 2025-26 One-Time Appropriations	**Gross**	**$10,200,000**	**($10,200,000)**
Removes $10.0 million GF/GP of one-time funding that was included in the FY 2025-26 budget to support the following: • Elberta waterfront community conservation project ($1.8 million GF/GP) • Fish production one-time ($2.8 million GF/GP) • Ice storm wildfire protection ($2.0 million GF/GP) • Reforestation ($2.2 million GF/GP) • Removal and repair of high-hazard dams ($1.5 million GF/GP).	GF/GP	$10,200,000	($10,200,000)
22. Economic Adjustments	**Gross**	**NA**	**$5,551,100**
Reflects increased costs of $5.6 million Gross ($889,200 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	IDG	NA	200
	Federal	NA	683,600
	Restricted	NA	3,978,100
	GF/GP	NA	$889,200

Major Boilerplate Changes from FY 2025-26

Sec. 254. Solar and Wind Project Prohibition **– DELETED**
Prohibits the department from using funds in part 1 for utility scale solar or wind development projects. *(Document from the State Budget Office dated November 7 noted this section is unenforceable in FY 2025-26.)*

Sec. 283. Prohibition on Expending Funds for Legal Actions Against Swine Hunting **– DELETED**
Prohibits the department from using funds in part 1 for legal services against hunting operation concerning swine. *(Document from the State Budget Office dated November 7 noted this section is unenforceable in FY 2025-26.)*

Sec. 285. References to State-managed Lands **– DELETED**
States that state lands managed by the department shall be identified as department-managed public lands or publicly owned lands. *(Document from the State Budget Office dated November 7 noted this section is unenforceable in FY 2025-26.)*

Sec. 286. Contingency Authorization for New Hunting and Fishing License Revenue **– DELETED**
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. 305. Snowmobile Trail Improvement Fund and ORV Trail Improvement Fund Restrictions **– NEW**
Imposes restrictions on the expenditure of the Snowmobile Improvement Fund and ORV Trail Improvement Fund for administrative purposes.

Sec. 501. Little Manistee River Designation Prohibition **– DELETED**
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. *(Document from the State Budget Office dated November 7 noted this section is unenforceable in FY 2025-26.)*

Sec. 502. Recreational Boating **– NEW**
Earmarks $200,000 from Recreational Boating funding for Gray Haven State Harbor operations and prohibits earmarked funding from being expended on the St. Jean Boat Launch.

NATURAL RESOURCES

Major Boilerplate Changes from FY 2025-26

***Sec. 601. Allegan State Game Area Expanded Use* – NEW**
Requires the department to collaborate with Allegan County to develop a plan that expands public use in the Allegan State Game Area.

***Sec. 701. Recreation Passport Selection* – DELETED**
Requires the department to provide the choice to opt in to purchasing a Recreation Passport. *(Document from the State Budget Office dated November 7 noted this section is unenforceable in FY 2025-26.)*

***Sec. 1201. Whitefish Recovery* – NEW**
Requires the department to support efforts to recover and monitor up to three lake whitefish stocks; requires funding to be used for spawning and rearing activities and post-stocking assessment and evaluation necessary to support lake whitefish stock recovery; allows department to contract with qualified nonprofit, research-based organizations to implement a lake whitefish stock recovery plan; requires the use of department-owned hatchery facilities or facilities owned or operated by partners contracted under this section; requires that funds appropriated under this section not be used for operational expenses or for the support of full time equated positions or permanent state positions, allows the department to use limited-term employees.

***Sec. 1202. State Water Trail Organizations* – NEW**
Requires the funding in part 1 for state water trail organizations for be distributed equally among the state's water trails and prohibits funding from being expended for personnel costs.

FY 2025-26 Supplemental Appropriation Items **Public Act 21 of 2026 (Senate Bill 878, Article 18)**		**Appropriation Change**
1. Gas Tax Revenue Distribution Includes $13.6 million in state restricted gas tax revenue in accordance with statutory formula across multiple appropriations to support boating, snowmobiling, and recreational trails programs.	**Gross** Restricted GF/GP	**$13,628,000** 13,628,000 $0
2. Capital Outlay – Dam Infrastructure Projects Appropriates $5.0 million from the Game and Fish Protection Account to repair some of the approximately 200 state-owned dams on Michigan waterways.	**Gross** Restricted GF/GP	**$5,000,000** 5,000,000 $0
3. Capital Outlay – Fisheries Infrastructure Includes $7.0 million in state restricted Game and Fish Protection Account funds to support fish hatchery improvements statewide. Of the total, $2.0 million will be used for the new cool water facility at Wolf Lake State Fish Hatchery in Van Buren County.	**Gross** Restricted GF/GP	**$7,000,000** 7,000,000 $0
4. Capital Outlay – State Game and Wildlife Area Infrastructure Includes $10.0 million in state restricted Game and Fish Protection Account funds to support state game and wildlife area infrastructure improvements.	**Gross** Restricted GF/GP	**$10,000,000** 10,000,000 $0
5. Fisheries Infrastructure Includes $4.0 million from the Game and Fish Protection Account to repair and upgrade the egg collection facilities and fish weirs on the Little Manistee River and the Platte River.	**Gross** Restricted GF/GP	**$4,000,000** 4,000,000 $0
6. Wildlife Management Includes $3.2 million in state restricted Game and Fish Protection Account funds to support Michigan's participation in the Chronic Wasting Disease Research Consortium Study.	**Gross** Restricted GF/GP	**$3,221,400** 3,221,400 $0

FY 2025-26 Supplemental Boilerplate Items
Public Act 21 of 2026 (Senate Bill 878, Article 18)

Sec. 601. Wildlife Management
Designates unexpended funds appropriated for State Sites Cleanup Program as a work project appropriation; funds will support Michigan's participation in the Chronic Wasting Disease Research Consortium Study.

SCHOOL AID
Summary of FY 2026-27 Enacted
Public Act 25 of 2026 (House Bill 5630, Article 1)

Analysts: Jacqueline Mullen and Noel Benson

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Enacted	*Difference: Enacted From FY 2025-26 YTD* *Amount*	*%*
IDG/IDT	$0	$0	*$0*	*--*
Federal	2,407,708,500	418,269,900	*(1,989,438,600)*	*(82.6)*
Local	0	0	*0*	*--*
Private	0	0	*0*	*--*
Restricted	18,807,972,100	19,332,189,700	*524,217,600*	*2.8*
GF/GP	73,151,100	57,984,900	*(15,166,200)*	*(20.7)*
Gross	**$21,288,831,700**	**$19,808,444,500**	***($1,480,387,200)***	***(7.0)***

