

FY 2026-27 TRANSPORTATION BUDGET

GOVERNOR'S RECOMMENDATION

Article 20

Committee: Appropriations



FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2025-26 YEAR-TO-DATE*	FY 2026-27 GOVERNOR'S RECOMMENDATION	CHANGES FROM FY 2025-26 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	3,202.3	3,213.3	11.0	0.3
GROSS	7,889,495,800	8,524,621,400	635,125,600	8.1
Less:				
Interdepartmental Grants Received	4,366,200	4,555,300	189,100	4.3
ADJUSTED GROSS	7,885,129,600	8,520,066,100	634,936,500	8.1
Less:				
Federal Funds	2,329,605,500	2,374,354,200	44,748,700	1.9
Local and Private.....	107,948,500	107,448,500	(500,000)	(0.5)
TOTAL STATE SPENDING.....	5,447,575,600	6,038,263,400	590,687,800	10.8
Less:				
Other State Restricted Funds.....	5,447,575,600	6,038,263,400	590,687,800	10.8
GENERAL FUND/GENERAL PURPOSE	0	0	0	0.0
PAYMENTS TO LOCALS	3,384,739,600	3,907,129,900	522,390,300	15.4

*As of February 11, 2026.

Major Boilerplate Changes from FY 2025-26 Year-to-Date:

1. **Sec. 309.** The Governor removed Sec. 309 which required the Department to purchase yellow pigments manufactured in the United States.
2. **Sec. 388.** The Governor removed Sec. 388 which prohibited the Department from funding the I-375 project in Detroit.
3. **Sec. 502 and Sec. 652.** The Governor included a new Sec. 502 which allows for the carrying forward of unencumbered and unexpended funds in the Movable Bridge Fund and automatically appropriates them and a new Sec. 652, which does the same for the Neighborhood Roads Fund.
4. **Sec. 1001.** The Governor included a one-time boilerplate section, Sec. 1001, which funds phase II oversight of the Line 5 tunnel.

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FY 2025-26 Year-to-Date Appropriation.....	\$7,889,495,800	\$0		
	CHANGE FROM FY 2025-26 Y-T-D		FY 2026-27 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
<u>Baseline Adjustments</u>				
1. County Road Commissions. The Governor included a \$221.2 million increase in Restricted funds for county road commission operations.	221,242,300	0	2,012,101,400	0
2. State Trunkline Federal Aid and Road and Bridge Construction. The Governor included a \$137.5 million increase (decrease of \$2.6 million Federal and increase of \$140.1 million Restricted funds) for road and bridge construction.	137,488,200	0	1,988,815,500	0
3. Cities and Villages. The Governor included a \$122.5 million increase, all Restricted, for cities and villages road construction.	122,476,100	0	1,112,369,700	0
4. Rail Operations and Infrastructure. The Governor included a \$70.0 million increase, all Federal funds, for the Livernois rail facility.	70,000,000	0	219,388,500	0
5. Intermodal Capital. The Governor renamed the transit capital line item to the intermodal capital line item and merged it with the marine passenger services line item. This line had a net increase of \$51.0 million, which included the \$20.6 million shift from the marine passenger services line item.	51,038,700	0	298,832,200	0
6. Local Bus Operating. The Governor included a \$43.4 million, all Restricted funds, increase for bus operations.	43,392,700	0	315,000,000	0
7. State Trunkline Operations. The Governor included an increase of \$23.7 million, all Restricted funds, for continuing operations like snow plowing.	23,668,300	0	530,033,300	0
8. Other CSB Increases. The Governor included \$15.3 million (\$131,300 IDG, \$3.7 million Federal funds, and \$11.5 million Restricted funds) in smaller CSB increases. These lines include \$6.1 million (\$2.4 million Federal funds and \$3.7 million Restricted funds) for system operations management, \$3.3 million (\$12,400 Federal funds and \$3.3 million Restricted funds) for information technology services and projects, and \$1.8 million (\$131,300 IDG and \$1.7 million Restricted funds) for finance, contracts, and support services.	15,312,600	0	N/A	0
9. Net-Zero Line Item Name Change. The Governor included a net-zero name change for two line items. The infrastructure projects authority fund is renamed the infrastructure projects authority program. The rail grade separation fund is renamed the local grade separation program.	0	0	0	0

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	CHANGE FROM FY 2025-26 Y-T-D		FY 2026-27 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
10. Marine Passenger Services. The Governor merged the marine passenger services line item with the transit capital line item to create the intermodal capital line item. The funding from this line is \$20.6 million (\$18.1 million Federal funds, \$500,000 Local funds, and \$2.0 million Restricted funds) and was moved to the intermodal capital line item.	(20,559,100)	0	0	0
11. Service Initiatives. The Governor reduced service initiatives by \$14.7 million (\$8.4 million Federal funds and \$6.3 million Restricted funds).	(14,692,300)	0	6,300,000	0
12. Airport Safety, Protection, and Improvement Program. The Governor reduced the airport safety, protection, and improvement line item by \$7.7 million, all Restricted funds. This included an increase of \$2.5 million in Restricted funds to reflect an increase in the registration fee for aircraft from one-cent per pound to ten-cents per pound.	(7,735,200)	0	181,309,800	0
13. Detroit Metropolitan Wayne County Airport. The Governor reduced the line item for the Detroit Metropolitan Wayne County Airport by \$6.6 million due to technical adjustments from the road funding package.	(6,585,000)	0	6,435,000	0
14. Other CSB Decreases. The Governor included \$1.0 million (a decrease of \$22,800 Federal funds and \$991,800 Restricted funds) in smaller CSB decreases. These decreases include \$539,800, all Restricted funds, for business services, \$350,200, all Restricted funds, for planning services, and \$100,000, all Restricted funds, for van pooling.	(1,014,600)	0	N/A	0
15. Economic Adjustments. Includes \$6.5 million Gross and \$0 GF/GP for total economic adjustments.	6,470,800	0	N/A	0
<u>New Programs/Program Increases</u>				
16. Maritime and Ports Facility Assistance Program. The Governor included \$5.3 million, all Restricted funds, for a new maritime office in the Department.	5,294,700	0	5,294,700	0
17. Information Technology Services and Projects. The Governor included \$2.0 million, all Restricted funds, for IT projects.	2,045,000	0	N/A	0
18. State Trunkline Operations. The Governor included \$654,000, all Restricted funds, for maintenance costs for new lanes in the University Region.	654,000	0	N/A	0
19. Passenger Transportation Services. The Governor included \$589,100 for passenger transportation services, all Restricted funds.	589,100	0	N/A	0
<u>Eliminations/Reductions - NONE</u>				

