

FY 2026-27 GENERAL OMNIBUS BUDGET
Summary: As Reported by House Subcommittee
House Bill 5619 (H-1)



Mary Ann Cleary, Director

TOTAL APPROPRIATIONS BY BUDGET AREA

Budget Area [Summary Page]	FY 2026-27	
	Gross	GF/GP
Agriculture and Rural Development [2]	\$132,213,600	\$74,222,200
Corrections [10]	2,122,408,400	2,086,801,900
Education [17]	139,976,400	48,151,600
Environment, Great Lakes, and Energy [23]	470,613,600	102,169,900
General Government [28]		
<i>Attorney General</i> [31]	118,609,400	36,144,900
<i>Civil Rights</i> [34]	23,263,500	19,758,600
<i>Executive Office</i> [36]	9,890,200	9,890,200
<i>Legislature</i> [37]	209,419,300	204,702,600
<i>Legislative Auditor General</i> [39]	32,657,500	22,400,900
<i>State</i> [40]	249,314,200	8,699,800
<i>Technology, Management, and Budget</i> [43]	1,401,465,300	464,051,400
<i>Treasury</i> [51]	2,613,936,800	267,217,200
Subtotal: General Government	4,658,556,200	1,032,865,600
Health and Human Services		
<i>DHHS – Human Services</i> [57]	6,644,754,000	1,419,633,300
<i>DHHS – Medicaid and Behavioral Health</i> [64]	22,936,432,900	5,589,494,800
<i>DHHS – Public Health</i> [75]	1,136,050,200	321,979,100
Insurance and Financial Services [78]	73,271,400	0
Judiciary [83]	371,833,300	264,000,000
Labor and Economic Opportunity [87]	1,452,091,500	100,920,900
Licensing and Regulatory Affairs [101]	589,772,400	260,434,000
Lifelong Education, Advancement, and Potential [110]	629,852,800	209,536,800
Military and Veterans Affairs [116]	256,513,000	88,925,900
Natural Resources [122]	506,870,300	36,710,000
State Police [127]	919,460,200	594,958,200
Transportation [137]	8,594,461,900	100,000,000
TOTAL	\$51,635,132,100	\$12,330,804,200

Note: Appropriation figures include all proposed appropriation amounts, including amounts designated as “one-time.”

FY 2026-27: AGRICULTURE AND RURAL DEVELOPMENT
Summary: As Reported by House Subcommittee
Article 1, House Bill 5619 (H-1)



Analyst: William E. Hamilton

	FY 2025-26	FY 2026-27	FY 2026-27	FY 2026-27	FY 2026-27	Difference: House	
	Year-to-Date as of 2/11/26	Executive	House	Senate	Conference	From FY 2025-26 YTD	
						Amount	%
IDG/IDT	\$336,600	\$338,600	\$306,600	\$	\$	(\$30,000)	(8.9)
Federal	20,079,600	20,245,000	15,292,000			(4,787,600)	(23.8)
Local	0	0	0			0	-
Private	0	0	0			0	-
Restricted	47,972,400	54,563,700	42,392,800			(5,579,600)	(11.6)
GF/GP	77,496,400	72,900,400	74,222,200			(3,274,200)	(4.2)
Gross	\$145,885,000	\$148,047,700	\$132,213,600	\$	\$	(\$13,671,400)	(9.4)
FTEs	552.0	558.0	489.5			(62.5)	(11.3)

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 YTD (as of 2/11/26)	House Change from YTD
1. Unclassified Positions	FTE 6.0	0.0
<u>House</u> reduces funding to reflect FY 2024-25 actual expenditures.	Gross \$1,064,200	(\$303,300)
	Restricted 345,300	(282,500)
	GF/GP \$718,900	(\$20,800)
2. Accounting Service Center	Gross \$1,190,900	(\$13,500)
<u>House</u> reduces funding by \$13,500 Gross to reflect FY 2024-25 actual expenditures.	Restricted 13,500	(13,500)
	GF/GP \$1,177,400	\$0
3. Commissions and Boards	Gross \$23,800	(\$8,800)
<u>House</u> eliminates \$8,800 state restricted Michigan Craft Beverage Council Fund support in this line item.	Restricted 8,800	(8,800)
	GF/GP \$15,000	\$0
4. Emerging Contaminates in Food and Agriculture	FTE 6.0	0.0
<u>House</u> reduces funding by \$220,600 GF/GP to reflect FY 2024-25 actual expenditures.	Gross \$1,362,200	(\$220,600)
	GF/GP \$1,362,200	(\$220,600)
5. Executive Direction	FTE 17.0	(1.7)
<u>House</u> retains current-year funding but reduces FTE authorization by 1.7 FTEs to 15.3 FTEs.	Gross \$2,532,200	\$0
	Federal 15,000	0
	Restricted 116,100	0
	GF/GP \$2,401,100	\$0
6. Property Management	Gross \$876,300	(\$43,800)
<u>House</u> reduces baseline funding by \$43,800 Gross (\$79,500 GF/GP).	Restricted 143,000	35,700
	GF/GP \$733,300	(\$79,500)
7. Information Technology	Gross \$2,386,400	(\$1,193,200)
<u>Executive</u> provides \$422,800 increase (all restricted) for increased IT operational costs. <u>House</u> reduces baseline funding 50% from current year, a reduction of \$1.2 million Gross (\$1.1 million GF/GP).	Restricted 249,000	(124,500)
	GF/GP \$2,137,400	(\$1,068,700)

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
8. Food Safety/Quality Assurance	FTE	103.0	(2.4)
<u>Executive</u> provides a \$1.0 million increase in baseline funding (all restricted Dairy and Food Safety Fund), and authorization for 5.0 FTE positions, to strengthen consumer protection program, specifically, related to dangerous food additives and supplements. Also, replaces \$2.5 million GF/GP with a corresponding amount of state restricted Dairy and Food Safety Fund. <u>House</u> retains at current-year funding plus \$1.0 million in Dairy and Food Safety Fund support identified for consumer protection; reduces FTE authorization by 2.4 FTE positions to 100.6 FTEs.	Gross	\$18,407,500	\$1,000,000
	Federal	2,449,400	0
	Restricted	6,743,600	1,000,000
	GF/GP	\$9,214,500	\$0
9. Milk Safety and Quality Assurance	FTE	36.0	(7.2)
<u>House</u> reduces funding by \$398,700 Gross (\$58,200 GF/GP) to reflect FY 2024-25 actual expenditures; reduces FTE authorization by 7.2 FTEs to 28.8 FTEs.	Gross	\$6,057,500	(\$398,700)
	Federal	191,900	(131,500)
	Restricted	209,000	(209,000)
	GF/GP	\$5,656,600	(\$58,200)
10. Animal Disease Prevention and Response	FTE	63.0	(4.3)
<u>House</u> reduces funding by \$363,600 Gross (\$103,400 GF/GP) to reflect FY 2024-25 actual expenditures; reduces FTE authorization by 4.3 FTEs to 58.7 FTEs.	Gross	\$11,208,400	(\$363,600)
	Federal	1,089,100	(36,900)
	Restricted	223,300	(223,300)
	GF/GP	\$9,896,000	(\$103,400)
11. Animal Feed Safety	FTE	10.0	(0.8)
<u>House</u> reduces funding to reflect FY 2024-25 actual expenditures; reduces FTE authorization by 0.8 FTEs to 9.2 FTEs.	Gross	\$2,127,200	(\$457,200)
	Federal	410,500	0
	Restricted	1,451,500	(456,800)
	GF/GP	\$265,200	(\$400)
12. Environmental Stewardship/MAEAP	FTE	27.0	(10.1)
<u>House</u> reduces funding by \$4.3 million Gross (\$8,000 GF/GP) reflecting FY 2024-25 actual expenditures; reduces FTE authorization by 10.1 FTEs to 16.9 FTEs.	Gross	\$11,024,600	(\$4,298,100)
	Federal	1,985,800	0
	Restricted	8,559,200	(4,290,100)
	GF/GP	\$479,600	(\$8,000)
13. Local Conservation Districts	Gross	\$3,000,000	\$500,000
<u>House</u> includes \$3.5 million, a \$500,000 GF/GP increase from current year.	GF/GP	\$3,000,000	\$500,000
14. Pesticide and Plant Pest Management	FTE	79.0	(9.9)
<u>House</u> reduces funding by \$1.0 million Gross (\$76,000 GF/GP) to reflecting FY 2024-25 actual expenditures; reduces FTE authorization by 9.9 FTEs to 69.1 FTEs.	Gross	\$14,032,300	(\$1,000,300)
	Federal	1,301,300	0
	Restricted	6,612,500	(924,300)
	GF/GP	\$6,118,500	(\$76,000)
15. Right to Farm	FTE	6.5	0.0
<u>House</u> reduces funding by \$47,800 Gross, (\$15,800 GF/GP) to reflect FY 2024-25 actual expenditures.	Gross	\$1,060,100	(\$47,800)
	IDG	97,800	(32,000)
	GF/GP	\$962,300	(\$15,800)
16. Soil Health and Regenerative Agriculture	FTE	5.0	0.0
<u>House</u> reduces funding by \$10,600 GF/GP to reflect FY 2024-25 actual expenditures.	Gross	\$2,035,500	(\$10,600)
	GF/GP	\$2,035,500	(\$10,600)
17. Agricultural Support	FTE	5.0	(1.3)
<u>Executive</u> makes baseline reduction of \$100,000 GF/GP with no change in FTE authorization. <u>House</u> reduces funding by \$5,000 GF/GP to reflect FY 2024-25 actual expenditures; reduces FTE authorization by 1.3 FTEs to 3.7 FTEs.	Gross	\$1,005,000	(\$5,000)
	GF/GP	\$1,005,000	(\$5,000)

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
18. Agricultural Development	FTE	16.0	(4.6)
<u>House</u> reduces funding by \$703,500 Gross (\$29,500 GF/GP) to reflect FY 2024-25 actual expenditures; reduces FTE authorization by 4.6 FTEs to 11.4 FTEs.	Gross	\$4,882,500	(\$703,500)
	Federal	2,689,900	(674,000)
	Restricted	173,600	0
	GF/GP	\$2,019,000	(\$29,500)
19. Fair Food Network – Double Up Food Bucks	Gross	\$5,000,000	(\$1,000,000)
<u>Executive</u> retains \$5.0 million GF/GP (\$4.0 million ongoing, \$1.0 million One-time) for program that provides a supplemental benefit to SNAP recipients for the purchase of fresh fruits and vegetables. <u>House</u> retains \$4.0 million GF/GP ongoing but does not include \$1.0 million GF/GP in one-time appropriations.	GF/GP	\$5,000,000	(\$1,000,000)
20. Farm to Family Program	FTE	6.0	(3.0)
<u>House</u> reduces funding by \$14,300 GF/GP to reflect FY 2024-25 actual expenditures; reduces FTE authorization by 3.0 FTEs to 3.0 FTEs.	Gross	\$3,014,300	(\$14,300)
	GF/GP	\$3,014,300	(\$14,300)
21. Farm Start	FTE	0.0	0.0
<u>Executive</u> includes \$2.0 million in state restricted Dairy and Food Safety Fund support, and authorization for 2.0 FTE positions, for a new program to serve beginning farmers and farm-related support professions and trades in Michigan – including coordination of existing federal, state, and local resources. <u>House</u> does not include.	Gross	\$0	\$0
	Restricted	0	0
	GF/GP	\$0	\$0
22. Farmland and Open Space Preservation	FTE	10.0	(2.0)
<u>House</u> reduces funding by \$403,200 Gross to reflect FY 2024-25 actual expenditures; reduces FTE authorization by 2.0 FTEs to 8.0 FTEs.	Gross	\$1,613,800	(\$403,200)
	Restricted	1,613,800	(403,200)
	GF/GP	\$0	\$0
23. Food and Agriculture Investment Grant Program	Gross	\$2,449,300	\$0
<u>Executive</u> retains \$2.5 million GF/GP in ongoing funding. <u>House</u> concurs with Executive.	GF/GP	\$2,449,300	\$0
24. Food and Agriculture Supply Chain	FTE	1.0	(1.0)
<u>House</u> removes funding and FTE authorization.	Gross	\$305,100	(\$305,100)
	GF/GP	\$305,100	(\$305,100)
25. Fruit and Vegetable Inspections	FTE	8.0	0.0
<u>House</u> reduces funding by \$352,800 restricted reflecting FY 2024-25 actual expenditures.	Gross	\$1,313,300	(\$352,800)
	Restricted	705,500	(352,800)
	GF/GP	\$607,800	\$0
26. Intercounty Drain	FTE	5.0	(0.3)
<u>House</u> reduces funding by \$14,000 GF/GP to reflect FY 2024-25 actual expenditures and reduces FTE authorization by 0.3 FTEs to 4.7 FTEs.	Gross	\$897,800	(\$14,000)
	GF/GP	\$897,800	(\$14,000)
27. Migrant Labor Housing	FTE	9.0	(1.0)
<u>House</u> reduces funding to reflect FY 2024-25 actual expenditures; reduces FTE authorization to 8.0 FTEs.	Gross	\$1,410,000	(\$165,600)
	Restricted	145,100	(145,100)
	GF/GP	\$1,264,900	(\$20,500)
28. Michigan Craft Beverage Council	FTEs	1.0	(1.0)
<u>House</u> eliminates funding and FTE authorization.	Gross	\$1,346,600	(\$1,346,600)
	Restricted	1,346,600	(1,346,600)
	GF/GP	\$0	\$0
29. Producer Security/Grain Dealers	FTE	6.0	(0.4)
<u>House</u> reduces funding by \$359,000 restricted to reflect FY 2024-25 actual expenditures; reduces FTE authorization by 0.4 FTEs to 5.6 FTEs.	Gross	\$1,044,500	(\$359,000)
	Restricted	910,800	(359,000)
	GF/GP	\$133,700	\$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
30. Qualified Forest Program	FTE	4.0	(0.4)
<u>Executive</u> Includes \$300,000 increase from the state restricted Private forestland enhancement fund; retains \$5.4 million federal USDA reforestation grant. <u>House</u> retains private forestland enhancement fund support at current-year level; eliminates \$5.4 million federal spending authority (the related federal USDA reforestation grant appears to be unavailable); eliminates GF/GP support.	Gross	\$7,826,500	(\$6,746,400)
	Federal	5,400,000	(5,400,000)
	Restricted	1,080,100	0
	GF/GP	\$1,346,400	(\$1,346,400)
31. Office of Rural Prosperity	FTE	0.0	1.0
The Office of Rural Development Prosperity had been transferred to the Department of Labor and Economic Opportunity (LEO) by Executive Order 2023-6, and related funding eliminated from the MDARD budget in FY 2024-25. <u>House</u> would move funding back to the MDARD budget.	Gross	\$0	\$2,299,400
	Federal	0	1,600,000
	GF/GP	\$0	\$699,400
32. Rural Development Fund Grant Program	FTE	1.0	0.0
<u>Executive</u> 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. <u>House</u> would retain funding for this grant program in the MDARD budget.	Gross	\$2,009,500	\$0
	Restricted	2,009,500	0
	GF/GP	\$0	\$0
33. Consumer Protection	FTE	39.0	0.0
<u>House</u> reduces funding by \$59,800 Gross (increase of \$253,200 GF/GP) to reflect FY 2024-25 actual expenditures.	Gross	\$6,988,800	(\$59,800)
	Restricted	4,965,200	(313,000)
	GF/GP	\$2,023,600	\$253,200
34. Laboratory Services	FTE	25.0	(9.5)
<u>House</u> reduces funding by \$1.2 million Gross (increase of \$423,400 GF/GP) to reflect FY 2024-25 actual expenditures and reduces FTE authorization by 9.5 FTEs to 15.5 FTEs.	Gross	\$8,467,700	(\$1,249,000)
	IDG	238,800	0
	Federal	1,758,100	0
	Restricted	2,164,500	(1,672,400)
	GF/GP	\$4,306,300	\$423,400
35. Integrated Solutions	FTE	25.0	(2.9)
<u>Executive</u> recognizes \$160,000 net increase in restricted fund support with no other changes to funding or FTE authorization. <u>House</u> reduces by \$2.2 million Gross (\$1.4 million GF/GP) to \$1.5 million Gross (\$522,000 GF/GP) reflecting FY 2024-25 actual expenditures; reduces FTE authorization by 2.9 FTEs to 22.1 FTEs.	Gross	\$3,724,100	(\$2,184,100)
	Restricted	1,768,700	(750,700)
	GF/GP	\$1,955,400	(\$1,433,400)
36. USDA Monitoring Program	FTE	9.0	(0.1)
<u>House</u> reduces funding by \$225,700 Federal to reflect FY 2024-25 actual expenditures; reduces FTE authorization by 0.1 FTEs to 8.9 FTEs.	Gross	\$1,743,800	(\$225,700)
	Federal	1,743,800	(225,700)
	GF/GP	\$0	\$0
37. Horse Racing Programs	Gross	\$4,514,200	\$1,818,000
<u>Executive</u> had provided \$2.0 million increase in state restricted Agriculture Equine Industry Development Fund (AEIDF) support for various horse racing line items, including lines that support purses, purse supplements, and breeders awards for standardbred horse racing. <u>House</u> changes AEIDF support for horse racing program line items as follows: increases <i>Purses and supplements - fairs/licensed tracks</i> , \$2.0 million AEIDF; reduces MDARD administration line <i>Fairs and racing</i> (\$57,000 AEIDF); eliminates AEIDF support for the Horse Racing Advisory Commission, (\$125,000 AEIDF). These changes result in a net \$1.8 million increase in AEIDF support for various horse racing program line items.	Restricted	4,514,200	1,818,000
	GF/GP	\$0	\$0

<u>Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations</u>	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD	
38. County Fair Grant Program	Gross	\$500,000	\$2,500,000
<u>Executive</u> retains ongoing current year funding of \$250,000 GF/GP, but does not continue \$250,000 GF/GP in one-time funding. <u>House</u> removes \$500,000 GF/GP funding, but includes \$3.0 million in ongoing AEIDF support, a net increase of \$2.5 million Gross.	Restricted	0	3,000,000
	GF/GP	\$500,000	(\$500,000)
39. Removal of FY 2025-26 One-Time Appropriations	Gross	\$1,250,000	(\$1,250,000)
<u>Executive</u> and <u>House</u> remove \$1.25 million GF/GP associated with FY 2025-26 one-time appropriations, including:	GF/GP	\$1,250,000	(\$1,250,000)
<ul style="list-style-type: none"> • 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 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 #20, above); County fairs, shows, and expositions, \$250,000 GF/GP (Item #39, above); Michigan animal agriculture alliance, \$1.5 million GF/GP (Item #41, below).			
40. Michigan Animal Agriculture Alliance (One-time)	Gross	\$1,500,000	\$1,500,000
<u>Executive</u> removes \$1.5 million GF/GP for one-time animal agriculture research program. <u>House</u> includes at \$3.0 million GF/GP, a net increase of \$1.5 million GF/GP.	GF/GP	\$1,500,000	\$1,500,000
41. Economic Adjustments	Gross	NA	\$1,454,800
<u>Executive</u> budget 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. <u>Executive</u> budget spreads economics adjustments to department operating line items. <u>House</u> concurs with <u>Executive</u> with respect to total funding but includes as a single departmentwide economic adjustments line.	IDG/IDT	NA	2,000
	Federal	NA	80,500
	Restricted	NA	442,300
	GF/GP	NA	\$930,000
42. Employees by Status	Gross	NA	\$0
<u>House</u> includes the estimated number of full-time, limited-term, noncareer/per diem, part-time, permanent-intermittent, and seasonal people employed by the department. Estimates were obtained from the Forty-Sixth Annual Workforce Report published by the Civil Service commission and are as follows:	GF/GP	NA	\$0
<ul style="list-style-type: none"> • Full-time employees – 495.0 • Limited-term employees – 4.0 • Noncareer/per diem employees – 25.0 • Part-time employees – 0.0 • Permanent-intermittent employees – 3.0 • Seasonal employees – 0.0 			

Major Boilerplate Changes from FY 2025-26

[Section numbers are as shown in current year appropriations act; section number in House bill is shown after description of boilerplate change]

Sec. 206. Communication with the Legislature –RETAINED

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. Executive deletes. House retains, renumbered as Sec. 221. *(The Governor had previously indicated this section was unenforceable.)*

Major Boilerplate Changes from FY 2025-26

Sec. 207. Out-of-State Travel – REVISED

Requires 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. Executive retains. House revises to add requirement to report on destination of each travel occurrence, including the specific name of events or meetings attended; renumbers as Sec. 211.

Sec. 210. Contingency Authorization – REVISED

Authorizes up to \$3.0 million in federal, \$2.0 million in state restricted, and \$100,000 each in local and private contingency authorization; authorizes expenditure of funds after legislative transfer to specific line items in accordance with the Management and Budget Act. Executive retains. House revises to delete local and private contingency authorization; renumbers as Sec. 216.

Sec. 212. Restricted Fund Report – RETAINED

Section that requires the department to work with the State Budget Office to provide a report on restricted fund revenues, expenditures, and fund balances. [This report is currently included in the annual budget presentation.] Executive deletes. House retains; renumbers as Sec. 209.

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. Executive retains. House deletes.

Sec. 214. Geographically Disadvantaged Business Enterprises Compete for Contracts – DELETED

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. Executive retains. House deletes.

Sec. 215. FTE Positions – REVISED

Requires department to report on the number of FTE positions in pay status by civil service classification, including a comparison by line item of the number of full-time positions authorized and the actual number of people employed. Executive retains. House revises to include reporting on employees in full-time, part-time, permanent-intermittent, limited-term, seasonal, worker's compensation, noncareer/per diem, job share, and special personal services/contractual statuses and the number of overtime hours worked by employees by classifications; renumbered as Sec. 212.

Sec. 218. Retention of Reports – REVISED

Requires department to follow federal and state law and guidelines for short- and long-term retention of records; authorizes department to electronically retain copies of reports unless otherwise required by federal and state guidelines. Executive deletes. House revises to require department to electronically retain copies unless otherwise required by federal and state guidelines, renumbers as Sec. 206.

Sec. 221. Expending Available Work Project Authorization – RETAINED

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. Executive deletes. House retains; renumbers as Sec. 218. *(The Governor had previously indicated that this section was unenforceable.)*

Sec. 223. State Administrative Board Transfers – RETAINED

Authorizes the legislature to intertransfer funds via concurrent resolution if the State Administrative Board transfers funds. Executive deletes. House retains; renumbers as Sec. 204. *(The Governor had previously indicated this section was unenforceable.)*

Sec. 224. Report on Policy Changes for Public Act Implementation – RETAINED

Deletes section that requires the department to report on policy changes made to implement public acts that took effect during the prior calendar year. Executive deletes. House retains; renumbers as Sec. 213.

Sec. 226. 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. Executive retains. House revises to require biannual reports on remote work policies by division, building occupancy rates by address, whether buildings are state-owned or leased, and aggregate badge scanning information by employee; defines occupancy as the actual number of employees physically present in a workplace; renumbers as Sec. 222.

Major Boilerplate Changes from FY 2025-26

Sec. 228. E-Verify Requirement – REVISED

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; 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. Executive deletes. House revises to prohibit department from contracting with foreign entities that are known or suspected enemies of the United States or known foreign adversaries; lists known foreign adversaries; renumbers as Sec. 223. (The Governor had previously indicated this section was unenforceable.)

Sec. 229. Impact of Federal Policy Changes – DELETED

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. Executive revises to require reporting on significant federal policy changes that significantly impact department operations. House deletes.

Sec. 234. Legacy Costs – REVISED

Identifies estimated legacy costs funded from FY 2025-26 appropriations of \$8.9 million (\$8.0 million pension-related legacy costs; \$870,100 health care-related). Executive deletes. House revises to update fiscal year and dollar amounts; renumbers as Sec. 217.

Sec. 235. Annual Strategic Plan/Scorecard Key Metrics – REVISED

Requires department to provide a copy of its annual strategic plan which must include the mission, vision, goals, strategies, and performance measures of the department. Executive deletes. House revises to require a department scorecard that identifies, tracks, and updates on a quarterly basis, key metrics; renumbers as Sec. 214.

Sec. 236. State Obligations – REVISED

Requires department to report on any court settlement that may require further legislative review of state statutory programs or regulations. Executive deletes. House revises to prohibit appropriations from being used to pay for a state obligation that exceeds \$200,000 for a court-approved judgment, settlement, award, or claim, without prior legislative approval; requires notification to be given if a state obligation for a court-approved judgment, settlement, award, or claim results in a change from current statute; renumbers as Sec. 215.

Sec. 237. Private and Third-Party Funds – RETAINED

Requires department 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. Executive deletes. House retains with minor nonsubstantive change; renumbers as Sec. 210.

Sec. 225. 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. House includes new language.

Sec. 226. U.S. Citizenship – NEW

Prohibits state or federal appropriations from being used to provide services, grants, or programming to non-citizens, unless the individuals are qualified aliens as that term is defined under 8 USC section 1641, and unless expenditures are for the purpose of detaining non-citizens. House includes new language.

Sec. 227. Diversity, Equity, and Inclusion – NEW

Prohibits state funds from being used for diversity, equity, and inclusion initiatives or programs. House includes new language.

Sec. 228. 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. House includes new language.

Sec. 502. Soil Health and Regenerative Agriculture – REVISED

Executive makes minor, non-substantive changes to the organization of the section that defines and guides the Soil Health/Regenerative Agriculture appropriation. House concurs with the Executive except with respect to subdivision (3)(b); the House deletes from the list of program outcomes paragraph (viii): “The increase of carbon sequestration capacity of soil.”

Major Boilerplate Changes from FY 2025-26

Sec. 507. Local Conservation Districts – REVISED

House retains section that directs the distribution of the appropriation to local conservation districts that were in operation in the previous fiscal year based upon criteria established by the department. House changes dollar reference from \$3.0 million to \$3.5 million as appropriated in part 1.

Sec. 701. Food and Agriculture Investment Grant Program – REVISED

House retains section that guides the Food and Agriculture Investment Grant program appropriation with the following changes: House lowers allowable MDARD program administration expense from 5% to 3% and strikes “members of socially disadvantaged groups” from the list of those the department is encouraged to identify and encourage to apply for grants.

Sec. 703. Double Up Food Bucks Program – REVISED

House retains section that guides the Double Up Food Bucks Program but revises section to direct the department to work with the Fair Food Network to ensure that at least 95% (from 80%) of program funds be used as a direct reimbursement of participating vendors. House also adds to a reporting requirement that the report include “a description of efforts to expand the program including new grocers and farm markets added to the program during the prior calendar year.”

Sec. 803. Standardbred Sire Stakes at County Fairs – DELETED

House deletes section that provided for the use of \$720,000 from the Purses and supplements – fairs/licensed tracks line item for the Sire stakes if there was not a licensed race meeting/track to host the event.

Sec. 805. County Fair Capital Grant Program – REVISED

House retains section that directs the appropriation for grants to county fairs; changes dollar reference from \$250,000 to \$3.0 million as appropriated in part 1.

FY 2026-27: CORRECTIONS
Summary: As Reported by House Subcommittee
Article 2, House Bill 5619 (H-1)



Analyst: Robin R. Risko

IDG/IDT	FY 2025-26	FY 2026-27	FY 2026-27	FY 2026-27	FY 2026-27	Difference: House	
	Year-to-Date as of 2/11/26	Executive	House	Senate	Conference	From FY 2025-26 YTD	Amount %
	\$0	\$0	\$0	\$	\$	\$0	--
Federal	5,203,700	5,222,600	5,222,600			18,900	0.4
Local	275,000	275,000	275,000			0	0.0
Private	0	0	0			0	--
Restricted	30,304,100	30,559,800	30,108,900			(195,200)	(0.6)
GF/GP	2,128,211,700	2,162,080,700	2,086,801,900			(41,409,800)	(1.9)
Gross	\$2,163,994,500	\$2,198,138,100	\$2,122,408,400	\$	\$	(\$41,586,100)	(1.9)
FTEs	12,774.0	12,774.0	12,318.9			(455.1)	(3.6)

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 April 1, 2026, the department was responsible for 73,057 offenders: 32,335 prisoners; 31,749 probationers; and 8,973 parolees. Compared to last year on April 1, there has been a net decrease in the total number of offenders. The total decreased by 219, or 0.3%. The number of prisoners decreased by 203, or 0.6%. The number of probationers increased by 315, or 1.0%. The number of parolees decreased by 331, or 3.6%.

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
1. Prisoner Health Care Costs	Gross	NA	\$4,200,000
<u>Executive</u> includes \$4.2 million GF/GP to support costs of a 3% inflationary increase for health care and pharmaceutical rates under the integrated prisoner healthcare contract with VitalCore. <u>House</u> concurs.	GF/GP	NA	\$4,200,000
2. Community Corrections Plans and Services	Gross	\$14,198,100	(\$14,198,100)
<u>Executive</u> 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 would also allow counties currently participating to enhance or expand existing programs and services. <u>House</u> eliminates funding for this line item.	GF/GP	\$14,198,100	(\$14,198,100)
3. Deferred Maintenance at Correctional Facilities	Gross	\$0	\$39,464,000
<u>House</u> includes \$39.5 million GF/GP for the department to address physical plant and infrastructure projects at the following correctional facilities: Chippewa, Women’s Huron Vallery, Charles E. Egeler, Richard A. Handlon, Lakeland, and Earnest C. Brooks.	GF/GP	\$0	\$39,464,000
4. Automation of Prisoner Count and Callout Processes	Gross	\$0	\$1,946,400
<u>House</u> includes \$1.9 million in ongoing GF/GP for the department to complete automation of the prisoner count and callout processes in correctional facilities. Funding would be in addition to the \$1.5 million in one-time GF/GP that was included in the current year budget.	GF/GP	\$0	\$1,946,400

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD	
5. Budgetary Savings	FTE	0.0	(455.1)
<u>House</u> includes a \$79.6 million GF/GP budgetary savings line and reflects a reduction of 455.1 FTE positions. It is anticipated savings would be achieved through reducing funded vacant FTE positions and other departmentwide efficiencies. Methods to achieve savings would be left to the discretion of the department.	Gross	\$0	(\$79,585,200)
	GF/GP	\$0	(\$79,585,200)
6. Funding Reductions	Gross	NA	(\$6,379,900)
<u>House</u> reduces a total of \$6.4 million GF/GP from the following line items based on historical lapse amounts and prior year expenditure trends:	GF/GP	NA	(\$6,379,900)
<ul style="list-style-type: none"> • Unclassified Salaries (\$464,000) • Equipment and Special Maintenance (\$956,300) • Executive Direction (\$454,700) • Judicial Data Warehouse User Fees (\$47,300) • New Custody Staff Training (\$248,700) • Prosecutorial and Detainer Expenses (\$628,100) • Education/Skilled Trades/Career Readiness Programs (\$940,300) • Enhanced Food Technology (\$132,200) • Probation Residential Services (\$199,400) • Parole Board Operations (\$574,500) • Correctional Facilities Administration (\$70,900) • Inmate Legal Services (\$66,800) • Healthy Michigan Plan Administration (\$178,800) • Hepatitis C (\$1,417,900). 			
7. Information Technology	Gross	\$31,623,200	(\$15,811,600)
<u>House</u> includes a 50% reduction in funding for the Information Technology Services and Projects line (\$15.8 million Gross, \$15.4 million GF/GP).	Restricted	901,800	(450,900)
	GF/GP	\$30,721,400	(\$15,360,700)
8. Property Management	Gross	\$2,638,000	(\$165,000)
<u>House</u> includes a 5% reduction in funding for the Property Management line (\$165,000 GF/GP).	GF/GP	\$2,638,000	(\$165,000)
9. Eliminate \$100 Placeholders	Gross	\$300	(\$300)
<u>House</u> eliminates three \$100 placeholders included in the budget for the following:	GF/GP	\$300	(\$300)
<ul style="list-style-type: none"> • Compensatory Buyout and Union Leave Bank • Inmate Housing Fund • Leased Beds and Alternatives to Leased Beds. 			
10. Technical Adjustments	FTE	NA	0.0
<u>Executive</u> makes the following internal transfers which have a net 0 impact on funding levels and FTE positions:	Gross	NA	\$0
	GF/GP	NA	\$0
<ul style="list-style-type: none"> • \$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 more accurately reflect allocation of department employees. 			
<u>House</u> concurs.			

<u>Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations</u>	<u>FY 2025-26 YTD (as of 2/11/26)</u>	<u>House Change from YTD</u>	
11. Removal of FY 2025-26 One-Time Appropriations	Gross	\$6,750,000	(\$6,750,000)
<u>Executive</u> 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)
<ul style="list-style-type: none"> • 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). 			
<u>House</u> concurs.			
12. Economic Adjustments	Gross	NA	\$35,693,600
<u>Executive</u> reflects a net increase in costs of \$35.5 million Gross (\$35.2 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. <u>House</u> concurs with including the funding but includes it in a single departmentwide economic adjustments line.	Federal	NA	18,900
	Restricted	NA	255,700
	GF/GP	NA	\$35,419,000
13. Employees by Status	Gross	NA	\$0
<u>House</u> includes the estimated number of full-time, limited-term, noncareer/per diem, part-time, permanent-intermittent, and seasonal people employed by the department. Estimates were obtained from the Forty-Sixth Annual Workforce Report published by the Civil Service Commission and are as follows:	GF/GP	NA	\$0
<ul style="list-style-type: none"> • Full-time employees – 10,365.0 • Limited-term employees – 48.0 • Noncareer/per diem employees – 22.0 • Part-time employees – 6.0 • Permanent-intermittent employees – 2.0 • Seasonal employees – 0.0. 			

Major Boilerplate Changes from FY 2025-26

Note: Section numbers listed below reflect current law section numbers except where sections are new. Section numbers may be different from section numbers included in the executive, House, or Senate bills.

GENERAL SECTIONS

Sec. 206. Disciplinary Action Against State Employees and Prisoners – RETAINED

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. Executive deletes. House retains.

Sec. 207. 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. Executive revises to delete requirement to report details on sources of revenues used to finance transportation costs. House revises to add requirement to report on destination of each travel occurrence, including the specific name of events or meetings attended.

Sec. 208. 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. Executive retains. House revises to require biannual reports on remote work policies by division, building occupancy rates by address, whether buildings are state-owned or leased, and aggregate badge scanning information by employee; defines occupancy as the actual number of employees physically present in a workplace.

Major Boilerplate Changes from FY 2025-26

Sec. 210. Contingency Authorization – REVISED

Authorizes up to \$2.5 million in federal and up to \$2.0 million in local contingency funds to be appropriated should funds become available; authorizes expenditure of funds after legislative transfer to specific line items. Executive revises to delete local authorization due to conveyance of the Detroit Detention Center and add up to \$2.5 million in state restricted authorization. House revises to delete local authorization.

Sec. 212. State Restricted Fund Balances, Revenues, and Expenditures – RETAINED

Requires MDOC to work with SBO to report on estimated state restricted fund balances, revenues, and expenditures. Executive deletes. House retains.

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. Executive retains. House deletes.

Sec. 214. Geographically Disadvantaged Business Enterprises Compete for Contracts – DELETED

Requires MDOC director, to the extent possible, to take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts; requires MDOC director to strongly encourage firms with which MDOC contracts to subcontract with certified geographically disadvantaged business enterprises. Executive retains. House deletes.

Sec. 214. Performance Dashboard – NEW

Requires MDOC to maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and updates quarterly key metrics used to monitor and improve the department's performance; requires MDOC to notify when updates are available on the website. Executive does not include new language. House includes new language.

Sec. 215. FTE Positions – REVISED

Requires MDOC to report on the number of FTE positions in pay status by civil service classification, including a comparison by line item of the number of full-time positions authorized and the actual number of people employed. Executive retains. House revises to include reporting on employees in full-time, part-time, permanent-intermittent, limited-term, seasonal, worker's compensation, noncareer/per diem, job share, and special personal services/contractual statuses and on the number of overtime hours worked by employees by classifications.

Sec. 216. State Administrative Board Transfers – RETAINED

Authorizes the legislature to intertransfer funds via concurrent resolution if the State Administrative Board transfers funds. Executive deletes. House retains.

Sec. 217. Retention of Reports – REVISED

Requires MDOC to follow federal and state law and guidelines for short- and long-term retention of records; authorizes MDOC to electronically retain copies of reports unless otherwise required by federal and state guidelines. Executive deletes. House revises to require MDOC to electronically retain copies unless otherwise required by federal and state guidelines.

Sec. 217. State Fiscal Recovery Funds – NOT INCLUDED

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. Executive includes new language. House does not include new language.

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

Requires MDOC to report on each specific policy change made by MDOC to implement a public act affecting MDOC, including reference to the public act that necessitates the policy change. Executive deletes. House retains.

Sec. 218. Reallocation of State Fiscal Recovery Funds – NOT INCLUDED

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. Executive includes new language. House does not include new language.

Sec. 219. Expending Available Work Project Authorization – RETAINED

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. Executive deletes. House retains.

Major Boilerplate Changes from FY 2025-26

Sec. 221. E-Verify Requirement – REVISED

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. Executive deletes. House revises to prohibit MDOC from contracting with foreign entities that are known or suspected enemies of the United States or known foreign adversaries; lists known foreign adversaries.

Sec. 222. Impact of Federal Policy Changes – DELETED

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. Executive revises to require reporting on significant federal policy changes that significantly impact department operations. House deletes.

Sec. 223. Legacy Costs – REVISED

States the total amount of funding estimated to be expended on legacy costs in FY 2025-26 is \$165.6 million (\$149.3 million on pension-related legacy costs; \$16.2 million on health care-related legacy costs). Executive deletes. House revises to update estimated dollar amount for FY 2026-27.

Sec. 224. Annual Strategic Plan – DELETED

Requires MDOC to provide a copy of its annual strategic plan which must include the mission, vision, goals, strategies, and performance measures of the department. Executive deletes. House deletes.

Sec. 225. Severance Pay – NEW

Requires MDOC 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. Executive does not include new language. House includes new language.

Sec. 226. State Obligations – REVISED

Requires MDOC to report on any court settlement that may require further legislative review of state statutory programs or regulations. Executive deletes. House revises to prohibit appropriations from being used to pay for a state obligation that exceeds \$200,000 for a court-approved judgment, settlement, award, or claim, without prior legislative approval; requires notification to be given if a state obligation for a court-approved judgment, settlement, award, or claim results in a change from current statute.

Sec. 226. U.S. Citizenship – NEW

Prohibits state or federal appropriations from being used to provide services, grants, or programming to non-citizens, unless the individuals are qualified aliens as that term is defined under 8 USC section 1641, and unless expenditures are for the purpose of detaining non-citizens. Executive does not include new language. House includes new language.

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

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

Sec. 227. Diversity, Equity, and Inclusion – NEW

Prohibits state funds from being used for diversity, equity, and inclusion initiatives or programs. Executive does not include new language. House includes new language.

Sec. 228. Precontract Risk Assessment – NEW

Requires MDOC 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. Executive does not include new language. House includes new language.

Major Boilerplate Changes from FY 2025-26

DEPARTMENTAL ADMINISTRATION AND SUPPORT

Sec. 307. Prisoner Phone System and Contract – RETAINED

Requires MDOC to ensure that a prisoner telephone system is maintained; requires that the system 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 the contract. Executive revises to delete the requirement that MDOC notify the legislature of extending the contract, delete the requirement that MDOC notify the legislature of rebidding the contract, and 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. House retains current law.

Sec. 322. 12-Hour Shifts for Corrections Officers – NEW

Requires MDOC to work with employee groups and the Office of the State Employer to implement 12-hour shifts at all correctional facilities; requires report on progress MDOC makes on implementing the 12-hour shift policy. Executive does not include new language. House includes new language.

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. Executive deletes. House deletes.

Sec. 323. Budgetary Savings – NEW

Requires budgetary savings to be satisfied through savings and reductions identified by the department director and approved by the state budget director; requires adjustments to be made after approval of transfers. Executive does not include new language. House includes new language.

OFFENDER SUCCESS ADMINISTRATION

Sec. 412. Faith-Based Reentry Programs – RETAINED

Authorizes priority to be given to funding reentry or rehabilitation programs that have been demonstrated to reduce prison violence and recidivism, including faith-based initiatives. Executive deletes. House retains.

FIELD OPERATIONS ADMINISTRATION

Sec. 501. Violators of Parole and Probation – RETAINED

Requires MDOC to review and revise proposals for alternatives to prison for technical violators of parole and probation; requires report on number of probationers and parolees returned to or sent to prison for new crimes, number of probationers and parolees returned to or sent to prison for technical violations, educational history of offenders, number of offenders that participated in reentry programs, and number of offenders that participated in substance use disorder treatment programs, mental health programs, or both. Executive deletes. House retains.

HEALTH CARE

Sec. 601. Health Care and Pharmaceutical Expenditures – RETAINED

Requires MDOC to report on expenditures, allocations, status of payments, and projected expenditures from accounts for prisoner health care, mental health care, pharmaceutical services, and durable medical equipment; requires report on pharmaceutical prescribing practices, including a detailed accounting of expenditures on antipsychotic medications and any changes made to prescription drug formularies; requires report to include status of MDOC's efforts to develop measurable data and outcomes for physical and mental health care within the prisoner population. Executive revises to delete the requirement that MDOC report on any changes that have been made to the prescription drug formularies and to delete the requirement that the report include the status of MDOC's efforts to develop measurable data and outcomes. House retains.

Sec. 602. Standard Medical Release Form – RETAINED

Requires MDOC to provide prisoners with a brochure that explains the purpose and importance of signing a medical release of information form; requires MDOC to give all prisoners the opportunity to sign a medical release of information form designating a family member or other individual to whom MDOC is authorized to release information; requires MDOC to assure medical release of information forms follow prisoners if and when they are transferred to other facilities or released from prison; requires MDOC to place the medical release of information form online. Executive revises to delete the requirement that MDOC assure medical release of information forms follow prisoners if and when they are transferred to other facilities or released and to delete the requirement that medical release of information forms be placed online. House retains.

Major Boilerplate Changes from FY 2025-26

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. Executive revises to delete reporting on outpatient visits, off-site inpatient medical care, and top 10 most common chronic conditions. House revises to delete reporting on top 10 most common chronic conditions.

