

**Summary: Executive Budget Recommendation
for Fiscal Year 2026-27
TOTAL GENERAL GOVERNMENT**



Analyst: Michael Cnossen

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

Note: Appropriation figures for FY 2025-26 includes 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

Sec. 206. Disciplinary Action Against State Employees – DELETED

Prohibits departments from taking disciplinary action against employees in the state classified civil service for communicating with legislators or their staff; stipulates disciplinary action may be taken if the communication is prohibited by law and disciplinary action is exercised as authorized by law. *(Governor deemed this section unenforceable.)*

Sec. 208. State Administrative Board Transfers – DELETED

Authorizes the legislature to intertransfer funds via concurrent resolution if the State Administrative Board transfers funds. *(Governor deemed this section unenforceable.)*

Sec. 212. State Restricted Funds Report – DELETED

Requires department and State Budget Office to report on state restricted fund balances, projected state restricted fund revenues, and state restricted fund expenditures.

Sec. 215. Legislatively Directed Spending Items – NEW

Requires HFA/SFA 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 post a report on March 15 and to update the report on June 15 and September 15.

Sec. 217. Work Project Appropriations Status Report – REVISED

Requires departments and agencies 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. Executive revises to add the legislature as a required reporting entity.

Sec. 217. 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.

Major Boilerplate Changes from FY 2025-26

Sec. 218. Retention of Reports – DELETED

Requires departments and agencies to receive and retain copies of all reports required; requires federal and state guidelines to be followed for short-term and long-term retention of records; authorizes department to electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 218. 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. 219. Report on Policy Changes Made to Implement Public Acts – DELETED

Requires departments and agencies to report on policy changes made in order to implement enacted legislation.

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. *(Governor deemed this section unenforceable.)*

Sec. 222. Expending Available Work Project Authorization – DELETED

Prohibits appropriations from being expended in cases where existing work project authorization is available for the same expenditures. *(Governor deemed this section unenforceable.)*

Sec. 223. Impact of Federal Policy Changes – REVISED

Requires departments and agencies to report on federal policy changes that are expected to affect department operations, affect groups departments and agencies engage with, or create a regulatory gap. Executive revises to replace requirement to report on whether policy changes affect an industry, community, population, or other group which the department or agency serves with whether it leads to a reduction in the department's ability to safeguard the health or welfare of the public.

Sec. 224. Annual Strategic Plan – DELETED

Requires departments and agencies to provide a copy of their annual strategic plan which must include the mission, vision, goals, strategies, and performance measures of departments and agencies.

Sec. 226. State Obligations – DELETED

Requires departments and agencies to report on any court settlement that may require further legislative review of state statutory programs or regulations.

Sec. 227. Private and Third-Party Funds – DELETED

Requires departments and agencies to disclose on a publicly accessible website private and other third-party funds received in the previous fiscal year, including the amount and specific source of funding, the purpose for which funding was expended, and the amount of any remaining funds.

Sec. 228. Legislatively Directed Spending Items – DELETED

Requires legislature to provide departments and agencies 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 departments and agencies to post information about grant recipients on their websites.

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.

**Summary: Executive Budget Recommendation
for Fiscal Year 2026-27
DEPARTMENT OF ATTORNEY GENERAL**



Analyst: Michael Crossen

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	Difference: FY 2026-27 vs. FY 2025-26	
			Amount	%
IDG/IDT	\$39,381,700	\$39,899,600	\$517,900	1.3
Federal	10,567,200	10,710,500	143,300	1.4
Local	0	0	0	--
Private	950,000	961,400	11,400	1.2
Restricted	30,223,700	31,073,200	849,500	2.8
GF/GP	45,278,000	48,047,700	2,769,700	6.1
Gross	\$126,400,600	\$130,692,400	\$4,291,800	3.4
FTEs	685.0	685.0	0.0	0.0

