FY 2025-26 GENERAL OMNIBUS BUDGET
Summary: Conference
House Bill 4706 (H-1) CR-1

Mary Ann Cleary, Director

TOTAL APPROPRIATIONS BY BUDGET AREA

Budget Area [Summary Page]	FY 2025-26	
	Gross	GF/GP
Agriculture and Rural Development [2]	$145,885,000	$77,496,400
Corrections [10]	2,163,994,500	2,128,211,700
Education [24]	164,746,700	62,546,100
Environment, Great Lakes, and Energy [32]	967,719,600	170,064,100
General Government [43]		
Attorney General [47]	*126,400,600*	*45,278,000*
Civil Rights [52]	*28,439,700*	*25,463,200*
Executive Office [55]	*9,609,200*	*9,609,200*
Legislature [56]	*200,815,800*	*194,837,300*
Legislative Auditor General [59]	*31,706,300*	*21,748,400*
State [61]	*294,983,000*	*11,969,100*
Technology, Management, and Budget [65]	*1,843,476,400*	*538,318,900*
Treasury [74]	*2,656,345,100*	*327,800,400*
Subtotal: General Government	5,191,776,100	1,175,024,500
Health and Human Services [84]	30,025,568,200	7,132,247,500
Insurance and Financial Services [111]	79,406,400	0
Judiciary [118]	383,621,700	276,073,800
Labor and Economic Opportunity [126]	1,731,079,700	216,183,600
Licensing and Regulatory Affairs [154]	626,006,900	279,485,700
Lifelong Education, Advancement, and Potential [168]	662,243,200	201,593,300
Military and Veterans Affairs [177]	290,166,300	128,171,000
Natural Resources [186]	543,194,300	73,009,400
State Police [195]	964,186,600	638,435,100
Transportation [207]	7,889,495,800	0
TOTAL	**$51,829,091,000**	**$12,558,542,200**

Budget Area [Summary Page]	FY 2024-25	
	Gross	GF/GP
Supplemental [218]	$2,570,902,400	$754,390,100
TOTAL	**$2,570,902,400**	**$754,390,100**

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

FY 2025-26: AGRICULTURE AND RURAL DEVELOPMENT
Summary: Conference
Article 1, House Bill 4706 (H-1) CR-1

Analyst: William E. Hamilton

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	FY 2025-26 Senate	FY 2025-26 House	FY 2025-26 Conference	*Difference: Conference From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$332,400	$336,600	$336,600	$336,600	$336,600	*$4,200*	*1.3*
Federal	20,357,900	20,079,600	20,079,600	13,715,500	20,079,600	*(278,300)*	*(1.4)*
Local	0	0	0	0	0	*0*	*-*
Private	21,300	0	0	0	0	*(21,300)*	*(100.0)*
Restricted	47,170,900	51,972,400	51,972,400	42,736,300	47,972,400	*801,500*	*1.7*
GF/GP	89,056,400	85,921,900	87,072,000	46,106,800	77,496,400	*(11,560,000)*	*(13.0)*
Gross	**$156,938,900**	**$158,310,500**	**$159,460,600**	**$102,895,200**	**$145,885,000**	***($11,053,900)***	***(7.0)***
FTEs	556.0	589.0	581.0	491.5	552.0	*(4.0)*	*(0.7)*

Notes: (1) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (2) FY 2024-25 year-to-date (YTD) figures are as of release of the Executive budget, February 5, 2025. (3) "Senate" means Senate Bill 171 (S-2), as passed by the Senate, May 13, 2025. (4) "House" means Article 1, House Bill 4706 (H-1) as Amended. (5) "Conference" means the budget agreement reflected in HB 4706 (H-1) CR-1.