Sec. 605. Medicaid Utilization by Prisoners – RETAINED

Requires MDOC to report on utilization of Medicaid benefits for prisoners. Executive deletes. House retains.

CORRECTIONAL FACILITIES AND ADMINISTRATION

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. Executive deletes. House deletes.

Sec. 703. Deferred Maintenance at Correctional Facilities – NEW

Requires funding for deferred maintenance at correctional facilities to be used for planned maintenance and facility improvement projects listed in MDOC's 5-year capital assessment plan summary report; requires funding to be used for projects at Chippewa, Women's Huron Valley, Charles E. Egeler, Richard A. Handlon, Lakeland, and Earnest C. Brooks Correctional Facilities; requires report on all expenditures made and projects completed by facility. Executive does not include new language. House includes new language.

Sec. 708. Prisoner Labor and Delivery – RETAINED

Requires MDOC to allow prisoners to have one visitor present during labor and delivery, in addition to a doula being present if the prisoner wants to work with a doula; requires visitors to be immediate family members, legal guardians, spouses, or domestic partners; authorizes MDOC to deny access to visitors if there are safety concerns; authorizes MDOC to conduct criminal background checks on visitors. Executive deletes. House retains.

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. Executive retains. House revises to define individuals as all department employees, contractors, and third-party vendors; exempts emergency response personnel if they are at facilities in response to emergencies; requires MDOC to develop and implement contraband prevention policies that are uniform across all facilities.

Sec. 720. Legislator Access To Facilities – RETAINED

Exempts members of the legislature, who are in good standing, from MDOC's policy that requires a 72-hour notice before visiting a correctional facility. Executive deletes. House retains.

Sec. 721. Strip Search Protocol – DELETED

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. Executive deletes. House deletes.

FY 2026-27: DEPARTMENT OF EDUCATION
Summary: As Reported by House Subcommittee
Article 3, House Bill 5619 (H-1)



Analyst: Una Jakupovic

IDG/IDT	FY 2025-26	FY 2026-27	FY 2026-27	FY 2026-27	FY 2026-27	Difference: House	
	Year-to-Date as of 2/11/26	Executive	House	Senate	Conference	From FY 2025-26 YTD	%
	\$0	\$0	\$0	\$	\$	\$0	--
Federal	83,575,100	84,339,300	76,010,700			(7,564,400)	(9.1)
Local	5,884,200	5,937,300	4,884,400			(999,800)	(17.0)
Private	2,547,500	2,552,900	877,700			(1,669,800)	(65.5)
Restricted	10,193,800	10,293,000	10,052,000			(141,800)	(1.4)
GF/GP	62,546,100	59,070,700	48,151,600			(14,394,500)	(23.0)
Gross	\$164,746,700	\$162,193,200	\$139,976,400	\$	\$	(\$24,770,300)	(15.0)
FTEs	568.5	571.5	464.0			(104.5)	(18.4)

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 YTD (as of 2/11/26)	House Change from YTD
1. Funding Reductions	Gross	NA (\$21,836,800)
House includes \$21.8 million in reductions for the following line items:	Federal	NA (8,328,600)
• Unclassified salaries (\$75,800 Gross)	Local	NA (1,052,900)
• Federal and private grants (\$2.9 million Gross)	Private	NA (1,675,200)
• Property management (\$208,200 Gross)	Restricted	NA (241,000)
• Terminal leave payments (\$164,700 Gross)	GF/GP	NA (\$10,539,100)
• Training and orientation workshops (\$8,100 state restricted)		
• Worker’s compensation (\$700 GF/GP)		
• Information technology services and projects (\$2.5 million Gross)		
• Special education operations (\$2.2 million Gross)		
• Camp Tuhsmeheeta (\$395,900 private)		
• Low incidence outreach program (\$617,300 state restricted)		
• Michigan schools for deaf and blind operations (\$2.5 million Gross)		
• Private gifts – blind (\$132,000 private)		
• Private gifts – deaf (\$148,400 private)		
• Educator excellence operations (\$3.2 million Gross)		
• Educator recruitment and preparation programs (\$592,300 GF/GP)		
• Office of systems, evaluation, and technology operations (\$255,400 Gross)		
• Strategic planning and implementation operations (\$17,600 Gross)		
• Administrative law operations (\$272,600 Gross)		
• Accountability services operations (\$3,155,900 Gross)		
• Educational supports operations (\$1,381,400 Gross)		
• Career and technical education operations (\$810,900 Gross)		
• Library services and technology program (\$382,600 federal).		

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD	
2. FTE Reductions	FTE	NA	(104.5)
<u>House</u> includes reductions to FTE authorizations for the following line items:	Gross	NA	\$0
	GF/GP	NA	\$0
<ul style="list-style-type: none"> State board/superintendent operations (2.0 FTEs) Central support operations (7.6 FTEs) Special education operations (7.0 FTEs) Michigan schools for the deaf and blind operations (27.0 FTEs) Educator excellence operations (11.0 FTEs) Accountability services operations (11.6 FTEs) Office of health and safety (14.0 FTEs) Office of nutrition services (2.6 FTEs) Educational supports operations (14.7 FTEs) Career and technical education operations (6.0 FTEs) Library of Michigan operations (1.0 FTE). 			
3. Michigan Schools for the Deaf and Blind Fund Transfer	Gross	\$16,562,900	(\$2,841,400)
<u>Executive</u> transfers \$2.8 million GF/GP for Michigan Schools for Deaf and Blind Operations to the School Aid budget. Transfer includes economic adjustments. <u>House</u> concurs.	Federal	7,672,200	0
	Local	5,884,200	0
	Restricted	206,100	0
	GF/GP	\$2,800,400	(\$2,841,400)
4. Michigan Schools for the Deaf and Blind Economic Adjustments	Gross	NA	\$41,000
<u>House</u> includes economic adjustments for the Michigan Schools for the Deaf and Blind Operations transfer within the Operations line item, while all other economic adjustments are included in a single line item.	GF/GP	NA	\$41,000
5. Michigan School Meals Program	FTE	NA	0.0
<u>Executive</u> includes \$380,000 GF/GP and authorization for 3.0 FTEs to support the state school meals program within the Office of Nutrition Services. <u>House</u> does not include.	Gross	NA	\$0
	GF/GP	NA	\$0
6. Removal of FY 2025-26 One-Time Appropriations	Gross	\$1,500,000	(\$1,500,000)
<u>Executive</u> 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:	GF/GP	\$1,500,000	(\$1,500,000)
<ul style="list-style-type: none"> 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). <u>House</u> concurs.			
7. Technical Adjustments	FTE	NA	0.0
<u>Executive</u> 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. <u>House</u> concurs.	Gross	NA	\$0
	Federal	NA	0
	Local	NA	0
	Private	NA	0
	Restricted	NA	0
	GF/GP	NA	\$0
8. Economic Adjustments	Gross	NA	\$1,366,900
<u>Executive</u> 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. <u>House</u> concurs but includes as a single line item under Departmental Administration and Support. Economic adjustments for the Michigan Schools for the Deaf and Blind Operations transfer were instead included within the Operations line.	Federal	NA	764,200
	Local	NA	53,100
	Private	NA	5,400
	Restricted	NA	99,200
	GF/GP	NA	\$445,000

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
9. Employees by Status	FTE	NA
<u>House</u> includes the estimated number of full-time, limited-term, noncareer/per diem, part-time, permanent-intermittent, and seasonal people employed by the department. Estimates were obtained from the Forty-Sixth Annual Workforce Report published by the Civil Service Commission and are as follows:	Gross	NA
	GF/GP	NA

- Full-time employees – 405.0
- Limited-term employees – 21.0
- Noncareer/per diem employees – 8.0
- Part-time employees – 0.0
- Permanent-intermittent employees – 3.0
- Seasonal employees – 39.0.

Major Boilerplate Changes from FY 2025-26

Note: Existing boilerplate section numbers listed in this document are section numbers as they appear in current law. New Executive boilerplate section numbers are section numbers as they appear in the Executive Recommendation. New House boilerplate section numbers are section numbers as they appear in the House bill.

GENERAL

Sec. 204. Internet Reporting Requirements – REVISED

Requires MDE to use the internet to fulfill reporting requirements; requires e-mail transmission and internet posting of reports. Executive revises to add website reporting requirements from deleted Sec. 225. House concurs.

Sec. 206. Communication with the Legislature – RETAINED

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 the department is exercising its authority. Executive deletes. House retains.

Sec. 207. Out-of-State Travel Report – REVISED

Requires MDE 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. Executive retains. House revises to require the report to contain the destination and specific purpose and description of each travel occurrence.

Sec. 212. Restricted Funds Report – RETAINED

Requires MDE to work with SBO to report on estimated state restricted fund balances, revenues, and expenditures. Executive deletes. House retains.

Sec. 215. Geographically Disadvantaged Business Enterprises – DELETED

Requires the state superintendent, to the extent possible, to take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts; requires the state superintendent to strongly encourage firms with which the department contracts to subcontract with certified geographically disadvantaged business enterprises. Executive retains. House deletes.

Sec. 216. FTE Report – REVISED

Requires MDE to report on the number of FTE positions in pay status by civil service classification, including a comparison by line item of the number of full-time positions authorized and the actual number of people employed. Executive retains. House revises to require reporting on the number of active employees by status.

Sec. 217. State Administrative Board Transfers – RETAINED

Authorizes the legislature to intertransfer funds via concurrent resolution if the State Administrative Board transfers funds. Executive deletes. House retains.

Sec. 217. State Fiscal Recovery Fund (SFRF) Expenditure – NOT INCLUDED

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. Executive includes the new language. House does not include.

Major Boilerplate Changes from FY 2025-26

Sec. 218. Retention of Reports – RETAINED

Requires MDE to follow federal and state law and guidelines for short- and long-term retention of records; authorizes the department to electronically retain copies of reports unless otherwise required by federal and state guidelines. Executive deletes. House retains.

Sec. 218. State Fiscal Recovery Fund Reallocation – NOT INCLUDED

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. Executive includes the new language. House does not include.

Sec. 219. Report on Policy Changes for Public Act Implementation – REVISED

Requires MDE to report on each specific policy change made by the department to implement a public act affecting the department, including reference to the public act that necessitates the policy change. Executive deletes. House revises to add senate and house standing committees responsible for addressing issues affected by the public acts to the list of report recipients.

Sec. 220. Annual Strategic Plan – REVISED

Requires MDE to provide a copy of its annual strategic plan which must include the mission, vision, goals, strategies, and performance measures of the department. Executive deletes. House revises to require MDE to maintain a department scorecard that tracks key metrics.

Sec. 221. State Obligations – REVISED

Requires MDE to report on any court settlement that may require further legislative review of state statutory programs or regulations. Executive deletes. House revises to prohibit funds from being used to pay for a state obligation that exceeds \$200,000 without legislative approval.

Sec. 222. Work Project Usage – RETAINED

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. Executive deletes. House retains.

Sec. 223. Work Projects Report – REVISED

Requires MDE 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 retains. House revises to require quarterly reports by specified dates.

Sec. 224. Legacy Costs – RETAINED

States the total amount of funding estimated to be expended on legacy costs in FY 2025-26 is \$7.7 million (\$7.0 million on pension related legacy costs and \$759,100 on health care legacy costs). Executive deletes. House retains with updated fiscal year and legacy cost amounts.

Sec. 224. Legislatively Directed Spending Items – NEW

Requires SBO to post a list of legislatively directed spending items; requires LARA to submit a report on November 1 and updated reports on March 15 and September 15; requires grant recipients to provide a spending plan; requires MDE to annually audit use of grant funds; requires MDE to work with auditor general to conduct an audit; prohibits grant recipients and their immediate family members from being employed by the legislative or executive branch. Executive does not include. House includes the new language.

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. Executive and House delete.

Sec. 225. Severance Pay – NEW

Requires MDE to report on any severance pay 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. Executive does not include. House includes the new language.

Sec. 226. 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. Executive retains. House revises to require MDE to report on its remote work policy, building occupancy, whether buildings are state-owned or leased, and aggregate badge scanning information by employee; require at least 80% of employees to be in-person.

Major Boilerplate Changes from FY 2025-26

Sec. 226. Fund Use Restrictions for Non-Citizens – NEW

Prohibits appropriated funds from being used to provide services, grants, or programming to non-citizens, unless the individual is a qualified alien as that term is defined under 8 USC section 1641. Executive does not include. House includes the new language.

Sec. 227. Report on Federal Policy Changes – DELETED

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. Executive retains. House deletes.

Sec. 227. Diversity, Equity, and Inclusion Initiatives – NEW

Prohibits state funds from being used for diversity, equity, and inclusion initiatives or programs. Executive does not include. House includes the new language.

Sec. 228. E-Verify Requirement – REVISED

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. Executive deletes. House revises to prohibit MDE from contracting with any known or suspected foreign adversaries.

Sec. 228. Precontract Risk Assessment Program – NEW

Requires MDE to use the same precontract risk assessment program utilized by the department of technology, management, and budget for evaluation prior to contract evaluation. Executive does not include. House includes the new language.

Sec. 229. Legislatively Directed Spending Items – DELETED

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. Executive revises to require HFA/SFA to provide SBO a jointly agreed upon list of legislatively directed spending items within 30 days of enactment of the budget; require MDE to post a report on March 15 and to update the report on June 15 and September 15. House deletes and replaces with new Sec. 224.

Sec. 230. Private and Third-Party Grants – RETAINED

Requires MDE 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. Executive deletes. House retains.

GENERAL – MDE

Sec. 307. MOASH Funding Prohibition – NEW

Prohibits funds from being provided to the Michigan Organization on Adolescent Sexual Health. Executive does not include. House includes the new language.

SPECIAL EDUCATION SERVICES

Sec. 401. Special Education Reform Task Force Guidelines – REVISED

Requires MDE to design and distribute to all parents of children with disabilities information about federal and state mandates regarding rights and protections, including Individualized Education Program (IEPs), and any other information MDE determines is necessary. Executive retains. House revises to remove the “any other information” subsection.

EDUCATOR EXCELLENCE

Sec. 504. District Educator Preparation Programs – REVISED

Requires MDE to award funding to districts for educator preparation programming. Executive retains. House revises 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.

Sec. 505. Educator Recruitment and Staffing – REVISED

Requires MDE to direct resources towards teacher recruitment and preparation programs. Executive retains. House revises to require MDE to report on how funds were spent.

Major Boilerplate Changes from FY 2025-26

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. Executive retains. House revises to remove “implicit bias training” from the list of eligible training programs and add “teacher training requirements related to science of reading and numeracy.”

EDUCATIONAL SUPPORTS

Sec. 701. MTSS, At-Risk, Reading Intervention Report – RETAINED

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. Executive deletes. House retains.

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. Executive and House delete.

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. Executive and House delete.

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. Executive and House delete.

FY 2026-27: ENVIRONMENT, GREAT LAKES, AND ENERGY
Summary: As Reported by House Subcommittee
Article 4, House Bill 5619 (H-1)



Analyst: Austin Scott

IDG/IDT	FY 2025-26	FY 2026-27	FY 2026-27	FY 2026-27	FY 2026-27	Difference: House	
	Year-to-Date as of 2/11/26	Executive	House	Senate	Conference	From FY 2025-26 YTD	YTD
						Amount	%
IDG/IDT	\$4,129,100	\$4,237,600	\$4,099,300	\$	\$	(\$29,800)	(0.7)
Federal	464,268,500	464,743,400	148,639,000			(315,629,500)	(68.0)
Local	0	0	0			0	--
Private	1,404,200	1,892,500	1,750,600			346,400	24.7
Restricted	327,853,700	386,083,300	213,954,800			(113,898,900)	(34.7)
GF/GP	170,064,100	108,838,200	102,169,900			(67,894,200)	(39.9)
Gross	\$967,719,600	\$965,795,000	\$470,613,600	\$	\$	(\$497,106,000)	(51.4)
FTEs	1,637.0	1,637.0	1,520.8			(116.2)	(7.1)

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 YTD (as of 2/11/26)	House Change from YTD
1. Local Infrastructure Preparedness and Protection Program (One-Time)	Gross	\$0	\$0
	GF/GP	\$0	\$0
Executive appropriates \$2.0 million in one-time GF/GP funding for grants to local governments to conduct climate vulnerability assessments. House does not concur with Executive.			
2. Fee Increase – Landfill Tipping Fee (Renew Michigan Program)	FTE	146.0	0.0
	Gross	\$70,737,200	\$0
	Restricted	70,737,200	0
	GF/GP	\$0	\$0
Executive proposes to eliminate a \$69.0 million income tax earmark and replace it with an increase in the landfill tipping fee from \$0.36 per ton to \$5.00 per ton, which is projected to generate \$80.0 million annually for a net increase of \$11.0 million in state restricted funding for the Renew Michigan Program. House does not concur with Executive-proposed fee increase.			
3. Fee Increase – Water Resources Division	FTE	403.0	0.0
	Gross	\$83,292,600	\$0
	IDG	2,056,400	0
	Federal	35,144,300	0
	Restricted	15,353,400	0
	GF/GP	\$30,738,500	\$0
Executive appropriates \$7.3 million in state restricted funding from a proposed 300% increase in land and water permit fees and a proposed 40% increase in certain water fees. New revenue would be expended for permitting stormwater, wastewater, and shoreline permitting. House does not concur with Executive-proposed fee increase.			
4. Fee Increase – Hazardous Waste	FTE	120.0	0.0
	Gross	\$25,184,200	\$0
	IDG	1,590,500	0
	Federal	3,487,600	0
	Private	510,700	0
	Restricted	18,763,400	0
	GF/GP	\$832,000	\$0
Executive includes \$5.0 million from the Environmental Pollution Prevention Fund from a proposed doubling of hazardous waste fees. New revenue would be expended for hazardous waste oversight and regulation. House does not concur with Executive-proposed fee increase.			

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
5. Fee Increase – Oil and Gas Wells	FTE 73.0	0.0
<u>Executive</u> provides \$465,500 from the Oil and Gas Regulatory Fund from a proposed increase on oil and gas well permits from \$20 per year to \$250 per year. New revenue would be expended for oil and gas well oversight and regulation.	Gross \$21,531,100	\$0
<u>House</u> does not concur with Executive-proposed fee increase.	IDG 223,100	0
	Federal 5,308,500	0
	Private 40,000	0
	Restricted 7,996,800	0
	GF/GP \$7,962,700	\$0
6. Reduction to Actual Expenditures and Filled FTE positions	FTE NA	(103.2)
<u>House</u> Reduces funding by \$459.5 million Gross (\$5.4 million GF/GP) and 103.2 FTE positions to reflect actual spending and filled FTE positions departmentwide.	Gross NA	(\$459,477,100)
	IDG NA	(111,000)
	Federal NA	(311,207,600)
	Restricted NA	(142,778,300)
	GF/GP NA	(\$5,380,200)
7. Michigan Geological Survey	Gross \$400,000	\$2,300,000
<u>House</u> expands ongoing support for the Michigan Geological Survey at Western Michigan University by \$2.3 million GF/GP; this funding is designated as one-time in FY 2025-26.	GF/GP \$400,000	\$2,300,000
8. Information Technology Services and Projects	Gross \$10,439,700	(\$5,219,800)
<u>House</u> reduces funding for information technology services and projects by 50%, totaling \$5.2 million Gross (\$1.2 million GF/GP).	IDG 54,800	(27,300)
	Federal 2,062,300	(1,031,100)
	Restricted 5,975,100	(2,987,700)
	GF/GP \$2,347,500	(\$1,173,700)
9. Property Management	Gross \$8,098,900	(\$404,900)
<u>House</u> reduces funding for building occupancy charges and rent by \$404,900 Gross (\$119,800 GF/GP).	IDG 57,500	0
	Restricted 5,646,300	(285,100)
	GF/GP \$2,395,100	(\$119,800)
10. Contaminated Site Remediation and Redevelopment Programs	FTE 324.0	0.0
<u>House</u> 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)
11. Technical Adjustments	FTE NA	0.0
<u>Executive</u> 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
<u>House</u> concurs with Executive.	IDG NA	54,200
	Private NA	488,400
	Restricted NA	28,145,800
	GF/GP NA	\$0
12. Energy Programs	FTE 13.0	(13.0)
<u>House</u> eliminates funding for Energy Programs which administers programs for clean energy manufacturing initiatives, energy efficiency, and renewable technology.	Gross \$6,307,200	(\$6,307,200)
	Federal 3,865,700	(3,865,700)
	Private 141,900	(141,900)
	Restricted 2,299,600	(2,299,600)
	GF/GP \$0	\$0

<u>Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations</u>	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
13. Water Resource Programs – Fund Swap	FTE 165.0	0.0
<u>Executive</u> swaps out \$1.9 million GF/GP funding in favor of \$1.9 million from Land and Water Permit Fees for a net zero change. Water Resource Programs supports 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	\$0
<u>House</u> concurs with Executive.	IDG 2,056,400	0
	Federal 5,099,100	0
	Restricted 2,487,300	1,905,000
	GF/GP \$18,596,800	(\$1,905,000)
14. Removal of FY 2025-26 One-Time Appropriations	Gross \$64,000,000	(\$64,000,000)
<u>Executive</u> removes \$64.0 million GF/GP of one-time funding that was included in the FY 2025-26 budget to support the following:	GF/GP \$64,000,000	(\$64,000,000)
<ul style="list-style-type: none"> • 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) • Michigan geological survey – one-time (\$2.3 million GF/GP) • Permitting guidebooks (\$300,000 GF/GP) • Water state revolving funds – one-time (\$34.0 million GF/GP) 		
<u>House</u> concurs with Executive.		
15. Economic Adjustments	Gross NA	\$7,609,200
<u>Executive</u> 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
<u>House</u> concurs with Executive and rolls all economic adjustments into a single line “Departmentwide employee economic adjustments” within the Departmental Administration and Support section.	Federal NA	474,900
	Private NA	(100)
	Restricted NA	4,401,000
	GF/GP NA	\$2,679,100
16. Employees by Status	Gross NA	\$0
<u>House</u> includes the estimated number of full-time, limited-term, noncareer/per diem, part-time, permanent-intermittent, and seasonal people employed by the department. Estimates were obtained from the Forty-Sixth Annual Workforce Report published by the Civil Service Commission and are as follows:	GF/GP NA	\$0
<ul style="list-style-type: none"> • Full-time employees – 1,514.0 • Limited-term employees – 49.0 • Noncareer/per diem employees – 49.0 • Part-time employees – 1.0 • Permanent-intermittent employees – 9.0 • Seasonal employees – 0.0 		

Major Boilerplate Changes from FY 2025-26

Sec. 252. Asbestos Inspection Fund Carryforward – NOT INCLUDED

Authorizes carryforward of revenues remaining in the Asbestos Inspection Fund into succeeding fiscal year.
Executive adds new section, House does not include.

Sec. 255. Rule Promulgation – RETAINED

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.
Executive deletes, House retains.

Sec. 256. Permit Issuance Report – REVISED

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.
Executive deletes, House revises to require the department to issue permits in accordance with each permit's statutory timeline and report progress under this section quarterly.

Sec. 257. Permitting Guidebooks Updates and Distribution – NEW

Requires the department to annually update the permitting guidebooks funded in FY 2025-26 and to annually submit updated paper copies to the standard report recipients.
House adds new section.

Sec. 258. Permit Fee Discounts for Delayed Permit Reviews – NEW

Requires the department to provide a 10% discount on permit fees for every 30 days a permit review process remains incomplete beyond the permit application review timeframe as defined in statute or administrative rules; requires the department to report quarterly on the fiscal impact of discounts given under this section.
House adds new section.

Sec. 301. Laboratory Services Revenue Carryforward – DELETED

Authorizes carryforward of unspent interdepartmental laboratory revenue.
Executive retains, House deletes.

Sec. 302. Work Projects – Remediation and Redevelopment Division – RETAINED

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.
Executive revises tentative completion date to 2031, House retains with revision.

Sec. 305. Refined Petroleum Fund – RETAINED

Expresses legislative intent to restore \$70.0 million Refined Petroleum Fund transferred to General Fund in FY 2006-07.
Executive deletes, House retains.

Sec. 402. Permit Application Reporting – RETAINED

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.
Executive deletes, House retains.

Sec. 701. Work Project – Underground Storage Tank Authority – REVISED

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.
Executive revises tentative completion date to 2031, House revises tentative completion date to 2029.

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.
Executive revises tentative completion date to 2031, House deletes.

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.*)
Executive deletes, House concurs with Executive.

Major Boilerplate Changes from FY 2025-26

Sec. 952. Water State Revolving Funds Earmark – NEW

Earmarks a minimum of 25% from Water State Revolving Funds for communities with populations of less than 20,000.
House adds new section.

FY 2026-27: TOTAL GENERAL GOVERNMENT
Summary: As Reported by House Subcommittee
Article 5, House Bill 5619 (H-1)



Analyst: Michael Crossen

IDG/IDT	FY 2025-26	FY 2026-27	FY 2026-27	FY 2026-27	FY 2026-27	Difference: House	
	Year-to-Date as of 2/11/26	Executive	House	Senate	Conference	From FY 2025-26 YTD	%
	\$1,231,093,400	\$1,251,162,300	\$864,156,200	\$	\$	(\$366,937,200)	(29.8)
Federal	44,573,800	45,421,400	29,790,600			(14,783,200)	(33.2)
Local	17,671,700	19,298,900	14,864,500			(2,807,200)	(15.9)
Private	4,763,200	1,903,600	1,917,700			(2,845,500)	(59.7)
Restricted	2,718,649,500	2,778,024,100	2,714,961,600			(3,687,900)	(1.0)
GF/GP	1,175,024,500	1,199,543,300	1,032,865,600			(142,158,900)	(12.1)
Gross	\$5,191,776,100	\$5,295,353,600	\$4,658,556,200	\$	\$	(\$533,219,900)	(10.3)
FTEs	7,766.2	7,812.2	7,032.9			(733.3)	(9.4)

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

Note: Section numbers listed below reflect current law section numbers except where sections are new. Section numbers may be different from section numbers included in the executive, House, or Senate bills.

GENERAL SECTIONS

Sec. 206. Disciplinary Action Against State Employees and Prisoners – RETAINED

Prohibits departments and agencies 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 departments and agencies are exercising their authority. Executive deletes. House retains.

Sec. 207. Out-of-State Travel – REVISED

Requires departments and agencies 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. Executive revises to delete requirement to report details on sources of revenues used to finance transportation costs. House revises to add requirement to report on destination of each travel occurrence, including the specific name of events or meetings attended.

Sec. 208. 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. Executive retains. House revises to require biannual reports on remote work policies by division, building occupancy rates by address, whether buildings are state-owned or leased, and aggregate badge scanning information by employee; defines occupancy as the actual number of employees physically present in a workplace.

Sec. 212. State Restricted Fund Balances, Revenues, and Expenditures – RETAINED

Requires departments and agencies to work with SBO to report on estimated state restricted fund balances, revenues, and expenditures. Executive deletes. House retains.

Major Boilerplate Changes from FY 2025-26

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. Executive retains. House deletes.

Sec. 214. Geographically Disadvantaged Business Enterprises Compete for Contracts – DELETED

Requires departments and agencies director, to the extent possible, to take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts; requires departments and agencies to strongly encourage firms with which departments and agencies contracts to subcontract with certified geographically disadvantaged business enterprises. Executive retains. House deletes.

Sec. 214. Performance Dashboard – NEW

Requires departments and agencies to maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and updates quarterly key metrics used to monitor and improve the department's performance; requires departments and agencies to notify when updates are available on the website. Executive does not include new language. House includes new language.

Sec. 215. FTE Positions – REVISED

Requires departments and agencies and the Office of the Auditor General to report on the number of FTE positions in pay status by civil service classification, including a comparison by line item of the number of full-time positions authorized and the actual number of people employed. Executive retains. House revises to include reporting on employees in full-time, part-time, permanent-intermittent, limited-term, seasonal, worker's compensation, noncareer/per diem, job share, and special personal services/contractual statuses and the number of overtime hours worked by employees by classifications.

Sec. 216. State Administrative Board Transfers – RETAINED

Authorizes the legislature to intertransfer funds via concurrent resolution if the State Administrative Board transfers funds. Executive deletes. House retains.

Sec. 217. Retention of Reports – REVISED

Requires departments and agencies to follow federal and state law and guidelines for short- and long-term retention of records; authorizes departments and agencies to electronically retain copies of reports unless otherwise required by federal and state guidelines. Executive deletes. House revises to require departments and agencies to electronically retain copies unless otherwise required by federal and state guidelines.

Sec. 217. State Fiscal Recovery Funds – NOT INCLUDED

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. Executive includes new language. House does not include new language.

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

Requires departments and agencies to report on each specific policy change made by departments and agencies to implement a public act affecting them, including reference to the public act that necessitates the policy change. Executive deletes. House retains.

Sec. 218. Reallocation of State Fiscal Recovery Funds – NOT INCLUDED

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. Executive includes new language. House does not include new language.

Sec. 219. Expending Available Work Project Authorization – RETAINED

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. Executive deletes. House retains.

Sec. 221. E-Verify Requirement – REVISED

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. Executive deletes. House revises to prohibit departments and agencies from contracting with foreign entities that are known or suspected enemies of the United States or known foreign adversaries; lists known foreign adversaries.

Major Boilerplate Changes from FY 2025-26

Sec. 222. Impact of Federal Policy Changes – DELETED

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. Executive revises to require reporting on significant federal policy changes that significantly impact department operations. House deletes.

Sec. 224. Annual Strategic Plan – DELETED

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

Sec. 225. Severance Pay – NEW

Requires departments and agencies 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. Executive does not include new language. House includes new language.

Sec. 226. State Obligations – REVISED

Requires departments and agencies to report on any court settlement that may require further legislative review of state statutory programs or regulations. Executive deletes. House revises to prohibit appropriations from being used to pay for a state obligation that exceeds \$200,000 for a court-approved judgment, settlement, award, or claim, without prior legislative approval; requires notification to be given if a state obligation for a court-approved judgment, settlement, award, or claim results in a change from current statute.

Sec. 226. U.S. Citizenship – NEW

Prohibits state or federal appropriations from being used to provide services, grants, or programming to non-citizens, unless the individuals are qualified aliens as that term is defined under 8 USC section 1641, and unless expenditures are for the purpose of detaining non-citizens. Executive does not include new language. House includes new language.

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

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. Executive deletes. House retains.

Sec. 227. Diversity, Equity, and Inclusion – NEW

Prohibits state funds from being used for diversity, equity, and inclusion initiatives or programs. Executive does not include new language. House includes new language.

Sec. 228. Precontract Risk Assessment – NEW

Requires departments and agencies 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. Executive does not include new language. House includes new language.

Sec. 252. Information Technology Project Product Owners – NEW

Requires departments and agencies to assign a product owner for every IT project; defines “product owner” and their responsibilities; requires full time, trained product owners for projects over \$5 million. House includes new language.

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. House includes new language.

Sec. 254. Electric Vehicle Charging Stations – NEW

Prohibits departments and agencies from spending funds for electric vehicle charging stations. House includes new language.

FY 2026-27: DEPARTMENT OF ATTORNEY GENERAL
Summary: As Reported by House Subcommittee
Article 5, House Bill 5619 (H-1)



Analyst: Michael Crossen

IDG/IDT	FY 2025-26	FY 2026-27	FY 2026-27	FY 2026-27	FY 2026-27	Difference: House	
	Year-to-Date as of 2/11/26	Executive	House	Senate	Conference	From FY 2025-26 YTD	YTD
						Amount	%
IDG/IDT	\$39,381,700	\$39,899,600	\$39,899,600	\$	\$	\$517,900	1.3
Federal	10,567,200	10,710,500	10,710,500			143,300	1.4
Local	0	0	0			0	--
Private	950,000	961,400	961,400			11,400	1.2
Restricted	30,223,700	31,073,200	30,893,000			669,300	2.2
GF/GP	45,278,000	48,047,700	36,144,900			(9,133,100)	(20.2)
Gross	\$126,400,600	\$130,692,400	\$118,609,400	\$	\$	(\$7,791,200)	(6.2)
FTEs	685.0	685.0	632.4			(52.6)	(7.7)

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 YTD (as of 2/11/26)	House Change from YTD
1. Prosecuting Attorneys Coordinating Council Transfer	Gross	NA	\$0
<u>Executive</u> 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. <u>House</u> does not include.	Restricted	NA	0
	GF/GP	NA	\$0
2. Reduction of FTE Authorization and Funding of Filled Positions	FTE	NA	(52.6)
<u>House</u> reduces authorization for 52.6 FTE positions to equal the number of FTE positions authorized in FY 2024-25 and reduces \$5.9 million GF/GP corresponding to the number of filled FTE positions below FTE authorization.	Gross	NA	(\$5,850,000)
	GF/GP	NA	(\$5,850,000)
3. Information Technology Reduction	Gross	\$1,705,700	(\$852,800)
<u>House</u> reduces \$852,800 GF/GP for department information technology services and projects reflecting a 50% reduction.	GF/GP	\$1,705,700	(\$852,800)

<u>Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations</u>	<u>FY 2025-26 YTD (as of 2/11/26)</u>	<u>House Change from YTD</u>	
4. Removal of Lawsuit Settlement Proceeds Fund Revenue	Gross	\$2,725,100	(\$2,725,100)
<u>House</u> removes \$2.7 million in state restricted revenue from the Lawsuit Settlement Proceeds Fund, previously used to support investigations and prosecutions related to the Flint water declaration of emergency. Fund revenue comes from lawsuit proceeds owed to the state that have no other designated restricted fund to be deposited into. Money in the fund is only available upon appropriation and lapses to the General Fund at the close of the fiscal year. Reductions by line item would be:	Restricted	2,725,100	(2,725,100)
	GF/GP	\$0	\$0
<ul style="list-style-type: none"> • Corporate Oversight Division (\$682,900) • Criminal Trials (\$1.4 million) • Environment, Natural Resources, and Agriculture (\$680,400) 			
5. Restricted, GF/GP Fund Swap	Gross	\$1,118,600	\$0
<u>House</u> includes \$3.0 million in additional revenue from the state restricted Attorney General's Operations Fund and reduces GF/GP by a corresponding amount. Fund revenue are collections by Friend of the Court or State Disbursement Unit and is used for operational purposes of the department.	Restricted	1,118,600	3,000,000
	GF/GP	\$0	(\$3,000,000)
6. Employees by Status	Gross	NA	NA
<u>House</u> includes the estimated number of full-time, limited-term, noncareer/per diem, part-time, permanent-intermittent, and seasonal people employed by the department. Estimates were obtained from the Forty-Sixth Annual Workforce Report published by the Civil Service Commission and are as follows:	GF/GP	NA	NA
<ul style="list-style-type: none"> • Full-time employees – 595.0 • Limited-term employees – 37.0 • Noncareer/per diem employees – 29.0 • Part-time employees – 2.0 • Permanent-intermittent employees – 0.0 • Seasonal employees – 0.0 			
7. 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 \$10.2 million (\$11.9 million on pension-related legacy costs; \$1.3 million on health care-related legacy costs). Executive deletes. House revises to update fiscal year and dollar amounts.

Sec. 316. Sexual Assault Kit Testing – REVISED

Requires funding to be used to test sexual assault kits statewide in order to eliminate county backlogs, assist with prosecutions and investigations of viable cases, and provide victim services; requires annual report on number of untested kits, a work plan outlining actions to eliminate remaining untested kits, and a work and spending plan outlining anticipated litigation and expenditures resulting from test findings; allows funds to be used for retesting kits for DNA; stipulates funds to be used only for testing if there are remaining untested kits on January 31. House revises to lapse balances of two Sexual Assault Law Enforcement work project accounts and appropriates \$1.5 million from the lapsed funds.

Sec. 317. Declaration of Emergency Due to Drinking Water Contamination Report – RETAINED

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. Executive deletes. House retains.

Major Boilerplate Changes from FY 2025-26

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. House adds.

Sec. 324. Payroll Fraud Enforcement Unit Report – RETAINED

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. Executive deletes. House retains.

Sec. 325. Legislative Approval of Certain Legal Actions – NEW

States the intent of the legislature that the department shall 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. House adds.

Sec. 326. Contingency Contracts – NEW

Prohibits the department from entering into contracts with third-party entities for legal services in which compensation to the third-party are contingent upon successful recovery of funds obtained in the litigation or services pursued under the terms of the contract. House adds.

FY 2026-27: DEPARTMENT OF CIVIL RIGHTS
Summary: As Reported by House Subcommittee
Article 5, House Bill 5619 (H-1)



Analyst: Michael Crossen

IDG/IDT	FY 2025-26	FY 2026-27	FY 2026-27	FY 2026-27	FY 2026-27	Difference: House	
	Year-to-Date as of 2/11/26	Executive	House	Senate	Conference	From FY 2025-26 YTD	YTD
						Amount	%
	\$0	\$0	\$0	\$	\$	\$0	--
Federal	2,899,300	3,435,200	3,427,700			528,400	18.2
Local	0	0	0			0	--
Private	18,700	18,700	18,700			0	0.0
Restricted	58,500	58,500	58,500			0	0.0
GF/GP	25,463,200	25,931,900	19,758,600			(5,704,600)	(22.4)
Gross	\$28,439,700	\$29,444,300	\$23,263,500	\$	\$	(\$5,176,200)	(18.2)
FTEs	174.0	174.0	166.0			(8.0)	(4.6)

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 YTD (as of 2/11/26)	House Change from YTD
1. Federal Equal Employment Opportunity Commission Reimbursement	Gross \$1,257,700	\$500,000
Executive 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. <u>House</u> concurs.	Federal 1,257,000	500,000
	GF/GP \$0	\$0
2. Disability Rights and Compliance	FTE NA	0.0
Executive 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. <u>House</u> concurs.	Gross NA	\$0
	GF/GP NA	\$0
3. Information Technology Reduction	Gross \$1,548,900	(\$774,400)
<u>House</u> reduces \$774,400 Gross (\$766,900 GF/GP) for department information technology services and projects reflecting a 50% reduction.	Federal 15,000	(7,500)
	GF/GP \$1,533,900	(\$766,900)
4. Reduction of FTE Authorization and Funding of Filled Positions	FTE NA	(8.0)
<u>House</u> reduces authorization for 8.0 FTE positions to equal the number of FTE positions authorized in FY 2023-24 and reduces \$2.9 million GF/GP corresponding to the number of filled FTE positions below FTE authorization.	Gross NA	(\$2,865,000)
	GF/GP NA	(\$2,865,000)

<u>Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations</u>	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
5. GF/GP Reductions	Gross	NA
<u>House</u> reduces a total of \$2.5 million GF/GP from the following line items:	GF/GP	NA
<ul style="list-style-type: none"> • Complaint Investigation and Enforcement (\$1.3 million) • Executive Office (\$625,000) • Public Affairs (\$625,000) 		(\$2,501,100) (\$2,501,100)
6. Reduction to Align with Past Spending	FTE	6.0
<u>House</u> reduces \$40,300 GF/GP to align authorization for Unclassified Salaries with past spending amounts.	Gross	\$869,800
	GF/GP	\$869,800
		(\$40,300) (\$40,300)
7. Employees by Status	Gross	NA
<u>House</u> includes the estimated number of full-time, limited-term, noncareer/per diem, part-time, permanent-intermittent, and seasonal people employed by the department. Estimates were obtained from the Forty-Sixth Annual Workforce Report published by the Civil Service Commission and are as follows:	GF/GP	NA
<ul style="list-style-type: none"> • Full-time employees – 98.0 • Limited-term employees – 88.0 • Noncareer/per diem employees – 2.0 • Part-time employees – 0.0 • Permanent-intermittent employees – 0.0 • Seasonal employees – 0.0 		NA NA
8. Economic Adjustments	Gross	NA
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
	GF/GP	NA
		\$504,600 35,900 \$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. Executive deletes. House revises to include report on costs and removes references to regarding completion of the report.

Sec. 407. Disability Rights and Compliance – NEW

Prohibits the department from spending funds for disability rights and compliance on contracts with private or nonprofit service providers. House adds.

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). Executive deletes. House revises to update fiscal year and dollar amounts.

FY 2026-27: EXECUTIVE OFFICE
Summary: As Reported by House Subcommittee
Article 5, House Bill 5619 (H-1)



Analyst: Michael Crossen

IDG/IDT	FY 2025-26	FY 2026-27	FY 2026-27	FY 2026-27	FY 2026-27	Difference: House	
	Year-to-Date as of 2/11/26	Executive	House	Senate	Conference	From FY 2025-26 YTD	Amount %
Federal	\$0	\$0	\$0	\$	\$	\$0	--
Local	0	0	0			0	--
Private	0	0	0			0	--
Restricted	0	0	0			0	--
GF/GP	9,609,200	9,890,200	9,890,200			281,000	2.9
Gross	\$9,609,200	\$9,890,200	\$9,890,200	\$	\$	\$281,000	2.9
FTEs	96.2	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 YTD (as of 2/11/26)	House Change from YTD
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
2. Employees by Status	Gross	NA
House includes the estimated number of full-time, limited-term, noncareer/per diem, part-time, permanent-intermittent, and seasonal people employed by the department. Estimates were obtained from the Forty-Sixth Annual Workforce Report published by the Civil Service Commission and are as follows:	GF/GP	NA
		NA
<ul style="list-style-type: none"> • Full-time employees – 0.0 • Limited-term employees – 79.0 • Noncareer/per diem employees – 0.0 • Part-time employees – 0.0 • Permanent-intermittent employees – 0.0 • Seasonal employees – 0.0 		

Major Boilerplate Changes from FY 2025-26

There is no boilerplate for the Executive Office.