Note: Appropriation figures for all years 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, 288 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 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	FY 2026-27 Enacted Change
1. Foundation Allowances (Secs. 22a & 22b) Increases by $323.7 million SAF to provide a $250 (2.5%) per-pupil increase in the foundation allowance, from $10,050 to $10,300. (See Major Boilerplate Changes for Sec. 22b below.)	**Gross**	**$10,481,500,000**	**$323,700,000**
	Restricted	10,481,263,600	323,700,000
	GF/GP	$236,400	$0
2. Foundations: Three-Year Average Membership (Secs. 22a & 22b) Provides $130.0 million one-time Enrollment Stabilization Fund and $56.1 million one-time SAF for the costs of implementing a three-year average membership calculation for districts. A district's membership is considered to be the greater of the current calculation or a three-year average.	**Gross**	**$0**	**$186,100,000**
	Restricted	0	186,100,000
	GF/GP	$0	$0
3. Foundations: Weighted Pupil Membership (Sec. 22b(4)) **– NEW** In addition to the foundation allowance, creates a "weighted pupil membership" that increases funding to districts for students who are English language learners (ELLs) or are economically disadvantaged. The funding amount is based on a percentage of the foundation allowance. Transfers $1.6 billion (including 20% increases for each line) from Sec. 31a (At-Risk) and Sec. 41 (Bilingual Education) to Sec. 22b(4) to support the weighted formula. At-Risk pupils are counted as between 0.1913 to 0.2569 weighted pupil FTEs, and ELL pupils are counted as between 0.0219 to 0.1940 weighted pupil FTEs. (See Major Boilerplate Changes for Secs. 6 and 22b below.)	**Gross**	**$0**	**$1,627,665,100**
	Restricted	0	1,627,665,100
	GF/GP	$0	$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	FY 2026-27 Enacted Change
4. Foundations: DPSCD (Secs. 22a & 22b)	**Gross**	**$124,000,000**	**($124,000,000)**
Eliminates $124.0 million one-time SAF for Detroit Public Schools Community District (DPSCD) costs and provides intent that DPSCD's taxable value per pupil begin to be counted toward the local portion of the district's foundation allowance.	Restricted	124,000,000	(124,000,000)
	GF/GP	$0	$0
5. Foundations: Cost Adjustments (Secs. 22a & 22b)	**Gross**	**NA**	**($329,500,000)**
Reduces by $329.5 million SAF to reflect May consensus pupil and cost estimates.	Restricted	NA	(329,500,000)
	GF/GP	NA	$0
6. Educator Compensation (Sec. 27l)	**Gross**	**$0**	**$150,000,000**
Provides $150.0 million one-time SAF for per-pupil payments to increase educator compensation.	Restricted	0	150,000,000
	GF/GP	$0	$0
7. Great Start Readiness Program (GSRP) (Secs. 32d & 39)	**Gross**	**$656,567,600**	**$73,788,500**
Increases by $73.8 million Gross (including a reduction of $350,000 GF/GP) for a total of $730.4 million Gross ($0 GF/GP). Revises as follows: • Increases by $10.0 million SAF for additional slot allocations for classrooms. • Increases by $63.8 million SAF (10.2%) to increase the Great Start Readiness Foundation by $1,086 from $10,650 to $11,736. • 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. • Revises allocation of $350,000 GF/GP for a longitudinal evaluation of GSRP to be an indeterminate amount of SAF that is allocated from programmatic funding. Increases programmatic funding by $350,000 SAF but does not specify the amount that may be allocated for the evaluation. (See Major Boilerplate Changes for Secs. 32d & 39 below.)	Restricted	656,217,600	74,138,500
	GF/GP	$350,000	($350,000)
8. LETRS Professional Learning (Sec. 35a(4))	**Gross**	**$10,000,000**	**$65,000,000**
Retains and increases by $15.0 million one-time SAF and provides $50.0 million Educator Fellowship Public Provider Fund for a total of $75.0 million one-time Gross ($0 GF/GP) for LETRS professional learning. Revises to open enrollment first to PreK-5 reading and special education educators, administrators, literacy coaches, and educator preparation program faculty and professional development providers. If funds remain, awards additional support to districts that aim to complete district-wide training. Adds requirement for LETRS to report to MDE quarterly.	Restricted	10,000,000	65,000,000
	GF/GP	$0	$0
9. Out of School Time (Sec. 32n)	**Gross**	**$75,000,000**	**$60,000,000**
Retains and increases by $10.0 million one-time School Aid Pupil Support Fund and provides $50.0 million one-time SAF for a total of $135.0 million Gross ($85.0 million one-time School Aid Pupil Support Fund; $50.0 million ongoing SAF) 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. Requires MiLEAP to develop a tiered grant structure based on the number of program sites that would be served and caps largest tier at 40% of total funding. Requires MiLEAP to make half of a grant payment (instead of the full amount) upon award unless the recipient demonstrates resource needs. Maintains intent to increase the School Aid Pupil Support Reserve Fund appropriation to $100.0 million in FY 2027-28 (FY 2027-28 will be the third of three years of intended reserve fund spending).	Restricted	75,000,000	60,000,000
	GF/GP	$0	$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	FY 2026-27 Enacted Change
***10. High-Impact Tutoring (Sec. 35p)* – NEW** Provides $50.0 million one-time SAF for competitive grants to approved, evidence-based tutoring programs to provide in-person tutoring before, during, or after the school day at least twice a week. Requires student-tutor ratios no higher than 1:4. Allocates $5.0 million for a parent-driven tutoring pilot. Allocates $600,000 to the Clinton County Regional Educational Service Agency (CCRESA) to work with the Michigan Association of Intermediate School Administrators (MAISA) to report on programs funded and their impact, provide technical assistance to districts, and use up to $300,000 for the MAISA Michigan Collaborative Hub.	**Gross** Restricted GF/GP	**$0** 0 $0	**$50,000,000** 50,000,000 $0
11. Infrastructure Grants (Sec. 12e) Retains $50.0 million (a $50.0 million reduction) and revises fund source to one-time SAF for infrastructure grants. Allows up to $50.0 million School Consolidation and Infrastructure Fund to be appropriated if funds are insufficient. Requires funds to be used for critical infrastructure needs affecting the health, safety, or well-being of students. Allocates $8.8 million SAF for the demolition of vacant school buildings in a district that has lost 80% of their pupil membership.	**Gross** Restricted GF/GP	**$100,000,000** 100,000,000 $0	**($50,000,000)** (50,000,000) $0
12. Fund Deposits Deposits the following amounts into subaccounts of the School Aid Fund *(Note: The columns on the right reflect appropriations and do not include deposits)*: • $50.0 million SAF into the School Infrastructure and Consolidation Reserve Fund. • $12.0 million Educator Fellowship Private Provider Fund into the General Pupil Support Reserve Fund.	**Gross** Restricted GF/GP	**NA** NA NA	**$0** 0 $0
13. Mental Health & School Safety (Sec. 31aa) Retains $310.0 million one-time Gross (a reduction of $11.0 million one-time GF/GP for a total of $10.0 million one-time GF/GP). Appropriates the amount necessary, capped at $11.0 million, from the General Pupil Support Reserve Fund if the GF/GP appropriated is not sufficient to fully fund nonpublic payments. Eliminates allocations of $53.5 million Gross ($3.5 million GF/GP) for grants for school resource officers and $53.5 million Gross ($3.5 million GF/GP) for grants for mental health staff. Increases the allocation for per-pupil grants to improve student mental health and student safety from $214.0 million Gross ($14.0 million GF/GP) to $310.0 million Gross ($10.0 million GF/GP) (the full amount of funding under this section). Revises per-pupil payments to be $73.53 for mental health expenses and $147.06 for school safety expenses. Requires recipients to waive privilege only for the school safety payments and revises the definition for "mass casualty event" to include two or more fatalities (rather than three or more).	**Gross** Restricted GF/GP	**$321,000,000** 300,000,000 $21,000,000	**($11,000,000)** 0 ($11,000,000)
***14. Dual Enrollment (Sec. 21b)* – NEW** Provides $40.0 million one-time SAF to reimburse high-poverty districts in opportunity index bands 4, 5, or 6 for dual enrollment costs. (Currently, districts pay students' dual enrollment costs using general operations funding, i.e., the foundation allowance, or through an ISD's participation under Sec. 61b for CTE-related dual enrollment programs.) Allows districts in bands 3, 2, and 1 to receive funding if all eligible expenses have been reimbursed for districts in higher bands. If funds are insufficient, provides a cap for any individual district of 25% of the appropriation, followed by equal percentage proration.	**Gross** Restricted GF/GP	**$0** 0 $0	**$40,000,000** 40,000,000 $0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	FY 2026-27 Enacted Change
15. Transportation Costs (Sec. 22l)	**Gross**	**$125,000,000**	**$0**
Retains $125.0 million one-time School Transportation Fund to districts and ISDs based on riders per square mile and the cost per rider. There would be approximately $9.0 million left in the School Transportation Fund at the end of FY 2026-27.	Restricted	125,000,000	0
	GF/GP	$0	$0
16. Flint Emergency Declaration (Sec. 11s)	**Gross**	**$8,000,000**	**($5,000,000)**
Retains $3.0 million one-time SAF (a reduction of $5.0 million one-time Gross, including $3.0 million GF/GP) for children in the Flint School District. Revises allocations as follows: eliminates $2.4 million for school nurses, social workers, and other support services; eliminates $575,000 for nutritional services; and reduces from $5.0 million to $3.0 million the allocation for Genesee ISD interventions and supports.	Restricted	5,000,000	(2,000,000)
	GF/GP	$3,000,000	($3,000,000)
17. Partnership Model Districts (Sec. 21h)	**Gross**	**$6,137,400**	**$0**
Retains $6.1 million one-time School Aid Pupil Support Reserve Fund for districts that are in a partnership to improve student achievement and district financial stability. Maintains intent to fund the section with the reserve fund through FY 2027-28.	Restricted	6,137,400	0
	GF/GP	$0	$0
18. Isolated Districts (Sec. 22d)	**Gross**	**$12,873,100**	**$1,311,300**
Increases by $1.3 million SAF (10.2%) for a total of $14.2 million SAF 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).	Restricted	12,873,100	1,311,300
	GF/GP	$0	$0
19. Technology Regional Data Hubs (Sec. 22m)	**Gross**	**$5,000,000**	**($1,500,000)**
Eliminates $1.5 million one-time SAF for a total of $3.5 million ongoing SAF to support integration of local school data systems into the Michigan Data Hub Network.	Restricted	5,000,000	(1,500,000)
	GF/GP	$0	$0
20. Dropout Recovery Programs (Secs. 22b & 25g)	**Gross**	**$1,250,000**	**($1,250,000)**
Eliminates $500,000 one-time SAF and transfers remaining $750,000 ongoing SAF from Sec. 25g (Dropout Recovery Programs) to be distributed under Sec. 22b as part of the foundation allowance rather than a separate appropriation. The program is estimated to cost over $750,000 in FY 2026-27; funding would be prorated under Sec. 25g but would require full payment under Sec. 22b. (See Major Boilerplate Changes for Sec. 6 below.)	Restricted	1,250,000	(1,250,000)
	GF/GP	$0	$0
21. MI Future Educator Fellowship Program (Sec. 27a)	**Gross**	**$25,000,000**	**$0**
Retains $10.0 million one-time Educator Fellowship Public Provider Fund and revises $5.0 million GF/GP to be one-time for a total of $25.0 million Gross ($5.0 million one-time GF/GP) to offset tuition costs for college students earning their initial certification. Allows recipients to work at a nonpublic school or nonpublic preschool to meet the required years spent working as a certified teacher. Removes requirement that recipients must have a high school diploma or equivalent (recipients must be enrolled in an eligible educator preparation program). Requires educator preparation programs to include coursework on the science of reading or provide MiLEAP a plan to do so by September 30, 2027 to comply with 2024 PA 147.	Restricted	20,000,000	0
	GF/GP	$5,000,000	$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	FY 2026-27 Enacted Change
22. Grow Your Own Programs (Sec. 27b)	**Gross**	**$70,000,000**	**($45,000,000)**
Retains $25.0 million one-time SAF (a $45.0 million reduction) for tiered competitive grants to districts, ISDs, and consortia of ISDs. Revises allowable uses to include grow your own programs, educator workforce innovation programs, and educator development and retention programs. Revises tier funding caps and criteria and adds a fourth tier. Caps administrative funding at 10%. Allocates $3.0 million for school librarian specialist certification grants.	Restricted	70,000,000	(45,000,000)
	GF/GP	$0	$0
23. MI Future Educator Student Teacher Stipend (Sec. 27c)	**Gross**	**$50,000,000**	**$7,000,000**
Retains $20.0 million one-time Educator Fellowship Public Provider Fund and provides $7.0 million one-time Educator Fellowship Private Provider Fund for a total of $57.0 million Gross ($0 GF/GP) for payments to student teachers. Adds individuals student teaching at nonpublic schools as eligible recipients. Requires educator preparation programs to include coursework on the science of reading or provide MiLEAP a plan to do so by September 30, 2027 to comply with 2024 PA 147.	Restricted	50,000,000	7,000,000
	GF/GP	$0	$0
24. National Board Certification (Sec. 27m)	**Gross**	**$0**	**$0**
Lapses the FY 2023-24 work project and reappropriates $2.9 million SAF to provide financial awards to teachers who hold National Board Certification as one-time bonus payments. Eliminates boilerplate providing guidance for distributing funds and revises to award funding on a first-come, first-served basis.	Restricted	0	0
	GF/GP	$0	$0
25. Learner and Educator Credentialing (Sec. 27o) **– NEW**	**Gross**	**$0**	**$3,000,000**
Provides $3.0 million one-time SAF for a statewide digital credentialing initiative to track CTE program completion for students and literacy professional development for educators.	Restricted	0	3,000,000
	GF/GP	$0	$0
26. Educator-on-Loan Program (Sec. 27t) **– NEW**	**Gross**	**$0**	**$500,000**
Provides $500,000 one-time SAF for an educator-on-loan program. Allowable uses include, but are not limited to, hiring an employee in the Michigan Public School Employees' Retirement System (MPSERS).	Restricted	0	500,000
	GF/GP	$0	$0
27. Enrollment Stabilization (Sec. 29)	**Gross**	**$71,000,000**	**($71,000,000)**
Eliminates $71.0 million one-time Enrollment Stabilization Fund to offset up to half of a district's or IDS's foundation allowance loss due to declining enrollment.	Restricted	71,000,000	(71,000,000)
	GF/GP	$0	$0
28. Universal School Breakfast and Lunch (Sec. 30d)	**Gross**	**$201,600,000**	**$400,000**
Retains and increases by $400,000 GF/GP and revises to be ongoing for a total of $202.0 million Gross ($2.0 million GF/GP) for providing free school breakfast and lunch for all PreK-12 students. If funds are insufficient to fully reimburse all nonpublic schools, appropriates the amount necessary, capped at $1.0 million, from the General Pupil Support Reserve Fund. Adds requirement that a participating entity must participate in the National School Breakfast Program (in addition to the National School Lunch Program).	Restricted	200,000,000	0
	GF/GP	$1,600,000	$400,000
29. At-Risk (Sec. 31a)	**Gross**	**$1,293,655,000**	**($1,293,655,000)**
Increases by $258.7 million SAF (20%) for a total of $1.6 billion SAF, but transfers funding to Sec. 22b(4) for purposes of a new weighted pupil membership. Eliminates At-Risk boilerplate in this section (see Sec. 164m). (See Major Boilerplate Changes for Secs. 6, 22b, and 164m below.)	Restricted	1,293,655,000	(1,293,655,000)
	GF/GP	$0	$0
30. Small Class Size Pilot (Sec. 31c)	**Gross**	**$65,000,000**	**($65,000,000)**
Eliminates $65.0 million one-time SAF for grants for small class size pilot programs in grades K to 3.	Restricted	65,000,000	(65,000,000)
	GF/GP	$0	$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	FY 2026-27 Enacted Change
31. School Lunch Program (Sec. 31d)	**Gross**	**$952,953,400**	**($505,132,300)**
Reduces federal estimated appropriation by $505.1 million for a total of $447.8 Gross ($0 GF/GP). Maintains boilerplate that allows the appropriation of "all available federal funding."	Federal	923,400,000	(505,132,300)
	Restricted	29,553,400	0
	GF/GP	$0	$0
32. Ten Cents a Meal (Sec. 31j) **– NEW**	**Gross**	**$0**	**$4,000,000**
Provides $4.0 million SAF for districts to participate in the Ten Cents a Meal program to purchase locally grown fruits, vegetables, and legumes.	Restricted	0	4,000,000
	GF/GP	$0	$0
33. Evidence-Based Mental Health Training (Sec. 31p) **– NEW**	**Gross**	**$0**	**$3,000,000**
Provides $3.0 million one-time SAF for grants to ISDs to implement a program to improve youth access to evidence-based mental health services.	Restricted	0	3,000,000
	GF/GP	$0	$0
34. GSRP Classroom Start-Up Grants (Sec. 32d(28))	**Gross**	**$10,000,000**	**($6,400,000)**
Retains $3.6 million one-time SAF, a reduction of $6.4 million one-time SAF, for grants to ISDs of up to $50,000 for each new or expanding GSRP classroom.	Restricted	10,000,000	(6,400,000)
	GF/GP	$0	$0
35. Early Learning Partnerships (Sec. 32p) **– NEW**	**Gross**	**$0**	**$30,000,000**
Provides $30.0 million SAF to create and implement statewide early learning partnerships to provide centralized access points for families into the early childhood system. Allocates funding as follows: • $16.9 million to ISDs to support early learning partnerships. Requires ISDs to receive at least as much as in FY 2024-25 for local Great Start Collaboratives (former Sec. 32p, which was repealed for FY 2025-26). Allocates at least $1.0 million from this allocation to support MiFamily Engagement Regional Centers. • $3.9 million for evidence-based support services for families, including home visiting programs, as determined by MiLEAP and DHHS. • $4.0 million to improve access to books and other early literacy materials for children from birth to age five. • $4.0 million to raise awareness about the availability of services through early learning partnerships. • $1.2 million for Oakland Schools and Clinton County RESA to collaborate with MiLEAP on administrative support.	Restricted	0	30,000,000
	GF/GP	$0	$0
36. Three-Year-Old Preschool Pilot Program (Sec. 32t)	**Gross**	**$25,000,000**	**($25,000,000)**
Eliminates $25.0 million one-time SAF for phase two of a preschool pilot program to provide services to three-year-olds.	Restricted	25,000,000	(25,000,000)
	GF/GP	$0	$0
37. Early Childhood Workforce Project (Sec. 32v) **– NEW**	**Gross**	**$0**	**$30,000,000**
Provides $30.0 million one-time Gross ($0 GF/GP) for early childhood workforce development initiatives.	Restricted	0	30,000,000
	GF/GP	$0	$0
38. Literacy Coaches (Sec. 35a(2))	**Gross**	**$42,000,000**	**$10,500,000**
Increases by $10.5 million SAF for a total of $52.5 million SAF to increase the number of literacy (revises from "early literacy" to "literacy") coaches from 336 to 420 and ensure that each ISD can support at least one more literacy coach than in FY 2025-26 (with a minimum of four per ISD). Requires literacy coaches to comply with new Sec. 35o (Literacy Essentials). Requires MiLEAP to develop a coaching evaluation framework aligned with MCL 380.1280f (3rd grade reading legislation).	Restricted	42,000,000	10,500,000
	GF/GP	$0	$0
39. Dyslexia Supports (Sec. 35d) **– NEW**	**Gross**	**$0**	**$1,000,000**
Provides $1.0 million one-time SAF for grants to districts and ISDs to purchase components of an eligible teacher training program for children with dyslexia.	Restricted	0	1,000,000
	GF/GP	$0	$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	FY 2026-27 Enacted Change
40. School Library Program (Sec. 35e)	**Gross**	**$250,000**	**($250,000)**
Eliminates $250,000 one-time SAF for Wayne State University to study Michigan's public school library programs.	Restricted	250,000	(250,000)
	GF/GP	$0	$0
41. Literacy Supports (Sec. 35m)	**Gross**	**$64,400,000**	**($14,400,000)**
Retains $50.0 million one-time SAF (a reduction of $14.4 million one-time SAF) for payments for districts and ISDs to improve literacy outcomes by implementing early literacy series and materials. Caps the number of early literacy series and materials that may be eligible at 15.	Restricted	64,400,000	(14,400,000)
	GF/GP	$0	$0
42. Literacy Essentials Transfer (Secs. 35m(9) & 35o) **– NEW**	**Gross**	**$4,000,000**	**$2,000,000**
Transfers $4.0 million one-time SAF from Sec. 35m(9) to Sec. 35o, revises to be ongoing, and increases by $2.0 million SAF for a total of $6.0 million SAF for Gogebic-Ontonagon ISD, in partnership with an association representing ISD administrators, to maintain the state's literacy essentials resources, lead professional learning, facilitate a statewide network of literacy coaches, place regional lead literacy coaches, and meet monthly with MDE and MiLEAP to align efforts.	Restricted	4,000,000	2,000,000
	GF/GP	$0	$0
43. Numeracy Supports (Sec. 36) **– NEW**	**Gross**	**$0**	**$5,000,000**
Provides $5.0 million one-time SAF for payments to districts and ISDs to improve educational outcomes in mathematics. Creates a Committee for Mathematics Achievement to evaluate and maintain a ranked list of available mathematics curricula and materials for grades K-5. Limits the committee to recommending five mathematics curricula. Allows members of the committee to receive up to an $8,000 annual stipend.	Restricted	0	5,000,000
	GF/GP	$0	$0
44. STEM Supports (Sec. 36a) **– NEW**	**Gross**	**$0**	**$5,000,000**
Provides $5.0 million one-time SAF for payments to districts and ISDs to improve educational outcomes in STEM. Creates a Committee for STEM Achievement to evaluate and maintain a ranked list of available STEM tools for grades K-8. Grants may not be used for items eligible for funding under Sec. 36. Allows members of the committee to receive up to an $8,000 annual stipend.	Restricted	0	5,000,000
	GF/GP	$0	$0
45. Federal Funds (Sec. 39a)	**Gross**	**$891,115,000**	**($891,113,400)**
Reduces grant authorizations to $100 each for a total of $1,600 Federal. Maintains boilerplate that allows the appropriation of "all available federal funding."	Federal	891,115,000	(891,113,400)
	Restricted	0	0
	GF/GP	$0	$0
46. English Language Learner Grants (Sec. 41)	**Gross**	**$62,732,600**	**($62,732,600)**
Increases by $12.5 million SAF (20%) for a total of $75.3 million SAF, but transfers funding to Sec. 22b(4) for a new weighted pupil membership. (See Major Boilerplate Changes for Secs. 6, 22b, and 164m below.)	Restricted	62,732,600	(62,732,600)
	GF/GP	$0	$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	FY 2026-27 Enacted Change
47. Special Education (Secs. 51a, 51c, 51d, 51e, 53a, 54, & 56)	**Gross**	**$2,802,596,100**	**($538,258,200)**
Reduces special education expenditures by $538.3 million Gross ($0 GF/GP) for a total of $2.3 billion Gross ($0 GF/GP) as follows:	Federal	583,000,000	(582,999,600)
	Restricted	2,219,596,100	44,741,400
	GF/GP	$0	$0
• Reduces by $583.0 million Federal to reduce grant authorizations to $100 each for a total of $400 Federal. Maintains boilerplate that allows the appropriation of "all available federal funding."			
• Increases by $13.0 million SAF for a total of $533.2 million to increase special education foundation allowances by 2.5%.			
• Transfers $2.8 million GF/GP in operational funding for the Michigan School for the Deaf in the MDE budget and revises to SAF for a total of $4.5 million SAF for instructional costs for pupils attending the Michigan Schools for the Deaf and Blind. (Note: the SAF increase is higher than the transfer included in the MDE summary due to economic adjustments.)			
• Increases by $28.9 million SAF to reflect May consensus cost adjustments.			
(See Major Boilerplate Changes for Sec. 51i below.)			
48. MiMTSS Technical Assistance Center Transfer (Secs. 35m(10) & 54b) **– NEW**	**Gross**	**$1,600,000**	**$0**
Transfers $1.6 million one-time SAF from Sec. 35m(10) to Sec. 54b and revises to ongoing for the Michigan Multi-Tiered System of Supports (MiMTSS) Technical Assistance Center to expand statewide implementation of MTSS.	Restricted	1,600,000	0
	GF/GP	$0	$0
49. Early On (Sec. 54d)	**Gross**	**$23,670,700**	**$2,411,200**
Increases by $2.4 million SAF (10.2%) for a total of $26.1 million SAF for ISDs to provide Early On services for children birth to age three with a developmental delay or disability.	Restricted	23,670,700	2,411,200
	GF/GP	$0	$0
50. Career and Technical Education (CTE) (Sec. 61a)	**Gross**	**$41,733,800**	**$4,251,200**
Increases by $4.3 million SAF (10.2%) for a total of $46.0 million SAF for reimbursements to districts and ISDs for vocational education programs.	Restricted	41,733,800	4,251,200
	GF/GP	$0	$0
51. CTE Early/Middle College & Dual Enrollment (Sec. 61b)	**Gross**	**$8,368,000**	**$852,400**
Increases by $852,400 SAF (10.2%) for a total of $9.2 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. Clarifies that work-based learning programs are eligible.	Restricted	8,368,000	852,400
	GF/GP	$0	$0
52. CTE Incentive Payment (Sec. 61d)	**Gross**	**$13,400,000**	**($13,400,000)**
Eliminates $13.4 million one-time SAF for per-pupil payments for pupils in CTE programs.	Restricted	13,400,000	(13,400,000)
	GF/GP	$0	$0
53. Pathways to Success (Sec. 61v)	**Gross**	**$70,000,000**	**($70,000,000)**
Eliminates $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.	Restricted	70,000,000	(70,000,000)
	GF/GP	$0	$0
54. CTE Virtual Reality (Sec. 61w) **– NEW**	**Gross**	**$0**	**$2,900,000**
Provides $2.9 million one-time SAF for grants to districts and ISDs to support CTE virtual reality programs. Allocates 50% of funds for digital career exploration programs.	Restricted	0	2,900,000
	GF/GP	$0	$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	FY 2026-27 Enacted Change
55. Detroit Area PreCollege Engineering Program (Sec. 65)	**Gross**	**$900,000**	**$0**
Retains $900,000 one-time School Aid Pupil Support Reserve Fund for the Detroit Area PreCollege Engineering Program (DAPCEP). Maintains intent to fund the section with the reserve fund through FY 2027-28.	Restricted	900,000	0
	GF/GP	$0	$0
56. Hospitality and Tourism CTE Grants (Sec. 67d)	**Gross**	**$0**	**$900,000**
Provides $900,000 one-time SAF for grants to districts to support hospitality and tourism CTE programs.	Restricted	0	900,000
	GF/GP	$0	$0
57. FAFSA Completion Challenge (Sec. 67f)	**Gross**	**$10,000,000**	**$0**
Retains $10.0 million one-time School Aid Pupil Support Reserve Fund for equal payments per 12th grade student to districts that require all students to take the FAFSA. Strikes funding application deadlines, but adds deadline for MiLEAP to make initial payments by January 31. Adds that MiLEAP may use past participation under this section in determining district eligibility. Maintains intent to fund the section with the reserve fund through FY 2027-28.	Restricted	10,000,000	0
	GF/GP	$0	$0
58. Bus Driver Safety Instruction (Sec. 74(2))	**Gross**	**$2,025,000**	**$750,000**
Increases by $750,000 SAF for a total of $2.8 million SAF for bus driver safety instruction.	Restricted	2,025,000	750,000
	GF/GP	$0	$0
59. ISD General Operations (Sec. 81)	**Gross**	**$83,157,700**	**$2,078,900**
Increases by $2.1 million SAF (2.5% in line with foundation increase) for a total of $85.2 million SAF for state aid to ISDs.	Restricted	83,157,700	2,078,900
	GF/GP	$0	$0
60. AP/IB/CLEP Incentive Program (Sec. 94)	**Gross**	**$2,600,000**	**$200,000**
Eliminates $1.4 million one-time GF/GP and provides $1.6 million one-time SAF and for a total of $2.8 million Gross ($1.2 million ongoing GF/GP and $1.6 million one-time SAF) 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	1,600,000
	GF/GP	$2,600,000	($1,400,000)
61. Center for Educational Performance and Information (Sec. 94a)	**Gross**	**$21,558,200**	**($1,693,400)**
Reduces by $1.7 million Gross 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. Includes a reduction of $2.2 million Federal to reduce federal grant authorization to $100. Maintains boilerplate that allows the appropriation of "the amount necessary." Includes an appropriation of $500,000 SAF for costs associated with e-transcript services for high schools and pupils. (See Economic Adjustments below, which reflects an additional increase of $183,800 GF/GP for CEPI, for a total of $20.0 million Gross ($19.5 million GF/GP).)	Federal	2,193,500	(2,193,400)
	Restricted	0	500,000
	GF/GP	$19,364,700	$0
62. Michigan Education Research Institute (Sec. 94e)	**Gross**	**$1,000,000**	**$0**
Retains and revises $1.0 million one-time SAF to be ongoing 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
63. Literacy Accountability and Research (Sec. 94f) **– NEW**	**Gross**	**$0**	**$3,000,000**
Provides $3.0 million one-time SAF to a public university with an existing research partnership with MDE and districts for research and program evaluation activities supporting statewide literacy initiatives.	Restricted	0	3,000,000
	GF/GP	$0	$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	FY 2026-27 Enacted Change
64. Growth and Projection Analytics System (Sec. 95b) **– NEW** Provides $2.0 million one-time SAF for a statewide growth and projections analytics system that includes student and teacher growth reports. Requires MDE to partner with an ISD and a platform vendor to administer the system.	**Gross** Restricted GF/GP	**$0** 0 $0	**$2,000,000** 2,000,000 $0
65. Community Violence Intervention Plans (Sec. 97n) Retains $10.0 million one-time SAF for grants to districts to support community violence intervention plans to reduce or prevent youth violence.	**Gross** Restricted GF/GP	**$10,000,000** 10,000,000 $0	**$0** 0 $0
66. Michigan Virtual University (Sec. 98) Revises $9.8 million ongoing GF/GP to be one-time for the operation of the Michigan Virtual University.	**Gross** Restricted GF/GP	**$9,800,000** 0 $9,800,000	**$0** 0 $0
67. Michigan Learning Channel (Sec. 98d) **– NEW** Provides $3.0 million one-time SAF for a public university that has previously partnered with a statewide public media service to provide free, curriculum-aligned educational programming.	**Gross** Restricted GF/GP	**$0** 0 $0	**$3,000,000** 3,000,000 $0
68. Robotics Competitions (Sec. 99h) Retains $5.0 million one-time School Aid Pupil Support Reserve Fund and $600,000 one-time General Pupil Support Reserve Fund for competitive grants to districts, ISDs, and nonpublic schools for robotics competition programs. Maintain intent to fund the section with the reserve funds through FY 2027-28.	**Gross** Restricted GF/GP	**$5,600,000** 5,600,000 $0	**$0** 0 $0
69. MiSTEM Network Regions (Sec. 99s) **– NEW** Provides $8.0 million SAF as follows: $3.8 million for programs or demonstration grants recommended by the MiSTEM Council; and $4.2 million for MiSTEM Network regions ($220,000 base awards plus an equal amount per pupil).	**Gross** Restricted GF/GP	**$0** 0 $0	**$8,000,000** 8,000,000 $0
70. Math and Science Virtual Reality Program (Sec. 99nn) **– NEW** Provides $2.9 million one-time SAF to an ISD to partner with MDE and a virtual reality program provider to serve up to 9,000 students in up to eight districts with a VR simulation pilot program that improves 6-12th grade math and science education. Allows the ISD to retain 2.5% of funds for administration.	**Gross** Restricted GF/GP	**$0** 0 $0	**$2,900,000** 2,900,000 $0
71. Education Assessments (Sec. 104) Increases by $7.0 million SAF for costs of complying with state and federal assessment laws, and reduces by $8.0 million Federal to reduce federal grant authorization to $100, for a total of $44.5 million Gross ($0 GF/GP).	**Gross** Federal Restricted GF/GP	**$45,509,400** 8,000,000 37,509,400 $0	**($1,009,300)** (7,999,900) 6,990,600 $0
72. Adult Education (Sec. 107) Increases by $9.6 million SAF for a total of $42.5 million SAF for adult education programs provided by a district, ISD, or consortium of districts or ISDs.	**Gross** Restricted GF/GP	**$32,913,600** 32,913,600 $0	**$9,611,400** 9,611,400 $0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	FY 2026-27 Enacted Change
73. Michigan Public School Employees' Retirement System (MPSERS) (Secs. 147a, 147c, & 147e)	**Gross**	**$1,991,500,000**	**($96,800,000)**
	Restricted	1,991,100,000	(96,800,000)
Reduces state support for K-12 MPSERS costs by $96.8 million SAF for a total of $1.9 billion Gross ($400,000 GF/GP) due to the following consensus cost adjustments:	GF/GP	$400,000	$0
• Increases by $14.9 million SAF for a total of $351.2 million Gross ($100,000 GF/GP) for the Normal Cost Offset (Sec. 147a).			
• Reduces by $82.1 million SAF for a total of $1.5 billion Gross ($300,000 GF/GP) for the State Share of Unfunded Liability Payments (Sec. 147c).			
• Reduces by $29.6 million SAF for a total of $88.8 million SAF for the Added Costs for 2017 PA 92 (Sec. 147e).			
***74. Tribal Consultation (Sec. 152c)* – NEW**	**Gross**	**$0**	**$2,500,000**
	Restricted	0	2,500,000
Provides $2.5 million one-time SAF to Marquette-Alger Regional Educational Agency to develop statewide supports for the federal tribal consultation requirements under the federal Every Student Succeeds Act. Requires the ISD to support a collaboration to disseminate initial professional learning by September 30, 2027 and to report annually beginning January 1, 2028, with additional updates annually throughout the course of the work project (the estimated completion date of the work project is September 30, 2031).	GF/GP	$0	$0
75. Other Cost Adjustments	**Gross**	**$57,700,000**	**$17,400,000**
	Restricted	57,700,000	17,400,000
Revises the following to reflect updated cost estimates:	GF/GP	$0	$0
• Sec. 11m – Increases by $5.0 million SAF for a total of $10.0 million SAF for cash-flow borrowing costs.			
• Sec. 26c – Increases by $5.0 million SAF for a total of $48.3 million SAF required funds for districts and ISDs with an approved Promise Zone development plan.			
• Sec. 26d – Increases by $7.4 million SAF for a total of $21.8 million SAF reimbursements to ISDs as required under the Brownfield Redevelopment Financing Act.			
76. Economic Adjustments	**Gross**	**NA**	**$237,000**
	Restricted	NA	53,200
Reflects increased costs of $237,000 Gross ($183,800 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	GF/GP	NA	$183,800

