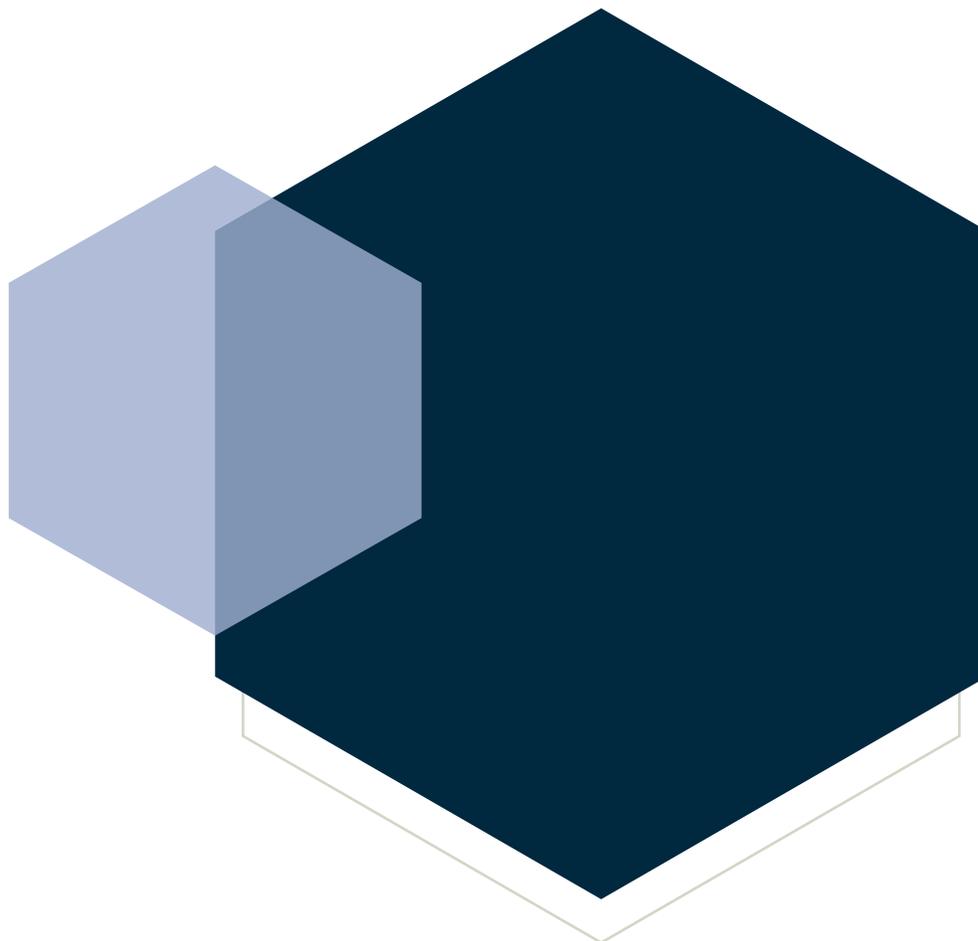


OVERVIEW OF GOVERNOR WHITMER'S FY 2025-2026 BUDGET APPROPRIATIONS REPORT - PART 1

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Senate Fiscal Agency

February 12, 2025





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SUMMARY

On February 7, 2024, Governor Gretchen Whitmer presented her Executive Budget recommendations for fiscal year (FY) 2024-25 and budget projections for FY 2025-26. Public Act (PA) 389 of 2018 requires the Governor to propose a budget for the upcoming fiscal year and the following fiscal year. Pursuant to an Attorney General's letter opinion issued on February 9, 2011, the Governor is allowed to propose a two-year budget and the Legislature can enact a two-year budget, but the second year would only be an expression of an "intent to appropriate", not binding or legally enforceable. Beginning with FY 2020-21, the Governor also produced a five-year strategic plan for the State in addition to submitting the budget recommendation to the Legislature. This overview will focus on Governor Whitmer's FY 2024-25 appropriation recommendation.

This document provides an overview of the Governor's Executive Budget Recommendation. Detailed information can be found in the accompanying appendices, which include tables and other relevant materials. The appendices, indicated by a number, will provide the comprehensive detail behind all the changes proposed by the Governor for FY 2024-25.

Appendices

- Table 1 outlines the sources of funding for each department and budget area
- Tables 2-4 compare the Governor's FY 2025-26 recommendation with current FY 2024-25 year-to-date appropriations
- Table 5 shows the proposed changes in the number of full-time equated (FTE) positions
- Table 6 provides a summary of one-time appropriations by department and fund source
- Table 7 shows the proposed one-time appropriations by fund source
- Table 8 displays the estimated State payments to local units of government for FYs 2024-25 and 2025-26
- Tables 9 and 10 present the GF/GP and School Aid Fund (SAF) balance sheets for FY 2024-25 and FY 2025-26
- Table 11 shows a summary of the overall changes and Tables 12-18 provide the details for overall changes
- Table 19 shows FY 2025-26 School Aid budget changes proposed by the Governor
- Tables 20-24 provide further detail regarding major budget areas (Community Colleges, Universities, Revenue Sharing, Economic Adjustments, Debt Service, Merit Award Trust Fund)
- Table 25 Tobacco Settlement Revenue and Appropriations for FY 2024-25 Compared to FY 2025-26 Governor's Recommendation
- Table 26 includes the three supplemental requests for FY 2024-25 that accompanied the Governor's FY 2025-26 proposal
- Tables 27 and 28 provide information on fee proposals
- Table 29 lists projects recommended in the Michigan Natural Resources Trust Fund supplemental request 2025-3
- Table 30 provides historical State spending in select budget areas



SUMMARY CONTINUED

PROPOSED ADJUSTMENTS TO GF/GP REVENUE

The FY 2025-26 budget recommendation from the Governor is based on the estimates agreed to on January 10, 2025, at the Consensus Revenue Estimating Conference (CREC). The recommendation includes one proposed tax change: a tax on vaping and nontobacco nicotine products, along with several fee proposals discussed later in the report.

Table A

Proposed Ongoing Adjustments to GF/GP Revenue (dollars in millions)		
	FY 2025-26	FY 2026-27
Ongoing		
Vaping Tax	\$42.8	\$57.0
Totals: Ongoing	\$42.8	\$57.0

PROPOSED SUPPLEMENTALS FOR FY 2024-25

The Executive budget recommendation includes three supplemental requests for FY 2024-25. The three supplementals are summarized in [Table B](#) and discussed in more detail later in this report.

Table B

FY 2024-25 Supplemental Recommendations by Fund Source					
Budget Area/Program	Gross	Federal	Local and Private	State Restricted	GF/GP
Supplemental 2025-1 (GEN.)	\$510,504,100	\$104,356,300	\$13,360,200	\$12,368,500	\$380,419,100
Supplemental 2025-2 (EDUC.)	(54,800,000)	0	0	(54,800,000)	0
Supplemental 2025-3 (DNR)	41,766,000	0	0	41,766,000	0
Total FY 2024-25 Supplemental Requests	\$497,470,100	\$104,356,300	\$13,360,200	(\$665,500)	\$380,419,100



SUMMARY CONTINUED

PROPOSED BUDGET FOR FY 2025-26

The Governor recommends FY 2025-26 Gross appropriations of \$84.8 billion and Adjusted Gross appropriations of \$83.5 billion. [Table C](#) illustrates the fund sources in the Governor's recommendation. [Figures A](#) and [B](#) illustrate the total funding by source and major spending category. Compared with FY 2024-25 year-to-date appropriations (including enacted, but not yet effective, but excluding proposed supplementals), the Governor's FY 2025-26 budget includes an appropriation increase of \$1.9 billion, or 2.3%; an increase in State Spending from State Resources (the sum of State Restricted plus GF/GP) appropriations of \$900.0 million, or 1.9%; and an increase in GF/GP appropriations of \$400 million, or 2.7%.

Table C

FY 2024-25 Year-to-Date (YTD) and FY 2025-26 Governor's Recommendation (dollars in billions)				
	FY 2024-25 YTD*	FY 2025-26 Governor	Dollar Change	Percent Change
Gross	\$82.9	\$84.8	\$1.9	0.4%
IDGs	1.3	1.3	0.0	0.0
Adjusted Gross	81.6	83.5	1.9	2.3
Federal	33.9	34.9	1.0	2.9
Local/Private	0.5	0.5	0.0	0.0
State Restricted	32.3	32.8	0.5	1.6
GF/GP	14.9	15.3	0.4	2.7

*As of 2/5/25; does not reflect the Governor's proposed supplementals

The Governor's budget proposal includes \$1.5 billion in one-time funds and \$82.0 billion in ongoing spending. The FY 2025-26 budget is roughly \$1.9 billion Adjusted Gross above the FY 2024-25 budget (as of 2/5/25) and \$394.9 million GF/GP above the current year appropriations.

New programs and program increases account for roughly \$1.1 billion in GF/GP spending, offset by the removal of \$1.3 billion GF/GP in one-time appropriations. The largest GF/GP spending increase proposed for FY 2025-26 is \$112.2 million for Federal matching funds and bridge improvements in the Transportation budget, followed by \$66.8 million for university operations. The budget also proposes \$50.0 million GF/GP to be deposited into the Budget Stabilization Fund (BSF) and a \$78.7 million GF/GP repayment to the Federal government for disallowed psychiatric payments to hospitals.



SUMMARY CONTINUED

On the School Aid side of the budget, student mental health and safety payments would be funded at \$150.0 million, consolidation grants \$150.0 million, and best practices, career and technical education (CTE), and transportation costs each would see \$125.0 million in one-time funding under the Governor's budget proposal, and best practices would see a further \$107.0 million in ongoing funding. The foundation allowance (along with operational increases for universities and community colleges) would increase by 4.1%, at a cost of \$516.0 million. Other school aid supports (special education, at risk funding, bilingual education, and others) would see similar increases, and some areas are proposed to see additional dollars. The budget proposal includes \$341.0 million SAF deposited into various restricted sub-funds (for the School Aid BSF, transportation, and consolidation).

The Governor also includes \$591.5 million to reflect statutory changes that reduced the Michigan Public School Employees' Retirement System (MPSERS) rate that schools pay for costs related to retiree healthcare payments. This affects both the K-12 and community colleges budgets. (Note that costs had already been included in FY 2024-25 so this is a continuation of the prior year, adjusted for cost changes.)

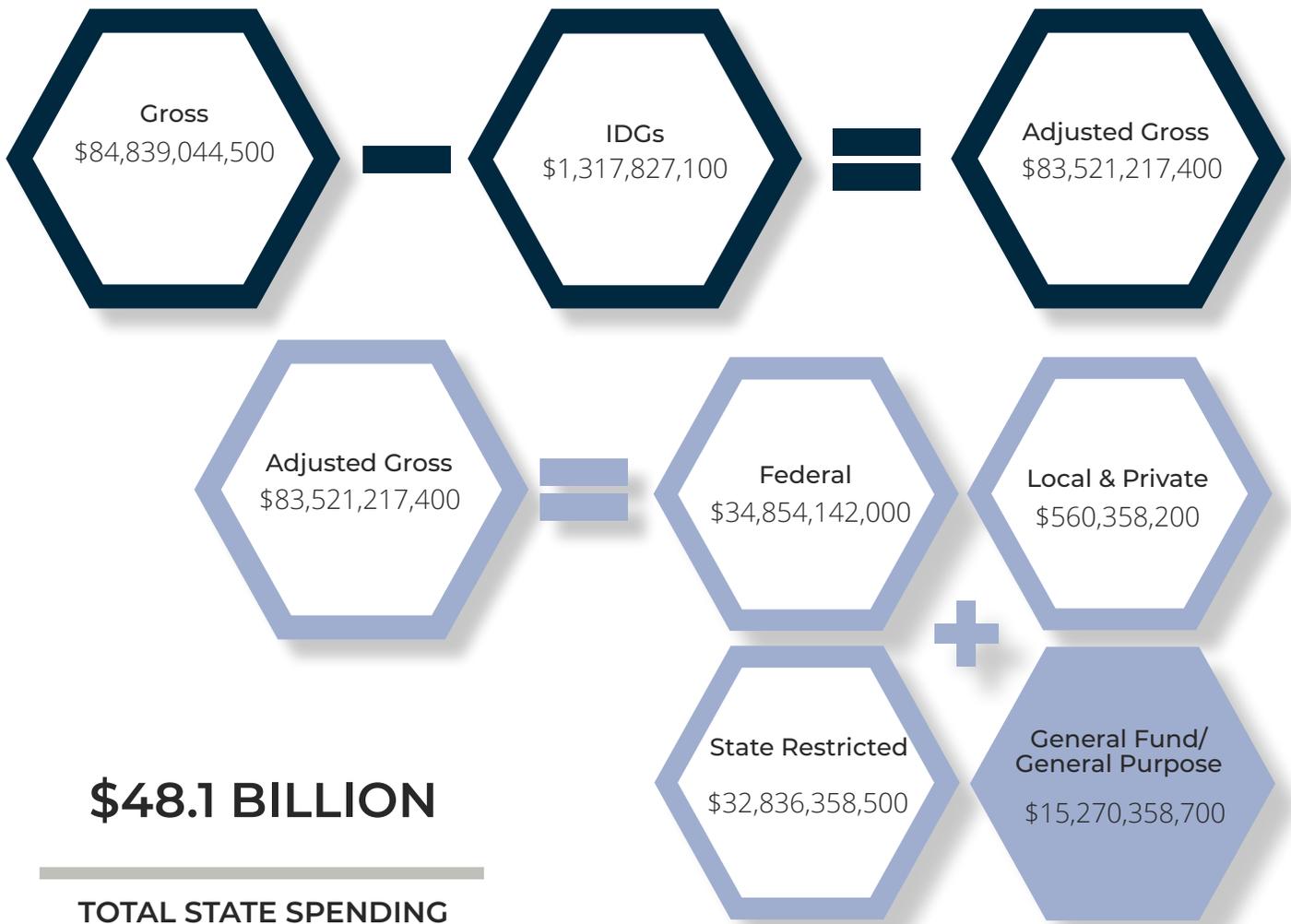
Under the Governor's proposed budget, the SFA estimates that the estimated year-end balance in the General Fund would be \$43.7 million. In the SAF, the estimated year-end balance would be \$18.4 million.

The following pages graphically illustrate large components of the budget. Extensive detail is provided in the Appendices at the end of the report.



FY 2025-26 GOVERNOR'S RECOMMENDATION

BY SOURCE OF FUNDS



FY 2025-26 GOVERNOR'S RECOMMENDATION

BY SOURCE OF FUNDS

FIGURE A

ADJUSTED GROSS APPROPRIATIONS
BY SOURCE OF FUNDS

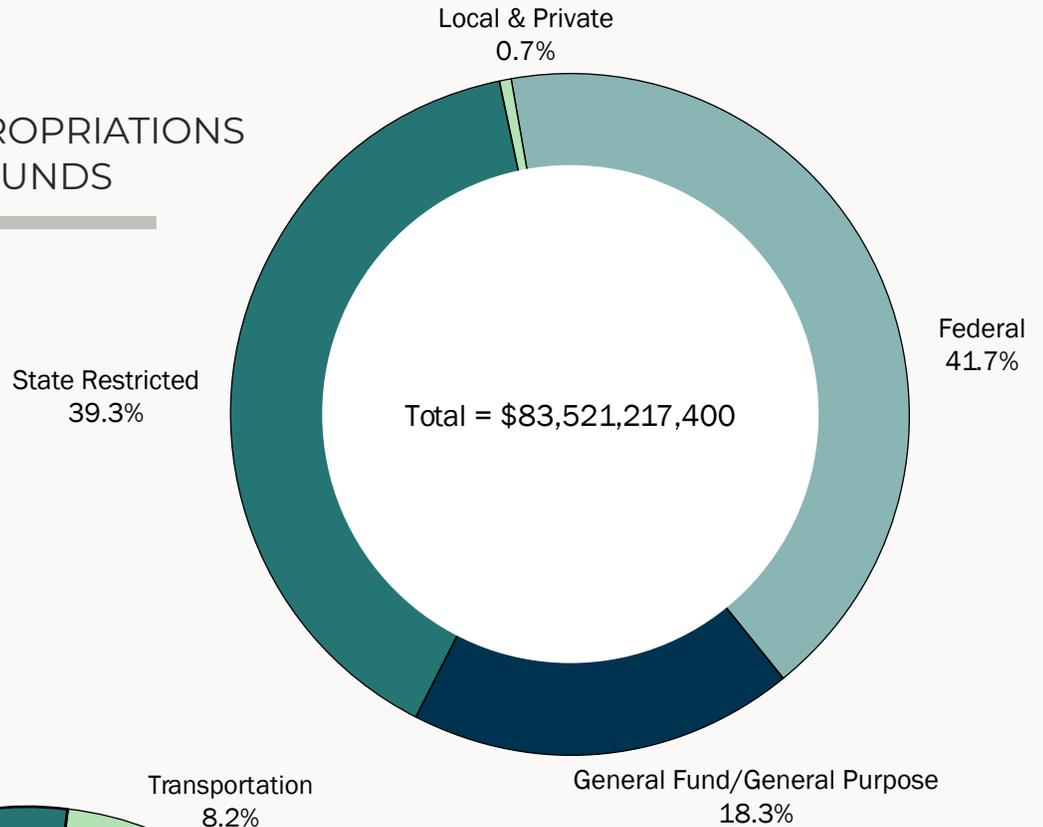
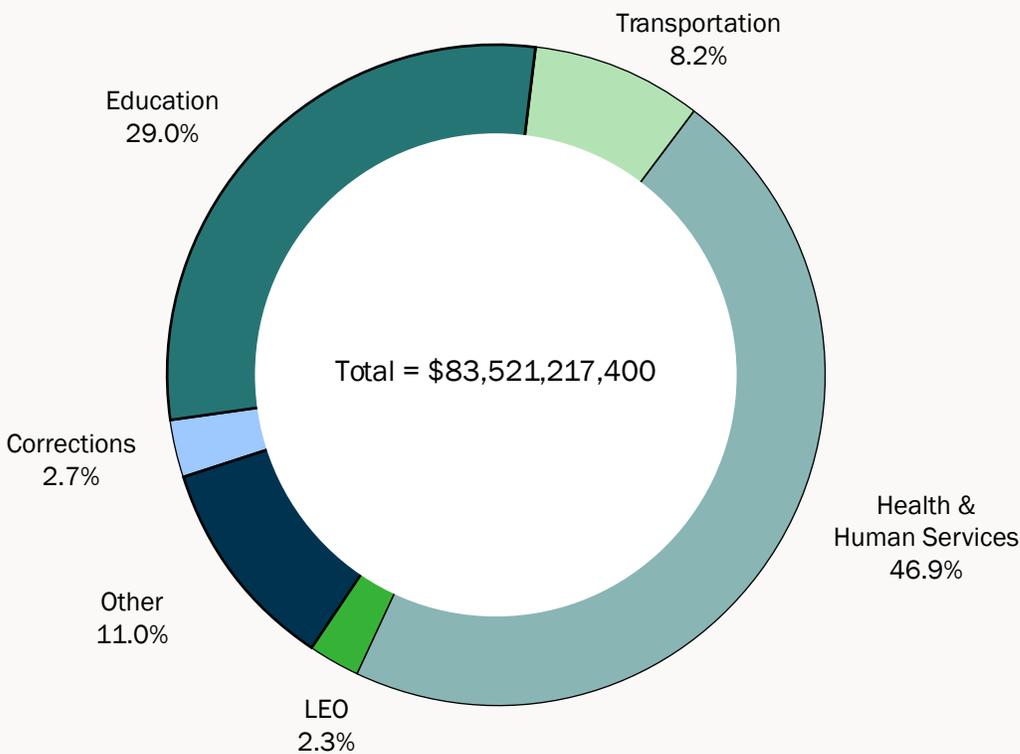


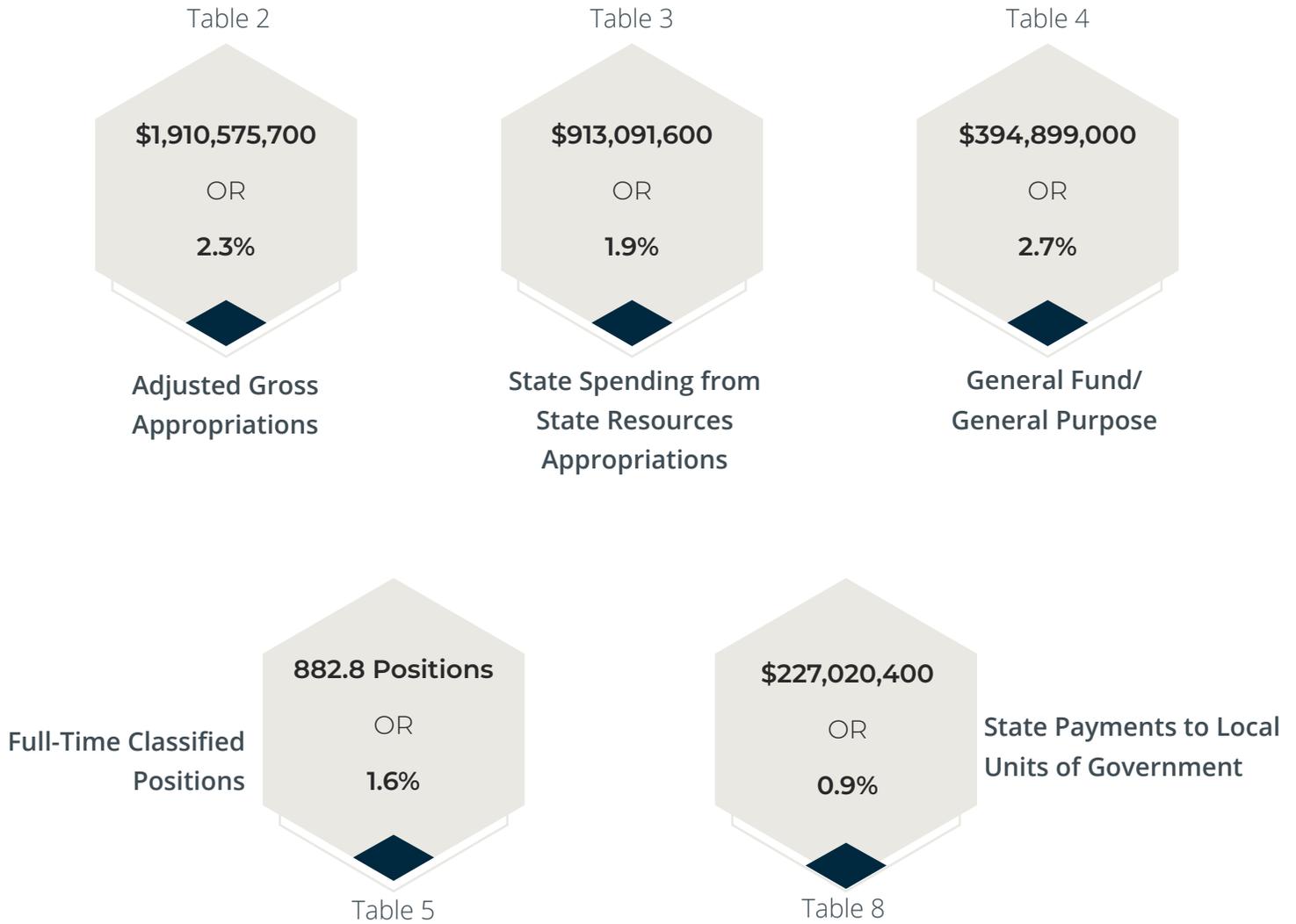
FIGURE B

ADJUSTED GROSS APPROPRIATIONS
BY MAJOR CATEGORY



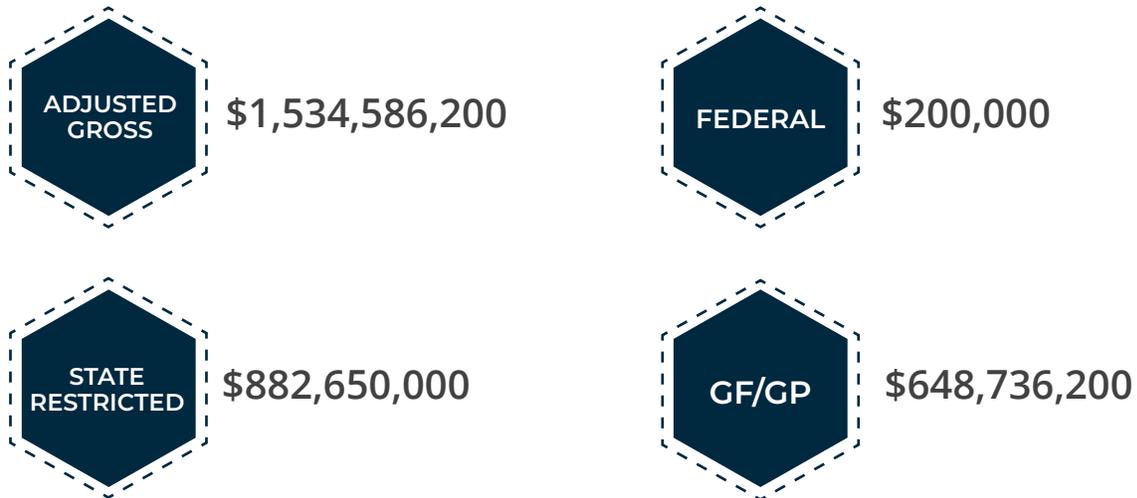


FY 2024-25 YEAR-TO-DATE VERSUS FY 2025-26 GOVERNOR'S RECOMMENDATION DIFFERENCES



Department detail can be found in the Tables noted above, located in the Appendix.

FY 2025-26 GOVERNOR'S RECOMMENDATION ONE-TIME APPROPRIATIONS BY FUND SOURCE



The FY 2025-26 recommendation includes appropriations that the Governor has designated as either "ongoing" or "one-time". The proposed FY 2025-26 one-time appropriations sum to an Adjusted Gross total for all budget areas of \$1.5 billion. The Governor's budget includes a recommended deposit for the BSF for FY 2025-26 of \$50.0 million. [Table 6](#) provides a summary of one-time appropriations by Department, and [Table 7](#) details one-time appropriations recommended for each department.

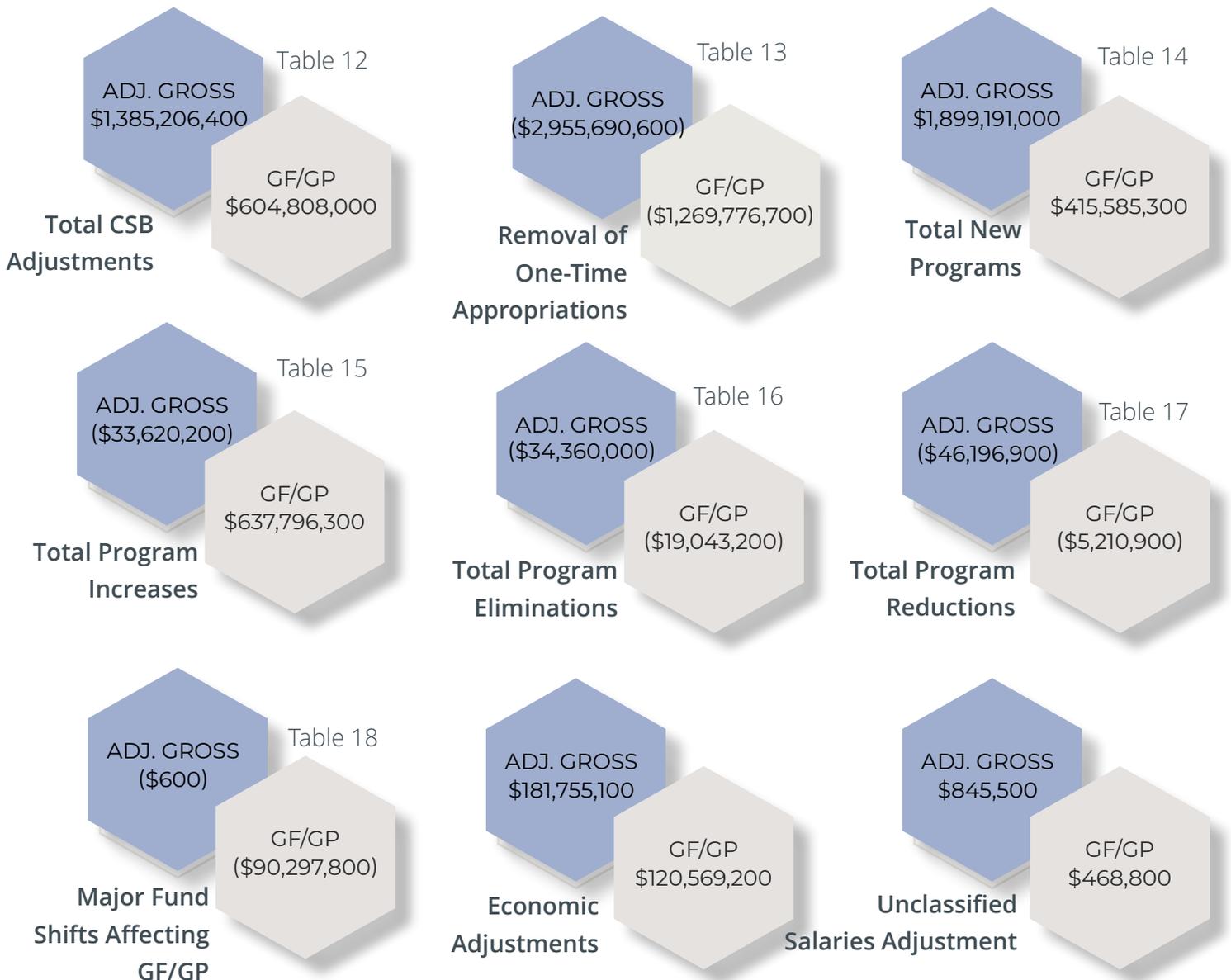


FY 2025-26 GROSS AND GF/GP BUDGET CHANGES

GOVERNOR'S APPROPRIATIONS RECOMMENDATION

Summary of Changes From FY 2024-25 Year-To-Date Adjusted Gross and General Fund/General Purpose Appropriations

The total dollar changes from FY 2024-25 to FY 2025-26 are an increase of \$1.9 billion Adjusted Gross and an increase of \$400 million GF/GP. [Table 11](#) shows that the \$400.0 million GF/GP increase consists of removing \$1.3 billion in FY 2024-25 one-time funding, a \$600,000 increase in current services baseline (CSB) costs, \$400.0 million for new programs, \$600.0 million of funding increases, a \$19.0 million reduction from program eliminations, \$5.2 million of program reductions, and an increase of \$121.0 million due to economic and unclassified salaries' adjustments. [Tables 12-18](#) provide the details for most of these changes.