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

Overview

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

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	Executive Change from YTD
1. Prosecuting Attorneys Coordinating Council Transfer	Gross	NA
Includes \$2.7 million Gross (\$2.2 million GF/GP) for the transfer of the Prosecuting Attorneys Coordinating Council (PACC) from the Department of Treasury's budget to the Attorney General's budget. This transfer would reverse a transfer of PACC to the Treasury's budget in FY 2025-26. PACC is an autonomous agency, created by 1972 PA 203, responsible for ensuring a uniform system of conduct, duty, and procedure among prosecutors.	Restricted	NA
	GF/GP	NA
		\$2,655,100
		455,100
		\$2,200,000
2. Economic Adjustments	Gross	NA
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
	Federal	NA
	Private	NA
	Restricted	NA
	GF/GP	NA
		\$1,636,700
		517,900
		143,300
		11,400
		394,400
		\$569,700

Major Boilerplate Changes from FY 2025-26

Sec. 315. Legacy Costs – DELETED

States the total amount of funding estimated to be expended on legacy costs in FY 2025-26 is \$13.2 million (\$11.9 million on pension-related legacy costs; \$1.3 million on health care-related legacy costs).

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.

Major Boilerplate Changes from FY 2025-26

Sec. 324. Payroll Fraud Enforcement Unit Report – DELETED

Requires department to report on its website activities and findings of Payroll Fraud Enforcement Unit, including a listing of each complaint received, the unit's finding on validity of each complaint, any enforcement action taken, and complaints subject to action by the department; requires department to request findings of investigations conducted by other departments and agencies to comply with this section.

**Summary: Executive Budget Recommendation
for Fiscal Year 2026-27
DEPARTMENT OF CIVIL RIGHTS**



Analyst: Michael Cossen

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	Difference: FY 2026-27 vs. FY 2025-26	
			Amount	%
IDG/IDT	\$0	\$0	\$0	--
Federal	2,899,300	3,435,200	535,900	18.5
Local	0	0	0	--
Private	18,700	18,700	0	0.0
Restricted	58,500	58,500	0	0.0
GF/GP	25,463,200	25,931,900	468,700	1.8
Gross	\$28,439,700	\$29,444,300	\$1,004,600	3.5
FTEs	174.0	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 2024-25 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	Executive Change from YTD
1. Federal Equal Employment Opportunity Commission Reimbursement	Gross \$1,257,700	\$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.	Federal 1,257,000	500,000
	GF/GP \$0	\$0
2. Disability Rights and Compliance	FTE NA	0.0
Transfers \$1.2 million GF/GP and authorization for 11.0 FTE positions from the Complaint Investigation and Enforcement line to reflect the unrolling of the Disability Rights and Compliance Division (DRACD) into a new line for a \$0 change. DRACD oversees compliance with the Americans with Disabilities Act, the Freedom of Information Act, the Division on Deaf, DeafBlind and Hard of Hearing, and contract compliance.	Gross NA	\$0
	GF/GP NA	\$0
3. 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 – DELETED

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.

Sec. 410. Legacy Costs – DELETED

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).

Supplemental Recommendations for FY 2025-26 Appropriations

**FY 2025-26
Recommendation**

1. Federal Equal Employment Opportunity Reimbursement

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

Gross	\$250,000
Federal	250,000
GF/GP	\$0

**Summary: Executive Budget Recommendation
for Fiscal Year 2026-27
EXECUTIVE OFFICE**



Analyst: Michael Crossen

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	Difference: FY 2026-27 vs. FY 2025-26	
			Amount	%
IDG/IDT	\$0	\$0	\$0	--
Federal	0	0	0	--
Local	0	0	0	--
Private	0	0	0	--
Restricted	0	0	0	--
GF/GP	9,609,200	9,890,200	281,000	2.9
Gross	\$9,609,200	\$9,890,200	\$281,000	2.9
FTEs	96.2	96.2	0.0	0.0

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

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.

<u>Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations</u>	<u>FY 2024-25 YTD (as of 2/5/25)</u>	<u>Executive Change from YTD</u>
1. Executive Office Economic Adjustments	Gross	NA
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
		\$281,000

Major Boilerplate Changes from FY 2025-26

There is no boilerplate for the Executive Office.