SCHOOL AID

Major Boilerplate Changes from FY 2025-26

Sec. 6. Pupil Membership Definitions **– REVISED**
Clarifies that a pupil in an early middle college program and at least one college course may be transcribed for high school credit each count day in their fifth year.

Revises the FTE requirements for a pupil enrolled in a dropout recovery program by requiring payments to be made fully through the foundation allowance, rather than 1.0 FTE under the foundation and any additional FTE under Sec. 25g.

Adds a definition for "weighted pupil membership" that calculates the additional FTE increase for eligible pupils as follows:

- For English language learners, a weight from 0.0219 to 0.1940 based on their WIDA ACCESS assessment score. Provides intent to increase these weights annually until they reach 0.35 to 0.75.
- For economically disadvantaged pupils, a weight from 0.1913 to 0.2569 based on the district's opportunity index score. Provides intent to increase these weights annually until they reach 0.35 to 0.47.

Requires each Consensus Revenue Estimating Conference (CREC) to include estimated pupil counts necessary to determine the cost for weighted pupil membership for the current and subsequent two fiscal years.

Removes a provision that allowed instruction by a noncertificated, nonendorsed teacher engaged to teach under Sec. 1233b of the Revised School Code through the 2025-26 school year.

Revises requirement that teachers have endorsements for both grade range and subject area by striking the subject area requirement.

Sec. 15. School Aid Apportionment Adjustments **– REVISED**
Prohibits an adjustment under this section based on an educator misplacement that is subject to a state aid adjustment under Sec. 163.

Sec. 16. Prohibition on MDE Employees Benefitting from State Contracts **– NEW (UNENFORCEABLE)**
Prohibits MDE from entering into a state contract with an individual if an MDE employee would financially benefit from the contract.*(Governor's signing letter states this section is unenforceable.)*

Sec. 18. Spending, Financial Reporting, and Audit Requirements **– REVISED**
Prohibits MDE from withholding funds from a district or ISD for the failure to publicly post a budget if the School Aid Act is not signed into law by July 1.

Sec. 18a. Grant Fund Expenditure Timeline **– REVISED**
Exempts work project appropriations from the current requirement that grant recipients expend funds by the end of the fiscal year following the fiscal year funds were received. Adds new requirement for recipients of work projected grants to expend funds by the end of the fiscal year following the fiscal year in which the work project is closed.

Sec. 19. State and Federal Reporting Requirements **– REVISED**
Adds 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**
Allows a student to be enrolled in a virtual course without parental consent for up to six days in a school year (3 for testing and 3 for emergency closures).

Sec. 22b. Foundations: Discretionary Payment **– REVISED**
Requires districts to comply with Senate Bill 903 (new weighted funding requirements) or, if SB 903 is not enacted, requires districts to comply with Sec. 164m.

Requires districts to notify parents if the district is not using evidence-based curriculum in grades K-5 (this requirement is moved to Sec. 22b from Sec. 164k (District Non-Compliance Penalty)).

Sec. 27j. Student Loan Repayment Assistance Reserve Fund **– REVISED**
Revises to lapse remaining money in the Student Loan Repayment Assistance Reserve Fund to the School Aid Fund.

Major Boilerplate Changes from FY 2025-26

Sec. 31n. School Mental Health & Support Services **– REVISED**
Expands eligible pupils to include children served under Great Start Readiness Programs. Also adds requirement that ISDs submit a plan approved by MDE and DHHS for both distributions of programmatic funds under this section (currently, ISDs must submit a plan only for the first distribution).

Sec. 35q. Literacy Achievement and Opportunity Transparency Dashboard **– NEW**
Requires MDE, in collaboration with MiLEAP and CEPI, to publish a literacy achievement and opportunity transparency dashboard by March 1, 2027, and update periodically as new data becomes available. Requires the dashboard to include all of the following: the percentage of children with access to free, full-day PreK; the percentage of PreK-5 educators trained in the science of reading; the percentage of districts using curriculum funded under Sec. 35m; literacy-related state assessment results; additional metrics that help track statewide literacy progress; and a summary of activities the state is taking to improve literacy outcomes.

Secs. 32d & 39. Great Start Readiness Program **– REVISED**
Requires MiLEAP to report by September 30 on any ISDs that have their allocation reduced due to a failure to contract at least 30% of its total allocation to community-based organizations

Requires ISDs to report to MiLEAP three times a year (by September 15, December 15, and March 15) on the number of children enrolled in GSRP, the number of children on a waitlist, and the total capacity of all GSRP programs operated by the ISD. Requires MiLEAP to compile and report this information three times a year (by October 1, January 1, and April 1) to HFA, SFA, and SBO. Requires HFA, SFA, and SBO to provide an estimate each CREC of the number of children enrolled in GSRP.

Sec. 51i. Intent for Weighted Special Education Funding **– NEW**
Provides intent that, beginning in FY 2027-28, a weighted special education funding model will begin to be implemented to recognize the higher costs associated with certain student needs. Provides target weights based on specific impairment, ranging from 1.1 to 3.8 (for example, a pupil with a visual impairment would receive the foundation allowance multiplied by 3.8).

Sec. 101. Eligibility to Receive State Aid **– REVISED**
Provides an exemption from the 75% pupil attendance requirement for a district-operated special education program approved by MDE that exceeds 180 days of pupil instruction.

Provides an exemption from the 75% pupil attendance requirement for a district with fewer than 100 pupils (as reported in the fall count) that demonstrates that the absence of a single household may materially reduce the district's daily attendance below 75%. Requires the State Superintendent to grant a waiver that instead requires 60% daily attendance.

Sec. 104h. Benchmark Assessments **– REVISED**
Strikes requirement that districts send benchmark assessment data to MDE and that MDE report annually on the data received.

Adds requirement for the assessment made available by MDE at no cost to include a digital library of teaching resources that are tied directly to the benchmark assessment and aligned to Michigan standards.

Sec. 147b. MPSERS Retirement Obligation Reform Reserve Fund **– REVISED**
Revises to lapse remaining money in the MPSERS Retirement Obligation Reform Reserve Fund to the School Aid Fund.

Sec. 163. Educator Certification Requirements **– REVISED**
Revises penalties for employing a teacher not meeting certification requirements as follows: requires MDE to provide notice; and after 15 school days after notification that an individual is in violation, provides a penalty equal to $50,000 plus an additional $1,000 for each school day thereafter, capped at $100,000. Allows the State Superintendent to waive (rather than reduce) a deduction under extenuating circumstances. Prohibits a penalty under Sec. 6 or Sec. 15 if there is a penalty under this section.

Sec. 164j. State Fiscal Recovery Fund **– DELETED**
Moves language requiring federal State Fiscal Recovery Fund (SFRF) revenue to be expended by December 13, 2026 to Secs. 295 and 295a in Article IV (would apply to the Community Colleges and Higher Education budgets as well as the School Aid budget).

SCHOOL AID

Major Boilerplate Changes from FY 2025-26

***Sec. 164k. District Non-Compliance Penalty* – REVISED**
Revises a 5% state aid penalty for non-compliance with requirements under this section as follows: adds requirement to comply with federal provisions restricting access to soda and candy; strikes requirement that student survey questions be made public; strikes requirement that districts not using MDE-designated evidence-based curriculum must notify parents (this requirement is moved to Sec. 22b); and adds requirement that pupils in PE must participate in the Presidential Fitness test.

***Sec. 164l. Legislatively Directed Spending Items (LDSIs)* – REVISED**
Strikes existing transparency requirements for the grant distribution, review, and verification process, and replaces with the following requirements: that the House and the Senate jointly submit a list of LDSIs to the State Budget Director within 30 days of budget enactment; and that the department or agency administering the grant post comprehensive information on the grants awarded beginning March 15 and again by June 15 and September 15 annually.

***Sec. 164m. Requirements for Weighted Pupil Membership* – NEW**
Requires districts to use funding under Sec. 22b(4) (Weighted Pupil Membership) for purposes including, but not limited to, student achievement and success, literacy, mathematics, and direct ELL instruction.

Requires districts receiving funding under Sec. 22b(4) to do all of the following: administer the WIDA assessment for English language learners (this requirement is moved from Sec. 41); agree to meet or exceed the required minimum number of minutes per week of ELL instruction (this requirement is moved from Sec. 41); implement MTSS in grades K-12 (this requirement is moved from Sec. 31a); support pupil needs for pupils counted toward the weighted pupil membership; use up to 2% of the amount under Sec. 22b(4) for administrative costs related to complying with this section; report to MDE information necessary to determine compliance; allow access for MDE to audit funded program records; and communicate to parents and legal guardians literacy-related state assessment results, the amount of funding received under Sec. 22b(4), what evidence-based interventions were implemented, and a method to provide feedback and seek more information about available services.

Requires MDE to monitor districts for compliance and allows MDE to withhold a district's monthly Sec. 22b(4) payment until the district complies with this section.

***Sec. 164n. Work Project Reporting* – NEW**
Requires MDE and MiLEAP to submit an annual report on the status of work project accounts not later than six months after initial work project letters and again on or by April 15.

***Sec. 164o. Maximization of State Funding* – NEW**
Encourages districts and ISDs to evaluate and pursue efficiency measures and requires them to identify practices to increase efficiencies.

***Secs. 295 & 295a. State Fiscal Recovery Fund* – NEW**
Moves language requiring federal SFRF revenue to be expended by December 31, 2026 from Sec. 164j to Secs. 295 and 295a in Article IV (would apply to the Community Colleges and Higher Education budgets as well as the School Aid budget).

Supplemental Recommendations for FY 2025-26 Appropriations		**FY 2025-26 Recommendation**
1. Foundation Allowances (Secs. 22a & 22b)	**Gross**	**($96,500,000)**
Reduces by $96.5 million SAF for a total of $10.5 billion Gross ($236,400 GF/GP) to revised consensus cost estimates.	Restricted	(96,500,000)
	GF/GP	$0
2. Brownfield Redevelopment Reimbursements (Sec. 26d)	**Gross**	**$4,600,000**
Increases by $4.6 million SAF for a total of $19.0 million SAF to reflect updated consensus cost estimates for reimbursing ISDs as required under Sec. 15b of the Brownfield Redevelopment Financing Act.	Restricted	4,600,000
	GF/GP	$0
3. Special Education (Secs. 51a, 51c, 51d, 51e, 53a, 54, & 56)	**Gross**	**($94,200,000)**
Reduces by $94.2 million SAF for a total of $2.7 billion Gross ($0 GF/GP) to reflect revised consensus cost estimates.	Federal	0
	Restricted	(94,200,000)
	GF/GP	$0

Supplemental Recommendations for FY 2025-26 Appropriations		**FY 2025-26 Recommendation**
4. Education Assessments (Sec. 104)	**Gross**	**$2,490,600**
Increases by $2.5 million SAF for a total of $40.0 million SAF to reflect revised consensus cost estimates for education assessments.	Restricted	2,490,600
	GF/GP	$0
5. MPSERS (Secs. 147a, 147c, & 147e)	**Gross**	**($3,700,000)**
Reduces by $3.7 million SAF for a total of $2.0 billion Gross ($400,000 GF/GP) to reflect revised cost estimates for MPSERS.	Restricted	(3,700,000)
	GF/GP	$0