Department detail can be found in the Tables noted above, located in the Appendix.



MAJOR BUDGET AREAS APPROPRIATION SUMMARIES

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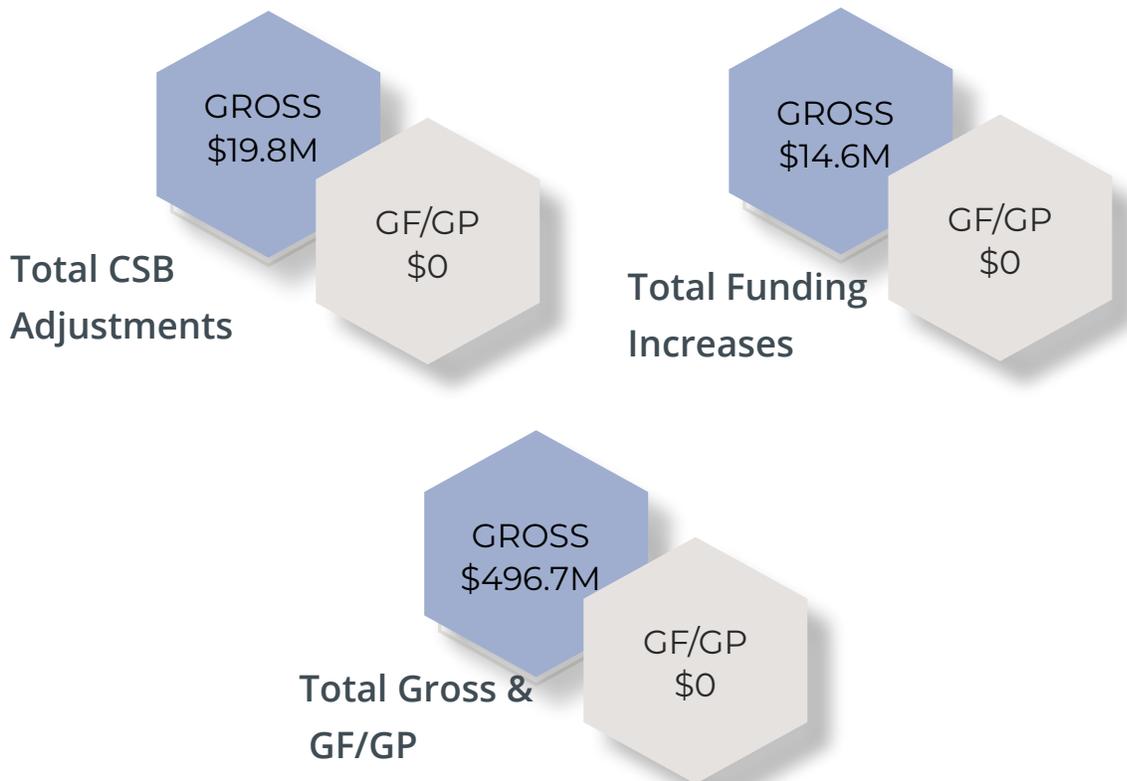
CAPITAL OUTLAY, HIGHER EDUCATION AND COMMUNITY COLLEGES

CAPITAL OUTLAY

Governor Whitmer's budget for FY 2025-26 does not recommend any capital outlay projects for a planning or construction authorization. However, the State Budget Office received, reviewed, and scored a total of 23 priority project requests: eight from universities, and 15 from community colleges. If all 23 scored projects were funded, they would have a total cost of \$1.1 billion with the State's share at \$412.5 million, funded through bonds issued by the State Building Authority (SBA).

COMMUNITY COLLEGES

Governor Whitmer's proposed FY 2025-26 budget for Community Colleges increases gross appropriations by \$34.5 million, primarily attributable to a \$14.6 million, or 4%, ongoing increase in college operations and an increase in MPSERS UAAL costs of \$27.4 million.



CAPITAL OUTLAY, HIGHER EDUCATION, & COMMUNITY COLLEGES CONTINUED



01

The Governor's budget includes a 4.0% ongoing increase for college operations using the existing performance funding formula at a total cost of \$14.6 million SAF.

02

The budget includes MPSERS baseline adjustments: a \$27.4 million increase for MPSERS unfunded actuarial accrued liability (UAAL) costs, and a \$2.2 decrease in the normal cost offset. The changes bring total MPSERS appropriations for Community Colleges to \$116.3 million.

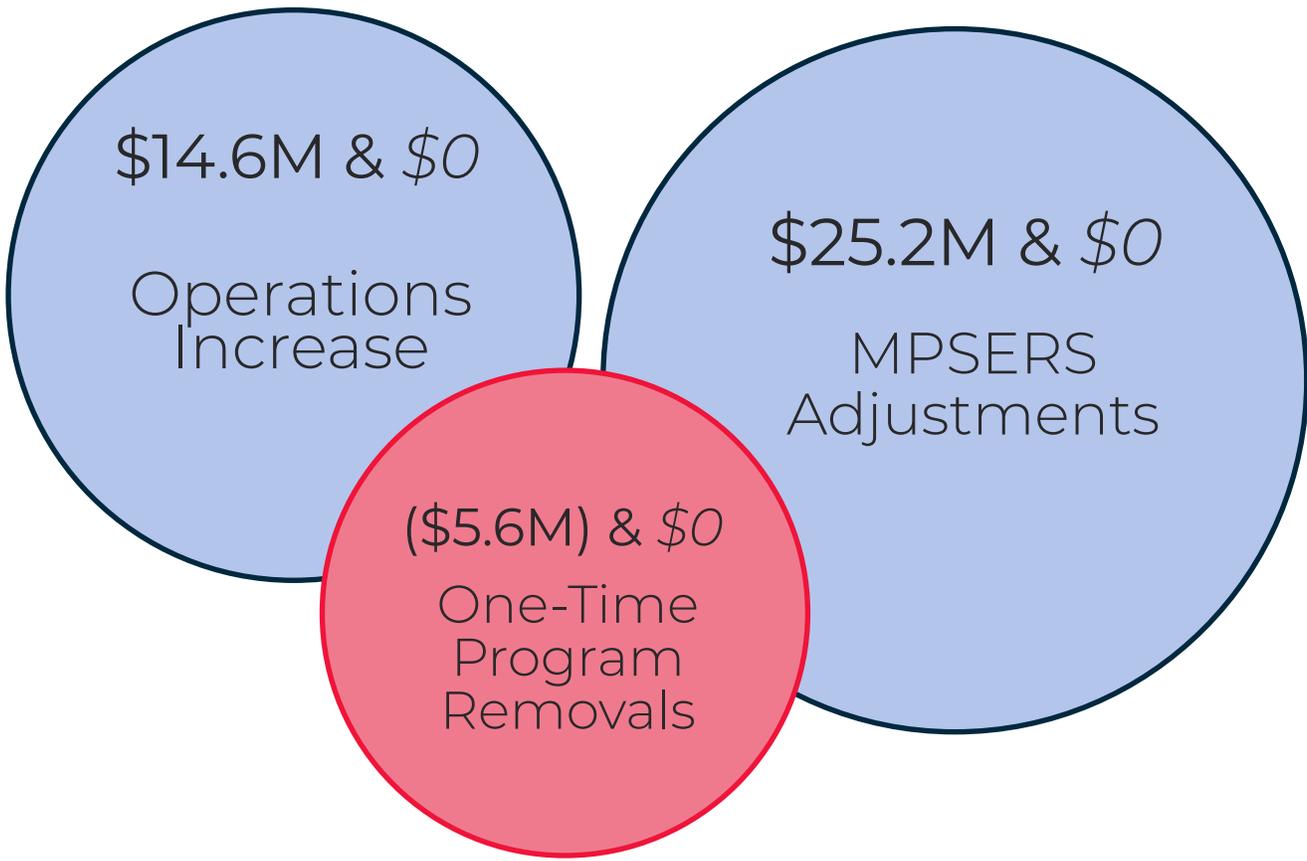
03

North American Indian Tuition Waiver (ITW) reimbursements were increased by \$207,100 to a total of \$1.4 million to reflect the most recent waiver cost data.

04

The Governor recommends tuition restraint of 4.5%, or \$227, for FY 2025-26 and continues the policy of establishing tuition restraint for the subsequent fiscal year. For FY 2026-27, the maximum increase would be the greater of 5.0% or \$248.

The Governor recommended few changes to the Community Colleges budget for FY 2025-26. Under the Governor's proposal, total appropriations would increase by \$34.5 million to \$496.7 million, entirely from the SAF. Major changes include a 4% ongoing operations increase, a net increase in MPSERS payments of \$25.2 million, and the elimination of \$5.6 million in various one-time items funded in FY 2024-25.



: One-Time

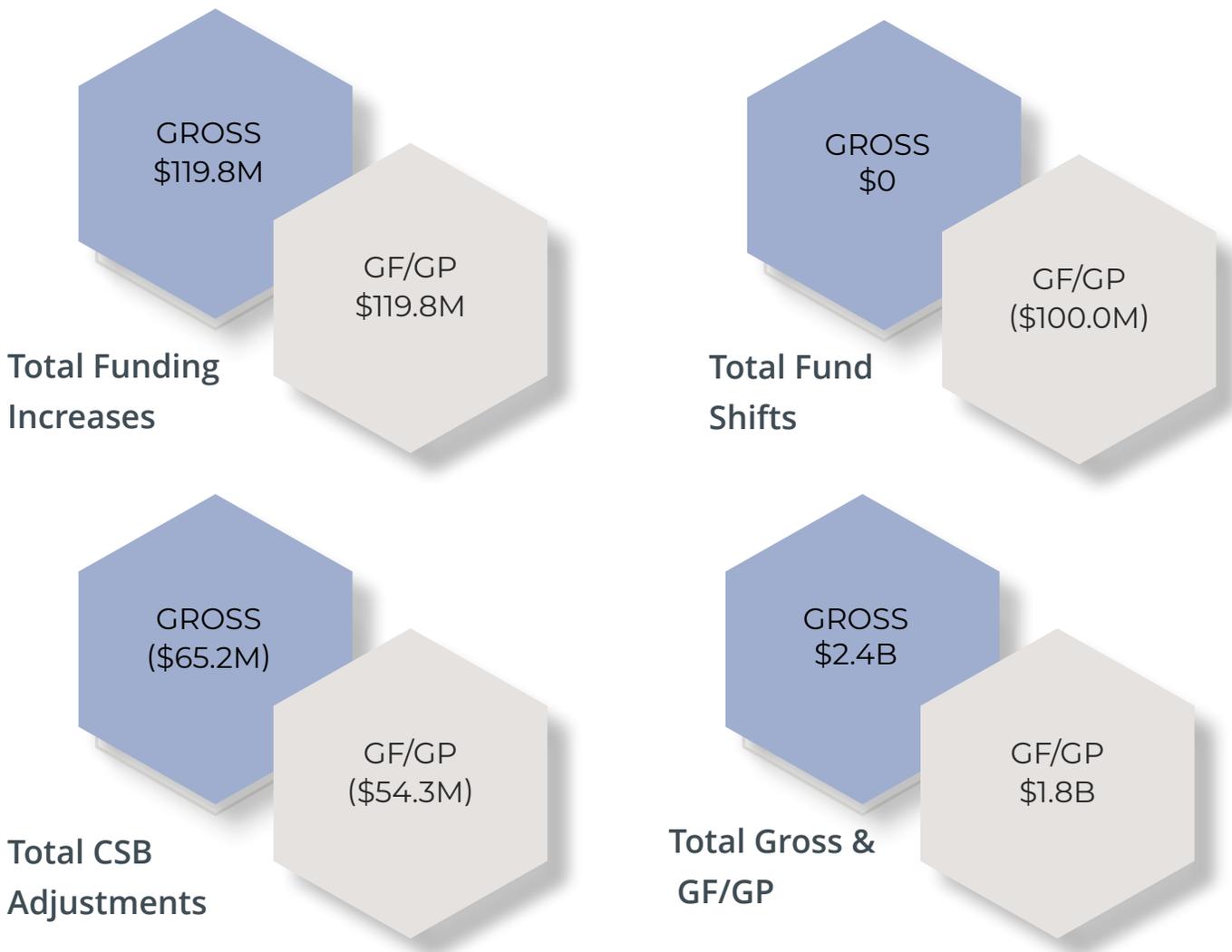
 : Ongoing
 Gross GF/GP



CAPITAL OUTLAY, HIGHER EDUCATION AND COMMUNITY COLLEGES

HIGHER EDUCATION

Governor Whitmer's proposed FY 2025-26 budget for Higher Education increases gross appropriations by \$54.6 million, or 2.3%. The budget recommendation includes \$69.8 million GF/GP for a 4.0% increase for university operations, an additional ongoing \$50.0 million GF/GP to support the Michigan Achievement Scholarship (MAS), and \$28.5 million GF/GP for anticipated increases in Tuition Incentive Program costs. These GF/GP increases are offset by a \$100.0 million GF/GP to SAF fund shift, reductions to the Competitive Scholarship (MCS) and Tuition Grant (MTG) programs, and the removal of current-year one-time appropriations.



CAPITAL OUTLAY, HIGHER EDUCATION, & COMMUNITY COLLEGES CONTINUED



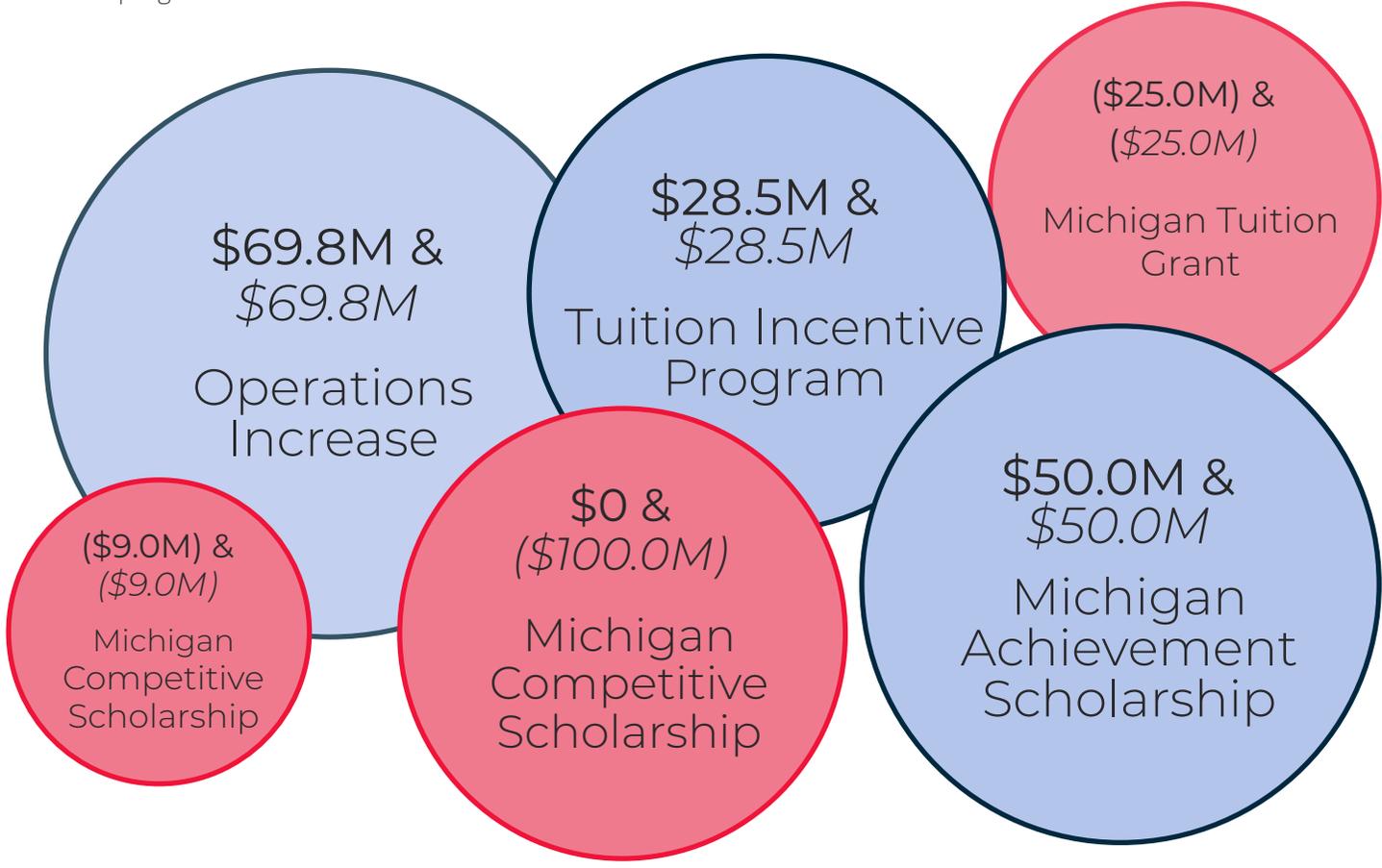
01 The Governor's budget includes a \$50.0 million ongoing increase in the GF/GP deposit to the Postsecondary Scholarship Fund (PSF), which provides the revenue source for the MAS. This change would bring the total PSF deposit to \$350.0 million.

02 The proposed budget includes a fund shift that would remove \$100.0 million in GF/GP from university operations and replace that support with SAF dollars.

03 University operations would receive a 4.0% across-the-board increase totaling \$69.8 million GF/GP.

04 The Governor recommends a \$25.0 million GF/ GP reduction to the MTG program, and \$9.0 million GF/GP reduction to the MCS reflecting policy changes that phase out both the MTG and MCS for new students.

In total, the Governor's budget increases gross appropriations for Higher Education by \$54.6 million, or 2.3%. This net increase includes a variety of changes including increases of \$69.8 million for university operations, \$28.5 million for the Tuition Incentive Program, and \$50.0 million for additional costs for the MAS (including the Community College Guarantee). These increases would be partially offset by reductions of \$25.0 million and \$9.0 million for the MTG and MCS, respectively, and the removal of current-year one-time appropriations. The Governor also recommends the creation of standalone Public Acts for the MAS and MAS Skills Scholarship programs, and that most guidelines for those programs be removed from the School Aid Act and into those Acts.

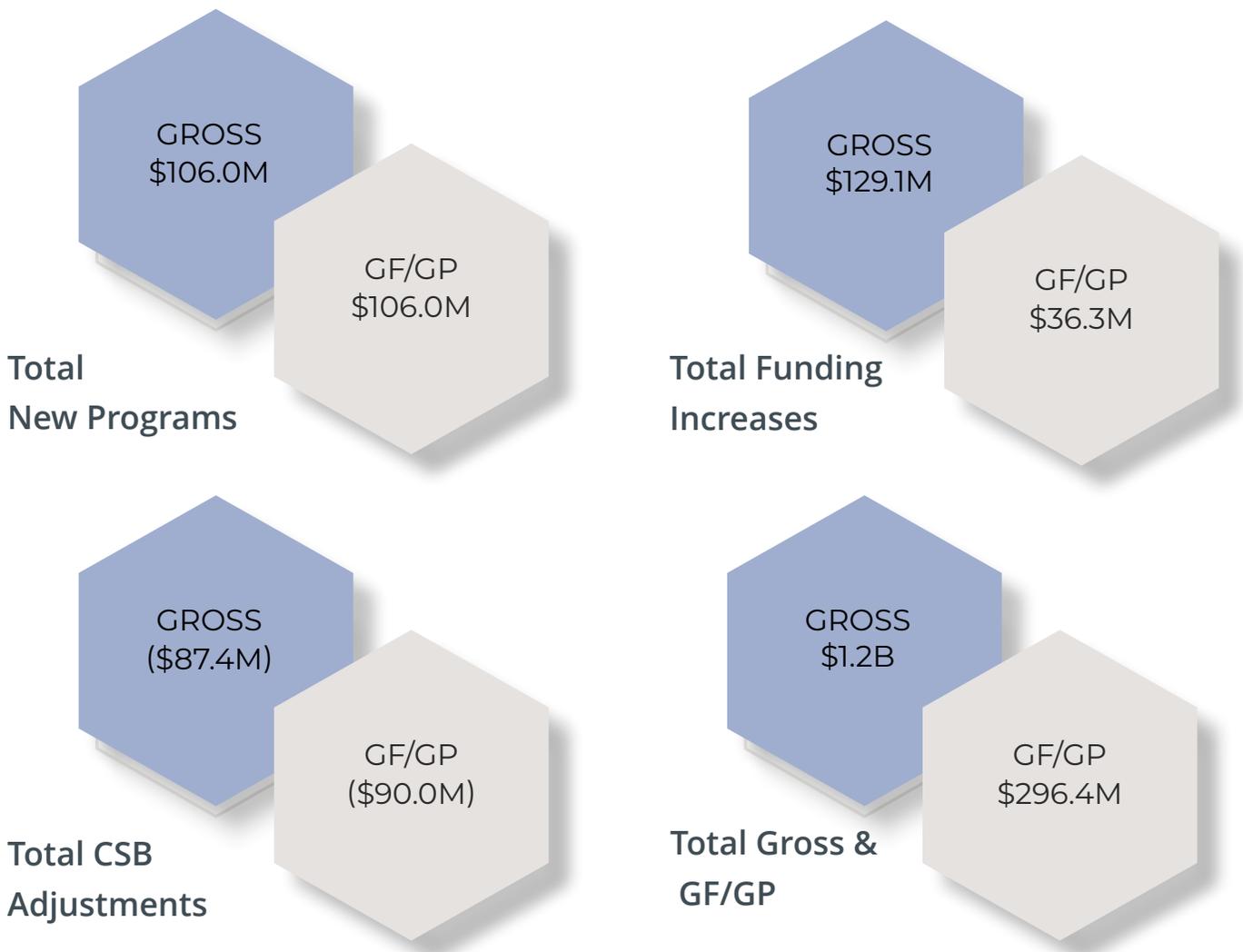


: One-Time
 : Ongoing
 Gross GF/GP



DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY

The Governor's proposed FY 2025-26 budget for the Department of Environment, Great Lakes, and Energy (EGLE) increases funding by \$147.7 million Gross (\$35.7 million GF/GP) when compared to the FY 2024-25 EGLE budget. The proposed budget has significant investments recommended in a variety of areas, including lead service line replacement (LSLR) and LSLR-related projects, remediation and contaminated site clean-up, IT projects, and zero emission vehicle infrastructure and implementation.





01

The Governor's budget focuses on new one-time investments totaling \$106.0 million Gross and GF/GP. These investment proposals cover several areas, including LSLR, electric vehicle charging infrastructure, and IT projects including digitizing the Department's 51 terabytes of data as well as a septic system database.

02

Program increases totaling \$129.1 million are included. This includes \$30.0 million GF/GP for an increase in ongoing funding to the Lead Service Line Replacement Program, and a \$92.8 million total Restricted funding increase across 8 programs for the anticipated revenue from proposed fee increases.

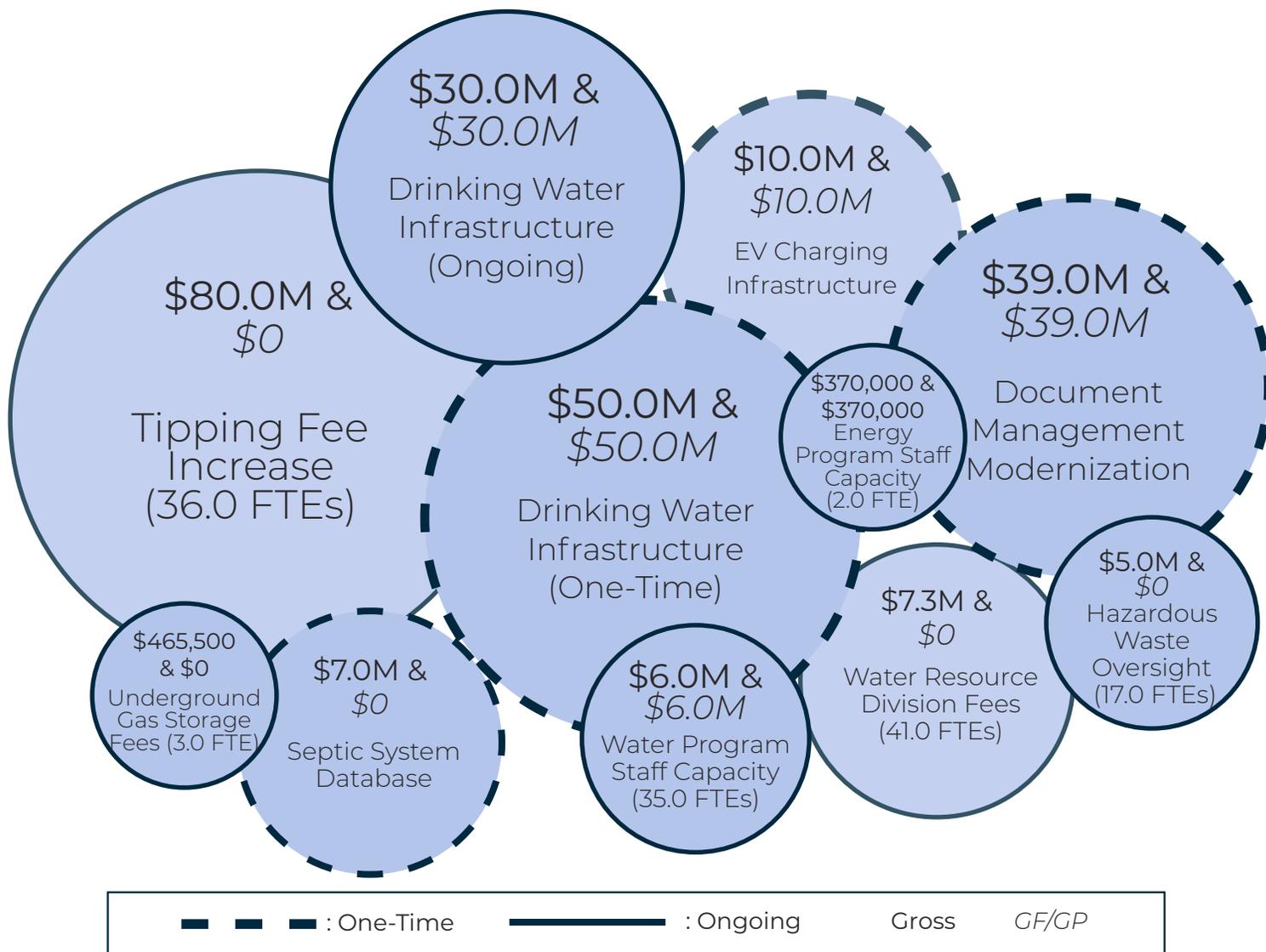
03

The Governor's recommendation includes \$92.8 million anticipated in restricted revenue and FTE authorizations from an increase to several fees. These include the landfill tipping fee (\$80.0 million and 36.0 FTEs), land and water permit fees (\$7.3 million and 41.0 FTEs), hazardous waste fees (\$5.0 million and 17.0 FTEs), and oil and gas well permit fees (\$465,500 and 3.0 FTEs).

04

The recommendation also includes funding for FTE requests in several areas: \$6.0 million GF/GP for increased water program permitting staff capacity (35.0 FTEs), and \$370,000 GF/GP for 2.0 additional FTEs within the Department's energy programs to aid in administering various energy-related grant programs within the State.