FY 2026-27: LEGISLATURE
Summary: As Reported by House Subcommittee
Article 5, House Bill 5619 (H-1)



Analyst: Michael Crossen

IDG/IDT	FY 2025-26	FY 2026-27	FY 2026-27	FY 2026-27	FY 2026-27	Difference: House	
	Year-to-Date as of 2/11/26	Executive	House	Senate	Conference	From FY 2025-26 YTD	YTD
						Amount	%
Federal	\$0	\$0	\$0	\$	\$	\$0	--
Local	0	0	0			0	--
Private	474,700	474,700	488,900			14,200	3.0
Restricted	5,503,800	5,503,800	4,227,800			(1,276,000)	(23.2)
GF/GP	194,837,300	200,682,100	204,702,600			9,865,300	5.1
Gross	\$200,815,800	\$206,660,600	\$209,419,300	\$	\$	\$8,603,500	4.3
FTEs	0.0	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 YTD (as of 2/11/26)	House Change from YTD
1. Legislature Operations Adjustment	Gross \$200,815,800	\$5,903,500
<u>Executive</u> includes \$5.8 million GF/GP for legislative employees, operations, and property management. <u>House</u> includes \$5.9 million Gross (\$5.8 million GF/GP) by including standard increases for non-GF/GP fund sources. The following are increases by budget area:	Private 474,700	14,200
	Restricted 5,503,800	44,500
	GF/GP \$194,837,300	\$5,844,800
<ul style="list-style-type: none"> Legislature \$4.3 million GF/GP Legislative Council \$716,100 GF/GP Legislative Retirement \$191,200 Gross (\$146,700 GF/GP) Property Management \$508,200 GF/GP State Capitol Historic Site \$200,100 Gross (\$185,900 GF/GP). 		
2. Digital Oversight Office	Gross \$0	\$2,700,000
<u>House</u> includes \$2.7 million in state restricted Lawsuit Settlement Proceeds Fund revenue to establish the Digital Oversight Office which would be responsible for investigating information technology (IT) projects, services, and purchasing by state agencies, collaborating with state agencies on IT projects, supporting adoption of modern software development best practices, and studying innovative procurement practices.	Restricted 0	2,700,000
	GF/GP \$0	\$0
3. National Association Dues Removal	Gross \$714,300	(\$714,300)
<u>House</u> eliminates \$714,300 GF/GP for national association dues.	GF/GP \$714,300	(\$714,300)

<u>Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations</u>		<u>FY 2025-26 YTD (as of 2/11/26)</u>	<u>House Change from YTD</u>
4. Legislative Security	Gross	\$0	\$714,300
<u>House</u> includes \$714,300 GF/GP for a new line to support security for the legislature.	GF/GP	\$0	\$714,300
5. GF/GP, Restricted Fund Swap	Gross	\$4,020,500	\$0
<u>House</u> removes \$4.0 million from state restricted Capitol Historic Site Fund revenue and replaces it with a corresponding amount of GF/GP revenue for a \$0 net change.	Restricted GF/GP	4,020,500 \$0	(4,020,500) \$4,020,500

Major Boilerplate Changes from FY 2025-26

Sec. 605. Michigan Manual Work Project – DELETED

Designates appropriation for Michigan Manual as a work project account. House deletes.

Sec. 606. Property Management Work Project – REVISED

Designates appropriations for property management as work project accounts; requires appropriations to be used for purchasing equipment and for building maintenance services. House revises to designate unexpended funds for Binsfeld Office Building and other properties as a work project account.

Sec. 607. Automated Data Processing Work Project – DELETED

Designates appropriations for automated data processing as work project accounts; requires appropriations to be used to purchase equipment, software, and services. House deletes.

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). Executive deletes. House revises to update fiscal year and dollar amounts.

Sec. 616. Digital Oversight Office – NEW

Creates the Digital Oversight Office within the legislature; outlines responsibilities of the office; authorizes the office to receive and investigate complaints regarding information technology projects; authorizes the office to have access to information necessary for investigations and establishes requirements for confidentiality; provides for the legislative process of appointing the executive officer of the office.

FY 2026-27: LEGISLATIVE AUDITOR GENERAL
Summary: As Reported by House Subcommittee
Article 5, House Bill 5619 (H-1)



Analyst: Michael Crossen

IDG/IDT	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	FY 2026-27 House	FY 2026-27 Senate	FY 2026-27 Conference	Difference: House From FY 2025-26 YTD	
						Amount	%
	\$7,445,000	\$7,445,000	\$7,668,900	\$	\$	\$223,900	3.0
Federal	0	0	0			0	--
Local	0	0	0			0	--
Private	0	0	0			0	--
Restricted	2,512,900	2,512,900	2,587,700			74,800	3.0
GF/GP	21,748,400	22,400,900	22,400,900			652,500	3.0
Gross	\$31,706,300	\$32,358,800	\$32,657,500	\$	\$	\$951,200	3.0
FTEs	0.0	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.

<u>Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations</u>	<u>FY 2025-26 YTD (as of 2/11/26)</u>	<u>House Change from YTD</u>
1. Legislative Auditor General Operations	Gross \$31,706,300	\$951,200
<u>Executive</u> includes \$652,500 GF/GP for operations and staff of the Office of Auditor General. <u>House</u> includes \$951,200 Gross (652,500 GF/GP) by including standard increases for non-GF/GP fund sources.	IDG 7,445,000	223,900
	Restricted 2,512,900	74,800
	GF/GP \$21,748,400	\$652,500

Major Boilerplate Changes from FY 2025-26

Sec. 621. Contract Audits – DELETED

Requires auditor general to take steps to ensure certified minority- and women-owned and operated accounting firms, accounting firms owned and operated by persons with disabilities, and accounting firms that are geographically disadvantaged business enterprises participate in audits, and encourage firms with which it contracts to subcontract with the aforementioned; requires report on number of contracts entered into with these firms. House deletes.

Sec. 625. Access to Confidential Information – RETAINED

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. Executive deletes. House retains.

Sec. 627. Operations Work Project Language – DELETED

Provides work project authorization for unexpended funds related to Field Operations for conducting the State of Michigan Comprehensive Annual Financial Report. House deletes.

Sec. 631. Audit of Secretary of State’s Review of Voter Rolls – REVISED

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. Executive deletes. House revises to conduct and audit of the secretary of state’s systematic review of voter rolls based on requirements under section 728.

FY 2026-27: DEPARTMENT OF STATE
Summary: As Reported by House Subcommittee
Article 5, House Bill 5619 (H-1)



Analyst: Michael Crossen

IDG/IDT	FY 2025-26	FY 2026-27	FY 2026-27	FY 2026-27	FY 2026-27	Difference: House	
	Year-to-Date as of 2/11/26	Executive	House	Senate	Conference	From FY 2025-26 YTD	YTD
						Amount	%
	\$20,000,000	\$20,000,000	\$0	\$	\$	(\$20,000,000)	(100.0)
Federal	1,460,000	1,460,000	1,460,000			0	0.0
Local	0	0	0			0	--
Private	50,100	50,100	50,100			0	0.0
Restricted	261,503,800	266,798,000	239,104,300			(22,399,500)	(8.6)
GF/GP	11,969,100	11,179,200	8,699,800			(3,269,300)	(27.3)
Gross	\$294,983,000	\$299,487,300	\$249,314,200	\$	\$	(\$45,668,800)	(15.5)
--FTEs	1,607.0	1,607.0	1,483.0			(124.0)	(7.7)

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 YTD (as of 2/11/26)	House Change from YTD
1. Enhanced Driver License Fund Shift with GF/GP	Gross	\$32,224,600	\$0
<u>Executive</u> 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. <u>House</u> concurs.	Restricted	20,255,500	1,196,000
	GF/GP	\$11,969,100	(\$1,196,000)
2. Information Technology Reduction	Gross	\$39,001,200	(\$39,001,200)
<u>House</u> eliminates the department Information Technology Services and Projects line item.	Restricted	37,683,700	(37,683,700)
	GF/GP	\$1,317,500	(\$1,317,500)
3. Reduction to Past Spending and Filled FTE Positions	FTE	NA	(124.0)
<u>House</u> reduces \$10.6 million Gross (\$1.2 million GF/GP) and authorization for 124.0 FTE positions to align appropriations with prior years' spending and the number of filled FTE positions.	Gross	NA	(\$10,618,800)
	Restricted	NA	(9,460,600)
	GF/GP	NA	(\$1,158,200)
4. Property Management	Gross	NA	(\$553,100)
<u>House</u> reduces \$553,100 Gross (\$3,700 GF/GP) for costs of rent in leased space and building occupancy charges in state-owned buildings.	Restricted	NA	(549,400)
	GF/GP	NA	(\$3,700)
5. IDG, Restricted Fund Source Swap	Gross	\$20,000,000	\$0
<u>House</u> removes authorization of \$20.0 million in IDG revenue from Department of Transportation and replaces it with \$20.0 million in state restricted Transportation Administration Collection Fund revenue.	IDG	20,000,000	(20,000,000)
	Restricted	0	20,000,000
	GF/GP	\$0	\$0

<u>Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations</u>	<u>FY 2025-26 YTD (as of 2/11/26)</u>	<u>House Change from YTD</u>
6. Employees by Status	Gross	NA
<u>House</u> includes the estimated number of full-time, limited-term, noncareer/per diem, part-time, permanent-intermittent, and seasonal people employed by the department. Estimates were obtained from the Forty-Sixth Annual Workforce Report published by the Civil Service Commission and are as follows:	GF/GP	NA
<ul style="list-style-type: none"> • Full-time employees – 1,480.0 • Limited-term employees – 5.0 • Noncareer/per diem employees – 2.0 • Part-time employees – 0.0 • Permanent-intermittent employees – 2.0 • Seasonal employees – 0.0 		NA
7. Economic Adjustments	Gross	NA
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 GF/GP	NA NA
		\$4,504,300 4,098,200 \$406,100

Major Boilerplate Changes from FY 2025-26

Sec. 703. Commercial Look-Up Fees Report – RETAINED

Requires department to provide quarterly reports on number of records sold and revenue collected. Executive deletes. House retains.

Sec. 704. Prohibition of Certain Advertisements – NEW

Prohibits the department from using funds for radio, billboard, or other audio recorded advertising. House adds.

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

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. House retains.

Sec. 714. Branch Office Closings or Consolidations – RETAINED

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. Executive deletes. House retains.

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

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. Executive deletes. House retains.

Sec. 720. Voter Registration Report – RETAINED

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. Executive deletes. House retains.

Sec. 724. Timely Reimbursements to Local Governments – RETAINED

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. Executive deletes. House retains.

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). Executive deletes. House revises to update fiscal year and dollar amounts.

Major Boilerplate Changes from FY 2025-26

Sec. 727. ERIC Prohibition – NEW

Prohibits the department from entering an agreement for third-party services related to multi-state sharing of voter registration information for any purpose other than providing a cross-check verification of voter registration information; requires the department to send copy of any multi-state agreement; subjects agreements to termination by legislature if it finds them to be in violation of this section; requires biannual report on information shared through any agreement made. House adds.

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

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. Executive deletes. House revises to authorize use of certain federal databases to verifying data.

FY 2026-27: TECHNOLOGY, MANAGEMENT, AND BUDGET
Summary: As Reported by House Subcommittee
Article 5, House Bill 5619 (H-1)



Analyst: Michael Crossen

IDG/IDT	FY 2025-26	FY 2026-27	FY 2026-27	FY 2026-27	FY 2026-27	Difference: House	
	Year-to-Date as of 2/11/26	Executive	House	Senate	Conference	From FY 2025-26 YTD	Amount %
	\$1,152,596,000	\$1,171,532,000	\$804,302,000	\$	\$	(\$348,294,000)	(30.2)
Federal	4,393,300	4,493,300	4,493,200			99,900	2.3
Local	2,360,100	3,094,600	3,094,500			734,400	31.1
Private	229,400	354,400	354,300			124,900	54.4
Restricted	145,578,700	147,277,200	125,169,900			(20,408,800)	(14.0)
GF/GP	538,318,900	585,704,500	464,051,400			(74,267,500)	(13.8)
Gross	\$1,843,476,400	\$1,912,456,000	\$1,401,465,300	\$	\$	(\$442,011,100)	(24.0)
FTEs	3,238.5	3,275.5	2,954.8			(283.7)	(8.8)

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 YTD (as of 2/11/26)	House Change from YTD
1. Statewide Voting System Replacement	Gross	NA
<u>Executive</u> 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. Most of the equipment 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
<u>House</u> does not include.		\$0
2. Michigan Public Safety Communications System (MPSCS) Lifecycle Replacement Maintenance	FTE	137.0
<u>Executive</u> includes \$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
<u>House</u> does not include.	Local	2,300,400
	GF/GP	\$47,211,100
		\$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
3. MPSCS Contract Cost	FTE 137.0	0.0
<u>Executive</u> 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
<u>House</u> concurs.	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	\$83,900
<u>Executive</u> 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	\$83,900
<u>House</u> includes \$83,900 GF/GP to account for debt increases on existing projects nearing completion and does not include funding for new projects with planning authorization not yet given construction authorization by the legislature.		
5. MI Center for Data and Analytics Data Sharing Platform	FTE 42.0	0.0
<u>Executive</u> 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	\$0
<u>House</u> does not include.	Federal 4,185,200	0
	Local 35,000	0
	Private 100	0
	GF/GP \$2,793,400	\$0
6. Office of the Child Advocate Case Management System	FTE 22.0	0.0
<u>Executive</u> 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
<u>House</u> concurs.	GF/GP \$3,878,000	\$140,000
7. Building Operations Division	FTE 266.0	9.0
<u>Executive</u> 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
<u>House</u> concurs.	GF/GP \$0	\$0
8. SIGMA Contract Cost Alignment	Gross NA	\$360,700
<u>Executive</u> 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
<u>House</u> concurs.	GF/GP NA	\$0
9. Fleet Vehicle Travel Services Rate Increase	Gross \$101,194,600	\$6,300,000
<u>Executive</u> 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
<u>House</u> concurs.	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)	House Change from YTD
10. Annual IT IDG Baseline Adjustment	FTE	1,433.5	13.0
<u>Executive</u> 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
<u>House</u> concurs.	GF/GP	\$0	\$0
11. State Archives of Michigan - Federal and Private Grant Awards	Gross	NA	\$225,000
<u>Executive</u> 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
<u>House</u> concurs.	Private	NA	125,000
	GF/GP	NA	\$0
12. SWCAP Adjustment	Gross	NA	\$0
<u>Executive</u> 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)
<u>House</u> concurs.	Restricted	NA	(396,600)
	GF/GP	NA	\$521,700
13. Office of Performance Management and Communications Transfer	Gross	NA	\$0
<u>Executive</u> 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 for a net impact of \$0. The transfer would align funding with the current reporting structure.	IDG	NA	0
<u>House</u> concurs.	Restricted	NA	0
	GF/GP	NA	\$0
14. Accounting Service Center	Gross	NA	(\$25,800)
<u>Executive</u> 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)
<u>House</u> concurs.	GF/GP	NA	\$0
15. Federal and State Restricted Revenue Alignment	Gross	NA	(\$80,500)
<u>Executive</u> 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)
<u>House</u> concurs.	GF/GP	NA	\$0
16. Information Technology Investment Fund (ITIF)	Gross	\$50,000,000	(\$15,000,000)
<u>Executive</u> removes \$15.0 million of one-time GF/GP funding 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)
<u>House</u> concurs.			

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
17. Removal of FY 2025-26 One-Time Appropriations	Gross	\$5,000,000	(\$5,000,000)
<u>Executive</u> 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. <u>House</u> concurs.	GF/GP	\$5,000,000	(\$5,000,000)
18. Michigan State Digital Service Office	FTE	0.0	15.0
<u>House</u> includes \$3.7 million GF/GP and authorization for 15.0 FTE positions for the Michigan State Digital Service Office. The office would collaborate with departments and agencies and DTMB IT and procurement leadership to adopt modern software development strategies and practices.	Gross	\$0	\$3,708,500
	GF/GP	\$0	\$3,708,500
19. DTMB Information Technology Reduction	Gross	\$39,001,200	(\$26,408,000)
<u>House</u> reduces \$26.4 million Gross (\$14.4 million GF/GP) for department information technology services and projects reflecting a 50% reduction.	Restricted	37,683,700	(11,960,100)
	GF/GP	\$1,317,500	(\$14,447,900)
20. Civil Service Commission Information Technology Reduction	Gross	\$12,199,600	(\$6,099,800)
<u>House</u> reduces \$6.1 million Gross (\$1.8 million GF/GP) for the commission's information technology services and projects reflecting a 50% reduction.	Restricted	10,441,100	(4,341,300)
	GF/GP	\$1,758,500	(\$1,758,500)
21. Reduction to Past Spending and Filled FTE Positions	FTE	NA	(320.7)
<u>House</u> reduces \$414.3 million Gross (\$41.2 million GF/GP) and authorization for 320.7 FTE positions to align appropriations with prior years' spending and the number of filled FTE positions.	Gross	NA	(\$414,275,400)
	IDG	NA	(367,230,000)
	Restricted	NA	(5,805,800)
	GF/GP	NA	(\$41,239,600)
22. Property Management	FTE	0.0	0.0
<u>House</u> reduces \$1.1 million GF/GP for costs of rent in leased space and building occupancy charges in state-owned buildings.	Gross	\$11,215,600	(\$1,098,600)
	IDG	1,698,000	0
	Federal	208,000	0
	Local	24,600	0
	Restricted	1,429,600	0
	GF/GP	\$7,855,400	(\$1,098,600)
23. Lansing Grant Removal	Gross	\$1,000,000	(\$1,000,000)
<u>House</u> removes \$1.0 million GF/GP for an ongoing grant to the City of Lansing to maintain or improve local roads, sidewalks, public utility infrastructure, emergency response, traffic management, and other public safety services that support the state capitol and adjacent state facilities.	GF/GP	\$1,000,000	(\$1,000,000)
24. Make It in Michigan Transfer Placeholders	Gross	\$400	(\$400)
<u>House</u> removes four \$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

<u>Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations</u>	<u>FY 2025-26 YTD (as of 2/11/26)</u>	<u>House Change from YTD</u>	
25. Employees by Status	Gross	NA	NA
<u>House</u> includes the estimated number of full-time, limited-term, noncareer/per diem, part-time, permanent-intermittent, and seasonal people employed by the department. Estimates were obtained from the Forty-Sixth Annual Workforce Report published by the Civil Service Commission and are as follows:	GF/GP	NA	NA
<ul style="list-style-type: none"> • Full-time employees – 3,082.0 • Limited-term employees – 115.0 • Noncareer/per diem employees – 70.0 • Part-time employees – 2.0 • Permanent-intermittent employees – 3.0 • Seasonal employees – 0.0 			
26. 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. 801. Contingency Authorization – REVISED

Appropriates up to \$1.0 billion in federal, \$250.0 million in state restricted, \$20.0 million in local, and \$20.0 million in private contingency authorization; authorizes expenditure of funds after legislative transfer to specific line items. Executive revises to increase maximum amounts of contingency authorizations to \$50.0 million in federal, \$200.0 million in state restricted, \$5.0 million in local, and \$5.0 million in private. House revises to decrease authorizations to \$2.0 million in federal, \$4.0 million in state restricted, \$75,000 in local, and \$50,000 in private.

Sec. 809. Computer Contracts – RETAINED

Requires DTMB to report revisions that increase or decrease current contracts for computer software development, hardware acquisition, or quality assurance by more than \$250,000, individually or in aggregate. Executive deletes. House retains.

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). Executive deletes. House revises to update fiscal year and dollar amounts.

Sec. 813. Motor Vehicle Fleet - REVISED

Provides for motor vehicle charges and management of motor vehicle fleet; requires detailed plan for operation of fleet; authorizes department to increase its rate for fuel upon the price of fuel exceeding certain thresholds; authorizes department to adjust spending authorization and motor transport fund IDG as needed to ensure that authorization meets total fleet expenditures. House revises to require reporting on comparing costs between electric vehicle battery charging and charges for gasoline fuel; prohibits the lease or purchase of electric or hybrid electric vehicles for the state fleet.

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. Executive deletes. House revises to subject expenditure of funds to approval through legislative transfer process.

Sec. 816. In-Person Work and Building Utilization Requirements – REVISED

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. House revises to define occupancy as provided in section 208.

Major Boilerplate Changes from FY 2025-26

Sec. 821. State Retirement Systems Report – RETAINED

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. Executive deletes. House retains.

Sec. 822. Report on Unclassified Salaries – RETAINED

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

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

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

Sec. 822e. Census-Related Services – RETAINED

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. House retains.

Sec. 822g. Supplier Risk Assessment Program – REVISED

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. Executive deletes. House revises to allocate up to \$1.2 million from Business Support Services for the subscription; requires all departments and agencies to have access to the subscription service; requires submittal of vendors for potential legislative directed spending items and services of attendance-based childcare providers into the risk assessment system prior to entering into any agreement or contract with vendor.

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. House deletes.

Sec. 822n. 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. House adds.

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

Requires legislature and all state departments to have access to historical and current data in SIGMA and MAIN. Executive deletes. House revises to include data from the Judicial branch.

Sec. 826. Definition of Information Technology Services – RETAINED

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

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

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

Sec. 829. IT Lifecycle Report – RETAINED

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

Sec. 831. Information Technology Services Billing – RETAINED

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.

Major Boilerplate Changes from FY 2025-26

Sec. 832. Child Support Enforcement System – RETAINED

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. Executive deletes. House retains.

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

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”. Executive deletes. House revises to prohibit contracting for a commercial-off-the-shelf (COTS) product if the vendor would need to write software code to enable the product to meet the requirements of a department or agency and would either involve labor costs that exceed the base price of the COTS product or the vendor cannot provide more than 1 example of successful implementation of the product.

Sec. 835. Information Technology Contract Limits – REVISED

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. Executive deletes. House revises prohibit expenditure of funds for entering a contract for over \$10 million or effective for longer than 3 years except upon appropriation or legislative transfer.

Sec. 836. Independent Verification and Validation Contracting – REVISED

Requires Independent Verification and Validation contracted vendors to provide regular reporting to the legislature and the contracted software development vendor on the project. Executive deletes. House revises require DTMB to contract for independent verification and validation (IVV) services for IT projects that have a contract value over \$5 million or over \$1 million and meet certain conditions.

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

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. House retains.

Sec. 839. Federal and State Restricted Revenue for ITIF – DELETED

Appropriates additional federal and state restricted revenue for the Enterprisewide Information Technology Investments line item up to amounts earned based on initiatives undertaken with the General Fund appropriation. House deletes.

Sec. 840. IT Contract Requirements – REVISED

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. Executive deletes. House revises to require DTMB to use the U.S. General Services Administration’s Contract-Awarded Labor Category Tool for calculating expected labor costs for information technology software project contracts before soliciting bids, proposals, or solutions for those contracts.

Sec. 841. State Digital Service Office – NEW

Creates the State Digital Service Office within DTMB; authorizes the office to collaborate with departments and agencies and DTMB IT and procurement leadership to adopt modern software development strategies and practices; defines modern software development strategies and practices; outlines the offices collaborative and advisory roles; establishes other training, monitoring, and reporting responsibilities; establishes the process for appointment of the director of the office. House adds.

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

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. Executive deletes. House retains.

Sec. 862. Report on Capital Outlay Projects – RETAINED

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. Executive deletes. House retains.

Sec. 863. Office Building Space Usage Report – RETAINED

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. Executive deletes. House retains.

Major Boilerplate Changes from FY 2025-26

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. House retains.

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. Executive deletes. House concurs.

Sec. 890. Election Equipment Reserve Fund – NOT INCLUDED

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. Executive adds. House does not include.

FY 2026-27: DEPARTMENT OF TREASURY
Summary: As Reported by House Subcommittee
Article 5, House Bill 5619 (H-1)



Analyst: Michael Crossen

IDG/IDT	FY 2025-26	FY 2026-27	FY 2026-27	FY 2026-27	FY 2026-27	Difference: House	
	Year-to-Date as of 2/11/26	Executive	House	Senate	Conference	From FY 2025-26 YTD	
						Amount	%
	\$11,670,700	\$12,285,700	\$12,285,700	\$	\$	\$615,000	5.3
Federal	25,254,000	25,322,400	9,699,200			(15,554,800)	(61.6)
Local	15,311,600	16,204,300	11,770,000			(3,541,600)	(23.1)
Private	3,040,300	44,300	44,300			(2,996,000)	(98.5)
Restricted	2,273,268,100	2,324,800,500	2,312,920,400			39,652,300	1.7
GF/GP	327,800,400	295,706,800	267,217,200			(60,583,200)	(18.5)
Gross	\$2,656,345,100	\$2,674,364,000	\$2,613,936,800	\$	\$	(\$42,408,300)	(1.6)
FTEs	1,965.5	1,980.5	1,697.5			(268.0)	(13.6)

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 YTD (as of 2/11/26)	House Change from YTD
1. Tax Administration – Proposed Tobacco, Vaping, Non-Tobacco Nicotine Products Tax	FTE	NA
	Gross	NA
	GF/GP	NA
<i>Executive</i> 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. <i>House</i> does not include.		0.0
		\$0
		\$0
2. Tax Administration – Proposed Digital Advertising Tax	FTE	NA
	Gross	NA
	GF/GP	NA
<i>Executive</i> 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. <i>House</i> does not include.		0.0
		\$0
		\$0
3. Tax Administration – Proposed Internet Gaming and Sports Betting Tax	FTE	NA
	Gross	NA
	Restricted	NA
	GF/GP	NA
<i>Executive</i> 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. <i>House</i> does not include.		0.0
		\$0
		\$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
4. MGCB Information Technology	Gross	\$5,370,000	\$0
<u>Executive</u> 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. <u>House</u> does not include.	Restricted	5,370,000	0
	GF/GP	\$0	\$0
5. MGCB Responsible Gaming Youth Expansion	Gross	NA	\$0
<u>Executive</u> 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. <u>House</u> does not include.	Restricted	NA	0
	GF/GP	NA	\$0
6. Constitutional Revenue Sharing	Gross	\$1,010,082,900	\$35,254,800
<u>Executive</u> 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. <u>House</u> concurs.	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	\$65,616,500
<u>Executive</u> maintains FY 2025-26 statutory revenue sharing payment funding and distribution formulas for CVTs and counties. <u>House</u> includes an additional \$65.6 million in state restricted sales tax revenue for statutory revenue sharing. Of this amount \$45.8 million would be allocated to CVTs according to existing formula payments based on inverse taxable value, unit type population, and millage yield equalization, and \$19.8 million would be distributed to counties according to existing formula payments based on inverse taxable values.	Restricted	624,658,700	65,616,500
	GF/GP	\$0	\$0
8. Public Safety Revenue Sharing Grants	Gross	\$50,000,000	\$10,000,000
<u>Executive</u> 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. 	GF/GP	\$0	\$10,000,000
FY 2025-26 one-time appropriation of \$20.0 for Public Safety Revenue Sharing Grants is removed as noted below in item number 19. <u>House</u> includes an additional \$10.0 million GF/GP From this amount allocates \$7.5 million to CVTs and \$2.5 million to counties.			
9. Debt Service Adjustments	Gross	\$89,881,000	\$7,598,000
<u>Executive</u> 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. 			
<u>House</u> concurs.			

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
10. Payment in Lieu of Taxes (PILT)	Gross	\$38,312,500	\$3,470,900
<u>Executive</u> 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. <u>House</u> concurs with adjustments and includes reductions to past spending as described below in item number 23.	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
<u>Executive</u> 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. <u>House</u> concurs.	GF/GP	\$12,125,100	\$400,000
12. Bureau of Local Government Audit and Assessment Services	Gross	NA	\$198,300
<u>Executive</u> 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. <u>House</u> concurs.	GF/GP	NA	\$198,300
13. City Income Tax Program Flint Inclusion	FTE	77.0	0.0
<u>Executive</u> 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. <u>House</u> does not include.	Gross	\$11,222,000	\$0
	Local	11,222,000	0
	GF/GP	\$0	\$0
14. Collections Services Bureau Increase	FTE	190.0	0.0
<u>Executive</u> includes \$500,000 in IDG authorization from state agency collection fees to support operational costs and activities of the Collections Services Bureau. <u>House</u> concurs.	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	\$22,528,700
<u>Executive</u> includes the following adjustments to align restricted authorizations with revenue:	Local	NA	0
<ul style="list-style-type: none"> \$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. 	Restricted	NA	22,528,700
<u>House</u> concurs but does not include reduction of \$250,000 in local assessor training fees.	GF/GP	NA	\$0
16. Tax Administration – Marihuana Wholesale Tax FTEs	FTE	325.0	3.0
<u>Executive</u> includes authorization for 3.0 FTE positions for the Tax Processing line to help administer the marihuana wholesale tax. <u>House</u> concurs. <u>House</u> concurs.	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
<u>Executive</u> 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. <u>House</u> concurs.	Gross	NA	\$0
	Restricted	NA	0
	GF/GP	NA	\$0
18. Recreational Marihuana Grants to Locals	Gross	\$105,600,000	\$0
<u>Executive</u> 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. <u>House</u> does not include this adjustment but includes reductions to past spending as described below in item number 23.	Restricted	105,600,000	0
	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)	House Change from YTD
19. Removal of Other FY 2025-26 One-Time Appropriations	FTE 14.0	(14.0)
<u>Executive</u> 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)
<ul style="list-style-type: none"> Public Safety Constituency Grants (\$25.0 million GF/GP) 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 (\$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. 	Private 3,000,000 Restricted 2,955,100 GF/GP \$47,200,000	(3,000,000) (2,955,100) (\$47,200,000)
<u>House</u> concurs.		
20. Treasury Information Technology Reduction	FTE 0.0	0.0
<u>House</u> reduces \$25.3 million Gross (\$13.4 million GF/GP) for Department of Treasury information technology services and projects reflecting a 50% reduction.	Gross \$50,587,800	(\$25,293,900)
	IDG 834,400 Federal 590,200 Local 2,274,500 Restricted 20,121,700 GF/GP \$26,767,000	0 0 0 (11,910,400) (\$13,383,500)
21. Lottery Information Technology Reduction	Gross \$3,857,800	(\$1,928,900)
<u>House</u> reduces \$1.9 million in state restricted revenue for Bureau of State Lottery information technology services and projects reflecting a 50% reduction.	Restricted 3,857,800 GF/GP \$0	(1,928,900) \$0
22. Gaming Information Technology Reduction	Gross \$5,370,000	(\$2,685,000)
<u>House</u> reduces \$2.7 million in state restricted revenue for Michigan Gaming Control Board information technology services and projects reflecting a 50% reduction.	Restricted 5,370,000 GF/GP \$0	(2,685,000) \$0
23. Reduction to Past Spending and Filled FTE Positions	FTE NA	(241.0)
<u>House</u> reduces \$100.1 million Gross (\$12.7 million GF/GP) and authorization for 241.0 FTE positions to align appropriations with prior years' spending and the number of filled FTE positions.	Gross NA	(\$100,063,900)
	Federal NA Local NA Restricted NA GF/GP NA	(15,623,200) (3,684,300) (68,008,600) (\$12,747,800)
24. Property Management	Gross \$8,044,600	(\$1,052,000)
<u>House</u> reduces \$1.1 million Gross (\$808,300 GF/GP) for costs of rent in leased space and building occupancy charges in state-owned buildings.	Restricted 3,805,100 GF/GP \$4,239,500	(243,700) (\$808,300)
25. Wrongful Imprisonment Compensation Fund	Gross \$10,000,000	(\$7,200,000)
<u>House</u> reduces \$7.2 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 provide 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	(\$7,200,000)

<u>Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations</u>	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
26. Employees by Status	Gross	NA
<u>House</u> includes the estimated number of full-time, limited-term, noncareer/per diem, part-time, permanent-intermittent, and seasonal people employed by the department. Estimates were obtained from the Forty-Sixth Annual Workforce Report published by the Civil Service Commission and are as follows:	GF/GP	NA
<ul style="list-style-type: none"> • Full-time employees – 1,716.0 • Limited-term employees – 42.0 • Noncareer/per diem employees – 35.0 • Part-time employees – 0.0 • Permanent-intermittent employees – 1.0 • Seasonal employees – 2.0 		NA
27. Economic Adjustments	Gross	NA
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
	Federal	NA
	Local	NA
	Restricted	NA
	GF/GP	NA
		\$3,403,300
		115,000
		68,400
		142,700
		3,179,500
		(\$102,300)

Major Boilerplate Changes from FY 2025-26

Sec. 901. Contingency Authorization – RETAINED

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. House retains.

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

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. Executive deletes. House retains.

Sec. 917. Write-Offs and Advances – RETAINED

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. House retains.

Sec. 934. Expending of Authority Revenues – RETAINED

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. House retains.

Sec. 947. Financial Independence Teams – RETAINED

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. Executive deletes. House retains.

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). Executive deletes. House revises to update fiscal year and dollar amounts.

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

Requires Treasury to coordinate with Department of Agriculture and Rural Development to improve 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". House retains.

Major Boilerplate Changes from FY 2025-26

Sec. 949o. Private Grants Receipt and Expend Authorization – NOT INCLUDED

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. Executive adds. House does not include.

Sec. 949p. Spending Authorization of MiABLE Program Fees – NOT INCLUDED

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. Executive adds. House does not include.

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. House revises to reflect funding increases for CVTs and counties in part 1 and requires a report on the date the grant was disbursed, the grant recipient, and the planned use of grant funds including whether the grant is to be used as a subgrant.

CASINO GAMING

Sec. 973. Local Revenue Sharing Boards – RETAINED

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. House retains.

Sec. 979. Millionaire Party Regulation – RETAINED

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. House retains.

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. Executive deletes. House concurs.

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. Executive deletes. House concurs.

STATE BUILDING AUTHORITY

Sec. 1104. Expenditure Authorization – NOT INCLUDED

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. Executive adds. House does not include.

FY 2026-27: DHHS – HUMAN SERVICES
Summary: As Reported by House Subcommittee
Article 6A, House Bill 5619 (H-1)



Analysts: Cassidy Uchman and Sydney Walker

IDG/IDT	FY 2025-26	FY 2026-27	FY 2026-27	FY 2026-27	FY 2026-27	Difference: House	
	Year-to-Date as of 2/11/26	Executive	House	Senate	Conference	From FY 2025-26 YTD	YTD
						Amount	%
	\$9,495,900	\$9,507,100	\$9,218,100	\$	\$	(\$277,800)	(2.9)
Federal	5,337,453,800	5,185,862,300	5,021,980,400			(315,473,400)	(5.9)
Local	61,882,100	64,996,900	62,962,100			1,080,000	1.7
Private	11,578,000	12,012,500	8,997,900			(2,580,100)	(22.3)
Restricted	121,352,500	123,012,200	121,962,200			609,700	0.5
GF/GP	1,340,778,900	1,521,080,100	1,419,633,300			78,854,400	5.9
Gross	\$6,882,541,200	\$6,916,471,100	\$6,644,754,000	\$	\$	(\$237,787,200)	(3.5)
FTEs	10,379.3	10,953.3	9,855.8			(523.5)	(5.0)

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 YTD (as of 2/11/26)	House Change from YTD
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COMMUNITY SERVICES AND OUTREACH

1. School Success Partnership Program	Gross	\$1,525,000	(\$1,525,000)
<u>Executive</u> 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 below in item 15. <u>House</u> concurs.	TANF	1,525,000	(1,525,000)
	GF/GP	\$0	\$0
2. Federal Grant Increase – Continuum of Care and Weatherization	Gross	NA	\$1,118,700
<u>Executive</u> 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. <u>House</u> concurs.	Federal	NA	1,049,600
	GF/GP	NA	\$69,100
3. Permanent Supportive Housing	Gross	\$13,031,000	\$3,000,000
<u>House</u> includes \$3.0 million GF/GP to expand supportive housing services.	Federal	12,325,400	0
	GF/GP	\$705,600	\$3,000,000
4. Children’s Food Grants	Gross	NA	\$2,000,000
<u>House</u> includes \$2.0 million GF/GP to be awarded as grants to support food distributions and educational programming on nutrition and agriculture for children from low-income families. Section 461 is related boilerplate.	GF/GP	NA	\$2,000,000
5. Michigan 2-1-1 Increase	Gross	NA	\$1,000,000
<u>House</u> includes \$1.0 million GF/GP to support increased staffing capacity and statewide technical infrastructure improvements for Michigan 2-1-1.	GF/GP	NA	\$1,000,000

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
6. Kids' Food Basket & Senior University	Gross	\$925,000
<u>House</u> realizes a savings of \$925,000 GF/GP by eliminating funding for Kids Food Basket and Senior University.	GF/GP	(\$925,000)

CHILDREN'S SERVICES AGENCY – CHILD WELFARE

7. Child Welfare Caseload Adjustments	Gross	\$912,365,100	\$40,263,600
<u>Executive</u> increases funding for child welfare programs by \$40.3 million Gross (\$69.5 million GF/GP) as follows:	Federal	215,063,500	(21,124,000)
<ul style="list-style-type: none"> Adoption Subsidies is reduced \$5.5 million Gross (\$9.0 million GF/GP increase). Child care fund is increased \$32.0 million Gross (\$30.0 million GF/GP). Foster Care Payments is increased \$14.0 million Gross (30.9 million GF/GP). Guardianship Assistance Program is reduced by \$283,500. 	TANF	71,894,800	(11,542,700)
Amount includes \$802,800 GF/GP reduction from changes in the FY 2026-27 FMAP to 65.70%.	Local	45,457,000	3,046,000
<u>House</u> concurs.	Private	1,226,900	273,100
	Restricted	3,500,000	100,000
	GF/GP	\$575,222,900	\$69,511,200

8. Title IV-E Match Rate Change	Gross	NA	\$0
<u>Executive</u> includes a \$3.3 GF/GP reduction to offset an increase in federal Title IV-E funds as result of the match rate being changed to align with the FMAP. <u>House</u> concurs.	Federal	NA	3,256,800
	GF/GP	NA	(\$3,256,800)

9. Actual Operational Spending Adjustments	FTE	NA	(408.9)
<u>House</u> aligns appropriations throughout the Children's Services Agency and Juvenile Justice units to reflect lapse savings estimates, work project utilization, and alignment of FTEs levels with actual staffing.	Gross	NA	(\$75,217,000)
	Federal	NA	(17,656,500)
	TANF	NA	(14,476,800)
	Restricted	NA	(1,050,000)
	GF/GP	NA	(\$42,033,700)

10. Kinship Care Grants	Gross	NA	\$4,000,000
<u>House</u> includes \$4.0 million GF/GP to be distributed as grants to community action agencies to support youth in informal kinship care.	GF/GP	NA	\$4,000,000

11. Juvenile Justice Infrastructure Fund	Gross	NA	\$2,000,000
House includes \$2.0 million GF/GP to be awarded as grants to support capital improvements to state- and privately-run juvenile justice facilities following instances that result in damage caused by the youth housed at the facility.	GF/GP	NA	\$2,000,000

PUBLIC ASSISTANCE

12. Public Assistance Caseload Adjustments	Gross	\$3,627,570,000	\$35,443,000
<u>Executive</u> includes a net increase of \$35.4 million Gross (\$15.8 million GF/GP) for current year and FY 2026-27 caseload adjustments for the Family Independence Program (FIP), Food Assistance Program (FAP), State Disability Assistance (SDA), and State Supplementation (SSI). Caseload changes include:	Federal	3,495,068,300	18,120,900
<ul style="list-style-type: none"> FIP – increase of \$15.2 million Gross (\$13.4 million GF/GP). FAP – increase of \$18.1 million Federal. SDA – reduction of \$516,700 Gross (\$312,200 GF/GP). SSI – increase of \$2.7 million GF/GP. 	TANF	53,779,100	0
<u>House</u> concurs.	Restricted	14,957,200	1,559,700
	GF/GP	\$63,765,400	\$15,762,400

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
13. Food Assistance Work Requirement Savings – H.R. 1	Gross \$3,499,778,300	(\$71,712,000)
<u>Executive</u> 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. <u>House</u> concurs.	Federal 3,495,068,300	(71,712,000)
	Restricted 4,710,000	0
	GF/GP \$0	\$0
14. TANF Reductions	Gross NA	(\$12,299,300)
<u>Executive</u> includes a reduction of \$12.3 million TANF across multiple line items to better align expenditures with annual TANF block grant revenue. Larger reductions include:	TANF NA	(12,299,300)
	GF/GP NA	\$0
<ul style="list-style-type: none"> Emergency services local office allocations - \$6.8 million. Donated funds - \$2.2 million. EBT - \$1.0 million. <u>House</u> concurs.		
15. Prenatal and Infant Support Program	Gross \$20,000,000	(\$20,000,000)
<u>House</u> removes \$20.0 million TANF to eliminate the Prenatal and Infant Support Program. TANF funding is used to offset GF/GP elsewhere.	TANF 20,000,000	(20,000,000)
	GF/GP \$0	\$0
LOCAL OFFICE OPERATIONS		
16. SNAP and Medicaid Work Requirement Implementation – H.R. 1	FTE NA	150.0
	Gross NA	\$22,500,000
<u>Executive</u> includes \$104.1 million Gross (\$65.5 million GF/GP) and authorizes an additional 589.0 FTEs 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. <u>House</u> includes \$22.5 million Gross (\$14.8 million GF/GP) and authorizes 150.0 FTEs.	Federal NA	7,740,000
	GF/GP NA	\$14,760,000
17. SNAP Administrative Cost Share Increase – H.R. 1	Gross NA	\$0
<u>Executive</u> includes net-zero adjustments that replace \$67.1 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. Impacts by unit include:	Federal NA	(67,137,500)
	GF/GP NA	\$67,137,500
<ul style="list-style-type: none"> Local Office Operations - \$64.8 million. Child Welfare - \$2.0 million. Community Services and Outreach - \$315,400. <u>House</u> concurs.		
18. Actual Operational Spending Adjustments	FTE NA	(267.8)
<u>House</u> aligns appropriations throughout the Community Services and Outreach, Public Assistance, and Local Office Operations units to reflect lapse savings estimates, work project utilization, and alignment of FTE levels with actual staffing.	Gross NA	(\$134,413,100)
	Federal NA	(104,806,200)
	TANF NA	(10,380,600)
	IDG NA	(289,000)
	Local NA	(2,034,800)
	Private NA	(3,014,600)
	GF/GP NA	(\$13,887,900)
19. GF/GP TANF Swap	Gross \$536,748,600	\$0
<u>House</u> removes \$20.0 million GF/GP and replaces it with a like amount of TANF for a net-zero swap in the Public Assistance Local Office Staff line. TANF funding is from the elimination of the Prenatal and Infant Support Program.	Federal 234,248,700	0
	TANF 56,005,400	20,000,000
	IDG 7,551,800	0
	GF/GP \$238,942,700	(\$20,000,000)
20. Removal of FY 2025-26 One-Time Appropriations	Gross \$62,783,000	(\$62,783,000)
Removes \$62.8 million Gross (\$39.8 million GF/GP) of one-time funding that was included in the FY 2025-26 budget to support 10 one-time line items in FY 2025-26. Any funding retained into FY 2026-27 is noted elsewhere.	Federal 23,000,000	(23,000,000)
	GF/GP \$39,783,000	(\$39,783,000)

<u>Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations</u>	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD	
21. Employees by Status	Gross	NA	\$0
<u>House</u> includes the estimated number of full-time, limited-term, noncareer/per diem, part-time, permanent-intermittent, and seasonal people employed by the department. Estimates were obtained from the Forty-Sixth Annual Workforce Report published by the Civil Service Commission and are as follows:	GF/GP	NA	\$0
<ul style="list-style-type: none"> • Full-time employees – 9,716.0 • Limited-term employees – 406.0 • Noncareer/per diem employees – 8.0 • Part-time employees – 0.0 • Permanent-intermittent employees – 39.0 • Seasonal employees – 5.0 			
22. Economic Adjustments	Gross	NA	\$27,246,300
<u>Executive</u> reflects increased costs of \$27.2 million Gross (\$18.0 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. <u>House</u> concurs.	IDG	NA	11,200
	Federal	NA	8,963,500
	Local	NA	68,800
	Private	NA	161,400
	GF/GP	NA	\$18,041,400

Major Boilerplate Changes from FY 2025-26

GENERAL SECTIONS

Sec. 210- 217. Legislative Contingency Transfer Authorization – REVISED

House authorizes the legislative transfer process to increase federal authorization by up to \$100 million, state restricted authorization by up to \$50 million, local authorization by up to \$30 million, and private authorization by up to \$45 million; prohibits increasing TANF authorization through the legislative contingency transfer process. House, in Sec. 217, revises federal to \$20 million, state restricted to \$20 million, local to \$5 million, and private to \$2 million.