SCHOOL AID LINE ITEM SUMMARY

		FY 2025-2026			FY 2026-2027		FY 2026-2027		FY 2026-2027		FY 2026-2027	
		FY 26 2025 PA 15 YTD	Change from FY 26 YTD	FY 26 2026 PA 25 Enacted	Change from FY 26 YTD	FY 27 Exec Rec	Change from FY 26 YTD	FY 27 House	Change from FY 26 YTD	FY 27 Senate	Change from FY 26 YTD	FY 27 2026 PA 25 Enacted
Sec.												
11j	School Bond Redemption Fund	$23,000,000		$23,000,000		$23,000,000		$23,000,000		$23,000,000	$0	$23,000,000
11m	Cash Flow Borrowing Costs	$5,000,000		$5,000,000		$5,000,000		$5,000,000		$5,000,000	$5,000,000	$10,000,000
11s	Flint Declaration of Emergency	$8,000,000		$8,000,000	($8,000,000)	$0	($8,000,000)	$0		$8,000,000	($5,000,000)	$3,000,000
12e	Infrastructure Grants	$100,000,000		$100,000,000	($100,000,000)	$0	$50,000,000	$150,000,000	($100,000,000)	$0	($50,000,000)	$50,000,000
12f	Vacant Building Demolition - **NEW**	$0		$0		$0	$8,800,000	$8,800,000		$0		$0
21b	Dual Enrollment - **NEW**	$0		$0	$20,000,000	$20,000,000	$40,000,000	$40,000,000	$60,000,000	$60,000,000	$40,000,000	$40,000,000
21h	Partnership Model Districts	$6,137,400		$6,137,400		$6,137,400		$6,137,400		$6,137,400		$6,137,400
22a	Foundations: Proposal A Obligation Payment	$3,785,000,000	($59,000,000)	$3,726,000,000	($221,000,000)	$3,564,000,000	($221,000,000)	$3,564,000,000	($221,000,000)	$3,564,000,000	($223,000,000)	$3,562,000,000
22b	Foundations: Discretionary Payment	$6,820,500,000	($37,500,000)	$6,783,000,000	$49,250,000	$6,869,750,000	$99,500,000	$6,920,000,000	$235,350,000	$7,055,850,000	$280,050,000	$7,100,550,000
22b(4)	Foundations: Weighted Pupil Membership - **NEW**	$0		$0	$1,438,937,600	$1,438,937,600		$0	$1,696,087,600	$1,696,087,600	$1,627,665,100	$1,627,665,100
22d	Isolated Districts	$12,873,100		$12,873,100	$783,000	$13,656,100	$643,700	$13,516,800	$899,200	$13,772,300	$1,311,300	$14,184,400
22l	Transportation Costs	$125,000,000		$125,000,000		$125,000,000		$125,000,000	$25,000,000	$150,000,000		$125,000,000
22m	Technology Regional Data Hubs	$5,000,000		$5,000,000	($1,500,000)	$3,500,000		$5,000,000	($1,500,000)	$3,500,000	($1,500,000)	$3,500,000
23h	Mathematics Pathways - **NEW**	$0		$0	$12,000,000	$12,000,000		$0	$12,000,000	$12,000,000		$0
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	$1,250,000		$1,250,000	($1,250,000)	$0	($500,000)	$750,000	($1,250,000)	$0	($1,250,000)	$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	$5,549,000		$5,549,000		$5,549,000		$5,549,000		$5,549,000		$5,549,000
26c	Promise Zone Funding	$43,300,000		$43,300,000	$5,000,000	$48,300,000	$5,000,000	$48,300,000	$5,000,000	$48,300,000	$5,000,000	$48,300,000
26d	Brownfield Redevelopment Reimbursement	$14,400,000	$4,600,000	$19,000,000	$7,400,000	$21,800,000	$7,400,000	$21,800,000	$7,400,000	$21,800,000	$7,400,000	$21,800,000
27a	Mi Future Educator Fellowship Program	$25,000,000		$25,000,000		$25,000,000		$25,000,000		$25,000,000		$25,000,000
27b	Grow Your Own Programs	$70,000,000		$70,000,000	($10,000,000)	$60,000,000	($70,000,000)	$0	($45,000,000)	$25,000,000	($45,000,000)	$25,000,000
27c	Mi Future Educator Student Teacher Stipend Program	$50,000,000		$50,000,000		$50,000,000	$12,500,000	$62,500,000		$50,000,000	$7,000,000	$57,000,000
27l	Educator Compensation - **NEW**	$0		$0		$0		$0	$150,000,000	$150,000,000	$150,000,000	$150,000,000
27o	Student and Educator Credentialing - **NEW**	$0		$0		$0	$4,000,000	$4,000,000		$0	$3,000,000	$3,000,000
27t	Educator on Loan - **NEW**	$0		$0		$0		$0		$0	$500,000	$500,000
29	Enrollment Stabilization	$71,000,000		$71,000,000	$54,000,000	$125,000,000		$71,000,000	($71,000,000)	$0	($71,000,000)	$0
30d	Universal School Breakfast and Lunch	$201,600,000		$201,600,000	($1,600,000)	$200,000,000		$201,600,000		$201,600,000	$400,000	$202,000,000
31a	At-Risk Pupil Support	$1,293,655,000		$1,293,655,000	($1,293,655,000)	$0	$64,682,800	$1,358,337,800	($1,293,655,000)	$0	($1,293,655,000)	$0
31a(1)	School-Based Health Centers	$33,000,000		$33,000,000		$33,000,000		$33,000,000		$33,000,000		$33,000,000
31a(2)	Hearing, Vision, and Dental Screening	$11,650,000		$11,650,000		$11,650,000		$11,650,000		$11,650,000		$11,650,000
31c	Small Class Size Pilots	$65,000,000		$65,000,000	($65,000,000)	$0	($65,000,000)	$0	($15,000,000)	$50,000,000	($65,000,000)	$0
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	$923,400,000		$923,400,000		$923,400,000		$923,400,000		$923,400,000	($505,132,300)	$418,267,700
31f	School Breakfast Program	$16,900,000		$16,900,000		$16,900,000		$16,900,000		$16,900,000		$16,900,000
31j	Ten Cents a Meal - **NEW**	$0		$0		$0	$4,200,000	$4,200,000		$0	$4,000,000	$4,000,000
31n	School Mental Health and Support Services	$107,845,000		$107,845,000		$107,845,000		$107,845,000		$107,845,000		$107,845,000
31p	Evidence-Based Mental Health Training - **NEW**	$0		$0		$0		$0		$0	$3,000,000	$3,000,000
31aa	Per-Pupil Mental Health & School Safety Payment	$214,000,000		$214,000,000	$86,000,000	$300,000,000		$214,000,000	$41,000,000	$255,000,000	$96,000,000	$310,000,000
31aa(4)(5)	School Resource Officer and Mental Health Staff Grants	$107,000,000		$107,000,000	($107,000,000)	$0		$107,000,000	($107,000,000)	$0	($107,000,000)	$0
31aa(4)(5)	Per-Pupil and Community Violence Intervention Grants	$0		$0		$0		$0	$45,000,000	$45,000,000		$0

SCHOOL AID LINE ITEM SUMMARY

		FY 2025-2026			FY 2026-2027		FY 2026-2027		FY 2026-2027		FY 2026-2027	
Sec.		FY 26 2025 PA 15 YTD	Change from FY 26 YTD	FY 26 2026 PA 25 Enacted	Change from FY 26 YTD	FY 27 Exec Rec	Change from FY 26 YTD	FY 27 House	Change from FY 26 YTD	FY 27 Senate	Change from FY 26 YTD	FY 27 2026 PA 25 Enacted
32d	Great Start Readiness Program	$626,217,600		$626,217,600	$138,450,000	$764,667,600	$15,664,200	$641,881,800	$138,450,000	$764,667,600	$74,138,500	$700,356,100
32d(3)	GSRP Longitudinal Evaluation	$350,000		$350,000	($350,000)	$0	($350,000)	$0	($350,000)	$0	($350,000)	$0
32d(21)	GSRP Transportation - SAF	$10,000,000		$10,000,000		$10,000,000		$10,000,000		$10,000,000		$10,000,000
32d(21)	GSRP Transportation - GSRP Reserve Fund	$18,000,000		$18,000,000		$18,000,000		$18,000,000		$18,000,000		$18,000,000
32d(26)	GSRP Professional Development	$2,000,000		$2,000,000		$2,000,000		$2,000,000		$2,000,000		$2,000,000
32d(28)	GSRP Start Up Grants	$10,000,000		$10,000,000	$15,000,000	$25,000,000	($10,000,000)	$0	$15,000,000	$25,000,000	($6,400,000)	$3,600,000
32n	Out-of-School Time	$75,000,000		$75,000,000	$60,000,000	$135,000,000		$75,000,000	$60,000,000	$135,000,000	$60,000,000	$135,000,000
32p	Early Learning Partnerships - **NEW**	$0		$0	$30,000,000	$30,000,000	$29,800,000	$29,800,000	$30,000,000	$30,000,000	$30,000,000	$30,000,000
32t	Three-Year-Old GSRP Pilot Program	$25,000,000		$25,000,000	($25,000,000)	$0	($25,000,000)	$0	($14,000,000)	$11,000,000	($25,000,000)	$0
32v	Early Childhood Workforce Development - **NEW**	$0		$0		$0		$0		$0	$30,000,000	$30,000,000
35a(2)	Literacy Coaches	$42,000,000		$42,000,000	$10,500,000	$52,500,000		$42,000,000	$10,500,000	$52,500,000	$10,500,000	$52,500,000
35a(4)	LETRS Professional Learning	$10,000,000		$10,000,000	$40,000,000	$50,000,000	$65,000,000	$75,000,000	$40,000,000	$50,000,000	$65,000,000	$75,000,000
35d	Dyslexia Supports - **NEW**	$0		$0		$0		$0		$0	$1,000,000	$1,000,000
35e	School Library Study	$250,000		$250,000	($250,000)	$0	($250,000)	$0	$20,750,000	$21,000,000	($250,000)	$0
35m	Literacy Supports	$70,000,000		$70,000,000	$30,000,000	$100,000,000	$80,000,000	$150,000,000	$30,000,000	$100,000,000	($20,000,000)	$50,000,000
35o	Literacy Essentials - **NEW**	$0		$0	$6,000,000	$6,000,000		$0	$6,000,000	$6,000,000	$6,000,000	$6,000,000
35p	High-Impact Tutoring - **NEW**	$0		$0	$100,000,000	$100,000,000	$50,000,000	$50,000,000	$50,000,000	$50,000,000	$50,000,000	$50,000,000
35q	Private Tutoring - **NEW**	$0		$0		$0	$40,000,000	$40,000,000		$0		$0
36	Math Supports - **NEW**	$0		$0		$0	$100,000,000	$100,000,000		$0	$5,000,000	$5,000,000
36a	STEM Supports - **NEW**	$0		$0		$0	$50,000,000	$50,000,000		$0	$5,000,000	$5,000,000
39a(1)	Federal ESSA Grant Funds	$824,700,000		$824,700,000		$824,700,000		$824,700,000		$824,700,000	($824,698,900)	$1,100
39a(2)	Other Federal Funding	$66,415,000		$66,415,000		$66,415,000		$66,415,000		$66,415,000	($66,414,500)	$500
41	English Language Learner Grants	$62,732,600		$62,732,600	($62,732,600)	$0	$3,136,700	$65,869,300	($62,732,600)	$0	($62,732,600)	$0
51a(1)	Special Education - Federal Reimbursement	$500,000,000		$500,000,000		$500,000,000		$500,000,000		$500,000,000	($499,999,900)	$100
51a(2)	Special Ed ISD Durant Costs	$492,400,000	($34,600,000)	$457,800,000	$2,700,000	$495,100,000	$2,700,000	$495,100,000	$2,700,000	$495,100,000	$2,800,000	$495,200,000
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	$1,600,000	$200,000	$1,800,000	$300,000	$1,900,000	$300,000	$1,900,000	$300,000	$1,900,000	$200,000	$1,800,000
51c	Special Ed Headlee Obligation (Durant)	$1,107,900,000	($51,500,000)	$1,056,400,000	$32,800,000	$1,140,700,000	$32,800,000	$1,140,700,000	$32,800,000	$1,140,700,000	$33,800,000	$1,141,700,000
51d	Special Education - Other Federal Grants	$83,000,000		$83,000,000		$83,000,000		$83,000,000		$83,000,000	($82,999,700)	$300
51e	Special Education Foundation Payment	$528,100,000	($8,300,000)	$519,800,000	$6,900,000	$535,000,000	$6,700,000	$534,800,000	$6,900,000	$535,000,000	$5,100,000	$533,200,000
51g	MITTIN Special Education Curricular Resources	$3,000,000		$3,000,000		$3,000,000		$3,000,000		$3,000,000		$3,000,000
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	$2,841,400	$4,529,400	$2,841,400	$4,529,400	$2,841,400	$4,529,400	$2,841,400	$4,529,400
54b	MiMTSS Center - **NEW**	$0		$0	$1,600,000	$1,600,000		$0	$1,600,000	$1,600,000	$1,600,000	$1,600,000
54d	Early On	$23,670,700		$23,670,700	$1,450,000	$25,120,700	$5,000,000	$28,670,700	$1,450,000	$25,120,700	$2,411,200	$26,081,900
56	Special Ed ISD Millage Equalization	$40,008,100		$40,008,100	$49,200,000	$89,208,100		$40,008,100	$60,200,000	$100,208,100		$40,008,100
56(7)	Special Ed Millage Incentive	$34,200,000		$34,200,000	($34,200,000)	$0		$34,200,000	($34,200,000)	$0		$34,200,000
61a	Career and Tech Ed Programs	$41,733,800		$41,733,800	$2,500,000	$44,233,800	$2,086,700	$43,820,500	$2,500,000	$44,233,800	$4,251,200	$45,985,000
61b	CTE Early/Middle College & Dual Enrollment	$8,368,000		$8,368,000	$500,000	$8,868,000	$1,000,000	$9,368,000	$500,000	$8,868,000	$852,400	$9,220,400
61d	CTE Incentive Payment	$13,400,000		$13,400,000	($13,400,000)	$0	($13,400,000)	$0	($13,400,000)	$0	($13,400,000)	$0
61v	CTE Pathways to Success	$70,000,000		$70,000,000	($70,000,000)	$0	($70,000,000)	$0	($70,000,000)	$0	($70,000,000)	$0
61w	CTE Virtual Reality - **NEW**	$0		$0		$0	$5,000,000	$5,000,000		$0	$2,900,000	$2,900,000

SCHOOL AID

SCHOOL AID LINE ITEM SUMMARY

		FY 2025-2026			FY 2026-2027		FY 2026-2027		FY 2026-2027		FY 2026-2027	
		FY 26 2025 PA 15 YTD	Change from FY 26 YTD	FY 26 2026 PA 25 Enacted	Change from FY 26 YTD	FY 27 Exec Rec	Change from FY 26 YTD	FY 27 House	Change from FY 26 YTD	FY 27 Senate	Change from FY 26 YTD	FY 27 2026 PA 25 Enacted
Sec.												
61x	CTE Shared Services - **NEW**	$0		$0		$0	$30,000,000	$30,000,000		$0		$0
62	ISD Career & Tech Ed Millage Equalization	$9,190,000		$9,190,000		$9,190,000		$9,190,000		$9,190,000		$9,190,000
65	Detroit PreCollege Engineering	$900,000		$900,000		$900,000	($900,000)	$0		$900,000		$900,000
67	Career and College Readiness Tools	$3,000,000		$3,000,000		$3,000,000		$3,000,000		$3,000,000		$3,000,000
67d	Hospitality and Tourism CTE Grants - **NEW**	$0		$0		$0	$900,000	$900,000		$0	$900,000	$900,000
67f	FAFSA Completion Challenge	$10,000,000		$10,000,000		$10,000,000	($10,000,000)	$0		$10,000,000		$10,000,000
74	School Bus Driver Safety Instruction	$2,025,000		$2,025,000		$2,025,000		$2,025,000		$2,025,000	$750,000	$2,775,000
74	School Bus Inspections	$1,924,900		$1,924,900	$53,200	$1,978,100	$53,200	$1,978,100	$53,200	$1,978,100	$53,200	$1,978,100
81	ISD General Operations	$83,157,700		$83,157,700	$2,100,000	$85,257,700	$2,079,000	$85,236,700	$2,198,000	$85,355,700	$2,078,900	$85,236,600
94	AP/IB/CLEP Incentive Program	$2,600,000		$2,600,000	($1,400,000)	$1,200,000	($1,400,000)	$1,200,000		$2,600,000	$200,000	$2,800,000
94a	Center for Educational Performance and Information	$19,364,700		$19,364,700	$183,800	$19,548,500	$183,800	$19,548,500	$183,800	$19,548,500	$183,800	$19,548,500
94a	Center for Educational Performance and Info - Federal	$2,193,500		$2,193,500	($2,000,000)	$193,500	($2,000,000)	$193,500	($2,000,000)	$193,500	($2,193,400)	$100
94a	CEPI - E-Transcripts - **NEW**	$0		$0		$0		$0		$0	$500,000	$500,000
94e	Michigan Education Research Institute	$1,000,000		$1,000,000		$1,000,000	($1,000,000)	$0		$1,000,000		$1,000,000
94f	School Accountability System - **NEW**	$0		$0		$0	$350,000	$350,000		$0		$0
94f	Literacy Accountability and Research - **NEW**	$0		$0		$0		$0		$0	$3,000,000	$3,000,000
95b	Growth and Projection Analytics System - **NEW**	$0		$0		$0	$1,000,000	$1,000,000		$0	$2,000,000	$2,000,000
97n	Community Violence Intervention Plans	$10,000,000		$10,000,000	($10,000,000)	$0	($10,000,000)	$0	($10,000,000)	$0		$10,000,000
98	Michigan Virtual University	$9,800,000		$9,800,000		$9,800,000		$9,800,000		$9,800,000		$9,800,000
98d	Michigan Learning Channel - **NEW**	$0		$0	$3,000,000	$3,000,000		$0	$3,000,000	$3,000,000	$3,000,000	$3,000,000
99	One-Time Grants - **NEW**	$0		$0		$0		$0	$53,000,000	$53,000,000		$0
99h	Robotics Competitions	$5,600,000		$5,600,000		$5,600,000		$5,600,000	$1,120,000	$6,720,000		$5,600,000
99o	Driver's Training Startup Grants - **NEW**	$0		$0		$0		$0	$10,000,000	$10,000,000		$0
99s	MiSTEM Network Regions - **NEW**	$0		$0	$8,000,000	$8,000,000		$0	$8,000,000	$8,000,000	$8,000,000	$8,000,000
99nn	Math and Science Virtual Reality Program - **NEW**	$0		$0		$0		$0		$0	$2,900,000	$2,900,000
104	Education Assessments - State	$37,509,400	$2,490,600	$40,000,000	$6,990,600	$44,500,000	$6,990,600	$44,500,000	$6,990,600	$44,500,000	$6,990,600	$44,500,000
104	Education Assessments - Federal	$8,000,000		$8,000,000		$8,000,000		$8,000,000		$8,000,000	($7,999,900)	$100
104h	Benchmark Assessments	$11,500,000		$11,500,000		$11,500,000		$11,500,000		$11,500,000		$11,500,000
107	Adult Education	$32,913,600		$32,913,600	$7,586,400	$40,500,000	$7,586,400	$40,500,000	$9,611,400	$42,525,000	$9,611,400	$42,525,000
147a	MPSERS Normal Cost Offset for Lower AROR/Dedicated Gains	$336,300,000	$43,700,000	$380,000,000	($28,800,000)	$307,500,000	($28,800,000)	$307,500,000	($28,800,000)	$307,500,000	$14,900,000	$351,200,000
147c	MPSERS State Share of Unfunded Liability Payments	$1,536,800,000		$1,536,800,000	($82,100,000)	$1,454,700,000	($82,100,000)	$1,454,700,000	($82,100,000)	$1,454,700,000	($82,100,000)	$1,454,700,000
147e	MPSERS Added Normal/DC Costs for PA 92 of 2017	$118,400,000	($47,400,000)	$71,000,000	$17,800,000	$136,200,000	$17,800,000	$136,200,000	$17,800,000	$136,200,000	($29,600,000)	$88,800,000
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	($1,000,000)	$0		$1,000,000		$1,000,000		$1,000,000
152c	Tribal Consultation - **NEW**	$0		$0	$5,000,000	$5,000,000		$0	$5,000,000	$5,000,000	$2,500,000	$2,500,000
	TOTAL APPROPRIATIONS	**$21,288,831,700**	**($187,309,400)**	**$21,101,522,300**	**$114,588,400**	**$21,403,420,100**	**$235,998,500**	**$21,524,830,200**	**$734,197,600**	**$22,023,029,300**	**($1,480,387,200)**	**$19,808,444,500**