**Summary: Executive Budget Recommendation
for Fiscal Year 2026-27
LEGISLATURE**



Analyst: Michael Crossen

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

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

Overview

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

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	Executive Change from YTD
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 – DELETED

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).

**Summary: Executive Budget Recommendation
for Fiscal Year 2026-27
LEGISLATIVE AUDITOR GENERAL**



Analyst: Michael Crossen

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

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

Overview

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

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	Executive Change from YTD
1. Legislative Auditor General Operations	Gross \$31,706,300	\$652,500
Reflects increased costs of \$652,500 GF/GP for operations and staff of the Office of Auditor General.	IDG 7,445,000	0
	Restricted 2,512,900	0
	GF/GP \$21,748,400	\$652,500

Major Boilerplate Changes from FY 2025-26

Sec. 625. Access to Confidential Information – DELETED

States auditor general is not to be denied access to examine confidential information of any branch, department, office, board, commission, agency, authority, or institution of the state.

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

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

**Summary: Executive Budget Recommendation
for Fiscal Year 2026-27
DEPARTMENT OF STATE**



Analyst: Michael Crossen

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	Difference: FY 2026-27 vs. FY 2025-26	
			Amount	%
IDG/IDT	\$20,000,000	\$20,000,000	\$0	0.0
Federal	1,460,000	1,460,000	0	0.0
Local	0	0	0	--
Private	50,100	50,100	0	0.0
Restricted	261,503,800	266,798,000	5,294,200	2.0
GF/GP	11,969,100	11,179,200	(789,900)	(6.6)
Gross	\$294,983,000	\$299,487,300	\$4,504,300	1.5
FTEs	1,607.0	1,607.0	0.0	0.0

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

Overview

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

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Executive Change from YTD
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. 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. 703. Commercial Look-Up Fees Report – DELETED

Requires department to provide quarterly reports on number of records sold and revenue collected.

Sec. 713. Organ Donor Program Public Information Campaign – REVISED

Provides for receipt and expenditure of funds for a public information campaign for organ donor program; authorizes revenues from gifts and grants to be carried forward; requires annual report on amount of revenue collected, purpose of each expenditure, and amount of revenue carried forward. Executive revises to delete reporting requirement.

Major Boilerplate Changes from FY 2025-26

Sec. 714. Branch Office Closings or Consolidations – DELETED

Requires legislature to be notified in writing at least 180 days prior to closing a branch office or 60 days prior to relocating a branch outside of its current local unit of government; notification to include analyses of branch transactions and revenue, citizen impact, and savings and costs.

Sec. 716. In-Person Branch Office Service – DELETED

Requires department to maintain "adequate in-person services" which is defined in Michigan Vehicle Code, MCL 257.1a., as providing in-person service options, without requirement of advance appointment, on each day and at each location a secretary of state branch office is open for services in this state.

Sec. 720. Voter Registration Report – DELETED

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

Sec. 724. Timely Reimbursements to Local Governments – DELETED

Requires department to reimburse cities, townships, and counties for eligible expenses not later than 60 days after receiving all necessary documentation from the local government.

Sec. 725. Legacy Costs – DELETED

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).