Sec. 215. Court Approved Judgments – NEW

House prohibits departmental funds from being used to pay a court-approved judgment more than \$200,000, unless authorized elsewhere.

Sec. 222. State Fiscal Recovery Fund Reappropriation – NOT INCLUDED

Executive 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. House does not include.

Sec. 226. U.S. Citizenship Requirement – NEW

House prohibits DHHS from using state or federal funds to provide services to non-US citizens, except for qualified aliens under federal law. Excludes actions for the purpose of detaining non-U.S. citizens from this prohibition.

Sec. 227. Prohibition on DEI Programs – NEW

House prohibits DHHS from using state funds on diversity, equity, and inclusion initiatives as defined in various federal Executive Orders.

Sec. 233. ARPA Revenue Pre-Expiration Reallocation – NOT INCLUDED

Executive 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. House does not include.

Major Boilerplate Changes from FY 2025-26

Sec. 250- 224. 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. Executive revises to require SFA and HFA 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. House, in Sec. 224, revises to require compliance with sections 364 and 364a of the Management and Budget Act, requires grant recipients to provide a spending plan, requires department to annually audit grants, requires Office of the Auditor General to have access to internal and external records, outlines conflict of interest provisions, and requires reports.

Sec. 254. Federal Receive and Expend Authority – NOT INCLUDED

Executive allows DHHS, upon approval from the state budget director, to receive and expend federal funds in addition to the federal funds appropriated in part 1; requires notification to the subcommittees and HFA and SFA 10 days after state budget director approval; and caps federal receive and expend at 1% of part 1 appropriations. House does not include.

COMMUNITY SERVICES AND OUTREACH

Sec. 450. School Success Partnership Program – DELETED

Allocates \$1.5 million to the Northeast Michigan Community Services Agency for the School Success Partnership Program; requires report. Executive and House delete.

Sec. 460. Kids' Food Basket – DELETED

Allocates \$525,000 to the Kids' Food Basket organization to deliver meals to low-income children; funding shall be used to expand services, cover employee costs, food, supplies, and equipment. House deletes.

Sec. 461. Children's Food Grants – NEW

House directs DHHS to distribute \$1.0 million as a grant to a nonprofit providing food distributions and educational programming to children from low-income families in not less than 3 counties; directs DHHS to distribute \$1.0 million as competitive grants to other food and nutrition nonprofits serving low-income youth.

Sec. 462. Senior University – DELETED

Allocates \$400,000 to Cody Rouge Community Action Agency's senior university to improve connectivity and computer skills to seniors. House deletes.

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. Executive modifies by increasing the cap on administrative spending from 10% to 15% and striking the work project designation. House modifies by requiring funds to be distributed to county, requiring reporting by county, and striking the work project designation.

CHILDREN'S SERVICES AGENCY – CHILD WELFARE/JUVENILE JUSTICE

Sec. 506. Wayne County Juvenile Justice Data Report – RETAINED

Requires a report containing juvenile justice data from Wayne County, including the number of youths referred for care or supervision, type of setting for referred youth, and staff-to-youth ratios. Executive deletes. House retains.

Sec. 527. Child Welfare Training Report – NEW

House requires DHHS to report on the materials being used to train providers on the use of seclusion and restraint practices.

Sec. 532. DHHS/Provider Meetings – RETAINED

Requires DHHS to hold semiannual meetings with private residential providers to receive feedback and discuss improvements to the residential system. (*Document from the State Budget Office dated November 7 noted this section is unenforceable.*) Executive deletes. House retains.

Sec. 546. Foster Care Agency Administrative Rates – RETAINED

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. Executive modifies by providing stipulations for agencies to receive per diem; updates Independent Living (IL) and Host-home housing rates. House retains current law.

Major Boilerplate Changes from FY 2025-26

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. Executive modifies by requiring DHHS to provide information on youth placement and staffing for the two state run facilities. House concurs.

Sec. 703. Juvenile Justice Infrastructure Fund – NEW

House directs DHHS to distribute \$2.0 million GF/GP as grants to state run and privately run juvenile justice facilities following instances that result in damage caused by the youth housed at the facility. Prohibits payments from exceeding \$100,000 per incident and \$300,000 per facility.

Sec. 704. Juvenile Justice Treatment Centers – NEW

House directs DHHS to distribute \$16.3 million GF/GP equally between the Michigan Youth Treatment Center and juvenile justice bed expansion efforts.

PUBLIC ASSISTANCE/LOCAL OFFICE OPERATIONS

Sec. 603. Public Assistance Benefits Notification – RETAINED

Requires the department to provide timely notification to public assistance program beneficiaries if there will be a decrease in their benefits. (*Document from the State Budget Office dated November 7 noted this section is unenforceable.*) Executive deletes. House retains.

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. House 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 – RETAINED

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. Executive modifies by requiring semiannual reports. House retains current law.

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. Executive modifies by directing the allocation to the State Bar of Michigan. House modifies by directing the allocation to a membership association for attorneys licensed to practice in Michigan.

Sec. 626. Food Stamps Work Requirements – NEW

House prohibits DHHS from seeking, applying for, accepting, or renewing any waiver of SNAP work requirements without specific legislative authorization; prohibits DHHS from exercising the state option to provide exemptions from the SNAP work requirement; allows for good-cause exemptions for temporary absence from employment.

Sec. 627. State Database Checks – NEW

House requires DHHS to conduct monthly data matches with other state agencies to determine households' ongoing eligibility for food stamps benefits.

Sec. 628. Out of State EBT Transactions – NEW

House requires DHHS to use Michigan Bridge card data to flag individuals making exclusively out of state purchases for 60 days and confirm their residency within 30 days; requires DHHS to determine non-residents and non-responders ineligible for food stamps benefits and to refer their case to the U.S. Attorney's Office.

Sec. 629. Federal Database Checks – NEW

House requires DHHS to conduct monthly reviews of multiple federal data sources to assess and act on ongoing eligibility for households receiving food stamps benefits.

Sec. 630. Data Sharing – NEW

House authorizes DHHS to execute memoranda of understanding with any department, agency, or division to share information required under the act; clarifies that DHHS is not prohibited from contracting with independent vendors to obtain additional data that may affect benefit eligibility.

Sec. 631. Income and Asset Verification – NEW

House prohibits DHHS from granting SNAP categorical eligibility (or exemptions from gross income/resource standards) based on noncash or in-kind benefits unless federal law expressly requires it; prohibits DHHS from using higher SNAP gross income or resource limits than those set in federal law unless expressly required.

Major Boilerplate Changes from FY 2025-26

Sec. 632. Eligibility Certification Periods – NEW

House requires DHHS to assign food stamps recertification periods of no more than four months for households with zero net income, households that include an able-bodied adult without dependents, and other households DHHS determines have unstable circumstances.

Sec. 633. Action on Changes – NEW

House requires the DHHS to review and take action on a food stamps case whenever it receives information indicating a change in circumstances that may affect eligibility.

Sec. 634. Restaurant Meal Program Eligibility – NEW

House 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. 635. Soda and Candy Prohibition Waiver– NEW

House requires DHHS to request a waiver from the USDA to exclude soda and candy from the list of eligible foods within the food stamps program; if waiver is accepted, prohibits DHHS from allowing food stamps program funding to be used to purchase soda or candy; provides definitions of soda and candy.

Sec. 678. Annual FIP Young Child Supplement – RETAINED

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. Executive modifies to allow DHHS to use less than the allocated amounts and to delay the deadline for distribution of payments from November 30 to January 31. House retains.

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. House deletes.

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. House modifies by requiring a monthly report.

Sec. 851. Adult Services Field Staff Ratios – RETAINED

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. (*Document from the State Budget Office dated November 7 noted this section is unenforceable.*) Executive deletes. House retains.

FY 2026-27: DHHS – MEDICAID AND BEHAVIORAL HEALTH
Summary: As Reported by House Subcommittee
Article 6B, House Bill 5619 (H-1)



Analysts: Kent Dell and Kevin Koorstra

IDG/IDT	FY 2025-26	FY 2026-27	FY 2026-27	FY 2026-27	FY 2026-27	Difference: House	
	Year-to-Date as of 2/11/26	Executive	House	Senate	Conference	From FY 2025-26 YTD	Amount %
	\$2,478,700	\$2,524,000	\$2,524,000			\$45,300	1.8
Federal	14,826,362,300	22,534,054,700	15,741,872,700			915,510,400	6.2
Local	68,354,300	69,691,300	68,691,300			337,000	0.5
Private	25,466,500	35,431,400	23,501,200			(1,965,300)	(7.7)
Restricted	1,534,805,200	4,803,589,400	1,510,348,900			(24,456,300)	(1.6)
GF/GP	5,440,604,000	5,132,671,200	5,589,494,800			148,890,800	2.7
Gross	\$21,898,071,000	\$32,577,962,000	\$22,936,432,900			\$1,038,361,900	4.7
FTEs	3,876.8	4,220.8	3,832.3			(44.5)	(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 YTD (as of 2/11/26)	House Change from YTD
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MEDICAID – GENERAL

1. Traditional Medicaid Cost Adjustments

Executive includes an increase of \$677.3 million Gross (\$159.1 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). House concurs, but retains provider tax revenue and associated federal match as boilerplate contingency.

Gross	\$17,109,563,700	\$617,649,200
Federal	11,416,017,600	456,664,900
Local	43,035,800	(505,100)
Private	9,011,700	(51,700)
Restricted	1,203,228,900	2,431,100
GF/GP	\$4,438,269,700	\$159,110,000

2. Healthy Michigan Plan Cost Adjustments

Executive includes a net reduction of \$149.9 million Gross (\$12.1 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). House concurs, but retains provider tax revenue and associated federal match as boilerplate contingency.

Gross	\$2,800,801,300	\$8,397,800
Federal	2,515,803,400	20,191,700
Local	1,911,600	31,700
Private	700,000	0
Restricted	164,256,300	284,900
GF/GP	\$118,130,000	(\$12,110,500)

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD	
3. Actuarial Soundness	Gross	NA	\$658,058,000
<u>Executive</u> 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%). <u>House</u> concurs.	Federal	NA	475,911,200
	GF/GP	NA	\$182,146,800
4. Provider Tax Revenue Reincorporation	Gross	NA	\$0
<u>Executive</u> includes \$9,331.4 million Gross (\$2,497.2 million state restricted) to recognize the elimination of Sec. 1833 and Sec. 1834 received-and-expend authority and reincorporate Hospital Quality Assurance Assessment Program (QAAP) and Insurance Provider Assessment (IPA) provider tax revenue (and federal match) authorization into Part 1 appropriations. This adjustment reflects a technical reversion to how these revenues were accounted for prior to FY 2025-26. <u>House</u> retains provider tax revenue and associated federal match as boilerplate contingency; Sec. 1833 and 1834 are related boilerplate.	Federal	NA	0
	Restricted	NA	0
	GF/GP	NA	\$0
5. Tax Proposals – Medicaid GF/GP Offset	Gross	NA	\$0
<u>Executive</u> includes a net-zero Gross fund shift to realize \$780.4 million GF/GP savings resulting from estimated Medicaid Benefits Trust Fund revenue increases from:	Restricted	NA	0
	GF/GP	NA	\$0
<ul style="list-style-type: none"> • Tobacco tax increases (\$232.0 million). <ul style="list-style-type: none"> ○ \$1.00 per pack increase on cigarettes. ○ Non-cigarette wholesale increase from 32% to 57%. • Online and sports gaming tax increases (\$192.8 million). • New 57% wholesale tax on vaping products (\$73.6 million). • New 4.7% digital advertising tax (\$282.0 million). <u>House</u> does not include.			
6. Direct Care Worker Wages	Gross	NA	\$258,427,200
<u>Executive</u> 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. <u>House</u> includes adjustments for CY 2025 and 2026 minimum wage increases only.	Federal	NA	171,094,100
	GF/GP	NA	\$87,333,100
DEPARTMENT ADMINISTRATION			
	FTE	74.0	0.0
7. Tax Proposals – Coordinated Children’s Healthcare	Gross	\$22,663,300	\$0
<u>Executive</u> includes \$7.5 million state restricted from the Healthy Michigan Fund to support behavioral health services. Reflects a portion of the additional revenues estimated to be available from the proposed wholesale tax on vaping products. <u>House</u> does not include.	Federal	13,271,100	0
	TANF	450,200	0
	Private	200,000	0
	Restricted	0	0
	GF/GP	\$8,742,000	\$0
8. Autism Navigator – Coordinated Children’s Healthcare	Gross	\$0	\$1,000,000
<u>Executive</u> includes \$1.0 million GF/GP to reinstate funding for autism services coordinator contracts, which were eliminated in FY 2025-26. <u>House</u> concurs; Sec. 302 is related boilerplate.	GF/GP	\$0	\$1,000,000

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
16. Certified Community Behavioral Health Clinics (CCBHCs)	Gross	\$916,062,700	\$0
<u>Executive</u> includes \$7.9 million GF/GP to offset a like amount of federal funds based on updated, anticipated federal cost reimbursements. <u>House</u> concurs.	Federal	750,583,900	(7,868,200)
	GF/GP	\$165,478,800	\$7,868,200
17. Health Homes	Gross	\$50,239,800	\$0
<u>Executive</u> 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. <u>House</u> concurs.	Federal	39,527,000	(4,900,000)
	Restricted	560,000	0
	GF/GP	\$10,152,800	\$4,900,000
18. Nursing Home PAS/ARR-OBRA	Gross	\$15,213,600	\$3,600,000
<u>Executive</u> 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. <u>House</u> concurs.	Federal	11,424,200	2,700,000
	GF/GP	\$3,789,400	\$900,000
19. Federal Authorization Adjustments	Gross	NA	\$11,300,000
<u>Executive</u> adds \$11.3 million federal for the following behavioral health programs:	Federal	NA	11,300,000
<ul style="list-style-type: none"> \$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. 	GF/GP	NA	\$0
<u>House</u> concurs.			
20. Multicultural Integration Funding Elimination	Gross	\$17,284,900	(\$17,284,900)
<u>House</u> eliminates \$17.3 million Gross (\$16.2 million GF/GP) allocated for multicultural integration funding.	Federal	694,500	(694,500)
	TANF	421,000	(421,000)
	GF/GP	\$16,169,400	(\$16,169,400)
21. Crisis Stabilization Unit Expansion	Gross	NA	\$4,055,000
<u>House</u> adds \$4.1 million GF/GP to expand the number of crisis stabilization units.	GF/GP	NA	\$4,055,000
22. Nonprofit Mental Health Clinics	Gross	\$100,000	\$1,000,000
<u>House</u> includes \$1.0 million GF/GP to increase support for nonprofit mental health clinics. Sec. 916 is related boilerplate.	GF/GP	\$100,000	\$1,000,000
23. Online Health Information Consent Tool	Gross	\$600,000	\$150,000
<u>House</u> includes \$150,000 GF/GP to increase support for the online health information consent tool. Sec. 922 is related boilerplate.	GF/GP	\$600,000	\$150,000
24. Opioid Healing and Recovery Fund – One-Time	Gross	\$76,750,000	(\$14,000,000)
<u>Executive</u> includes a net reduction of \$14.0 million state restricted Opioid Health and Recovery one-time funding, for a total FY 2026-27 one-time amount of \$62.8 million. Sec. 1914 is related boilerplate that also changes the allocation of these funds. <u>House</u> concurs with a revised distribution in Sec. 1914.	Restricted	76,750,000	(14,000,000)
	GF/GP	\$0	\$0
HEALTH SERVICES			
25. Medicaid Cost Savings – Resource Optimization	Gross	NA	(\$300,000,000)
<u>Executive</u> assumes \$150.0 million GF/GP savings from – yet to be determined – policy recommendations made in consultation between the department and third-parties. SBO estimates recommendations will be determined by May. <u>House</u> assumes \$300.0 million GF/GP savings included as a negative appropriation; Sec. 1890 is related boilerplate.	GF/GP	NA	(\$300,000,000)

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD	
26. Rural Health Transformation Program	FTE	0.0	2.0
<u>House</u> 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
27. Medicare/Medicaid Dual Eligible – Programmatic Structure	Gross	NA	\$0
<u>Executive</u> includes a net increase of \$20.9 million Gross (reduction of \$2.8 million GF/GP) from transitioning the current integrated care organizations to managed care as the new MI Coordinated Health Program. <u>House</u> concurs, but includes a technical adjustment for savings accounted for in actuarial soundness adjustments; Sec. 1775 is related boilerplate.	Federal	NA	0
	GF/GP	NA	\$0
28. Private Duty Nursing	Gross	\$5,891,400	\$9,931,700
<u>Executive</u> 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. <u>House</u> concurs.	Federal	3,784,300	6,525,100
	Private	100,000	0
	GF/GP	\$2,007,100	\$3,406,600
29. Ground Emergency Medical Transportation – Federal Match	FTE	NA	6.0
<u>Executive</u> 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. <u>House</u> concurs.	Gross	NA	\$31,500,000
	Federal	NA	31,350,000
	Local	NA	150,000
	GF/GP	NA	\$0
30. Community Health Workers	Gross	NA	\$0
<u>Executive</u> includes \$4.1 million Gross (\$1.6 million GF/GP), of which \$1.0 million Gross (\$500,000 GF/GP) is one-time, to develop and implement a health plan billing system for community based organizations for reimbursable community health worker (CHW) services, and to incorporate regional CHW ratio requirements, with the intent to work project the one-time appropriations. Sec. 1913 is related boilerplate. <u>House</u> does not include.	Federal	NA	0
	GF/GP	NA	\$0
31. MI Choice – Structured Family Caregiving	Gross	\$0	\$2,881,800
<u>Executive</u> 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. <u>House</u> concurs.	Federal	0	1,881,800
	GF/GP	\$0	\$1,000,000
32. Medicaid Outreach – Chronic Kidney Disease	Gross	NA	\$1,000,000
<u>Executive</u> includes \$1.0 million GF/GP for ongoing grant for outreach regarding chronic kidney disease prevention and management. Sec. 1851 is related boilerplate. <u>House</u> concurs, with revised Sec. 1851.	GF/GP	NA	\$1,000,000
33. GLP-1 Savings	Gross	NA	(\$1,666,700)
<u>Executive</u> includes a reduction of \$1.7 million GF/GP for a full year's worth of GLP-1 policy savings that were effective January 1, 2026. <u>House</u> concurs.	GF/GP	NA	(\$1,666,700)
34. Federal State Psychiatric DSH Clawback – One-Time	Gross	NA	\$54,722,900
<u>Executive</u> includes \$54.7 million GF/GP for the final year of a 4-year repayment plan back to the federal government for state psychiatric disproportionate share hospital payments that the state inappropriately claimed prior to 2007. The total GF/GP cost is \$236.6 million. <u>House</u> concurs.	GF/GP	NA	\$54,722,900

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD	
35. Nursing Facility Staffing – Penalty Revenues – One-Time	Gross	NA	\$0
<u>Executive</u> 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. Sec. 1911 is related boilerplate. <u>House</u> does not include.	Private	NA	0
	GF/GP	NA	\$0
36. Home Help Caregiver Council – One-Time	FTE	0.0	0.0
<u>Executive</u> includes \$2.0 million Gross (\$1.0 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. Sec. 1913 is related boilerplate. <u>House</u> does not include.	Gross	\$0	\$0
	Federal	0	0
	GF/GP	\$0	\$0
37. Budget Structure – Programmatic Line Items	Gross	NA	\$0
<u>House</u> includes net-zero transfers to unroll programs into separate line item appropriations, including:	Federal	NA	0
• Healthy Michigan Plan – Fee-For-Service	Local	NA	0
• Healthy Kids Dental	Private	NA	0
• Plan First	Restricted	NA	0
	GF/GP	NA	\$0
38. Restricted Fund Adjustments	Gross	NA	\$0
<u>Executive</u> includes net-zero adjustments that replace \$6.4 million state restricted revenues with \$6.4 million GF/GP adjustments include:	Restricted	NA	(6,400,000)
• Merit Award Trust Fund: increase of \$13.0 million.	GF/GP	NA	\$6,400,000
• Medicaid Benefits Trust Fund: reduction of \$18.2 million			
• Healthy Michigan Fund: reduction of \$1.2 million			
<u>House</u> concurs.			
39. Actual Operational Spending Adjustments	FTE	NA	(193.5)
<u>House</u> aligns appropriations throughout the Medicaid and Behavioral Health budget to reflect lapse savings estimates, work project utilization, and alignment of FTE levels with actual staffing.	Gross	NA	(\$102,595,400)
	Federal	NA	(42,339,400)
	Local	NA	(1,000,000)
	Private	NA	(1,930,200)
	Restricted	NA	(6,806,800)
	GF/GP	NA	(\$50,519,000)
40. Removal of FY 2025-26 One-Time Appropriations	Gross	\$114,940,600	(\$114,940,600)
<u>Executive</u> removes \$114.9 million Gross (\$35.9 million GF/GP) of one-time funding that was included in the FY 2025-26 budget to support 14 one-time line items in FY 2025-26. Any funding retained into FY 2026-27 is noted elsewhere. <u>House</u> concurs.	Federal	2,306,900	(2,306,900)
	Restricted	76,750,000	(76,750,000)
	GF/GP	\$35,883,700	(\$35,883,700)
41. Economic Adjustments	Gross	NA	\$15,701,400
<u>Executive</u> reflects increased costs of \$15.7 million Gross (\$10.4 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. <u>House</u> includes all economic adjustments as a single line item appropriation.	IDG	NA	45,300
	Federal	NA	5,209,700
	TANF	NA	(3,400)
	Local	NA	5,200
	Private	NA	4,600
	Restricted	NA	34,500
	GF/GP	NA	\$10,405,500

<u>Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations</u>	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
42. Employees by Status	Gross	NA
<u>House</u> includes the estimated number of full-time, limited-term, noncareer/per diem, part-time, permanent-intermittent, and seasonal people employed by the department. Estimates were obtained from the Forty-Sixth Annual Workforce Report published by the Civil Service Commission and are as follows:	GF/GP	NA
		\$0
		\$0
<ul style="list-style-type: none"> • Full-time employees – 3,390.3 • Limited-term employees – 51.5 • Noncareer/per diem employees – 12.7 • Part-time employees – 2.5 • Permanent-intermittent employees – 18.6 • Seasonal employees – 0.0 		

Major Boilerplate Changes from FY 2025-26

GENERAL SECTIONS

Sec. 210- 217. Legislative Contingency Transfer Authorization – REVISED

House authorizes the legislative transfer process to increase federal authorization by up to \$100 million, state restricted authorization by up to \$50 million, local authorization by up to \$30 million, and private authorization by up to \$45 million; prohibits increasing TANF authorization through the legislative contingency transfer process. House, in Sec. 217, revises federal to \$20 million, state restricted to \$20 million, local to \$5 million, and private to \$2 million.

Sec. 215. Court Approved Judgments – NEW

House prohibits departmental funds from being used to pay a court-approved judgment more than \$200,000, unless authorized elsewhere.

Sec. 222. State Fiscal Recovery Fund Reappropriation – NOT INCLUDED

Executive 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. House does not include.

Sec. 226. U.S. Citizenship Requirement – NEW

House prohibits DHHS from using state or federal funds to provide services to non-US citizens, except for qualified aliens under federal law. Excludes actions for the purpose of detaining non-U.S. citizens from this prohibition.

Sec. 227. Prohibition on DEI Programs – NEW

House prohibits DHHS from using state funds on diversity, equity, and inclusion initiatives as defined in various federal Executive Orders.

Sec. 234- 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. House, in Sec. 264, revises by removing the specific direct care wage increase amount and replaces with the requirement to comply with expressly defined network adequacy standards for direct care workers and revises the report to include compliance with network adequacy standards and aggregated rates paid.

Sec. 233. ARPA Revenue Pre-Expiration Reallocation – NOT INCLUDED

Executive 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. House does not include.

Major Boilerplate Changes from FY 2025-26

Sec. 250- 224. 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. Executive revises to require SFA and HFA 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. House, in Sec. 224, revises to require compliance with sections 364 and 364a of the Management and Budget Act, requires grant recipients to provide a spending plan, requires department to annually audit grants, requires Office of the Auditor General to have access to internal and external records, outlines conflict of interest provisions, and requires reports.

Sec. 254. Federal Receive and Expend Authority – NOT INCLUDED

Executive allows DHHS, upon approval from the state budget director, to receive and expend federal funds in addition to the federal funds appropriated in part 1; requires notification to the subcommittees and HFA and SFA 10 days after state budget director approval; and caps federal receive and expend at 1% of part 1 appropriations. House does not include.

BEHAVIORAL HEALTH SERVICES

Sec. 902. Contracts Between DHHS and CMHSPs/PIHPs – RETAINED

Requires final authorizations to CMHSPs or PIHPs be made upon the execution of contracts between DHHS and CMHSPs or PIHPs; requires DHHS to report if there are new contracts or amendments to contracts with CMHSPs or PIHPs that would affect rates or expenditures. Executive deletes. House retains.

Sec. 912. Salvation Army Harbor Light Program – REVISED

Requires DHHS to contract with the Salvation Army Harbor Light Program for providing non-Medicaid substance use disorder services, if program meets standard of care. Executive deletes. House revises so the funds are allocated to the same recipient as the previous fiscal year.

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. Executive revises category amounts for the Michigan Opioid Healing and Recovery Fund, removes DHHS ability to expend remaining funds on additional activities, and removes semiannual report. House revises category amounts and removes DHHS ability to expend remaining funds on additional activities.

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. Executive revises to only require a minimum fee of not less than \$66.00 per hour for behavioral technicians. House revises so that behavioral technicians receive not more than \$66.00 per hour.

Sec. 925. Autism Services Quality Control – NEW

House 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. 965. Methadone Medication Assisted Treatment – RETAINED

Requires DHHS to reimburse methadone administration, bundled rate H0020, to at least \$19.00. Executive deletes. House retains.

Sec. 994. National Accreditation Review Criteria for Behavioral Health Services – RETAINED

Requires DHHS to seek, if necessary, a federal waiver to allow a CMHSP, PIHP, or subcontracting provider agency that is reviewed and accredited by a national accrediting entity for behavioral health care services to be in compliance with state program review and audit requirements; requires a report that lists each CMHSP, PIHP, and subcontracting provider agency that is considered in compliance with state requirements; requires DHHS to continue to comply with state and federal law not initiate an action by negatively impacts beneficiary safety; defines “national accrediting entity.” Executive deletes. House retains.

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. House revises to permit DHHS to submit a legislative approval 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.

Major Boilerplate Changes from FY 2025-26

Sec. 1034. PIHP Performance Incentives – REVISED

Requires PIHP to verify compliance with applicable reimbursement rates or fees required for autism services and direct care in section 924 and 231 using actual claims and utilization data; requires DHHS to seek CMS approval to condition PIHP performance incentives on compliance with the provider rates for autism services and direct care in section 924 and 231; and requires DHHS to audit the claims and utilization data and notify a PIHP if the audit determines providers are not being reimbursed at not the required rates. House revises so performance incentives are tied to compliance with network adequacy standards rather than reimbursement rates.

HEALTH SERVICES

Sec. 1507. Office of Inspector General Medicaid Managed Care Audits – RETAINED

Requires the Office of Inspector General to audit and recoup inappropriate or fraudulent payments from Medicaid managed care organizations to providers. Prohibits department from fining, suspending, or disenrolling a Medicaid provider due to the discovery of inappropriate payments, unless authorized by federal or state law. Executive deletes. House retains.

Sec. 1521. HMP Community Engagement Compliance – NEW

House requires implementation of federal community engagement requirements for Medicaid expansion population.

Sec. 1522. Medicaid Eligibility Verification Data Retrieval – NEW

House prohibits self-attestation for certain eligibility information; requires submission of periodic data requests from various state and federal government entities; requires periodic data review for eligibility verification; requires data-sharing agreements, where necessary; allows for third-party contracting for data review; and requires immediate eligibility redetermination for applicable Medicaid recipients.

Sec. 1523. Medicaid Multi-State Enrollment Verification – NEW

House requires semiannual reviews of federal change of address data; semiannual reviews of out-of-state Bridge Card transactions; immediate eligibility redetermination for applicable Medicaid recipients; report enrollment data to CMS to identify multi-state enrollment; and requires a report.

Sec. 1524. Medicaid Enrollment Death Records Review – NEW

House requires semiannual review of state and federal death records to identify Medicaid recipients who may be deceased; requires removal of Medicaid recipients verified as deceased; disallows reimbursements occurring after date of death; requires recoupment of erroneous payments; and requires OIG oversight to verify department compliance.

Sec. 1525. Medicaid Payment Error Report – NEW

House requires a report on erroneous Medicaid payments.

Sec. 1526. Medicaid Retroactive Coverage Compliance – NEW

House requires compliance with retroactive coverage provisions of H.R.-1.

Sec. 1527. Medicaid Waiver Budget Neutrality Report – NEW

House requires department to report on Medicaid waiver budget neutrality calculations.

Sec. 1528. Targeted Medicaid Provider Prohibition – NEW

House prohibits specified family planning services providers from participation in the state Medicaid program.

Sec. 1529. Medicaid Community Engagement Implementation Requirement – NEW

House prohibits the department from requesting a good-faith-effort waiver from CMS to extend the implementation deadline for Healthy Michigan Plan community engagement requirements, and requires the department to report on the implementation.

Sec. 1530. Medicaid Waiver Approvals – NEW

House 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 – REVISED

Provides legislative intent that the department comply with residency provisions when determining Medicaid eligibility. Executive deletes. House revises to require compliance, and require department to conduct 3 month community engagement requirement compliance look-back for Healthy Michigan Plan eligibility for new residents.

Sec. 1633. Federal Provider Tax Transition Period – DELETED

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. Executive and House delete.

Major Boilerplate Changes from FY 2025-26

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. Executive and House delete.

Sec. 1647. Home- and Community-Based Services Fund Report – DELETED

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. Executive and House delete.

Sec. 1647. Home Office Nursing Costs – NEW

House requires department to recognize patient care-related home office nursing costs as reimbursable base costs.

Sec. 1762. Medicaid Health Plan – Medical Loss Ratio – NEW

House requires department to ensure adherence to CMS guidance for Medicaid health plans medical loss ratio requirements.

Sec. 1763. Drug Utilization Reviews – NEW

House 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. 1788. Medicaid Reimbursement Rates – Ambulance QAAP – REVISED

Requires the department to provide reimbursement rates for ambulance Quality Assurance Assessment Program (QAAP) provider tax revenue equal to, or greater than, Medicare rates at a specified locality. Executive retains. House revises to provide for reimbursements up to 100% Medicare allowable rates, and removes date reference.

Sec. 1792. Portable Radiograph Travel Reimbursement – NEW

House requires department to provide for transportation costs as part of reimbursable services for portable x-ray and ultrasound services provided to residents of long-term care facilities.

Sec. 1793. Health Plan Pharmaceutical Encounter Data Report – NEW

House requires department to evaluate and report on pharmacy encounter data.

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. Executive revises to remove reporting requirements. House 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; explore the development of a regional value-based care payment demonstration, and provide a report; allocate \$6.4 million to the MiDocs Consortium for general OB-GYN slots in rural areas; provide for quarterly stakeholder meetings; require revised grant application include for direct payments to rural hospitals; and require all reports to be available on the grant website.

Sec. 1830. Centering Pregnancy – DELETED

Allocates \$5.0 million to provide for grants to prenatal health care providers operating group-based maternity programs through hospitals. Executive retains. House deletes to reflect appropriation transfer to Public Health.

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. Executive retains. House revises to include technical adjustment for allocation amount not transferred to Public Health, and includes reporting requirement.

Sec. 1862. Obstetrical Rates – RETAINED

Requires the department to maintain obstetrical service payment rates at 95% of Medicare levels effective October 1, 2014. Executive revises to remove October 1, 2014 payment rate reference date. House retains.

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. Executive retains. House revises to require utilization of generic and biosimilar pharmaceuticals, and prohibit requiring managed care plans to adhere to the state singled-preferred drug list.

Major Boilerplate Changes from FY 2025-26

Sec. 1881. Medicaid Managed Care Cost Savings Review – NEW

House requires department to collaborate with health plans to conduct a 15 year policy review, identify cost savings, and report on recommendations; and requires cost-savings recommendations implementation.

Sec. 1888. Contract Performance Standards – RETAINED

Requires the department to establish contract performance standards associated with the capitation withhold provisions for Medicaid health plans at least 3 months in advance of the implementation of those standards and clarifies that the determination of whether performance standards have been met shall be based primarily on recognized concepts, such as one-year continuous enrollment and healthcare effectiveness data and information set (HEDIS) data. Executive deletes. House retains.

Sec. 1890. Medicaid Resource Optimization – NEW

House requires department to identify optional Medicaid services and administrative overhead-related reductions to provide for negative appropriations item in Part 1.

FY 2026-27: DHHS – PUBLIC HEALTH
Summary: As Reported by House Subcommittee
Article 6C, House Bill 5619 (H-1)



Analyst: Sydney Walker

IDG/IDT	FY 2025-26	FY 2026-27	FY 2026-27	FY 2026-27	FY 2026-27	Difference: House	
	Year-to-Date as of 2/11/26	Executive	House	Senate	Conference	From FY 2025-26 YTD	Amount %
	\$3,473,400	\$3,473,400	\$3,473,400	\$	\$	\$0	0.0
Federal	612,290,600	866,293,100	534,454,600			(77,836,000)	(12.7)
Local	52,967,700	52,967,700	50,921,900			(2,045,800)	(3.9)
Private	141,839,900	141,839,900	141,839,900			0	0.0
Restricted	83,519,800	101,211,200	83,381,300			(138,500)	(0.2)
GF/GP	350,864,600	333,394,000	321,979,100			(28,885,500)	(8.2)
Gross	\$1,244,956,000	\$1,499,179,300	\$1,136,050,200	\$	\$	(\$108,905,800)	(8.7)
FTEs	858.4	868.4	735.4			(123.0)	(14.3)

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 YTD (as of 2/11/26)	House Change from YTD
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PUBLIC HEALTH

1. Tax Proposals – Healthy Michigan Fund

Executive assumes \$13.9 million in restricted Healthy Michigan Fund revenue from the proposed tax on vaping projects. Funding would be used for smoking cessation and prevention activities as well as educational materials. House includes \$4.1 million in restricted Healthy Michigan Fund revenue to be used to support an educational campaign on the adverse effects of marijuana use during pregnancy. Revenue is a result of a proposed statutory earmark change to the capitol historical site fund.

	Gross	NA	\$4,100,000
	Restricted	NA	4,100,000
	GF/GP	NA	\$0

2. Community Violence Intervention Interagency Agreement

Executive 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. House does not include.

	Gross	\$0	\$0
	Restricted	0	0
	GF/GP	\$0	\$0

3. Gun Violence Prevention- Gun Safety and Training – One-Time

Executive includes \$2.5 million GF/GP allocated on a one-time basis to implement the recommendations of the Gun Violence Prevention Task Force. Recommendations include, but are not limited to, interagency work groups, improved access to firearm storage, development of a public resource directory, and increased community partnerships. House does not include.

	Gross	NA	\$0
	GF/GP	NA	\$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
4. Actual Operational Spending Adjustments	FTE	NA (123.0)
<u>House</u> aligns appropriations throughout the Public Health budget to reflect lapse savings estimates, work project utilization, and alignment of FTEs levels with actual staffing.	Gross	NA (\$100,083,500)
	Federal	(79,371,400)
	TANF	(1,946,500)
	Local	(2,045,800)
	Restricted	(4,804,900)
	GF/GP	(\$11,914,900)
5. Child Advocacy Centers Supplemental Grants Increase	Gross	\$2,000,000
<u>House</u> includes a \$1.0 million GF/GP increase to support Child Advocacy Centers.	GF/GP	\$2,000,000
		\$1,000,000
6. Maternal/Infant Home Visiting Program	Gross	NA
<u>House</u> includes \$1.6 million GF/GP in projected lapse savings to support maternal and infant home visiting programs in counties that do not currently have access to one.	GF/GP	NA
		\$1,600,000
7. Senior Nutrition Increase	Gross	\$50,004,200
<u>House</u> includes \$2.0 million GF/GP to increase support for senior nutrition services.	Federal	37,107,000
	Private	300,000
	GF/GP	\$12,597,200
		\$2,000,000
8. Removal of FY 2025-26 One-Time Appropriations	Gross	\$26,508,400
<u>Executive</u> removes \$26.5 million Gross (\$26.0 million GF/GP) of one-time funding that was included in the FY 2025-26 budget to support 15 one-time line items in FY 2025-26. Any funding retained into FY 2026-27 is noted elsewhere. <u>House</u> concurs.	Federal	425,100
	GF/GP	\$26,083,300
		(\$26,508,400)
		(\$26,083,300)
9. Employees by Status	Gross	NA
<u>House</u> includes the estimated number of full-time, limited-term, noncareer/per diem, part-time, permanent-intermittent, and seasonal people employed by the department. Estimates were obtained from the Forty-Sixth Annual Workforce Report published by the Civil Service Commission and are as follows:	GF/GP	NA
		\$0
<ul style="list-style-type: none"> • Full-time employees – 626.7 • Limited-term employees – 9.5 • Noncareer/per diem employees – 2.3 • Part-time employees – 0.5 • Permanent-intermittent employees – 3.4 • Seasonal employees – 0.0 		
10. Economic Adjustments	Gross	NA
<u>Executive</u> reflects increased costs of \$1.9 million Gross (\$986,300 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. <u>House</u> includes all economic adjustments in a single line item appropriation.	Federal	NA
	Restricted	NA
	GF/GP	NA
		\$1,923,200
		649,000
		287,900
		\$986,300

Major Boilerplate Changes from FY 2025-26

GENERAL SECTIONS

Sec. 210- 217. Legislative Contingency Transfer Authorization – REVISED

Authorizes the legislative transfer process to increase federal authorization by up to \$100 million, state restricted authorization by up to \$50 million, local authorization by up to \$30 million, and private authorization by up to \$45 million; prohibits increasing TANF authorization through the legislative contingency transfer process. House, in Sec. 217, revises federal to \$20 million, state restricted to \$20 million, local to \$5 million, and private to \$2 million.

Major Boilerplate Changes from FY 2025-26

Sec. 215. Court Approved Judgments – NEW

House prohibits departmental funds from being used to pay a court-approved judgment more than \$200,000, unless authorized elsewhere.

Sec. 222. State Fiscal Recovery Fund Reappropriation – NOT INCLUDED

Executive 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. House does not include.

Sec. 226. U.S. Citizenship Requirement – NEW

House prohibits DHHS from using state or federal funds to provide services to non-US citizens, except for qualified aliens under federal law. Excludes actions for the purpose of detaining non-U.S. citizens from this prohibition.

Sec. 227. Prohibition on DEI Programs – NEW

House prohibits DHHS from using state funds on diversity, equity, and inclusion initiatives as defined in various federal Executive Orders.

Sec. 233. ARPA Revenue Pre-Expiration Reallocation – NOT INCLUDED

Executive 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. House does not include.

Sec. 250. 224. 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. Executive revises to require SFA and HFA 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. House, in Sec. 224, revises to require compliance with sections 364 and 364a of the Management and Budget Act, requires grant recipients to provide a spending plan, requires department to annually audit grants, requires Office of the Auditor General to have access to internal and external records, outlines conflict of interest provisions, and requires reports.

Sec. 254. Federal Receive and Expend Authority – NOT INCLUDED

Executive allows DHHS, upon approval from the state budget director, to receive and expend federal funds in addition to the federal funds appropriated in part 1; requires notification to the subcommittees and HFA and SFA 10 days after state budget director approval; and caps federal receive and expend at 1% of part 1 appropriations. House does not include.

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. Executive modifies to remove current year recipients of allocated funds and allow for DHHS discretion of allocations. House modifies by making technical adjustments and adds a report.