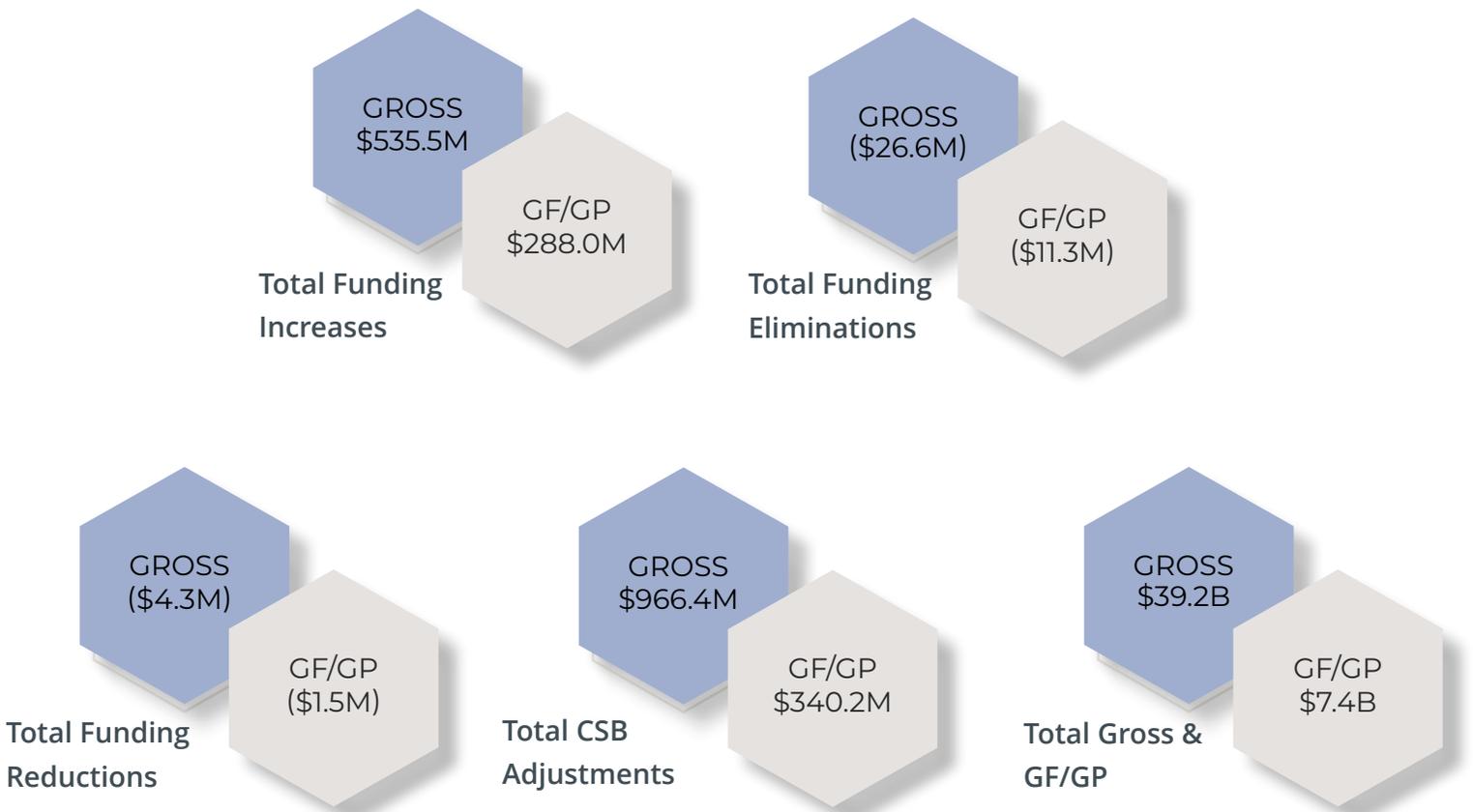
The Governor's budget includes new programs and program increases totaling \$235.1 million Gross; \$142.3 million GF/GP. Of this funding, \$129.1 million Gross (\$36.3 million GF/GP) is for ongoing requests while the remainder is one-time funding. Support for LSLR and related water infrastructure projects includes \$30.0 million in ongoing funding and \$50.0 million in one-time funding. Other ongoing increases would be broadly funded with anticipated increases to fee revenue, or are GF/GP investments such as \$6.0 million for permitting staff and \$370,000 for energy programs.





DEPARTMENT OF HEALTH AND HUMAN SERVICES

Governor Whitmer's proposed FY 2025-2026 budget for the Department of Health and Human Services (DHHS) increases funding by \$1.5 billion Gross (\$648.7 million GF/GP) when compared to the year-to-date FY 2024-25 DHHS budget. The proposed budget prioritizes several key policy areas, including child welfare, low-income assistance programs, behavioral health, and juvenile justice.



HEALTH AND HUMAN SERVICES CONTINUED



01

The Governor's budget includes \$78.7 million Gross in one-time funding for the third year of a mandatory four-year repayment plan to the Federal government. Repayments are for Disproportionate Share Hospital payments made to the Center for Forensic Psychiatry and Huron Valley Center between FY 1994-1995 and FY 2006-2007 that were later disallowed.

02

The Governor's budget includes funding for two main initiatives to expand access to Medicaid coverage. The first is \$96.4 million Gross to raise the protected income limit and Medicaid "spend-down" threshold to 100% of the Federal poverty guidelines. The second initiative includes \$40.0 million Gross to provide limited coverage for pre-release services for 90 days prior to the release of an individual from incarceration.

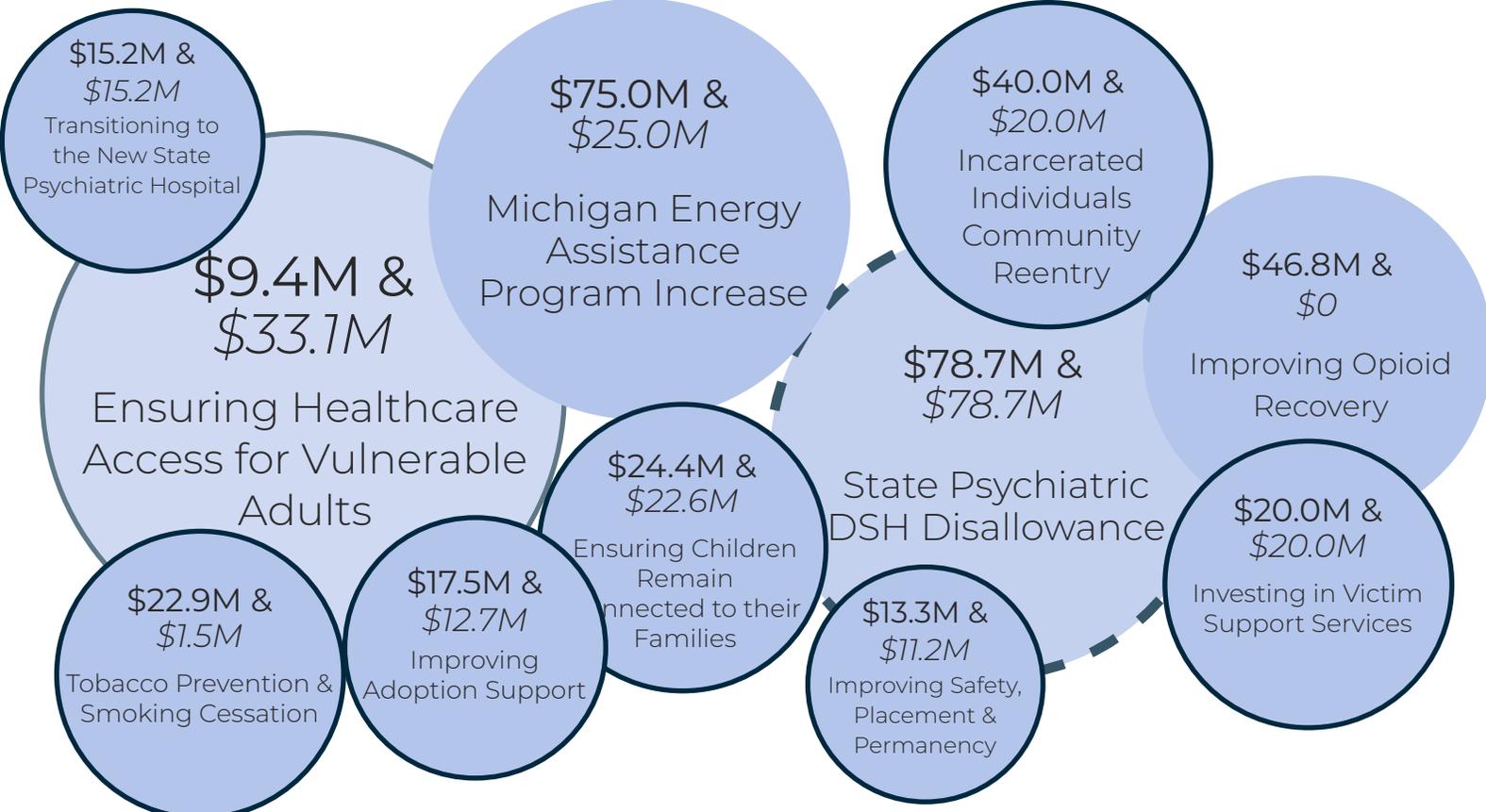
03

The Governor's budget increases funding for the Michigan Energy Assistance Program (MEAP) and water bill assistance programs. The budget recognizes an additional \$50.0 million in ongoing revenue from the implementation of PA 168 and 169 of 2024 and includes \$25.0 million GF/GP on a one-time basis for MEAP. The Executive Recommendation also includes \$7.0 million Gross and GF/GP for water bill assistance, with \$1.0 million designated as ongoing.

04

The Governor's budget provides \$13.3 million Gross to support several initiatives aimed at improving foster care outcomes. The largest investment within this initiative is \$8.9 million Gross to expand the use of Treatment Foster Care and contract with a Professional Foster Parent Program. Qualified foster parents would receive an annual salary to care for children with behavioral or physical needs that make them difficult to place.

The Governor's budget includes several CSB adjustments related to changes in the base Medicaid match rate from 65.13% to 65.30%, Federally required actuarial soundness adjustments, projected base and caseload adjustments in Medicaid, child welfare and public assistance programs, and adjustments to special financing mechanisms and provider taxes in Medicaid. Combined, these changes increase Gross costs by \$1.1 billion and GF/GP costs by \$557.4 million. The largest drivers of the Gross cost increase are a \$523.1 million Gross increase in actuarial soundness estimates for the Traditional Medicaid and Healthy Michigan Plan combined with a \$484.0 million Gross increase in Traditional Medicaid base and caseload-related costs, which are offset by a \$518.6 million Gross decrease in projected Food Assistance Program base and caseload-related costs.

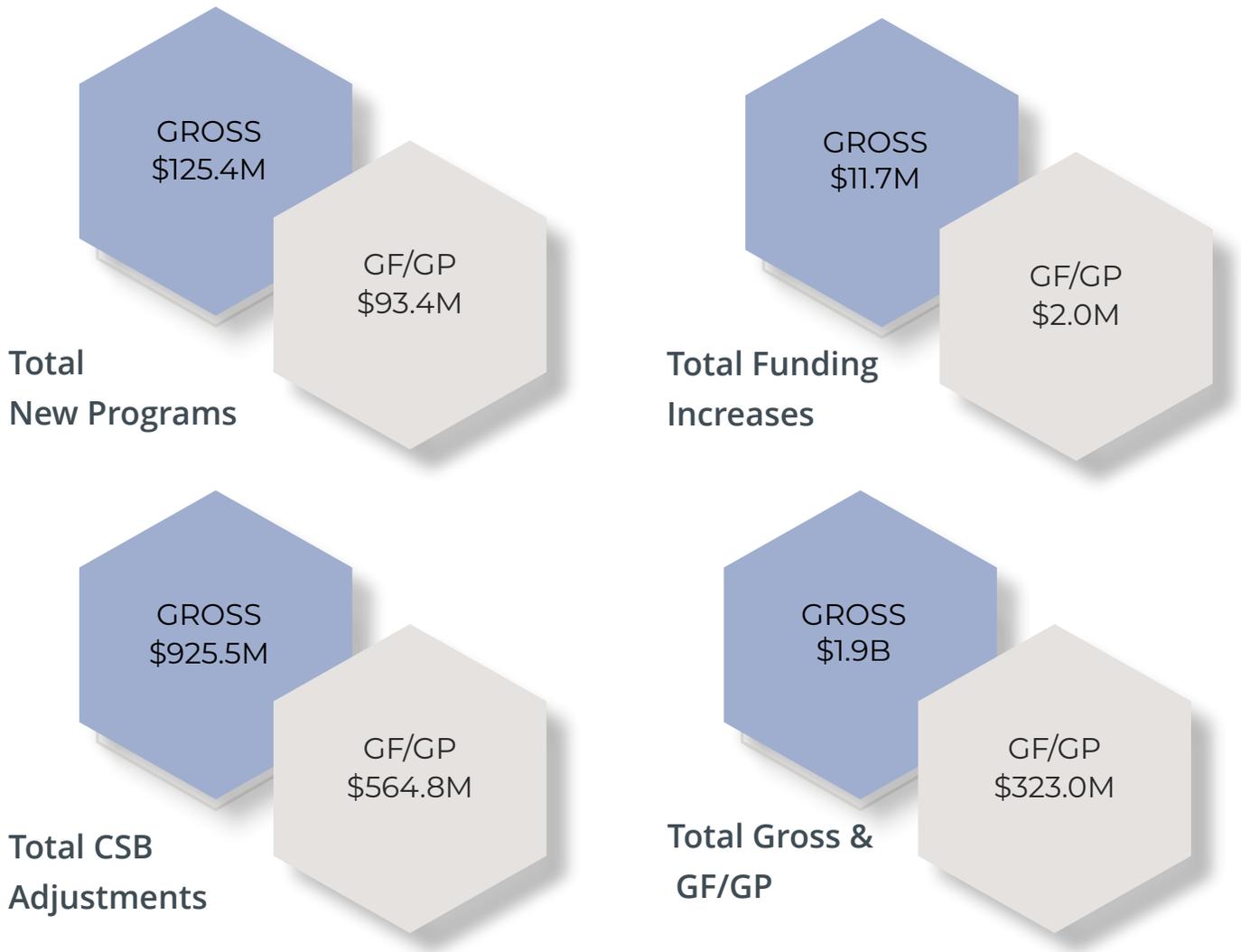


 : One-Time
 : Ongoing
 NO BORDER : One-Time & Ongoing
 Gross
 GF/GP



DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

The Governor's recommended budget for the Department of Labor and Economic Opportunity (LEO) totals \$1.9 billion; \$323.0 million GF/GP. Ongoing appropriations are recommended at \$1.8 billion; \$239.5 million GF/GP. Eight one-time recommendations total \$83.5 million; \$83.5 million GF/GP.





01

The Governor's recommendation removes a \$500.0 million boilerplate appropriation for the Strategic Outreach and Attraction Reserve (SOAR) Fund. However, the Governor continues the placeholders of \$100 to activate the Critical Industry Program and the Michigan Strategic Site Readiness Program line items so they may be available for transfers.

02

The Governor's recommendation includes \$40.4 million (\$8.4 million GF/GP) to create and provide Pre-Employment Transition Services for Students with Disabilities. This program would be overseen by the Michigan Rehabilitation Services and the Bureau of Services for Blind Persons. The program would support services to students with disabilities including academic remediation, specialized tutoring, enrollment into career and technical training and/or college with the goal of assisting individuals to attain employment.

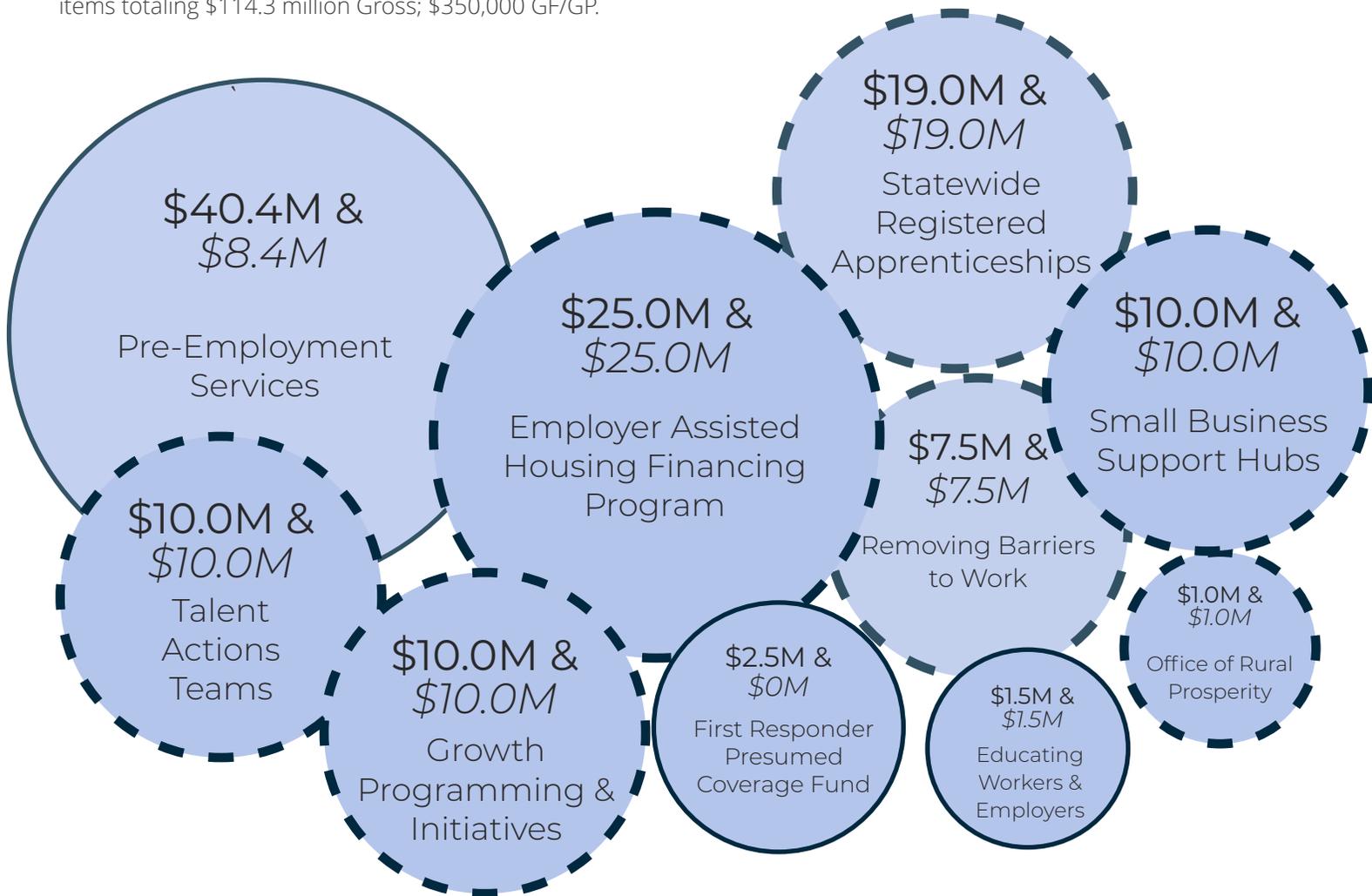
03

The Governor's recommendation includes \$25.0 million for the Employer Assisted Housing Financing Program. The program would support various housing projects with local match from employers, targeted to households under 120% of an area's median income.

04

The Governor's recommendation includes \$19.0 million for expanding statewide registered apprenticeship and apprenticeship readiness programs to support the development of new opportunities in traditional and non-traditional industries.

Governor Whitmer's proposed FY 2025-26 budget for LEO decreases Gross and GF/GP funding from the current year by \$783.4 million and \$470.6 million, respectively. The proposal includes \$83.5 million Gross (all GF/GP) in one-time spending for eight separate line items. The current year supplemental spending proposal includes six separate line items totaling \$114.3 million Gross; \$350,000 GF/GP.

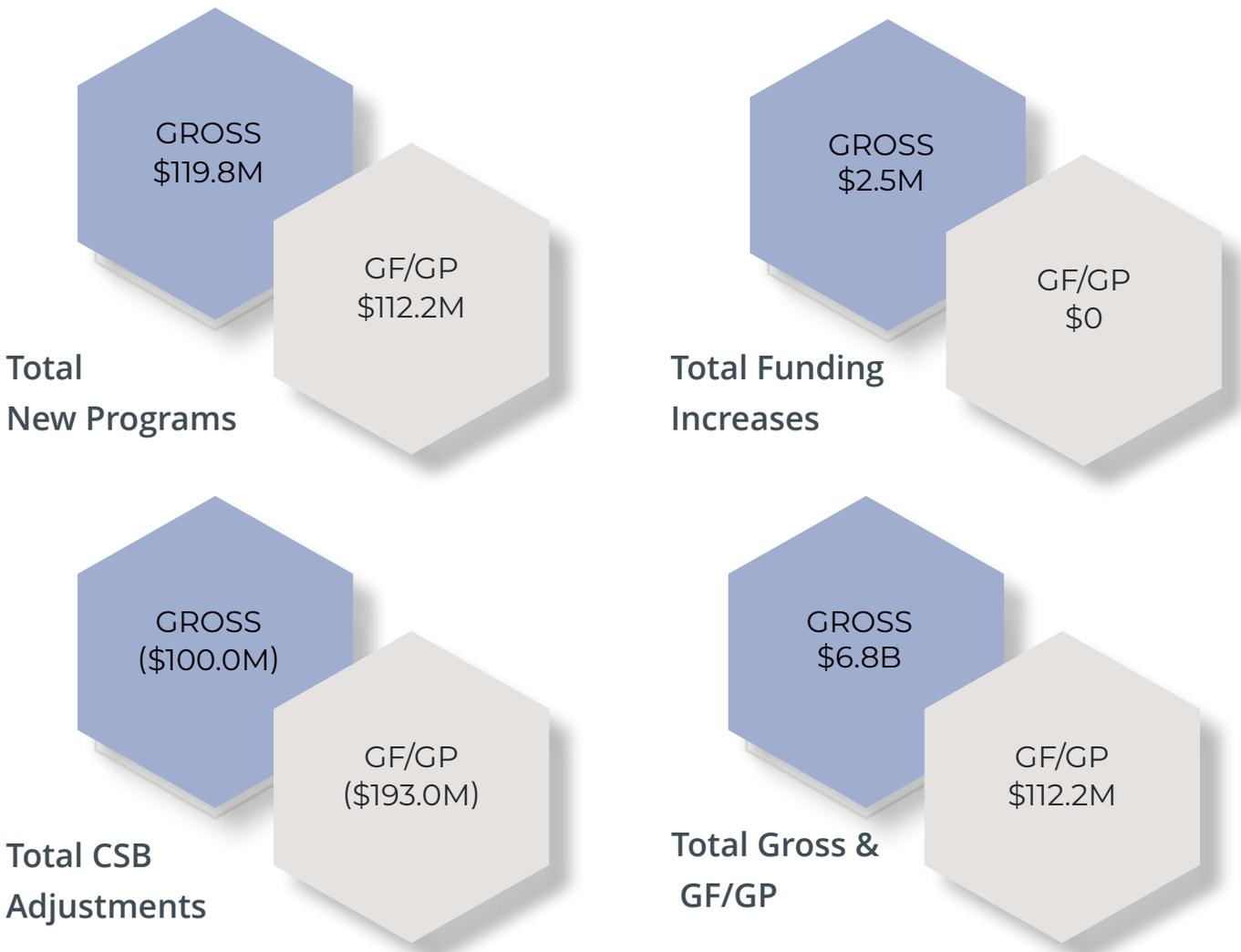


: One-Time
 : Ongoing
 Gross GF/GP



DEPARTMENT OF TRANSPORTATION

Governor Whitmer's proposed FY 2025-26 budget increases Gross funding by \$33.2 million compared to the FY 2024-25 Transportation budget. The proposed budget includes \$112.2 million in GF/GP funding, a decrease of \$80.8 million compared to the FY 2024-25 budget. The largest program increase, excluding one-time items, is for State trunkline road and bridge construction with an increase of \$53.6 million Gross.



TRANSPORTATION CONTINUED



01

The Governor proposes a one-time \$112.2 million (all GF/GP) Federal match for road and bridge investments. This will allow the Department to match all Federal funds.

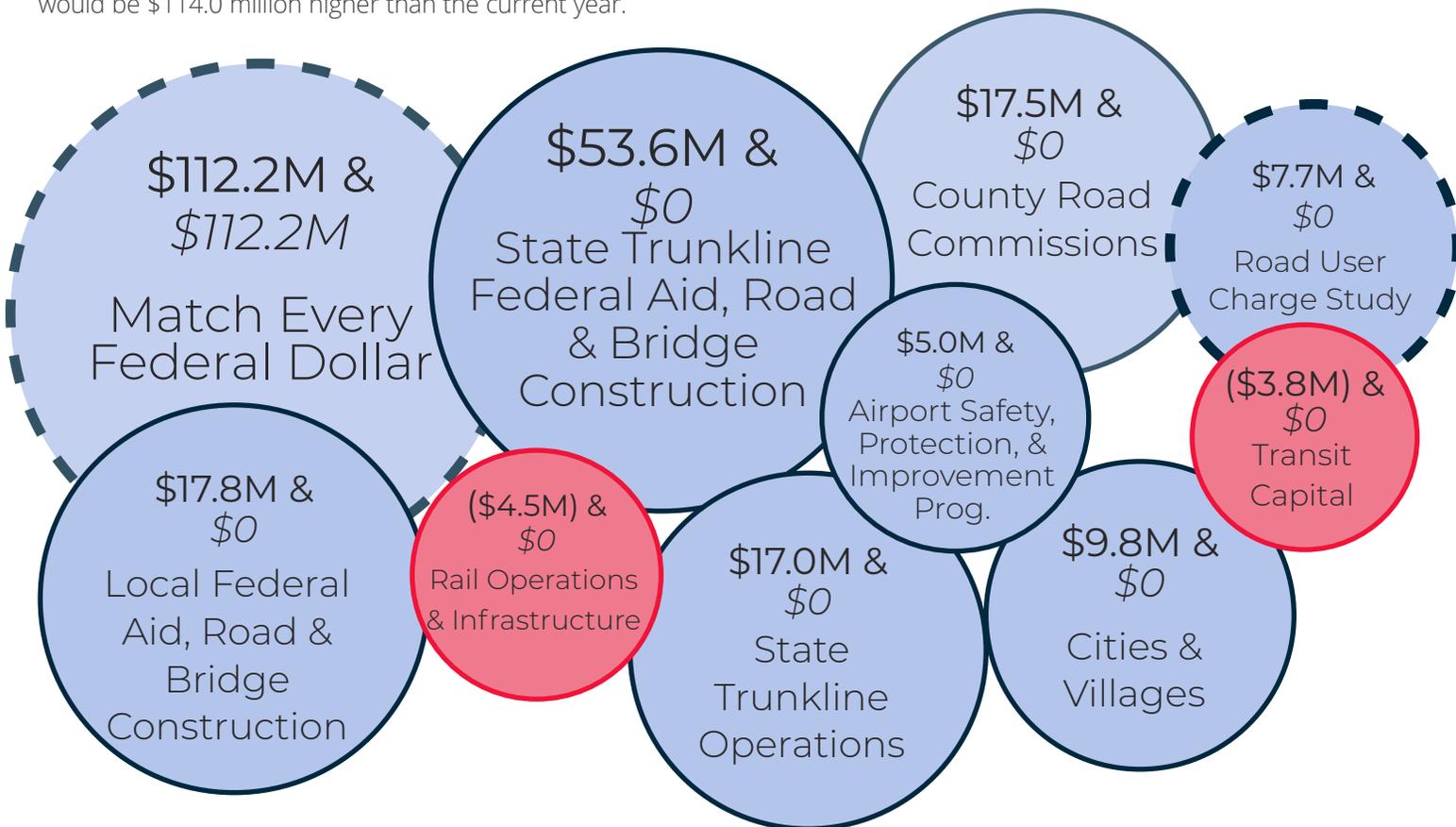
02

The Governor includes \$7.7 million (all Restricted) for a study on the possibility of applying a user fee to Michigan roads.

03

The Governor's budget increases State trunkline road and bridge construction funding by \$53.6 million Gross, \$53.5 million in Federal funds and \$100,000 in Restricted funds.

The Governor's budget includes two new programs in one-time spending. The first is \$112.2 million Gross for Federal match (all GF/GP) because the Department does not have enough Restricted funds to match all the Federal funds available. The second is \$7.7 million (all Restricted) for a study to evaluate the possibility of applying road usage charges. The road user charge study is intended to accommodate transportation spending as gasoline consumption continues to decline. State trunkline road and bridge construction will increase by \$53.6 million (\$53.5 million Federal and \$100,000 Restricted). County road commissions would see an increase of \$17.5 million (all Restricted) and cities and villages would see an increase of \$9.8 million (all Restricted). Gross total CSB adjustments are \$100.0 million lower than FY 2024-25 and GF/GP total CSB adjustments are \$193.0 million lower than FY 2024-25. This is mainly due to the removal of the previous year's one-time items equal to \$214.0 million Gross. If not for this removal, Gross total CSB adjustments would be \$114.0 million higher than the current year.