Sec. 728. Systematic Review of Qualified Voter File – DELETED

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

**Summary: Executive Budget Recommendation
for Fiscal Year 2026-27
TECHNOLOGY, MANAGEMENT, AND BUDGET**



Analyst: Michael Crossen

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

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

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 State the Child Advocate.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	Executive Change from YTD
1. Statewide Voting System Replacement	Gross NA	\$43,164,000
Includes \$43.2 million GF/GP in one-time funding to purchase new voting system equipment and replace existing equipment for which contracts expire in February 2027 and most of which has reached the end of its lifecycle. The appropriation would supplement \$47.6 million in available funding from Help America Vote Act (HAVA) grants, election administration work projects, interest on HAVA grants and state funds, a FY 2025-26 appropriation in the Election Equipment Reserve Fund, and proposed FY 2026-27 funding for election administration, for a total estimated replacement cost of \$90.7 million.	GF/GP NA	\$43,164,000
2. Michigan Public Safety Communications System (MPSCS) Lifecycle Replacement Maintenance	FTE 137.0	15.0
Provides \$6.7 million GF/GP and authorization for 15.0 FTE positions to provide for lifecycle equipment upgrades and replacements and maintenance of the growing emergency radio communication system that serves over 2,600 local public safety agencies statewide. From the recommended funding amount, \$2.2 million would cover FTE costs for radio communications technicians, maintenance mechanics, IT specialists and a steeplejack. Additional FTEs would be used to help reduce a backlog of vehicle radio equipment installations and services. The remaining \$4.5 million would go towards the replacement of aging equipment at tower locations.	Gross \$49,511,500	\$6,686,900
	Local 2,300,400	0
	GF/GP \$47,211,100	\$6,686,900

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	Executive Change from YTD
3. MPSCS Contract Cost	FTE 137.0	0.0
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.	Gross \$49,511,500	\$2,000,000
	Local 2,300,400	700,000
	GF/GP \$47,211,100	\$1,300,000
4. State Building Authority Capital Outlay Debt Financing	Gross \$261,651,700	\$14,100,000
Appropriates an additional \$14.1 million GF/GP to the annual amount set aside for payments on debt for capital construction projects financed through the State Building Authority. A projected increase in payments due on bonds is expected following recent increases in state capital outlay projects from 10 projects recommended for construction in 2023 PA 321.	GF/GP \$261,651,700	\$14,100,000
5. MI Center for Data and Analytics Data Sharing Platform	FTE 42.0	0.0
Includes \$2.0 million GF/GP to create a data sharing platform to help the state meet requirements of H.R. 1 for Medicaid and Supplemental Nutrition Assistance Program (SNAP) and other federal funding opportunities and requirements.	Gross \$7,013,700	\$1,950,000
	Federal 4,185,200	0
	Local 35,000	0
	Private 100	0
	GF/GP \$2,793,400	\$1,950,000
6. Office of the Child Advocate Case Management System	FTE 22.0	0.0
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.	Gross \$3,878,000	\$140,000
	GF/GP \$3,878,000	\$140,000
7. 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 would support the following:	Gross \$110,985,500	\$5,410,100
<ul style="list-style-type: none"> \$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. 	IDG 110,985,500	5,410,100
	GF/GP \$0	\$0
8. 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
9. 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
10. 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

<u>Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations</u>		<u>FY 2025-26 YTD (as of 2/11/26)</u>	<u>Executive Change from YTD</u>
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 would be from the National Endowment for the Humanities, Institute of Museum and Library Services, and The National Historical Publications and Records Commission. Private funds would 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
13. Office of Performance Management and Communications Transfer	Gross	NA	\$0
Transfers \$3.3 million Gross (\$1.1 million GF/GP) and authorization for 22.5 FTE positions to reflect the transfer of 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. The transfer would align funding with the current reporting structure.	IDG	NA	0
	Restrcted	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 for ITIF, the state's strategic portfolio of information technology system modernization projects, to support new legacy system modernization projects and maintains \$35.0 million GF/GP in the current year base.	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. 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. 809. Computer Contracts – DELETED

Requires DTMB to report revisions that increase or decrease current contracts for computer software development, hardware acquisition, or quality assurance by more than \$500,000, individually or in aggregate.

Major Boilerplate Changes from FY 2025-26

Sec. 812. Legacy Costs – DELETED

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).

Sec. 815. Legal Services Fund – DELETED

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

Sec. 821. State Retirement Systems Report – DELETED

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

Sec. 822. Report on Unclassified Salaries – DELETED

Requires report on individual appointee and unclassified employee salaries, rounded to the nearest thousand dollars, by January 1.

Sec. 822d. Fees and Rates Charged to State Agencies – DELETED

Requires report on fees and rates charged to state agencies, along with justification for any increases from prior year.