Sec. 1301. Pregnancy Planning, Prenatal, and Maternal and Child Health Programs Report – RETAINED

Requires DHHS to report by April 1 on funding allocations, breakdown of expenditures by urban and rural, and previous fiscal year service and expenditure data by population groups for the local maternal and child health, prenatal care, family planning, and pregnancy prevention programs. DHHS shall ensure that needs of rural communities are considered in distribution of funds for these programs. Defines “rural” as having a population of 30,000 or less. Executive deletes. House retains.

Sec. 1350. Immunization Waiver Accessibility – NEW

House requires DHHS to make certified non-medical waivers for required immunizations available on their website; prohibits DHHS from requiring in-person appointments and educational classes to receive certified non-medical waivers.

FY 2026-27: INSURANCE AND FINANCIAL SERVICES
Summary: As Reported by House Subcommittee
Article 7, House Bill 5619 (H-1)



Analyst: Una Jakupovic

IDG/IDT	FY 2025-26	FY 2026-27	FY 2026-27	FY 2026-27	FY 2026-27	Difference: House	
	Year-to-Date as of 2/11/26	Executive	House	Senate	Conference	From FY 2025-26 YTD	%
	\$763,800	\$791,600	\$778,600	\$	\$	\$14,800	1.9
Federal	250,000	250,000	250,000			0	0.0
Local	0	0	0			0	--
Private	0	0	0			0	--
Restricted	78,392,600	81,292,200	72,242,800			(6,149,800)	(7.8)
GF/GP	0	0	0			0	--
Gross	\$79,406,400	\$82,333,800	\$73,271,400	\$	\$	(\$6,135,000)	(7.7)
FTEs	396.5	399.5	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 YTD (as of 2/11/26)	House Change from YTD
1. Deferred Presentment Contract Increase	Gross	NA \$1,400,000
<u>Executive</u> 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. <u>House</u> concurs.	Restricted	NA 1,400,000
	GF/GP	NA \$0
2. Funding Reductions	Gross	NA (\$8,596,400)
<u>House</u> includes \$8.6 million in state restricted funding reductions for the following line items:	Restricted	NA (8,596,400)
	GF/GP	NA \$0
<ul style="list-style-type: none"> • Unclassified salaries (\$748,500 state restricted) • Administrative hearings (\$133,600 state restricted) • Department services (\$5.0 million state restricted) • Executive director programs (\$880,600 state restricted) • Property management (\$60,900 state restricted) • Information technology services and projects (\$1.8 million state restricted). 		

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD	
3. Staffing Increase	FTE	NA	0.0
<u>Executive</u> includes \$466,000 Gross (\$13,000 IDG; \$453,000 multiple state restricted sources) and authorization for 3.0 FTEs in the Consumer Services and Protection and Insurance Evaluation line items. The positions would consist of the following:	Gross	NA	\$0
	IDG	NA	0
	Restricted	NA	0
	GF/GP	NA	\$0
<ul style="list-style-type: none"> • One consumer finance complaint analyst responsible for reviewing and evaluating consumer complaints relating to consumer finance licensees and depository institutions. • One PRIRA analyst responsible for reviewing appeals related to health care benefits. • One insurance data analyst responsible for gathering, reviewing, and analyzing data submitted by insurers and others. 			
<u>House</u> does not include.			
4. Technical Adjustments	Gross	NA	\$0
<u>Executive</u> 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
<u>House</u> concurs.			
5. Economic Adjustments	Gross	NA	\$1,061,400
<u>Executive</u> 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
<u>House</u> concurs but includes economic adjustments as single line item.			
6. Employees by Status	FTE	NA	NA
<u>House</u> includes the estimated number of full-time, limited-term, noncareer/per diem, part-time, permanent-intermittent, and seasonal people employed by the department. Estimates were obtained from the Forty-Sixth Annual Workforce Report published by the Civil Service Commission and are as follows:	Gross	NA	NA
	GF/GP	NA	NA
<ul style="list-style-type: none"> • Full-time employees – 339.0 • Limited-term employees – 21.0 • Noncareer/per diem employees – 2.0 • Part-time employees – 2.0 • Permanent-intermittent employees – 0.0 • Seasonal employees – 0.0. 			

Major Boilerplate Changes from FY 2025-26

Note: Existing boilerplate section numbers listed in this document are section numbers as they appear in current law. New Executive boilerplate section numbers are section numbers as they appear in the Executive Recommendation. New House boilerplate section numbers are section numbers as they appear in the House bill.

GENERAL

Sec. 204. Internet Reporting Requirements – REVISED

Requires DIFS to use the internet to fulfill reporting requirements; requires e-mail transmission and internet posting of reports. Executive revises to add website reporting requirements from deleted Sec. 227. House concurs.

Sec. 206. Communication with the Legislature – RETAINED

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 the department is exercising its authority. Executive deletes. House retains.

Major Boilerplate Changes from FY 2025-26

Sec. 207. Out-of-State Travel Report – REVISED

Requires DIFS 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. Executive retains. House revises to require the report to contain the destination and specific purpose and description of each travel occurrence.

Sec. 209. Contingency Authorization – RETAINED

Authorizes appropriation and expenditure of up to \$200,000 in federal and \$1.0 million in state restricted contingency funds after transfer of funds to specific line items is approved. Executive revises to increase maximum amounts of federal contingency authorization by up to \$300,000 and state restricted authorization by up to \$5.0 million. House retains.

Sec. 211. Restricted Funds Report – RETAINED

Requires DIFS to work with SBO to report on estimated restricted fund balances, revenues, and expenditures. Executive deletes. House retains.

Sec. 212. FTE Report – REVISED

Requires DIFS to report on the number of FTE positions in pay status by civil service classification, including a comparison by line item of the number of full-time positions authorized and the actual number of people employed. Executive retains. House revises to require reporting on the number of active employees by status.

Sec. 213. Work Project Usage – RETAINED

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. Executive deletes. House retains.

Sec. 214. Geographically Disadvantaged Business Enterprises – DELETED

Requires the DIFS director, to the extent possible, to take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts; requires the DIFS director to strongly encourage firms with which the department contracts to subcontract with certified geographically disadvantaged business enterprises. Executive retains. House deletes.

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. Executive retains. House deletes.

Sec. 216. Retention of Reports – RETAINED

Requires DIFS to follow federal and state law and guidelines for short- and long-term retention of records; authorizes the department to electronically retain copies of reports unless otherwise required by federal and state guidelines. Executive deletes. House retains.

Sec. 217. Report on Policy Changes for Public Act Implementation – REVISED

Requires DIFS to report on each specific policy change made by the department to implement a public act affecting the department, including reference to the public act that necessitates the policy change. Executive deletes. House revises to add senate and house standing committees responsible for addressing issues affected by the public acts to the list of report recipients.

Sec. 217. State Fiscal Recovery Fund (SFRF) Expenditure – NOT INCLUDED

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. Executive includes the new language. House does not include.

Sec. 218. Report on Federal Policy Changes – DELETED

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. Executive retains. House deletes.

Sec. 218. State Fiscal Recovery Fund Reallocation – NOT INCLUDED

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. Executive includes the new language. House does not include.

Major Boilerplate Changes from FY 2025-26

Sec. 219. State Administrative Board Transfers – RETAINED

Authorizes the legislature to intertransfer funds via concurrent resolution if the State Administrative Board transfers funds. Executive deletes. House retains.

Sec. 220. 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. Executive retains. House revises to require DIFS to report on its remote work policy, building occupancy, whether buildings are state-owned or leased, and aggregate badge scanning information by employee; require at least 80% of employees to be in-person.

Sec. 221. E-Verify Requirement – REVISED

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. Executive deletes. House revises to prohibit DIFS from contracting with any known or suspected foreign adversaries.

Sec. 222. Work Projects 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. Executive retains. House revises to require quarterly reports by specified dates.

Sec. 223. Legacy Costs – RETAINED

States the total amount of funding estimated to be expended on legacy costs in FY 2025-26 is \$6.5 million (\$5.9 million on pension related legacy costs and \$638,800 on health care legacy costs). Executive deletes. House retains with updated fiscal year and legacy cost amounts.

Sec. 224. Annual Strategic Plan – REVISED

Requires DIFS to provide a copy of its annual strategic plan which must include the mission, vision, goals, strategies, and performance measures of the department. Executive deletes. House revises to require DIFS to maintain a department scorecard that tracks key metrics.

Sec. 224. Legislatively Directed Spending Items – NEW

Requires SBO to post a list of legislatively directed spending items; requires LARA to submit a report on November 1 and updated reports on March 15 and September 15; requires grant recipients to provide a spending plan; requires LARA to annually audit use of grant funds; requires LARA to work with auditor general to conduct an audit; prohibits grant recipients and their immediate family members from being employed by the legislative or executive branch. Executive does not include. House includes the new language.

Sec. 225. State Obligations – REVISED

Requires DIFS to report on any court settlement that may require further legislative review of state statutory programs or regulations. Executive deletes. House revises to prohibit funds from being used to pay for a state obligation that exceeds \$200,000 without legislative approval.

Sec. 225. Severance Pay – NEW

Requires DIFS to report on any severance pay 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. Executive does not include. House includes the new language.

Sec. 226. Private and Third-Party Funds – RETAINED

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

Sec. 226. Fund Use Restrictions for Non-Citizens – NEW

Prohibits appropriated funds from being used to provide services, grants, or programming to non-citizens, unless the individual is a qualified alien as that term is defined under 8 USC section 1641. Executive does not include. House includes the new language.

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. Executive deletes. House concurs.

Major Boilerplate Changes from FY 2025-26

Sec. 227. Diversity, Equity, and Inclusion Initiatives – NEW

Prohibits state funds from being used for diversity, equity, and inclusion initiatives or programs. Executive does not include. House includes the new language.

Sec. 228. Legislatively Directed Spending Items – DELETED

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. Executive revises to require HFA/SFA to provide SBO a jointly agreed upon list of legislatively directed spending items within 30 days of enactment of the budget; require LARA to post a report on March 15 and to update the report on June 15 and September 15. House deletes and replaces with new Sec. 224.

Sec. 228. Precontract Risk Assessment Program – NEW

Requires DIFS to use the same precontract risk assessment program utilized by the department of technology, management, and budget for evaluation prior to contract evaluation. Executive does not include. House includes the new language.

GENERAL – DIFS

Sec. 251. Insurance Bureau Fund Use – REVISED

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. Executive deletes. House revises to prohibit appropriated funds from being used to support any legislative participation in insurance activities coordinated by insurance and legislative associations.

Sec. 252. Television and Radio Expenditure Report – RETAINED

Requires DIFS to report any expenditure of funds to a third-party vendor for television or radio productions; specifies information to be included. Executive deletes. House retains.

INSURANCE AND FINANCIAL SERVICES REGULATION

Sec. 301. Health Insurance Rate Change Report – RETAINED

Requires DIFS to electronically transmit the annual health insurance rate change report prepared pursuant to 45 CFR 154.301(b), including the total number of filings that are approved, denied, and objected to by DIFS, the percentage of filings processed within the statutory time frame, and the average processing time. Executive revises to require the report to only contain the total number of filings objected to. House retains.

Sec. 304. Annual Reports Transmission – RETAINED

Requires DIFS to electronically transmit the annual report required under the Insurance Code of 1956 and the Banking Code of 1999. Executive deletes. House retains.

Sec. 305. Financial Institutions Marihuana Evaluation Guidance – RETAINED

Requires DIFS to update examination manuals and letters of guidance to reflect how institutions will be evaluated that provide financial services to businesses involved in the marihuana industry. Executive deletes. House retains.

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. Executive and House delete.

Sec. 307. Customer Service Outreach and Education – DELETED

Requires DIFS to have at least 1.0 FTE to provide outreach and education and be trained to assist catastrophic accident survivors; require 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. Executive and House delete.

FY 2026-27: JUDICIARY
Summary: As Reported by House Subcommittee
Article 8, House Bill 5619 (H-1)



Analyst: Robin R. Risko

IDG/IDT	FY 2025-26	FY 2026-27	FY 2026-27	FY 2026-27	FY 2026-27	Difference: House	
	Year-to-Date as of 2/11/26	Executive	House	Senate	Conference	From FY 2025-26 YTD	Amount %
	\$1,902,300	\$1,902,300	\$1,902,300	\$	\$	\$0	0.0
Federal	7,270,900	7,323,000	7,323,000			52,100	0.7
Local	0	0	0			0	--
Private	1,906,400	1,912,900	1,912,900			6,500	0.3
Restricted	96,468,300	96,879,600	96,695,100			226,800	0.2
GF/GP	276,073,800	283,240,600	264,000,000			(12,073,800)	(4.4)
Gross	\$383,621,700	\$391,258,400	\$371,833,300	\$	\$	(\$11,788,400)	(3.1)
FTEs	643.5	683.5	643.5			0.0	0.0

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 YTD (as of 2/11/26)	House Change from YTD
1. Statewide Case Management System	FTE 67.0	0.0
<u>Executive</u> includes \$2.0 million GF/GP and 22.0 FTE positions for support and maintenance of the statewide judicial case management system. Of the total additional FTE positions, 13.0 would be funded with \$2.0 million included in the FY 2026-27 budget, and 9.0 would be funded with \$1.8 million included in the FY 2025-26 budget. <u>House</u> reduces funding for the statewide case management system and does not include FTE positions.	Gross \$15,311,500	(\$6,946,400)
	GF/GP \$15,311,500	(\$6,946,400)
2. Supreme Court	Gross \$16,707,900	(\$7,569,300)
<u>House</u> reduces funding for the Supreme Court due to the Court’s proposed amendment to Michigan Court Rule 8.115 that would prevent federal immigration laws from being enforced in state courthouses and the Court’s ruling that requires resentencing hearings for individuals who were sentenced to life without parole for crimes they committed at ages 19 and 20.	Restricted 836,100	0
	GF/GP \$15,871,800	(\$7,569,300)
3. Problem-Solving Courts	Gross \$20,107,300	\$0
<u>Executive</u> includes a total of \$250,000 GF/GP to support higher than anticipated costs for newly established programs. Of the total, \$149,300 would be allocated for drug treatment courts, \$72,600 would be allocated for mental health courts, and \$28,100 would be allocated for veterans courts. <u>House</u> does not include additional funding.	IDG 1,500,000	0
	Federal 2,550,000	0
	Restricted 1,920,500	0
	GF/GP \$14,136,800	\$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
4. Community Dispute Resolution Program	FTE	3.0	0.0
<u>Executive</u> includes \$184,500 in state restricted Community Dispute Resolution funds for 1.0 additional FTE position that would assist with increased caseload activities resulting from increased program utilization. The program aims to resolve civil matters outside of adjudication in court. <u>House</u> does not include additional funding or FTE position.	Gross	\$3,388,800	\$0
	Private	85,000	0
	Restricted	2,424,700	0
	GF/GP	\$879,100	\$0
5. Juvenile Lifer Resentencing Hearings	FTE	18.5	0.0
<u>Executive</u> includes \$2.4 million GF/GP and 14.0 FTE positions for SADO to support resentencing hearings for individuals who were sentenced to life without parole for crimes they committed at ages 19 and 20. Additional FTE positions would include 4 attorneys, 7 mitigation specialists, 1 case coordinator, 1 reentry specialist, and 1 records specialist. <u>House</u> does not include ongoing funding or FTE positions. <u>House</u> includes one-time funding and authorizes limited-term FTE positions in boilerplate (see item 11 and Sec. 402 below).	Gross	\$3,055,800	\$0
	GF/GP	\$3,055,800	\$0
6. MAACS Roster Attorney Compensation Grants	Gross	\$3,208,100	\$0
<u>Executive</u> includes \$1.2 million GF/GP to support an increase in base pay rates for Michigan Appellate Assigned Counsel roster attorneys and to support adjustments in attorney caseloads, travel, and other expenses. Under this program, the state provides support to counties for one-half of the cost they pay to provide appellate defense for indigent individuals. <u>House</u> does not include additional funding.	GF/GP	\$3,208,100	\$0
7. SADO Salary Adjustments	Gross	NA	\$0
<u>Executive</u> includes a total of \$434,500 GF/GP to cover costs of pay increases for SADO employees. Of the total, \$382,300 is included to cover costs of negotiated pay increases for UAW-represented employees and \$52,200 is included to cover costs of pay increases for non-represented employees. <u>House</u> does not include additional funding.	GF/GP	NA	\$0
8. Appellate Indigent Defense Workload Standards	FTE	NA	0.0
<u>Executive</u> includes \$720,000 GF/GP and 3.0 FTE positions for SADO to support ongoing caseload demands and to help meet workload standards assessed by the National Center for State Courts. <u>House</u> does not include additional funding or FTE positions.	Gross	NA	\$0
	GF/GP	NA	\$0
9. Hall of Justice Security	Gross	NA	\$0
<u>Executive</u> includes \$100,000 GF/GP to support contractual hourly rate increases for armed security officers at the Hall of Justice. <u>House</u> does not include additional funding.	GF/GP	NA	\$0
10. Court of Appeals Rent Adjustment	Gross	NA	\$0
<u>Executive</u> 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. <u>House</u> does not reflect a savings.	GF/GP	NA	\$0
11. Removal of FY 2025-26 One-Time Appropriations	Gross	\$5,000,000	(\$3,000,000)
<u>Executive</u> removes \$5.0 million of one-time GF/GP that was included in the FY 2025-26 budget to support the following:	GF/GP	\$5,000,000	(\$3,000,000)
<ul style="list-style-type: none"> Judicial Tenure Commission (\$500,000 GF/GP) Juvenile life resentencing (\$2.3 million GF/GP) Statewide case management system (\$2.0 million GF/GP) Editor for Office of Reporter of Decisions (\$167,400 GF/GP). <u>House</u> concurs with removing funding for Judicial Tenure Commission, statewide case management system, and editor position. <u>House</u> retains \$2.0 million of \$2.3 million appropriated for juvenile life resentencing.			

<u>Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations</u>	<u>FY 2025-26 YTD (as of 2/11/26)</u>	<u>House Change from YTD</u>	
12. Economic Adjustments	Gross	NA	\$5,727,300
<u>Executive</u> 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. <u>House</u> concurs.	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

Note: Section numbers listed below reflect current law section numbers except where sections are new. Section numbers may be different from section numbers included in the executive, House, or Senate bills.

GENERAL SECTIONS

Sec. 206. 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. Executive retains. House revises to add requirement to report on destination of each travel occurrence, including the specific purpose for and description of events or meetings attended.

Sec. 209. State Restricted Fund Balances, Revenues, and Expenditures – RETAINED

Requires the judicial branch to work with SBO to report on estimated state restricted fund balances, revenues, and expenditures. Executive deletes. House retains.

Sec. 210. Legacy Costs – REVISED

States the total amount of funding estimated to be expended on legacy costs in FY 2025-26 is \$12.0 million (\$10.9 million for pension-related legacy costs; \$1.2 million for health care-related legacy costs). Executive deletes. House revises to update fiscal year and dollar amounts.

Sec. 211. Disciplinary Action Against State Employees – RETAINED

Prohibits the judicial branch from taking disciplinary action against judicial branch employees 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. Executive deletes. House retains.

Sec. 212. Retention of Reports – REVISED

Requires the judicial branch to follow federal and state law and guidelines for short- and long-term retention of records; authorizes the judicial branch to electronically retain copies of reports unless otherwise required by federal and state guidelines. Executive deletes. House revises to require the judicial branch to electronically retain copies unless otherwise required by federal and state guidelines.

Sec. 213. Expending Available Work Project Authorization – RETAINED

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. Executive deletes. House retains.

Sec. 217. Private and Third-Party Funds – RETAINED

Requires the judicial branch to report on 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. Executive deletes. House retains.

Sec. 217. State Fiscal Recovery Funds – NOT INCLUDED

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. Executive includes new language. House does not include new language.

Major Boilerplate Changes from FY 2025-26

JUDICIAL BRANCH

Sec. 307. Swift and Sure Sanctions Program – REVISED

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. Executive revises to delete authorization for SCAO to expend up to \$150,000 for employee costs associated with administration of the program and to delete the requirement that \$500,000 be allocated for programs in counties that had more than 325 individuals sentenced to prison in the previous calendar year. House concurs with executive revisions.

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. Executive deletes. House deletes.

Sec. 312. Access to SIGMA – NEW

Reiterates constitutional provision that all financial records, accountings, audit reports, and other reports of public moneys are public record and open to inspection; requires SCAO to cooperate with DTMB to authorize access by the fiscal agencies to financial information for the judicial branch that is contained in SIGMA. Executive does not include new language. House includes new language.

ONE-TIME APPROPRIATIONS

Sec. 401. Limited-Term Employees for Judicial Tenure Commission – DELETED

Authorizes the Judicial Tenure Commission to hire up to 3.0 limited term employees to assist the commission with addressing the judicial complaint backlog. Executive deletes. House deletes.

Sec. 402. Limited-Term Employees for SADO – RETAINED

Authorizes SADO to hire up to 14.0 limited term employees to assist with the increase in resentencing hearings resulting from recent Supreme Court decisions that require resentencing hearings for individuals who were sentenced to life without parole for crimes they committed at ages 19 and 20. Executive deletes. House retains.

Sec. 403. Limited-Term Employees for Supreme Court – DELETED

Authorizes the Supreme Court to hire 1.0 limited term employee to serve as an editor for the Office of Reporter of Decisions; requires the editor to work to reduce the Court of Appeals backlog of opinions awaiting review and editing. Executive deletes. House deletes.

FY 2026-27: LABOR AND ECONOMIC OPPORTUNITY
Summary: As Reported by House Subcommittee
Article 9, House Bill 5619 (H-1)



Analyst: Marcus Coffin

IDG/IDT	FY 2025-26	FY 2026-27	FY 2026-27	FY 2026-27	FY 2026-27	Difference: House	
	Year-to-Date as of 2/11/26	Executive	House	Senate	Conference	From FY 2025-26 YTD	YTD
						Amount	%
	\$0	\$0	\$0	\$	\$	\$0	--
Federal	1,188,234,200	1,190,870,600	871,575,800			(316,658,400)	(26.6)
Local	6,200,000	6,200,000	5,650,000			(550,000)	(8.9)
Private	8,088,200	8,097,200	6,483,900			(1,604,300)	(19.8)
Restricted	312,373,700	295,779,500	467,460,900			155,087,200	49.6
GF/GP	216,183,600	181,162,400	100,920,900			(115,262,700)	(53.3)
Gross	\$1,731,079,700	\$1,682,109,700	\$1,452,091,500	\$	\$	(\$278,988,200)	(16.1)
FTEs	2,633.5	2,641.5	2,437.5			(196.0)	(7.4)

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 YTD (as of 2/11/26)	House Change from YTD
1. Reported Expenditure Reductions	Gross	NA (\$289,190,600)
House includes reductions totaling \$289.2 million Gross (\$0 GF/GP) to align funding authorization across 13 lines with reported FY 2024-25 expenditures. Impacted lines and associated reductions are as follows:	Federal	NA (264,590,400)
<ul style="list-style-type: none"> Executive Direction and Operations (\$7.2 million) Workforce Development (\$144.0 million) Bureau of Services for Blind Persons (\$4.0 million) Centers for Independent Living (\$8.0 million) Michigan Rehabilitation Services (\$3.3 million) First Responder Presumed Coverage Claims (\$2.7 million) Insurance Funds Administration (\$1.0 million) Radiation Safety Section (\$559,200) Unemployment Insurance Agency (\$94.3 million) Michigan Community Service Commission (\$3.3 million) Entrepreneurship Ecosystem (\$13.2 million) Job Creation Services (\$7.7 million) Lighthouse Preservation Program (\$125,000). 	Local	NA (50,000)
	Private	NA (513,300)
	Restricted	NA (24,036,900)
	GF/GP	NA \$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
2. FTE Authorization Reductions	FTE	NA (167.0)
<u>House</u> reduces FTE authorization by 167.0 positions to align FTE authorizations in 12 lines with filled positions, as indicated by FY 2025-26 first quarter FTE reporting. Specific adjustments are as follows:	Gross	NA \$0
	GF/GP	NA \$0
<ul style="list-style-type: none"> • Workforce Development (reduction of 51.0 FTEs) • Bureau of Employment Relations (reduction of 7.0 FTEs) • Insurance Funds Administration (reduction of 8.0 FTEs) • Michigan Occupational Safety and Health Administration (reduction of 26.0 FTEs) • Radiation Safety Section (reduction of 4.0 FTEs) • Wage and Hour Program (reduction of 3.0 FTEs) • Workers' Compensation Board of Magistrates (reduction of 1.0 FTE) • Workers' Disability Compensation Agency (reduction of 3.0 FTEs) • Workers' Disability Compensation Appeals Commission (reduction of 3.0 FTEs) • Unemployment Insurance Agency (reduction of 46.0 FTEs) • Unemployment Insurance Appeals Commission (addition of 2.0 FTEs) • Housing and Rental Assistance (reduction of 17.0 FTEs). 		
3. Legislatively Directed Spending Items	Gross	NA \$145,277,100
<u>House</u> includes \$145.3 million of state restricted Legislative Spending Transparency Funds to support various legislatively directed spending items. The Legislative Spending Transparency Fund is a new state restricted fund that would receive lapsed funds from the Strategic Outreach and Attraction Reserve Fund (SOAR) and from work projects associated with SOAR, the Critical Industry Program, and the Michigan Strategic Site Readiness Program.	Restricted	NA 145,277,100
	GF/GP	NA \$0
4. House Line Item Removals	FTE	29.0 (29.0)
<u>House</u> removes \$109.7 million Gross (\$10.3 million GF/GP) by eliminating funding and FTE authorization for the following lines:	Gross	\$109,661,600 (\$109,661,600)
<ul style="list-style-type: none"> • Community and Worker Economic Transition Office (\$2.3 million GF/GP and 10.0 FTEs) • Office of Future Mobility and Electrification (\$1.5 million GF/GP) • Office of Global Michigan (\$41.9 million Gross and 15.0 FTEs) • Prosperity Bureau (\$911,800 Gross and 4.0 FTEs) • Arts and Cultural Program (\$3.7 million Gross) • Business Attraction and Community Revitalization (\$59.4 million Gross). 	Federal	39,469,100 (39,469,100)
	Private	500,000 (500,000)
	Restricted	59,350,000 (59,350,000)
	GF/GP	\$10,342,500 (\$10,342,500)
5. Small Business Supports	Gross	\$0 \$40,425,200
<u>House</u> includes \$40.4 million of state restricted 21 st Century Jobs Trust Funds for Small Business Supports, which would include grants for all of the following: small business and community incubators, small business development centers, community development financial institutions, small business service providers, small business technical assistance, manufacturing and automation support services, and early stage funding and venture capital.	Restricted	0 40,425,200
	GF/GP	\$0 \$0
6. Going Pro	Gross	NA \$40,000,000
<u>House</u> includes \$40.0 million of state restricted Corporation Fees (\$30.0 million ongoing and \$10.0 million one-time) for the Going Pro program. Going Pro makes awards to employers to assist with training, developing, and retaining current and newly hired employees.	Restricted	NA 40,000,000
	GF/GP	NA \$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
7. Medicaid and SNAP Work Requirements	FTE	NA	0.0
<u>Executive</u> includes \$25.0 million GF/GP and authorization for 2.0 FTE positions to comply with new federal work requirements prescribed under H.R. 1 (One Big Beautiful Bill Act) for Medicaid and SNAP eligibility. Funds would 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. <u>House</u> includes \$15.0 million GF/GP for this purpose.	Gross	NA	\$15,000,000
	GF/GP	NA	\$15,000,000
8. Contingent Fund, Penalty and Interest Reductions	Gross	\$43,397,900	(\$22,982,900)
<u>Executive</u> 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 would be subject to the reductions 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 for Going Pro would result in the elimination of all funding for that program. <u>House</u> concurs.	Restricted	43,397,900	(22,982,900)
	GF/GP	\$0	\$0
9. Information Technology Reduction	Gross	\$34,511,800	(\$17,255,800)
<u>House</u> includes a reduction of \$17.3 million Gross (\$425,000 GF/GP) to reduce the department's Information Technology Services and Projects line and the MSHDA Technology Services and Projects line by 50%.	Federal	27,161,400	(13,580,600)
	Restricted	6,500,400	(3,250,200)
	GF/GP	\$850,000	(\$425,000)
10. 21st Century Jobs Trust Fund Funding Swap	Gross	\$12,099,800	\$0
<u>House</u> replaces GF/GP funding with state restricted 21 st Century Jobs Trust Fund (fund that receives an annual deposit of \$75.0 million from Michigan's tobacco settlement revenue) in the following lines:	Restricted	0	12,099,800
<ul style="list-style-type: none"> • 23+ High School Diploma Program (\$2.0 million) • At-Risk Youth Grants (\$5.2 million) • High School Equivalency-to-School Program (\$250,000) • MiSTEM Advisory Council (\$665,300) • Michigan Office of Defense and Aerospace Innovation (\$4.0 million). 	GF/GP	\$12,099,800	(\$12,099,800)
11. Rural Jobs and Capital Investment	Gross	\$0	\$7,500,000
<u>House</u> 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.	Restricted	0	7,500,000
	GF/GP	\$0	\$0
12. Special Events and National Convention Attraction	Gross	\$0	\$0
<u>Executive</u> includes \$6.0 million of GF/GP (one-time) to promote Michigan as a destination for special events, which would include national conventions, national conferences, major sporting events, and other significant events with a national audience. Funds would 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. <u>House</u> includes \$3.0 million of state restricted 21 st Century Jobs Trust Funds in the Pure Michigan line for special events, which is reflected in item 13.	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)	House Change from YTD	
13. Pure Michigan	Gross	\$17,000,000	\$3,000,000
<u>House</u> removes all GF/GP, local, and private funding for the Pure Michigan tourism campaign and replaces it with state restricted 21 st Century Jobs Trust Funds. <u>House</u> also includes an additional \$3.0 million of state restricted 21 st Century Jobs Trust Funds for special events.	Local	500,000	(500,000)
	Private	500,000	(500,000)
	Restricted	0	20,000,000
	GF/GP	\$16,000,000	(\$16,000,000)
14. Registered Apprenticeships	Gross	NA	\$0
<u>Executive</u> includes \$5.0 million GF/GP to support and expand registered apprenticeship and apprenticeship readiness programs, which would provide additional opportunities for individuals to meet new federal work requirements under H.R. 1. Funds would 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. <u>House</u> does not include.	GF/GP	NA	\$0
15. Office of Future Mobility and Electrification – Aviation and Advanced Air Mobility	Gross	\$0	\$0
<u>Executive</u> includes \$4.0 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 would 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. <u>House</u> does not include.	GF/GP	\$0	\$0
16. Workers’ Compensation Funding Adjustments	FTE	66.0	0.0
<u>House</u> makes the following adjustments to lines related to workers’ compensation:	Gross	\$12,420,000	(\$2,622,700)
• Replaces \$733,100 GF/GP with state restricted Workers’ Compensation Administrative Revolving Funds in the Workers’ Compensation Board of Magistrates line	Restricted	8,042,700	(961,900)
• Includes reductions of \$927,700 GF/GP and \$1.7 million of state restricted Workers’ Compensation Administrative Revolving Funds in the Workers’ Disability Compensation Agency line, to match Gross funding with reported FY 2024-25 expenditures.	GF/GP	\$4,377,300	(\$1,660,800)
17. Office of Rural Prosperity	FTE	1.0	(1.0)
<u>House</u> reflects the transfer of the Office of Rural Prosperity from LEO to the Michigan Department of Agriculture and Rural Development.	Gross	\$2,299,400	(\$2,299,400)
	Federal	1,500,000	(1,500,000)
	Private	100,000	(100,000)
	GF/GP	\$699,400	(\$699,400)
18. Rural Development Fund Grant Program	FTE	0.0	0.0
<u>Executive</u> reflects the transfer of \$2.0 million of state restricted Rural Development Funds and authorization for 1.0 FTE position from the Department of Agriculture and Rural Development to the Department of Labor and Economic Opportunity, to effectuate 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. <u>House</u> does not include the transfer.	Gross	\$0	\$0
	Restricted	0	0
	GF/GP	\$0	\$0
19. Rural Development Fund	Gross	\$0	\$0
<u>Executive</u> includes \$2.0 million of one-time state restricted Rural Development Funds to augment ongoing funding for Rural Development Fund Grants. The amount available for Rural Development Fund Grants (combining the ongoing and one-time components) for FY 2026-27 would total \$3.8 million. <u>House</u> does not include.	Restricted	0	0
	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)	House Change from YTD
20. MIOSHA Safety Education and Training Fund		Gross \$11,739,000	\$0
<u>Executive</u> 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. <u>House</u> does not include.	Restricted	11,739,000	0
	GF/GP	\$0	\$0
21. Community College Skilled Trades Equipment Program		Gross \$4,600,000	(\$1,582,500)
<u>Executive</u> 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 would align funding authorization with the outstanding amount of the final payment. <u>House</u> concurs.	Restricted	4,600,000	(1,582,500)
	GF/GP	\$0	\$0
22. Bureau of Employment Relations	FTE	22.0	0.0
<u>House</u> removes \$1.6 million GF/GP from the Bureau of Employment Relations line due to sizeable work project account balances available to the Bureau.	Gross	\$4,674,000	(\$1,567,400)
	Restricted	3,106,600	0
	GF/GP	\$1,567,400	(\$1,567,400)
23. Arts and Cultural Program		Gross \$8,685,200	\$0
<u>Executive</u> includes an additional \$1.3 million GF/GP (one-time) for the Arts and Cultural Program, bringing total one-time funding for the program to \$10.0 million GF/GP. This one-time funding would augment ongoing funding for the Arts and Cultural Program – \$3.7 million Gross (\$2.5 million GF/GP) – which provides grants to support arts and cultural programs throughout Michigan. <u>House</u> removes all one-time funding for the Arts and Cultural Program, as is reflected in item 28.	GF/GP	\$8,685,200	\$0
24. Food Assistance Employment and Training Program		Gross NA	\$560,000
<u>Executive</u> 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. <u>House</u> concurs.	Federal	NA	560,000
	GF/GP	NA	\$0
25. Property Management Reductions		Gross \$10,125,000	(\$506,300)
<u>House</u> includes a reduction of \$506,300 Gross (\$44,800 GF/GP) to reduce the department's Property Management line and the MSHDA Property Management line by 5%.	Federal	3,094,800	(154,700)
	Restricted	6,135,200	(306,800)
	GF/GP	\$895,000	(\$44,800)
26. Michigan High-Speed Internet Office	FTE	NA	1.0
<u>House</u> includes \$100,000 GF/GP and authorization for 1.0 FTE position for the Michigan High-Speed Internet (MIHI) Office. The MIHI Office is currently supported by the Prosperity Bureau line, which would be eliminated by the House.	Gross	NA	\$100,000
	GF/GP	NA	\$100,000
27. Post-Secondary Schools IT System		Gross NA	\$100,000
<u>Executive</u> 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. <u>House</u> concurs.	Restricted	NA	100,000
	GF/GP	NA	\$0

<u>Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations</u>	<u>FY 2025-26 YTD (as of 2/11/26)</u>	<u>House Change from YTD</u>	
28. Removal of FY 2025-26 One-Time Appropriations	Gross	\$88,541,200	(\$88,541,200)
<u>Executive</u> removes \$77.4 million of one-time GF/GP funding that was included in the FY 2025-26 budget to support the following:	GF/GP	\$88,541,200	(\$88,541,200)
<ul style="list-style-type: none"> • Arts and Cultural Grants (\$1.0 million) • Community and Worker Economic Transition Office (\$250,000 GF/GP) • 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) • Going Pro (\$22.3 million) • 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 Women Forward (\$750,000) • 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). 			
<u>House</u> concurs and also removes FY 2025-26 one-time GF/GP funding for the following:			
<ul style="list-style-type: none"> • Arts and Cultural Program (\$8.7 million) • Michigan Office of Defense and Aerospace Innovation (\$1.0 million) • Museum Support (\$1.5 million). 			
29. Internal FTE Authorization Alignment	FTE	NA	0.0
<u>Executive</u> includes an internal net-zero realignment of FTE authorization across five line items to align staffing authorization with current department needs. Line items that would be impacted include the following:	Gross	NA	\$0
<ul style="list-style-type: none"> • 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) • Workforce Development (decrease of 1.0 FTE) • Workers' Disability Compensation Appeals Commission (decrease of 2.0 FTEs). 	GF/GP	NA	\$0
<u>House</u> does not include.			
30. Technical Adjustments	Gross	NA	(\$2,612,100)
<u>Executive</u> 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. <u>House</u> concurs in part, including all adjustments except an \$1,800 GF/GP funding increase for the Job Creation Services line.	Federal	NA	(2,368,600)
	Restricted	NA	(241,700)
	GF/GP	NA	(\$1,800)

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD	
31. Employees by Status	FTE	NA	NA
<u>House</u> includes the estimated number of full-time, limited-term, noncareer/per diem, part-time, permanent-intermittent, and seasonal people employed by the department. Estimates were obtained from the Forty-Sixth Annual Workforce Report published by the Civil Service Commission and are as follows:	Gross	NA	NA
<ul style="list-style-type: none"> • Full-time employees – 2,304.0 • Limited-term employees – 173.0 • Noncareer/per diem employees – 25.0 • Part-time employees – 3.0 • Permanent-intermittent employees – 1.0 • Seasonal employees – 0.0. 	GF/GP	NA	NA
32. Economic Adjustments	Gross	NA	\$7,872,000
<u>Executive</u> 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. <u>House</u> concurs.	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. ~~206~~. 221. Disciplinary Action Against State Employees – RETAINED

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. Executive deletes. House retains.

Sec. ~~207~~. 211. 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. Executive revises to delete requirement to report details on sources of revenues used to finance transportation costs. House revises to add requirement to report on destination of each travel occurrence, including the specific name of events or meetings attended.

Sec. ~~240~~. 216. Contingency Authorization – REVISED

Authorizes up to \$30.0 million of federal, \$560.0 million of state restricted, \$2.0 million of local, and \$11.0 million of private contingency funds to be appropriated should funds become available; authorizes expenditure of funds after legislative transfer to specific line items. Executive retains. House revises contingency authorization levels to \$15.0 million for federal, \$5.0 million for state restricted, \$1.0 million for local, and \$1.0 million for private.

Sec. ~~242~~. 209. State Restricted Fund Balances, Revenues, and Expenditures – RETAINED

Requires LEO to work with SBO to report on estimated state restricted fund balances, revenues, and expenditures. Executive deletes. House retains.

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. Executive retains. House deletes.

Sec. 214. Geographically Disadvantaged Business Enterprises Compete for Contracts – DELETED

Requires LEO director, to the extent possible, to take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts; requires LEO director to strongly encourage firms with which LEO contracts to subcontract with certified geographically disadvantaged business enterprises. Executive retains. House deletes.

Sec. 214. Performance Dashboard – NEW

Requires LEO to maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and updates quarterly key metrics used to monitor and improve the department's performance; requires LEO to notify when updates are available on the website. Executive does not include. House includes new language.

Major Boilerplate Changes from FY 2025-26

Sec. 215- 212. FTE Positions – REVISED

Requires LEO to report on the number of FTE positions in pay status by civil service classification, including a comparison by line item of the number of full-time positions authorized and the actual number of people employed. Executive retains. House revises to include reporting on employees in full-time, part-time, permanent-intermittent, limited-term, seasonal, worker's compensation, noncareer/per diem, job share, and special personal services/contractual statuses and on the number of overtime hours worked by employees by classifications.

Sec. 215. Legislatively Directed Spending Items – NOT INCLUDED

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. Executive includes new language. House does not include.

Sec. 216- 206. Retention of Reports – REVISED

Requires LEO to follow federal and state law and guidelines for short- and long-term retention of records; authorizes LEO to electronically retain copies of reports unless otherwise required by federal and state guidelines. Executive deletes. House revises to require LEO to electronically retain copies unless otherwise required by federal and state guidelines.

Sec. 217- 213. Report on Policy Changes Made to Implement Public Acts – REVISED

Requires LEO to report on each specific policy change made by the department to implement a public act affecting the department, including reference to the public act that necessitates the policy change. Executive deletes. House revises to require the report to be submitted to the standing committees responsible for addressing issues affected by the public acts.

Sec. 217. State Fiscal Recovery Funds – NOT INCLUDED

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. Executive includes new language. House does not include.

Sec. 218. Expending Available Work Project Authorization – RETAINED

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. Executive deletes. House retains.

Sec. 218. Reallocation of State Fiscal Recovery Funds – NOT INCLUDED

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. Executive includes new language. House does not include.

Sec. 224- 204. State Administrative Board Transfers – RETAINED

Authorizes the legislature to intertransfer funds via concurrent resolution if the State Administrative Board transfers funds. Executive deletes. House retains.

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. Executive and House delete.

Sec. 223- 222. 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. Executive retains. House revises to require biannual reports on remote work policies by division, building occupancy rates by address, whether buildings are state-owned or leased, and aggregate badge scanning information by employee; defines occupancy as the actual number of employees physically present in a workplace.

Sec. 224. Impact of Federal Policy Changes – DELETED

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. Executive revises to require reporting on significant federal policy changes that significantly impact department operations or changes that are likely to reduce LEO's ability to safeguard the health or welfare of the public. House deletes.

Major Boilerplate Changes from FY 2025-26

Sec. 224. Legislatively Directed Spending Items – NEW

Requires SBO to post a list of legislatively directed spending items and associated information and documents within 30 days of enactment of the budget; requires the department or agency that is administering the grant to report on project milestones, completion percentage, and expended and encumbered funds; requires grant recipients to provide a spending plan and disclose third-part recipients; requires annual audits of grants and posting of audits on the administering department's website; prohibits grant recipients and their immediate family members from being employed by the executive or legislative branches; requires quarterly reporting on legislatively sponsored grant funds. Executive does not include. House includes new language.

Sec. ~~225~~. 223. E-Verify Requirement – REVISED

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. Executive deletes. House revises to prohibit LEO from contracting with foreign entities that are known or suspected enemies of the United States or known foreign adversaries; lists known foreign adversaries.

Sec. 225. Severance Pay – NEW

Requires LEO 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. Executive does not include. House includes new language.