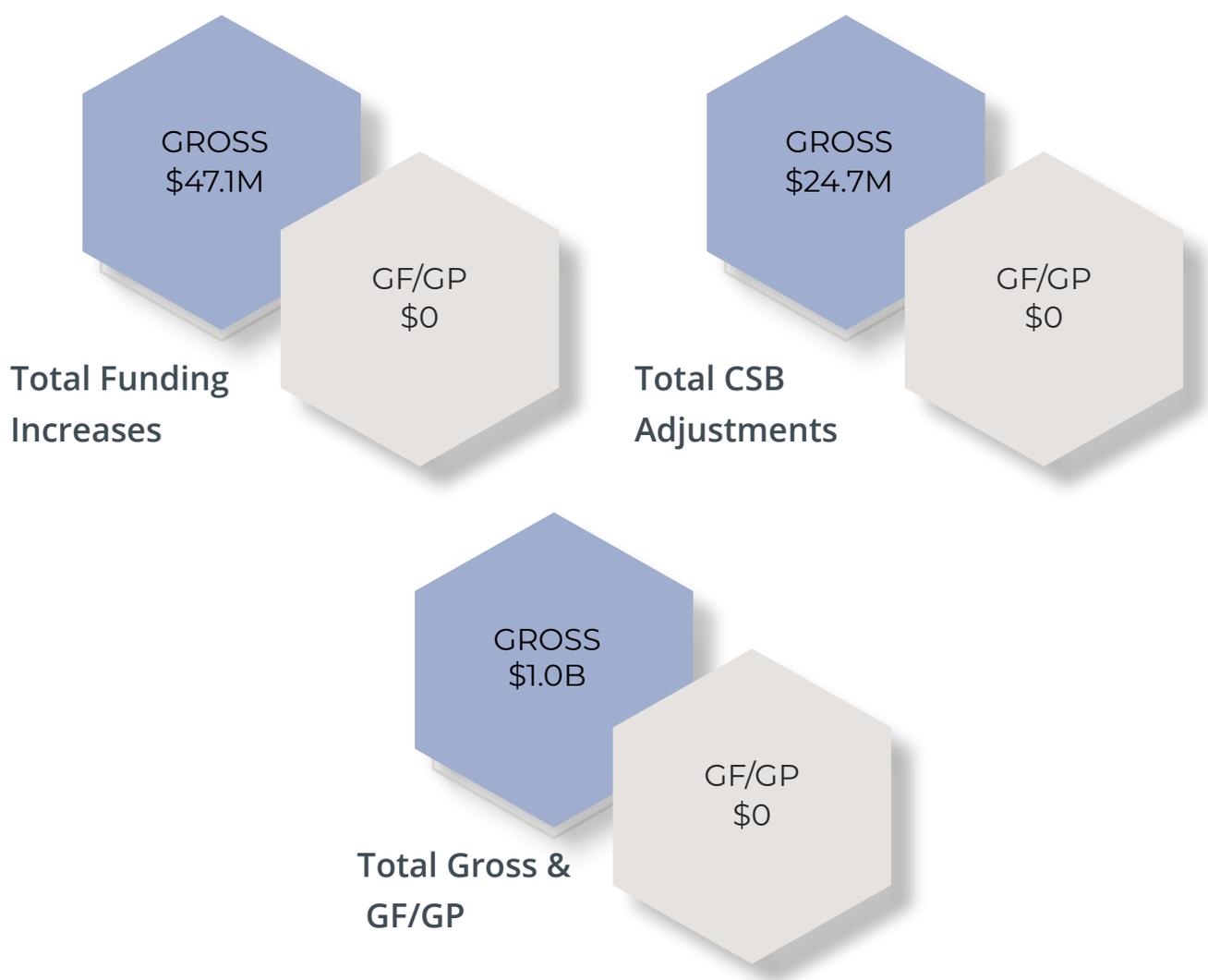


: One-Time
 : Ongoing
 Gross GF/GP



REVENUE SHARING

Governor Whitmer's proposed FY 2025-26 budget increases funding by \$47.1 million Gross (sales tax revenue) when compared to the year-to-date FY 2024-25 Revenue Sharing budget. The proposed budget includes a 3.6% increase for both Cities, Villages, and Townships (CVT) and Counties.



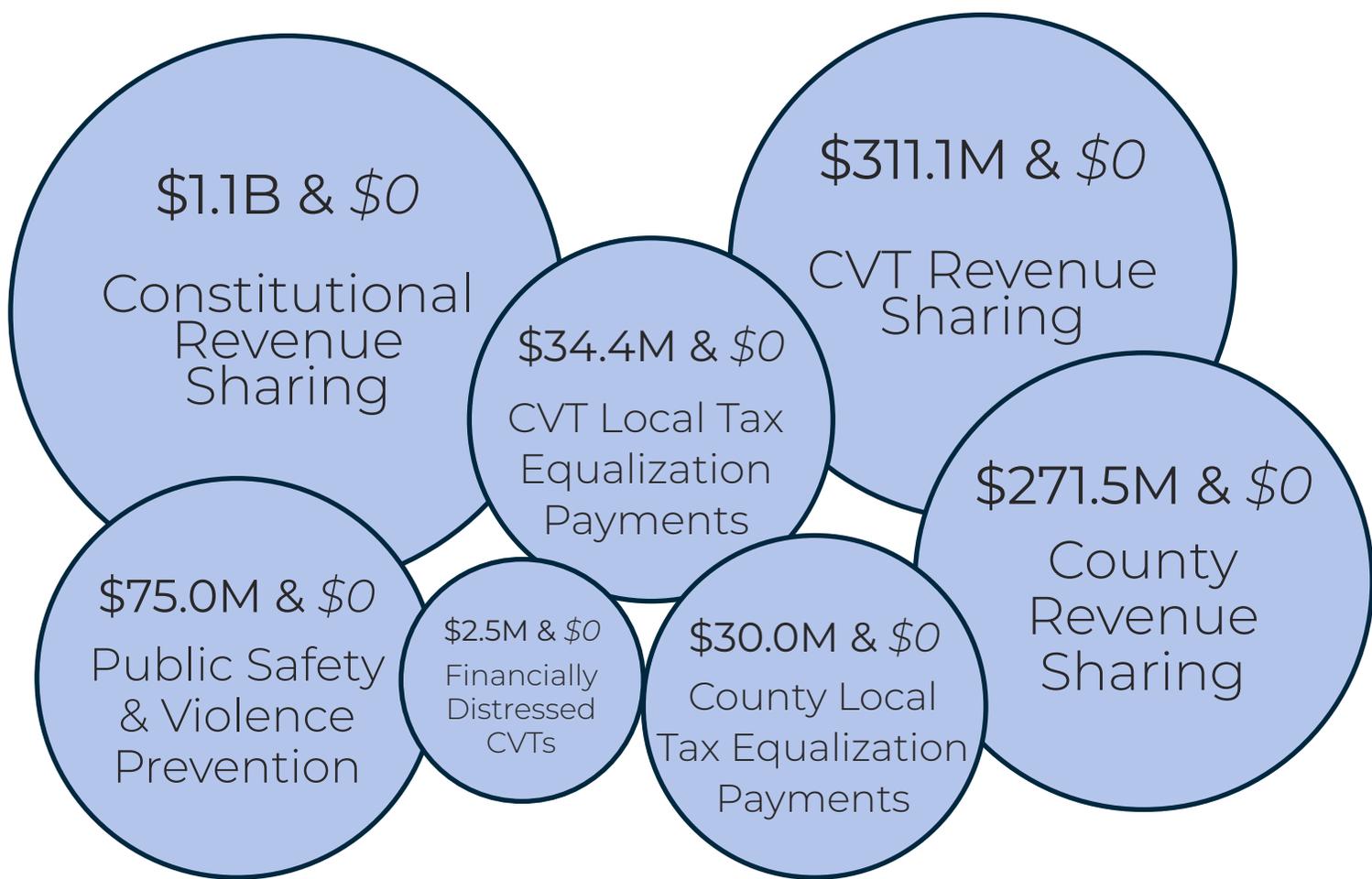


01

The proposed budget includes a 4.0% increase to 'baseline' statutory revenue sharing from current appropriations for both City, Village, and Township Revenue Sharing and County Revenue Sharing. The Local Tax Equalization Payments to both CVTs and counties remains at current appropriations. This results in an overall 3.6% increase to combined statutory appropriations to CVTs and Counties.

02

The proposed budget includes the constitutional revenue adjustment of 2.3% to account for the January Consensus Revenue Estimating Conference. The net change between statutory and constitutional revenue sharing is 2.7%.



: One-Time
 : Ongoing
 Gross GF/GP

REVENUE SHARING PAYMENTS

The Governor recommends revenue sharing payments totaling approximately \$1.8 billion in FY 2025-26, an increase of 2.7%, or \$47.1 million, from FY 2024-25 year-to-date appropriations. This increase is due to an estimated \$24.7 million increase in constitutional revenue sharing for CVTs. The Governor recommends a \$12.0 million increase in funding for combined CVT "statutory" revenue sharing and CVT local tax revitalization payments, and a \$10.4 million increase for combined county revenue sharing and county local tax revitalization payments. The Governor's recommendation is shown in [Table 22](#).

2.3%



Constitutional Revenue Sharing

The Governor's constitutional revenue sharing is estimated at \$1,099,028,600 for FY 2025-26 based on the January 2025 Consensus Revenue Estimate Conference. This would provide CVTs with a 2.3% increase in payments from the revised FY 2024-25 estimate. Constitutional revenue sharing pays CVTs 15.0% of sales tax collections at a rate of 4.0%. The funds are distributed on a per capita basis. Each CVT is projected to receive approximately \$109.4 per capita in FY 2025-26.

3.6%



CVT Revenue Sharing

The Governor proposes to increase CVT revenue sharing ("statutory") by 3.6% to \$345,512,400 in FY 2025-26. Of the total, \$311,091,500 would be CVT 'baseline' revenue sharing and \$34,420,900 would be CVT local tax equalization payments. City, village, and township 'baseline' revenue sharing is increased 4%, or \$11,965,100, for the local units that received revenue sharing payments in FY 2023-24. City, village, and township local tax equalization payments is the amount distributed through the three-factor formula, which was the total increase in FY 2024-25.

The FY 2025-26 budget continues a requirement that any CVT with an underfunded retirement benefit system (as defined in MCL 38.2805) dedicate 50% of the increase from FY 2024-25 to that retirement system.



3.6%



County Revenue Sharing

The Governor proposes to increase revenue sharing payments to counties by 3.6% to \$301,554,200 in FY 2025-26. Of the total, \$271,512,500 would be county 'baseline' revenue sharing and \$30,041,700 would be county local tax equalization payments. County 'baseline' revenue sharing is increased 4%, or \$10,442,800, from the amount received in FY 2024-25. The CVT local tax equalization payment is the amount distributed through the inverse taxable-value formula, which was the total increase in FY 2024-25.

The FY 2025-26 budget continues a requirement that any county with an underfunded retirement benefit system (as defined in MCL 38.2805) dedicate 50% of the increase from FY 2024-25 to that retirement system.

\$2.5M

Financially Distressed CVTs

The financially distressed CVTs grant program would maintain current funding at \$2.5 million.

\$75M

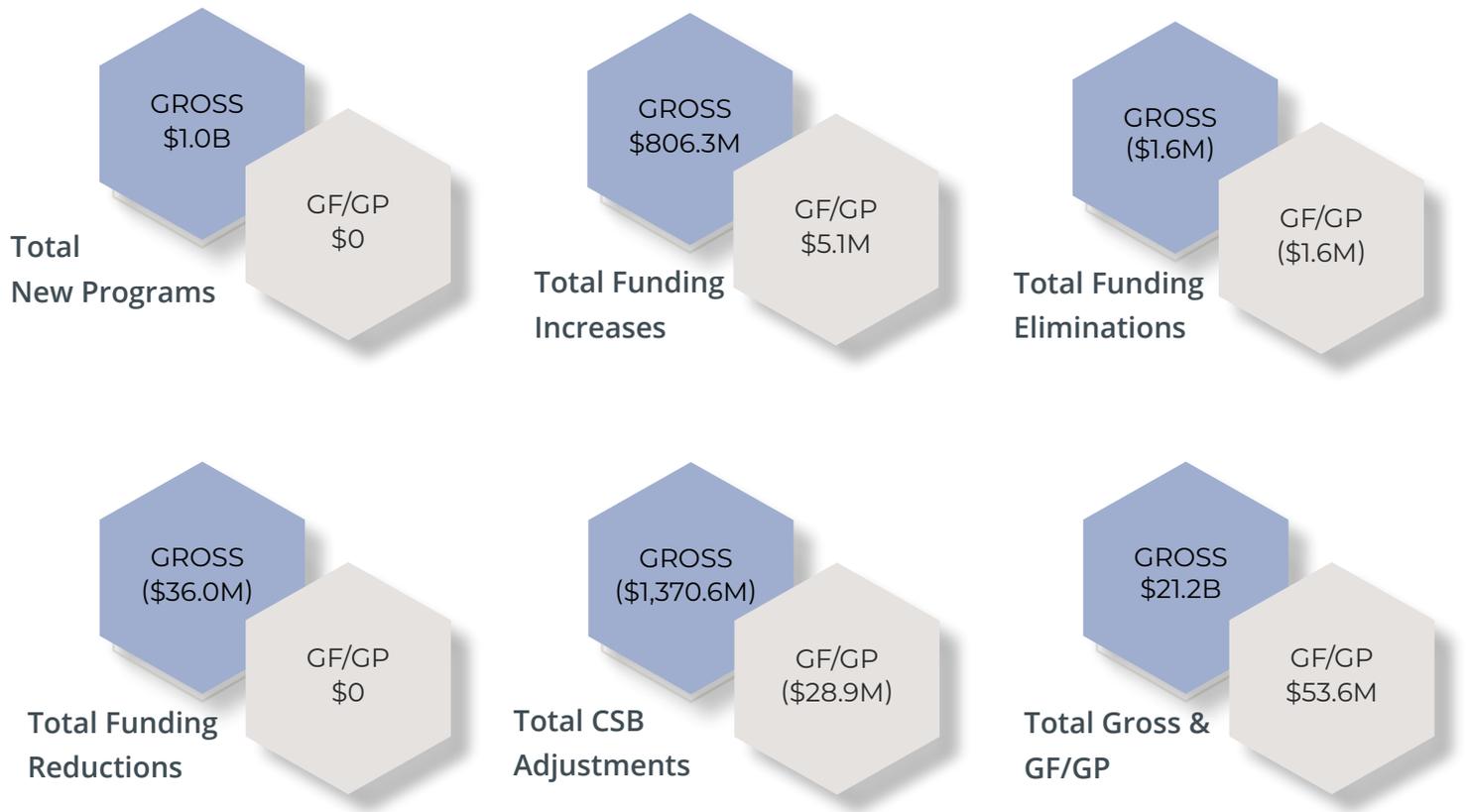
Public Safety and Violence Prevention

The Governor maintained the total appropriations for Public Safety and Violence Prevention at \$75.0 million. The fund source was changed from the Public Safety and Violence Prevention Fund to Sales Tax. The formula mirrors the distribution in House Bill 4606 from the 102nd Legislature, which was not enacted.



SCHOOL AID

Governor Whitmer's proposed FY 2025-26 budget increases funding by \$422.0 million Gross (\$25.3 million GF/GP reduction) when compared to the year-to-date FY 2024-25 School Aid budget. The proposed budget maintains many of the investments from the current year and adds new investments, including a 4.1% increase in the foundation allowance, an expansion of the Great Start Readiness Program (GSRP) to make eligibility completely universal, and increased early literacy funding. New programs include \$250.0 million for districts and intermediate school districts to implement effective targeted intervention supports for higher-need students and \$125.0 million to create new CTE programs.



SCHOOL AID CONTINUED



01

The Governor's budget recognizes \$591.5 million in increased costs due to the statutory reduction of the rate paid by MPSERS employers from 20.96% of payroll to 15.21% of payroll. The reduction increases the cost for the State to pay the MPSERS UAAL costs above the cap. The proposal offsets this increased cost by eliminating the \$598.0 million that was included in the FY 2024-25 budget to effectively offset MPSERS UAAL costs for employers.

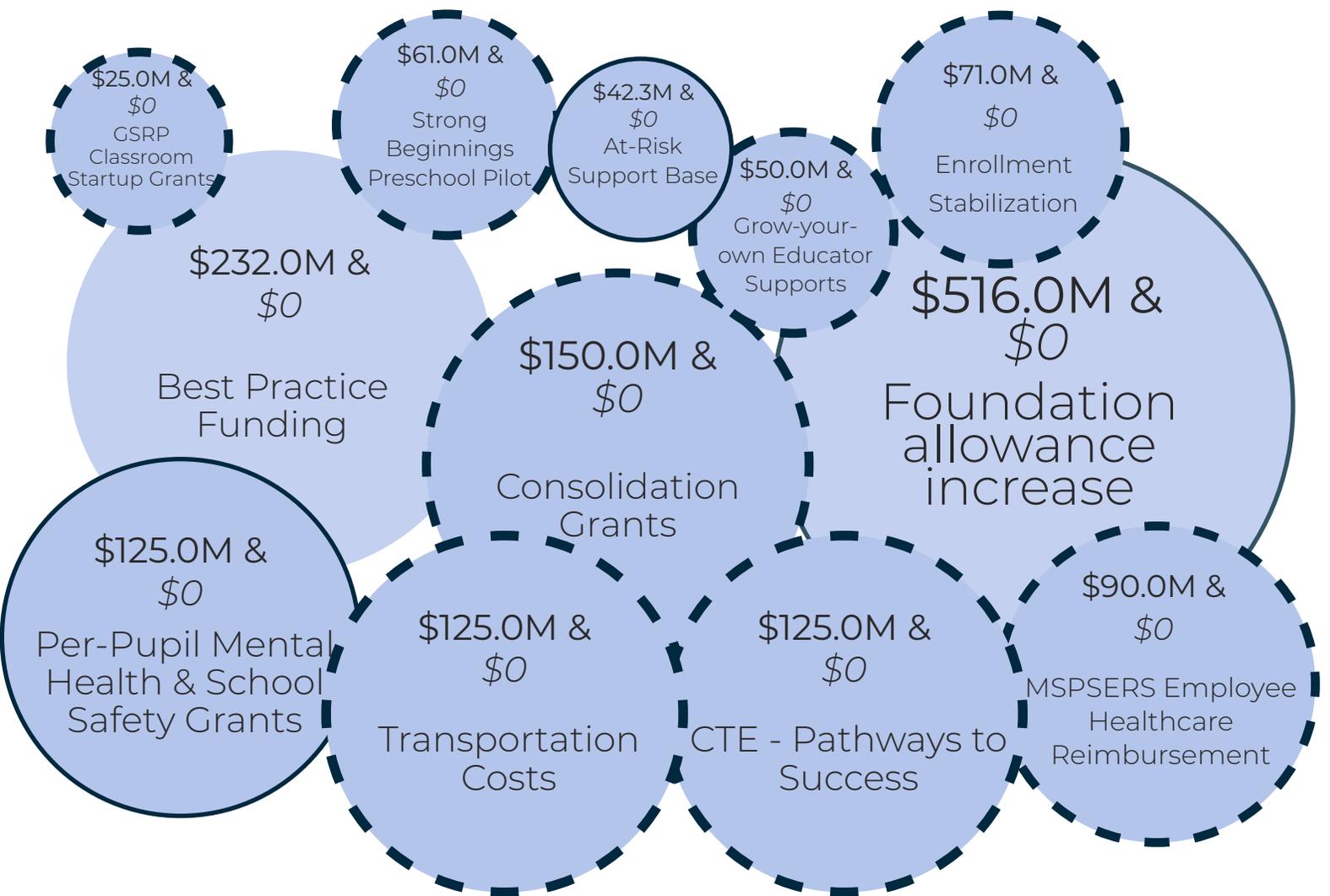
02

The Governor proposes to increase ongoing funding for per-pupil school safety and mental health grants by \$125.0 million, bringing total ongoing funding to \$150.0 million per year. The recommendation does not include any GF/GP funding; thus, nonpublic schools would not be eligible for funding.

03

The Governor's budget does not include funding to nonpublic schools for per-pupil mental health and school safety grants (\$1.5 million) and removes funding to nonpublic schools for reimbursement for health and safety mandates (\$1.0 million) and robotics programs (\$600,000).

The Governor's budget includes funding for new programs and increases to existing programs totaling \$1.8 billion Gross and \$5.1 million GF/GP. Of this funding, \$806.3 million Gross and \$5.1 million GF/GP is for ongoing requests; the remainder is one-time funding. The largest requests are the foundation allowance (\$516.0 million), best practices funding (\$232.0 million), consolidation grants (\$150.0 million), per-pupil mental health and school safety grants (\$125.0 million), CTE - pathways to success (startup grants, \$125.0 million), and transportation costs (\$125.0 million).



 : One-Time
 : Ongoing
 NO BORDER : One-Time & Ongoing
 Gross GF/GP



SUMMARY OF OTHER GENERAL APPROPRIATION ISSUES

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STATE EMPLOYEE COMPENSATION CHANGES

Article XI, Section 5 of the Michigan Constitution specifies that increases in the rates of compensation authorized by the Civil Service Commission require prior notice to the Governor, who then transmits the increases to the Legislature as part of the overall budget recommendation. Within 60 calendar days after transmission, the Legislature, by a two-thirds vote of the members elected and serving in each house, may reject or reduce the Commission's authorized increases. Legislative reductions must apply uniformly to all classes of employees, and the Legislature may not adjust pay differentials already established by the Commission. Compensation rates also may not be reduced below those in effect when the increases are transmitted to the Legislature.

On December 11, 2024, the Commission approved a two-year agreement for wages and benefits for employees who are exclusively represented by employee unions (AFSCME, MCO, MSEA, SEIU, and UAW) for FY 2025-26. The Commission approved a 3.0% base wage increase to become effective October 1, 2025, for most represented employees. All represented employees will continue to pay 20% of their health care premium costs.

The Commission also adopted a Coordinated Compensation Plan for nonexclusively represented State classified employees (NEREs) for FY 2025-26. Effective October 1, 2025, NEREs will receive a 3.0% base wage increase. Nonexclusively represented employees also will continue to pay 20% of their health insurance premiums in FY 2025-26. Michigan State Police (MSP) troopers and sergeants received a 20% base pay increase, while non-union MSP employees will receive a 3% base pay increase.

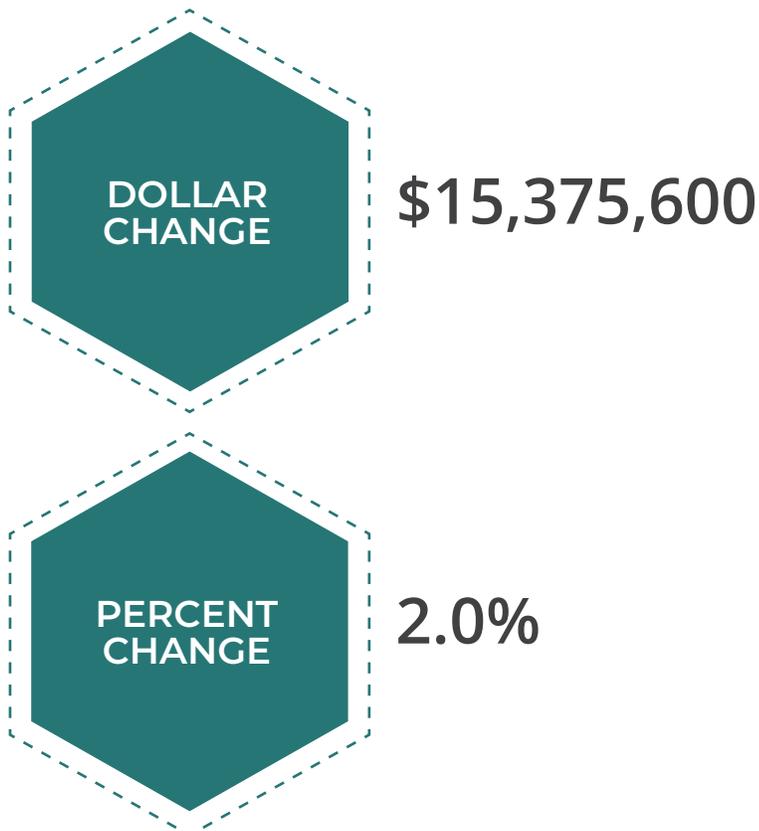
Table 23 provides a summary of the incremental State employee economic cost changes for FY 2025-26 recommended in the Governor's budget, including Adjusted Gross employee salary increases of \$147.9 million (\$91.9 million GF/GP). The State's portion of the cost of longevity payments and employee health insurance is estimated to increase by \$112.5 million (\$64.1 million GF/GP) for FY 2025-26. Retirement contributions, excluding payments for legacy pension costs, will increase \$28.3 million Adjusted Gross (\$17.6 million GF/GP). Other employee retirement costs (OERC), including legacy pension costs and retiree health care costs, total a negative \$117.7 million (negative \$57.8 million GF/GP). The total increase in worker's compensation and other economic costs is \$11.6 million Adjusted Gross (\$5.3 million GF/ GP). The total impact of economic adjustments for FY 2025-26 is an increase of \$182.7 million Gross and \$121.1 million GF/GP.

DEBT SERVICE ADJUSTMENTS

Table 24 provides a summary of debt service appropriations for FY 2025-26, including School Bond Loan Fund bonds in K-12 School Aid; debt service costs related to the Facility for Rare Isotope Beams and the Community College Skilled Trades Equipment Program appropriated in the Department of Labor and Economic Opportunity; State Building Authority rent payments appropriated in the Department of Technology, Management, and Budget; various transportation-related bonds in the Michigan Department of Transportation (MDOT); and general obligation bonds and the Flint Settlement Bond in the Department of Treasury. Gross appropriations for debt service on these bonds total \$767.2 million for FY 2025-26. This represents a \$15.4 million 2.0% increase from the \$751.9 million in debt service appropriations for FY 2024-25.

DEBT SERVICE APPROPRIATIONS

FY 2025-26 COMPARED WITH FY 2024-25





TOBACCO SETTLEMENT REVENUE AND APPROPRIATIONS

In 1998, a Master Settlement Agreement was reached between 46 states, including Michigan, and certain United States tobacco manufacturers, to provide annual payments to states. The payments began in 2000 and will continue in perpetuity. As [Table 25](#) illustrates, there are several transfers out of the tobacco settlement revenue before it is deposited into the Merit Award Trust Fund, where it is available for appropriation by the Legislature.

Pursuant to law, \$75.0 million of the tobacco settlement revenue is earmarked each fiscal year, from FY 2007-08 through FY 2026-27, for the 21st Century Jobs Trust Fund. Also pursuant to law, \$17.5 million of the tobacco settlement revenue is deposited each fiscal year, from FY 2014-15 through FY 2034-35, into the BSF as repayment for an FY 2013-14 State appropriation of \$194.8 million to the Settlement Administration Fund to help mitigate the impact of the City of Detroit bankruptcy on its pensioners. The Governor's budget proposes to end this deposit. (A statutory earmark for the Community District Trust Fund to implement a new system of funding for Detroit Public Schools saw fiscal year 2024-25 as the last year of this earmark.)

The other transfer of funds from tobacco settlement revenue is for debt service on the securitization of a portion of the tobacco settlement revenue in 2006 and 2007. Under the Governor's proposal, there would be an estimated FY 2025-26 year-end balance of \$15.4 million in the Merit Award Trust Fund.

FY 2024-25 YEAR-TO-DATE



FY 2025-26 GOV'S REC.



BUDGET STABILIZATION FUND

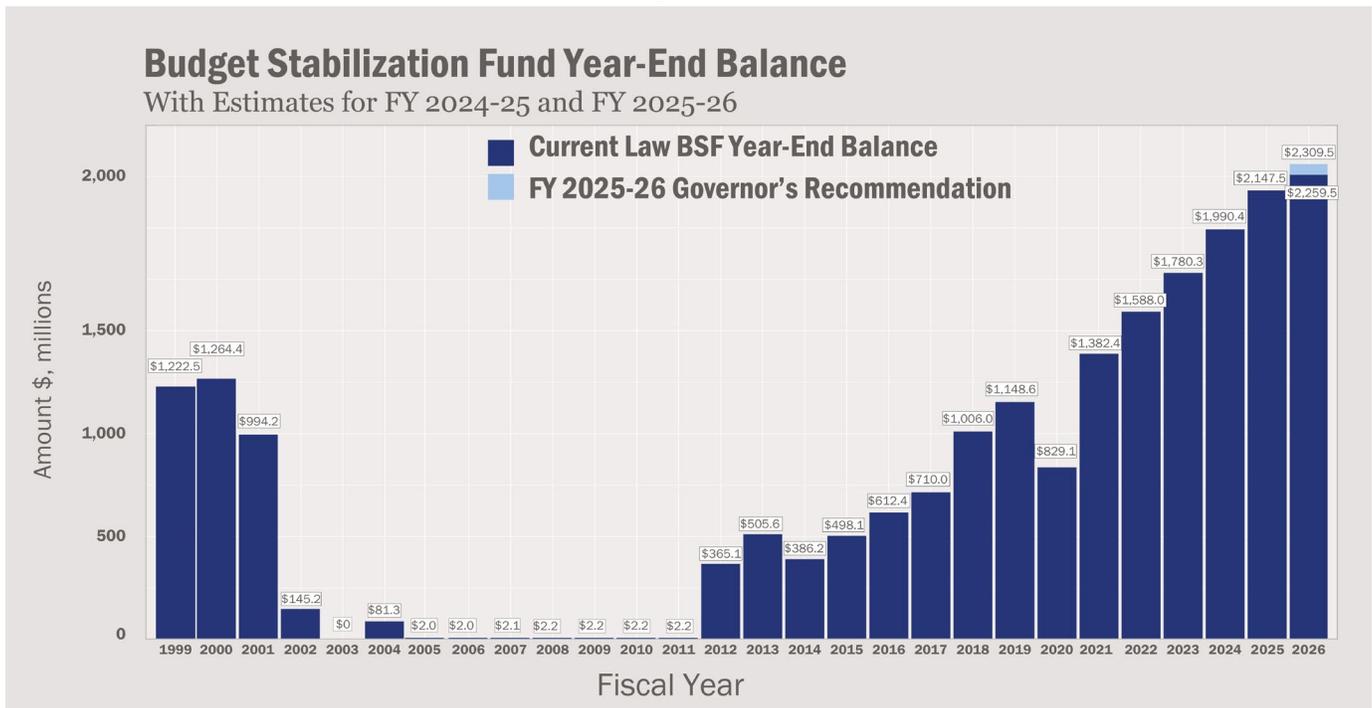
The Budget Stabilization Fund (BSF) is the State's "Rainy Day" fund or cash reserve. In years of economic growth, deposits may be made to the Fund, and in years of recession, money may be withdrawn to cushion the budgetary impact of declining State revenue. Statutory formulas direct the amount of the pay-in or pay-out from the BSF; however, the Legislature has the authority to appropriate the formula amount or a different amount.