Sec. 822e. Census-Related Services – REVISED

Appropriates funding collected by DTMB for providing census-related information and technical services and demographic products; authorizes unexpended funding to be carried forward; requires annual report on amount of revenue collected and carried forward. Executive revises to delete reporting requirement.

Sec. 822g. Supplier Risk Assessment Program – DELETED

Requires not more than an additional \$200,000 appropriated to Business Support Services line item to be used to maintain a comprehensive supplier risk and information subscription used for pre-contract risk assessment.

Sec. 825. Access to SIGMA and MAIN Data – DELETED

Requires legislature and all state departments to have access to historical and current data in SIGMA and MAIN.

Sec. 826. Definition of Information Technology Services – DELETED

Defines "information technology services" as services involving all aspects of managing and processing information, including certain IT management and support items and services.

Sec. 828. IT-Related Appropriations and Expenditures – DELETED

Requires annual report on funding and expenditures for IT services and projects for all executive departments and agencies.

Sec. 829. IT Lifecycle Report – DELETED

Requires report that analyzes and makes recommendations on life-cycle of IT hardware and software.

Sec. 831. Information Technology Services Billing – DELETED

Requires DTMB to submit information technology services-related invoices to departments and agencies no later than 60 days after receiving approval from departments to pay vendor invoices.

Sec. 832. Child Support Enforcement System – DELETED

Requires DTMB to notify legislature of potential or actual penalties for failure of Michigan Child Support Enforcement System to achieve federal certification; requires additional reporting in event of penalties being imposed.

Sec. 834. Commercial-Off-the-Shelf Product Contract Conditions – DELETED

Prohibits contracting for a commercial-off-the-shelf (COTS) product if the vendor would need to make significant customized changes to meet the contracted work requirements; defines "commercial-off-the-shelf" product.

Sec. 835. Information Technology Contract Limits – DELETED

Requires DTMB to provide a report on all new contracts that have a value greater than \$10.0 million or are in effect for longer than 3 years.

Sec. 836. Independent Verification and Validation Contracting – DELETED

Requires Independent Verification and Validation contracted vendors to provide regular reporting to the legislature and the contracted software development vendor on the project.

Major Boilerplate Changes from FY 2025-26

Sec. 838. Reporting on Information Technology Investment Projects – REVISED

Requires department to develop a funding plan for use of funds for projects, including description, cost, timeframe for completion, number of employees, and contracts entered into for each project; requires report that includes the plan and spending reductions or overages for each project. Executive revises to designate unexpended funds as a work project.

Sec. 840. IT Contract Requirements – DELETED

Requires each request for proposal for a contract to include a clear statement of objectives not longer than 5 pages which communicates all essential operational requirements of the contracted service.

Sec. 853. State Employment Education and Experience Requirements – DELETED

Requires Civil Service Commission to review employee classifications and educational requirements necessary for state employment; requires Civil Service Commission to substitute relevant experience for default educational requirement of a bachelor's degree.

Sec. 862. Report on Capital Outlay Projects – DELETED

Requires DTMB to provide various detailed reports to Joint Capital Outlay Subcommittee (JCOS) and fiscal agencies with status of each planning or construction project financed by SBA.

Sec. 863. Office Building Space Usage Report – DELETED

Requires DTMB to submit report which evaluates office building and space usage by all state departments and develop a projection for future building occupancy; lists additional report requirements.

Sec. 866. Energy Efficiency Revolving Fund – REVISED

Creates Energy Efficiency Revolving Fund within Treasury; authorizes Treasury to receive money or other assets for deposit into fund and to credit interest and earnings into fund; provides carry-forward authorization for unexpended funds at close of fiscal year; requires DTMB to provide oversight for fund, coordinate call for projects, and prioritize projects to be awarded funds; limits administrative costs to 10% of total project cost; describes department's responsibilities in administering the fund; requires report on details of projects funded from fund. Executive revises to appropriate all money deposited into the fund for projects in accordance with 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 and authorizes funds to carry forward to subsequent fiscal year.