Overview

Michigan Department of Agriculture and Rural Development (MDARD) key programs and priorities include ensuring food safety and security, protecting animal health and welfare, managing invasive exotic species, regulating pesticide use, certifying agricultural commodities, ensuring environmental stewardship, consumer protection, and promoting the state's agricultural economy.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
1. Unclassified Positions	FTE	6.0	**0.0**
Executive includes no changes exclusive of economics. Senate concurs with Executive. House retains funding at current-year level. Conference concurs with Executive.	**Gross**	**$1,033,200**	**$0**
	Restricted	335,100	0
	GF/GP	$698,100	$0
2. Accounting Service Center	**Gross**	**$1,177,400**	**$13,500**
Executive includes a $13,500 baseline increase, from state restricted funds, for line used to reimburse the Michigan Department of Transportation for accounting services. Senate concurs with Executive. House does not include restricted fund support; reduces baseline funding by $58,900 GF/GP. Conference concurs with Executive.	Restricted	0	13,500
	GF/GP	$1,177,400	$0
3. Commissions and Boards	**Gross**	**$23,800**	**$0**
Executive retains current-year funding, $23,000 Gross ($15,000 GF/GP) for line that provides staff support to the Michigan Commission of Agriculture and Rural Development, and the Michigan Craft Beverage Council. Senate concurs with Executive. House eliminates. Conference concurs with Executive and retains current year funding.	Restricted	8,800	0
	GF/GP	$15,000	$0
4. Emergency Management – Preparedness, Readiness, Response	FTE	8.0	0.0
Executive recognizes $21,000 in economic adjustments with no change to baseline funding or FTE authorization. Senate concurs with Executive. House reduces baseline funding by $1.3 million GF/GP and reduces staffing authorization by 2.0 FTEs. Conference reduces baseline GF/GP funding by $800,000 with no change in FTEs.	**Gross**	**$3,553,100**	**($800,000)**
	Federal	1,039,000	0
	GF/GP	$2,514,100	($800,000)