Sec. 226. U.S. Citizenship – NEW

Prohibits state or federal appropriations from being used to provide services, grants, or programming to non-citizens, unless the individuals are qualified aliens as that term is defined under 8 USC section 1641, and unless expenditures are for the purpose of detaining non-citizens. Executive does not include. House includes new language.

Sec. 227. Diversity, Equity, and Inclusion – NEW

Prohibits state funds from being used for diversity, equity, and inclusion initiatives or programs. Executive does not include. House includes new language.

Sec. ~~228~~. 217. Legacy Costs – REVISED

States the total amount of funding estimated to be expended on legacy costs in FY 2025-26 is \$39.6 million (\$35.8 million on pension-related legacy costs; \$3.9 million on health care-related legacy costs). Executive deletes. House revises to update estimated dollar amounts for FY 2026-27.

Sec. 228. Precontract Risk Assessment – NEW

Requires LEO 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. Executive does not include. House includes new language.

Sec. 229. Annual Strategic Plan – DELETED

Requires LEO to provide a copy of its annual strategic plan, which must include the mission, vision, goals, strategies, and performance measures of the department. Executive and House delete.

Sec. ~~230~~. 215. State Obligations – REVISED

Requires LEO to report on any court settlement that may require further legislative review of state statutory programs or regulations. Executive deletes. House revises to prohibit appropriations from being used to pay for a state obligation that exceeds \$200,000 for a court-approved judgment, settlement, award, or claim, without prior legislative approval; requires notification to be given if a state obligation for a court-approved judgment, settlement, award, or claim results in a change from current statute.

Sec. ~~234~~. 210. Private and Third-Party Funds – RETAINED

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

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

Sec. 301. General Fund Prioritization – RETAINED

Requires federal or private grant funding to be used prior to general fund appropriations when available for the same expenditure. Executive deletes. House retains.

Major Boilerplate Changes from FY 2025-26

Sec. 304. Private Grant Funds – RETAINED

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. Executive revises to remove the \$1.5 million appropriation cap. House retains.

Sec. 305. Informational, Training, and Special Events Revenue and Expenditures – RETAINED

Authorizes LEO to charge registration fees for events it sponsors; requires fees to reflect costs of sponsoring events; appropriates up to \$500,000 of revenue generated by fees for sponsorship costs; authorizes excess revenue to be carried forward; requires LEO to report on the amount of registration fees generated in and carried forward from the previous fiscal year. Executive revises to remove the \$500,000 appropriation cap. House retains.

Sec. 308. State Casino Ownership Prohibition – DELETED

Prohibits appropriations from being used to purchase an ownership interest in a casino. Executive retains. House deletes.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

Sec. 401. MSHDA Report and Prohibition – RETAINED

Requires MSHDA to report on the status of the authority's housing production goals under all financing programs, including efforts to raise affordable housing production goals, program summaries, status of goal progress, and explanations of program utilization; prohibits MSHDA from restricting eligibility for housing units without a permanent foundation unless it is a federal requirement. Executive deletes. House retains.

Sec. 402. Michigan Housing and Community Development Program – REVISED

Requires that funding for the program be expended for projects described in the State Housing Development Authority Act of 1966. Executive retains. House revises to include a requirement that MSHDA transmit the annual report required under MCL 125.1458b.

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. Executive deletes. House revises to remove the staff requirement.

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. Executive and House delete.

MICHIGAN STRATEGIC FUND

Sec. 503. Pure Michigan – REVISED

(1) Requires 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. Executive revises to remove the 4% cap on administrative spending in item (1) and to delete item (2). House revises to make technical changes, to remove the limit under item (6), and to require that \$3.0 million of the Pure Michigan appropriation be used for special events.

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. Executive retains with technical changes. House deletes.

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. Executive retains. House deletes.

Major Boilerplate Changes from FY 2025-26

Sec. 506. Business Development and Community Revitalization Project Amendments Report – RETAINED

Requires MSF to provide a report on prior year amendments to Michigan Business Development Program and Michigan Community Revitalization Program incentives. Executive deletes. House retains with technical changes.

Sec. 507. MEDC Reporting – RETAINED

Requires MEDC/MSF to report information on MEDC's budget; expenditures and revenues; FTE numbers; activities, programs, and grants; and subprograms funded from the Business Attraction and Community Revitalization line item. Executive deletes. House retains with technical changes.

Sec. 508. MSF Interlocal Agreements – RETAINED

Requires interlocal agreements entered by MSF and local units of government to contain language stating that if the local unit has a contract or memorandum of understanding with a private economic development agency then the MEDC will work cooperatively with the private organization. Executive deletes. House retains.

Sec. 509. Land Options and Purchases Reporting – RETAINED

Requires the department to provide notification and detailed information within 45 days after the purchase of land or options on land; requires a report that lists all properties purchased, all options on land purchased, the location of the land purchased, and the purchase price if the fund purchases land or options for land. Executive deletes. House retains with technical changes.

Sec. 513. MEDC Staff Fundraising Activities Prohibition – RETAINED

Prohibits MEDC staff involved in private fundraising from being party to grant award, incentives, or tax abatement decisions. Executive deletes. House retains.

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 community development financial institutions; (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. Executive revises to require 60% of the appropriation to be used to provide support to small businesses and to allow all remaining funds to be used for programs and administration as outlined in the Michigan Strategic Fund Act. House deletes.

Sec. 514. Small Business Supports – NEW

Requires Small Business Supports appropriation to be used to support grants to/for the following: small business and community incubators, small business development centers, community development financial institutions, small business service providers, technical assistance for small businesses, manufacturing and automation support services for small businesses, and early-stage funding and venture capital for new and startup companies. Executive does not include. House includes new language.

Sec. 515. Film Tax Incentives Reporting – RETAINED

Requires MSF to report on the status of film incentives and specifies information to be included in the report, with requirements for both tax credits and loans; requires MSF to report on activities of the Michigan Film and Digital Media Office, including a listing of all projects that received assistance from the office, a listing of services provided for each project, and an estimate of the investment leveraged. Executive deletes. House retains.

Sec. 517. Arts and Cultural Grant Program – DELETED

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. Executive revises to delete 3% cap on expenditures for administration. House deletes.

Major Boilerplate Changes from FY 2025-26

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. Executive and House delete.

Sec. 519. 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 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. Executive deletes. House revises to change a reference from “Business Attraction and Community Revitalization” to “Small Business Supports” and to make other technical changes.

Sec. 521. Tax Credit Transfer Notification – RETAINED

Requires notification 30 days prior to authorizing the transfer of any previously authorized tax credit that would increase the liability to the state. Executive deletes. House retains.

Sec. 522. Business Attraction and Community Revitalization Outcomes and Performance Measures – DELETED

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. Executive retains with technical changes. House deletes.

Sec. 525. Job Creation Services Report – RETAINS

Requires LEO to provide a report that includes expenditures by division and program unit within the job creation services line item; requires report to contain detailed information on expenditures and programs within the State Historic Preservation Office. Executive deletes. House retains.

Sec. 527. Rural Jobs and Capital Investment – NEW

Requires that MSF, in conjunction with MEDC and LEO, make grants, loans, and other economic assistance available to rural jobs and capital investment funds, as provided under MCL 125.2090n. Executive does not include. House includes new language.

EMPLOYMENT SERVICES

Sec. 601. Wage and Hour Program – DELETED

Requires LEO to engage with employers and employees to enhance education and outreach in accordance with the Youth Employment Standards Act, Improved Workforce Opportunity Wage Act, Earned Sick Time Act, Human Trafficking Notification Act, and other public acts. Executive revises to include language appropriating all funds received in the Prevailing Wage Fund for purposes allowed under MCL 408.1125a (i.e. implementation of 2023 PA 10, which pertains to prevailing wages on state projects). House deletes.

WORKFORCE DEVELOPMENT

Sec. 702. Workforce Innovation and Opportunity Act (WIOA) Youth Grant Program – RETAINED

Allows LEO to provide grants to nonprofit organizations that offer programs to WIOA-eligible youth that focus on entrepreneurship, work-readiness skills, job shadowing, apprenticeship activities, and financial literacy; stipulates eligibility criteria for organizations and requires LEO to develop other appropriate eligibility requirements; requires reporting on grants expended, number of students served, and organizations receiving funding. Executive revises to include language requiring eligible organizations to have capacity to provide similar programs in urban areas. House retains.

Sec. 705. Going Pro Reports and Requirements – RETAINED

Requires LEO to publish biannual data and reports concerning the status of Going Pro, including number of awardees participating, funding information, training models established, and utilization metrics; requires LEO to expand workforce training and reemployment services to better connect workers to in-demand jobs and identify specific outcomes and performance metrics for the initiative. Executive deletes. House retains.

Sec. 706. 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. Executive deletes. House revises to require at least 50% of Going Pro funds to be distributed to first-time recipients and recipients who did not receive an award in the previous fiscal year.

Major Boilerplate Changes from FY 2025-26

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. Executive revises to allow MiSTEM Network to receive funds from private sources and appropriates any private funds for expenditure in alignment with the statewide STEM strategy. House concurs with Executive's revisions and includes a reporting requirement.

Sec. 709. Federal Work Requirements Support – NEW

Allocates the \$15.0 million Federal Work Requirements Support appropriation to assist individuals with complying with SNAP work requirements and Medicaid community engagement requirements; 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. Executive does not include. House includes new language.

Sec. 710. 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. Executive retains with technical changes. House revises 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. 713. Interagency Agreement for TANF Funds – RETAINED

Requires LEO to provide reporting on the interagency agreement with MDHHS for the use of TANF funding to provide job readiness and welfare-to-work programming; requires report containing various metrics regarding referrals to Michigan Works job readiness programs. Executive deletes. House retains.

Sec. 714. Office of Rural Prosperity – DELETED

Requires the Office of Rural Prosperity to encourage and enable appropriate community advancements and improvements; requires a report outlining the office's activities, programs, and accomplishments. Executive retains. House deletes.

Sec. 715. Community and Worker Economic Transition Office – DELETED

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. Executive revises to remove the community and worker economic transition plan development and submission requirement. House deletes.

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. Executive retains. House deletes.

Sec. 718. Michigan High-Speed Internet Office FTEs – NOT INCLUDED

Appropriates 8.0 FTEs for the Michigan High-Speed Internet Office. Executive includes new language. House does not include.

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. Executive does not include. House includes new language.

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. Executive does not include. House includes new language.

UNEMPLOYMENT

Sec. 805. Unemployment Insurance Agency Limited-Term Employee Authorization – DELETED

Authorizes UIA to hire up to 250 limited-term employees if UIA local offices offer full-time, in-person services; authorizes UIA to hire up to 250 additional limited-term employees if UIA local offices offer full-time, in-person services and the number of claims has increased 20% or more in a month. Executive retains. House deletes.

Major Boilerplate Changes from FY 2025-26

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. Executive deletes. House revises to require each commission to produce its own report and to adjust reporting requirements.

Sec. 953. Office of Global Michigan Report – DELETED

Requires the Office of Global Michigan to report on activities of the office and metrics; stipulates reporting requirements. Executive retains. House deletes.

ONE-TIME APPROPRIATIONS

Sec. 1001-1021. One-Time Boilerplate Sections – DELETED

Stipulates how 21 different FY 2025-26 one-time appropriations are to be used and allocated. Executive and House delete.

Sec. 1001. Museums Support – NOT INCLUDED

Requires the following awards to be made from the Museums Support appropriation: \$500,000 to the Arab American National Museum; \$500,000 to the Charles H. Wright Museum of African American History; and \$500,000 to the Zekelman Holocaust Center. Executive includes new language. House does not include.

Sec. 1001. Legislative Spending Transparency Fund and SOAR Lapses – NEW

Creates the Legislative Spending Transparency Fund to support Legislatively Directed Spending Items; requires \$145.3 million of the SOAR fund balance and work project balances associated with the SOAR program to be lapsed to the Legislative Spending Transparency Fund; requires \$206.7 million of the SOAR fund balance and work project balances associated with the SOAR program to be lapsed to the general fund. Executive does not include. House includes new language.

Sec. 1002. Special Events and National Convention Attraction – NOT INCLUDED

Requires funds 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 supporting costs for hosting eligible events, and requires eligible events to have a regular attendance of more than 500 people; designates unexpended funds as a work project appropriation. Executive includes new language. House does not include.

Sec. 1003. Office of Future Mobility and Electrification – Aviation and Advanced Air Mobility – NOT INCLUDED

(1) Requires funds to be used to further Michigan's aviation and advanced air mobility sector, including for advanced air mobility infrastructure deployment and for workforce development strategies; (2) requires the Office of Future Mobility and Electrification to collaborate with other state departments on program implementation, allows for memoranda of understanding, and appropriates any grant money awarded to a state department for the purpose of the intended grant; (3) appropriates federal funds received for the purposes of advancing the aviation and advanced air mobility sector for the purposes outlined in the federal grant award and allows the carry forward of unexpended federal funds; (4) designates unexpended funds as a work project appropriation. Executive includes new language. House does not include.

FY 2026-27: LICENSING AND REGULATORY AFFAIRS
Summary: As Reported by House Subcommittee
Article 10, House Bill 5619 (H-1)



Analyst: Una Jakupovic

IDG/IDT	FY 2025-26	FY 2026-27	FY 2026-27	FY 2026-27	FY 2026-27	Difference: House	
	Year-to-Date as of 2/11/26	Executive	House	Senate	Conference	From FY 2025-26 YTD	Amount %
	\$30,192,600	\$30,303,000	\$27,184,700	\$	\$	(\$3,007,900)	(10.0)
Federal	30,369,700	30,661,000	29,928,800			(440,900)	(1.5)
Local	0	0	0			0	--
Private	0	0	0			0	--
Restricted	285,958,900	291,161,800	272,224,900			(13,734,000)	(4.8)
GF/GP	279,485,700	275,351,800	260,434,000			(19,051,700)	(6.8)
Gross	\$626,006,900	\$627,477,600	\$589,772,400	\$	\$	(\$36,234,500)	(5.8)
FTEs	1,813.0	1,821.0	1,826.0			13.0	0.7

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 YTD (as of 2/11/26)	House Change from YTD
1. Funding Reductions	FTE	NA 0.0
<u>House</u> includes \$66.4 million Gross in reductions for the following line items:	Gross	NA (\$66,378,300)
	IDG	NA (3,118,300)
	Federal	NA (1,013,100)
	Restricted	NA (30,517,400)
	GF/GP	NA (\$31,729,500)
<ul style="list-style-type: none"> Unclassified salaries (\$483,900 Gross) Executive director programs (\$46,900 Gross) Property management (\$2.5 million Gross) Worker’s compensation (\$58,800 Gross) Public service commission (\$4.8 million Gross) Bureau of community and health systems (\$800,900 GF/GP) Bureau of construction codes (\$3.6 million Gross) Bureau of fire services (\$233,200 GF/GP) Bureau of professional licensing (\$2.5 million state restricted) Bureau of survey and certification (\$2.8 million GF/GP) Corporations, securities, and commercial licensing bureau (\$434,500 state restricted) Cannabis regulatory agency (\$3.6 million state restricted) Michigan office of administrative hearings and rules (\$3.7 million Gross) Michigan indigent defense commission (\$55,100 GF/GP) Liquor law enforcement grants (\$976,100 state restricted) Marihuana operation and oversight grants (\$444,900 state restricted) Michigan indigent defense commission grants (\$24.2 million GF/GP) Remonumentation grants (\$1.1 million state restricted) Utility consumer representation (\$56,100 state restricted) Information technology services and projects (\$13.9 million Gross). 		

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD	
2. FTE Reductions	FTE	NA	(28.0)
<u>House</u> includes reductions to FTE authorizations for the following line items:	Gross	NA	\$0
	GF/GP	NA	\$0
<ul style="list-style-type: none"> Financial operations (2.0 FTEs) Executive director programs (4.0 FTEs) Management support services (2.0 FTEs) Bureau of construction codes (9.0 FTEs) Corporations, securities, and commercial licensing bureau (4.0 FTEs) Michigan office of administrative hearings and rules (4.0 FTEs) Michigan indigent defense commission (3.0 FTEs). 			
3. Michigan Commission on Law Enforcement Standards	FTE	NA	27.0
<u>House</u> includes the addition of five line items within the Michigan Commission on Law Enforcement Standards (MCOLES) unit transferred from the Michigan State Police budget:	Gross	NA	\$28,489,900
	Federal	NA	280,200
	Restricted	NA	14,300,400
	GF/GP	NA	\$13,909,300
<ul style="list-style-type: none"> \$13.3 million GF/GP and 7.0 FTEs for In-service training \$10.0 million state restricted and 3.0 FTEs for Justice training grants \$303,000 GF/GP and 1.0 FTE for Public safety officers benefit fund \$4.1 million Gross and 16.0 FTEs for Standards and training \$855,000 state restricted for Training only to local units. 			
4. Prosecuting Attorneys Coordinating Council	FTE	NA	14.0
<u>House</u> includes the addition of the Prosecuting Attorneys Coordinating Council line item transferred from the Department of Treasury budget.	Gross	NA	\$2,655,100
	Restricted	NA	455,100
	GF/GP	NA	\$2,200,000
5. Urban Search and Rescue	Gross	NA	\$1,000,000
<u>House</u> includes \$1.0 million GF/GP for Michigan Task Force 1 to support activities related to emergency response.	GF/GP	NA	\$1,000,000
6. Licensing and Regulation Fund Shortfall	Gross	\$16,975,900	\$550,000
<u>Executive</u> 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. <u>House</u> concurs.	Restricted	16,975,900	550,000
	GF/GP	\$0	\$0
7. Underground Facilities Safety Education and Training	Gross	NA	\$500,000
<u>Executive</u> 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. <u>House</u> concurs.	Restricted	NA	500,000
	GF/GP	NA	\$0
8. Customer Service and Business Ethics Training	Gross	NA	\$250,000
<u>House</u> includes \$250,000 in state restricted Corporation Fees for Financial Operations to support customer service and business ethics training for all classified and unclassified LARA employees.	Restricted	NA	250,000
	GF/GP	NA	\$0
9. Interdepartmental Grants Adjustment	Gross	NA	(\$208,400)
<u>Executive</u> 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. <u>House</u> concurs.	IDG/IDT	NA	(208,400)
	GF/GP	NA	\$0
10. Federal Digital Accessibility Compliance	Gross	NA	\$167,400
<u>Executive</u> includes \$167,400 in state restricted Corporation Fees, Health Professions Regulatory Funds, and Marihuana Regulation Funds for Information Technology to support digital accessibility compliance. <u>House</u> concurs.	Restricted	NA	167,400
	GF/GP	NA	\$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD	
11. Bureau of Professional Licensing – Federal Grant	Gross	NA	\$109,000
<u>Executive</u> 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. <u>House</u> concurs.	Federal	NA	109,000
	GF/GP	NA	\$0
12. Michigan Public Service Commission – Software Contract	Gross	NA	\$107,400
<u>Executive</u> 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. <u>House</u> concurs.	Restricted	NA	107,400
	GF/GP	NA	\$0
13. MiBusiness Registry Portal Update	Gross	NA	\$80,000
<u>House</u> includes \$80,000 in state restricted Corporation Fees to support updates to the MiBusiness Registry Portal.	Restricted	NA	80,000
	GF/GP	NA	\$0
14. Michigan Indigent Defense Commission – Software Contract	Gross	NA	\$17,400
<u>Executive</u> includes \$17,400 GF/GP for Information Technology to support contractual increases for the Michigan Indigent Defense Commission’s grant management software. <u>House</u> concurs.	GF/GP	NA	\$17,400
15. Michigan Tax Tribunal – Small Claims Backlog	FTE	NA	0.0
<u>Executive</u> includes \$359,300 in state restricted Corporation Fees and authorization for 2.0 FTEs for the Michigan Tax Tribunal to support a small claims case backlog. <u>House</u> concurs in part to authorize one-time limited-term FTEs in boilerplate instead.	Gross	NA	\$0
	Restricted	NA	0
	GF/GP	NA	\$0
16. Utility Consumer Representation Increase	Gross	\$2,100,000	\$0
<u>Executive</u> 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. <u>House</u> does not include.	Restricted	2,100,000	0
	GF/GP	\$0	\$0
17. Firefighter Training and Storage Tanks Program Support	FTE	NA	0.0
<u>Executive</u> includes \$509,000 Gross (\$163,000 GF/GP; \$346,000 Corporation Fees) and authorization for 3.0 FTEs for the Bureau of Fire Services to support the firefighter training program (2.0 FTEs) and resources for hazardous materials safety inspection of aboveground and underground storage tank facilities (1.0 FTE). <u>House</u> does not include.	Gross	NA	\$0
	Restricted	NA	0
	GF/GP	NA	\$0
18. Compliance and Risk Management Section	FTE	NA	0.0
<u>Executive</u> includes \$491,100 in state restricted Construction Code Funds, Corporation Fees, Health Professions Regulatory Funds, Liquor Purchase Revolving Funds, Marihuana Regulation Funds, and Public Utility Assessments and authorization for 3.0 FTEs to support the establishment of a Compliance and Risk Management section within Financial Operations (currently Administrative Services). <u>House</u> does not include.	Gross	NA	\$0
	Restricted	NA	0
	GF/GP	NA	\$0
19. New FY 2026-27 One-Time Appropriations	FTE	NA	0.0
<u>House</u> includes \$959,300 Gross (\$0 GF/GP) of one-time funding to support the following:	Gross	NA	\$959,300
• Accounting continuing education (\$200,000 state restricted Accountancy Enforcement Fund)	Restricted	NA	959,300
• Real estate continuing education (\$400,000 state restricted Real Estate Education Fund)	GF/GP	NA	\$0
• Tax tribunal – small claims (\$359,300 state restricted Corporation Fees).			

<u>Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations</u>		<u>FY 2025-26 YTD (as of 2/11/26)</u>	<u>House Change from YTD</u>
20. Removal of FY 2025-26 One-Time Appropriations	Gross	\$6,600,000	(\$6,600,000)
<u>Executive</u> 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).

House concurs.

21. Technical Adjustments	Gross	NA	(\$2,465,500)
<u>Executive</u> 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. <u>House</u> includes only half of the shift to Information Technology and does not include the rollup.	IDG/IDT	NA	0
	Federal	NA	0
	Restricted	NA	(2,318,200)
	GF/GP	NA	(\$147,300)

22. Economic Adjustments	Gross	NA	\$4,532,200
<u>Executive</u> 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. <u>House</u> concurs but includes as a single line item under Departmental Administration and Support that includes MCOLES economic adjustments.	IDG/IDT	NA	318,800
	Federal	NA	183,000
	Restricted	NA	3,332,000
	GF/GP	NA	\$698,400

23. Employees by Status	FTE	NA	NA
<u>House</u> includes the estimated number of full-time, limited-term, noncareer/per diem, part-time, permanent-intermittent, and seasonal people employed by the department. Estimates were obtained from the Forty-Sixth Annual Workforce Report published by the Civil Service Commission and are as follows:	Gross	NA	NA
	GF/GP	NA	NA

- Full-time employees – 1,576.0
- Limited-term employees – 31.0
- Noncareer/per diem employees – 27.0
- Part-time employees – 3.0
- Permanent-intermittent employees – 2.0
- Seasonal employees – 0.0.

Major Boilerplate Changes from FY 2025-26

Note: Existing boilerplate section numbers listed in this document are section numbers as they appear in current law. New Executive boilerplate section numbers are section numbers as they appear in the Executive Recommendation. New House boilerplate section numbers are section numbers as they appear in the House bill.

GENERAL

Sec. 204. Internet Reporting Requirements – REVISED

Requires LARA to use the internet to fulfill reporting requirements; requires e-mail transmission and internet posting of reports. Executive revises to add website reporting requirements from deleted Sec. 226. House concurs.

Major Boilerplate Changes from FY 2025-26

Sec. 206. Communication with the Legislature – RETAINED

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 the department is exercising its authority. Executive deletes. House retains.

Sec. 207. Out-of-State Travel Report – REVISED

Requires LARA 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. Executive retains. House revises to require the report to contain the destination and specific purpose and description of each travel occurrence.

Sec. 209. Contingency Authorization – REVISED

Authorizes appropriation and expenditure of up to \$1.0 million in federal, \$200,000 in local, \$100,000 in private, and \$25.0 million in state restricted contingency funds after transfer of funds to specific line items is approved. Executive retains. House revises to lower state restricted contingency authorization to \$1.5 million.

Sec. 211. Restricted Funds Report – RETAINED

Requires LARA to work with SBO to report on estimated restricted fund revenues, expenditures, and fund balances for the prior two fiscal years. Executive deletes. House retains.

Sec. 212. Geographically Disadvantaged Business Enterprises – DELETED

Requires the LARA director, to the extent possible, to take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts; requires the LARA director to strongly encourage firms with which the department contracts to subcontract with certified geographically disadvantaged business enterprises. Executive retains. House deletes.

Sec. 213. FTE Report – REVISED

Requires LARA to report on the number of FTE positions in pay status by civil service classification, including a comparison by line item of the number of full-time positions authorized and the actual number of people employed. Executive retains. House revises to require reporting on the number of active employees by status.

Sec. 214. State Administrative Board Transfers – RETAINED

Authorizes the legislature to intertransfer funds via concurrent resolution if the State Administrative Board transfers funds. Executive deletes. House retains.

Sec. 215. 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. Executive retains. House revises to require LARA to report on its remote work policy, building occupancy, whether buildings are state-owned or leased, and aggregate badge scanning information by employee; require at least 80% of employees to be in-person.

Sec. 216. Retention of Reports – RETAINED

Requires LARA to work with SBO to report on estimated state restricted fund balances, revenues, and expenditures. Executive deletes. House retains.

Sec. 217. Report on Policy Changes for Public Act Implementation – REVISED

Requires LARA to report on each specific policy change made by the department to implement a public act affecting the department, including reference to the public act that necessitates the policy change. Executive deletes. House revises to add senate and house standing committees responsible for addressing issues affected by the public acts to the list of report recipients.

Sec. 217. State Fiscal Recovery Fund (SFRF) Expenditure – NOT INCLUDED

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. Executive includes the new language. House does not include.

Sec. 218. E-Verify – REVISED

Stipulates that LARA must require all contractors and subcontractors to agree to use the E-Verify system to verify that all people hired during the contract term are legally present and authorized to work in the United States; allows the department to verify the information directly or receive certification from the contractor; requires LARA to submit a report describing the processes it has developed and implemented; prohibits LARA from contracting with foreign entities that are enemies or adversaries of the United States. Executive deletes. House revises to prohibit LARA from contracting with any known or suspected foreign adversaries.

Major Boilerplate Changes from FY 2025-26

Sec. 218. State Fiscal Recovery Fund Reallocation – NOT INCLUDED

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. Executive includes the new language. House does not include.

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. Executive retains. House deletes.

Sec. 220. Work Project Usage – RETAINED

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. Executive deletes. House retains.

Sec. 221. Work Projects 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. Executive retains. House revises to require quarterly reports by specified dates.

Sec. 222. Legacy Costs – RETAINED

States the total amount of funding estimated to be expended on legacy costs in FY 2025-26 is \$27.6 million (\$24.9 million on pension-related legacy costs and \$2.7 million on health care-related legacy costs). Executive deletes. House retains with updated fiscal year and legacy cost amounts.

Sec. 223. Annual Strategic Plan – REVISED

Requires LARA to provide a copy of its annual strategic plan which must include the mission, vision, goals, strategies, and performance measures of the department. Executive deletes. House revises to require LARA to maintain a department scorecard that tracks key metrics.

Sec. 224. State Obligations – REVISED

Requires LARA to report on any court settlement that may require further legislative review of state statutory programs or regulations. Executive deletes. House revises to prohibit funds from being used to pay for a state obligation that exceeds \$200,000 without legislative approval.

Sec. 224. Legislatively Directed Spending Items – NEW

Requires SBO to post a list of legislatively directed spending items; requires LARA to submit a report on November 1 and updated reports on March 15 and September 15; requires grant recipients to provide a spending plan; requires LARA to annually audit use of grant funds; requires LARA to work with auditor general to conduct an audit; prohibits grant recipients and their immediate family members from being employed by the legislative or executive branch. Executive does not include. House includes the new language.

Sec. 225. Private and Third-Party Funds – RETAINED

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

Sec. 225. Severance Pay – NEW

Requires LARA to report on any severance pay 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. Executive does not include. House includes the new language.

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. Executive deletes. House concurs.

Sec. 226. Fund Use Restrictions for Non-Citizens – NEW

Prohibits appropriated funds from being used to provide services, grants, or programming to non-citizens, unless the individual is a qualified alien as that term is defined under 8 USC section 1641. Executive does not include. House includes the new language.

Major Boilerplate Changes from FY 2025-26

Sec. 227. Legislatively Directed Spending Items – DELETED

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. Executive revises to require HFA/SFA to provide SBO a jointly agreed upon list of legislatively directed spending items within 30 days of enactment of the budget; require LARA to post a report on March 15 and to update the report on June 15 and September 15. House deletes and replaces with new Sec. 224.

Sec. 227. Diversity, Equity, and Inclusion Initiatives – NEW

Prohibits state funds from being used for diversity, equity, and inclusion initiatives or programs. Executive does not include. House includes the new language.

Sec. 228. Precontract Risk Assessment Program – NEW

Requires LARA to use the same precontract risk assessment program utilized by the department of technology, management, and budget for evaluation prior to contract evaluation. Executive does not include. House includes the new language.

GENERAL – LARA

Sec. 250. Television and Radio Production Expenditure Report – RETAINED

Requires LARA to report any expenditure of funds to a third-party vendor for television or radio productions; specifies information to be included. Executive deletes. House retains.

Sec. 251. Training Materials Reporting – RETAINED

Requires LARA to report on materials that employees and contractors are required to review or complete for mandatory training. Executive deletes. House retains.

Sec. 252. Registration Fees – RETAINED

Authorizes LARA to charge registration fees for events sponsored by LARA; requires fees to reflect costs of sponsoring events; appropriates revenue generated by fees for sponsorship costs; authorizes excess revenue to be carried forward; limits appropriation to \$1.0 million. Executive revises to remove \$1.0 million limit. House retains.

Sec. 255. Private Grant Funded Projects – RETAINED

Authorizes appropriation of private grant revenues, subject to a limitation of \$4.0 million; requires report within 10 days of receiving grants from private entities. Executive revises to remove \$4.0 million limit. House retains.

Sec. 259. Report on Federal Policy Changes – DELETED

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. Executive retains. House deletes.

Sec. 259. Pending Litigation – NEW

Stipulates that pending litigation related to a licensee must not delay LARA investigations and licensing actions, unless prohibited by law. Executive does not include. House includes the new language.

Sec. 260. 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. Executive does not include. House includes the new language.

Sec. 261. Customer Service and Business Ethics Training – NEW

Stipulates that at least \$250,000 of the Administrative Services appropriation must be allocated to provide 1 hour of customer service and business ethics training to all classified employees and 2 hours of training to all unclassified employees; establishes general training and reporting requirements. Executive does not include. House includes the new language.

Sec. 262. Department Facility Access – NEW

Requires LARA to allow the chairs, majority vice chairs, and minority vice chairs of the House and Senate Appropriations Committees and Subcommittees on LARA and DIFS access to all department facilities during business hours. Executive does not include. House includes the new language.

Major Boilerplate Changes from FY 2025-26

MICHIGAN PUBLIC SERVICE COMMISSION

Sec. 301. Low-Income Energy Assistance Grant Program – RETAINED

Stipulates that MPSC administers the low-income energy assistance grant program on behalf of MDHHS, and funds supporting the program are appropriated upon awarding of grants and may be used for grant payments or administrative program expenses; requires the MPSC to report on the median annual household income of grant recipients and the number of grants administered in each county. Executive revises to remove reporting requirements. House retains.

Sec. 302. Public Service Commission Hearings – RETAINED

Requires the MPSC to conduct at least 4 public hearings in the state; requires a hearing to be held in Detroit and Grand Rapids; requires MPSC to submit report that summarizes outcomes and public comments. Executive deletes. House retains.

Sec. 303. Energy Utility Rates Report – RETAINED

Requires the MPSC to designate 1.0 FTE to assist consumers with utility issues, disruption, or outages; requires the MPSC to report on electric rates, comparison of electric bills, power supply cost recovery factors, natural gas rates, gas cost recovery factors, reliability data, number of consumers assisted, and number of complaints. Executive deletes. House retains.

Sec. 304. Rate Case Reporting – NEW

Requires the MPSC to publish all documents pertaining to each rate case on a single page on its website; requires the MPSC to submit a report for each rate increase approval to the senate and house appropriations and standing committees on energy that includes a justification and cost breakdown. Executive does not include. House includes the new language.

OCCUPATIONAL REGULATION

Sec. 507. Carnival-Amusement and Ski Area Safety Inspections – RETAINED

Stipulates that at least \$900,000 of the Bureau of Construction Codes appropriation must be allocated for additional inspections and enforcement activities for the Carnival-Amusement Safety Act of 1966 and the Ski Area Safety Act of 1962; requires LARA to report on the allocation of funds, including an itemized listing of how funds were used. Executive revises to remove the \$900,000 floor. House retains.

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 licensed adult foster care home, home for the aged, or nursing home. Executive does not include. House includes the new language.

Sec. 512. Business Registry Portal – NEW

Requires LARA to make the necessary changes to the MiBusiness Registry Portal to allow each entity to opt in to a primary user authentication system if the necessary amendments are enacted. Executive does not include. House includes the new language.

CANNABIS REGULATORY AGENCY

Sec. 604. Prohibition of Cannabis Regulatory Agency Partiality – RETAINED

Prohibits the CRA from exhibiting partiality toward or bias against any licensee. Executive deletes. House retains.

MICHIGAN INDIGENT DEFENSE COMMISSION

Sec. 802. Michigan Indigent Defense Commission Report on Incremental Costs – RETAINED

Requires the MIDC to report the incremental costs associated with the standard development process, the total cost calculation for each indigent defense standard, how much each recipient is receiving for each standard, and the causal factors associated with any changes in grant funding. Executive revises 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, and a comparison of the total system cost for the previous two fiscal years organized by MIDC region. House retains.

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. Executive revises 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. House concurs.

Sec. 805. MIDC Construction Expenses Prohibition – RETAINED

Prohibits MIDC grants from being used to support any construction expenses for a new structure. Executive deletes. House retains.

Major Boilerplate Changes from FY 2025-26

Sec. 806. MIDC Grant Restrictions for Non-Citizens – NEW

Prohibits MIDC grants from being used to provide criminal defense services to non-citizens unless the individual is a qualified alien as that term is defined under 8 USC section 1641. Executive does not include. House includes the new language.

MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS

Sec. 1001. Commission on Law Enforcement Standards – NEW

Stipulates MCOLES' responsibilities and requires maintenance of proper staffing and resource levels to update standards within 120 days of enactment date of new applicable legislation; requires report summarizing MCOLES activities and distributions of training funds during prior calendar year. Executive does not include. House includes the new language.

Sec. 1002. Public Safety Officers Benefit Fund – NEW

Requires GF/GP appropriated for Public Safety Officers Benefit Fund to be deposited to Public Safety Officers Benefit Fund and appropriates all funds within Public Safety Officers Benefit Fund. Executive does not include. House includes the new language.

Sec. 1003. In-service Training – NEW

Requires funds appropriated for In-service Training to be deposited into the Law Enforcement Officers Training Fund; appropriates all funds in the Law Enforcement Officers Training Fund for expenditure to support implementation of required annual in-service training standards for all licensed law enforcement officers. Executive does not include. House includes the new language.

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. Executive and House delete.

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. Executive and House delete.

Sec. 1003. Michigan Realtors Association – RETAINED

Requires the Bureau of Professional Licensing to provide grants to the Michigan Realtors Association to approve and track real estate continuing education. Executive deletes. House retains.

Sec. 1004. Michigan Association of CPAs – RETAINED

Requires the Bureau of Professional Licensing to provide grants to the Michigan Association of CPAs to support the maintenance and operation of the continuing professional education tracker and web portal. Executive deletes. House retains.

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. Executive and House delete.

Sec. 1006. Cannabis Regulatory Agency Social Equity Program – DELETED

Lists the following goals that are to be pursued using social equity program one-time funds: encourage and increase participation in the social equity program, with particular focus on individuals from communities that have been disproportionately impacted by marijuana prohibition and enforcement; establish a minimum number of licensees that are participating in the program; consider the median income in designating disproportionately impacted communities. Executive and House delete.

Sec. 1103. 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. Executive does not include. House includes the new language.

FY 2026-27: LIFELONG EDUCATION, ADVANCEMENT AND POTENTIAL

Summary: As Reported by House Subcommittee Article 11, House Bill 5619 (H-1)



Analysts: Perry Zielak and Noel Benson

IDG/IDT	FY 2025-26	FY 2026-27	FY 2026-27	FY 2026-27	FY 2026-27	Difference: House	
	Year-to-Date as of 2/11/26	Executive	House	Senate	Conference	From FY 2025-26 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$	\$	\$0	--
Federal	457,769,900	418,323,900	417,418,700			(40,351,200)	(8.8)
Local	0	0	0			0	--
Private	1,000,000	1,000,000	1,000,000			0	0.0
Restricted	1,880,000	1,897,300	1,897,300			17,300	0.9
GF/GP	201,593,300	231,451,700	209,536,800			7,943,500	3.9
Gross	\$662,243,200	\$652,672,900	\$629,852,800	\$	\$	(\$32,390,400)	(4.9)
FTEs	348.0	348.0	328.0			(20.0)	(5.7)

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.

<u>Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations</u>		FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
1. Child Development and Care Public Assistance	Gross	\$543,312,000	(\$19,500,000)
<u>Executive</u> provides a net \$0 Gross change by including \$40.0 million GF/GP and decreasing the federal fund appropriation by \$40.0 million to more accurately align federal appropriations with available federal funding to maintain current program services. Fund swap is necessary due to spend down of federal discretionary carryforward grant and lack of sufficient available federal revenues. Total funding for the CDC Public Assistance program would be \$543.3 million Gross (\$202.5 million GF/GP). <u>House</u> reduces net funding by \$19.5 million Gross by increasing \$20.5 million GF/GP and decreasing the federal fund appropriation by \$40.0 million to more accurately align federal appropriations with available federal funding to maintain current program services and to reflect a move to a payment system based on attendance rather than enrollment. Total funding for the CDC Public Assistance program would be \$523.8 million Gross (\$183.0 million GF/GP).	Federal	380,801,300	(40,000,000)
	GF/GP	\$162,510,700	\$20,500,000
2. Child Care Licensing and Regulation	FTE	167.0	(10.0)
<u>House</u> reduces funding by \$1.5 million GF/GP and reduces FTE authorization by 10.0 FTE positions, which supports the operations of the Child Care Licensing Bureau. Total funding for Child Care Licensing and Regulation would be \$28.5 million Gross (\$2.1 million GF/GP).	Gross	\$29,987,600	(\$1,500,000)
	Federal	25,904,800	0
	Restricted	501,700	0
	GF/GP	\$3,581,100	(\$1,500,000)

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
3. Tri-Share Child Care Program	Gross	\$3,400,000	(\$1,303,300)
<u>House</u> reduces funding by \$1.3 million GF/GP for the Tri-Share Child Care program, which divides the cost of child care equally between an eligible employee, their employer, and the State of Michigan. Total funding for the Tri-Share Child Care program would be \$2.1 million GF/GP.	GF/GP	\$3,400,000	(\$1,303,300)
4. Family and Community Engagement	Gross	\$2,383,200	(\$1,200,000)
<u>House</u> reduces funding by \$1.2 million Gross (\$600,000 GF/GP) for the Family and Community Engagement program. The program assists parents and guardians become more involved in their child's education through partnerships with family engagement centers or intermediate school districts. Total funding for Family and Community Engagement would be \$1.2 million Gross (\$462,500 GF/GP).	Federal	1,320,700	(600,000)
	GF/GP	\$1,062,500	(\$600,000)
5. Executive Direction and Operations	Gross	\$7,352,200	(\$1,000,000)
<u>House</u> reduces funding by \$1.0 million GF/GP for Executive Direction and Operations. Total funding for Executive Direction and Operations would be \$6.4 million Gross (\$5.3 million GF/GP).	Federal	1,008,900	0
	GF/GP	\$6,343,300	(\$1,000,000)
6. Student Financial Assistance Programs	FTE	50.0	(6.0)
<u>Executive</u> 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 #16). Total funding for Student Financial Assistance Programs would be \$9.8 million Gross (\$8.5 million GF/GP). <u>House</u> reduces funding by \$900,000 GF/GP and reduces FTE authorization by 6.0 FTE positions. Total funding for Student Financial Assistance Programs would be \$8.7 million Gross (\$7.4 million GF/GP).	Gross	\$9,597,700	(\$900,000)
	Restricted	1,270,800	0
	GF/GP	\$8,326,900	(\$900,000)
7. Office of Great Start Operations	FTE	65.0	(4.0)
<u>House</u> reduces funding by \$600,000 GF/GP and reduces FTE authorization by 4.0 FTE positions for the Office of Great Start operations. The Office of Great Start administers various early childhood education and child care programs. Total funding for the Office of Great Start operations would be \$17.2 million Gross (\$2.8 million GF/GP).	Gross	\$17,818,500	(\$600,000)
	Federal	13,950,800	0
	Private	1,000,000	0
	Restricted	64,600	0
	GF/GP	\$2,803,100	(\$600,000)
8. Information Technology Services and Projects	Gross	\$1,004,100	(\$502,000)
<u>House</u> reduces funding by \$502,000 Gross (\$390,200 GF/GP) for Information Technology services and projects. Total funding for Information Technology services and projects would be \$502,100 Gross (\$390,100 GF/GP).	Federal	223,700	(111,800)
	GF/GP	\$780,400	(\$390,200)
9. Michigan Center for Adult College Success	Gross	\$1,000,000	(\$500,000)
<u>Executive</u> removes \$1.0 million GF/GP of one-time funding for the Michigan Center for Adult College Success. <u>House</u> reduces funding by \$500,000 GF/GP. Total funding for the Michigan Center for Adult College Success would be \$500,000 GF/GP.	GF/GP	\$1,000,000	(\$500,000)
10. Head Start Collaboration Office	Gross	\$426,600	(\$200,000)
<u>House</u> reduces funding by \$200,000 Gross (\$20,000 GF/GP) for the Head Start Collaboration Office. The office coordinates between Head Start agencies and other state and local entities for services for low-income children and families. Total funding for the Head Start Collaboration Office would be \$226,600 Gross (\$44,500 GF/GP).	Federal	362,100	(180,000)
	GF/GP	\$64,500	(\$20,000)
11. Unclassified Salaries	Gross	\$1,029,500	(\$71,400)
<u>House</u> reduces funding by \$71,400 GF/GP for Unclassified Salaries to match recent fiscal year expenditures. Total funding for Unclassified Salaries would be \$958,100 GF/GP.	GF/GP	\$1,029,500	(\$71,400)

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
12. Child Development and Care External Support	Gross	\$11,028,800	\$45,300
<u>Executive</u> provides additional \$45,300 federal for defined calculations from an interdepartmental grant with the Michigan Department of Health and Human Services (DHHS) to support child development and care related activities, including program eligibility determinations and responding to administrative hearings. Total funding for CDC External Support would be \$11.1 million Federal. <u>House</u> concurs.	Federal	11,028,800	45,300
	GF/GP	\$0	\$0
13. Before and After School Administration	Gross	\$371,200	(\$30,000)
<u>House</u> 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 would be \$341,200 GF/GP.	GF/GP	\$371,200	(\$30,000)
14. Property Management	Gross	\$268,800	(\$13,400)
<u>House</u> reduces funding by \$13,400 Federal for Property Management. Total funding for Property Management would be \$255,400 Federal.	Federal	268,800	(13,400)
	GF/GP	\$0	\$0
15. Nonpublic Dual Enrollment	Gross	\$3,500,000	\$0
<u>Executive</u> removes \$3.5 million GF/GP of one-time funding for the nonpublic dual enrollment program, which pays the tuition of eligible nonpublic school students enrolled in postsecondary institutions. <u>House</u> removes \$3.5 million GF/GP of one-time funding and replaces with \$3.5 million GF/GP of ongoing funding for a net \$0 change.	GF/GP	\$3,500,000	\$0
16. Michigan Indian Tuition Waiver	FTE	1.0	0.0
<u>Executive</u> 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 #6). <u>House</u> maintains current funding levels.	Gross	\$159,700	\$0
	GF/GP	\$159,700	\$0
17. Removal of FY 2025-26 One-Time Appropriations	Gross	\$6,000,000	(\$6,000,000)
<u>Executive</u> removes \$6.0 million GF/GP of one-time funding that was included in the FY 2025-26 budget to support the following:	GF/GP	\$6,000,000	(\$6,000,000)
<ul style="list-style-type: none"> • Child Development and Care Public Assistance (\$3.5 million GF/GP) • College Success Fund and Student Wraparound Supports (\$1.0 million GF/GP) • Michigan Center for Civic Education (\$1.0 million GF/GP) • Ensuring Access to Postsecondary Opportunities (\$260,000 GF/GP) • Community College Workforce Initiative (\$240,000 GF/GP) <u>House</u> concurs.			
18. Economic Adjustments	Gross	NA	\$884,400
<u>Executive</u> 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. <u>House</u> concurs.	Federal	NA	508,700
	Restricted	NA	17,300
	GF/GP	NA	\$358,400

<u>Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations</u>	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
19. Employees by Status	Gross	NA
<u>House</u> includes the estimated number of full-time, limited-term, noncareer/per diem, part-time, permanent-intermittent, and seasonal people employed by the department. Estimates were obtained from the Forty-Sixth Annual Workforce Report published by the Civil Service Commission and are as follows:	GF/GP	NA
		\$0
		\$0

- Full-time employees – 285.0
- Limited-term employees – 30.0
- Noncareer/per diem employees – 8.0
- Part-time employees – 0.0
- Permanent-intermittent employees – 10.0
- Seasonal employees – 0.0

Major Boilerplate Changes from FY 2025-26

Boilerplate Deletions

In general, Executive deletes a number of boilerplate sections included in FY 2025-26 budget. The list below includes major changes to boilerplate but is not a comprehensive list of all sections proposed to be deleted.