Sec. 890. Election Equipment Reserve Fund – NEW

Requires DTMB to provide assistance in replacing a uniform voting system through centralized procurement and information technology support; appropriates any principal, interest and earnings deposited into the election administration support fund and federal Help America Vote Act funds, including any interest and earnings for the purposes of this section; requires DTMB to collaborate with other state departments, as appropriate, including making budgetary and accounting transactions, to implement this section; authorizes unexpended funds to be designated as a work project for the purchase of election equipment and authorizes funds to carry forward to subsequent fiscal year.

	<u>FY 2025-26 Recommendation</u>	
<u>Supplemental Recommendations for FY 2025-26 Appropriations</u>		
1. Budget Stabilization Fund Withdrawal	Gross	NA
Includes a withdrawal of \$400.0 million from the Countercyclical Budget and Economic Stabilization Fund.	GF/GP	NA
2. Gubernatorial Transition Costs	Gross	\$3,000,000
Includes \$3.0 million GF/GP to support costs of the upcoming gubernatorial transition. Costs include office space leasing, office equipment, supplies, contractual services, security, and outgoing FTE accrued benefits, among other things.	GF/GP	\$3,000,000
3. State Archives of Michigan Federal Grant	Gross	\$100,000
Includes \$100,000 in federal National Historical Publications & Records Commission (NHPRC) grant award funding 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.	Federal GF/GP	100,000 \$0

Supplemental Recommendations for FY 2024-25 Appropriations

**FY 2024-25
Recommendation**

1. Civil Service Commission IT System Upgrade

Includes \$3.3 million of state restricted funding from rates charged to departments and agencies to upgrade the Human Resource Management Network System (HRMN). The upgrade would enable the transition from the on-premises human resources, payroll and benefits system that supports over 50,000 users to a government cloud platform. Funding would support the first year of the multi-year project and supplement funding appropriated for the project in FY 2025-26. Total project costs would be \$47.9 million. This funding was originally requested as part of Legislative Transfer Request 2025-8 and was not included in the final approved transfers.

Gross	\$3,342,600
Restricted	3,342,600
GF/GP	\$0

**Summary: Executive Budget Recommendation
for Fiscal Year 2026-27
TREASURY**



Analyst: Michael Crossen

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2025-26 Executive	Difference: FY 2025-26 vs. FY 2024-25	
			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	2,324,800,500	51,532,400	2.3
GF/GP	327,800,400	295,706,800	(32,093,600)	(9.8)
Gross	\$2,656,345,100	\$2,674,364,000	\$18,018,900	0.7
FTEs	1,965.5	1,980.5	15.0	0.8