SCHOOL AID LINE ITEM SUMMARY

	FY 2025-2026			FY 2026-2027		FY 2026-2027		FY 2026-2027		FY 2026-2027	
	FY 26 2025 PA 15 YTD	Change from FY 26 YTD	FY 26 2026 PA 25 Enacted	Change from FY 26 YTD	FY 27 Exec Rec	Change from FY 26 YTD	FY 27 House	Change from FY 26 YTD	FY 27 Senate	Change from FY 26 YTD	FY 27 2026 PA 25 Enacted
REVENUE BY SOURCE											
Federal Aid	$2,407,708,500	$0	$2,407,708,500	($2,000,000)	$2,405,708,500	($2,000,000)	$2,405,708,500	($2,000,000)	$2,405,708,500	($1,989,438,600)	$418,269,900
School Aid Fund	$18,366,334,700	($187,309,400)	$18,179,025,300	$180,404,600	$18,546,739,300	$339,514,700	$18,705,849,400	$777,393,800	$19,143,728,500	$489,917,600	$18,856,252,300
School Aid Pupil Support Reserve Fund	$97,037,400	$0	$97,037,400	$10,000,000	$107,037,400	($10,000,000)	$87,037,400	$22,000,000	$119,037,400	$10,000,000	$107,037,400
General Pupil Support Reserve Fund	$600,000	$0	$600,000	$0	$600,000	$0	$600,000	$120,000	$720,000	$0	$600,000
MPSERS Obligation Reform Reserve Fund	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Educator Fellowship Public Provider Fund	$30,000,000	$0	$30,000,000	$0	$30,000,000	$0	$30,000,000	$0	$30,000,000	$50,000,000	$80,000,000
Educator Fellowship Private Provider Fund	$0	$0	$0	$0	$0	$14,300,000	$14,300,000	$0	$0	$7,000,000	$7,000,000
School Transportation Fund	$125,000,000	$0	$125,000,000	$0	$125,000,000	$0	$125,000,000	$0	$125,000,000	$0	$125,000,000
School Meals Reserve Fund	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
GSRP Reserve Fund	$18,000,000	$0	$18,000,000	$0	$18,000,000	$0	$18,000,000	$0	$18,000,000	$8,300,000	$26,300,000
Enrollment Stabilization Fund	$71,000,000	$0	$71,000,000	$54,000,000	$125,000,000	$0	$71,000,000	$59,000,000	$130,000,000	$59,000,000	$130,000,000
School Consolidation and Infrastructure Fund	$100,000,000	$0	$100,000,000	($100,000,000)	$0	($100,000,000)	$0	($100,000,000)	$0	($100,000,000)	$0
General Fund/General Purpose	$73,151,100	$0	$73,151,100	($27,816,200)	$45,334,900	($5,816,200)	$67,334,900	($22,316,200)	$50,834,900	($15,166,200)	$57,984,900
TOTAL REVENUE	**$21,288,831,700**	**($187,309,400)**	**$21,101,522,300**	**$114,588,400**	**$21,403,420,100**	**$235,998,500**	**$21,524,830,200**	**$734,197,600**	**$22,023,029,300**	**($1,480,387,200)**	**$19,808,444,500**

DEPARTMENT OF STATE POLICE
Summary of FY 2026-27 Enacted
Public Act 21 of 2026 (Senate Bill 878, Article 14)

Analyst: Aaron A. Meek

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Enacted	*Difference: Enacted From FY 2025-26 YTD* *Amount*	*%*
IDG/IDT	$29,030,200	$29,521,800	*$491,600*	*1.7*
Federal	101,314,700	100,351,800	*(962,900)*	*(1.0)*
Local	5,035,600	5,088,800	*53,200*	*1.1*
Private	35,000	35,000	*0*	*0.0*
Restricted	190,336,000	203,176,300	*12,840,300*	*6.7*
GF/GP	638,435,100	609,783,300	*(28,651,800)*	*(4.5)*
Gross	**$964,186,600**	**$947,957,000**	***($16,229,600)***	***(1.7)***
FTEs	3,576.0	3,475.0	*(101.0)*	*(2.8)*

Note: Appropriation figures for all years 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 2025-26 Year-to-Date (YTD) Appropriations		**FY 2025-26 Year-to-Date (as of 2/11/26)**	**FY 2026-27 Enacted Change**
1. Post Operations	FTE	2,004.5	(100.0)
Removes 100.0 FTE positions and $19.2 million GF/GP from the Post Operations line item as follows:	**Gross**	**$468,866,700**	**($19,198,700)**
	IDG/IDT	2,100	0
• Align GF/GP authorization with expenditures in prior fiscal years ($10.0 million GF/GP)	Federal	2,235,700	0
	Restricted	59,286,900	0
• Removes funds for at-post overtime costs ($5.0 million GF/GP)	GF/GP	$407,342,000	($19,198,700)
• Removes funds for the Michigan State Police Cadet Program ($4.2 million GF/GP).			
2. Contractual Services, Supplies, and Materials Reductions	**Gross**	**NA**	**($5,061,700)**
Removes $5.1 million GF/GP for contractual services, supplies, and materials across the following line items:	GF/GP	NA	($5,061,700)

- Post Operations ($3.6 million GF/GP)
- Forensic Science ($373,700 GF/GP)
- Special Operations ($255,000 GF/GP)
- Intelligence Operations ($225,000 GF/GP)
- Grants and Community Services ($215,300 GF/GP)
- Investigative Services ($105,400 GF/GP)
- Biometrics and Identification ($89,600 GF/GP)
- Criminal Justice Information Center ($71,600 GF/GP)
- Training Operations ($70,200 GF/GP)
- Executive Direction ($43,900 GF/GP)

[continued on next page]

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
2. Contractual Services, Supplies, and Materials Reductions (cont.)			
• Departmental Services ($37,400 GF/GP) • Mobile Office and System Support ($13,600 GF/GP) • Office of School Safety ($10,900 GF/GP) • Standards and Training ($2,900 GF/GP) • Commercial Vehicle Enforcement ($2,300 GF/GP).			
3. In-Service Training	**Gross**	**$13,271,100**	**($2,000,000)**
Removes $2.0 million GF/GP from the In-Service Training line item.	GF/GP	$13,271,100	($2,000,000)
4. Forensic Science Laboratory Closures	FTE	NA	(1.0)
Removes $1.5 million GF/GP and 1.0 FTE position from the Forensic Science line item to reflect closure of the Northville Forensic Laboratory ($850,700) and the Grayling Forensic Laboratory ($637,000) and includes $2.5 million in state restricted authorization to offset additional $2.5 million GF/GP reduction. Cases and FTEs will be transferred to MSP's remaining forensic laboratories. (Note: Due to an internal transfer of 1.0 FTE position from the Intelligence Operations line item to the Forensic Science line item, FTE change in the latter is technically net-zero.) Also removes $13,700 GF/GP from the Departmentwide line item to reflect closure of the Northville Forensic Laboratory.	**Gross**	**NA**	**($1,501,400)**
	IDG/IDT	NA	0
	Federal	NA	0
	Restricted	NA	2,500,000
	GF/GP	NA	($4,001,400)
5. Criminal Justice Information Center	**Gross**	**$29,906,500**	**($378,000)**
Removes $378,000 Gross ($58,500 GF/GP) from the Criminal Justice Information Center line item to align authorization with expenditures in previous fiscal years.	IDG/IDT	1,195,300	0
	Federal	2,915,700	0
	Local	919,200	0
	Restricted	20,913,000	(319,500)
	GF/GP	$3,963,300	($58,500)
6. Biometrics and Identification	**Gross**	**$12,267,700**	**($88,200)**
Removes net $88,200 Gross ($176,000 GF/GP reduction) from the Biometrics and Identification line item to align authorization with expenditures in previous fiscal years.	Restricted	6,180,400	87,800
	GF/GP	$6,087,300	($176,000)
7. New FY 2026-27 One-Time Appropriations	**Gross**	**$0**	**$5,000,000**
Includes $5.0 million one-time GF/GP for Contracts and Services.	GF/GP	$0	$5,000,000
8. Removal of FY 2025-26 One-Time Appropriations	**Gross**	**$2,500,000**	**($2,500,000)**
Removes $2.5 million of one-time GF/GP funding that was included in the FY 2025-26 budget to support the following: • Trooper Recruit Schools ($1.0 million GF/GP) • 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).	GF/GP	$2,500,000	($2,500,000)

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 Year-to-Date (as of 2/11/26)	FY 2026-27 Enacted Change
9. Technical Adjustments	**Gross**	**NA**	**$9,016,600**
Includes $9.0 million Gross to align authorization with available revenues for the following fund sources:	IDG/IDT	NA	301,700
	Federal	NA	(1,510,400)
• Criminal Justice Information Center Service Fees ($5.5 million increase)	Restricted	NA	10,225,300
	GF/GP	NA	$0
• Secondary Road Patrol and Training Fund ($3.0 million increase)			
• Truck Driver Safety Fund ($1.0 million increase)			
• Michigan Set Aside Fund ($600,000 increase)			
• IDT, Michigan Justice Training Fund ($350,000 increase)			
• Sex Offenders Registration Fund ($300,000 increase)			
• Federal Indirect Funds ($250,000 increase)			
• IDG, Training Academy Charges ($235,000 increase)			
• Traffic Law Enforcement and Safety Fund ($136,100 increase)			
• State Services Fee Fund ($44,200 increase)			
• Highway Safety Fund ($33,100 increase)			
• Hazardous Materials Training Center Fees ($3,700 reduction)			
• Auto Theft Prevention Fund ($4,900 reduction)			
• State Police Administrator and Coordinator 911 Fund ($7,200 reduction)			
• IDG from Treasury, Casino Gaming Fees ($42,800 reduction)			
• State Forensic Laboratory Fund ($63,000 reduction)			
• State Police Dispatch Operator 911 Fund ($68,900 reduction)			
• Department of Homeland Security ($69,400 reduction)			
• Department of Transportation ($210,600 reduction)			
• IDG from MDOT, State Trunk Line Fund ($240,500 reduction)			
• Motor Carrier Fees ($250,000 reduction)			
• Department of Justice ($1.5 million reduction).			
10. Internal Transfers	FTE	NA	0.0
Includes the following net-zero transfers to align funding and FTE authorization with department activity:	**Gross**	**NA**	**$0**
	IDG/IDT	NA	0
	Federal	NA	0
• Transfers $2.0 million GF/GP and 15.0 FTE positions from the Grants and Community Services line item to the Executive Direction line item	Restricted	NA	0
	GF/GP	NA	$0
• Transfers $178,900 Gross ($5,700 GF/GP) from the Commercial Vehicle Enforcement and Highway Safety Planning line items to the Department Services line item			
• Transfers $151,600 in state restricted authorization and 1.0 FTE position from the Intelligence Operations line item to the Forensic Science line item			
• Transfers 3.0 FTE positions from the Standards and Training line item to the Justice Training Grants line item.			
11. Economic Adjustments	**Gross**	**NA**	**$492,400**
Reflects increased costs of $492,400 Gross ($655,500 GF/GP reduction) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	IDG/IDT	NA	189,900
	Federal	NA	547,500
	Local	NA	53,200
	Restricted	NA	357,300
	GF/GP	NA	($655,500)

Major Boilerplate Changes from FY 2025-26

Note: Deleted boilerplate sections are numbered as they appear in FY 2025-26. All other boilerplate sections are numbered as they appear in FY 2026-27.

GENERAL SECTIONS

***Sec. 204. State Administrative Board Transfers* – 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. 212. Out-of-State Travel* – REVISED**
Requires the department to report on out-of-state travel expenses in the previous fiscal year that were funded, in whole or in part, with state appropriations; requires the report to include dates of each travel occurrence and details on sources of revenues used to finance transportation costs. Revised to delete reporting on sources of revenues.

***Sec. 213. Access to Government Services* – DELETED**
Prohibits appropriations from being used to restrict or impede a marginalized community's access to government resources, programs, or facilities; requires local governments to report on actions that attempt to restrict or interfere with duties of local health officers.

***Sec. 217. E-Verify Requirement* – DELETED**
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. 218. Legacy Costs* – REVISED**
States the total amount of funding estimated to be expended on legacy costs in FY 2025-26 is $170.4 million ($130.0 million on pension-related legacy costs; $40.4 million on health care-related legacy costs). Revised to update legacy costs for FY 2026-27 to $126.5 million ($99.3 million on pension-related legacy costs; $27.2 million on health care-related legacy costs).

***Sec. 219. Expending Available Work Project Authorization* – 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. 222. Disciplinary Action Against State Employees* – 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. 223. Prioritizing In-Person Work* – REVISED**
Requires the department to maximize utilization of its in-person workforce, prioritize occupancy utilization, and ensure occupancy rates are 80% or higher. Revised to require the office of the state employer to create, implement, and make publicly available a uniform policy on occupancy, utilization, and in-person and remote work.

***Sec. 224. Space Utilization Assessment* – NEW**
Requires the department to complete a space utilization assessment by July 1 for all space assigned under its building occupancy agreement and leased office locations; requires assessments to be posted on the department's website; requires the department and DTMB to create a plan to reduce, consolidate, or optimize assigned space and to prioritize the use of state-owned facilities.

***Sec. 226. Impact of Federal Policy Changes* – REVISED**
Requires the department to report on federal policy changes that are expected to affect department operations, affect groups the department engages with, or create a regulatory gap. Revised to require the department to report on federal guidelines, rules, regulations, or other significant federal policy changes that are significantly likely to impact the department's operations or ability to protect public health or welfare, including details on the impact of federal revenue changes.

STATE POLICE

Major Boilerplate Changes from FY 2025-26

***Sec. 227. Legislatively Directed Spending Items* – REVISED**
Requires the legislature to provide the department 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. Revised to reference statutory provisions related to grant administration, grant agreements, and other requirements.

***Sec. 228. State Fiscal Recovery Fund Reappropriation* – NEW**
Requires state budget director to ensure all state fiscal recovery funds are expended by December 31, 2026, as required by law; automatically reappropriates any state fiscal recovery funds that would otherwise lapse after September 30, 2026, and makes them available for expenditure for the same purpose as originally authorized until December 31, 2026.

***Sec. 229. Reallocation of State Fiscal Recovery Funds* – NEW**
Authorizes state budget director to reallocate state fiscal recovery funds that are in jeopardy of not being spent; authorizes reallocations for payroll and covered benefits for eligible public health and safety employees of the Departments of Corrections and State Police; requires applicable reporting to be followed; requires state budget director to notify appropriations committees not later than 10 days after reallocating funds.

***Sec. 230. Severance Pay* – NEW**
Requires the department to report on any amounts of severance pay agreed to for a department director, deputy director, or other high-ranking department official with 14 days; requires report to include name of official and amount of severance pay; requires annual report on total amount of severance pay remitted to former employees and total number of former employees remitted severance pay during prior fiscal year; defines "severance pay."

***Sec. 231. Precontract Risk Assessments* – NEW**
Requires the department to establish a policy for conducting precontract risk assessments to evaluate contractor financial risks, security risks, and insurance requirements prior to contract execution; requires report on the assessments used and contracts executed under the assessments.

DEPARTMENTAL ADMINISTRATION AND SUPPORT

***Sec. 306. Purchase of Real Property* – REVISED**
Authorizes director of the department to establish and maintain local headquarters in various places as provided under section 7 of 1935 PA 59, MCL 28.7. Revised to authorize director of the department to purchase real property using funds appropriated in part 1 and to notify the legislature not more than 10 days after purchase.

LAW ENFORCEMENT SERVICES

***Sec. 407. School Safety Report* – REVISED**
Requires Office of School Safety to submit report detailing incidents of school violence or threats, OK2SAY-related incidents and activities, and recommendations for school safety measures. Revised to include analysis of school safety grants in recommendations, if applicable.

***Sec. 412. Michigan Set Aside Fund Authorization* – NEW**
Authorizes the department to expend up to $2.0 million in available revenue from the Michigan Set Aside Fund to support criminal history record expungement operations; requires the department to notify the legislature, HFA/SFA, and SBO of expenditures from the fund under this section.

FIELD SERVICES

***Sec. 606. Assisting Other Law Enforcement Agencies* – NEW**
Requires the department to make every reasonable effort to provide, upon request, assistance or mutual aid to another law enforcement agency that is actively responding to a public safety emergency, civil unrest or a riot, or a law enforcement officer in distress.