The BSF balance was estimated to be \$1,990.4 million at the close of FY 2023-24. The Michigan Trust Fund Act requires the deposit of \$17.5 million from tobacco settlement revenue into the BSF each year from FY 2014-15 to FY 2034-35. Transfers to the Trust Fund Act then reimburse the BSF for a \$194.8 million withdrawal in FY 2013-14 related to the Detroit bankruptcy settlement. Based on the appropriated deposits and estimated interest earnings, the BSF balance at the close of FY 2024-25 is estimated at \$2,147.5 million. Assuming no further deposits or withdrawals and estimated interest earnings, the BSF balance at the close of FY 2025-26 is estimated to be \$2,259.5 million.

The Governor recommended a deposit of \$50.0 million to the BSF in FY 2025-26. If this deposit were enacted, it would bring the closing balance estimate for FY 2025-26 up to \$2,309.5 million.

The history of the BSF year-end balances and the estimates for FY 2024-25 and FY 2025-26 are shown in the figure below.

Figure 1





FY 2024-25 SUPPLEMENTAL REQUESTS

FY 2024-25 **SUPPLEMENTAL REQUESTS**

In addition to the Executive Budget recommendations for FY 2024-25 and budget projections for FY 2025-26, Governor Whitmer also recommended a number of current year, FY 2024-25, supplementals. These supplementals, supplemental requests 2025-1 through 2025-3, represent proposed alterations to the current-year budget. As noted in Table B in the introduction, these three supplemental requests propose to increase current year spending by \$497.5 million Gross, of which \$104.4 million is Federal, \$700,000 is savings in State Restricted funds, and \$380.4 million is GF/GP. A listing of supplemental requests delivered with the FY 2025-26 Executive Recommendation, by department, are included in [Table 26](#).



MISCELLANEOUS

PROPOSED FEE ADJUSTMENTS

There are seven fees proposed to increase that are part of the FY 2025-26 budget request, totaling \$141.4 million. In addition, the Governor is proposing to amend the statutes related to those fees. [Tables 27](#) and [28](#) itemize the proposed fee adjustments found in the Governor's recommended budget for FY 2025-26. There are several other fees proposed for adjustments beginning in FY 2026-27.



BALANCE SHEET

In the Appendix, [Tables 9](#) and [10](#) present the GF/GP and SAF balance sheets for FY 2024-25 and FY 2025-26. The balance sheets presented here reflect year-to-date spending (as of February 5, 2024) as well as the School Aid supplemental enacted in Fall 2024 and the Governor's proposed supplementals.

The balance sheets include the impact of the proposed vaping tax and other miscellaneous revenue adjustments. Combining all of the above (i.e., assuming the entirety of the Governor's budget recommendation with the estimates of the caregiver tax credit and other revenue adjustments), the estimated balance for GF/GP at the end of FY 2025-26 would be \$43.7 million, while SAF would be \$18.4 million. Differences in actual FY 2023-24 book-closing adjustments compared to estimates, how an enacted budget would compare to the Governor's recommendation, supplemental or policy changes enacted during 2025, and adjustments to revenue at the May 2025 CREC (as well as how actual revenue differs from estimates) all would affect those ending balance estimates.

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APPENDIX

Table 1

FY 2025-26 GOVERNOR'S RECOMMENDATION BY SOURCE OF FUNDS							
Department/Budget Area	Gross	IDGs	Adjusted Gross	Federal	Local & Private	State Restricted	General Fund/ General Purpose
Agriculture & Rural Development	\$158,310,500	\$336,600	\$157,973,900	\$20,079,600	\$0	\$51,972,400	\$85,921,900
Attorney General	132,355,700	39,381,700	92,974,000	10,567,200	950,000	22,678,800	58,778,000
Capital Outlay	0	0	0	0	0	0	0
Civil Rights	30,781,400	0	30,781,400	2,899,300	18,700	58,500	27,804,900
Community Colleges	496,689,600	0	496,689,600	0	0	496,689,600	0
Corrections	2,218,974,900	0	2,218,974,900	5,203,700	12,122,000	30,304,100	2,171,345,100
Education	164,922,700	0	164,922,700	83,575,100	8,431,700	10,193,800	62,722,100
Environment, Great Lakes, & Energy	1,186,823,100	4,129,100	1,182,694,000	464,268,500	1,404,200	420,631,500	296,389,800
Executive	9,609,200	0	9,609,200	0	0	0	9,609,200
Health & Human Services	39,151,858,800	15,448,000	39,136,410,800	27,369,656,600	370,555,500	4,030,240,400	7,365,958,300
Higher Education	2,378,853,300	0	2,378,853,300	3,200,000	0	550,768,300	1,824,885,000
Insurance & Financial Services	80,255,600	763,800	79,491,800	250,000	0	79,241,800	0
Judiciary	395,013,600	1,902,300	393,111,300	7,270,900	1,906,400	96,645,800	287,288,200
Labor & Economic Opportunity	1,886,132,100	0	1,886,132,100	1,227,473,300	23,288,200	312,373,900	322,996,700
Legislature	235,755,400	7,555,600	228,199,800	0	481,700	8,134,500	219,583,600
Licensing & Regulatory Affairs	650,640,500	30,192,600	620,447,900	34,478,800	0	284,429,800	301,539,300
Lifelong Educ., Adv., & Potential	736,217,000	0	736,217,000	506,428,200	1,000,000	1,880,000	226,908,800
Military & Veterans Affairs	293,080,100	101,800	292,978,300	148,840,000	100,000	12,953,500	131,084,800
Natural Resources	604,529,700	208,100	604,321,600	100,214,800	7,609,200	408,296,400	88,201,200
Natural Resources (Trust Fund)	0	0	0	0	0	0	0
School Aid	21,192,282,600	0	21,192,282,600	2,407,708,500	0	18,730,998,000	53,576,100
State	296,597,400	20,000,000	276,597,400	1,460,000	50,100	262,935,500	12,151,800
State Police	992,034,300	29,030,200	963,004,100	101,314,700	5,070,600	182,336,000	674,282,800
Technology, Mgt., & Budget	1,916,364,900	1,152,596,000	763,768,900	4,393,300	2,589,500	142,450,700	614,335,400
Transportation	6,841,109,700	4,366,200	6,836,743,500	2,329,605,500	106,248,500	4,288,705,600	112,183,900
Treasury (Debt Service)	94,881,000	0	94,881,000	0	0	0	94,881,000
Treasury (Operations)	871,376,400	11,815,100	859,561,300	25,254,000	18,531,900	587,844,600	227,930,800
Treasury (Revenue Sharing)	1,823,595,000	0	1,823,595,000	0	0	1,823,595,000	0
TOTAL APPROPRIATIONS	\$84,839,044,500	\$1,317,827,100	\$83,521,217,400	\$34,854,142,000	\$560,358,200	\$32,836,358,500	\$15,270,358,700

Table 2

ADJUSTED GROSS APPROPRIATIONS				
FY 2024-25 YEAR-TO-DATE VERSUS FY 2025-26 GOVERNOR'S RECOMMENDATION				
Department/Budget Area	FY 2024-25 Year-to-Date Appropriations*	FY 2025-26 Governor's Recommendation	Dollar Difference	Percent Change
Agriculture & Rural Development	\$156,606,500	\$157,973,900	\$1,367,400	0.9%
Attorney General	90,281,100	92,974,000	2,692,900	3.0
Capital Outlay	0	0	0	0.0
Civil Rights.....	29,163,500	30,781,400	1,617,900	5.5
Community Colleges	462,220,800	496,689,600	34,468,800	7.5
Corrections	2,147,379,000	2,218,974,900	71,595,900	3.3
Education.....	164,975,100	164,922,700	(52,400)	(0.0)
Environment, Great Lakes, & Energy	1,035,012,700	1,182,694,000	147,681,300	14.3
Executive	9,337,100	9,609,200	272,100	2.9
Health & Human Services	37,631,523,200	39,136,410,800	1,504,887,600	4.0
Higher Education	2,324,292,600	2,378,853,300	54,560,700	2.3
Insurance & Financial Services	77,867,900	79,491,800	1,623,900	2.1
Judiciary.....	371,039,100	393,111,300	22,072,200	5.9
Labor & Economic Opportunity	2,669,494,500	1,886,132,100	(783,362,400)	(29.3)
Legislature	224,546,200	228,199,800	3,653,600	1.6
Licensing & Regulatory Affairs	621,056,200	620,447,900	(608,300)	(0.1)
Lifelong Educ., Adv., & Potential	643,994,200	736,217,000	92,222,800	14.3
Military & Veterans Affairs	275,802,300	292,978,300	17,176,000	6.2
Natural Resources.....	534,372,800	604,321,600	69,948,800	13.1
Natural Resources (Trust Fund)	0	0	0	0.0
School Aid.....	20,770,275,400	21,192,282,600	422,007,200	2.0
State	271,839,900	276,597,400	4,757,500	1.8
State Police	925,918,700	963,004,100	37,085,400	4.0
Technology, Management, & Budget	676,977,000	763,768,900	86,791,900	12.8
Transportation	6,803,583,600	6,836,743,500	33,159,900	0.5
Treasury (Debt Service)	95,087,000	94,881,000	(206,000)	(0.2)
Treasury (Operations)	821,484,600	859,561,300	38,076,700	4.6
Treasury (Revenue Sharing)	1,776,510,700	1,823,595,000	47,084,300	2.7
TOTAL APPROPRIATIONS	\$81,610,641,700	\$83,521,217,400	\$1,910,575,700	2.3%

*As of February 5, 2025

Table 3

**STATE SPENDING FROM STATE RESOURCES APPROPRIATIONS
FY 2024-25 YEAR-TO-DATE VERSUS FY 2025-26 GOVERNOR'S RECOMMENDATION**

Department/Budget Area	FY 2024-25 Year-to-Date Appropriations*	FY 2025-26 Governor's Recommendation	Dollar Difference	Percent Change
Agriculture & Rural Development	\$136,227,300	\$137,894,300	\$1,667,000	1.2%
Attorney General	79,889,500	81,456,800	1,567,300	2.0
Capital Outlay	0	0	0	0.0
Civil Rights.....	26,253,900	27,863,400	1,609,500	6.1
Community Colleges	462,220,800	496,689,600	34,468,800	7.5
Corrections	2,130,504,500	2,201,649,200	71,144,700	3.3
Education.....	74,013,900	72,915,900	(1,098,000)	(1.5)
Environment, Great Lakes, & Energy	569,859,600	717,021,300	147,161,700	25.8
Executive	9,337,100	9,609,200	272,100	2.9
Health & Human Services	10,639,253,500	11,396,198,700	756,945,200	7.1
Higher Education	2,321,092,600	2,375,653,300	54,560,700	2.4
Insurance & Financial Services	77,167,900	79,241,800	2,073,900	2.7
Judiciary.....	362,001,200	383,934,000	21,932,800	6.1
Labor & Economic Opportunity	1,455,044,100	635,370,600	(819,673,500)	(56.3)
Legislature	224,078,500	227,718,100	3,639,600	1.6
Licensing & Regulatory Affairs	590,584,900	585,969,100	(4,615,800)	(0.8)
Lifelong Educ., Adv., & Potential	138,353,200	228,788,800	90,435,600	65.4
Military & Veterans Affairs	130,915,500	144,038,300	13,122,800	10.0
Natural Resources.....	430,622,900	496,497,600	65,874,700	15.3
Natural Resources (Trust Fund)	0	0	0	0.0
School Aid.....	18,497,481,900	18,784,574,100	287,092,200	1.6
State	270,329,800	275,087,300	4,757,500	1.8
State Police	821,845,300	856,618,800	34,773,500	4.2
Technology, Management, & Budget	670,060,500	756,786,100	86,725,600	12.9
Transportation	4,423,660,000	4,400,889,500	(22,770,500)	(0.5)
Treasury (Debt Service)	95,087,000	94,881,000	(206,000)	(0.2)
Treasury (Operations)	781,229,500	815,775,400	34,545,900	4.4
Treasury (Revenue Sharing)	1,776,510,700	1,823,595,000	47,084,300	2.7
TOTAL APPROPRIATIONS	\$47,193,625,600	\$48,106,717,200	\$913,091,600	1.9%

*As of February 5, 2025

Table 4

GENERAL FUND/GENERAL PURPOSE APPROPRIATIONS				
FY 2024-25 YEAR-TO-DATE VERSUS FY 2025-26 GOVERNOR'S RECOMMENDATION				
Department/Budget Area	FY 2024-25 Year-to-Date Appropriations*	FY 2025-26 Governor's Recommendation	Dollar Difference	Percent Change
Agriculture & Rural Development	\$89,056,400	\$85,921,900	(\$3,134,500)	(3.5%)
Attorney General	57,409,100	58,778,000	1,368,900	2.4
Capital Outlay	0	0	0	0.0
Civil Rights.....	26,195,400	27,804,900	1,609,500	6.1
Community Colleges	500,000	0	(500,000)	(100.0)
Corrections	2,097,010,100	2,171,345,100	74,335,000	3.5
Education.....	63,896,100	62,722,100	(1,174,000)	(1.8)
Environment, Great Lakes, & Energy	260,710,300	296,389,800	35,679,500	13.7
Executive	9,337,100	9,609,200	272,100	2.9
Health & Human Services	6,717,231,000	7,365,958,300	648,727,300	9.7
Higher Education	1,859,424,300	1,824,885,000	(34,539,300)	(1.9)
Insurance & Financial Services	0	0	0	0.0
Judiciary.....	266,113,900	287,288,200	21,174,300	8.0
Labor & Economic Opportunity	793,569,400	322,996,700	(470,572,700)	(59.3)
Legislature	216,180,100	219,583,600	3,403,500	1.6
Licensing & Regulatory Affairs	308,605,700	301,539,300	(7,066,400)	(2.3)
Lifelong Educ., Adv., & Potential	136,489,300	226,908,800	90,419,500	66.2
Military & Veterans Affairs	117,694,100	131,084,800	13,390,700	11.4
Natural Resources.....	76,757,000	88,201,200	11,444,200	14.9
Natural Resources (Trust Fund)	0	0	0	0.0
School Aid.....	78,830,600	53,576,100	(25,254,500)	(32.0)
State	11,969,100	12,151,800	182,700	1.5
State Police	646,861,000	674,282,800	27,421,800	4.2
Technology, Management, & Budget	539,964,000	614,335,400	74,371,400	13.8
Transportation	193,000,000	112,183,900	(80,816,100)	(41.9)
Treasury (Debt Service)	95,087,000	94,881,000	(206,000)	(0.2)
Treasury (Operations)	213,568,700	227,930,800	14,362,100	6.7
Treasury (Revenue Sharing)	0	0	0	0.0
TOTAL APPROPRIATIONS	\$14,875,459,700	\$15,270,358,700	\$394,899,000	2.7%

*As of February 5, 2025

Table 5

FULL-TIME EQUATED CLASSIFIED POSITIONS				
FY 2024-25 YEAR-TO-DATE VERSUS FY 2025-26 GOVERNOR'S RECOMMENDATION				
Department/Budget Area	FY 2024-25 Year-to-Date Appropriations*	FY 2025-26 Governor's Recommendation	Position Change	Percent Change
Agriculture & Rural Development.....	550.0	583.0	33.0	6.0%
Attorney General	621.4	629.4	8.0	1.3
Civil Rights.....	169.0	171.0	2.0	1.2
Corrections	13,211.0	13,210.0	(1.0)	(0.0)
Education.....	568.5	581.5	13.0	2.3
Environment, Great Lakes, & Energy	1,646.0	1,780.0	134.0	8.1
Executive	86.2	86.2	0.0	0.0
Health & Human Services	15,935.5	16,358.5	423.0	2.7
Insurance & Financial Services.....	398.5	403.5	5.0	1.3
Judiciary.....	643.5	684.5	41.0	6.4
Labor & Economic Opportunity	2,637.0	2,650.0	13.0	0.5
Licensing & Regulatory Affairs	1,791.0	1,827.0	36.0	2.0
Lifelong Educ., Adv., & Potential.....	337.0	348.0	11.0	3.3
Military & Veterans Affairs.....	1,051.0	1,056.0	5.0	0.5
Natural Resources.....	2,539.3	2,629.1	89.8	3.5
State	1,629.0	1,629.0	0.0	0.0
State Police	3,849.0	3,864.0	15.0	0.4
Technology, Management, & Budget.....	3,243.5	3,263.5	20.0	0.6
Transportation	3,222.3	3,229.3	7.0	0.2
Treasury (Operations)	2,002.5	2,030.5	28.0	1.4
TOTAL POSITIONS	56,131.2	57,014.0	882.8	1.6%

Note: Full-time Equated classified positions include exempt positions in Judiciary.

*As of February 5, 2025

Table 6

FY 2025-26 GOVERNOR'S RECOMMENDATION ONE-TIME APPROPRIATIONS BY SOURCE OF FUNDS					
Department/Budget Area	Adjusted Gross	Federal Funds	Local & Private	State Restricted	General Fund/ General Purpose
Agriculture & Rural Development.....	\$700,000	\$0	\$0	\$0	\$700,000
Attorney General.....	0	0	0	0	0
Capital Outlay.....	0	0	0	0	0
Civil Rights.....	0	0	0	0	0
Community Colleges.....	0	0	0	0	0
Corrections.....	5,446,400	0	0	0	5,446,400
Education.....	0	0	0	0	0
Environment, Great Lakes, & Energy.....	106,000,000	0	0	0	106,000,000
Executive.....	0	0	0	0	0
Health & Human Services.....	127,564,100	200,000	0	15,000,000	112,364,100
Higher Education.....	0	0	0	0	0
Insurance & Financial Services.....	0	0	0	0	0
Judiciary.....	0	0	0	0	0
Labor & Economic Opportunity.....	83,500,000	0	0	0	83,500,000
Legislature.....	0	0	0	0	0
Licensing & Regulatory Affairs.....	0	0	0	0	0
Lifelong Educ., Adv., & Potential.....	65,000,000	0	0	0	65,000,000
Military & Veterans Affairs.....	31,000,000	0	0	0	31,000,000
Natural Resources.....	21,391,800	0	0	0	21,391,800
Natural Resources (Trust Fund).....	0	0	0	0	0
School Aid.....	862,800,000	0	0	860,000,000	2,800,000
State.....	0	0	0	0	0
State Police.....	0	0	0	0	0
Technology, Management, & Budget.....	82,600,000	0	0	0	82,600,000
Transportation.....	119,833,900	0	0	7,650,000	112,183,900
Treasury (Debt Service).....	0	0	0	0	0
Treasury (Operations).....	28,750,000	0	3,000,000	0	25,750,000
Treasury (Revenue Sharing).....	0	0	0	0	0
TOTAL APPROPRIATIONS.....	\$1,534,586,200	\$200,000	\$3,000,000	\$882,650,000	\$648,736,200

Table 7

FY 2025-26 GOVERNOR'S RECOMMENDATION ONE-TIME APPROPRIATIONS BY FUND SOURCE				
Budget Area/Program	Gross	Federal	State Restricted	GF/GP
Agriculture & Rural Development				
Plant, soil, and peat diagnosis.....	\$700,000	\$0	\$0	\$700,000
Total - Agriculture & Rural Development	\$700,000	\$0	\$0	\$700,000
Corrections				
Correctional facility count and callout automation	\$3,446,400	\$0	\$0	\$3,446,400
Transitional housing development project.....	2,000,000	0	0	2,000,000
Total - Corrections.....	\$5,446,400	\$0	\$0	\$5,446,400
Environment, Great Lakes, and Energy				
Lead service line replacement	\$50,000,000	\$0	\$0	\$50,000,000
Document management modernization	39,000,000	0	0	39,000,000
Deploying electric charging infrastructure	10,000,000	0	0	10,000,000
Septic system database	7,000,000	0	0	7,000,000
Total - Environment, Great Lakes, & Energy	\$106,000,000	\$0	\$0	\$106,000,000
Health and Human Services				
State psych disproportionate share hospital disallowance penalty	\$78,664,100	\$0	\$0	\$78,664,100
Energy bill payment assistance	25,000,000	0	0	25,000,000
Opioid response activities	15,000,000	0	15,000,000	0
Water bill payment assistance.....	6,000,000	0	0	6,000,000
First responder and public safety mental health	2,500,000	0	0	2,500,000
Medicaid continuous eligibility coverage for children	400,000	200,000	0	200,000
Total - Health & Human Services	\$127,564,100	\$200,000	\$15,000,000	\$112,364,100
Labor and Economic Opportunity				
Employer assisted housing financing program.....	\$25,000,000	\$0	\$0	\$25,000,000
Statewide registered apprenticeships	19,000,000	0	0	19,000,000
Talent action teams	10,000,000	0	0	10,000,000
Growth Programming and Initiatives	10,000,000	0	0	10,000,000
Small business support hubs.....	10,000,000	0	0	10,000,000
Removing barriers to work.....	7,500,000	0	0	7,500,000
Office of rural prosperity	1,000,000	0	0	1,000,000
Focus: HOPE.....	1,000,000	0	0	1,000,000
Total - Labor & Economic Opportunity	\$83,500,000	\$0	\$0	\$83,500,000
Lifelong Education, Advancement, & Potential				
Child care prepayment and services expansion/federal required	\$50,000,000	\$0	\$0	\$50,000,000
College success fund wrap-around grants	15,000,000	0	0	15,000,000
Total - Lifelong Education, Advancement, & Potential.....	\$65,000,000	\$0	\$0	\$65,000,000
Military and Veterans Affairs				
Selfridge Air National Guard Base	\$26,000,000	\$0	\$0	\$26,000,000
State veterans cemetery.....	5,000,000	0	0	5,000,000
Total - Military & Veterans Affairs	\$31,000,000	\$0	\$0	\$31,000,000

FY 2025-26 GOVERNOR'S RECOMMENDATION ONE-TIME APPROPRIATIONS BY FUND SOURCE

Budget Area/Program	Gross	Federal	State Restricted	GF/GP
Natural Resources				
Capital Outlay - Dam safety, management, and removal	\$15,000,000	\$0	\$0	\$15,000,000
Enterprise asset management system	6,391,800	0	0	6,391,800
Total - Natural Resources	\$21,391,800	\$0	\$0	\$21,391,800
School Aid				
Consolidation grants	\$150,000,000	\$0	\$150,000,000	\$0
Best practices funding	125,000,000	0	125,000,000	0
CTE - pathways to success	125,000,000	0	125,000,000	0
Transportation costs (continued from FY 2024-25)	125,000,000	0	125,000,000	0
MPERSERS employee healthcare reimbursement (continued from FY 2024-25) ...	90,000,000	0	90,000,000	0
Enrollment stabilization (continued from FY 2024-25)	71,000,000	0	71,000,000	0
Strong Beginnings preschool pilot (previously funded in FY 2023-24)	61,000,000	0	61,000,000	0
Grow-your-own educator supports (previously funded in FY 2022-23)	50,000,000	0	50,000,000	0
GSRP classroom startup grants (continued from FY 2024-25)	25,000,000	0	25,000,000	0
CTE equipment grants (previously funded in FY 2023-24)	20,000,000	0	20,000,000	0
GSRP transportation (continued from FY 2024-25)	18,000,000	0	18,000,000	0
Michigan virtual high school (continued from FY 2024-25)	1,800,000	0	0	1,800,000
College and career readiness tools (MCAN) (continued from FY 2024-25) ..	1,000,000	0	0	1,000,000
Total - School Aid	\$862,800,000	\$0	\$860,000,000	\$2,800,000
Technology, Management, and Budget				
Information technology investment fund	\$42,600,000	\$0	\$0	\$42,600,000
Enterprise wide special maintenance	25,000,000	0	0	25,000,000
Self-insured property fund	10,000,000	0	0	10,000,000
Energy efficiency revolving fund	5,000,000	0	0	5,000,000
Total - Technology, Management, & Budget	\$82,600,000	\$0	\$0	\$82,600,000
Transportation				
Match every federal dollar	\$112,183,900	\$0	\$0	\$112,183,900
Road user charge study	7,650,000	0	7,650,000	0
Total - Transportation	\$119,833,900	\$0	\$7,650,000	\$112,183,900
Treasury-Operations				
Hazardous arc wiring removal	\$25,000,000	\$0	\$0	\$25,000,000
Mi financial empowerment	3,000,000	0	0	0
Predictive analytics	750,000	0	0	750,000
Total - Treasury - Operations	\$28,750,000	\$0	\$0	\$25,750,000
TOTAL ONE-TIME BUDGET AREA APPROPRIATIONS	\$1,534,586,200	\$200,000	\$882,650,000	\$648,736,200

Table 8

STATE PAYMENTS TO LOCAL UNITS OF GOVERNMENT FY 2024-25 YEAR-TO-DATE VERSUS FY 2025-26 GOVERNOR'S RECOMMENDATION				
Department/Budget Area	FY 2024-25 Year-to-Date Appropriations*	FY 2025-26 Governor's Recommendation	Dollar Difference	Percent Change
Agriculture & Rural Development	\$8,800,000	\$13,400,000	\$4,600,000	52.3%
Attorney General	0	0	0	0.0
Capital Outlay	0	0	0	0.0
Civil Rights.....	0	0	0	0.0
Community Colleges	461,720,800	496,689,600	34,968,800	7.6
Corrections	123,656,000	122,292,500	(1,363,500)	(1.1)
Education.....	19,242,700	18,917,700	(325,000)	(1.7)
Environment, Great Lakes, & Energy	108,933,300	105,673,300	(3,260,000)	(3.0)
Executive	0	0	0	0.0
Health & Human Services	2,032,618,200	1,944,954,500	(87,663,700)	(4.3)
Higher Education	70,000	0	(70,000)	(100.0)
Insurance & Financial Services	0	0	0	0.0
Judiciary.....	153,885,500	153,722,900	(162,600)	(0.1)
Labor & Economic Opportunity	75,654,900	72,943,700	(2,711,200)	(3.6)
Legislature	0	0	0	0.0
Licensing & Regulatory Affairs	280,345,300	280,345,300	0	0.0
Lifelong Educ., Adv., & Potential	500,000	7,500,000	7,000,000	1,400.0
Military & Veterans Affairs	4,174,700	4,178,000	3,300	0.1
Natural Resources.....	14,253,000	16,723,100	2,470,100	17.3
Natural Resources (Trust Fund)	0	0	0	0.0
School Aid.....	17,054,443,900	17,363,633,000	309,189,100	1.8
State	11,715,900	11,715,900	0	0.0
State Police	64,141,500	40,441,500	(23,700,000)	(36.9)
Technology, Management, & Budget	1,000,000	1,000,000	0	0.0
Transportation	2,507,859,400	2,533,577,200	25,717,800	1.0
Treasury (Debt Service)	0	0	0	0.0
Treasury (Operations)	352,364,800	381,107,800	28,743,000	8.2
Treasury (Revenue Sharing)	1,776,510,700	1,822,095,000	45,584,300	2.6
TOTAL APPROPRIATIONS	\$25,051,890,600	\$25,390,911,000	\$339,020,400	1.4%

*As of February 5, 2025

Table 9

GOVERNOR'S RECOMMENDATION GENERAL FUND/GENERAL PURPOSE (GF/GP) REVENUE, EXPENDITURES, AND YEAR-END BALANCE ESTIMATES (millions of dollars)		
	YTD and Gov's Rec FY 2024-25	Executive Recommendation FY 2025-26
Revenue:		
Beginning Balance	\$2,086.1	\$753.6
<u>Ongoing Revenue:</u>		
Adjusted CREC Revenue (January 2025)	\$15,265.5	\$15,477.7
<u>Other Ongoing Revenue Adjustments:</u>		
R&D Tax Credit	\$0.0	(\$100.0)
Public Safety Trust Fund	(75.0)	(75.0)
Revenue Sharing Payments + FDCVT	(627.2)	(627.2)
Proposed Revenue Sharing Increase – 4% on standard RS	0.0	(22.4)
Subtotal Ongoing Revenue	\$14,563.3	\$14,653.1
<u>Non-Ongoing Revenue:</u>		
Redirection of Restricted Revenue	(\$2.7)	(\$2.7)
VMF	80.0	0.0
Three-year RAP earmark	(50.0)	0.0
Three-year CIT SOAR earmark	(500.0)	0.0
Subtotal Non-Ongoing Revenue	(\$472.7)	(\$2.7)
Total Estimated GF/GP Revenue Including Beginning Balance	\$16,176.7	\$15,404.0
Total Estimated GF/GP Revenue Excluding Beginning Balance	\$14,090.6	\$14,650.4
Expenditures:		
<u>Ongoing Appropriations:</u>		
Initial/Baseline Appropriations	\$13,605.7	\$13,605.7
Potential baseline adjustments DHHS	0.0	531.3
Childcare baseline cost increases	0.0	62.8
MAS costs	0.0	50.0
Employee compensation	0.0	121.1
Other statewide CSBs	0.0	8.7
Investments	0.0	242.0
Subtotal Ongoing Appropriations	\$13,682.9	\$14,621.6
<u>One-Time and Other Appropriations:</u>		
One-Time Appropriations	\$1,269.8	\$570.0
BSF Deposit/Reserve for legislation of 102nd Legislature	50.0	50.0
DSH costs (in supplemental proposal and one-time approps)	81.6	78.7
Reserve for Federal reimbursement (UIA)	40.0	40.0
Additional proposed supplemental spending	298.8	0.0
Subtotal One-Time and Other Appropriations	\$1,740.2	\$738.7
Total Estimated GF/GP Expenditures	\$15,423.1	\$15,360.3
Projected Year-End GF/GP Balance (Total)	<u>\$753.6</u>	<u>\$43.7</u>
Projected Year-End GF/GP Balance (Ongoing)	\$880.4	\$31.5
Projected Year-End GF/GP Balance (One-time)	(\$126.8)	\$12.2