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
5. Emerging Contaminates in Food and Agriculture	FTE	6.0	0.0
Executive recognizes no changes exclusive of economic adjustments and no change to FTE authorization. Senate concurs with Executive. House reduces baseline funding by $1.6 million GF/GP and reduces staffing authorization by 3.0 FTEs. Conference reduces ongoing funding by $500,000 GF/GP with no change in FTEs. [Also shifts $250,000 GF/GP from ongoing to one-time.]	**Gross**	**$2,109,900**	**($500,000)**
	GF/GP	$2,109,900	($500,000)
6. Executive Direction	FTE	23.0	0.0
Executive includes internal fund shifts to reflect restructuring as well as economic adjustments. [Internal fund shifts and economic adjustments are not shown in the *Conference Change* column to the right.] Senate concurs with Executive. House does not recognize economic increase; reduces baseline funding by $1.0 million GF/GP and reduces staffing authorization by 3.0 FTEs. Conference concurs with Executive.	**Gross**	**$3,354,600**	**$0**
	Federal	15,000	0
	Restricted	235,500	0
	GF/GP	$3,104,100	$0
7. Property Management	**Gross**	**$785,000**	**$0**
Executive does not include changes other than economic adjustments. Senate concurs with Executive. House does not recognize economic adjustment; reduces baseline funding by $39,300 Gross ($32,900 GF/GP). Conference concurs with Executive.	Restricted	127,400	0
	GF/GP	$657,600	$0
8. Information Technology	**Gross**	**$2,366,400**	**$0**
Executive does not include changes other than economic adjustments. Senate concurs with Executive. House does not recognize economic adjustments; reduces baseline funding by $591,600 Gross ($529,900 GF/GP). Conference concurs with Executive.	Restricted	246,800	0
	GF/GP	$2,119,600	$0
9. Food Safety and Quality Assurance	FTE	103.0	0.0
Executive includes internal fund shifts to reflect restructuring as well as economic adjustments. [Internal fund shifts and economic adjustments are not shown in the *Conference Change* column to the right.] Senate concurs with Executive. House does not recognize economics or internal fund shifts; reduces baseline funding by $1.9 million Gross ($1.4 million GF/GP) and reduces staffing authorization by 3.0 FTEs. Conference concurs with Executive.	**Gross**	**$18,833,700**	**$0**
	Federal	2,769,500	0
	Restricted	6,354,200	0
	GF/GP	$9,710,000	$0
10. Milk Safety and Quality Assurance	FTE	36.0	0.0
Executive does not include changes exclusive of economic adjustments. Senate concurs with Executive. House does not recognize economic increase; reduces baseline funding by $1.4 million Gross ($1.3 million GF/GP). Conference concurs with Executive.	**Gross**	**$5,999,300**	**$0**
	Federal	191,900	0
	Restricted	209,000	0
	GF/GP	$5,598,400	$0
11. Animal Disease Prevention and Response	FTE	63.0	0.0
Executive does not include changes exclusive of economic adjustments. Senate concurs with Executive. House does not recognize economic increases; reduces baseline funding by $3.8 million Gross ($3.7 million GF/GP) and reduces staffing authorization by 11.0 FTEs. Conference concurs with Executive.	**Gross**	**$11,103,000**	**$0**
	Federal	1,087,500	0
	Restricted	222,900	0
	GF/GP	$9,792,600	$0
12. Animal Feed Safety	FTE	10.0	0.0
Executive does not include changes exclusive of economic adjustments. Senate concurs with Executive. House does not recognize economic increases and retains current-year funding. Conference concurs with Executive.	**Gross**	**$2,100,800**	**$0**
	Federal	404,800	0
	Restricted	1,431,200	0
	GF/GP	$264,800	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
13. Michigan Animal Agriculture Alliance	**Gross**	**$3,000,000**	**($1,500,000)**
Executive retains $3.0 million GF/GP grant for MSU animal agriculture research program. Senate concurs with Executive. House does not include. Conference reduces ongoing funding by $1.5 million GF/GP. [Also shifts $1.5 million GF/GP from ongoing to one-time.]	GF/GP	$3,000,000	($1,500,000)
14. Protecting Michigan's Food Supply	FTE	0.0	0.0
Executive includes $5.5 million ($3.5 million GF/GP) and authorization for 27.0 FTE positions for a new appropriation unit and line item. Senate includes line item funded at $4.0 million ($2.0 million GF/GP) with 19.0 FTEs. House does not include. Conference does not include.	**Gross**	**$0**	**$0**
	Restricted	0	0
	GF/GP	$0	$0
15. Agricultural Climate Resiliency/Soil Health and Regenerative Agriculture	FTE	5.0	0.0
	Gross	**$7,124,900**	**($5,100,000)**
Executive consolidates two line items, both intended to promote the principles of regenerative agriculture, into a single Soil Health and Regenerative Agriculture line. Executive retains $2.0 million GF/GP in ongoing funding and 5.0 FTE positions but does not retain $5.1 million one-time appropriation. Senate concurs with Executive. House does not include either ongoing line items or the one-time line item. Conference concurs with Executive and retains $2.0 million in ongoing funding.	GF/GP	$7,124,900	($5,100,000)
16. Environmental Stewardship/MAEAP	FTE	27.0	0.0
Executive includes internal fund shifts as well as economic adjustments. [Internal fund shifts and economic adjustments are not shown in the *Conference Change* column to the right.] Senate shifts $5.6 million ($5.2 million Freshwater Protection Fund, $400,000 GF/GP) to a new MAEAP/Conservation District Support line item. House does not recognize internal fund shifts or economics and retains current-year funding; reduces staffing authorization by 1.0 FTE. Conference concurs with Executive.	**Gross**	**$10,825,300**	**$0**