***Sec. 607. Traffic Law Enforcement and Safety Fund Authorization* – NEW**
Authorizes the department to expend up to $20.0 million in available revenue from the Traffic Law Enforcement and Safety Fund to support trooper recruit schools; requires the department to notify the legislature, HFA/SFA, and SBO of expenditures from the fund under this section.

Major Boilerplate Changes from FY 2025-26

ONE-TIME APPROPRIATIONS

***Sec. 801. Contracts and Services* – NEW**
Designates unexpended funds as a work project appropriation to be used for security infrastructure and services.

***Sec. 801. Cold Case Investigations* – DELETED**
Requires the department to administer competitive grant program for universities that operate cold case programs with the department; provides for grant awards of up to $200,000 per recipient to support cold case program; requires grant funds to be used only for programmatic and operational expenses of a university's cold case program; defines "cold case program."

***Sec. 802. Law Enforcement Communication Training* – DELETED**
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; requires oral transliteration certificate to be held by an officer, board member, or principal of the entity administering training for at least one year; designates unexpended funds as work project appropriation.

***Sec. 803. Public Safety Critical Incident Mapping* – DELETED**
Requires the 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 the department to determine grant disbursement schedule.

FY 2025-26 Supplemental Appropriation Items **Public Act 21 of 2026 (Senate Bill 878, Article 18)**		**Appropriation Change**
1. Departmentwide – Vehicle Sales Proceeds Includes $350,000 to align state restricted authorization with available vehicle sales revenue generated by the sale of surplus vehicles from the department's motor vehicle fleet. Funds are appropriated in the Departmentwide line item to support ongoing fleet costs.	**Gross** Restricted GF/GP	**$350,000** 350,000 $0
2. Biometrics and Identification Includes $700,000 to align state restricted authorization with available Criminal Justice Information Center service fee revenue to support a one-time Automated Print Identification System record digitization project.	**Gross** Restricted GF/GP	**$700,000** 700,000 $0
3. Criminal Justice Information Center Includes $1.4 million to align state restricted authorization with available Michigan Set Aside Fund revenue to support systems and temporary staff for the Clean Slate Initiative. Also includes $150,000 to align state restricted authorization with available Sex Offenders Registration Fund revenue to maintain existing system operations.	**Gross** Restricted GF/GP	**$1,550,000** 1,550,000 $0
4. Forensic Science Includes $1.2 million to align state restricted authorization with available State Services Fee Fund revenue to support forensic science equipment upgrades and facilities maintenance.	**Gross** Restricted GF/GP	**$1,200,000** 1,200,000 $0
5. Grants and Community Services Includes $2.8 million to align state restricted authorization with available Auto Theft Prevention Fund revenue to support increased grant awards to auto theft prevention teams, prosecutors, and non-profit organizations.	**Gross** Restricted GF/GP	**$2,774,000** 2,774,000 $0
6. Training Operations Includes $2.2 million to align intradepartmental transfer authorization with available Michigan Justice Training Fund grant revenues received from the Michigan Commission on Law Enforcement Standards.	**Gross** IDG/IDT GF/GP	**$2,150,000** 2,150,000 $0

STATE POLICE

FY 2025-26 Supplemental Appropriation Items **Public Act 21 of 2026 (Senate Bill 878, Article 18)**		**Appropriation Change**
7. Post Operations Includes $15.0 million in state restricted authorization from the Traffic Law Enforcement and Safety Fund to support trooper recruit schools and increased fuel costs for the department's patrol fleet.	**Gross** Restricted GF/GP	**$15,000,000** 15,000,000 $0
8. Secondary Road Patrol Program Includes $15.0 million to align state restricted authorization with available Secondary Road Patrol and Training Fund revenue to support additional grants to county sheriffs to patrol and monitor secondary highways and roads. Funds are administered through the Office of Highway Safety Planning.	**Gross** Restricted GF/GP	**$15,000,000** 15,000,000 $0
9. Information Technology Services and Projects Includes $1.0 million to align state restricted authorization with available Criminal Justice Information Center service fee revenue to support various information technology systems upgrades, including eDaily, Statewide Records Management System, Michigan Incident Crime Reporting and crime dashboard, and Statewide Network of Agency Photos.	**Gross** Restricted GF/GP	**$1,000,000** 1,000,000 $0
10. Disaster and Emergency Contingency Fund Deposit (One-Time) Includes $10.0 million one-time GF/GP deposit to the Disaster and Emergency Contingency Fund.	**Gross** GF/GP	**$10,000,000** $10,000,000
11. Law Enforcement Communication Training Removes $500,000 one-time GF/GP that supports costs to provide training to law enforcement officers to improve communication with those who experience language barriers or who are deaf or hard of hearing. Funds are currently administered by the Michigan Commission on Law Enforcement Standards.	**Gross** GF/GP	**($500,000)** ($500,000)

FY 2025-26 Supplemental Boilerplate Items
Public Act 21 of 2026 (Senate Bill 878, Article 18)

Sec. 651. Disaster Emergency Contingency Fund
Requires funds appropriated to be deposited in the restricted Disaster and Emergency Contingency Fund created under section 18 of 1976 PA 390, MCL 30.418.

Sec. 652. Law Enforcement Communication Training
Requires the department to work with the state budget director to lapse all remaining funds for law enforcement training for communicating with limited English speaking communities and those deaf and hard of hearing that were previously designated as work project appropriations pursuant to Sec. 802 of Article 14 of 2024 PA 121; requires lapsed funds to be deposited in the general fund.

DEPARTMENT OF TRANSPORTATION
Summary of FY 2026-27 Enacted
Public Act 21 of 2026 (Senate Bill 878, Article 15)

Analyst: William E. Hamilton

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Enacted	*Difference: Enacted From FY 2025-26 YTD* *Amount*	*%*
IDG/IDT	$4,366,200	$4,555,300	*$189,100*	*4.3*
Federal	2,329,605,500	1,963,413,500	*(366,192,000)*	*(15.7)*
Local	87,448,500	87,448,500	*0*	*0.0*
Private	20,500,000	20,500,000	*0*	*0.0*
Restricted	5,447,575,600	6,040,263,400	*592,687,800*	*10.9*
GF/GP	0	0	*0*	*--*
Gross	**$7,889,495,800**	**$8,116,180,700**	***$226,684,900***	***2.9***
FTEs	3,208.3	3,219.3	*11.0*	*0.3*

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

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 an earmark of Corporate Income Tax Act revenue, and revenue from state excise taxes on sales of marijuana. For FY 2026-27, an estimated $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).

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		**FY 2025-26 YTD (as of 2/11/26)**	**FY 2026-27 Enacted Change**
1. Debt Service	**Gross**	**$340,804,200**	**($1,800)**
Includes debt service at $340.8 million, $1,800 less than FY 2025-26. Of total debt service, $333.6 million is for debt service on STF bonds. The debt service appropriation is primarily based on debt service schedules for previously issued and outstanding bonds, including STF Rebuilding Michigan bonds issued in calendar years (CYs) 2020, 2021, and 2023.	Restricted	340,804,200	(1,800)
	GF/GP	$0	$0
2. Services Provided by Other State Departments (IDGs)	**Gross**	**$52,972,200**	**$191,700**
Net increase of $191,700 state restricted reflects adjustments to cost estimates and fund sourcing for 20 specific Interdepartmental Grant (IDG) line items that authorize the reimbursement of other state departments from transportation funds for services provided to transportation funds or programs.	Restricted	52,972,200	191,700
	GF/GP	$0	$0
3. Property Management	**Gross**	**$9,682,100**	**($1,066,100)**
Reflects DTMB cost allocation adjustments which result in a $1.1 million decrease, primarily STF, in appropriation for property maintenance and management.	Restricted	9,682,100	(1,066,100)
	GF/GP	$0	$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	FY 2026-27 Enacted Change
4. Information Technology	**Gross**	**$42,299,500**	**$5,345,000**
Includes $5.3 million increase, primarily STF, for information technology cost increases.	Federal	520,500	12,400
	Restricted	41,779,000	5,332,600
	GF/GP	$0	$0
5. Design and Engineering Services	FTE	1,657.3	0.0
Includes $6.7 million Gross increase which includes $6.1 million increase (state restricted STF and federal) to support increased costs of maintenance and operations of Intelligent Transportation Systems, and $526,600 for maintenance and energy costs of 3,141 traffic signals shared with local units of government.	**Gross**	**$267,155,600**	**$6,653,200**
	Federal	23,529,800	2,449,500
	Restricted	243,625,800	4,203,700
	GF/GP	$0	$0
6. State Trunkline Maintenance	FTE	908.7	3.0
Includes a total increase of $24.3 million STF: $23.7 million STF to reflect increased costs of maintenance materials and service contracts; $654,000 STF and authorization for 3.0 FTE positions for added lane miles in the University Region.	**Gross**	**$486,654,800**	**$24,322,300**
	Restricted	486,654,800	24,322,300
	GF/GP	$0	$0
7. MTF/NRF Distribution to Cities/Villages	**Gross**	**$989,893,600**	**$122,476,100**
Includes $1.1 billion for distribution to cities and villages per Act 51 formula, a $122.5 million increase. This reflects the full-year impact of the October 2025 Transportation Funding Package, including increases in motor fuel taxes as well as funding from the Neighborhood Roads Fund (NRF).	Restricted	989,893,600	122,476,100
	GF/GP	$0	$0
8. MTF/NRF Distribution to County Road Commissions	**Gross**	**$1,790,859,100**	**$221,242,300**
Includes $2.0 billion for distribution to county road commissions per Act 51 formula, a $221.2 million increase. This reflects the full-year impact of the October 2025 Transportation Funding Package, including increases in motor fuel taxes as well as funding from the NRF.	Restricted	1,790,859,100	221,242,300
	GF/GP	$0	$0
9. Local Bridge Program	**Gross**	**$126,417,100**	**$133,800**
Includes $133,800 increase which is the estimated increase in MTF revenue designated for this program per Act 51 formula. In addition to $26.6 million MTF, the budget includes $100.0 million from the NRF, an Act 51 earmark made in the October 2025 Transportation Funding Package.	Restricted	126,417,100	133,800
	GF/GP	$0	$0
10. Local Federal Aid and Road and Bridge Construction	**Gross**	**$428,999,800**	**($428,999,800)**
Eliminates line item that acts as a placeholder for federal aid highway program funds made available for local road agency programs in accordance with Section Oso of Act 51. Instead, the bill references the local federal aid program in boilerplate Section 401. This is a technical change that has no impact on the local federal aid highway program.	Federal	428,999,800	(428,999,800)
	GF/GP	$0	$0
11. Movable Bridge Fund/Program	**Gross**	**$6,309,000**	**$195,600**
Includes $195,600 MTF inflationary adjustment, as required by Act 51, for program that provides funding to MDOT and certain local road agencies for operating costs of movable bridges under state and local jurisdiction. [Boilerplate Section 315 reflects Act 51 amendments that allow use of Movable Bridge Fund to cover costs of local bridge inspections.]	Restricted	6,309,000	195,600
	GF/GP	$0	$0
12. State Trunkline Road and Bridge Capital Program	**Gross**	**$1,851,212,700**	**$137,602,800**
Funding for state trunkline capital construction program totals $2.0 billion, an increase of $137.6 million. While estimated available federal funds decrease by $2.5 million, state restricted support increases by net $140.1 million. The state restricted increase reflects a $3.7 million reduction in Blue Water Bridge Fund authorization and a $143.8 million increase in estimated available STF revenue.	Federal	1,315,266,400	(2,487,700)
	Local	30,003,500	0
	Private	10,000,000	0
	Restricted	495,942,800	140,090,500
	GF/GP	$0	$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	FY 2026-27 Enacted Change
13. Transportation Economic Development Fund (TEDF)	**Gross**	**$53,190,500**	**$292,700**
Includes $53.5 million in restricted TEDF support, an increase of $292,700 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	53,190,500	292,700
	GF/GP	$0	$0
14. Passenger Transportation Services	FTE	46.0	4.0
Includes $589,100 CTF increase and increased authorization for 4.0 FTE positions to implement public transportation elements of the October 2025 Transportation Funding Package.	**Gross**	**$7,410,900**	**$589,100**
	Federal	2,000,000	0
	Restricted	5,410,900	589,100
	GF/GP	$0	$0
15. Local Bus Operating – CTF Funding	**Gross**	**$271,607,300**	**$33,392,700**
Increases CTF support for local bus operating assistance to $305.0 million, an increase of $33.4 million, reflecting increased available CTF revenue from the October 2025 Transportation Funding Package.	Restricted	271,607,300	33,392,700
	GF/GP	$0	$0
16. Transit – Non-Urban Operating/Capital	**Gross**	**$41,123,000**	**$812,500**
Includes $41.9 million Gross for non-urbanized area formula grant program established under 49 USC 5311 ($39.9 million federal funds and $2.0 million local funds). The $812,500 increase in federal funds reflects increase in estimated federal grants available to Michigan under IIJA.	Federal	39,123,000	812,500
	Local	2,000,000	0
	GF/GP	$0	$0
17. Intercity Services	**Gross**	**$10,189,700**	**$676,000**
Increases baseline support by $676,000 Gross reflecting estimated available federal and state restricted CTF revenue. This line item supports contracts between MDOT and intercity carriers for intercity bus service to small urban and rural communities without other intercity public transportation services.	Federal	6,303,600	126,100
	Local	160,000	0
	Private	800,000	0
	Restricted	2,926,100	549,900
	GF/GP	$0	$0
18. Rail Operations and Infrastructure	**Gross**	**$149,388,500**	**$70,000,000**
Includes $70.0 million increase in federal support to reflect an anticipated grant for a rail freight development project in southwest Detroit.	Federal	30,000,000	70,000,000
	Local	100,000	0
	Private	3,700,000	0
	Restricted	115,588,500	0
	GF/GP	$0	$0
19. Service Initiatives	**Gross**	**$20,992,300**	**($14,692,300)**
Reduces federal revenue by $8.4 million to reflect current estimates shifts $6.3 million CTF to Transit Capital.	Federal	9,704,000	(8,404,000)
	Local	2,000,000	0
	Private	2,000,000	0
	Restricted	7,288,300	(6,288,300)
	GF/GP	$0	$0
20. Specialized Services	**Gross**	**$30,615,900**	**$273,200**
Increases federal support by $273,200 reflecting estimated available federal revenue.	Federal	13,430,900	273,200
	Local	4,185,000	0
	Restricted	13,000,000	0
	GF/GP	$0	$0
21. Transit Capital	**Gross**	**$247,793,500**	**$43,538,700**
Appropriates $291.3 million Gross, an increase of $43.5 million CTF from current year. The increase reflects additional CTF revenue available from the October 2025 Transportation Funding Package, and $6.3 million shifted from Services Initiatives as noted in Item #19, above.	Federal	146,941,600	0
	Local	31,000,000	0
	Private	2,000,000	0
	Restricted	67,851,900	43,538,700
	GF/GP	$0	$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	FY 2026-27 Enacted Change
22. Vanpooling	**Gross**	**$400,000**	**($100,000)**
Includes $300,000 CTF, a $100,00 reduction. This increase was part of the Executive budget proposal.	Restricted	400,000	(100,000)
	GF/GP	$0	$0
23. Maritime and Port Facility Assistance Grant Program	FTE	0.0	4.0
Includes $5.3 million from the Maritime and Port Facility Assistance Fund for the Maritime and Port Facility Assistance Grant Program[#] and authorization for 4.0 FTE positions. [An additional $5.0 million CTF is appropriated in the One-time appropriations unit.]	**Gross**	**$0**	**$5,294,700**
	Restricted	0	5,294,700
	GF/GP	$0	$0
[#] The FY 2025-26 budget had appropriated $5.3 million CTF for credit to the Maritime and Port Facility Assistance Fund but did not provide authority for expenditures from the fund.			
24. Capital Outlay - Salt Buildings and Containment Control	**Gross**	**$3,000,000**	**$300,000**
Includes $300,000 STF increase to address capital maintenance needs of state-owned salt storage facilities. This increase was part of the Executive budget proposal.	Restricted	3,000,000	300,000
	GF/GP	$0	$0
25. Capital Outlay – Special Maintenance, Remodeling, Additions	**Gross**	**$5,000,500**	**$350,000**
Includes $350,000 STF increase to address capital maintenance needs of state-owned facilities. This increase was part of the Executive budget proposal.	Restricted	5,000,500	350,000
	GF/GP	$0	$0
26. Capital Outlay - Airport Improvement Program (AIP)	**Gross**	**$189,045,000**	**($7,735,200)**
Reduces state restricted State Aeronautics Fund support by $7.7 million to reflect revenue estimates. [The FY 2025-26 State Aeronautics Fund appropriation was $7.7 million in excess of 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	14,545,000	(7,735,200)
	GF/GP	$0	$0
27. Detroit Metropolitan Wayne County Airport	**Gross**	**$13,020,000**	**($6,585,000)**
Reduces state restricted Qualified Airport Fund (QAF) support by $6.6 million to reflect revenue estimates. The FY 2025-26 QAF appropriation was $6.6 million in excess of revenue estimates. The QAF was established through 2015 amendments to the State Aeronautics Code.	Restricted	13,020,000	(6,585,000)
	GF/GP	$0	$0
28. Removal of FY 2025-26 One-Time Appropriations	**Gross**	**$28,828,800**	**($28,828,800)**
Removes $28.8 million Gross ($0.0 million GF/GP) of one-time funding that was included in the FY 2025-26 budget to support the following: • Maritime and Port Fund, ($5.3 million CTF) • Railroad Heritage Preservation, ($5.3 million CTF) • Non-motorized Trails, ($5.3 million CTF) • State Aeronautics Fund transfer ($5.3 million CTF) • Road Usage Charge Study and Pilot ($7.7 million MTF).	Restricted	28,828,800	(28,828,800)
	GF/GP	$0	$0
29. Coloma Salt Shed and Maintenance Facility (One-Time)	**Gross**	**$0**	**$5,168,100**
Includes $5.2 million STF to rebuild a salt shed and maintenance facility in Coloma.	Restricted	0	5,168,100
	GF/GP	$0	$0
30. Other Maintenance Facilities (One-Time)	**Gross**	**$0**	**$5,600,000**
Includes $5.6 million STF for capital maintenance and repairs to maintenance facilities.	Restricted	0	5,600,000
	GF/GP	$0	$0
31. Great Lakes Tunnel Project – Phase II Oversight (One-Time)	**Gross**	**$0**	**$4,100,000**
Includes $4.1 million from the state restricted Michigan Infrastructure Fund for continued planning and construction oversight of the Great Lakes Tunnel project authorized under 2018 PA 359; defines appropriation in boilerplate Sec. 1004.	Restricted	0	4,100,000
	GF/GP	$0	$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	FY 2026-27 Enacted Change
32. Rail Freight/Rail Economic Development (One-Time)	**Gross**	**$0**	**$5,000,000**
Includes $5.0 million CTF for a rail freight/rail economic development grant program; defined in boilerplate Sec. 1001.	Restricted	0	5,000,000
	GF/GP	$0	$0
33. Grants to Commercial Service Airports (One-Time)	**Gross**	**$0**	**$7,500,000**
Includes $7.5 million CTF for a grant program targeted at commercial service airports with fewer than 5.0 million enplanements, defined in Sec. 1002 of the bill.	Restricted	0	7,500,000
	GF/GP	$0	$0
34. Maritime and Port Facility Assistance Program (One-Time)	**Gross**	**$0**	**$5,000,000**
Includes $5.0 million CTF for the Maritime and Port Facility Assistance Program; defined in boilerplate Sec. 1003.	Restricted	0	5,000,000
	GF/GP	$0	$0
35. Economic Adjustments	**Gross**	**NA**	**$6,470,800**
Reflects increased costs of $6.5 million Gross ($0.0 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2026), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	IDG/IDT	NA	57,800
	Federal	NA	163,200
	Restricted	NA	6,249,800
	GF/GP	NA	$0

Major Boilerplate Changes from FY 2025-26

***Sec. 204. State Administrative Board Transfers* – 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 State Administrative Board transfers funds. *(Governor's signing letter states this section is unenforceable.)*

***Sec. 208. Receive and Expend in Addition to Appropriations* – NEW**
Requires department to report on funds received and expended, in addition to funds appropriated in part 1; requires report to detail type of funding received, date of receipt, amount received, amount expended, and purpose of expenditure; requires report on any funding the department anticipates receiving in addition to appropriations.