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

Overview

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

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Executive Change from YTD
1. Tax Administration – Proposed Tobacco, Vaping, Non-Tobacco Nicotine Products Tax	FTE	NA	17.0
Includes \$2.4 million GF/GP and authorization for 17.0 FTE positions to administer collection, enforcement, licensing, and compliance with a proposed tax of \$3.00 per pack of cigarettes and a 57% wholesale tax on vaping and non-tobacco nicotine products. Of this amount, \$895,700 and 7.0 FTE positions would go to tax administration services and \$1.5 million and 10.0 FTEs would go to tobacco tax enforcement.	Gross	NA	\$2,350,000
	GF/GP	NA	\$2,350,000
2. Tax Administration – Proposed Digital Advertising Tax	FTE	NA	5.0
Includes \$2.0 million GF/GP and authorization for 5.0 FTE positions for administrative support of collecting a proposed excise tax of 4.7% on digital advertising revenue. Of this amount, \$571,700 and 5.0 FTE positions would go to tax administration services and \$1.3 million would go to information technology.	Gross	NA	\$2,000,000
	GF/GP	NA	\$2,000,000
3. Tax Administration – Proposed Internet Gaming and Sports Betting Tax	FTE	NA	4.0
Includes \$600,000 of state restricted revenue from the Internet Gaming Fund and authorization for 4.0 FTE positions for administrative support of collecting a proposed 25 cents per bet tax on each sports betting wager.	Gross	NA	\$600,000
	Restricted	NA	600,000
	GF/GP	NA	\$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Executive Change from YTD
4. MGCB Information Technology	Gross	\$5,370,000	\$3,120,000
Includes \$3.1 million of state restricted revenue from the Fantasy Contest Fund, Internet Gaming Fund, Internet Sports Betting Fund, and State Services Fee Fund for modernization of legacy information technology systems and new technology solutions for internet gaming oversight, enforcement, and responsible gaming processes. From the total funding, \$2.5 million would be appropriated as a one-time appropriation.	Restricted	5,370,000	3,120,000
	GF/GP	\$0	\$0
5. MGCB Responsible Gaming Youth Expansion	Gross	NA	\$300,000
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.	Restricted	NA	300,000
	GF/GP	NA	\$0
6. Constitutional Revenue Sharing	Gross	\$1,010,082,900	\$35,254,800
Includes an increase of \$35.3 million of restricted sales tax revenue relative to the FY 2025-26 budget act appropriated amount for constitutionally required payments to cities, villages, and townships, for an estimated projected total of \$1.0 billion in FY 2026-27. When compared to updated January 2026 CREC estimates for FY 2025-26, the FY 2026-27 appropriation reflects a \$25.0 million decrease.	Restricted	1,010,082,900	35,254,800
	GF/GP	\$0	\$0
7. 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
8. 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 would be distributed as follows:	Restricted	50,000,000	0
<ul style="list-style-type: none"> \$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 million for Public Safety Revenue Sharing Grants is removed as noted below in item number 19.	GF/GP	\$0	\$0
9. Debt Service Adjustments	Gross	\$89,881,000	\$7,598,000
Includes a net increase of \$7.6 million GF/GP based on existing debt service schedules and projected new debt service issues, distributed as follows:	GF/GP	\$89,881,000	\$7,598,000
<ul style="list-style-type: none"> Clean Michigan Initiative – decrease of \$17,105,000 Great Lakes Water Quality Bonds – increase of \$27,201,000 Quality of Life Bonds – decrease of \$2,498,000 			
10. 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 would align payments with current property tax estimates. Increased payments would include \$1.3 million for state purchased lands and \$2.2 million for DNR swamp and tax reverted lands.	Private	40,300	4,000
	Restricted	8,044,300	804,500
	GF/GP	\$30,227,900	\$2,662,400
11. 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

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	Executive Change from YTD
12. 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
13. City Income Tax Program Flint Inclusion	FTE	77.0	0.0
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.	Gross	\$11,222,000	\$1,000,000
	Local	11,220,000	1,000,000
	GF/GP	\$0	\$0
14. Collections Services Bureau Increase	FTE	190.0	0.0
Includes \$500,000 in IDG authorization from state agency collection fees to support operational costs and activities of the Collections Services Bureau.	Gross	\$29,067,700	\$500,000
	IDG	6,097,200	500,000
	Restricted	22,414,300	0
	GF/GP	\$556,200	\$0
15. Restricted and IDG Revenue Adjustments	Gross	NA	\$22,278,700
Includes the following adjustments to align restricted authorizations with revenue:	Local		(250,000)
• \$22.5 million in restricted revenue for the Qualified Heavy Equipment Rental Personal Property Exemption Reimbursement Distribution	Restricted	NA	22,528,700
• \$28,700 in restricted revenues for Emergency 911 Payments	GF/GP	NA	\$0
• (\$250,000) in local Assessor Training Fees for Property Tax Assessor Training.			
16. 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
17. 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
18. 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
19. 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)
• Public Safety Constituency Grants (\$25.0 million GF/GP)	Private	3,000,000	(3,000,000)
• Public Safety Revenue Sharing Grants (\$20.0 million GF/GP)	Restricted	2,955,100	(2,955,100)
• Financial Literacy (\$3.0 million private)	GF/GP	\$47,200,000	(\$47,200,000)
• Comprehensive Road Funding Administration (\$2.5 million state restricted)			
• Prosecuting Attorneys Coordinating Council (\$2.7 million Gross, \$2.2 million GF/GP and 14.0 FTE positions). The office was recommended for transfer back to the Department of Attorney General.			