*Year-to-Date as of 2/5/25

Table 10

**GOVERNOR'S RECOMMENDATION SCHOOL AID FUND (SAF)
REVENUE, EXPENDITURES, AND YEAR-END BALANCE ESTIMATES
(millions of dollars)**

	YTD and Gov's Rec FY 2024-25	Executive Recommendation FY 2025-26
Revenue:		
Beginning Balance	\$1,129.0	\$1,002.4
<u>Ongoing Revenue:</u>		
CREC Revenue (January 2025).....	\$18,459.6	\$18,891.5
<u>Other Revenue Adjustments:</u>		
General Fund/General Purpose (GF/GP) Grant.....	\$50.1	\$50.8
Community District Education Trust Fund	41.0	0.0
Federal Ongoing Aid.....	2,272.8	2,407.7
Subtotal Ongoing Revenue.....	\$20,823.5	\$21,350.0
<u>Non-Ongoing Revenue:</u>		
MPSERS Reserve Fund.....	\$334.1	\$0.0
SAF BSF and Other Fund Deposits	(25.0)	(341.0)
Transportation Reserve Fund	125.0	125.0
Additional Meals Reserve.....	30.0	0.0
Enrollment Stability Reserve Fund.....	71.0	71.0
GSRP Reserve Fund.....	18.0	18.0
Revenue Deposits - Infrastructure/MPSERS	30.0	30.0
Additional One-Time GF.....	28.7	2.8
GF/GP for DPSCD Addtl Cost Exceeding CDTF \$72m/yr	77.2	0.0
Subtotal Non-Ongoing Revenue.....	\$689.0	(\$94.2)
Total Estimated School Aid Fund Revenue Including Beginning Balance.	\$22,641.5	\$22,258.2
Total Estimated School Aid Fund Revenue Excluding Beginning Balance	\$21,512.5	\$21,255.8
Expenditures:		
<u>Ongoing Appropriations:</u>		
Initial Ongoing K-12 SAF Appropriations	\$17,187.6	\$17,891.8
Initial School Aid Federal Funds	2,272.8	2,407.7
CREC Estimated Cost Adjustments.....	(80.6)	0.0
Fund Community Colleges with SAF	456.9	496.7
Partially Fund Higher Education with SAF	451.7	550.8
Subtotal Ongoing Appropriations.....	\$20,288.3	\$21,347.0
<u>One-Time and Other Appropriations:</u>		
Initial One-Time K-12 SAF Appropriations	\$1,183.9	\$892.8
Initial One-Time Community Colleges Appropriations	5.1	0.0
Initial One-Time University Appropriations.....	10.0	0.0
Enacted Supplementals	126.0	0.0
Proposed Supplemental.....	25.8	0.0
Subtotal One-Time and Other Appropriations	\$1,350.8	\$892.8
Total Estimated School Aid Fund Expenditures	\$21,639.1	\$22,239.8
Projected Year-End SAF Balance (Total).....	\$1,002.4	\$18.4
Projected Year-End SAF Balance (Ongoing)	\$535.2	\$3.0
Projected Year-End SAF Balance (One-time)	\$467.2	\$15.4

*Year-to-Date as of 2/5/25

Table 11

FY 2025-26 GOVERNOR'S APPROPRIATION RECOMMENDATION SUMMARY OF CHANGES FROM FY 2024-25 YEAR-TO-DATE ADJUSTED GROSS AND GENERAL FUND/GENERAL PURPOSE APPROPRIATIONS		
	Adjusted Gross	GF/GP
FY 2024-25 Year-To-Date Appropriation¹	\$81,610,641,700	\$14,875,459,700
Changes for FY 2025-26:		
Removal of One-Time Items	(\$2,955,690,600)	(\$1,269,776,70)
Baseline Adjustments (CSBs).....	1,385,206,400	604,808,000
New Programs.....	1,479,086,000	415,585,300
Program Increases.....	1,899,191,000	637,796,300
Program Eliminations	(33,620,200)	(19,043,200)
Program Reductions.....	(46,196,900)	(5,210,900)
Major Fund Shifts Affecting GF/GP.....	(600)	(90,297,800)
Other Technical Program Transfers/Adjustments	0	0
Economic Adjustments.....	181,755,100	120,569,200
Unclassified Salaries Adjustments (Executive Branch)	845,500	468,800
Total Changes.....	\$1,910,575,700	\$394,899,000
FY 2025-26 Governor's Recommendation	\$83,521,217,400	\$15,270,358,700

¹ Appropriation as of February 5, 2025.

Table 12

FY 2025-26 GOVERNOR'S APPROPRIATION RECOMMENDATION BASELINE (CSB) ADJUSTMENTS		
Budget Area/Program	Adjusted Gross	GF/GP
Agriculture & Rural Development		
Current services adjustment for funds received	\$13,500	\$0
Environmental stewardship – MAEAP	0	0
Total - Agriculture & Rural Development.....	\$13,500	\$0
Attorney General		
Authorization to spend organized retail fraud seizures.....	\$950,000	\$0
Federal grant to support violence against women casework	175,000	0
Federal grant reduction for prosecuting attorneys council	(121,200)	0
Total - Attorney General	\$1,003,800	\$0
Civil Rights		
Information technology adjustment	\$767,800	\$767,800
Total - Civil Rights.....	\$767,800	\$767,800
Community Colleges		
MPSERS UAAL costs	\$27,400,000	\$0
North American Indian tuition waiver reimbursement.....	207,100	0
MPSERS normal cost offset	(2,200,000)	0
Total - Community Colleges.....	\$25,407,100	\$0
Corrections		
Corrections officer wage scale restructure	\$17,263,400	\$17,142,000
54-month step pay increase	15,143,500	14,984,000
Clinical supply cost increase.....	2,100,000	2,100,000
Thumb correctional facility university and vocational center	1,521,700	1,521,700
Field operations	0	0
Total - Corrections	\$36,028,600	\$35,747,700
Education		
Federal fund adjustment	\$360,000	\$0
Total - Education	\$360,000	\$0
Environment, Great Lakes, and Energy		
CSB technical	\$16,679,800	\$0
Total - Environment, Great Lakes, & Energy	\$16,679,800	\$0

**FY 2025-26 GOVERNOR'S APPROPRIATION RECOMMENDATION
BASELINE (CSB) ADJUSTMENTS**

Budget Area/Program	Adjusted Gross	GF/GP
Executive Office		
Operations 3% increase	\$223,400	\$223,400
Total - Executive Office	\$223,400	\$223,400
Health & Human Services		
Traditional Medicaid - physical health adjustments	\$484,041,200	\$147,269,000
Traditional Medicaid Actuarial soundness - physical health	353,901,700	122,803,800
Traditional Medicaid - behavioral health adjustments	224,554,200	75,813,800
Healthy Michigan Plan Actuarial soundness - physical health	169,150,000	16,915,000
Traditional Medicaid Actuarial soundness - behavioral health	128,146,600	44,246,400
Children's special health care services adjustments	94,022,500	39,786,800
Child welfare adjustments.....	56,551,900	64,754,200
Healthy Michigan Plan - behavioral health adjustments.....	45,657,000	4,435,400
Certified community behavioral health clinic adjustments	39,372,800	6,286,600
Healthy Michigan Plan - physical health adjustments	38,182,100	13,249,200
Healthy Michigan Plan special financing - physical health	24,485,200	(17,100)
Healthy Michigan Plan Actuarial soundness - behavioral health.....	13,356,800	1,335,700
Federal Authorization: community services block grant	11,330,600	0
Michigan youth treatment center lease expenses	9,760,800	1,274,800
Information technology: vendor contracts.....	7,735,300	3,417,100
Local Authorization: State school aid act fund child and adolescent health centers	6,057,300	0
Local Authorization: State school aid act fund for hearing and vision screening	5,000,000	0
State Restricted Authorization: psych hospital non-GF revenue alignment	4,000,000	0
Federal Medicaid prior authorization enhancement	3,633,400	1,816,700
Federal Authorization: child support - demo and evaluation award	3,424,700	0
PACE slot expansion	2,899,400	1,006,100
Federal Medicaid benefit phone renewal requirement	2,837,000	1,418,500
Healthy Michigan Plan special financing - behavioral health	2,517,300	0
Federal Authorization: Labs/emergency medical services	1,250,000	0
Federal Authorization: Family violence prevention services	893,800	0
State restricted newborn screening fees authorization.....	745,300	0
Information technology: software and licensing prices.....	651,300	363,500
Information technology: hardware prices.....	629,400	459,500
Family support subsidy adjustments.....	619,500	0
State Restricted Authorization: behavioral health state restricted fee	565,800	0
Behavioral health psychiatric hospital and centers pharmaceutical costs..	537,700	537,700
State Restricted Authorization: Body art fees	500,000	0
Federal Authorization: Childrens special health care epilepsy grant.....	450,000	0
Federal Authorization: CDC oral health grant.....	380,800	0
State Restricted Authorization: Bequest parent fee childrens special health care services	300,000	0
Federal Authorization: Medicaid match for hepatitis c prevention	300,000	0
Federal Authorization: homeless programs continuum of care	277,800	0
Center for Forensic Psychiatry food preparation and service	189,900	189,900
Federal Authorization: community-based child abuse prevention grant.....	128,700	0
State Restricted Authorization: Marijuana regulatory fund	68,200	0
Children's special health care services special financing adjustments	0	(10,098,800)
Federal Medical Assistance Percentage (FMAP) child welfare adjustments	0	(347,200)
Federal Medical Assistance Percentage (FMAP) behavioral health adjustments	0	(6,734,000)
Federal Medical Assistance Percentage (FMAP) children special health care services adjustments	0	(424,100)
Federal Medical Assistance Percentage (FMAP) healthy homes adjustments	0	(29,100)
Federal Medical Assistance Percentage (FMAP) physical health adjustments	0	(16,560,500)
Federal Medical Assistance Percentage (FMAP) state psych hospitals adjustments	0	(109,200)

**FY 2025-26 GOVERNOR'S APPROPRIATION RECOMMENDATION
BASELINE (CSB) ADJUSTMENTS**

Budget Area/Program	Adjusted Gross	GF/GP
Federal Medical Assistance Percentage (FMAP) child support collections adjustments.....	0	42,700
Medicaid restricted fund shift - Medicaid benefits trust fund.....	0	(12,375,000)
Medicaid restricted fund shift - Merit award trust fund.....	0	(28,000,000)
Medicaid restricted fund shift - Insurer provider fund.....	0	(4,285,200)
Medicaid restricted fund shift - Healthy Michigan fund.....	0	1,150,000
Occupancy fund shift.....	0	1,100,100
Direct care workers wage fund source.....	0	221,600
Fund shift for parent fee revenue.....	0	(506,100)
Public assistance adjustments.....	(519,793,400)	(1,701,900)
Traditional Medicaid special financing - physical health.....	(46,499,500)	30,397,600
Shawono center closure.....	(7,588,100)	(3,605,200)
Traditional Medicaid special financing - behavioral health.....	(2,895,600)	0
State Restricted Authorization: MBPI pharmaceutical product fund reduction.....	(779,000)	0
Local Authorization: Health homes reduction.....	(246,900)	0
Total - Health & Human Services.....	\$1,161,303,500	\$495,498,300
Higher Education		
Tuition incentive program - increase to reflect anticipated demand.....	\$28,500,000	\$28,500,000
North American Indian tuition waiver reimbursement.....	1,209,900	1,209,900
Midwestern higher education compact due.....	5,300	5,300
Michigan tuition grant phaseout.....	(25,000,000)	(25,000,000)
Michigan competitive scholarship phaseout.....	(9,000,000)	(9,000,000)
MPSERS normal cost offset.....	(900,000)	0
Total - Higher Education.....	(\$5,184,800)	(\$4,284,800)
Insurance & Financial Services		
Attorney General services.....	\$330,000	\$0
Total - Insurance & Financial Services.....	\$330,000	\$0
Judiciary		
Statutory judgeship changes.....	\$539,200	\$123,500
SADO salary adjustments collectively bargained.....	488,500	488,500
Michigan legal help program cost increase.....	400,000	400,000
Drug court case management system contractual increase.....	265,000	265,000
SADO salary adjustments non-exclusively represented.....	102,500	102,500
Federal funds adjustment for problem solving courts.....	100,000	0
Remove prior year justice salary increase.....	(166,600)	(166,600)
Total - Judiciary.....	\$1,728,600	\$1,212,900
Labor and Economic Opportunity		
Michigan rehabilitation services - federal adjustment.....	\$5,391,000	\$0
State brownfield redevelopment fund.....	4,000,000	0
Office of rural prosperity.....	1,600,000	0
Revitalization and placemaking removal.....	(50,000,000)	0
Total - Labor & Economic Opportunity.....	(\$39,009,000)	\$0
Legislature		
Independent citizens redistricting commission: defunded.....	(\$2,992,300)	(\$2,992,300)
Total - Legislature.....	(\$2,992,300)	(\$2,992,300)
Licensing and Regulatory Affairs		
Federal energy code and benchmarking grants.....	\$4,109,100	\$0
New mortuary science licensing type.....	305,700	0
Technical adjustment.....	0	0
Total - Licensing & Regulatory Affairs.....	\$4,414,800	\$0
Lifelong Education, Advancement, & Potential		
Child care funding shortfall.....	\$63,000,000	\$63,000,000
Private funds authorization.....	750,000	0
Staffing costs for AG.....	569,500	569,500

**FY 2025-26 GOVERNOR'S APPROPRIATION RECOMMENDATION
BASELINE (CSB) ADJUSTMENTS**

Budget Area/Program	Adjusted Gross	GF/GP
IT costs for online scholarships/grants portal	300,000	300,000
Preschool development federal grant adjustment	300,000	0
Federal IDG with DHHS adjustment	700	0
Executive operations FTE adjustment	0	0
Child care FMAP adjustment	0	(184,500)
Total - Lifelong Education, Advancement, & Potential	\$64,920,200	\$63,685,000
Military and Veterans Affairs		
Michigan veterans facility authority	\$2,775,000	\$0
County veteran service grants	0	0
Military retirement cost adjustment	(185,000)	(185,000)
Total - Military & Veterans Affairs	\$2,590,000	(\$185,000)
Natural Resources		
Capital Outlay - Off-road vehicle trail development and maintenance	\$3,965,900	\$0
Capital Outlay - State game and wildlife area infrastructure	1,500,000	0
High-speed internet infrastructure easements	1,417,500	0
Capital Outlay - State parks repair and maintenance	1,150,000	0
CSB technical	763,600	0
Nature awaits bus grants	(1,800,000)	(1,800,000)
Capital Outlay - Wetland restoration, enhancement, and acquisition	(1,000,000)	0
Capital Outlay - State boating infrastructure and maintenance	(232,600)	0
Capital Outlay - Local boating infrastructure, maintenance, and improvement	(100,000)	0
Total - Natural Resources	\$5,664,400	(\$1,800,000)
School Aid		
MPSERS rate cap	\$591,500,000	\$0
Special education costs	131,000,000	0
Federal grant	75,915,000	0
Special education - Federal IDEA	50,000,000	0
Expanded breakfast/lunch programs	30,000,000	0
Promise zones	8,800,000	0
School lunch programs - Federal share	7,000,000	0
Cash flow borrowing costs	4,000,000	0
CEPI – Federal	2,000,000	0
PILT reimbursement	265,000	0
MPSERS cost offset - reduced UAAL rate cap	(598,000,000)	0
Foundation allowance costs	(348,000,000)	0
MPSERS costs	(15,200,000)	0
Total - School Aid	(\$60,720,000)	\$0
State		
Restricted fund realignment	(\$440,200)	\$0
Total - State	(\$440,200)	\$0
State Police		
Align federal and restricted funds with available revenue	\$1,880,600	\$0
Intelligence operations software licensing	143,600	143,600
Total - State Police	\$2,024,200	\$143,600
Technology, Management, and Budget		
State building authority rent	\$15,481,100	\$15,481,100
Technical adjustments	(266,400)	(2,456,900)
Total - Technology, Management, & Budget	\$15,214,700	\$13,024,200
Transportation		
State trunkline federal aid and road and bridge construction	\$53,602,200	\$0
Local federal aid and road and bridge construction	17,831,000	0
County road commissions	17,507,300	0
State trunkline operations	15,318,500	0

**FY 2025-26 GOVERNOR'S APPROPRIATION RECOMMENDATION
BASELINE (CSB) ADJUSTMENTS**

Budget Area/Program	Adjusted Gross	GF/GP
Cities and villages	9,761,000	0
Airport safety, protection, and improvement program	2,491,600	0
Interdepartmental grants	2,266,500	0
Program development and delivery	1,128,400	0
Passenger transportation services	856,400	0
Nonurban operating/capital	496,500	0
Marine passenger services.....	354,100	0
Detroit metropolitan Wayne county airport	260,000	0
Target industries/economic redevelopment	232,200	0
Service initiatives	190,300	0
Finance, contracts, and support services	122,400	0
Movable bridge	141,900	0
Intercity services	123,600	0
Rural county primary.....	116,000	0
Urban county congestion	116,000	0
Debt service.....	100,500	0
Payment to locals adjustment.....	0	0
Rail operations and infrastructure.....	(4,500,700)	0
Transit capital	(3,877,100)	0
Local bridge program.....	(497,600)	0
Specialized services	(232,200)	0
Total - Transportation	\$113,908,800	\$0
Treasury - Debt Service		
Great Lakes water quality bond	\$1,133,000	\$1,133,000
Clean Michigan initiative	(784,000)	(784,000)
Quality of life bond	(555,000)	(555,000)
Total - Treasury - Debt Service	(\$206,000)	(\$206,000)
Treasury - Operations		
Recreational marijuana grants	\$9,220,000	\$0
Payments in lieu of taxes.....	3,155,700	2,420,500
Technical adjustments.....	1,407,400	0
Gaming-related enforcement services.....	703,300	0
Audit and assessment services	695,000	695,000
Senior citizen cooperative housing tax exemption program.....	612,700	612,700
State administrative fee adjustments.....	460,000	0
Language access plan.....	245,000	245,000
Emergency 9-1-1 payments	0	0
Airport parking distribution.....	0	0
Total - Treasury - Operations	\$16,499,100	\$3,973,200
Treasury - Revenue Sharing		
Constitutional revenue sharing.....	\$24,676,400	\$0
Public safety and violence prevention.....	\$0	\$0
Total - Treasury - Revenue Sharing.....	\$24,676,400	\$0
TOTAL - CSB ADJUSTMENTS	\$1,385,206,400	\$604,808,000

Table 13

FY 2025-26 GOVERNOR'S APPROPRIATION RECOMMENDATION REMOVAL OF FY 2024-25 ONE-TIME APPROPRIATIONS		
Budget Area/Program	Adjusted Gross	GF/GP
Agriculture & Rural Development.....	(\$9,000,000)	(\$9,000,000)
Attorney General	(1,000,000)	(1,000,000)
Community Colleges	(5,568,300)	(500,000)
Corrections	(6,400,000)	(3,000,000)
Education.....	(2,000,000)	(2,000,000)
Environment, Great Lakes, & Energy	(109,000,000)	(109,000,000)
Health and Human Services	(195,654,900)	(155,300,000)
Higher Education.....	(60,014,700)	(50,014,700)
Insurance & Financial Services.....	(500,000)	0
Judiciary	(2,000,000)	(2,000,000)
Labor & Economic Opportunity	(886,512,000)	(564,812,000)
Licensing & Regulatory Affairs	(14,250,000)	(12,000,000)
Lifelong Education, Advancement, & Potential.....	(35,000,000)	(35,000,000)
Military & Veterans Affairs.....	(19,000,000)	(19,000,000)
Natural Resources.....	(9,000,000)	(9,000,000)
School Aid	(1,309,908,700)	(28,850,000)
State Police	(24,900,000)	(24,900,000)
Technology, Management, & Budget.....	(26,400,000)	(26,400,000)
Transportation	(213,990,000)	(193,000,000)
Treasury – Operations	(25,592,000)	(25,000,000)
TOTAL - REMOVAL OF FY 2024-25 ONE-TIME APPROPRIATIONS	(\$2,955,690,600)	(\$1,269,776,700)

Table 14

FY 2025-26 GOVERNOR'S APPROPRIATION RECOMMENDATION NEW PROGRAMS		
Budget Area/Program	Adjusted Gross	GF/GP
Agriculture & Rural Development		
Protect Michigan food supply.....	\$5,500,000	\$3,500,000
Plant, soil, and pest diagnostics	900,000	900,000
Plant, soil, and pest diagnostics (one-time).....	700,000	700,000
Total - Agriculture & Rural Development.....	\$7,100,000	\$5,100,000
Attorney General		
Creation of new team to combat price gouging	\$900,000	\$900,000
Total - Attorney General	\$900,000	\$900,000
Corrections		
Correctional facility count and callout automation (one-time)	\$3,446,400	\$3,446,400
Transitional housing development project (one-time)	2,000,000	2,000,000
Total - Corrections	\$5,446,400	\$5,446,400
Education		
Science of reading literacy support	\$960,900	\$960,900
CTE pathways to success	342,400	342,400
Total - Education	\$1,303,300	\$1,303,300
Environment, Great Lakes, and Energy		
Lead service line replacement (one-time)	\$50,000,000	\$50,000,000
Document management modernization (one-time)	39,000,000	39,000,000
Deploying electric charging infrastructure (one-time).....	10,000,000	10,000,000
Septic system database (one-time)	7,000,000	7,000,000
Total - Environment, Great Lakes, & Energy	\$106,000,000	\$106,000,000
Labor and Economic Opportunity		
Pre-employment transition services for students with disabilities	\$40,375,600	\$8,390,900
Employer assisted housing financing program.....	25,000,000	25,000,000
Statewide registered apprenticeships.....	19,000,000	19,000,000
Talent action teams	10,000,000	10,000,000

**FY 2025-26 GOVERNOR'S APPROPRIATION RECOMMENDATION
NEW PROGRAMS**

Budget Area/Program	Adjusted Gross	GF/GP
Growth Programming and Initiatives	10,000,000	10,000,000
Small business support hubs.....	10,000,000	10,000,000
Removing barriers to work.....	7,500,000	7,500,000
Educating workers and employers	1,500,000	1,500,000
Office of rural prosperity	1,000,000	1,000,000
Focus: HOPE.....	1,000,000	1,000,000
Total - Labor & Economic Opportunity	\$125,375,600	\$93,390,900
Military and Veterans Affairs		
Selfridge Air National Guard Base.....	\$26,000,000	\$26,000,000
State veterans cemetery.....	5,000,000	5,000,000
Total - Military & Veterans Affairs.....	\$31,000,000	\$31,000,000
Natural Resources		
Capital Outlay - Dam safety, management, and removal (one-time)	\$15,000,000	\$15,000,000
Enterprise asset management system (one-time).....	6,391,800	6,391,800
Total - Natural Resources.....	\$21,391,800	\$21,391,800
School Aid		
Consolidation grants (one-time)	\$150,000,000	\$0
Best practices funding (one-time).....	125,000,000	0
CTE - pathways to success (one-time).....	125,000,000	0
Transportation costs (continued from FY 2024-25) (one-time)	125,000,000	0
Best practices funding	107,000,000	0
MPSERS employee healthcare reimbursement (continued from FY 2024-25) (one-time)	90,000,000	0
Enrollment stabilization (continued from FY 2024-25) (one-time).....	71,000,000	0
Strong Beginnings preschool pilot (previously funded in FY 2023-24) (one-time)	61,000,000	0
Grow-your-own educator supports (previously funded in FY 2022-23) (one-time)	50,000,000	0
GSRP classroom startup grants (continued from FY 2024-25) (one-time) .	25,000,000	0
CTE equipment grants (previously funded in FY 2023-24) (one-time).....	20,000,000	0
Accountability administration / school turnaround hub	18,000,000	0
GSRP transportation (continued from FY 2024-25) (one-time).....	18,000,000	0
LETRS: professional learning early literacy (continued from FY 2024-25) .	10,000,000	0
FAFSA completion (continued from FY 2024-25)	10,000,000	0
Reading Corps. (continued from FY 2024-25)	5,000,000	0
Improving access to books (continued from FY 2024-25).....	4,000,000	0
GSRP marketing (continued from FY 2024-25)	1,950,000	0
Nature Awaits	1,800,000	0
MERI partnership (continued from FY 2024-25)	1,000,000	0
Total - School Aid.....	\$1,018,750,000	\$0
Technology, Management, and Budget		
Self-insured property fund (one-time).....	\$10,000,000	\$10,000,000
Office of the State Employer program staffing	404,000	288,000
Total - Technology, Management, & Budget	\$10,404,000	\$10,288,000
Transportation		
Match every Federal dollar (one-time).....	\$112,183,900	\$112,183,900
Road user charge study (one-time)	7,650,000	0
Total - Transportation	\$119,833,900	\$112,183,900
Treasury - Operations		
Hazardous arc wiring removal	\$25,000,000	\$25,000,000
MI financial empowerment.....	3,000,000	0
Vaping and non-tobacco nicotine products tax administration.....	2,450,000	2,450,000
Predictive analytics implementation (one-time).....	750,000	750,000
Predictive analytics implementation	381,000	381,000
Total - Treasury - Operations	\$31,581,000	\$28,581,000
TOTAL NEW PROGRAMS.....	\$1,479,086,000	\$415,585,300

Table 15

FY 2025-26 GOVERNOR'S APPROPRIATION RECOMMENDATION FUNDING INCREASES		
Budget Area/Program	Adjusted Gross	GF/GP
Agriculture & Rural Development		
Rural development fund grant program	\$2,000,000	\$0
Total - Agriculture & Rural Development	\$2,000,000	\$0
Attorney General		
Continued legal advice and assistance to tribal members	\$600,000	\$600,000
Total - Attorney General	\$600,000	\$600,000
Civil Rights		
Development, innovation, and access	\$466,800	\$466,800
Total - Civil Rights	\$466,800	\$466,800
Community Colleges		
Community college operations increase	\$14,630,000	\$0
Total - Community Colleges	\$14,630,000	\$0
Corrections		
Peer recovery coaches	\$6,600,000	\$6,600,000
Contraband prevention	1,750,000	1,750,000
Offender success services to parolees and probationers	1,500,000	1,500,000
Post secondary education in prison.....	750,000	750,000
Transportation.....	750,000	750,000
Muskegon correctional facility	250,000	250,000
Total - Corrections	\$11,600,000	\$11,600,000
Environment, Great Lakes, and Energy		
Tipping fee increase (36.0 FTEs)	\$80,000,000	\$0
Lead service line replacement.....	30,000,000	30,000,000
Water resource division fees (41.0 FTEs)	7,312,300	0
Water program staff capacity increase (35.0 FTEs).....	5,955,700	5,955,700
Hazardous waste oversight and fee increase (17.0 FTEs)	5,000,000	0
Underground gas storage fees (3.0 FTEs).....	465,500	0
Energy program staff capacity (2.0 FTEs).....	370,000	370,000
Total - Environment, Great Lakes, & Energy	\$129,103,500	\$36,325,700
Health and Human Services		
One-Time: State psych disproportionate share hospital disallowance penalty	\$78,664,100	\$78,664,100
PH - Medicaid spend down & income disregard: increase from ~30% to 100% of Fed. pov level	52,708,200	18,100,000
Energy bill payment assistance/Michigan energy assistance program	50,000,000	0
BH - Medicaid spend down & income disregard: increase from ~30% to 100% of Fed. pov level	43,680,800	15,000,000
Medicaid waiver for individuals in jails, prison, and other secure facilities.....	40,000,000	20,000,000
Opioid response activities.....	31,796,500	0
PFU: Public assistance local office staff increase	25,440,700	10,863,700
One-time: Energy bill payment assistance	25,000,000	25,000,000
Crime victim sustaining grants increase	20,000,000	20,000,000
ECRCTF: Children's protective services staff increase	19,147,500	17,537,300
One-Time: Opioid response activities.....	15,000,000	0
Staffing and funding increase for new state psychiatric hospital.....	14,825,900	14,825,900
Non-clinical worker direct care wage increase	14,000,000	6,198,600
Smoking cessation: Smoking prevention program increase	10,391,300	1,496,300
ISPP: Foster care payment enhancement.....	10,113,100	8,484,000
IAS: Adoption subsidies increase	7,500,000	7,500,000
Smoking cessation: Health care policy and supports dept. administration	7,500,000	0
Home help caregiver council	7,000,000	3,500,000
Juvenile justice reform purchase of services.....	6,495,000	6,495,000
One-Time: Water bill payment assistance.....	6,000,000	6,000,000
IAS: Medicaid eligibility expansion	5,096,000	1,237,800
Child support enforcement operations increase: father support TANF increase	4,994,600	0