***Sec. 214. Access to Government Services* – DELETED**
Prohibits appropriations from being used to restrict or impede a marginalized community's access to government resources, programs, or facilities; requires local governments to report on actions that attempt to restrict or interfere with duties of local health officers.

***Sec. 218. Legacy Costs* – REVISED**
Identifies estimated legacy costs funded from FY 2025-26 appropriations. Revises to update fiscal year and dollar amounts as follows: $34.7 million pension-related legacy costs; $0 health care-related costs.

***Sec. 219. Expending Available Work Project Authorization* – UNENFORCEABLE**
Prohibits, to the extent possible, expenditures from appropriations that have unexpended work project authorization until all existing work project authorization for the same purpose is exhausted. *(Governor's signing letter states this section is unenforceable.)*

***Sec. 222. Communication with the Legislature* – UNENFORCEABLE**
Prohibits 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 as provided by law. *(Governor's signing letter states this section is unenforceable.)*

***Sec. 223. Prioritizing In-Person Work* – REVISED**
Requires department to maximize utilization of its in-person workforce, prioritize occupancy utilization, and ensure occupancy rates are 80% or higher. Also includes new subsection (4) requiring the Office of State Employer to create and implement a uniform policy.

***Sec. 224. Space Utilization Assessment* – NEW**
New section requires each agency to complete a space utilization report by July 1, 2027.

TRANSPORTATION

Major Boilerplate Changes from FY 2025-26

Sec. 225. Geographically Disadvantaged Business Enterprises Compete for Contracts **– REVISED**
Requires department director, to the extent possible, to take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts; requires department director to strongly encourage firms with which department contracts to subcontract with certified geographically disadvantaged business enterprises.

Sec. 226. Impact of Federal Policy Changes **– REVISED**
Requires department to report on federal policy changes that are expected to affect department operations, affect groups the department engages with, or create a regulatory gap. Revised to specify report due dates of December 31, 2026 and June 1, 2027.

Sec. 228. E-Verify Requirement **– DELETED**
Deletes section that directed 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 department to verify the information directly or to receive certification from the contractor; requires department to submit a report describing the processes it develops and implements; defines E-Verify.

Sec. 228. State Fiscal Recovery Fund Reappropriation **– NEW**
Requires SBO director to ensure all state fiscal recovery funds are expended by December 31, 2026, as required by law; automatically reappropriates any state fiscal recovery funds that would otherwise lapse after September 30, 2026 and makes them available for expenditure for the same purpose as originally authorized until December 31, 2026.

Sec. 229. Reallocation of State Fiscal Recovery Funds **– NEW**
Authorizes SBO director to reallocate state fiscal recovery funds that are in jeopardy of not being spent; authorizes reallocations for payroll and covered benefits for eligible public health and safety employees of the Departments of Corrections and State Police; requires applicable reporting to be followed; requires SBO director to notify HAC/SAC not later than 10 days after reallocating funds.

Sec. 230. Severance Pay **– NEW**
Requires department to report on any amounts of severance pay agreed to for a department director, deputy director, or other high-ranking department official; requires report to include name of official and amount of severance pay; requires report on total amount of severance pay remitted and total number of former employees that were remitted severance pay during prior fiscal year; defines "severance pay" to mean compensation that is both payable or paid upon the termination of employment and in addition to either wages or benefits earned during the course of employment or generally applicable retirement benefits.

Sec. 231. Precontract Risk Assessment **– NEW**
Requires department to use the same precontract risk assessment program utilized by DTMB to evaluate contractor financial compliance, security risks, and insurance requirements prior to contract execution.

Sec. 302. Restricted Fund Report **– NEW**
Includes new report on fund balances of state restricted transportation funds, due December 31, 2026.

Sec. 303. Bridge Bundling **– NEW**
Includes new section regarding use of bridge bundling as a contracting method; authorizes bridge bundling in specific circumstances; limits use for local agency programs to specific criteria.

Sec. 309. Yellow Pavement Marking Material/Cement Country of Origin **– REVISED**
Deletes subsection that establishes specific criteria for procurement of pavement marking materials; retains subsection 2 legislative intent that cement used be manufactured in the United States.

Sec. 312. Property Management **– REVISED**
Reporting requirement on the utilization of department properties, including, but not limited to, salt storage facilities, garages, and regional offices; modifies to require report in every even numbered year.

Sec. 388. I-375 Project Prohibition **– DELETED**
Deletes 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. 395. Authority to Transfer between Construction and Maintenance **– REVISED**
Current year language authorizes the department to transfer up to $10.0 million from the state trunkline road and bridge capital line item to the highway maintenance program; the enacted FY 2026-27 budget increases transfer authority to $15.0 million.

Major Boilerplate Changes from FY 2025-26

***Sec. 401. Local Federal Aid Program* – NEW**
Includes new language directing the department to continue to administer a local federal aid program in accordance with Section 10o, 1951 PA 51.

***Sec. 502. Movable Bridge Fund* – NEW**
Authorizes carryforward and reappropriation of the unencumbered and unexpended balance in the Movable Bridge Fund for uses in local agency bridge inspection program.

***Sec. 651. Neighborhood Roads Fund* – NEW**
Requires that funds from the Neighborhood Roads Fund be distributed and appropriated to the Local Grade Separation Fund, Comprehensive Transportation Fund, Infrastructure Projects Authority Fund, and the State Trunkline Fund, in accordance with part 1 of the budget and section 13c of 1951 PA 51.

***Sec. 652. Neighborhood Roads Fund* – NEW**
Indicates that at the close of the fiscal year, any unencumbered and unexpended balance in the Neighborhood Roads Fund not previously allocated under sections (a) through (e) of section 13c(5) of 1951 PA 51 remains in the Neighborhood Roads Fund and carries forward and is appropriated to local road agencies and the State Trunkline Fund according to section 13c(5) of 1951 PA 51.

***Sec. 720. Farebox Recovery Intent Language* – DELETED**
Deletes section that indicates legislative intent that transit agencies strive to achieve at least 6% farebox recovery.

***Sec. 1001. Rail Freight Economic Development Grants (CTF)* – NEW**
Directs that the part 1 appropriation for rail freight economic development must be used for grants in support of rail freight and rail freight economic development programs in this state.

***Sec. 1002. Commercial Service Airports (CTF)* – NEW**
Directs that the part 1 appropriation, Grants to Commercial Service Airports, must be used for grants for capital improvements at commercial service airports in this state with fewer than five million enplanements each year.

***Sec. 1003. Maritime and Port Facility Program* – NEW**
Directs that the one-time part 1 appropriation, Maritime and Port Facility Assistance Program, be used for grants as provided under 2022 PA 159, with priority given to projects authorized under Section (5)(1) of that act, specifically: subdivision (c), matching federal funding opportunities; subdivision (d), dredging waterways and harbors; subdivision (e); repairing seawalls.

***Sec. 1004. Great Lakes Tunnel Project – Phase II Oversight* – NEW**
Indicates that the purpose of the part 1 appropriation is "to support planning, construction oversight, and administration of the Great Lakes Tunnel Project by the Mackinac Straits Corridor Authority, in accordance with section 14d of 1952 PA 214, MCL 254.324d."

FY 2025-26 Supplemental Appropriation Items **Public Act 21 of 2026 (Senate Bill 878, Article 18)**		**Appropriation Change**
1. Local Grade Separation Program/Rail Grade Separation Fund Corrects technical naming error in a $40.0 million line item appropriation. This budgetary action effectively changes the appropriation from Rail Grade Separation Fund to Local Grade Separation Program and makes a related correction to fund sourcing from Neighborhood Roads Fund to Local Grade Separation Fund. The correct program and fund source names are established in 1951 PA 51. These corrections have a net impact of $0. The $40.0 million appropriation and its purpose remain the same.	**Gross** Restricted GF/GP	**$0** 0 $0
2. Infrastructure Projects Authority Fund/Program Corrects technical naming error in a $65.0 million line item appropriation. This budgetary action effectively changes the appropriation from Infrastructure Projects Authority Fund to Infrastructure Projects Authority Program and makes a related correction to fund sourcing from Neighborhood Roads Fund to Infrastructure Projects Authority Fund. The correct program and fund source names are established in 1951 PA 51. These corrections have a net impact of $0. The $65.0 million appropriation and its purpose remain the same.	**Gross** Restricted GF/GP	**$0** 0 $0

TRANSPORTATION

FY 2025-26 Supplemental Boilerplate Items
Public Act 21 of 2026 (Senate Bill 878, Article 18)

Sec. 801. Neighborhood Roads Fund Distribution
Requires funds from the Neighborhood Roads Fund to be distributed and appropriated to the Local Grade Separation Fund, Comprehensive Transportation Fund, Infrastructure Projects Authority Fund, and State Trunkline Fund in accordance with section 13c of 1951 PA 51.

Sec. 802. Neighborhood Roads Fund Carryforward
Authorizes unencumbered and unexpended funds to remain in the Neighborhood Roads Fund and to carry forward and be appropriated to local road agencies and to the State Trunkline Fund.

Sec. 803. Movable Bridge Fund Carryforward
Authorizes unencumbered and unexpended funds to remain in the Movable Bridge Fund and to carry forward and be appropriated to cover costs for required local federal bridge load analysis, inspection, or other local federal mandates.

FY 2025-26: SUPPLEMENTAL APPROPRIATIONS
Summary of Capital Outlay Enacted
Public Act 21 of 2026 (Senate Bill 878, Article 16)

Analyst: Perry Zielak

Budget Area	Gross	GF/GP
Capital Outlay – Planning Authorizations	$1,500	$1,500
Capital Outlay – Construction Authorizations	1,300	1,300
TOTAL	**$2,800**	**$2,800**

Overview

Senate Bill 878, Article 16 contains $1,500 GF/GP for 15 planning authorizations and $1,300 GP/GP for 13 construction authorizations. Traditionally, universities finance 25% of a project's costs and the state finances 75%. Community colleges finance 50% of a project's costs and the state finances 50%. State agency projects are covered 100% from state resources. In recent years, the state share has been capped at $30.0 million for university and community college capital outlay projects.

The total cost of the 15 planning authorizations (6 university projects and 9 community colleges projects) contained within the bill is $543.0 million, with a state share of $267.5 million and an institution share of $269.6 million (See Table 7). Annual rental rates are typically around 7.5% of the total state share per year. With a total state share being $269.6 million, the annual debt service payment for these projects is estimated to be $20.1 million GF/GP over 15 to 17 years. To proceed with state financing, the projects will need to receive construction authorization in a subsequent appropriation act. Institutions have 2 years following the fiscal year in which the project received planning authorization to receive construction authorization.

The total cost of the 13 construction authorizations (7 university projects, 5 community college projects, and 1 state agency project) contained within the bill is $901.7 million, with a state share of $411.2 million and an institution share of $490.5 million (See Table 8). With a total state share of $411.2 million, the annual debt service payment for these projects is estimated to be $30.8 million over 15 to 17 years.

FY 2025-26 Appropriation Items		Enacted
CAPITAL OUTLAY – PLANNING AUTHORIZATIONS		
1. *Central Michigan University – Brooks Hall Renovation*	**Gross**	**$100**
Total project cost is $45.0 million. University share is $15.0 million; state share is $30.0 million. The project renovates 128,000 sq. ft. of Brooks Hall, including the replacement of mechanical, electrical and plumbing infrastructure, along with new exterior windows, doors, and elevators. Improvements will also be made to the observatory and greenhouse space.	GF/GP	$100
2. *Ferris State University – Allied Health Sciences Building*	**Gross**	**$100**
Total project cost is $29.5 million. University share is $7.4 million; state share is $22.1 million. The project includes the renovation of 67,000 sq. ft. and the addition of 20,000 sq. ft. to the Allied Health Sciences Building, including updates to mechanical and core systems infrastructure, improved instructional spaces, and renovations to the nursing simulation lab.	GF/GP	$100
3. *Lake Superior State University – Center for Applied Science and Engineering Technology Renovation and Expansion*	**Gross**	**$100**
Total project cost is $40.0 million. University share is $10.0 million; state share is $30.0 million. The project includes renovation of 82,000 sq. ft. and the addition of 64,000 sq. ft. to the Center for Applied Science and Engineering Technology building, which will provide a new robotics laboratory and engineering design center. The renovation will replace HVAC and plumbing systems, upgrade various infrastructure and life safety systems, and improve classroom and laboratory spaces.	GF/GP	$100

SUPPLEMENTAL APPROPRIATIONS FY 2025-26

FY 2025-26 Appropriation Items		**Enacted**
4. *Michigan Technological University – Center for Convergence and Innovation* Total project cost is $56.0 million. University share is $26.0 million; state share is $30.0 million. The project includes the construction of a 70,000 sq. ft. building to provide advanced technology classrooms and digital lab facilities to promote increased interactions between students in both the newly created College of Computing and the College of Business.	**Gross** GF/GP	**$100** $100
5. *University of Michigan – Dearborn – Computer and Information Science Building Renovation* Total project cost is $40.0 million. University share is $10.0 million; state share is $30.0 million. The project renovates 24,300 sq. ft. of the Computer Information Science building, originally constructed in 1959, and includes the addition of 9,000 to 12,000 sq. ft. of new space. The renovation will include new fire-suppression and safety systems, update electrical and mechanical systems, create more modern classroom and support spaces and add new state-of-the-art lab spaces.	**Gross** GF/GP	**$100** $100
6. *Western Michigan University – IF1 Knauss Hall Renovation and Addition* Total project cost is $39.0 million. University share is $9.8 million; state share is $29.3 million. The project includes the renovation of 26,000 sq. ft. of Knauss Hall, originally constructed in 1971 and the addition of 22,000 sq. ft. of new space, including upgrades to the various infrastructure systems, the creation new student learning spaces, and increased water and energy sustainability.	**Gross** GF/GP	**$100** $100
7. *Delta College – Student Resource Center/Library (A-Wing)* Total project cost is $23.6 million. Community college share is $13.6 million; state share is $10.0 million. The project includes the renovation of 46,300 sq. ft. of the Library and Learning Information Center to transform the building into a student resource center, which will include upgrading the facility's interior spaces, installing new efficient infrastructure, and reconfigure the renovated space to consolidate various student support offices into one space.	**Gross** GF/GP	**$100** $100
8. *Jackson College – STEM Remodel of James McDivitt Hall* Total project cost is $45.0 million. Community college share is $22.5 million; state share is $22.5 million. The project includes the renovation and addition of 117,000 sq. ft of James McDivitt Hall, including the replacement of all existing building infrastructure systems and the creation of various new classroom, laboratory, and student support spaces.	**Gross** GF/GP	**$100** $100
9. *Kellogg Community College – Roll Health Administration Building Renovation* Total project cost is $15.4 million. Community college share is $7.7 million; state share is $7.7 million. The project includes the renovation of approximately 61,600 sq. ft. and the addition of over 3,100 sq. ft. of new space to the Roll Building, originally constructed in 1978. The project will modernize electrical and water treatment systems, update various building, classroom, and lab spaces for the health, nursing, and dental programs located in the building.	**Gross** GF/GP	**$100** $100
10. *Lansing Community College – Energy and Utility Training Center* Total project cost is $8.9 million. Community college share is $4.4 million; state share is $4.4 million. The project constructs 11,000 sq. ft. of new space for Utility and Energy Systems programs. New specialized labs for power generation and underground splicing, indoor and outdoor pole climbing areas, new classrooms, offices and meeting spaces will be included in the new center.	**Gross** GF/GP	**$100** $100
11. *Montcalm Community College – Student Success Center* Total project cost is $5.9 million. Community college share is $2.9 million; state share is $2.9 million. The project renovates 11,184 sq. ft. of the Les Morford building, originally constructed in 1970 and includes the renovation of classroom and auditorium spaces, remodel restrooms, install new windows, doors, mechanical, HVAC, and fire-suppression systems.	**Gross** GF/GP	**$100** $100