<u>Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations</u>	<u>FY 2025-26 YTD (as of 2/11/26)</u>	<u>Executive Change from YTD</u>	
20. 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 2024-25

Sec. 901. Contingency Authorization – REVISED

Appropriates up to \$500,000 in federal, \$10.0 million in state restricted, \$100,000 in local, and \$20,000 in private contingency authorization; authorizes expenditure after legislative transfer to specific line items. Executive revises to appropriate \$1.0 million in federal, \$200,000 in local, and \$40,000 in contingency authorization.

Sec. 902a. Notification of Bond Refunding or Restructuring – DELETED

Requires Treasury to report, not more than 30 days after a refunding or restructuring bond issue is sold, on the annual debt service changes, the change in principal and interest over the duration of the debt, and the projected change in the present value of the debt service due to the refinancing and restructuring.

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. Executive revises report due date from November 30 to 30 days after publication of the Annual Comprehensive Financial Report.

Sec. 934. Expending of Authority Revenues – REVISED

Authorizes Treasury to expend revenues under various authorities for operation expenses and grants to the Civil Service Commission and the State Employee's Retirement Fund; requires a report on expenditures over \$250,000. Executive revises to delete reporting requirement.

Sec. 947. Financial Independence Teams – DELETED

Expresses legislative intent that financial independence teams cooperate with the Financial Responsibility Section to coordinate and streamline efforts in identifying and addressing fiscal emergencies in school districts and intermediate school districts.

Sec. 948. Legacy Costs – DELETED

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).

Sec. 949c. Department of Agriculture and Rural Development Coordination – REVISED

Requires Treasury to coordinate with Department of Agriculture and Rural Development to improve the processing and issuance of tax credits from the Michigan Farmland and Open Space Preservation Program. Executive revises to delete specific services required under the requirement for "timely processing and issuance of tax credits".

Sec. 949o. Private Grants Receipt and Expend Authorization – NEW

Appropriates private revenue upon receipt for expenditure on grants for the purposes specified in the grant agreement; 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.

Major Boilerplate Changes from FY 2024-25

REVENUE SHARING

Sec. 959. Public Safety Revenue Sharing Grants – REVISED

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

CASINO GAMING

Sec. 973. Local Revenue Sharing Boards – REVISED

Authorizes funds for local government programs to assist local revenue sharing boards; requires boards to comply with Open Meetings and Freedom of Information acts; authorizes county treasurers to receive and administer revenue on behalf of boards; authorizes directors of State Police and MGCB to help local boards allocate funds to local public safety organizations; requires local revenue sharing boards to comply with all applicable provisions of any agreement authorized by the Indian Gaming Regulatory Act, Public Law 100-497; requires MGCB to report on revenue receipt and distribution. Executive revises to delete reporting requirement.

Sec. 979. Millionaire Party Regulation – REVISED

Authorizes receipt and expenditure of Internet Gaming Fund revenue in an amount not to exceed the amount appropriated to MGCB to support regulation and licensing of millionaire parties; requires a report. Executive revises to delete reporting requirement.

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 of funds for firefighters to go to on call, volunteer, or part time forces.

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.

STATE BUILDING AUTHORITY

Sec. 1104. Expenditure Authorization – NEW

Authorizes the State Building Authority to expend revenues received under the State Building Authority Act and Executive Reorganization Order 2013-3 for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, grants to the civil service commission retirement fund and the state employees' retirement fund, and other expenses; requires a report on the amount and purposes of expenditures authorized under this section of \$250,000 or more that are in addition to funds appropriated in part 1 and a list of reimbursement revenue, if any.

Supplemental Recommendations for FY 2025-26 Appropriations

**FY 2025-26
Recommendation**

1. Tax Administration – Proposed Senior Property Tax Credit

Includes \$750,000 in state restricted delinquent tax collection revenue to make changes to tax collection information technology systems related to implement changes from the Executive's proposed senior property tax credit.

Gross	\$750,000
Restricted	750,000
GF/GP	\$0