**FY 2025-26 GOVERNOR'S APPROPRIATION RECOMMENDATION
FUNDING INCREASES**

Budget Area/Program	Adjusted Gross	GF/GP
Smoking cessation: Cancer prevention and control program increase	4,980,000	0
IAS: Adoption support services increase	4,900,000	3,925,900
Bay pines center facility investment	4,087,400	2,043,700
ECRCTF: Family preservation program increase	3,735,000	3,735,000
Children's special health care service orthodontic rate increase	3,260,900	1,500,000
Paramedic competency exam	3,100,000	3,100,000
One-Time: First responder and public safety mental health.....	2,500,000	2,500,000
ISPP: Permanency resource managers increase	2,369,800	1,992,300
Independent living foster care - rate increase	2,032,600	1,898,900
Dementia services enhancement	2,000,000	2,000,000
ECRCTF: Child welfare administration & information technology increase	1,514,500	1,367,700
Young child payment: TANF increase	1,202,200	0
Water bill payment assistance	1,000,000	1,000,000
ISPP: Child welfare administration	850,500	765,700
PFU: Public assistance local office administrative and information tech. increase	819,500	429,500
One-time: Medicaid continuous eligibility coverage for children	400,000	200,000
Administrative funding increase for new state psychiatric hospital	329,000	329,000
Indian child welfare act - rate increase	325,700	261,000
Information technology: father support TANF increase	3,000	0
Total - Health & Human Services	\$534,763,800	\$287,951,400
Higher Education		
4% operations increase for universities	\$66,818,700	\$66,818,700
Postsecondary scholarship fund deposit	50,000,000	50,000,000
4% increase for MSU AgBioResearch and Extension.....	2,941,500	2,941,500
Total - Higher Education	\$119,760,200	\$119,760,200
Insurance & Financial Services		
Expanding DIFS capacity	\$849,200	\$0
Total - Insurance & Financial Services	\$849,200	\$0
Judiciary		
Statewide case management system ongoing increase	\$7,200,000	\$7,200,000
SCAO HR/finance staff support.....	3,839,300	3,839,300
SADO workload standards increase.....	2,325,000	2,325,000
Problem solving courts costs increase	1,584,000	1,584,000
Training for judges and court staff	533,700	533,700
SCAO courts & programs support staff	532,500	355,000
Judicial grant officer.....	210,000	210,000
Judicial opinion reporting staff	167,400	167,400
Total - Judiciary	\$16,391,900	\$16,214,400
Labor and Economic Opportunity		
Michigan rehabilitation services - federal match	\$9,217,800	\$1,963,400
First responders presumed coverage fund.....	2,500,000	0
Total - Labor & Economic Opportunity	\$11,717,800	\$1,963,400
Legislature		
House operations: overall 3% increase	\$2,464,600	\$2,464,600
Senate operations: overall 3% increase	1,754,100	1,754,100
Office of the auditor general field operations: overall 3% increase	703,300	629,800
Legislative council operations: overall 3% increase	647,000	647,000
Binsfeld Office Building: overall 3% increase	296,000	296,000
Cora Anderson Building: overall 3% increase	204,800	204,800
State Capitol general operations: overall 3% increase.....	197,200	183,200
Legislative retirement system: overall 3% increase	188,400	144,600
State Capitol restoration, renewal, and maintenance: overall 3% increase	118,800	0
Legislative corrections ombudsman: overall 3% increase.....	47,600	47,600
Michigan veterans facility ombudsman: overall 3% increase	11,100	11,100
Total - Legislature.....	\$6,853,700	\$6,382,800

**FY 2025-26 GOVERNOR'S APPROPRIATION RECOMMENDATION
FUNDING INCREASES**

Budget Area/Program	Adjusted Gross	GF/GP
Licensing and Regulatory Affairs		
Nursing home complaint investigations	\$2,400,000	\$2,400,000
MIDC increasing transparency for standards	769,100	769,100
Homes for the Aged staffing support	700,000	700,000
Compliance and Risk Mgmt oversight	490,000	0
Nursing home complaint intake	316,900	316,900
Liquor Control oversight	297,300	0
CRA staffing increase	151,200	0
Elevator inspectors	0	0
Residential builders	0	0
Total - Licensing & Regulatory Affairs	\$6,632,900	\$4,186,000
Lifelong Education, Advancement, & Potential		
Child care prepayment and services expansion/federal required	\$50,000,000	\$50,000,000
College success fund wrap-around grants	15,000,000	15,000,000
Total - Lifelong Education, Advancement, & Potential	\$65,000,000	\$65,000,000
Military & Veterans Affairs		
DMVA audit support increase	\$175,000	\$175,000
Expand tuition assistance program to include child care	0	0
Total - Military & Veterans Affairs	\$175,000	\$175,000
Natural Resources		
Natural resources investments and fee increases (79.3 FTEs)	\$28,953,300	\$0
Recreation passport opt-out and resident veteran exemption	17,190,300	0
Federal shooting range operations and maintenance (7.5 FTEs)	481,300	0
Employee recruitment and retention (3.0 FTEs)	355,000	0
Total - Natural Resources	\$46,979,900	\$0
School Aid		
Foundation allowance	\$516,000,000	\$0
Per-pupil mental health and school safety grants (continued from FY 2024-25)	125,000,000	0
At-risk pupil support base	42,300,000	0
GSRP base funding	21,050,000	0
Special education foundation payment	20,500,000	0
MI future educator student teacher stipend (continued from FY 2024-25)	20,000,000	0
Early literacy district grants	19,900,000	0
Special education millage equalization	15,000,000	0
Michigan future educator fellowship (continued from FY 2024-25)	10,000,000	0
Early On	4,734,000	0
Literacy coaches for pre-K to 5 teachers	3,250,000	0
ISD general operations support	3,240,000	0
Bilingual education	2,100,000	0
Michigan virtual high school (continued from FY 2024-25) (one-time)	1,800,000	1,800,000
Career and technical education	1,700,000	0
CEPI - State share	1,250,000	1,250,000
College and career readiness tools (MCAN) (continued from FY 2024-25) (one-time)	1,000,000	1,000,000
Advanced placement (AP) incentive program	1,000,000	1,000,000
Rural and isolated districts	510,000	0
Career and technical education/dual enrollment	400,000	0
MiSTEM network regions	320,000	0
CTE incentive payments	250,000	0
Total - School Aid	\$811,304,000	\$5,050,000
State		
Legal service operations	\$973,800	\$0
Central operations	640,600	0
Total - State	\$1,614,400	\$0

FY 2025-26 GOVERNOR'S APPROPRIATION RECOMMENDATION FUNDING INCREASES		
Budget Area/Program	Adjusted Gross	GF/GP
State Police		
Victim support services.....	\$1,304,200	\$1,304,200
Michigan intelligence operations center expansion.....	1,043,500	1,043,500
Total - State Police.....	\$2,347,700	\$2,347,700
Technology, Management, and Budget		
Information technology investment fund (one-time)	\$42,600,000	\$42,600,000
Enterprise wide special maintenance (one-time)	25,000,000	25,000,000
Civil Service Commission HRMN IT upgrades.....	7,528,700	0
Energy efficiency revolving fund (one-time)	5,000,000	5,000,000
Civil Service Commission human resources staffing	1,282,800	628,500
State Budget Office staffing.....	771,700	771,700
State Records Center staffing	272,400	0
Total - Technology, Management, & Budget	\$82,455,600	\$74,000,200
Transportation		
Airport safety, protection, and improvement program	\$2,500,000	\$0
Total - Transportation	\$2,500,000	\$0
Treasury-Operations		
MiABLE eligibility expansion.....	\$5,000,000	\$5,000,000
Lottery operations support services.....	4,873,200	0
Bureau of Financial and Accounting Services implementation activities	892,700	772,700
Michigan infrastructure council	0	0
Total - Treasury - Operations.....	\$10,765,900	\$5,772,700
Treasury-Revenue Sharing		
City, village, and township revenue sharing	\$11,965,100	\$0
County revenue sharing	10,442,800	0
Total - Treasury - Revenue Sharing.....	\$22,407,900	\$0
TOTAL - PROGRAM INCREASES	\$1,899,191,000	\$637,796,300

Table 16

FY 2025-26 GOVERNOR'S APPROPRIATION RECOMMENDATION FUNDING ELIMINATIONS		
Budget Area/Program	Adjusted Gross	GF/GP
Health & Human Services		
PFU: Elimination of the pathways to potential program.....	(\$25,870,200)	(\$11,293,200)
Total - Health & Human Services	(\$25,870,200)	(\$11,293,200)
Labor & Economic Opportunity		
Arts and cultural grant removal	(\$1,250,000)	(\$1,250,000)
Volunteer income tax assistance grants	(1,000,000)	(1,000,000)
Personal assistance services reimbursement for employment program	(400,000)	(400,000)
Total - Labor & Economic Opportunity	(\$2,650,000)	(\$2,650,000)
Lifelong Education, Advancement, & Potential		
Dual enrollment payments	(\$3,500,000)	(\$3,500,000)
Total - Lifelong Education, Advancement, & Potential	(\$3,500,000)	(\$3,500,000)
School Aid		
Nonpublic school health/safety reimbursement	(\$1,000,000)	(\$1,000,000)
Robotics for nonpublic schools	(600,000)	(600,000)
Total - School Aid	(\$1,600,000)	(\$1,600,000)
TOTAL FUNDING ELIMINATIONS	(\$33,620,200)	(\$19,043,200)

Table 17

FY 2025-26 GOVERNOR'S APPROPRIATION RECOMMENDATION FUNDING REDUCTIONS		
Budget Area/Program	Adjusted Gross	GF/GP
Corrections		
Public safety initiative.....	(\$1,750,000)	(\$1,750,000)
Prosecutorial and detainer expenses.....	(1,000,000)	(1,000,000)
Total - Corrections.....	(\$2,750,000)	(\$2,750,000)
Education		
ASL literacy reprioritization.....	(\$500,000)	(\$500,000)
Educator recruitment and preparation reprioritization.....	(460,900)	(460,900)
Total - Education.....	(\$960,900)	(\$960,900)
Health and Human Services		
Medicaid orthodontic benefit.....	(\$4,301,700)	(\$1,500,000)
Total - Health & Human Services.....	(\$4,301,700)	(\$1,500,000)
Labor & Economic Opportunity		
Technical adjustments.....	(\$2,184,300)	\$0
Total - Labor & Economic Opportunity.....	(\$2,184,300)	\$0
School Aid		
Cyber school foundation reduction.....	(\$36,000,000)	\$0
Total - School Aid.....	(\$36,000,000)	\$0
TOTAL - PROGRAM REDUCTIONS.....	(\$46,196,900)	(\$5,210,900)

Table 18

FY 2025-26 GOVERNOR'S APPROPRIATION RECOMMENDATION FUND SHIFTS TO INCREASE/(REDUCE) GF/GP	
Budget Area/Program	GF/GP
Health and Human Services	
Foster care public benefits fund shift.....	\$3,500,000
Special projects: TANF fund shift.....	500,000
Diaper assistance: TANF fund shift.....	5,202,200
Foster care suitcase: TANF fund shift.....	500,000
MiBridges fund shift.....	0
Disability determination and office of inspector general fund shift.....	0
Total - Health & Human Services.....	\$9,702,200
Higher Education	
School aid fund to GF/GP fund shift.....	\$100,000,000)
Total - Higher Education.....	(\$100,000,000)
TOTAL - GF/GP FUND SHIFTS.....	(\$90,297,800)

Table 19

FY 2025-26 GOVERNOR'S GROSS APPROPRIATION RECOMMENDATION PreK-12 SCHOOL AID APPROPRIATION CHANGES (millions of dollars)	
FY 2024-25 Year-to-Date Gross Appropriations.....	\$20,770.3
FY 2025-26 Governor's Recommended Gross Appropriations.....	21,192.3
Net Change in School Aid Appropriations.....	\$422.0
Recommended Changes to Current Services Baseline:	
MPSERS rate cap.....	\$591.5
Special education costs	131.0
Federal grants.....	75.9
Special education - Federal IDEA.....	50.0
Expanded breakfast/lunch programs	30.0
Promize zones	8.8
School lunch programs - Federal share.....	7.0
Cash flow borrowing costs	4.0
CEPI - Federal	2.0
PILT reimbursement	0.2
Economics	0.2
Remove FY 2024-25 one-time items	(1,309.9)
MPSERS cost offset - reduced UAAL rate cap.....	(598.0)
Foundation allowance costs.....	(348.0)
MPSERS costs	(15.2)
Subtotal Changes to Current Services Baseline.....	(\$1,370.5)
Recommended Appropriations for New Programs:	
Consolidation grants (one-time).....	\$150.0
Best practices funding (one-time)	125.0
CTE - pathways to success (one-time)	125.0
Transportation costs (continued from FY 2024-25) (one-time).....	125.0
Best practices funding.....	107.0
MPSERS employee healthcare reimbursement (continued from FY 2024-25) (one-time) ..	90.0
Enrollment stabilization (continued from FY 2024-25) (one-time).....	71.0
Strong Beginnings preschool pilot (previously funded in FY 2023-24) (one-time)	61.0
Grow-your-own educator supports (previously funded in FY 2022-23) (one-time)	50.0
GSRP classroom startup grants (continued from FY 2024-25) (one-time)	25.0
CTE equipment grants (previously funded in FY 2023-24) (one-time)	20.0
Accountability administration / school turnaround hub.....	18.0
GSRP transportation (continued from FY 2024-25) (one-time)	18.0
LETRS: professional learning early literacy (continued from FY 2024-25)	10.0
FAFSA completion (continued from FY 2024-25)	10.0
Reading Corps. (continued from FY 2024-25)	5.0
Improving access to books (continued from FY 2024-25)	4.0
GSRP marketing (continued from FY 2024-25)	2.0
Nature Awaits.....	1.8
MERI partnership (continued from FY 2024-25)	1.0
Subtotal Appropriation New Programs.....	\$1,018.8

**FY 2025-26 GOVERNOR'S GROSS APPROPRIATION RECOMMENDATION
PreK-12 SCHOOL AID APPROPRIATION CHANGES
(millions of dollars)**

Recommended Appropriation Increases in Existing Programs:	
Foundation allowance: \$392 increase – 4.1%	\$516.0
Per-pupil mental health and school safety grants (continued from FY 2024-25)	125.0
At-risk pupil support base	42.3
GSRP base funding	21.1
Special education foundation payment	20.5
MI future educator student teacher stipend (continued from FY 2024-25)	20.0
Early literacy district grants	19.9
Special education millage equalization	15.0
Michigan future educator fellowship (continued from FY 2024-25)	10.0
Early On	4.7
Literacy coaches for pre-K to 5 teachers	3.3
ISD general operations support	3.2
Bilingual education	2.1
Michigan virtual high school (continued from FY 2024-25) (one-time)	1.8
Career and technical education	1.7
CEPI - State share	1.3
College and career readiness tools (MCAN) (continued from FY 2024-25) (one-time)	1.0
Advanced placement (AP) incentive program	1.0
Rural and isolated districts	0.5
Career and technical education/dual enrollment	0.4
MiSTEM network regions	0.3
CTE incentive payments	0.2
Subtotal Appropriation Increases in Existing Programs	\$811.3
Recommended Appropriation Eliminations or Reductions:	
Cyber school foundation reduction	(\$36.0)
Nonpublic school health/safety reimbursement	(1.0)
Robotics for nonpublic schools	(0.6)
Subtotal Appropriation Eliminations or Reductions	(\$37.6)
TOTAL RECOMMENDED APPROPRIATION CHANGES	\$422.0

Table 20

FY 2025-26 COMMUNITY COLLEGE APPROPRIATIONS: GOVERNOR'S RECOMMENDATION				
College	FY 2024-25 Year-To-Date	FY 2025-26 Governor's Recommendation		
		Adjustments	FY 2025-26 Gov. Rec.	Percent Change
Alpena	\$6,493,500	\$284,900	\$6,778,400	4.4%
Bay de Noc.....	6,473,100	154,500	6,627,600	2.4
Delta	17,067,300	524,700	17,592,000	3.1
Glen Oaks	3,016,000	92,500	3,108,500	3.1
Gogebic.....	5,493,600	131,500	5,625,100	2.4
Grand Rapids	21,521,800	729,500	22,251,300	3.4
Henry Ford	25,554,400	752,000	26,306,400	2.9
Jackson	14,193,900	352,200	14,546,100	2.5
Kalamazoo Valley	14,889,900	439,600	15,329,500	3.0
Kellogg	11,567,100	318,800	11,885,900	2.8
Kirtland	3,902,200	174,600	4,076,800	4.5
Lake Michigan	6,474,300	209,600	6,683,900	3.2
Lansing.....	36,512,400	937,000	37,449,400	2.6
Macomb.....	38,534,400	1,171,300	39,705,700	3.0
Mid Michigan	5,975,200	202,800	6,178,000	3.4
Monroe	5,426,200	218,100	5,644,300	4.0
Montcalm.....	4,086,000	112,100	4,198,100	2.7
Mott	18,174,300	509,400	18,683,700	2.8
Muskegon.....	10,480,500	321,000	10,801,500	3.1
North Central	4,162,800	139,700	4,302,500	3.4
Northwestern	10,914,300	346,100	11,260,400	3.2
Oakland.....	25,428,100	828,900	26,257,000	3.3
Schoolcraft	15,166,400	501,800	15,668,200	3.3
Southwestern	7,885,300	201,000	8,086,300	2.5
St. Clair.....	8,453,900	245,600	8,699,500	2.9
Washtenaw.....	16,503,100	659,700	17,162,800	4.0
Wayne County	19,642,700	621,300	20,264,000	3.2
West Shore.....	<u>2,939,100</u>	<u>88,600</u>	<u>3,027,700</u>	<u>3.0</u>
Subtotal Operations	\$366,931,800	\$11,268,800	\$378,200,600	3.1%
MPERS Normal Cost Offset	\$21,800,000	(\$2,200,000)	\$19,600,000	(10.1%)
MPERS Retiree Health Care	7,189,000	0	7,189,000	0.0
MPERS Reform Costs.....	62,100,000	27,400,000	89,500,000	44.1
Renaissance Zone Reimbursements.....	2,200,000	0	2,200,000	0.0
Michigan Reconnect Navigator Grants (one-time).....	1,150,000	(1,150,000)	0	(100.0)
Local Heroes program (one-time)	500,000	(500,000)	0	(100.0)
KVCC internet accessibility (one-time).....	<u>350,000</u>	<u>(350,000)</u>	<u>0</u>	<u>(100.0)</u>
Total Appropriations	\$462,220,800	\$34,468,800	\$496,689,600	7.5%
State School Aid Fund	461,720,800	34,968,800	\$496,689,600	7.5
GF/GP	\$500,000	(\$500,000)	\$0	(100.0%)

Table 21

**FY 2025-26 HIGHER EDUCATION APPROPRIATIONS:
GOVERNOR'S RECOMMENDATION**

University	FY 2024-25 Year-To-Date	Governor's Recommendation		
		Adjustments	FY 2025-26 Gov. Rec.	Percent Change
Central	\$97,771,900	\$2,982,000	\$100,753,900	3.0%
Eastern.....	85,208,400	2,576,600	87,785,000	3.0
Ferris.....	61,137,700	1,893,100	63,030,800	3.1
Grand Valley	99,837,200	2,875,400	102,712,600	2.9
Lake Superior.....	15,981,300	515,700	16,497,000	3.2
Michigan State	326,827,700	10,185,400	337,013,100	3.1
Michigan Tech.....	55,781,900	1,613,700	57,395,600	2.9
Northern.....	54,783,700	1,619,200	56,402,900	3.0
Oakland.....	74,047,200	2,264,600	76,311,800	3.1
Saginaw Valley.....	34,731,400	1,028,900	35,760,300	3.0
UM-Ann Arbor	365,681,400	11,392,900	377,074,300	3.1
UM-Dearborn	32,033,000	948,000	32,981,000	3.0
UM-Flint	26,955,700	995,500	27,951,200	3.7
Wayne State.....	229,975,400	6,993,900	236,969,300	3.0
Western.....	<u>123,039,800</u>	<u>3,846,400</u>	<u>126,886,200</u>	<u>3.1</u>
Subtotal University Operations	\$1,683,793,700	\$51,731,300	\$1,735,525,000	3.1%
MPSERS Reimbursement	\$0	\$0	\$0	0.0%
MPSERS Normal Cost Offset	8,500,000	(900,000)	7,600,000	(10.6)
MSU AgBioResearch	39,481,400	1,194,100	40,675,500	3.0
MSU Extension	34,055,600	1,030,000	35,085,600	3.0
MPSERS UAAL paydown (one-time).....	10,000,000	(10,000,000)	0	(100.0)
Michigan transfer pathways (one-time)..	1,000,000	(1,000,000)	0	(100.0)
FAFSA completion incentive program (one-time).....	980,000	(980,000)	0	(100.0)
WMU Project Clean (one-time).....	750,000	(750,000)	0	(100.0)
Education performance study (one-time)	200,000	(200,000)	0	(100.0)
City of Kalamazoo campus safety (one- time)	70,000	(70,000)	0	(100.0)
Higher Education Database.....	200,000	0	200,000	0.0
Midwest Higher Ed Compact	116,800	5,300	122,100	4.5
King-Chavez-Parks	<u>2,691,500</u>	<u>0</u>	<u>2,691,500</u>	<u>0.0</u>
Total Universities	\$1,781,839,000	\$40,060,700	\$1,821,899,700	2.2%
School Aid Fund.....	461,668,300	89,100,000	550,768,300	19.3
State GF/GP	\$1,320,170,700	(\$49,039,300)	\$1,271,131,400	(3.7%)

Table 21 continued

**FY 2025-26 HIGHER EDUCATION APPROPRIATIONS:
GOVERNOR'S RECOMMENDATION**

Grants and Financial Aid	FY 2024-25 Year-To-Date	Governor's Recommendation		
		Adjustments	FY 2025-26 Gov. Rec.	Percent Change
State Competitive Scholarships	\$19,930,900	(\$9,000,000)	\$10,930,900	(45.2%)
Tuition Grants	41,522,700	(25,000,000)	16,522,700	(60.2)
Tuition Incentive Program (TIP)	93,800,000	28,500,000	122,300,000	30.4
Michigan Achievement Scholarship	330,000,000	20,000,000	350,000,000	6.1
Michigan Reconnect Program	52,000,000	0	52,000,000	0.0
Children of Veterans & Officer's Tuition	2,000,000	0	2,000,000	0.0
Project Gear-Up	<u>3,200,000</u>	<u>0</u>	<u>3,200,000</u>	<u>0.0</u>
Total Grants/Financial Aid	\$542,453,600	\$14,500,000	\$556,953,600	2.7%
Federal Higher Ed Act	3,200,000	0	3,200,000	0.0
State GF/GP	<u>\$539,253,600</u>	<u>\$14,500,000</u>	<u>\$553,753,600</u>	<u>2.7%</u>
TOTAL HIGHER EDUCATION				
TOTAL ALL FUNDS.....	\$2,324,292,600	\$54,560,700	\$2,378,853,300	2.3%
TOTAL FEDERAL.....	3,200,000	0	3,200,000	0.0
TOTAL STATE RESTRICTED	461,668,300	89,100,000	550,768,300	19.3
TOTAL STATE GF/GP	\$1,859,424,300	(\$34,539,300)	\$1,824,885,000	(1.9%)

Table 22

REVENUE SHARING APPROPRIATION SUMMARY

Program Name	FY 2024-25 Year-to-Date	FY 2025-26 Governor's Rec.	Dollar Change	Percent Change
Constitutional Revenue Sharing ^{a)}	\$1,074,352,000	\$1,099,028,600	\$24,676,400	2.3%
CVT Revenue Sharing	299,126,400 ^{b)}	311,091,500	11,965,100	4.0
CVT Local Tax Equalization Payment ^{c)}	34,420,900	34,420,900	0	0.0
County Revenue Sharing	261,069,700 ^{b)}	271,512,500	10,442,800	4.0
County Local Tax Equalization Payment ^{d)}	30,041,700	30,041,700	0	0.0
Financially Distressed CVTs	2,500,000	2,500,000	0	0.0
Public Safety and Violence Prevention ^{e)}	75,000,000	75,000,000	0	0.0
TOTAL	\$1,776,510,700	\$1,823,595,000	\$47,084,300	2.7%

a) Reflects the January 2025 consensus revenue estimate for sales tax revenue.
b) Reflects the amount received in FY 2023-24.
c) Three-Factor formula payments that were included in FY 2024-25
d) Inverse Taxable-Value formula payments that were included in FY 2024-25.
e) The FY 2024-25 amount was tied-barred to HBs 4605 and 4606 of the 102nd Legislature, which were not enacted and therefore cannot be used in FY 2024-25.

Table 23

FY 2025-26 STATE BUDGET RECOMMENDATION ECONOMIC ADJUSTMENTS INCLUDED IN BUDGET (millions of dollars)		
	Adjusted Gross	GF/GP
Wages and Salaries	\$147.9	\$91.9
Longevity and Employee Insurance Costs	112.5	64.1
Retirement Contributions	28.3	17.6
Other Employee Retirement Costs (OERC)	(117.7)	(57.8)
Workers' Compensation.....	(3.0)	(3.2)
All Other Economics	14.6	8.5
TOTAL ECONOMICS.....	\$182.6	\$121.1

Table 24

DEBT SERVICE APPROPRIATIONS FY 2024-25 COMPARED WITH FY 2025-26				
Department/Program	FY 2024-25 Gross Appropriation	FY 2025-26 Governor's Rec.	Dollar Change	Percent Change
School Aid				
School Bond Loan	\$23,000,000	\$23,000,000	\$0	0.0%
Subtotal School Aid	\$23,000,000	\$23,000,000	\$0	0.0%
Labor and Economic Opportunity¹				
Facility For Rare Isotope Beams (MSF)	\$7,300,000	\$7,300,000	\$0	0.0%
Community College Skilled Trades Equipment Program (MSF).....	4,600,000	4,600,000	0	0.0
Subtotal Labor & Economic Opp.	\$11,900,000	\$11,900,000	\$0	0.0%
DTMB-State Building Authority Rent				
State Agencies	\$72,493,700	\$81,465,200	\$8,971,500	12.4%
Universities.....	140,195,300	142,153,900	1,958,600	1.4
Community Colleges	33,481,600	38,032,600	4,551,000	13.6
Subtotal Technology, Mgt., & Budget.....	\$246,170,600	\$261,651,700	\$15,481,100	6.3%
Transportation				
State Trunkline	\$330,880,800	\$333,554,100	\$2,673,300	0.8%
Economic Development.....	1,687,400	234,300	(1,453,100)	(86.1)
Local Bridge Fund	556,500	77,300	(479,200)	(86.1)
Blue Water Bridge Fund	3,963,100	3,320,300	(642,800)	(16.2)
Airport Safety and Protection Plan.....	3,615,900	3,618,200	2,300	0.0
Subtotal Transportation.....	\$340,703,700	\$340,804,200	\$100,500	0.0%
Treasury				
Clean Michigan Initiative.....	\$24,987,000	\$24,203,000	(\$784,000)	(3.1%)
Great Lakes Water Initiative	66,427,000	67,560,000	1,133,000	1.7
Quality of Life Bond	3,673,000	3,118,000	(555,000)	(15.1)
Flint Settlement	35,000,000	35,000,000	0	0.0
Subtotal Treasury	\$130,087,000	\$129,881,000	(\$206,000)	(0.5%)
TOTAL	\$751,861,300	\$767,239,900	\$15,375,600	2.0%

¹ Does not include Michigan Strategic Fund (MSF) bonding for the Cadillac Place, House Office Building, or Senate Office Building, or debt issued by authorities other than the State Building Authority (such as MSHDA or the Michigan Finance Authority).