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	CHANGE FROM FY 2025-26 Y-T-D		FY 2026-27 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
<u>One-Time Appropriations</u>				
20. Facilities Capital Outlay. The Governor included \$5.6 million, all Restricted funds, for capital outlay.	5,600,000	0	5,600,000	0
21. Coloma Salt Storage Building. The Governor included \$5.2 million, all Restricted funds, for a salt storage building in Coloma that is in disrepair.	5,168,100	0	5,168,100	0
22. Great Lakes Tunnel Project-Phase II Oversight. The Governor included \$4.1 million, all Restricted funds, for oversight of the Line 5 tunnel project.	4,100,000	0	4,100,000	0
23. Removal of Current Year One-Time Appropriations. The Governor removed current year one-time appropriations totaling 28.8 million, all Restricted funds.	(28,828,800)	0	N/A	N/A
<u>Other - NONE</u>				
Total Changes.....	\$635,125,600	\$0		
FY 2026-27 GOVERNOR'S RECOMMENDATION.....	\$8,524,621,400	\$0		

Date Completed: 2-18-26

Fiscal Analyst: Bobby Canell

FY 2026-27 Gross and GF/GP Changes to FY 2025-26

Item #	Budget Area/Line Items	Gov Changes to FY 2025-26		
		FTE	GROSS	GF/GP
DEPARTMENT OF TRANSPORTATION				
<u>Non-CSB Ongoing Changes</u>				
1	Maritime and ports facility assistance program	4.0	5,294,700	0
2	Information technology services and projects	0.0	2,045,000	0
3	State trunkline operations	3.0	654,000	0
4	Passenger transportation services	4.0	589,100	0
Subtotal - Non-CSB Ongoing		11.0	8,582,800	0
<u>CSB Ongoing Changes</u>				
1	Economic adjustments	0.0	6,440,900	0
2	Unclassified salaries	0.0	29,900	0
3	County road commissions	0.0	221,242,300	0
4	State trunkline federal aid and road and bridge construction	0.0	137,488,200	0
5	Cities and villages	0.0	122,476,100	0
6	Rail operations and infrastructure	0.0	70,000,000	0
7	Infrastructure projects authority program	0.0	65,000,000	0
8	Intermodal capital	0.0	51,038,700	0
9	Local bus operating	0.0	43,392,700	0
10	Local grade separation program	0.0	40,000,000	0
11	State trunkline operations	0.0	23,668,300	0
12	System operations management	0.0	6,126,600	0
13	Information technology services and projects	0.0	3,300,000	0
14	Finance, contracts, and support services	3.0	1,783,700	0
15	Nonurban operating/capital	0.0	812,500	0
16	Intercity services	0.0	676,000	0
17	Program development and delivery	0.0	526,600	0
18	Business support service	2.0	350,200	0
19	Special maintenance, remodeling and additions	0.0	350,000	0
20	Salt storage buildings and containment control	0.0	300,000	0

Item #	Budget Area/Line Items	Gov Changes to FY 2025-26		
		FTE	GROSS	GF/GP
21	Specialized services	0.0	273,200	0
22	Movable bridge fund	0.0	195,600	0
23	Interdepartmental grants	0.0	191,700	0
24	Target industries/economic redevelopment	0.0	146,300	0
25	Local bridge program	0.0	133,800	0
26	Rural county primary	0.0	73,200	0
27	Urban county congestions	0.0	73,200	0
28	Payments to locals adjustment	0.0	0	0
29	Infrastructure projects authority fund	0.0	(65,000,000)	0
30	Rail grade separation fund	0.0	(40,000,000)	0
31	Marine passenger services	0.0	(20,559,100)	0
32	Service initiatives	0.0	(14,692,300)	0
33	Airport safety, protection, and improvement program	0.0	(7,735,200)	0
34	Detroit metropolitan wayne county airport	0.0	(6,585,000)	0
35	Business services	(3.0)	(539,800)	0
36	Planning services	(2.0)	(350,200)	0
37	Van pooling	0.0	(100,000)	0
38	Passenger transportation services	0.0	(22,800)	0
39	Debt service	0.0	(1,800)	0
Subtotal - CSB Ongoing		0.0	640,503,500.0	0.0
<u>One-Time Changes</u>				
1	Facilities capital outlay-one-time	0.0	\$5,600,000	0
2	Coloma salt storage building-one-time	0.0	\$5,168,100	0
3	Great lakes tunnel project-phase II oversight-one-time	0.0	\$4,100,000	0
4	Removal of FY 2025-26 One-Time appropriations	0.0	(\$28,828,800)	0
Subtotal - One-Time		0.0	(13,960,700)	0
TOTAL DEPARTMENT OF TRANSPORTATION		11.0	635,125,600	0