FY 2025-26 Appropriation Items		**Enacted**
12. *North Central Michigan College – Skilled Trades Education Pathways Center* Total project cost is $7.7 million. Community college share is $4.2 million; state share is $3.5 million. The project will construct a 10,000 sq. ft. addition to the Technology Center, which will provide 5-6 new laboratory spaces for high technical skill trade fields, including HVAC, plumbing, motion control, wood shop, and welding.	**Gross** GF/GP	**$100** $100
13. *Oakland Community College – Skilled Trades and Industrial Technology Building* Total project cost is $126.5 million. Community college share is $99.5 million; state share is $27.0 million. The project includes the renovation of 105,000 sq. ft. and the addition of 95,000 sq. ft. of new space to the Skilled Trades and Industrial Technology building on the Auburn Hills campus. The project will allow for various advanced specialty programs in robotics, electric vehicles, construction, cyber-physical systems, additive manufacturing, simulation and mechatronics. Fire suppression and life safety systems, ADA accommodations, new bathrooms and lab safety systems will be improved.	**Gross** GF/GP	**$100** $100
14. *Washtenaw Community College – Center for Success and Innovation* Total project cost is $48.8 million. Community college share is $36.6 million; state share is $12.2 million. The project includes the renovation of 80,000 sq. ft. student center that will allow for the creation of new interdisciplinary instruction space and combine various student and career support services into one location. Various infrastructure systems will be upgraded to improve sustainability efforts.	**Gross** GF/GP	**$100** $100
15. *West Shore Community College – Administration and Conference Center Renovation* Total project cost is $11.8 million. Community college share is $5.9 million; state share is $5.9 million. The project includes the renovation of 26,000 sq. ft. and the addition of 10,500 sq. ft. to the Administration and Conference building, which will renovate current offices into flexible instructional and student collaboration spaces, renovate the commercial teaching kitchen area, and update lighting, HVAC and other infrastructure systems.	**Gross** GF/GP	**$100** $100
CAPITAL OUTLAY – CONSTRUCTION AUTHORIZATIONS		
1. *Eastern Michigan University – Engineering and Technology Complex – State Funded Phase II – Roosevelt Hall* The Engineering and Technology Complex – State Funded Phase II – Roosevelt Hall project at Eastern Michigan University has a total cost of $42.5 million; a total state share of $30.0 million; and a total university share of $12.5 million. The project involves the renovation of a 71,300 sq. ft. structure constructed in 1924 and expand the structure by approximately 10,000 sq. ft. The renovation will address electrical systems, roof replacement, installation of fire suppression systems, improve ADA accessibility and energy efficiencies, and provide new classroom and laboratory layouts. The project received planning authorization in 2023 PA 321.	**Gross** GF/GP	**$100** $100
2. *Grand Valley State University – Blue Dot Lab -State Funded Addition Project* The Blue Dot Lab state funded addition project at Grand Valley State University has a total cost of $66.7 million; a total state share of $30.0 million; and a total university share of $36.7 million. The project cost is $73.3 million less than the estimated cost included in the planning authorization, due to a project scope change due to SBA bonding issues that required the project to be separated into two separate projects. The state funded portion of the project involves the construction of a new 58,427 sq. ft. addition attached to the lab complex. The university will cover the renovation of an existing 10-story tower and south annex in a separate, university-funded project. The project received planning authorization in 2023 PA 321.	**Gross** GF/GP	**$100** $100

SUPPLEMENTAL APPROPRIATIONS FY 2025-26

FY 2025-26 Appropriation Items		**Enacted**
3. *Michigan State University – Engineering and Digital Innovation Building*	**Gross**	**$100**
The Engineering and Digital Innovation Building project at Michigan State University has a total cost of $340.0 million; a total state share of $30.0 million; a total school aid fund share of $30.0 million; and a total university share of $280.0 million. The project includes the construction of a 270,000 sq. ft. building to provide classroom and research labs for students in computer science, computational data science, machine learning, quantitative methods, gaming, user experience design, cyber security, advanced manufacturing material science, and quantum computing. $30.0 million has been appropriated for the project through 2023 PA 103. The project has not received planning authorization and will move straight to construction authorization.	GF/GP	$100
4. Northern Michigan University – Northern Enterprise Center (College of Business)	**Gross**	**$100**
The Northern Enterprise Center (College of Business) project at Northern Michigan University has a total cost of $23.0 million; a total state share of $13.4 million; and a total university share of $9.6 million. The project cost is $3.9 million more than the estimated cost included in the planning authorization, which will be covered by the university and is due to a revised project scope. The revised project consists of the construction of a 24,050 sq. ft. addition and the renovation of 15,000 sq. ft. for the College of Business and military science programs. The facility will provide new high-tech classrooms, make spaces for entrepreneurship, enhanced study areas, high-tech laboratories, and new administrative and faculty office space. The project received planning authorization in 2023 PA 321.	GF/GP	$100
5. *Oakland University – Science Complex Renovation – Dodge Hall Project*	**Gross**	**$100**
The Science Complex Renovation – Dodge Hall project at Oakland University has a total cost of $44.8 million; a total state share of $30.0 million; and a total university share of $14.8 million. The project cost is $4.8 million more than the estimated cost included in the planning authorization, which will be covered by the university and is due to increased construction costs. The project consists of the renovation of 151,204 sq. ft. of the Science Complex. The renovation will allow the university to upgrade and address infrastructure, laboratories and classroom spaces for the Engineering, Chemistry, Physics, and Biology departments. The project will replace HVAC systems, electrical, lighting, network communications wiring, and plumbing, along with adding a centralized fume hood ventilation system and improving ADA accessibility. The project received planning authorization in 2023 PA 321.	GF/GP	$100
6. *University of Michigan – Flint – Innovation and Technology Complex*	**Gross**	**$100**
The Innovation and Technology Complex project at the University of Michigan – Flint has a total cost of $40.0 million; a total state share of $30.0 million; and a total university share of $10.0 million. The project consists of the construction of 50,000 sq. ft. to expand the College of Innovation and Technology offerings. The new facility will feature classroom spaces; instructional laboratories and research spaces, including new labs focused on bioprinting; AI and machine learning; additive manufacturing; emerging mobility; clean energy; immersive experience; data visualization; biotechnology; smart learning; and a controlled environment room. The project received planning authorization in 2023 PA 321.	GF/GP	$100
7. *Wayne State University – Law Classroom Building*	**Gross**	**$100**
The Law Classroom Building project at Wayne State University has a total cost of $46.0 million; a total state share of $30.0 million; and a total university share of $16.0 million. The project cost is $6.0 million more than the estimated cost included in the planning authorization, which will be covered by the university and is due to increased construction costs. The revised project replaces the existing 17,689 sq. ft. structure constructed in 1966 with a new 46,500 sq. ft building, which will house the law school. The new facility will provide classrooms; lecture and student and faculty support spaces, along with a mock trial classroom; and student workspace. In addition, the new facility will provide increased accommodations for new minor, bachelor, and master programs in law, along with increased growth in the juris doctor program. The project received planning authorization in 2023 PA 321.	GF/GP	$100

FY 2025-26 Appropriation Items		**Enacted**
8. *Bay de Noc Community College – Manufacturing Innovation and Training Center* The Manufacturing Innovation and Training Center project at Bay de Noc Community College has a total cost of $1.9 million; a total state share of $937,300; and a total college share of $937,500. The project renovates 7,500 sq. ft. of an existing building constructed in 1974 and upgrade various electrical, mechanical, and fire suppression systems, along with adding a new innovation center. The project received planning authorization in 2024 PA 121.	**Gross** GF/GP	**$100** $100
9. *Kalamazoo Valley Community College – Automotive Technology/Advanced Manufacturing Wing* The Automotive Technology/Advanced Manufacturing Wing project at Kalamazoo Valley Community College has a total cost of $39.0 million; a total state share of $19.5 million; and a total college share of $19.5 million. The project renovates approximately 66,500 sq. ft. of the Advanced Technology wing at the KVCC Texas Township Campus and add an additional 29,400 sq. ft. for the Automotive Technology program. The renovation will modernize current laboratories and unused former ceramics and photography spaces to allow for growth of skilled trades offerings around automotive technology, manufacturing, welding, electrical, and HVAC technologies. The project received planning authorization in 2023 PA 321.	**Gross** GF/GP	**$100** $100
10. *Macomb Community College – Mobility and Sustainability Education Center* The Mobility and Sustainability Education Center project at Macomb Community College has a total cost of $60.0 million; a total state share of $26.3 million; and a total college share of $33.6 million. The project cost is $1.4 million more than the estimated cost included in the planning authorization, which will be covered by the community college and is due to an additional site improvement needed for the project. The project renovates the current 73,800 sq. ft. Mobility and Sustainability Education Center and add an additional 35,100 sq. ft. The renovation and addition will redevelop lab spaces to accommodate larger and more modern laboratory spaces, address building water infiltration issues, increase ADA accommodations, and update fire suppression and life safety systems. The project received planning authorization in 2023 PA 321.	**Gross** GF/GP	**$100** $100
11. *Monroe County Community College – Welch Health Education Building Renovation and Addition* The Welch Health Education Building Renovation and Addition project at Monroe County Community College has a total cost of $32.0 million; a total state share of $10.9 million; and a total college share of $21.1 million. The project cost is $10.1 million more than the estimated cost included in the planning authorization, which will be covered by the community college and is due to increased construction costs. The project renovates 8,100 sq. ft. of the Welch Health Education Building and add an 30,770 sq. ft. addition. New and improved classroom space, health science and public safety labs, student collaboration spaces, additional study space, and administrative offices will be included in the project. The project received planning authorization in 2024 PA 121.	**Gross** GF/GP	**$100** $100
12. *Wayne County Community College – Center for Virtual Learning and Digital Careers* The Center for Virtual Learning and Digital Careers project at Wayne County Community College has a total cost of $11.6 million; a total state share of $5.8 million; and a total college share of $5.8 million. The project includes the renovation of 12,100 sq. ft. of the Center for Learning Technology building and the 18,786 Mary Ellen Stempfle University Center. The project will upgrade rooftop insulation, HVAC systems, plumbing, and bathrooms. New laboratories, studios, and classrooms will be added. The project received planning authorization in 2023 PA 321.	**Gross** GF/GP	**$100** $100

SUPPLEMENTAL APPROPRIATIONS FY 2025-26

FY 2025-26 Appropriation Items		**Enacted**
13. *Michigan Department of Corrections – Capacity Realignment Project*	**Gross**	**$100**
The Capacity Realignment project for the Michigan Department of Corrections has a total project cost of $154.3 million and a total State Building Authority share of $154.3 million. The project includes the construction of a new 66,525 sq. ft. level IV housing facility at the St. Louis Correctional Facility in St. Louis and a new 65,235 sq. ft. level IV housing facility at the Oaks Correctional Facility in Manistee. The project did not receive planning authorization and will move straight to construction authorization.	GF/GP	$100

FY 2025-26 Supplemental Boilerplate Items

GENERAL SECTIONS

Sec. 201. Total State Spending
Adds language that specifies total state spending and state spending from state resources to be paid to local units of government.

Sec. 202. Applicability of Management and Budget Act
Adds language that subjects appropriations to the Management and Budget Act, 1984 PA 431.

Sec. 203. Public Purpose, Lease and Conveyance, and Annual Appropriation
Adds language that states that the Legislature determines the leasing of SBA-financed facilities are for a public purpose under the State Building Authority Act, 1964 PA 183, approves and authorizes the lease and conveyance of property to the SBA and from the SBA to state and educational institutions, as applicable, executed by the Governor and Secretary of State on behalf of the state, and specifies intent of the Legislature to annually appropriate sufficient amounts to pay rent obligations pursuant to the lease.

Sec. 204. Michigan Technological University – H-STEM Engineering and Health Technology Complex, Phase 1 Project Cost Decrease
Adds language that provides for a $1.5 million cost decrease for the Michigan Technological University – H-STEM Engineering and Health Technology Complex, Phase 1 project that was approved for construction authorization in 2020 PA 257 and reauthorized in 2022 PA 10 at a total project cost of $53.1 million; a state share of $29.7 million; and a university share of $23.4 million. The university will realize the entire cost decrease resulting in a university share of $21.9 million and a total project cost of $51.6 million. The cost decrease is the result of completed construction costs coming in below revised estimates.

Sec. 205. Oakland University – South Foundation Hall Renovation and Expansion Project Cost Decrease
Adds language that provides for a $500,100 cost decrease for the Oakland University – South Foundation Hall Renovation and Expansion project that was approved for construction authorization in 2020 PA 257 and reauthorized in 2021 PA 87 and 2022 PA 10 at a total project cost of $44.2 million; a state share of $30.0 million; and a university share of $14.2 million. The university will realize the entire cost decrease resulting in a university share of $13.7 million and a total project cost of $43.7 million. The cost decrease is the result of completed construction costs coming in below revised estimates.

Table 7: Enacted - FY 2025-26 Planning Authorizations

Institution	Project	Total Cost	State Share	Institutional Share	Estimated Debt Service
Universities					
Central Michigan	Brooks Hall Renovation	$45,000,000	$30,000,000	$15,000,000	$2,250,000
Ferris State	Allied Health Sciences Building	29,500,000	22,125,000	7,375,000	1,659,375
Lake Superior State	Center for Applied Science and Engineering Technology Renovation and Expansion	40,000,000	30,000,000	10,000,000	2,250,000
Michigan Tech	Center for Convergence and Innovation	56,000,000	30,000,000	26,000,000	2,250,000
University of Michigan - Dearborn	Computer and Information Science Building Renovation	40,000,000	30,000,000	10,000,000	2,250,000
Western Michigan	IF1 Knauss Hall Renovation and Addition	39,000,000	29,250,000	9,750,000	2,193,750
Universities Total		**$249,500,000**	**$171,375,000**	**$78,125,000**	**$12,853,125**
Community Colleges					
Delta	Student Resource Center/Library (A-Wing)	$23,602,900	$10,000,000	$13,602,900	$750,000
Jackson	STEM Remodel of James McDivitt Hall	45,000,000	12,500,000	32,500,000	937,500
Kellogg	Roll Health and Administration Building Renovation	15,400,000	7,700,000	7,700,000	577,500
Lansing	Energy and Utility Training Center	8,850,000	4,425,000	4,425,000	331,875
Montcalm	Student Success Center	5,874,600	2,937,300	2,937,300	220,298
North Central	Skilled Trades Education Pathways Center	7,700,000	3,465,000	4,235,000	259,875
Oakland	Skilled Trades and Industrial Technology Building	126,500,000	27,000,000	99,500,000	2,025,000
Washtenaw	Center for Success and Innovation	48,775,000	12,193,700	36,581,300	914,528
West Shore	Administration and Conference Center Renovation	11,829,900	5,914,900	5,915,000	443,618
Community Colleges Total		**$293,532,400**	**$96,135,900**	**$191,481,500**	**$7,210,193**
TOTAL PLANNING AUTHORIZATIONS		**$543,032,400**	**$267,510,900**	**$269,606,500**	**$20,063,318**

Table 8: Enacted - FY 2025-26 Construction Authorizations

Institution	Project	Total Cost	State Share	Institutional Share	Estimated Debt Service
Universities					
Eastern Michigan	College of Engineering & Technology Complex – State Funded Phase II - Roosevelt Hall	$42,500,000	$30,000,000	$12,500,000	$2,250,000
Grand Valley State	Blue Dot Lab – State Funded Addition Project	66,700,000	30,000,000	36,700,000	2,250,000
Michigan State	Engineering and Digital Innovation Building	340,000,000	30,000,000	310,000,000	2,250,000
Northern Michigan	Norther Enterprise Center (College of Business)	22,980,000	13,370,000	9,610,000	1,002,750
Oakland	Science Complex Renovation – Dodge Hall Project	44,775,000	30,000,000	14,775,000	2,250,000
University of Michigan - Flint	Innovation and Technology Complex	40,000,000	30,000,000	10,000,000	2,250,000
Wayne State	Law Classroom Building	46,000,000	30,000,000	16,000,000	2,250,000
Universities Total		**$602,955,000**	**$193,370,000**	**$409,585,000**	**$14,502,750**
Community Colleges					
Bay de Noc	Manufacturing Innovation and Training Center	$1,875,000	$937,500	$937,500	$70,313
Kalamazoo Valley	Automotive Technology/Advanced Manufacturing Wing	39,000,000	19,500,000	19,500,000	1,462,500
Macomb	Mobility and Sustainability Education Center	59,980,000	26,349,300	33,630,700	1,976,198
Monroe County	Welch Health Education Building Renovation and Addition	32,000,000	10,932,200	21,067,800	819,915
Wayne County	Center for Virtual Learning and Digital Careers	11,564,200	5,782,100	5,782,100	433,658
Community Colleges Total		**$144,419,200**	**$63,501,100**	**$80,918,100**	**$4,762,583**
Department of Corrections	Capacity Realignment Project	$154,300,000	$154,300,000	$0	$11,572,500
TOTAL CONSTRUCTION AUTHORIZATIONS		**$901,674,200**	**$411,171,100**	**$490,503,100**	**$30,837,833**

SUPPLEMENTAL APPROPRIATIONS FY 2025-26

HOUSE FISCAL AGENCY

Mary Ann Cleary, Director
Kevin Koorstra, Deputy Director

Agriculture and Rural Development ..... William E. Hamilton
Capital Outlay ..... Perry Zielak
Community Colleges ..... Perry Zielak
Corrections ..... Robin R. Risko
Education (Department) ..... Una Jakupovic
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 Walker
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

Fiscal Oversight, Audit, and Litigation ..... Mary Ann Cleary
Retirement ..... Benjamin Gielczyk
Supplemental Coordinator ..... Robin R. Risko
Transfer Coordinator ..... Robin R. Risko

Administrative Assistant/Publications ..... Kathryn Bateson
Budget Assistant/HFA Internet ..... Tumai Burris

August 2026

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