	Federal	1,984,100	0
	Restricted	8,369,600	0
	GF/GP	$471,600	$0
17. Local Conservation Districts	**Gross**	**$3,000,000**	**$0**
Executive retains $3.0 million GF/GP in ongoing funding. Senate shifts $3.0 million GF/GP to a new MAEAP/Conservation District Support line item. House concurs with Executive and retains at $3.0 million GF/GP. Conference concurs with Executive.	GF/GP	$3,000,000	$0
18. Right to Farm	FTE	6.5	0.0
Executive does not make changes other than economic adjustments. Senate concurs with Executive. House does not recognize economic adjustments; retains at current-year funding. Conference concurs with Executive.	**Gross**	**$1,042,100**	**$0**
	IDG	95,600	0
	GF/GP	$946,500	$0
19. Pesticide and Plant Pest Management	FTE	82.0	(2.0)
Executive includes internal fund shifts as well as economic adjustments. [Internal fund shifts and economic adjustments are not shown in the *Conference Change* column to the right.] Senate concurs with Executive. House does not recognize internal reorganization or economic increases; reduces baseline funding by $7.3 million Gross ($3.0 million GF/GP) and reduces staffing authorization by 10.0 FTEs. Conference concurs with Executive with respect to funding; reduces staffing authorization by 2.0 FTEs.	**Gross**	**$14,506,900**	**$0**
	Federal	1,301,000	0
	Private	21,300	0
	Restricted	7,142,100	0
	GF/GP	$6,042,500	$0
20. Agricultural Support	FTE	5.0	0.0
Executive makes no changes other than economic adjustments. Senate concurs with Executive. House removes funding and FTE authorization. Conference concurs with Executive.	**Gross**	**$1,000,000**	**$0**
	GF/GP	$1,000,000	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
21. Agricultural Development	FTE	16.0	0.0
Executive makes no changes other than economic adjustments. Senate concurs with Executive. House reduces baseline funding by $1.7 million Gross ($708,200 GF/GP) and staffing authorization by 4.0 FTEs. Conference concurs with Executive.	**Gross**	**$4,848,700**	**$0**
	Federal	2,685,600	0
	Restricted	173,600	0
	GF/GP	$1,989,500	$0
22. Fair Food Network – Double Up Food Bucks	**Gross**	**$5,000,000**	**$0**
Executive retains $5.0 million GF/GP in ongoing support for program that provides a supplemental benefit to SNAP recipients for the purchase of fresh fruits and vegetables. Senate concurs with Executive. House reduces by $3.8 million GF/GP. Conference retains at $5.0 million but shifts $1.0 million from ongoing to one-time.	GF/GP	$5,000,000	$0
23. Farm to Family Program	FTE	6.0	0.0
Executive makes no changes other than economic adjustments. Senate concurs with Executive. House removes funding and FTE authorization. Conference concurs with Executive.	**Gross**	**$3,000,000**	**$0**
	GF/GP	$3,000,000	$0
24. Farmland and Open Space Preservation	FTE	10.0	0.0
Executive makes internal fund shifts and recognizes economic adjustments. [Internal fund shifts and economic adjustments are not shown in the *Conference Change* column to the right.] Senate concurs with Executive. House does not recognize internal fund shift or economic increase and retains at current-year funding level. Conference concurs with Executive.	**Gross**	**$1,638,000**	**$0**
	Restricted	1,638,000	0
	GF/GP	$0	$0
25. Food and Agriculture Investment Grant Program	**Gross**	**$2,474,800**	**($25,500)**
Executive retains $2.5 million GF/GP in ongoing funding. Senate concurs with Executive. House includes at $2.0 million GF/GP, a $474,800 decrease. Conference reduces by $25,500 GF/GP.	GF/GP	$2,474,800	($25,500)
26. Food and Agriculture Supply Chain	FTE	1.0	0.0
Executive recognizes economic adjustments only. Senate concurs with Executive. House removes funding and FTE authorization. Conference retains current year funding but shifts $500,000 from ongoing to one-time.	**Gross**	**$804,900**	**$0**
	GF/GP	$804,900	$0
27. Fruit and Vegetable Inspections	FTE	8.0	0.0
Executive recognizes economic adjustments only. Senate concurs with Executive. House does not recognize economic increase and retains at current-year funding level. Conference concurs with Executive.	**Gross**	**$1,308,100**	**$0**
	Restricted	700,300	**0**
	GF/GP	$607,800	$0
28. Intercounty Drain	FTE	5.0	0.0
Executive recognizes economic adjustments only. Senate concurs with Executive. House does not recognize economic increases, includes a baseline reduction of $383,800. Conference concurs with Executive.	**Gross**	**$883,800**	**$0**
	GF/GP	$883,800	$0
29. Migrant Labor Housing	FTE	9.0	0.0
Executive recognizes economic adjustments only. Senate concurs with Executive. House does not recognize economic increase and retains at current-year funding level. Conference concurs with Executive.	**Gross**	**$1,389,500**	**$0**
	Restricted	145,100	**0**
	GF/GP	$1,244,400	$0
30. Michigan Craft Beverage Council	FTEs	1.0	1.0
Executive recognizes economic increases only. Senate concurs with Executive. House removes funding and FTE authorization. Conference concurs with Executive.	**Gross**	**$1,341,500**	**$0**
	Restricted	1,341,500	0
	GF/GP	$0	$0
31. Producer Security/Grain Dealers	FTE	6.0	0.0