- Communication with the Legislature (Sec. 206)
- State Restricted Fund Balances, Revenues, and Expenditures Report (Sec. 212)
- State Administrative Board Transfers (Sec. 217)
- Department Retention of Reports and Records (Sec. 219)
- Department Policy Changes Made to Implement Public Acts Report (Sec. 220)
- Requirement to Expend Available Work Project Authorization (Sec. 222)
- Departmental Legacy Costs (Sec. 224)
- Posting Required Departmental Reports (Sec. 225)
- E-Verify Requirement (Sec. 228)
- Annual Departmental Strategic Plan (Sec. 230)
- Court Settlement Impact on Program or Regulations (Sec. 231)
- Private and Third-Party Funds Report (Sec. 232)
- Dual Enrollment Payments (Sec. 705)
- Dual Enrollment Taskforce (Sec. 706)
- Child Development and Care Public Assistance One-Time Funds (Sec. 1101)
- College Success Fund and Student Wraparound Supports (Sec. 1102)
- Michigan Center for Adult College Success (Sec. 1103)
- Ensuring Access to Postsecondary Opportunities (Sec. 1104)
- Community College Workforce Initiative (Sec. 1105)
- Michigan Center for Civic Education (Sec. 1106)

House concurs with Sec. 225, 706, 1101, 1102, and 1104 through 1106. Renumbers most 200-level sections for consistency with other budget areas.

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. Executive 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. House concurs and renumbers as Sec. 205.

Sec. 214. Access to State and Local Government Services – DELETED

House 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. 215. Geographically Disadvantaged Business Enterprises – DELETED

House deletes language that requires the MiLEAP director, to the extent possible, to take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts; requires the department director to strongly encourage firms with which the department contracts to subcontract with certified geographically disadvantaged business enterprises.

Major Boilerplate Changes from FY 2025-26

Sec. 216. Full-Time Equated (FTE) Positions Report – REVISED

Requires MiLEAP to submit quarterly reports containing the number of FTE positions by civil service classification, including a comparison by line item of the number of full-time positions authorized and the actual number of people employed. House adds language to require FTE positions broken down by various employee statuses and requires reporting on overtime.

Sec. 217. State Fiscal Recovery Funds Expended – NOT INCLUDED

Executive 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. House does not include.

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. Executive rennumbers as Sec. 208. House revises to make reports due in December, March, June, and September. Rennumbers as Sec. 219.

Sec. 218. State Fiscal Recovery Funds Reallocation Authorization – NOT INCLUDED

Executive 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. House does not include.

Sec. 225. Severance Pay Report – NEW

House 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. 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. House adds language that requires MiLEAP to establish a process for verifying that all employees are working during normal business hours and to report on remote work policies, building occupancy information and aggregate badge scanning information. Rennumbers as Sec. 222.

Sec. 226. Non-Citizen Restrictions – NEW

House adds language that restricts MiLEAP from using any state or federal funds on services, grants, or programming for any non-citizen, unless the non-citizen is a qualified alien or if the funds are used to restrain the non-citizen in jails or correctional facilities.

Sec. 227. Impact of Federal Policy Changes Report – DELETED

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. Executive revises language to have MiLEAP report on significant policy changes or significant impact to department operations, along with changes that would reduce the department's ability to safeguard the health or welfare of the public. Deletes language requiring reports on groups and populations the department engages with and policies that create a regulatory gap. Rennumbers as Sec. 214. House deletes.

Sec. 227. Restriction on Diversity, Equity, and Inclusion Programs – NEW

House adds language that restricts MiLEAP from using any funds on diversity, equity, and inclusion programs.

Sec. 228. E-Verify Requirement – REVISED

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. Executive deletes. House adds language that prohibits MiLEAP from contracting with any foreign entities known or suspected to be enemies of the United States. Rennumbers as Sec. 223

Sec. 228. Precontract Risk Assessment Requirement – NEW

House 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. 231. Court Settlement Impact on Programs or Regulations – REVISED

Requires MiLEAP to report on any court settlement that may require further legislative review of state statutory programs or regulations. House adds language that restricts appropriated funds from being used for court-approved judgements, settlements, awards, or claims in excess of \$200,000. Rennumbers as Sec. 215.

Major Boilerplate Changes from FY 2025-26

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. Executive revises to require the fiscal agencies to work with the State Budget Office on the list of legislatively directed spending items, deletes various grant and administration requirements. Renumbers as Sec. 215. House revises to require the State Budget Office to post a list of legislatively directed spending items; requires quarterly reports by the department administering grants; provides requirements for grant audits; prohibits executive and legislative branch employees and immediate family members from receiving grants. Renumbers as Sec. 224.

Sec. 706. Dual Enrollment Payments – RETAINED

Executive deletes language that 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. House retains.

Sec. 1011. CDC Payments Based on Enrollment – REVISED

Requires MiLEAP to implement payments to providers based on enrollment rather than attendance. House revises language to base payments on attendance rather than enrollment.

Sec. 1025. Receipt of Private Donations – DELETED

House deletes language that appropriates private donations upon receipt as permitted under state and federal law; requires MiLEAP to notify the subcommittee chairs, fiscal agencies, and state budget director of the receipt and details of private donations.

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. Executive adds language that allows for quarterly advances of provider payments, allows MiLEAP to use unspent funds for the state's share of child care payments or used at the department's discretion, and requires MiLEAP to innovate program and administration options to attract employer participation. House concurs with requirement to innovate program and administration options.

Sec. 1103. Michigan Center for Adult College Success – RETAINED

Executive deletes language that states the Michigan Center for Adult College Success shall use funds to continue improving adult postsecondary enrollment and completion rates through the Michigan Reconnect program. House retains.

FY 2026-27: MILITARY AND VETERANS AFFAIRS
Summary: As Reported by House Subcommittee
Article 12, House Bill 5619 (H-1)



Analyst: Aaron A. Meek

IDG/IDT	FY 2025-26	FY 2026-27	FY 2026-27	FY 2026-27	FY 2026-27	Difference: House	
	Year-to-Date as of 2/11/26	Executive	House	Senate	Conference	From FY 2025-26 YTD	YTD
						Amount	%
	\$101,800	\$101,800	\$101,800	\$	\$	\$0	-
Federal	148,840,000	154,412,200	154,412,200			5,572,200	3.7
Local	0	0	0			0	-
Private	100,000	100,000	100,000			0	-
Restricted	12,953,500	12,973,100	12,973,100			19,600	0.2
GF/GP	128,171,000	96,350,900	88,925,900			(39,245,100)	(30.6)
Gross	\$290,166,300	\$263,938,000	\$256,513,000	\$	\$	(\$33,653,300)	(11.6)
FTEs	976.0	976.0	926.5			(49.5)	(5.1)

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 YTD (as of 2/11/26)	House Change from YTD
1. Michigan Youth ChalleNGe Academy	FTE	68.0	(12.0)
<u>House</u> removes \$1.8 million GF/GP and 12.0 FTE positions from the Michigan Youth ChalleNGe Academy line item.	Gross	\$10,441,800	(\$1,800,000)
	Federal	6,967,600	0
	Private	90,000	0
	GF/GP	\$3,384,200	(\$1,800,000)
2. Headquarters and Armories	FTE	103.0	(10.0)
<u>House</u> removes \$1.5 million GF/GP and 10.0 FTE positions from the Headquarters and Armories line item.	Gross	\$23,056,200	(\$1,500,000)
	Federal	14,238,600	0
	Restricted	162,500	0
	GF/GP	\$8,655,100	(\$1,500,000)
3. Military Training Sites and Support Facilities	FTE	240.0	(8.0)
<u>House</u> removes \$1.2 million GF/GP and 8.0 FTE positions from the Military Training Sites and Support Facilities line item.	Gross	\$46,533,200	(\$1,200,000)
	Federal	40,863,400	0
	Restricted	1,602,800	0
	GF/GP	\$4,067,000	(\$1,200,000)
4. Michigan National Guard Member Benefit Fund	FTE	11.5	(7.5)
<u>House</u> removes \$1.1 million GF/GP and 7.5 FTE positions from the Michigan National Guard Member Benefit Fund line item.	Gross	\$11,244,800	(\$1,125,000)
	GF/GP	\$11,244,800	(\$1,125,000)
5. Michigan Veteran Homes Administration	FTE	18.0	(7.0)
<u>House</u> removes \$1.1 million GF/GP and 7.0 FTE positions from the Michigan Veteran Homes Administration line item.	Gross	\$4,920,500	(\$1,050,000)
	GF/GP	\$4,920,500	(\$1,050,000)

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
6. Michigan Veterans Affairs Agency Administration	FTE 49.0	(3.0)
<u>House</u> removes \$450,000 GF/GP and 4.0 FTE positions from the Michigan Veterans Affairs Agency Administration line item.	Gross \$8,381,300	(\$450,000)
	Federal 753,400	0
	Private 10,000	0
	Restricted 50,000	0
	GF/GP \$7,567,900	(\$450,000)
7. Unclassified Salaries	FTE 9.0	(1.0)
<u>House</u> removes \$150,000 GF/GP and 1.0 unclassified FTE position from the Unclassified Salaries line item.	Gross \$1,878,100	(\$150,000)
	GF/GP \$1,878,100	(\$150,000)
8. Veterans Service Grants	FTE 2.0	(1.0)
<u>House</u> removes \$150,000 GF/GP and 1.0 FTE position from the Veterans Service Grants line item.	Gross \$4,255,500	(\$150,000)
	GF/GP \$4,255,500	(\$150,000)
9. Veterans Home Direct Care – Fund Swap	Gross \$107,598,900	\$0
<u>Executive</u> 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. <u>House</u> concurs.	Federal 53,437,100	2,931,900
	Restricted 6,303,000	0
	GF/GP \$47,858,800	(\$2,931,900)
10. Removal of FY 2025-26 One-Time Appropriations	Gross \$30,000,000	(\$30,000,000)
<u>Executive</u> removed \$30.0 million of one-time GF/GP funding that was included in the FY 2025-26 budget to support the following:	GF/GP \$30,000,000	(\$30,000,000)
<ul style="list-style-type: none"> • Selfridge Air National Guard Base (\$26.0 million GF/GP) • Veterans Nonprofit Improvement Grants (\$4.0 million GF/GP). <u>House</u> concurs.		
11. Technical Adjustments	Gross NA	\$1,400,000
<u>Executive</u> includes \$1.4 million in federal National Guard Bureau revenue to support the following line items:	Federal NA	1,400,000
<ul style="list-style-type: none"> • Headquarters and Armories (\$1.0 million) • Michigan Youth ChalleNGe Academy (\$400,000). <u>House</u> concurs.	GF/GP NA	\$0
12. 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
13. Employees by Status	Gross NA	\$0
<u>House</u> includes the estimated number of full-time, limited-term, noncareer/per diem, part-time, permanent-intermittent, and seasonal people employed by the department. Estimates were obtained from the Forty-Sixth Annual Workforce Report published by the Civil Service Commission and are as follows:	GF/GP NA	\$0
<ul style="list-style-type: none"> • Full-time employees – 733.0 • Limited-term employees – 14.0 • Noncareer/per diem employees – 24.0 • Part-time employees – 24.0 • Permanent-intermittent employees – 38.0 • Seasonal employees – 2.0 		

Major Boilerplate Changes from FY 2025-26

GENERAL SECTIONS

Sec. 206 221. Disciplinary Action Against State Employees – RETAINED

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. Executive deletes. House retains.

Sec. 207 211. 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. Executive retains. House revises reporting requirements to include the destination, specific purpose, and description of each travel occurrence.

Sec. 242 209. State Restricted Fund Balances, Revenues, and Expenditures – RETAINED

Requires the department to work with SBO to report on estimated state restricted fund balances, revenues, and expenditures. Executive deletes. House retains.

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. Executive retains. House deletes.

Sec. 244 204. State Administrative Board Transfers – RETAINED

Authorizes the legislature to intertransfer funds via concurrent resolution if the State Administrative Board transfers funds. Executive deletes. House retains.

Sec. 214. Key Metrics Scorecard – NEW

Requires the department to maintain a publicly accessible scorecard on its website that identifies, tracks, and updates departmental performance metrics on a quarterly basis. Executive does not include. House includes new language.

Sec. 215. Geographically Disadvantaged Business Enterprises Compete for Contracts – DELETED

Requires the department director, to the extent possible, to take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts; requires the department director to strongly encourage firms with which the department contracts to subcontract with certified geographically disadvantaged business enterprises. Executive retains. House deletes.

Sec. 217. State Fiscal Recovery Funds – NOT INCLUDED

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. Executive includes new language. House does not include.

Sec. 218. Reallocation of State Fiscal Recovery Funds – NOT INCLUDED

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. Executive includes new language. House does not include.

Sec. 249 206. Retention of Reports – RETAINED

Requires the department to follow federal and state law and guidelines for short- and long-term retention of records; authorizes the department to electronically retain copies of reports unless otherwise required by federal and state guidelines. Executive deletes. House retains.

Sec. 220 213. Report on Policy Changes Made to Implement Public Acts – RETAINED

Requires the department to report on each specific policy change made by the department to implement a public act affecting the department, including reference to the public act that necessitates the policy change. Executive deletes. House retains.

Sec. 222 218. Expending Available Work Project Authorization – RETAINED

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. Executive deletes. House retains.

Sec. 224 251. Intention to Sell Department Property – RETAINED

Requires the department to provide a 60-day notice of intent to sell property. Executive deletes. House retains.

Major Boilerplate Changes from FY 2025-26

Sec. 225 252. Biannual Reporting on Achieving Requirements – RETAINED

Requires the department to provide biannual reports on status of work projects, financial status, and employment levels. Executive deletes. House retains.

Sec. 225. 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.” Executive does not include. House includes new language.

Sec. 226 224. 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. Executive revises to require HFA/SFA to provide SBO a jointly agreed upon list of legislatively directed spending items within 30 days of enactment of the budget; to require 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. House revises to require SBO to post a list of legislatively directed spending items and all associated information and documents within 30 days of enactment of the budget; to require the department that is administering the grants to report on project milestones, completion percentage, and expended and encumbered funds; to require grantees to provide a spending plan and disclose third-part recipients; to require annual audits of grantees and posting of audits on the granting department’s website; and to require quarterly reports on legislatively sponsored grant funds.

Sec. 226. Services for Non-U.S. Citizens – NEW

Prohibits state or federal funds from being used to provide services, grants, or programming for non-U.S. citizens unless they are qualified aliens under 8 U.S.C. § 1641. Executive does not include. House includes new language.

Sec. 227. DEI Programs – NEW

Prohibits state funds from being expended for diversity, equity, and inclusion (DEI) initiatives or program and as outlined in federal Executive Orders 14151, 14168, and 14173. Executive does not include. House includes new language.

Sec. 228. Precontract Risk Assessments – NEW

Requires the department to use the same precontract risk assessment program utilized by DTMB to evaluate financial compliance, security risks, and insurance requirements prior to contract execution. Executive does not include. House includes new language.

Sec. 229 253. Annual Strategic Plan – RETAINED

Requires the department to provide a copy of its annual strategic plan which must include the mission, vision, goals, strategies, and performance measures of the department. Executive deletes. House retains.

Sec. 233 222. 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. Executive retains. House revises to require at least 80% of employees are in person and building occupancy and utilization rates are at least 80% or higher; and to require biannual reports on remote work policies, building occupancy and information, and aggregate badge scanning information by employee.

Sec. 234 223. E-Verify Requirement – REVISED

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.” Executive deletes. House revises to prohibit the department from contracting with known or suspected enemies of the United States or known foreign adversaries.

Sec. 235 219. 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. Executive retains. House revises to require work project reports be submitted not later than December 1, March 30, June 30, and September 30.

Sec. 236 217. 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). Executive deletes. House revises to update legacy costs.

Major Boilerplate Changes from FY 2025-26

Sec. 237 210. Private and Third-Party Funds – REVISED

Requires the department 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. Executive deletes. House revises to require report on private and third-party funds.

Sec. 240 215. State Obligations – REVISED

Requires the department to report on any court settlement that may require further legislative review of state statutory programs or regulations. Executive deletes. House revises to prohibit department from using appropriations to pay a state obligation that exceeds \$200,000 without prior legislative approval; and to require legislative notification of state obligations for court settlements that result in a change from current statute.

Sec. 254. Authorization to Spend Privately Donated Funds – NEW

Authorizes the department to receive private donations in excess of funds appropriated and authorizes expenditure of those funds for purpose designated by donor, if specified; authorizes unexpended donations to not lapse to general fund and carry forward to subsequent fiscal year. Executive includes new language. House concurs with Executive, in addition to requiring annual report of donations under \$10,000 and notification to the legislature within 14 days of donations of \$10,000 or more.

MILITARY

Sec. 301. Unclassified Positions – RETAINED

Appropriates funding to support unclassified positions; requires the department to notify subcommittees prior to submitting requests for additional unclassified positions or requests for substantive changes to duties of existing unclassified positions; requires annual report listing current unclassified positions with official titles and responsibilities. Executive revises to delete notification requirements for new unclassified positions and substantive changes to duties of existing unclassified positions. House retains.

Sec. 303. Michigan Youth Challenge Academy – RETAINED

Requires the department to maintain proper levels of staffing and resources to operate Michigan Youth Challenge Academy as provided under federal law; provides operating requirements and performance standards; authorizes unexpended and unencumbered private donations to carry forward and not lapse at close of fiscal year. Executive revises to delete carry-forward authorization for private donations. House retains.

Sec. 307. National Guard Tuition Assistance Program – RETAINED

Requires the department to establish and maintain tuition assistance program for members of Michigan National Guard and other eligible recipients as defined in 2014 PA 259; states program objectives, performance metrics, and reporting requirements; requires funds appropriated for Michigan National Guard Member Benefit Program be used to support tuition assistance program. Executive revises to delete FTE information from reporting requirements. House retains.

MICHIGAN VETERANS AFFAIRS AGENCY

Sec. 410. MVAA and County Counseling Services – REVISED

Requires the MVAA to assist veterans in filing claims for VA benefits; establishes a capacity metric of 500 claims per year; requires biannual data on number and type of claims activities; requires the MVAA to provide training to county veterans counselors (CVCs); establishes performance metrics for training and CVC-filed claims for USDVA benefits; requires annual reports on number and percentage of CVCs requesting training by MVAA; authorizes up to \$100,000 to be expended to provide legal services to represent veterans benefit cases before federal courts in order to maintain accreditation by VA. Executive revises to delete staffing, resources, and minimum claims processing requirements. House concurs with Executive.

Sec. 411. Grants to Veterans Service Organizations – REVISED

Requires the MVAA to provide competitive grants to veterans service organizations (VSOs) using a regional service delivery model and lists requirements for the competitive grant process; requires quarterly reports from grantees on claims and services provided; requires grant recipients to meet performance metrics and specifies basic parameters of grant agreement; requires the MVAA to report on grant activities; appropriates funding to cover administrative costs; authorizes unexpended funding as work project. Executive revises to delete work project authorization; to require deposit of appropriated funds in the Veterans Service Fund created by proposed Section 412; and to eliminate monthly performance benchmark-setting requirement for MVAA. House concurs with Executive.

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. Executive includes new language. House concurs with Executive.

Major Boilerplate Changes from FY 2025-26

Sec. 413. County Veteran Service Fund – 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.” Executive revises to delete notification requirement for changes to county grant awards, quarterly and annual reports from grantees, and allowable expenditures requirements. House revises to delete allowable expenditures requirements.

Sec. 416. Suicide Prevention Research Contracts and Grants – RETAINED

Authorizes the department to contract with or provide grants to local health care providers to accelerate research and deployment of treatments for suicide prevention that have been granted breakthrough therapy designation by United States Food and Drug Administration; authorizes department to partner with DHHS to facilitate and administer program. Executive deletes. House retains.

MICHIGAN VETERANS’ FACILITY AUTHORITY

Sec. 505. Member Care Standards – RETAINED

Requires Michigan Veterans Homes to provide all veterans homes members board-certified psychiatric care, safe and secure environment, and to ensure veterans homes develop, execute, and monitor all comprehensive care plans in accordance with federal regulations and internal policies. Executive deletes. House retains.

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. Executive revises to remove USDVA State Veteran Home quarterly report from reporting requirements. House concurs with Executive.

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. Executive deletes. House deletes.

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.” Executive deletes. House deletes.

FY 2026-27: NATURAL RESOURCES
Summary: As Reported by House Subcommittee
Article 13, House Bill 5619 (H-1)



Analyst: Austin Scott

IDG/IDT	FY 2025-26	FY 2026-27	FY 2026-27	FY 2026-27	FY 2026-27	Difference: House	
	Year-to-Date as of 2/11/26	Executive	House	Senate	Conference	From FY 2025-26 YTD	Amount
	\$208,100	\$208,300	\$208,300	\$	\$	\$200	0.1
Federal	100,214,800	102,198,400	96,019,200			(4,195,600)	(4.2)
Local	0	0	0			0	--
Private	7,609,200	8,330,900	8,330,900			721,700	9.5
Restricted	362,152,800	432,856,300	365,601,900			3,449,100	1.0
GF/GP	73,009,400	63,123,000	36,710,000			(36,299,400)	(49.7)
Gross	\$543,194,300	\$606,716,900	\$506,870,300	\$	\$	(\$36,324,000)	(6.7)
FTEs	2,515.2	2,519.9	2,287.2			(228.0)	(9.1)

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 YTD (as of 2/11/26)	House Change from YTD
1. Nature Awaits (One-Time)	FTE 13.8	(13.8)
Executive continues one-time funding for the Nature Awaits program which provides grants to schools to cover transportation and other costs related to connecting all Michigan fourth grades to the state park system. Program funding in FY 2025-26 is \$2.0 million GF/GP and 13.8 FTE positions, funding in FY 2026-27 would be \$1.4 million GF/GP and 14.0 FTE positions.	Gross \$2,011,800	(\$2,011,800)
House does not concur with Executive and eliminates program funding.	GF/GP \$2,011,800	(\$2,011,800)
2. Fee increase – Hunting Licenses and Fishing Licenses	Gross NA	\$0
Executive includes \$29.4 million in state restricted funding from proposed price increases for hunting licenses and fishing licenses. New revenue would primarily support Fisheries Division, departmental marketing and outreach, Wildlife Division, and the Michigan Wildlife Council.	Restricted NA	0
House does not concur with Executive.	GF/GP NA	\$0
3. Fee increase – Watercraft Registrations	Gross NA	\$0
Executive includes \$6.9 million in state restricted funding from a proposed price increase for watercraft registrations. New revenue would primarily support local and state boating infrastructure and Law Enforcement Division.	Restricted NA	0
House does not concur with Executive.	GF/GP NA	\$0
4. Gas Tax Revenue Distribution	Gross NA	\$17,700,000
Executive 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
House concurs with Executive.	GF/GP NA	\$0

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
5. Capital Outlay Adjustments	Gross	NA	\$12,050,000
<u>Executive</u> 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
<u>House</u> concurs with Executive.	GF/GP	NA	\$0
6. Off-Road Vehicle Trail Improvement Funding Decrease	Gross	NA	(\$3,965,900)
<u>Executive</u> 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)
<u>House</u> concurs with Executive.	GF/GP	NA	\$0
7. Off-Road Vehicle Trail Improvement Funding for Silver Lake State Park	Gross	NA	\$1,404,100
<u>Executive</u> 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
<u>House</u> concurs with Executive.	GF/GP	NA	\$0
8. Michigan Historical Center	FTE	42.0	0.0
<u>Executive</u> 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	(\$1,800)
<u>House</u> does not concur with Executive; reduces funding by \$1,800 GF/GP.	Federal	1,225,300	0
	Restricted	2,285,400	0
	GF/GP	\$3,327,600	(\$1,800)
9. Parks and Recreation Division Employee Recruitment and Retention	FTE	NA	0.0
<u>Executive</u> appropriates \$393,700 in state restricted funding and authorizes 3.0 new FTE positions for supervisory roles in state parks.	Gross	NA	\$0
<u>House</u> does not concur with Executive.	Restricted	NA	0
	GF/GP	NA	\$0
10. Recreational Boating – St. Jean Boat Launch Management	FTE	182.0	0.0
<u>Executive</u> provides \$271,300 from the Waterways Account to manage the St. Jean Boat Launch at Gray Haven State Harbor in Wayne County.	Gross	\$24,547,600	\$0
<u>House</u> does not concur with Executive.	Federal	2,129,600	0
	Restricted	22,418,000	0
	GF/GP	\$0	\$0
11. Natural Resources Heritage – Kirtland's Warbler Management	FTE	9.0	0.0
<u>Executive</u> appropriates \$150,000 in private funding from the Nongame Wildlife Fund to manage Kirtland's Warbler habitat.	Gross	\$661,800	\$150,000
<u>House</u> concurs with Executive.	Federal	209,300	0
	Private	0	150,000
	Restricted	452,500	0
	GF/GP	\$0	\$0
12. Technical Adjustments	Gross	NA	\$4,021,700
<u>Executive</u> 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
<u>House</u> concurs with Executive.	Restricted	NA	2,721,700
	GF/GP	NA	\$0
13. General Law Enforcement	FTE	293.0	0.0
<u>Executive</u> swaps out \$1.6 million from the Marine Safety Fund in favor of \$1.6 million from the Game and Fish Protection Account for a net zero change.	Gross	\$55,577,700	(\$19,043,700)
<u>House</u> concurs with Executive and eliminates GF/GP funding.	Federal	7,065,800	0
	Restricted	29,468,200	0
	GF/GP	\$19,043,700	(\$19,043,700)

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
14. Wildlife Management	FTE 201.5	0.0
<u>House</u> eliminates GF/GP funding for wildlife management, which supports wildlife lands, facilities, and population management.	Gross \$47,995,900	(\$4,484,100)
	Federal 26,433,400	0
	Private 315,700	0
	Restricted 16,762,700	0
	GF/GP \$4,484,100	(\$4,484,100)
15. Reduction to Actual Expenditures and Filled FTE positions	FTE NA	(214.2)
<u>House</u> reduces funding by \$32.1 million Gross (\$736,500 million GF/GP) and 214.2 FTE positions to reflect actual spending and filled FTE positions departmentwide.	Gross NA	(\$32,097,700)
	Federal NA	(6,179,200)
	Restricted NA	(25,182,000)
	GF/GP NA	(\$736,500)
16. Information Technology Services and Projects	Gross \$10,729,400	(\$5,364,700)
<u>House</u> reduces funding for information technology services and projects by 50%, totaling \$5.4 million Gross (\$636,000 GF/GP).	Restricted 9,457,300	(4,728,700)
	GF/GP \$1,272,100	(\$636,000)
17. Property Management	Gross \$3,573,500	(\$181,200)
<u>House</u> reduces funding for building occupancy charges and rent by \$181,200 Gross (\$74,700 GF/GP).	Restricted 2,079,100	(106,500)
	GF/GP \$1,494,400	(\$74,700)
18. Cormorant Population Management	Gross NA	\$150,000
<u>House</u> adds \$150,000 from the Game and Fish Protection Account to manage cormorants statewide.	Restricted NA	150,000
	GF/GP NA	\$0
19. Internal Authorization Shifts	Gross NA	\$0
<u>Executive</u> 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
<u>House</u> concurs with Executive.	GF/GP NA	\$0
20. Removal of FY 2025-26 One-Time Appropriations	Gross \$10,200,000	(\$10,200,000)
<u>Executive</u> removes \$10.0 million GF/GP of one-time funding that was included in the FY 2025-26 budget to support the following:	GF/GP \$10,200,000	(\$10,200,000)
• 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)		
<u>House</u> concurs with Executive.		
21. Economic Adjustments	Gross NA	\$5,551,100
<u>Executive</u> 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
<u>House</u> concurs with Executive and rolls all economic adjustments into a single line "Departmentwide employee economic adjustments" within the Departmental Administration and Support section.	GF/GP NA	\$889,200

<u>Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations</u>	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
22. Employees by Status	Gross	NA
<u>House</u> includes the estimated number of full-time, limited-term, noncareer/per diem, part-time, permanent-intermittent, and seasonal people employed by the department. Estimates were obtained from the Forty-Sixth Annual Workforce Report published by the Civil Service Commission and are as follows:	GF/GP	NA
		\$0
		\$0

- Full-time employees – 1,618.0
- Limited-term employees – 27.0
- Noncareer/per diem employees – 1,088.0
- Part-time employees – 1.0
- Permanent-intermittent employees – 31.0
- Seasonal employees – 267.0

Major Boilerplate Changes from FY 2025-26

Sec. 254. Solar and Wind Project Prohibition – RETAINED

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.)*

Executive deletes, House retains.

Sec. 283. Prohibition on Expending Funds for Legal Actions Against Swine Hunting – RETAINED

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.)*

Executive deletes, House retains.

Sec. 284. Feeding Birds or Wildlife Near a Residence – RETAINED

Prevents the department from prohibiting an individual from feeding birds or wildlife within 300 feet of a residence if feed quantity totals less than 2 gallons. *(Document from the State Budget Office dated November 7 noted this section is unenforceable in FY 2025-26.)*

Executive deletes, House retains.

Sec. 285. References to State-managed Lands – RETAINED

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.)*

Executive deletes, House retains.

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.

Executive deletes, House concurs.

Sec. 304. Receive and Expend for Carbon Offset Credits – DELETED

Authorizes department to receive and expend revenues to pay vendors for administering carbon offset credits.

Executive retains, House deletes.

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.

House adds new section.

Sec. 501. Little Manistee River Designation Prohibition – RETAINED

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.)*

Executive deletes, House retains.

Sec. 601. Allegan State Game Area Expanded Use – NEW

Requires the department to collaborate with Allegan County to implement a plan that expands public use in the Allegan State Game Area.

House adds new section.

Major Boilerplate Changes from FY 2025-26

Sec. 701. Recreation Passport Selection – RETAINED

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.*)

Executive deletes, House retains.

FY 2026-27: STATE POLICE
Summary: As Reported by House Subcommittee
Article 14, House Bill 5619 (H-1)



Analyst: Aaron A. Meek

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	FY 2026-27 House	FY 2026-27 Senate	FY 2026-27 Conference	Difference: House From FY 2025-26 YTD	
						Amount	%
IDG/IDT	\$29,030,200	\$29,521,800	\$20,539,900	\$	\$	(\$8,490,300)	(29.3)
Federal	101,314,700	100,351,800	97,321,400			(3,993,300)	(3.9)
Local	5,035,600	5,088,800	4,612,900			(422,700)	(8.4)
Private	35,000	35,000	35,000			0	-
Restricted	190,336,000	200,908,000	201,992,800			11,656,800	6.1
GF/GP	638,435,100	633,778,200	594,958,200			(43,476,900)	(6.8)
Gross	\$964,186,600	\$969,683,600	\$919,460,200	\$	\$	(\$44,726,400)	(4.6)
FTEs	3,576.0	3,575.0	3,241.0			(335.0)	(9.4)

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 YTD (as of 2/11/26)	House Change from YTD
1. Michigan Commission on Law Enforcement Standards	FTE 27.0	(27.0)
<u>House</u> removes \$28.5 million Gross (\$13.9 million GF/GP) and 27.0 FTE positions for the Michigan Commission on Law Enforcement Standards to reflect moving the following line items to the Department of Licensing and Regulatory Affairs budget:	Gross \$28,489,900	(\$28,489,900)
	Federal 280,200	(280,200)
	Restricted 14,300,400	(14,300,400)
	GF/GP \$13,909,300	(\$13,909,300)
<ul style="list-style-type: none"> In-Service Training (\$13.3 million GF/GP and 7.0 FTE) Justice Training Grants (\$10.0 million state restricted) Public Safety Officers Benefit Fund (\$303,000 GF/GP and 1.0 FTE) Standards and Training (\$4.1 million Gross [\$335,200 GF/GP] and 19.0 FTE) Training Only to Local Units (\$855,000 state restricted). 		
2. Information Technology Services and Projects	Gross \$30,347,600	(\$14,885,900)
<u>House</u> removes \$14.9 million Gross (\$7.6 million GF/GP) from the Information Technology Services and Projects line item.	IDG/IDT 520,700	(118,800)
	Federal 960,400	(69,500)
	Local 951,700	(475,900)
	Restricted 12,718,700	(6,665,100)
	GF/GP \$15,196,100	(\$7,556,600)
3. Training Operations	FTE 70.0	(8.0)
<u>House</u> removes \$7.8 million Gross (\$5.4 million GF/GP) and 8.0 FTE positions from the Training Operations line item.	Gross \$16,507,300	(\$7,781,100)
	IDG/IDT 3,577,300	(1,949,300)
	Federal 1,990,700	(300,000)
	Restricted 1,155,900	(100,000)
	GF/GP \$9,783,400	(\$5,431,800)

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
4. Commercial Vehicle Enforcement	FTE 211.0	(47.0)
<u>House</u> removes \$7.6 million Gross (\$20,900 GF/GP) and 47.0 FTE positions from the Commercial Vehicle Enforcement line item.	Gross \$40,483,400	(\$7,574,500)
	IDG/IDT 13,986,800	(4,963,800)
	Federal 14,840,300	0
	Local 1,897,300	0
	Restricted 9,432,900	(2,589,800)
	GF/GP \$326,100	(\$20,900)
5. Investigative Services	FTE 148.5	(46.5)
<u>House</u> removes \$6.0 million Gross (\$687,700 GF/GP) and 46.5 FTE positions from the Investigative Services line item.	Gross \$44,262,500	(\$5,952,000)
	IDG/IDT 8,070,700	(2,250,000)
	Federal 9,226,900	0
	Local 1,259,000	0
	Restricted 15,039,200	(3,015,300)
	GF/GP \$10,666,700	(\$686,700)
6. Post Operations	FTE 2,004.5	(131.5)
<u>House</u> includes net increase of \$5.3 million Gross (\$20.0 million GF/GP reduction) and removes 131.5 FTE positions from the Post Operations line item.	Gross \$468,866,700	\$5,300,000
	IDG/IDT 2,100	0
	Federal 2,235,700	0
	Restricted 59,286,900	25,300,000
	GF/GP \$407,342,000	(\$20,000,000)
7. Emergency Management and Homeland Security	FTE 64.0	(7.0)
<u>House</u> includes \$3.4 million GF/GP and removes 7.0 FTE positions from the Emergency Management and Homeland Security line item.	Gross \$17,399,800	\$3,400,000
	Federal 13,161,600	0
	GF/GP \$4,238,200	\$3,400,000
8. Highway Safety Planning	FTE 25.0	(3.0)
<u>House</u> removes \$2.4 million Gross (\$23,600 GF/GP) and 3.0 FTE positions from the Highway Safety Planning line item.	Gross \$20,554,000	(\$2,428,800)
	Federal 15,950,400	(2,000,000)
	Restricted 3,976,100	(405,200)
	GF/GP \$627,500	(\$23,600)
9. Forensic Science	FTE 281.0	(1.0)
<u>Executive</u> 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 (\$864,400) and the Grayling Forensic Laboratory (\$637,000). Cases and FTEs will be transferred to MSP's remaining forensic laboratories. <u>House</u> concurs and includes additional net-zero \$2.5 million GF/GP swap. (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.)	Gross \$51,715,800	(\$1,487,700)
	Federal 4,879,700	500,000
	Restricted 9,628,900	1,978,400
	GF/GP \$37,207,200	(\$3,966,100)
10. Hazardous Materials Programs	FTE 25.0	(6.0)
<u>House</u> removes \$1.1 million Gross (\$0 GF/GP) and 6.0 FTE positions from the Hazardous Materials Programs line item.	Gross \$23,675,000	(\$1,062,200)
	Federal 19,862,600	(880,000)
	Restricted 3,198,500	(182,200)
	GF/GP \$613,900	\$0
11. Mobile Office and System Support	FTE 39.0	0.0
<u>House</u> removes net \$925,700 Gross (\$1.1 million GF/GP) from the Mobile Office and System Support line item.	Gross \$7,437,400	(\$925,700)
	Restricted 1,269,600	161,700
	GF/GP \$6,167,800	(\$1,087,400)
12. Special Operations	FTE 88.0	(13.0)
<u>House</u> removes net \$923,700 Gross (\$1.5 million GF/GP) and 13.0 FTE positions from the Special Operations line item.	Gross \$21,909,500	(\$923,700)
	IDG/IDT 848,600	300,000
	Private 15,000	0
	Restricted 302,300	319,800
	GF/GP \$20,743,600	(\$1,543,500)

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
13. State 911 Administration	FTE 5.0	0.0
<u>House</u> removes \$184,000 in state restricted authorization from the State 911 Administration line item.	Gross \$1,150,500	(\$184,000)
	Restricted 1,150,500	(184,000)
	GF/GP \$0	\$0
14. Office of School Safety	FTE 6.0	0.0
<u>House</u> removes \$151,900 in state restricted authorization from the Office of School Safety line item.	Gross \$1,392,800	(\$151,900)
	Restricted 250,000	(151,900)
	GF/GP \$1,142,800	\$0
15. Departmentwide	Gross \$48,324,700	(\$13,700)
<u>Executive</u> removes \$13,700 GF/GP from the Departmentwide line item to reflect closure of the Northville Forensic Laboratory and the Grayling Forensic Laboratory. <u>House</u> concurs.	IDG/IDT 515,800	0
	Federal 112,300	0
	Restricted 1,547,800	0
	GF/GP \$46,148,800	(\$13,700)
16. Unclassified Salaries	FTE 7.0	(4.0)
<u>House</u> removes 4.0 unclassified FTE positions and includes net-zero \$3,900 GF/GP swap in the Unclassified Salaries line item.	Gross \$1,338,200	\$0
	IDG/IDT 9,400	0
	Restricted 301,800	3,900
	GF/GP \$1,027,000	(\$3,900)
17. Department Services	FTE 39.0	0.0
<u>House</u> includes net-zero \$808,500 GF/GP swap in the Department Services line item.	Gross \$10,133,000	\$0
	IDG/IDT 168,500	0
	Federal 2,721,700	0
	Local 8,400	0
	Restricted 1,663,000	808,500
	GF/GP \$5,571,400	(\$808,500)
18. Executive Direction	FTE 46.0	(4.0)
<u>House</u> removes 4.0 FTE positions from the Executive Direction line item.	Gross \$8,950,000	\$0
	IDG/IDT 35,000	0
	Restricted 597,200	0
	GF/GP \$8,317,800	\$0
19. Biometrics and Identification	FTE 60.0	(4.0)
<u>House</u> removes 4.0 FTE positions and includes net-zero \$156,700 GF/GP swap in the Biometrics and Identification line item.	Gross \$12,267,700	\$0
	Restricted 6,180,400	156,700
	GF/GP \$6,087,300	(\$156,700)
20. Grants and Community Services	FTE 46.0	(6.0)
<u>House</u> removes 6.0 FTE positions from the Grants and Community Services line item.	Gross \$24,775,500	\$0
	Federal 12,176,500	0
	Private 20,000	0
	Restricted 9,008,800	0
	GF/GP \$3,570,200	\$0
21. Intelligence Operations	FTE 229.0	(27.0)
<u>House</u> removes 27.0 FTE positions from the Intelligence Operations line item.	Gross \$36,790,200	\$0
	IDG/IDT 100,000	0
	Restricted 3,405,500	0
	GF/GP \$33,284,700	\$0
22. New FY 2026-27 One-Time Appropriations	Gross \$0	\$11,500,000
<u>Executive</u> does not include new one-time appropriations. <u>House</u> includes \$11.5 million GF/GP for the following one-time appropriations:	GF/GP \$0	\$11,500,000
• Trooper Recruit Schools (\$10.0 million GF/GP)		
• Cold Case Investigations (\$1.0 million GF/GP)		
• Law Enforcement Communication Training (\$500,000 GF/GP).		