Table 25

TOBACCO SETTLEMENT REVENUE AND APPROPRIATIONS			
FY 2024-25 COMPARED TO FY 2025-26 GOVERNOR'S RECOMMENDATION			
(actual dollars)			
	FY 2024-25 Estimated	FY 2025-26 Gov's Rec.	Gov's Rec. Chg. From FY 2024-25
Revenue			
Unreserved Balance from Prior Fiscal Year	\$18,670,400	\$15,403,100	(\$3,267,300)
Total Annual Payments	245,425,200	214,087,800	(31,337,400)
Correction of prior-year expenditures and other misc	3,936,700	0	0
Interest Earnings	2,078,800	2,078,800	0
Total Tobacco Settlement Revenue	\$270,111,100	\$231,569,700	(\$34,604,700)
Less Transfers Out For:			
21st Century Jobs Trust Fund	(75,000,000)	(75,000,000)	0
Detroit Public Schools Trust Fund	(41,000,000)	0	41,000,000
Payment to Budget Stabilization Fund (Detroit)	(17,500,000)	0	17,500,000
Payment on 2006 Bond Securitization	(32,739,700)	(28,559,300)	4,180,400
Payment on 2007 Bond Securitization	(26,432,300)	(23,057,300)	3,375,000
Total Transfers Out	(\$192,672,000)	(\$126,616,600)	\$66,055,400
Net Revenue to Merit Award Trust Fund	\$77,439,100	\$104,953,100	\$31,450,700
Appropriations			
Attorney General			
Operations	534,900	534,900	0
Health and Human Services			
Medicaid Base-Long-term Care	54,700,000	82,700,000	28,000,000
Aging-Respite Care	4,068,700	4,068,700	0
Mi-LEAP			
Student Financial Services Administration	1,254,700	1,254,700	0
State Police			
Criminal Investigations/IT	877,100	877,100	0
Department of Treasury			
Student Financial Services Administration	600,000	200,000	(400,000)
Total Merit Award Trust Fund Appropriations	\$62,035,400	\$89,635,400	\$27,600,000
MERIT AWARD TRUST FUND YEAR-END BALANCE	\$15,403,100	\$15,317,700	(\$85,400)

Data Source: State Budget Office

Table 26

FY 2024-25 SUPPLEMENTAL RECOMMENDATIONS BY FUND SOURCE

Budget Area/Program	Gross	Federal	Local	Private	State Restricted	GF/GP
Agriculture & Rural Development						
Food safety and quality assurance	\$1,000,000	\$0	\$0	\$0	\$1,000,000	\$0
Total - Agriculture & Rural Development.....	\$1,000,000	\$0	\$0	\$0	\$1,000,000	\$0
Attorney General						
Oxford high comprehensive review.....	\$1,000,000	\$0	\$0	\$0	\$0	\$1,000,000
Total - Attorney General.....	\$1,000,000	\$0	\$0	\$0	\$0	\$1,000,000
Environment, Great Lakes, & Energy						
Energy programs	\$15,000,000	\$0	\$0	\$0	\$15,000,000	\$0
Oil, gas, and mineral services.....	7,561,800	7,561,800	0	0	0	0
Water quality programs.....	2,305,000	1,980,000	0	0	325,000	0
Executive direction.....	1,455,000	1,455,000	0	0	0	0
Employee lump sum payments.....	796,800	640,000	0	0	0	156,800
Total - Environment, Great Lakes, & Energy.....	\$27,118,600	\$11,636,800	\$0	\$0	\$15,325,000	\$156,800
Health & Human Services						
Traditional Medicaid - physical health adjustments.....	\$371,923,600	\$255,318,000	\$0	\$0	\$0	\$116,605,600
Traditional Medicaid - behavioral health adjustments	215,161,200	141,458,800	0	0	0	73,702,400
One-Time: State psych disproportionate share hospital disallowance penalty	81,619,100	0	0	0	0	81,619,100
Children's special health care services adjustments	70,620,300	45,995,000	0	0	0	24,625,300
One-Time: Federal COVID epidemiology and laboratory capacity	61,000,000	61,000,000	0	0	0	0
Healthy Michigan Plan - behavioral health adjustments.....	45,657,000	41,221,600	0	0	0	4,435,400
Healthy Michigan Plan - physical health adjustments	38,182,100	34,364,000	0	0	0	3,818,100
Child welfare adjustments.....	37,017,400	(11,127,800)	3,012,900	(291,500)	108,800	45,315,000
Certified community behavioral health clinic adjustments.....	28,288,700	23,771,900	0	0	0	4,516,800
Healthy Michigan Plan special financing - physical health	24,485,200	21,992,900	0	0	2,509,400	(17,100)
Federal Authorization: community services block grant	11,330,600	11,330,600	0	0	0	0
One-Time: ARP-strengthen public health infrastructure, workforce, data systems	9,962,900	9,962,900	0	0	0	0
Michigan youth treatment center lease expenses.....	9,109,900	200	200	0	0	9,109,500
Local Authorization: State school aid act fund child & adolescent health centers	6,057,300	0	6,057,300	0	0	0
Local Authorization: State school aid act fund for hearing and vision screening	5,000,000	0	5,000,000	0	0	0
State Restricted Authorization: psych hospital non-GF revenue alignment	4,000,000	0	0	0	4,000,000	0
Federal Authorization: child support - demo and evaluation award	3,424,700	3,424,700	0	0	0	0
Federal Medicaid benefit phone renewal requirement	2,837,000	1,418,500	0	0	0	1,418,500
One-Time: Federal COVID emerging infections programs	2,688,500	2,688,500	0	0	0	0
Healthy Michigan Plan special financing - behavioral health	2,423,400	2,181,100	0	0	242,300	0
Federal Authorization: Labs/emergency medical services	1,250,000	1,250,000	0	0	0	0
Federal Authorization: Family violence prevention services	893,800	893,800	0	0	0	0
IDG Authorization: Biohazard	727,200	0	0	0	0	0
State Restricted Authorization: behavioral health state restricted fee .	565,800	0	0	0	565,800	0
State Restricted Authorization: Body art fees	500,000	0	0	0	500,000	0
Federal Authorization: Childrens special health care epilepsy grant...	450,000	450,000	0	0	0	0
Federal Authorization: CDC oral health grant	380,800	380,800	0	0	0	0

FY 2024-25 SUPPLEMENTAL RECOMMENDATIONS BY FUND SOURCE

Budget Area/Program	Gross	Federal	Local	Private	State Restricted	GF/GP
State Restricted Authz: Bequest parent fee childrens special health care svcs	300,000	0	0	0	300,000	0
Federal Authorization: Medicaid match for hepatitis c prevention	300,000	300,000	0	0	0	0
Federal Authorization: homeless programs continuum of care	277,800	277,800	0	0	0	0
Federal Authorization: community-based child abuse prevention grant	128,700	128,700	0	0	0	0
State Restricted Authorization: Marihuana regulatory fund.....	68,200	0	0	0	68,200	0
Direct care workers wage fund source.....	0	(221,600)	0	0	0	221,600
MiBridges fund shift	0	6,700	(6,700)	0	0	0
Occupancy fund shift	0	(1,100,100)	0	0	0	1,100,100
Children's special health care services special financing adjustments	0	10,098,800	0	0	0	(10,098,800)
Medicaid restricted fund shift - Medicaid benefits trust fund	0	0	0	0	(6,500,000)	6,500,000
Medicaid restricted fund shift - Insurer provider fund	0	0	0	0	3,713,300	(3,713,300)
Medicaid restricted fund shift - Healthy Michigan fund.....	0	0	0	0	(1,150,000)	1,150,000
Public assistance adjustments	(626,417,300)	(625,818,000)	0	0	655,100	(1,254,400)
Traditional Medicaid special financing - physical health	(69,514,300)	(60,213,800)	(2,442,200)	2,688,900	(27,900,000)	18,352,800
Shawono center closure	(3,794,100)	(90,400)	(1,901,100)	0	0	(1,802,600)
Traditional Medicaid special financing - behavioral health.....	(3,149,700)	(2,054,700)	0	0	(1,095,000)	0
State Restricted Authorization: MBPI pharmaceutical product fund reduction	(779,000)	0	0	0	(779,000)	0
Local Authorization: Health homes reduction.....	(246,900)	0	(246,900)	0	0	0
Family support subsidy adjustments.....	(7,100)	(7,100)	0	0	0	0
Total - Health & Human Services.....	\$332,722,800	(\$30,718,200)	\$9,473,500	\$2,397,400	(\$24,761,100)	\$375,604,000
Judiciary						
Drug treatment courts	\$100,000	\$100,000	\$0	\$0	\$0	\$0
Circuit court judge salaries.....	316,200	0	0	0	271,100	45,100
Status offender pilot program.....	12,100	0	0	0	0	0
Total - Judiciary	\$428,300	\$100,000	\$0	\$0	\$271,100	\$45,100
Labor and Economic Opportunity						
Community development block grant - disaster recovery	\$43,570,000	\$43,570,000	\$0	\$0	\$0	\$0
Siting and economic development program.....	35,800,000	35,800,000	0	0	0	0
Community and worker economic transition office.....	22,653,100	22,653,100	0	0	0	0
Michigan rehabilitation services	9,467,300	9,467,300	0	0	0	0
First responder presumed coverage claims	2,500,000	0	0	0	2,500,000	0
Michigan office of rural prosperity	350,000	350,000	0	0	0	0
Total - Labor & Economic Opportunity.....	\$114,340,400	\$111,840,400	\$0	\$0	\$2,500,000	\$0
Licensing & Regulatory Affairs						
Bureau of Construction Codes	\$3,053,600	\$3,053,600	\$0	\$0	\$0	\$0
Total - Licensing & Regulatory Affairs.....	\$3,053,600	\$3,053,600	\$0	\$0	\$0	\$0
Lifelong Education, Advancement, & Potential						
Private revenue authorization	\$750,000	\$0	\$0	\$750,000	\$0	\$0
Total - Lifelong Education, Advancement, & Potential.....	\$750,000	\$0	\$0	\$750,000	\$0	\$0
Military and Veterans Affairs						
Capital outlay – MVFA land and acquisitions.....	\$4,526,200	\$4,526,200	\$0	\$0	\$0	\$0
Total - Military & Veterans Affairs.....	\$4,526,200	\$4,526,200	\$0	\$0	\$0	\$0

FY 2024-25 SUPPLEMENTAL RECOMMENDATIONS BY FUND SOURCE

Budget Area/Program	Gross	Federal	Local	Private	State Restricted	GF/GP
Natural Resources						
Arctic Grayling fish passage	\$2,500,000	\$2,500,000	\$0	\$0	\$0	\$0
Dam infrastructure projects.....	2,500,000	0	0	0	2,500,000	0
Fisheries infrastructure	1,400,000	0	0	0	1,400,000	0
Fisheries resource management	1,100,000	0	0	0	1,100,000	0
State game and wildlife area infrastructure.....	1,000,000	0	0	0	1,000,000	0
Forest management and timber market development.....	827,800	827,800	0	0	0	0
Decree negotiations	613,200	0	0	0	0	613,200
Wildlife management	500,000	0	0	0	500,000	0
Finance and operations	380,400	380,400	0	0	0	0
Michigan historical center	209,300	209,300	0	0	0	0
Total - Natural Resources	\$11,030,700	\$3,917,500	\$0	\$0	\$6,500,000	\$613,200
Natural Resources Trust Fund						
Development grants-in-aid.....	\$22,503,400	\$0	\$0	\$0	\$22,503,400	\$0
Acquisition grants-in-aid.....	19,262,600	0	0	0	19,262,600	0
Total - Natural Resources Trust Fund.....	\$41,766,000	\$0	\$0	\$0	\$41,766,000	\$0
School Aid						
District infrastructure emergency	\$25,000,000	\$0	\$0	\$0	\$25,000,000	\$0
MPSERS costs	8,100,000	0	0	0	8,100,000	0
Promise zones	3,200,000	0	0	0	3,200,000	0
Advanced placement (AP) incentive program.....	800,000	0	0	0	0	800,000
Fund shift (GF/GP to SAF).....	0	0	0	0	800,000	(800,000)
Foundation allowance costs.....	(56,000,000)	0	0	0	(56,000,000)	0
Special education costs	(35,900,000)	0	0	0	(35,900,000)	0
Total - School Aid	(\$54,800,000)	\$0	\$0	\$0	(\$54,800,000)	\$0
State						
HAVA: election security	\$9,583,500	\$0	\$0	\$0	\$9,583,500	\$0
Total - State	\$9,583,500	\$0	\$0	\$0	\$9,583,500	\$0
Technology, Management, and Budget						
Digital nondiscrimination federal compliance	\$3,000,000	\$0	\$0	\$0	\$0	\$3,000,000
Total - Technology, Management, & Budget	\$3,000,000	\$0	\$0	\$0	\$0	\$3,000,000
Transportation						
FY 2025-1 aeronautics adjustment (boilerplate only).....	\$0	\$0	\$0	\$0	\$0	\$0
Total – Transportation.....	\$0	\$0	\$0	\$0	\$0	\$0
Treasury-Operations						
Lottery operations	\$1,950,000	\$0	\$0	\$0	\$1,950,000	\$0
Local prosecutor support grants	0	0	0	0	0	0
Total - Treasury - Operations.....	\$1,950,000	\$0	\$0	\$0	\$1,950,000	\$0
TOTAL CURRENT YEAR SUPPLEMENTAL REQUESTS.....	\$497,470,100	\$104,356,300	\$9,473,500	\$3,147,400	(\$665,500)	\$380,419,100

Table 27

Proposed Fee Increases		
Department	Fee	Estimated Annual Revenue
Agriculture and Rural Development	Water Quality Protection Fee	\$1,300,000
Environment, Great Lakes, and Energy	Solid Waste Surcharge fee	80,000,000
Environment, Great Lakes, and Energy	Water fees; Land and Water Permit fees	7,312,300
Environment, Great Lakes, and Energy	Hazardous Waste fees	5,000,000
Environment, Great Lakes, and Energy	Underground Gas Storage fees	465,500
Natural Resources	Game and Fish; Boating fees	28,953,300
Natural Resources	Recreation Passport fee Opt-Out	17,190,300
Transportation	Michigan Aircraft Registration fee	2,500,000
Total		\$142,721,400

Table 28

Governor's FY 2025-26 Proposed Changes to Fees		
Department	Purpose	Michigan Compiled Law (MCL)
Agriculture and Rural Development	Water Quality Protection fee increase	MCL 324.8715
Environment, Great Lakes, and Energy	Remove fee sunset, increase solid waste surcharge fees, and add Consumer Price Index inflation language	MCL 324.11525a
Environment, Great Lakes, and Energy	Remove fee sunsets and increase water quality fees.	MCLs 324.4104; 325.1009; 324.3110; 324.30104; 324.30104b; 324.30109; 324.30306; 324.30306b; 324.30313b; 324.31509; 324.32312; 324.32507; 324.32513; 324.33908; 324.33911; 324.33929; 560.117; 324.3104; 324.3120; 324.3118
Environment, Great Lakes, and Energy	Increase hazardous waste management fees.	MCLs 324.11108; 324.11109; 324.11123; 324.11138; 324.11153
Environment, Great Lakes, and Energy	Increase gas storage well regulatory fee.	MCL 324.61525a
Environment, Great Lakes, and Energy	Add Consumer Price Index inflation language to Land Division Act.	MCL 560.117
Environment, Great Lakes, and Energy	Add Consumer Price Index inflation language to Public Health Code.	MCLs 333.12506a; 333.12527a; 33.12704; 333.13306; 333.13813; 333.13815
Environment, Great Lakes, and Energy	Remove fee sunset, add Consumer Price Index inflation language to the Safe Drinking Water Act.	MCLs 325.1009; 325.1011a; 325.1011c; 325.1007; 325.1011b; 325.1017
Environment, Great Lakes, and Energy	Remove fee sunsets within the NREPA and add Consumer Price Index inflation language	MCLs 324.11108; 324.11109; 324.11123; 324.11509; 324.11512; 324.12109; 324.12112; 324.16904; 324.17303; 324.17317; 324.30104;

Governor's FY 2025-26 Proposed Changes to Fees		
Department	Purpose	Michigan Compiled Law (MCL)
		324.30109; 324.3104; 324.3110; 324.3118; 324.3120; 324.3122; 324.3132; 324.31509; 324.32312; 324.32507; 324.32513; 324.32707; 324.32723; 324.3306; 324.33908; 324.33911; 324.33929; 324.35309; 324.4104; 324.4112; 324.5522; 324.61525; 324.62509; 324.63205; 324.63215; 324.63405; 324.63413; 324.63711; 324.11153(1); 324.11153(2); 324.11525a; 324.11717b; 324.61525a; 324.62509a; 324.63103d; 324.5519; 324.61525a
Licensing and Regulatory Affairs	State License Fee Act – Add Consumer Price Index inflation and adjust rulemaking process	MCL 338.205
Licensing and Regulatory Affairs	Ski area safety fees	MCL 408.336
Licensing and Regulatory Affairs	Fire services inspection fees	MCL 29.2c
Licensing and Regulatory Affairs	Homes for the Aged licensure exemption fee	MCL 333.21311a
Licensing and Regulatory Affairs	Health Systems fees – Revenue Allocation and Sunset Removal	MCLs 330.1139; 333.6237
Licensing and Regulatory Affairs	Health Facilities fees	MCL 333.20161
Licensing and Regulatory Affairs	Nurse Aid and Medication Aid Renewal Late fee	MCL 333.21919;333.21920
Natural Resources	Recreation Passport Opt-Out and Resident Military Exemption	MCLs 257.805; 324.74116
Natural Resources	Increase hunting license fees	MCLs 324.43520; 324.43522; 324.43523a; 324.43523b; 324.43524; 324.43525b; 324.43525c; 324.43527a; 324.43528; 324.43529; 324.43531; 324.43532a; 324.43535; 324.43540
Natural Resources	Increase fishing license fees	MCLs 324.435; 324.43509; 324.43523b; 324.43532; 324.43532a; 324.43533; 324.43536; and 324.43540
Natural Resources	Increase boating license fees	MCL 324.80124
Transportation	Aircraft Registration fees	MCL 259.77(5)
Treasury	Municipal Finance Filing fee	MCLs 141.2303; 141.2319

Table 29**Michigan Natural Resources Trust Fund
Supplemental Request 2025-3**

Trust Fund Acquisition Projects by Priority:	
Lamberts Trail Park Acquisition , Kent County (grant-in-aid to City of Kentwood) (#24-0070).....	\$129,100
Little Huron River Acquisition, Marquette County (#24-0179).....	1,175,000
Munising Bay Overlook Acquisition, Alger County (grant-in-aid to City of Munising) (#24-0100).....	619,000
City of Burton Community Park Acquisition, Genesee County (grant-in-aid to City of Burton) (#24-0128)	1,275,000
Waterloo Recreation Area Addition, Jackson County (#24-0105)	1,000,000
Muskegon State Game Area Acquisition, Muskegon County (#24-0119).....	595,000
Sturgeon River Sloughs Acquisition, Houghton County (#24-0120).....	440,000
Michigamme Highlands Conservation Easement Acquisition, Marquette County (#24-0180).....	4,200,000
Turtle Woods Nature Preserve Acquisition, Oakland County (grant-in-aid to Oakland County) (#24-0047)	2,175,000
Jefferson Wetland Preserve Acquisition, Macomb County (grant-in-aid to Chesterfield Township) (#24-0044)	560,000
Southeastern Michigan Regional Sprint Land Consolidation, Oakland County (#24-0117)	2,000,000
Jewel Golf Course Acquisition, Genesee County (grant-in-aid to City of Grand Blanc) (#24-0228).....	1,500,000
Cornish State Game Area Acquisition, Van Buren County (#24-0118)	1,140,000
Man-Made Lake Parcel Acquisition, Manistee County (grant-in-aid to City of Manistee) (#24-0185)	94,000
Pinckney Recreation Area Addition, Livingston County (#24-0144)	1,300,000
Roberts Park Expansion Acquisition, Saginaw County (grant-in-aid to Thomas Township) (#24-0048).....	48,000
Main Street Park Project Acquisition, Washtenaw County (grant-in-aid to City of Chelsea) (#24-0080)	1,012,500
Trust Fund Development Projects by Priority:	
Bailey Park Restroom Facility, Calhoun County (grant-in-aid to City of Battle Creek) (#24-0024)	290,800
Lake Michigan Adventure Canopy Tour Addition, Muskegon County (#24-0140)	400,000
Riverfront Park Boat Launch Improvements, Berrien County (grant-in-aid to City of Buchanan) (#24- 0129).....	231,000
Rogue River Park Development, Kent County (grant-in-aid to Village of Sparta) (#24-0098).....	281,400
Frances River Lot Improvements, Ingham County (grant-in-aid to City of Lansing) (#24-0013).....	400,000
Two Rivers Park River Access, Kent County (grant-in-aid to Kent County) (#24-0173).....	400,000
Johnson Park Development, Kent County (grant-in-aid to Kent County) (#24-0171)	400,000
Thompsonville Multi-Use Trailhead and Campground, Benzie County (grant-in-aid to Village of Thompsonville) (#24-0049)	276,600
Ottaway Crossing Footbridge, Grand Traverse County (grant-in-aid to Grand Traverse County) (#24- 0096)	400,000
Mid Michigan Pathway Extension, Isabella County (grant-in-aid to City of Mt. Pleasant) (#24-0126)	400,000
Historic Bridge Park Accessibility Improvements, Calhoun County (grant-in-aid to Calhoun County) (#24-0043)	400,000
North Branch Park Boat Launch Renovation, Calhoun County (grant-in-aid to Calhoun County) (#24- 0199)	222,000

Idema Explorers Trail Eastmanville Connector Project, Ottawa County (grant-in-aid to Ottawa County) (#24-0045)	400,000
Otterburn Park Infrastructure Improvements , Genesee County (grant-in-aid to City of Swartz Creek) (#24-0061)	290,000
Lincoln Township Beach Improvements, Berrien County (grant-in-aid to Lincoln Township) (#24-0077).....	350,000
Mason County Picnic Area Trail and Trailhead Improvements, Mason County (grant-in-aid to Mason County) (#24-0139)	400,000
South Front Street Park Renovation, Cass County (grant-in-aid to City of Dowagiac) (#24-0082)	300,000
Oscoda Beach Park Boardwalk and Beach Access Improvements, Iosco County (grant-in-aid to Oscoda Township) (#24-0094).....	400,000
Red Woolfe Park Improvements, Van Buren County (grant-in-aid to Village of Decatur) (#24-0110).....	307,300
Lake Street Fishing Pier Development, Antrim County (grant-in-aid to Village of Central Lake) (#24-0124).....	237,500
Swedetown Chalet Renovation and Trail Addition, Houghton County (grant-in-aid to Calumet Township) (#24-0150).....	400,000
Heritage Trail Extension to Bewabic State Park, Iron County (grant-in-aid to Crystal Falls Township) (#24-0079).....	215,000
Grand Traverse Greenway Development, Genesee County (#24-0103).....	300,000
Detroit River Boating Access Site Renovation, Wayne County (#24-0109)	400,000
Springfield Memorial Park Improvements, Calhoun County (grant-in-aid to City of Springfield) (#24-0112)	257,500
Barnes Memorial Park Improvements, Wexford County (grant-in-aid to Colfax Township) (#24- 0187).....	224,000
Bike Park Development, Kent County (grant-in-aid to City of Grand Rapids) (#24-0010).....	300,000
Steele Park Development, Ionia County (grant-in-aid to City of Ionia) (#24-0066)	400,000
Rondo Station Improvements, Kent County (grant-in-aid to City of Kentwood) (#24-0069).....	300,000
Austin Lake Trail Project, Kalamazoo County (grant-in-aid to City of Portage) (#24-0081)	400,000
Booth Park Entry and Trail Improvements, Oakland County (grant-in-aid to City of Birmingham) (#24-0122)	400,000
Whitefish Point State Harbor Redevelopment, Chippewa County (#24-0127).....	400,000
Nakwema Trail Development, Charlevoix County (#24-0133).....	400,000
Bronson Rail Trail, Branch County (grant-in-aid to City of Bronson) (#24-0155)	387,600
Platte River State Fish Hatchery Accessibility and Education, Benzie County (#24-0114).....	400,000
Hartwick Pines Old Growth Exhibit Development, Crawford County (#24-0191)	400,000
Patterson Avenue and 76th Street Pathway Project, Kent County (grant-in-aid to Caledonia Township) (#24-0196)	400,000
Minard Mills Park Renovation, Jackson County (grant-in-aid to Jackson County) (#24-0037)	200,000
School Section Lake Bathhouse and Playground Renovation, Mecosta County (grant-in-aid to Mecosta County) (#24-0042)	400,000
Black River Bridge Replacement - High Country Pathway, Otsego County (#24-0141).....	400,000
Intervale-Roselawn Playground - Joe Louis Greenway, Wayne County (grant-in-aid to City of Detroit) (#24-0146)	400,000
Clark Park - Joe Louis Greenway, Wayne County (grant-in-aid to City of Detroit) (#24-0147).....	250,000
Thurston Park Improvements - Kayak Launch, Antrim County (grant-in-aid to Village of Central Lake) (#24-0194)	193,700
Nature Park Kayak Launch, Genesee County (grant-in-aid to Flushing Township) (#24-0063)	207,200
Eddy Park Campground - Camper Shelters Project, Gogebic County (grant-in-aid to City of Wakefield) (#24-0008)	274,200
McQuisten Recreational Area Renovation, Alger County (grant-in-aid to Munising Township) (#24-0039).....	300,000
Delta Mills Park to Hawk Meadow Park Pathway, Eaton County (grant-in-aid to Delta Township) (#24-0055)	400,000
Boyne City Park Improvements, Charlevoix County (grant-in-aid to City of Boyne City) (#24-0090)	322,000

3-Mile Trail Extension, Grand Traverse County (grant-in-aid to East Bay Township) (#24-0131)	400,000
Dixboro Road Pathway Connection, Washtenaw County (grant-in-aid to Ann Arbor Township) (#24- 0152)	300,000
Winstrom Park Trails and Natural Area Improvements, Ottawa County (grant-in-aid to Park Township) (#24-0157).....	326,700
Central Riverside Park Improvements, Ionia County (grant-in-aid to City of Belding) (#24-0211).....	397,500
Lewis Emery Park Development, Hillsdale County (grant-in-aid to Hillsdale County) (#24-0054).....	255,500
Lake Huron Coastal Preserve - Accessibility Improvements, Iosco County (grant-in-aid to Alabaster Township) (#24-0059)	191,000
Pere Marquette Conservation Entry and Trail Project, Mason County (grant-in-aid to Pere Marquette Township) (#24-0174)	400,000
Mundy Miracle Commons Accessible Playscape and Improvements, Genesee County (grant-in-aid to Mundy Township) (#24-0198)	400,000
Ocqueoc Outdoor Center - Dock and Path Improvements, Presque Isle County (grant-in-aid to Presque Isle County) (#24-0091)	144,300
Boyle Lake Boating Access Site Improvements, Berrien County (#24-0116)	90,000
Crystal Waters State Game Area Access Development, Monroe County (#24-0028)	400,000
Mill Creek Park Enhancements, Washtenaw County (grant-in-aid to City of Dexter) (#24-0085).....	400,000
Shaw Park Playground and Cricket Field, Macomb County (grant-in-aid to City of Warren) (#24-0020).....	400,000
Grand Ledge Ball Park Improvements, Eaton County (grant-in-aid to City of Grand Ledge) (#24-0035)	346,500
Au Gres Riverfront Campground Improvements, Arenac County (grant-in-aid to City of Au Gres) (#24-0095).....	400,000
Eagle Harbor Beach Accessibility Project, Keweenaw County (grant-in-aid to Eagle Harbor Township) (#24-0123)	83,700
Marquette Greenway Development, Berrien County (grant-in-aid to New Buffalo Township) (#24-0218)	300,000
Lake Township Park Development, Roscommon County (grant-in-aid to Lake Township) (#24-0014).....	400,000
Spindler Park Improvements, Macomb County (grant-in-aid to City of Eastpoint) (#24-0203)	350,400
GROSS APPROPRIATION	\$41,766,000
Appropriated from:	
Michigan Natural Resources Trust Fund	\$41,766,000

Table 30

STATE SPENDING FROM STATE RESOURCES APPROPRIATIONS TOTAL COMPARED IN SELECTED BUDGET AREAS (millions of dollars)				
Budget Area	FY 2015-16 Year-to-Date Appropriations	FY 2025-26 Gov's Rec. Appropriations	Difference	Percent Change
Health and Human Services	\$6,494.0	\$11,396.2	\$4,902.2	75.5%
Corrections	1,961.3	2,201.6	240.3	12.3
K-12 School Aid	11,960.5	18,784.6	6,824.1	57.1
Community Colleges	387.8	496.7	108.9	28.1
Higher Education	1,437.7	2,375.7	938.0	65.2
Labor and Economic Opportunity	378.9	635.4	256.5	67.7
Revenue Sharing	1,218.5	1,823.6	605.1	49.7
Transportation	2,586.4	4,400.9	1,814.5	70.2
All Other Programs	3,917.1	5,992.0	2,074.9	53.0
Total State Spending	\$30,342.2	\$48,108.7	\$17,766.5	58.6%
Addendum:				
Medicaid Caseload	2,371,600	2,632,700	261,100	11.0%
Prison Population	41,122	33,655	(7,467)	(18.2)
K-12 Pupil Count	1,495,980	1,377,100	(118,880)	(7.9)
University Students	260,817	238,054	(22,763)	(8.7)
Community College Students	125,388	100,496	(24,892)	(19.9)
Michigan Personal Income (millions)	\$438,880.3	\$687,640.0	\$248,759.7	56.7%
Detroit Consumer Price Index	221.1	306.4	--	38.6%
<p>NOTES: Revenue Sharing: Constitutional number is the January 2025 Consensus Revenue Estimating Conference (CREC) estimate. Medicaid Caseload: Number for FY 2015-16 includes the estimated 613,000 individuals who are eligible under the expansion of Medicaid that went into effect in March 2014. Number for FY 2025-26 is based on eligibility reports through the last week of December 2024 and includes the estimated 715,300 individuals who are eligible under the expansion of Medicaid. Medicaid redeterminations resumed post public health emergency were completed during FY 2023-24. Prison Population: These are the most recent year-end numbers published by the Department of Corrections for calendar year 2016 and the Governor's population projection for FY 2025-26. K-12 Pupils: FY 2025-26 pupil count is the January 2025 CREC estimate. Community College and University Students: Numbers in FY 2025-26 column reflect the most recent data available, which are FY 2023-24 fiscal-year-equated-students as reported in the Michigan Community College Data Inventory Report and the Higher Education Institutional Data Inventory (HEIDI). Michigan Personal Income and Detroit CPI: Numbers are fiscal year averages; FY 2025-26 numbers are January 2025 CREC estimates.</p>				

OVERVIEW OF
GOVERNOR WHITMER'S
FY 2025-26 BUDGET
APPROPRIATIONS REPORT - PART 1

Kathryn R. Summers, Director
Senate Fiscal Agency

February 12, 2025