Executive recognizes economic adjustments only. Senate concurs with Executive. House does not recognize economic increase and retains at current-year funding level. Conference concurs with Executive.	**Gross**	**$1,033,400**	**$0**
	Restricted	899,700	**0**
	GF/GP	$133,700	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
32. Qualified Forest Program	FTE	4.0	0.0
Executive recognizes in economic adjustments only. Senate concurs with Executive. House eliminates $5.4 million in federal fund spending authority and eliminates $1.6 million in GF/GP support. Conference reduces by $300,000 GF/GP; retains federal funding.	**Gross**	**$8,107,000**	**($300,000)**
	Federal	5,400,000	0
	Restricted	1,080,100	0
	GF/GP	$1,626,900	($300,000)
33. Rural Development Grants	FTE	1.0	0.0
Executive increases authorization by $2.0 million (state restricted) to expand the Rural Development Grant Program. Executive would also authorize 3.0 FTE positions, an increase of 2.0 FTEs from current year. Senate concurs with Executive. House retains current-year funding and FTE authorization. Conference concurs with House and retains at current year levels.	**Gross**	**$2,008,000**	**$0**
	Restricted	2,008,000	0
	GF/GP	$0	$0
34. Laboratory and Consumer Protection	FTE	108.5	(2.0)
Executive recognizes internal reorganization and economic adjustments. [Internal fund shifts and economic adjustments are not shown in the *Conference Change* column to the right.] Senate concurs with Executive. House does not recognize new line item but instead retains current-year budget structure. House does not recognize economic increases; makes $3.7 million baseline reductions across line items in Laboratory and Consumer Protection appropriations unit. Conference reduces Laboratory Services by $200,000 GF/GP; cuts 2.0 FTE positions from the USDA Monitoring program.	**Gross**	**$19,332,400**	**$0**
	IDG	236,800	0
	Federal	3,479,500	0
	Restricted	8,087,600	0
	GF/GP	$7,528,500	$0
35. Plant, Soil, and Pest Diagnostics	FTE	0.0	0.0
Executive includes $1.6 million GF/GP and authorization for 4.0 FTE positions for new program targeted at detection and response to invasive species and plant diseases. Senate concurs with Executive. House does not include. Conference concurs with House and does not include.	**Gross**	**$0**	**$0**
	GF/GP	$0	$0
36. Horse Racing Programs	**Gross**	**$4,514,200**	**$0**
Executive: Retains current year funding for standardbred horse racing line items – purses, purse supplements, and breeders' awards – totaling $4.5 million from the Agriculture Equine Industry Development Fund (AEIDF). Senate concurs with Executive. House increases AEIDF support for standardbred racing programs by $2.0 million. Conference concurs with Executive and retains at current year levels.	Restricted	4,514,200	0
	GF/GP	$0	$0
37. Farm to Family - New Farmer Support Grants (One-Time)	**Gross**	**$0**	**$0**
Senate includes $800,000 GF/GP as new one-time funding item to enhance the Farm to Family program's ability to assist new farmers. House does not include. Conference does not include.	GF/GP	$0	$0
38. Flooding and Water Control Infrastructure (One-Time)	**Gross**	**$0**	**$0**
Senate includes $400,000 GF/GP as new one-time funding item to address flooding issues and water control. House does not include. Conference does not include.	GF/GP	$0	$0
39. Tariff Impacts Monitoring and Evaluation (One-Time)	**Gross**	**$0**	**$0**
Senate includes $250,000 GF/GP as new one-time funding item to support monitoring and evaluation of federal tariffs. House does not include. Conference does not include.	GF/GP	$0	$0
40. Horticulture Education Programs (One-Time)	**Gross**	**$0**	**$0**
Senate includes $99,900 GF/GP as new one-time funding item to support horticulture education programs. House does not include. Conference does not include.	GF/GP	$0	$0
41. Small Farm Tariff Relief Grants (One-Time)	**Gross**	**$0**	**$0**
Senate includes $100 GF/GP placeholder for new one-time funding item. House does not include. Conference does not include.	GF/GP	$0	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
42. Ice Storm Relief: Maple Syrup and Ag. Industries (One-Time)	**Gross**	**$0**	**$0**
Senate includes $100 GF/GP placeholder for new one-time funding item. House does not include. Conference does not include.	GF/GP	$0	$0
43. Removal of FY 2024-25 One-Time Appropriations	**Gross**	**$3,900,000**	**($3,900,000)**
Executive removes $3.9 million GF/GP in one-time funding items included in the FY 2024-25 budget: • Animal disease prevention and response, ($2.0 million) • Animal welfare grants, ($500,000) • Fruit and vegetable prescription program, ($500,000) • Underserved-owned food and agriculture ventures, ($500,000) • Agriculture stewardship study, ($250,000) • Flint farmer's market, ($150,000) Senate, House, and Conference concur with Executive and do not include. Note: An additional FY 2024-25 one-time funding item, $5.1 million for Agricultural Climate Resiliency, is described in Item #15 above.	GF/GP	$3,900,000	($3,900,000)
44. Economic Adjustments	**Gross**	**NA**	**$1,258,100**
Executive budget reflects increased costs of $1.3 million Gross ($765,500 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. Senate concurs with Executive. House does not recognize economic adjustments.	IDG/IDT	NA	4,200
	Federal	NA	71,700
	Restricted	NA	416,700
	GF/GP	NA	$765,500