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
23. Removal of FY 2025-26 One-Time Appropriations	Gross \$2,500,000	(\$2,500,000)
<u>Executive</u> removes \$2.5 million of one-time GF/GP funding that was included in the FY 2025-26 budget to support the following:	GF/GP \$2,500,000	(\$2,500,000)

- 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).

House concurs.

24. Technical Adjustments

Executive includes \$9.0 million Gross to align authorization with available revenues for the following fund sources:

- Criminal Justice Information Center Service Fees (\$5.5 million increase)
- 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).

FTE	NA	0.0
Gross	NA	\$9,016,600
IDG/IDT	NA	301,700
Federal	NA	(1,510,400)
Restricted	NA	10,225,300
GF/GP	NA	\$0

House concurs.

Executive also includes the following internal net-to-zero transfers to align funding and FTE authorization with department activity:

- 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
- 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.

House concurs with the exception that the Standards and Training line item and the Justice Training Grants line item are transferred to the Licensing and Regulatory Affairs budget.

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD	
25. Economic Adjustments	Gross	NA	\$428,700
Reflects increased costs of \$428,700 Gross (\$668,200 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	546,800
	Local	NA	53,200
	Restricted	NA	307,000
	GF/GP	NA	(\$668,200)
26. Employees by Status	Gross	NA	\$0
<u>House</u> includes the estimated number of full-time, limited-term, noncareer/per diem, part-time, permanent-intermittent, and seasonal people employed by the department. Estimates were obtained from the Forty-Sixth Annual Workforce Report published by the Civil Service Commission and are as follows:	GF/GP	NA	\$0

- Full-time employees – 3,013.0
- Limited-term employees – 77.0
- Noncareer/per diem employees – 57.0
- Part-time employees – 5.0
- Permanent-intermittent employees – 6.0
- Seasonal employees – 0.0

Major Boilerplate Changes from FY 2025-26

GENERAL SECTIONS

Sec. ~~206~~ 221. Disciplinary Action Against State Employees – RETAINED

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. Executive deletes. House retains.

Sec. ~~207~~ 211. 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. Executive retains. House revises reporting requirements to include the destination, specific purpose, and description of each travel occurrence.

Sec. ~~208~~ 204. State Administrative Board Transfers – RETAINED

Authorizes the legislature to intertransfer funds via concurrent resolution if the State Administrative Board transfers funds. Executive deletes. House retains.

Sec. ~~210~~ 216. Contingency Authorization – RETAINED

Authorizes appropriation and expenditure of up to \$2.0 million in federal and \$4.0 million in state restricted contingency funds after transfer of funds to specific line items is approved. Executive revises to delete federal contingency authorization and to increase state restricted contingency authorization to \$15.0 million. House retains.

Sec. ~~212~~ 209. State Restricted Fund Balances, Revenues, and Expenditures – RETAINED

Requires the department to work with SBO to report on estimated state restricted fund balances, revenues, and expenditures. Executive deletes. House retains.

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. Executive retains. House deletes.

Sec. 214. Geographically Disadvantaged Business Enterprises Compete for Contracts – DELETED

Requires the department director, to the extent possible, to take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts; requires the department director to strongly encourage firms with which the department contracts to subcontract with certified geographically disadvantaged business enterprises. Executive retains. House deletes.

Major Boilerplate Changes from FY 2025-26

Sec. 214. Key Metrics Scorecard – NEW

Requires the department to maintain a publicly accessible scorecard on its website that identifies, tracks, and updates departmental performance metrics on a quarterly basis. Executive does not include. House includes new language.

Sec. ~~245~~ 222. 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. Executive retains. House revises to require at least 80% of employees are in person and building occupancy and utilization rates are at least 80% or higher; and to require biannual reports on remote work policies, building occupancy and information, and aggregate badge scanning information by employee.

Sec. ~~247~~ 223. E-Verify Requirement – REVISED

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.” Executive deletes. House revises to prohibit the department from contracting with known or suspected enemies of the United States or known foreign adversaries.

Sec. 217. State Fiscal Recovery Funds – NOT INCLUDED

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. Executive includes new language. House does not include.

Sec. 218. Impact of Federal Policy Changes – DELETED

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. Executive deletes. House deletes.

Sec. 218. Reallocation of State Fiscal Recovery Funds – NOT INCLUDED

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. Executive includes new language. House does not include.

Sec. ~~249~~ 206. Retention of Reports – RETAINED

Requires the department to follow federal and state law and guidelines for short- and long-term retention of records; authorizes the department to electronically retain copies of reports unless otherwise required by federal and state guidelines. Executive deletes. House retains.

Sec. ~~220~~ 213. Report on Policy Changes Made to Implement Public Acts – RETAINED

Requires the department to report on each specific policy change made by the department to implement a public act affecting the department, including reference to the public act that necessitates the policy change. Executive deletes. House retains.

Sec. ~~222~~ 218. Expending Available Work Project Authorization – RETAINED

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. Executive deletes. House retains.

Sec. ~~224~~ 217. 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). Executive deletes. House revises to update legacy costs.

Sec. ~~225~~ 251. Annual Strategic Plan – RETAINED

Requires the department to provide a copy of its annual strategic plan which must include the mission, vision, goals, strategies, and performance measures of the department. Executive deletes. House retains.

Sec. 225. 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.” Executive does not include. House includes new language.

Major Boilerplate Changes from FY 2025-26

Sec. 226 215. State Obligations – REVISED

Requires the department to report on any court settlement that may require further legislative review of state statutory programs or regulations. Executive deletes. House revises to prohibit department from using appropriations to pay a state obligation that exceeds \$200,000 without prior legislative approval; and to require legislative notification of state obligations for court settlements that result in a change from current statute.

Sec. 226. Services for Non-U.S. Citizens – NEW

Prohibits state or federal funds from being used to provide services, grants, or programming for non-U.S. citizens unless they are qualified aliens under 8 U.S.C. § 1641. Executive does not include. House includes new language.

Sec. 227 210. Private and Third-Party Funds – REVISED

Requires the department 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. Executive deletes. House revises to require report on private and third-party funds.

Sec. 227. DEI Programs – NEW

Prohibits state funds from being expended for diversity, equity, and inclusion (DEI) initiatives or program and as outlined in federal Executive Orders 14151, 14168, and 14173. Executive does not include. House includes new language.

Sec. 228. Precontract Risk Assessments – NEW

Requires the department to use the same precontract risk assessment program utilized by DTMB to evaluate financial compliance, security risks, and insurance requirements prior to contract execution. Executive does not include. House includes new language.

Sec. 229 252. Data Privacy – RETAINED

Expresses legislative intent that the department protect data from unauthorized access or use and lists measures; requires the department to notify data subjects if an unauthorized person accesses their information. Executive deletes. House retains.

Sec. 230 224. 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. Executive revises to require HFA/SFA to provide SBO a jointly agreed upon list of legislatively directed spending items within 30 days of enactment of the budget; to require 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. House revises to require SBO to post a list of legislatively directed spending items and all associated information and documents within 30 days of enactment of the budget; to require the department that is administering the grants to report on project milestones, completion percentage, and expended and encumbered funds; to require grantees to provide a spending plan and disclose third-part recipients; to require annual audits of grantees and posting of audits on the granting department's website; and to require quarterly reports on legislatively sponsored grant funds.

DEPARTMENTAL ADMINISTRATION AND SUPPORT

Sec. 301. Post Closure or Consolidation – RETAINED

Requires the department to notify listed recipients when it recommends closure or consolidation of any MSP post and to include a local and state impact study. Executive deletes. House retains.

Sec. 302. Privatization Project Plans – RETAINED

Requires submission of a project plan if the department presents the state employer with a plan to privatize; requires evaluation to be submitted to appropriations subcommittees and fiscal agencies within 30 months. Executive deletes. House retains.

Sec. 305. Officer Evaluation Criteria – RETAINED

Prohibits use of citation volumes as a metric for performance evaluation and prohibits setting a specified number of citations for an officer. Executive deletes. House retains.

Sec. 306. Placement of Local Headquarters – RETAINED

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. Executive revises to authorize the department to purchase real property without the requirement to establish and maintain local headquarters. Executive deletes. House retains.

Major Boilerplate Changes from FY 2025-26

Sec. 307. Critical Incident Investigations – NEW

Requires MSP investigative response teams to submit findings of critical incident investigations to the prosecutor of the county in which the critical incident occurred for review; defines “critical incident.” Executive does not include. House includes new language.

LAW ENFORCEMENT SERVICES

Sec. 404. Biometrics and Identification – RETAINED

Requires the department to manage specified identification databases and provide data on submissions to the Automated Fingerprint Identification System database; requires the department to maintain staffing and resources to achieve an average 28-day wait time for polygraph examinations, with a goal of an average 15-day wait time; requires the department to post changes to protocols for retention and purging of DNA records. Executive revises to delete staffing and resources provisions. House retains.

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. Executive retains. House revises to include analysis of school safety grants, if applicable, in required reports.

Sec. 408. Trooper Recruit Schools – REVISED

Requires the department to make an organized, strategic effort to recruit, onboard, train, and outfit trooper school candidates and other new employees; requires the department to report on trooper, motor carrier, or state properties security recruit schools within 60 days; authorizes the department to use attrition-related funds to offset cost of recruiting efforts; requires unexpended general fund/general purpose appropriated for Training Operations be deposited into the Trooper Recruit School Fund created under the Michigan Vehicle Code, 1949 PA 300, at the end of the fiscal year. Executive retains. House revises to require department to organize and operate not fewer than two trooper, motor carrier, or state properties recruit schools in the fiscal year.

MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS

Sec. 501. Commission on Law Enforcement Standards – DELETED

Stipulates MCOLES' responsibilities and requires maintenance of proper staffing and resources to update standards within 120 days of enactment date of new applicable legislation; requires report summarizing MCOLES activities and distributions of training funds during prior calendar year. Executive revises to delete staffing and resources provisions. House deletes to reflect MCOLES transfer to LARA.

Sec. 502. Public Safety Officers Benefit Fund – DELETED

Requires general fund/general purpose appropriated for Public Safety Officers Benefit Fund to be deposited to Public Safety Officers Benefit Fund and appropriates all funds within Public Safety Officers Benefit Fund; stipulates that appropriated funds should be used to increase benefit payments to eligible recipients to \$50,000. Executive retains. House deletes to reflect MCOLES transfer to LARA.

Sec. 503. In-service Training – DELETED

Requires funds appropriated for In-service Training to be deposited into the Law Enforcement Officers Training Fund; appropriates all funds in the Law Enforcement Officers Training Fund for expenditure to support implementation of required annual in-serve training standards for all licensed law enforcement officers. Executive retains. House deletes to reflect MCOLES transfer to LARA.

FIELD SERVICES

Sec. ~~604~~ 501. General Law Enforcement and Traffic Safety – RETAINED

Stipulates that MSP troopers shall not be prohibited from responding to criminal or emergency situations and shall make every effort to protect residents; requires the department to maintain staff and resources to enhance traffic safety and dedicate a minimum of 455,200 hours to statewide patrol; requires the department to report number of residence checks of registered sex offenders. Executive revises to delete staffing and resources provisions. House retains.

Sec. ~~602~~ 502. Criminal Investigations – RETAINED

(1) Requires the department to identify and apprehend criminals through investigations; (2) requires maintenance of investigation hours; (3) requires the department to meet or exceed case clearance rate of 62%; (4) requires the department to provide training opportunities to local law enforcement partners related to gambling, opioid investigations, and other emerging issues; (5) requires the department to maintain staffing to investigate an average level of opioid cases and to link investigations among partners. Executive revises to delete items (2) through (5). House retains.

Major Boilerplate Changes from FY 2025-26

Sec. 505. Disciplinary Action Against Employees Engaged in Pursuits – NEW

Prohibits the department from taking disciplinary action against employees for providing, upon request, assistance or mutual aid to a law enforcement officer who is engaged in the fresh pursuit of an individual on a freeway; defines “fresh pursuit” and “freeway.” Executive does not include. House includes new language.

Sec. 506. Providing Assistance to Other Law Enforcement Agencies – NEW

Requires the department to make every reasonable effort to provide, upon request, assistance or mutual aid to a federal or Michigan law enforcement agency that is actively responding to a public safety emergency, civil unrest or a riot, or a law enforcement officer in distress. Executive does not include. House includes new language.

SPECIALIZED SERVICES

Sec. 704 601. Intelligence and Special Operations – RETAINED

(1) Requires the department to operate Michigan Intelligence Operations Center for Homeland Security (MIOC); (2) requires the department to provide timely and accurate information to partners regarding critical information key resource threats and to increase public awareness on how to report suspicious activity; (3) requires the department to operate Cyber Section and to maintain staffing; (4) requires the department to provide digital forensic analysis and states case turnaround goal. Executive revises to delete items (3) and (4). House retains.

Sec. 702 602. Specialized Support Teams – RETAINED

(1) Requires the department to provide specialized support services; (2) requires the department to maintain staffing and resources to provide training and maintain readiness to respond to an average number of specialty service requests; (3) requires canine unit to be available for call out 100% of the time; (4) requires bomb squad unit to be available for call out 100% of the time; (5) requires emergency support teams to be available for call out 100% of the time; (6) requires marine services team to be available for call out 100% of the time; (7) requires aviation services to be available for call out 100% of the time, unless prohibited by weather or mechanical breakdown; (8) requires maintenance of adequate levels of staffing and resources to provide security services at state Capitol Building and other state buildings and requires a minimum of 35,000 patrols at state-owned and leased facilities. Executive revises to delete items (2) through (8). House retains.

Sec. 704 604. Emergency Management and Homeland Security – REVISED

(1) Requires the department to coordinate emergency and disaster response activities of governmental units; (2) authorizes expenditure of appropriated funds to call upon state agencies or departments to protect life or property or to protect health or safety of any area under a state of emergency or disaster; requires report to state budget director and submission of recommendations to legislature for supplemental appropriations; (3) authorizes the department to expend additional funds from various sources to provide emergency management training or emergency response activities with notification of legislature; limits federal receive and expend under this section and Sec. 232 to \$750.0 million; (4) requires the department to maintain partnerships to protect the state from all hazards; (5) requires the department to serve local emergency management preparedness programs and local emergency planning committees, operate and maintain State Emergency Operations Center, respond to civil disorders and natural disasters at a specified level, and perform hazardous materials response training; (6) requires the department to conduct a minimum of three training sessions to enhance emergency response; (7) appropriates amounts necessary from Disaster and Emergency Contingency Fund to cover costs related to disasters and emergencies; (8) requires reporting if expenditures are made from the Disaster and Emergency Contingency Fund; (9) requires the department to report biannually on assessment of critical infrastructure vulnerabilities; (10) requires carryforward of unexpended revenue collected for the emergency management and homeland security training center. Executive revises to delete items (8) and (9). House revises to require the department to allocate \$1.0 million to support the development or augmentation of drone testing and training facilities, infrastructure, and training programs; to require the department to allocate \$2.0 million for grants to units of government to support airspace security, drone readiness programs, drone-as-first-responder programs, drone operations management systems, unmanned traffic management systems, and the purchase of drones and drone equipment; to require the department to allocate \$400,000 for grants to counties to support critical incident mapping; and to establish requirements for grant applications, grant award amounts, and allowable expenditures.

Sec. 707 607. Michigan Public Safety Communications System – REVISED

Requires the department to act as a liaison between DTMB and various public safety agencies for issues related to Michigan Public Safety Communications System. Executive retains. House revises to require the department, in cooperation with DTMB, to report on the status of the Michigan Public Safety Communications System; and to require report to include information about planned or anticipated upgrades or maintenance, upgrades or maintenance required to be in compliance with federal or state law, the date by which the required upgrades or maintenance must be completed, and the estimated cost.

Major Boilerplate Changes from FY 2025-26

ONE-TIME APPROPRIATIONS

Sec. 804 701. Cold Case Investigations – RETAINED

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." Executive deletes. House retains.

Sec. 802 702. Law Enforcement Communication Training – REVISED

Requires MCOLES to provide training to law enforcement officers to assist with communication for those with language barriers or who are deaf or hard of hearing; requires training to be developed by an entity that is MCOLES-approved and holds an oral transliteration certificate; 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. Executive deletes. House revises to allow certification to be obtained and maintained through a developer who has current status with the International Accreditors for Continuing Education and Training.

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. Executive deletes. House deletes.

FY 2026-27: DEPARTMENT OF TRANSPORTATION
Summary: As Reported by House Subcommittee
Article 15, House Bill 5619 (H-1)



Analyst: William E. Hamilton

	FY 2025-26 Year-to-Date as of 2/11/26	FY 2026-27 Executive	FY 2026-27 House	FY 2026-27 Senate	FY 2026-27 Conference	Difference: House From FY 2025-26 YTD	
						Amount	%
IDG/IDT	\$4,366,200	\$4,555,300	\$4,424,000	\$	\$	\$57,800	1.3
Federal	2,329,605,500	2,374,354,200	2,384,442,300			54,836,800	2.4
Local	87,448,500	86,948,500	87,448,500			0	0.0
Private	20,500,000	20,500,000	20,500,000			0	0.0
Restricted	5,447,575,600	6,038,263,400	5,997,647,100			550,071,500	10.1
GF/GP	0	0	100,000,000			100,000,000	--
Gross	\$7,889,495,800	\$8,524,621,400	\$8,594,461,900	\$	\$	\$704,966,100	8.9
FTEs	3,208.3	3,219.3	2,859.3			(349.0)	(10.9)

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)	House Change from YTD
1. Debt Service	Gross	\$340,804,200	(\$1,800)
<u>Executive</u> debt service totals \$340.8 million, \$1,800 less than FY 2025-26. Of total debt service, \$333.6 million is for debt service on STF bonds. <u>House</u> concurs with Executive.	Restricted	340,804,200	(1,800)
	GF/GP	\$0	\$0
The debt service appropriation is primarily based on debt service schedules for previously issued and outstanding bonds, including STF Rebuilding Michigan bonds issued in calendar years (CYs) 2020, 2021, and 2023.			
2. Services Provided by Other State Departments (IDGs)	Gross	\$52,972,200	(\$20,000,000)
<u>House</u> includes funding at current-year level for 19 of 20 specific IDG appropriations that authorize the reimbursement of other state departments from restricted transportation funds for services provided, but eliminates the \$20.0 million IDG from the MTF to the Secretary of State. This \$20.0 million MTF is reallocated to state and local road and bridge line items below. (Items 12b, 13b, and 18.)	Restricted	52,972,200	(20,000,000)
	GF/GP	\$0	\$0
3. Unclassified Positions	FTE	6.0	0.0
<u>House</u> reduces by \$500,400 STF to reflect FY 2024-25 actual expenditures.	Gross	\$993,200	(\$500,400)
	Restricted	993,200	(500,400)
	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)	House Change from YTD
4. Business Support Services	FTE 75.0	(4.0)
<u>House</u> reduces by \$2.9 million STF to reflect FY 2024-25 actual expenditures; reduces FTE authorization by 4.0 FTEs to 71.0 FTEs.	Gross \$13,174,900	(\$2,933,200)
	Restricted 13,174,900	(2,933,200)
	GF/GP \$0	\$0
5. Commission Audit	FTE 29.3	(6.3)
<u>House</u> reduces by \$1.3 million STF to reflect FY 2024-25 actual expenditures; reduces FTE authorization by 6.3 FTEs to 23.0 FTEs.	Gross \$4,929,800	(\$1,270,300)
	Restricted 4,929,800	(1,270,300)
	GF/GP \$0	\$0
6. Economic Development and Enhancements	FTE 11.0	(2.0)
<u>House</u> reduces by \$442,100 STF to reflect FY 2024-25 actual expenditures; reduces FTE authorization by 2.0 FTEs to 9.0 FTEs.	Gross \$1,897,500	(\$442,100)
	Restricted 1,897,500	(442,100)
	GF/GP \$0	\$0
7. Finance, Contracts, Support Services	FTE 195.0	(26.0)
<u>Executive</u> includes \$1.1 million STF increase for financial accounting compliance and financial management costs. <u>House</u> reduces by \$3.7 million STF to reflect FY 2024-25 actual expenditures; reduces FTE authorization by 26.0 FTEs to 169.0 FTEs.	Gross \$28,214,200	(\$3,663,200)
	IDG 4,366,200	0
	Restricted 23,848,000	(3,663,200)
	GF/GP \$0	\$0
8. Property Management	Gross \$9,682,100	(\$1,066,100)
<u>Executive</u> budget reflects DTMB cost allocation adjustments which result in a \$1.1 million decrease, primarily STF, in appropriation for property maintenance and management. <u>House</u> concurs with Executive.	Restricted 9,682,100	(1,066,100)
	GF/GP \$0	\$0
9. Information Technology	Gross \$42,299,500	(\$21,149,500)
<u>Executive</u> includes \$5.3 million increase, primarily STF, for information technology cost increases. <u>House</u> reduces baseline funding by 50% from current year, a reduction of \$21.1 million STF.	Federal 520,500	0
	Restricted 41,779,000	(21,149,500)
	GF/GP \$0	\$0
10. Design and Engineering Services	FTE 1,657.3	(171.3)
<u>Executive</u> 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. <u>House</u> reduces by \$53.9 million STF to reflect FY 2024-25 actual expenditures; reduces FTE authorization by 171.3 FTEs to 1,486.0 FTEs.	Gross \$267,155,600	(\$53,861,000)
	Federal 23,529,800	0
	Restricted 243,625,800	(53,861,000)
	GF/GP \$0	\$0
11. State Trunkline Maintenance	FTE 908.7	(103.0)
<u>Executive</u> includes \$23.7 million STF funding increase to reflect increased costs of maintenance materials and service contracts; includes \$654,000 STF and authorization for 3.0 FTE positions for added lane miles in the University Region. <u>House</u> reduces by \$22.5 million STF to reflect FY 2024-25 actual expenditures; reduces FTE authorization by 103.0 FTEs to 804.9 FTEs.	Gross \$486,654,800	(\$22,540,000)
	Restricted 486,654,800	(22,540,000)
	GF/GP \$0	\$0
12a. MTF/NRF Distribution to Cities/Villages	Gross \$989,893,600	\$122,476,100
<u>Executive</u> 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). <u>House</u> concurs with Executive.	Restricted 989,893,600	122,476,100
	GF/GP \$0	\$0
12b. Redistribution of \$20.0 million MTF to Cities/Villages	Gross \$0	\$4,360,000
<u>House</u> includes \$4.4 million MTF as the city/village share of the \$20.0 million MTF reduction in the Secretary of State IDG (Item #2, above).	Restricted 0	4,360,000
	GF/GP \$0	\$0
12c. GF/GP Distribution to Cities/Villages	Gross \$0	\$28,000,000
<u>House</u> includes \$28.0 million GF/GP to cities/villages; this represents 28% of \$100.0 million GF/GP designated for road and bridge programs in this budget.	Restricted 0	0
	GF/GP \$0	\$28,000,000

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations	FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
13a. MTF/NRF Distribution to County Road Commissions	Gross \$1,790,859,100	\$221,242,300
<u>Executive</u> 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. <u>House</u> concurs with Executive.	Restricted 1,790,859,100	221,242,300
	GF/GP \$0	\$0
13b. Redistribution of \$20.0 million MTF to County Road Commissions	Gross \$0	\$7,820,000
<u>House</u> includes \$7.8 million MTF as the county road commission share of the \$20.0 million MTF reduction in the Secretary of State IDG (Item #2, above).	Restricted 0	7,820,000
	GF/GP \$0	\$0
13c. GF/GP Distribution to County Road Commissions	Gross \$0	\$52,000,000
<u>House</u> includes \$52.0 million GF/GP to county road commissions; this represents 52% of \$100.0 million GF/GP designated for road and bridge programs in this budget.	Restricted 0	0
	GF/GP \$0	\$52,000,000
14. Local Bridge Program	Gross \$126,417,100	\$133,800
<u>Executive</u> includes \$133,800 increase, 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 NRF, an Act 51 earmark made in the October 2025 Transportation Funding Package. <u>House</u> concurs with Executive.	Restricted 126,417,100	133,800
	GF/GP \$0	\$0
15. Movable Bridge Fund/Program	Gross \$6,309,000	\$195,600
<u>Executive</u> 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. [Executive includes new boilerplate provisions that reflect Act 51 amendments to allow use of Movable Bridge Fund revenue for local bridge inspections.] <u>House</u> concurs with Executive.	Restricted 6,309,000	195,600
	GF/GP \$0	\$0
16. Local Rail Grade Separation Fund	Gross \$40,000,000	\$0
<u>Executive</u> includes \$40.0 million from the NRF – unchanged from FY 2025-26. This \$40.0 million is an earmark of NRF revenue made in Act 51 as part of the October 2025 Transportation Funding Package. <u>House</u> concurs with Executive.	Restricted 40,000,000	0
	GF/GP \$0	\$0
17. Rail Grade Crossing Surface Improvement	Gross \$3,000,000	\$3,000,000
<u>Executive</u> includes \$3.0 million MTF, the amount designated in Sec. 10 of Act 51. <u>House</u> includes at \$6.0 million MTF, a \$3.0 million increase.	Restricted 3,000,000	3,000,000
	GF/GP \$0	\$0
18. State Trunkline Road and Bridge Capital Program	Gross \$1,851,212,700	\$285,161,200
<u>Executive</u> recommendation for the capital State Trunkline Road and Bridge Construction line item totals \$2.0 billion, an increase of \$137.6 million. While estimated available federal funds would decrease by \$2.5 million, state restricted support would increase by net \$140.1 million. The state restricted increase is the net of a \$3.7 million reduction in Blue Water Bridge Fund authorization, while estimated available STF would increase by \$143.8 million, in part from increases in the October 2025 Transportation Funding Package. <u>House</u> uses the Executive recommendation as a starting point but increases STF support by an additional \$127.6 million – \$119.7 million from a reallocation of STF operating reductions noted above, and \$7.8 million as the STF share of the \$20.0 million MTF reduction in the Secretary of State IDG (Item #2, above). <u>House</u> also includes \$20.0 million GF/GP, 20% of \$100.0 million GF/GP designated for road and bridge programs in this budget.	Federal 1,315,266,400	(2,487,700)
	Local 30,003,500	0
	Private 10,000,000	0
	Restricted 495,942,800	267,648,900
	GF/GP \$0	\$20,000,000

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
19. Transportation Economic Development Fund (TEDF)	Gross	\$53,190,500	\$292,700
<u>Executive</u> 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. <u>House</u> concurs with Executive.	Restricted	53,190,500	292,700
	GF/GP	\$0	\$0
20. Aviation Services	FTE	48.0	(4.7)
<u>House</u> reduces baseline State Aeronautics Fund support by \$1.0 million to reflect FY 2024-25 actual expenditures; reduces FTE authorization by 4.7 FTEs to 43.3 FTEs.	Gross	\$7,848,300	(\$1,047,300)
	Restricted	7,848,300	(1,047,300)
	GF/GP	\$0	\$0
21. Air Service Program – GA Airports	Gross	\$0	\$5,294,700
<u>House</u> includes new grant program for General Aviation airports in Michigan using \$5.3 million from the State Aeronautics Fund.	Restricted	0	5,294,700
	GF/GP	\$0	\$0
22. Passenger Transportation Services	FTE	46.0	(9.1)
<u>Executive</u> requests \$589,100 CTF increase with 4.0 FTE staffing increase to implement public transportation elements of the October 2025 Transportation Funding Package. <u>House</u> reduces baseline support by \$1.7 million CTF to reflect FY 2024-25 actual expenditures; reduces FTE authorization by 9.1 FTEs to 36.9 FTEs.	Gross	\$7,410,900	(1,738,300)
	Federal	2,000,000	0
	Restricted	5,410,900	(1,738,300)
	GF/GP	\$0	\$0
23. Local Bus Operating – CTF Funding	Gross	\$271,607,300	\$18,392,700
<u>Executive</u> increases CTF support for local bus operating assistance to \$315.0 million, an increase of \$43.4 million. This reflects increased available CTF revenue from the October 2025 Transportation Funding Package. <u>House</u> increases CTF funding to \$290.0 million, an increase of \$18.4 million.	Restricted	271,607,300	18,392,700
	GF/GP	\$0	\$0
24. Transit Programs – Non-Urban Operating/Capital	Gross	\$41,123,000	\$812,500
<u>Executive</u> includes \$41.9 million 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. <u>House</u> concurs with Executive.	Federal	39,123,000	812,500
	Local	2,000,000	0
	GF/GP	\$0	\$0
25. Detroit Wayne County Port Authority	Gross	\$600,000	\$100,000
<u>House</u> increases CTF support to \$700,000, a \$100,000 increase.	Restricted	600,000	100,000
	GF/GP	\$0	\$0
26. Marine Passenger Service	Gross	\$20,559,100	\$2,000,000
<u>Executive</u> eliminates line that provided capital assistance for marine passenger systems, Executive rolls line into a new <i>Intermodal Capital</i> line item within Passenger Transportation Development, as shown below in Item #29. <u>House</u> retains line item and increases CTF support to \$4.0 million, a \$2.0 million increase.	Federal	18,059,100	0
	Local	500,000	0
	Restricted	2,000,000	2,000,000
	GF/GP	\$0	\$0
27. Office of Rail	FTE	41.0	(3.6)
<u>House</u> reduces baseline support by \$2.1 million to reflect FY 2024-25 actual expenditures; reduces FTE authorization by 3.6 FTEs to 37.4 FTEs.	Gross	\$7,485,900	(\$2,115,400)
	Restricted	7,485,900	(2,115,400)
	GF/GP	\$0	\$0
28. Rail Operations and Infrastructure	Gross	\$149,388,500	\$70,000,000
<u>Executive</u> includes \$70.0 million increase in federal support to reflect an anticipated grant for rail freight development in southwest Detroit. <u>House</u> concurs with Executive.	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

Major Budget Changes from FY 2025-26 Year-to-Date (YTD) Appropriations		FY 2025-26 YTD (as of 2/11/26)	House Change from YTD
37. Coloma Salt Shed and Maintenance Facility (One-Time)	Gross	\$0	\$0
<u>Executive</u> Includes \$5.2 million STF (one-time) to rebuild salt shed and maintenance facility in Coloma. <u>House</u> does not include.	Restricted	0	0
	GF/GP	\$0	\$0
38. Other Maintenance Facilities (One-Time)	Gross	\$0	\$0
<u>Executive</u> includes \$5.6 million STF (one-time) for capital maintenance and repairs to maintenance facilities. <u>House</u> does not include.	Restricted	0	0
	GF/GP	\$0	\$0
39. Great Lakes Tunnel Project – Phase II Oversight (One-Time)	Gross	\$0	\$0
<u>Executive</u> includes \$4.1 million (one-time) from the state restricted Michigan Infrastructure Fund for continued planning and construction oversight of the Great Lakes Tunnel project authorized under 2018 PA 359. <u>House</u> does not include.	Restricted	0	0
	GF/GP	\$0	\$0
40. Rail Freight/Rail Economic Development (One-Time)	Gross	\$0	\$23,000,000
<u>House</u> includes \$23.0 million CTF (one-time) for a rail freight/rail economic development grant program defined in boilerplate section 1001.	Restricted	0	23,000,000
	GF/GP	\$0	\$0
41. Grants to Commercial Service Airports (One-Time)	Gross	\$0	\$16,781,500
<u>House</u> includes \$16.8 million CTF (one-time) for a grant program targeted at commercial service airports with fewer than 5.0 million enplanements, defined in boilerplate section 1002.	Restricted	0	16,781,500
	GF/GP	\$0	\$0
42. Maritime and Port Facility Assistance Program	Gross	\$0	\$22,000,000
<u>House</u> includes \$22.0 million CTF (one-time) the Maritime and Port Facility Assistance Program.	Restricted	0	22,000,000
	GF/GP	\$0	\$0
43. Economic Adjustments	Gross	NA	\$6,470,800
<u>Executive</u> budget 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. <u>House</u> concurs with <u>Executive</u> with respect to total funding but includes as a single departmentwide economic adjustments line.	IDG/IDT	NA	57,800
	Federal	NA	163,200
	Restricted	NA	6,249,800
	GF/GP	NA	\$0
44. Employees by Status	Gross	NA	\$0
<u>House</u> includes the estimated number of full-time, limited-term, noncareer/per diem, part-time, permanent-intermittent, and seasonal people employed by the department. Estimates were obtained from the Forty-Sixth Annual Workforce Report published by the Civil Service commission and are as follows:	GF/GP	NA	\$0
<ul style="list-style-type: none"> • Full-time employees – 2,668.0 • Limited-term employees – 58.8 • Noncareer/per diem employees – 81.0 • Part-time employees – 1.0 • Permanent-intermittent employees – 52.0 • Seasonal employees – 31.0 			

Major Boilerplate Changes from FY 2025-26

[Except as otherwise noted, the section numbers are as shown in current year appropriations act; new section numbers in House bill are shown after description of boilerplate change]

Sec. 206. Communication with the Legislature –RETAINED

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. Executive deletes. House retains, renumbered as Sec. 221. (*The Governor had previously indicated this section was unenforceable.*)

Major Boilerplate Changes from FY 2025-26

Sec. 207. Out-of-State Travel – REVISED

Requires 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. Executive retains. House revises to add requirement to report on destination of each travel occurrence, including the specific name of events or meetings attended; renumbers as Sec. 211.

Sec. 210. Contingency Authorization – REVISED

Authorizes up to \$500.0 million in federal, \$40.0 million in state restricted, \$1.0 million in local, and \$11.0 million in private contingency authorization; authorizes expenditure of funds after legislative transfer to specific line items in accordance with the Management and Budget Act. Executive retains. House revises to reduce federal contingency authorization to \$40.0 million, state restricted to \$5.0 million, and \$1.0 million each for local and private contingency authorization; renumbers as Sec. 216.

Sec. 212. Restricted Fund Report – RETAINED

Section that requires the department to work with the State Budget Office to provide a report on restricted fund revenues, expenditures, and fund balances. [This report is currently included in the annual budget presentation.] Executive deletes. House retains; renumbers as Sec. 209.

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. Executive retains. House deletes.

Sec. 214. Geographically Disadvantaged Business Enterprises Compete for Contracts – DELETED

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. Executive retains. House deletes.

Sec. 215. FTE Positions – REVISED

Requires department to report on the number of FTE positions in pay status by civil service classification, including a comparison by line item of the number of full-time positions authorized and the actual number of people employed. Executive retains. House revises to include reporting on employees in full-time, part-time, permanent-intermittent, limited-term, seasonal, worker's compensation, noncareer/per diem, job share, and special personal services/contractual statuses and the number of overtime hours worked by employees by classifications; renumbered as Sec. 212.

Sec. 218 (House Bill). Expending Available Work Project Authorization – NEW

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. House includes new language.

Sec. 219. Retention of Reports – REVISED

Requires department to follow federal and state law and guidelines for short- and long-term retention of records; authorizes department to electronically retain copies of reports unless otherwise required by federal and state guidelines. Executive deletes. House revises to require department to electronically retain copies unless otherwise required by federal and state guidelines, renumbers as Sec. 206.

Sec. 226. 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. Executive retains. House revises to require biannual reports on remote work policies by division, building occupancy rates by address, whether buildings are state-owned or leased, and aggregate badge scanning information by employee; defines occupancy as the actual number of employees physically present in a workplace; renumbers as Sec. 222.

Sec. 228. E-Verify Requirement – REVISED

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; 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. Executive deletes. House revises to prohibit department from contracting with foreign entities that are known or suspected enemies of the United States or known foreign adversaries; lists known foreign adversaries; renumbers as Sec. 223. (*The Governor had previously indicated this section was unenforceable.*)

Major Boilerplate Changes from FY 2025-26

Sec. 229. Impact of Federal Policy Changes – DELETED

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. Executive revises to require reporting on significant federal policy changes that significantly impact department operations. House deletes.

Sec. 234. Legacy Costs – REVISED

Identifies estimated legacy costs funded from FY 2025-26 appropriations. Executive deletes. House revises to update fiscal year and dollar amounts as follows: \$34.7 million pension-related legacy costs; \$0 health care-related costs; rennumbers as Sec. 217.

Sec. 235. Annual Strategic Plan/Scorecard Key Metrics – REVISED

Requires department to provide a copy of its annual strategic plan which must include the mission, vision, goals, strategies, and performance measures of the department. Executive deletes. House revises to require a department scorecard that identifies, tracks, and updates on a quarterly basis, key metrics; rennumbers as Sec. 214.

Sec. 236. State Obligations – REVISED

Requires department to report on any court settlement that may require further legislative review of state statutory programs or regulations. Executive deletes. House revises to prohibit appropriations from being used to pay for a state obligation that exceeds \$200,000 for a court-approved judgment, settlement, award, or claim, without prior legislative approval; requires notification to be given if a state obligation for a court-approved judgment, settlement, award, or claim results in a change from current statute; rennumbers as Sec. 215.

Sec. 237. Private and Third-Party Funds – RETAINED

Requires department 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. Executive deletes. House retains with minor nonsubstantive change; rennumbers as Sec. 210.

Sec. 225. 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. House includes new language.

Sec. 226. U.S. Citizenship – NEW

Prohibits state or federal appropriations from being used to provide services, grants, or programming to non-citizens, unless the individuals are qualified aliens as that term is defined under 8 USC section 1641, and unless expenditures are for the purpose of detaining non-citizens. House includes new language.

Sec. 227. Diversity, Equity, and Inclusion – NEW

Prohibits state funds from being used for diversity, equity, and inclusion initiatives or programs. House includes new language.

Sec. 228. 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. House includes new language.

Sec. 309. Pavement Marking Material – RETAINED

Executive deletes section that establishes specific criteria for procurement of pavement marking materials. House retains.

Sec. 312. Property Management –RETAINED

Executive deletes reporting requirement on the utilization of department properties, including, but not limited to, salt storage facilities, garages, and regional offices. House retains.

Sec. 388. I-375 Project Prohibition –RETAINED

Executive 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. House retains. *(The State Budget Office indicates that this section is unenforceable as a violation of the separation of powers provisions of the Michigan Constitution.)*

Sec. 389. Long-Term Obligations –RETAINED

Executive deletes reporting requirement related to long-term agreements that obligate the department to make future payments of over \$10.0 million for five or more years. House retains.

Major Boilerplate Changes from FY 2025-26

Sec. 502. Movable Bridge Fund – NEW

Executive authorizes carryforward of the unencumbered and unexpended balance in the Movable Bridge Fund for uses in local agency bridge inspection program. House concurs with Executive.

Sec. 651. Neighborhood Roads Fund – NEW

Executive 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 this part and part 1 and section 13c of 1951 PA 51. House concurs with Executive.

Sec. 652. Neighborhood Roads Fund – NEW

Executive 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. House concurs with Executive.

Sec. 705. Rail Abandonment Notice – RETAINED

Executive deletes section that requires MDOT to notify legislature when railroad companies file for abandonment of lines. House retains.

Sec. 706. Detroit Wayne County Port Authority – Operating Assessment/Financial Disclosure – NEW

Establishes new reporting requirement; report due June 30, 2027. House includes new language.

Sec. 707. Rail Strategic Plan – RETAINED

Executive deletes section that required the department to report on a five-year rail strategic plan and that also earmarked \$20.0 million for rail-related economic and rail freight system preservation projects. House retains.

Sec. 719. Park and Ride Access by Public Transit Vehicles – NEW

Requires department to allow access to department-owned Park and Ride facilities by public transit agency owned vehicles for the purposes of passenger boarding and disembarking from public transportation vehicles. House includes new language.

Sec. 720. Farebox Recovery Intent Language – DELETED

Executive and House delete section that indicates legislative intent that transit agencies strive to achieve at least 6% farebox recovery.

Sec. 721. Maritime and Port Facility Fund – REVISED

House revises to direct that part 1 appropriations from the Maritime and Port Facility Assistance Fund be used for grants as provided under 159 PA 2022, 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. 722. CTF transfer to SAF and QAF – NEW

House includes new section that provides for the transfer of \$7.7 million from the CTF to the state aeronautics fund, and \$6.6 million from the CTF to the Qualified Airport Fund.

Sec. 802. Air Service Prioritization – RETAINED

Executive deletes section that establishes priority use of the air service appropriation, including for the department to re-establish and maintain air service between Marquette and Lansing with priority service for emergencies, routine travel for elected state officials, and other uses. House retains, (*The State Budget Office has indicated that this appropriation is considered unenforceable as a violation of Article 4, Section 25, of the Michigan Constitution, which prohibits the amendment of another public act by reference.*)

Sec. 1001. Rail Freight Economic Development Grants (CTF) – NEW

House includes new section that 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

House includes new section that 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.