Major Boilerplate Changes from FY 2024-25

Sec. 206. Communications with the Legislature **– RETAINED**
With certain specific exceptions, this section prohibits the department from taking disciplinary action against an employee for communicating with a member of the legislature or legislative staff. Executive deletes. Senate retains. House retains with minor wording changes. Conference includes standard language. (The Governor has deemed this section as unenforceable in that it impinged on executive branch authority in violation of Article 3, Section 2 of the Michigan Constitution which deals with the separation of powers.)

Sec. 208. Hire of Outside Legal Counsel **– DELETED**
Prohibits the department from hiring a person to provide legal services that are the responsibility of the Attorney General; exempts legal services for bonding activities and outside legal services authorized by the Attorney General. Executive and Senate retain current year language. House deletes. Conference does not include.

Sec. 213. Access to Government Services **– RETAINED**
Prohibits funding from being used to restrict or impede a marginalized community's access to government resources, programs, or facilities; requires local governments to report any action or policy that attempts to restrict or interfere with a local health officer's duties. Executive and Senate retain. House deletes. Conference includes standard language.

Sec. 214. Geographically Disadvantaged Business Enterprises **– RETAINED**
Directs department director to take reasonable steps to ensure that geographically disadvantaged business enterprises compete for and perform contracts to provide services or supplies, or both. Executive and Senate retain. House deletes. Conference includes standard language.

Major Boilerplate Changes from FY 2024-25

***Sec. 216. FTE Report* – RETAINED**

Requires quarterly report on FTE positions. Conference includes standard language.

***Sec. 218. Retention of Reports* – RETAINED**

Requires the department to receive and retain copies of all reports funded by the department's budget, while complying with federal and state guidelines for records retention. Executive deletes. Senate and House retain. Conference includes standard language.

***Sec. 221. Work Project Expenditures* – RETAINED**

Requires that work project balances be exhausted before expenditure from part 1 appropriations. Executive deletes. Senate and House retain. Conference includes standard language. (The Governor's has deemed this section as unenforceable in that it impinged on executive branch authority in violation of Article 3, Section 2 of the Michigan Constitution which deals with the separation of powers.)

***Sec. 222. Work Projects Report* – NEW**

Requires the department to report information on all work project accounts, including a list and status of each account and the amount of funds that have lapsed from any previous accounts. Executive and Senate do not include. House includes new language. Conference includes standard language.

***Sec. 223. State Administrative Board Transfers* – NEW**

Provides for the legislature to intertransfer funds within this departmental budget if the State Administrative Board transfers funds from an appropriation within this departmental budget. Executive and Senate do not include. House includes new language. Conference includes standard language.

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

Requires the department to report on policy changes made to implement public acts that took effect during the prior calendar year. Executive and Senate do not include. House includes new language. [Note that in Sec. 253 of Senate Bill, the Senate requires a quarterly report on federal policy changes that could affect the department, industry, or current regulations.] Conference includes standard language.

***Sec. 225. Severance Pay Reporting* – DELETED**

Requires the department to report any severance pay for a director or other high-ranking official not later than 14 days after a severance agreement is signed; requires report on total amount of severance pay remitted and number of department employees receiving severance pay in FY 2024-25. Executive and Senate do not include. House includes new language. Conference does not include.

***Sec. 226. State Workforce* – NEW**

Requires the department to maximize utilization of in-person state workforce. Executive and Senate do not include. House includes new language. Conference includes standard language.

***Sec. 228. E-Verify Requirement* – NEW**

Stipulates that the department must require all contractors and subcontractors to agree to use the E-Verify system to verify that all people hired during the contract term are legally present and authorized to work in the United States; allows the department to verify the information directly or receive certification from the contractor; requires the department to submit a report describing the processes it has developed and implemented; prohibits contracting with certain foreign enemies of the United States. Executive and Senate do not include. House includes new language. Conference includes standard language.

Sec. 229. Federal Policy Changes – NEW

New section requires the department to report on federal policy changes that affect department operations, affect industry or other groups, affect current regulations, or create a regulatory gap. Conference includes new standard language.

***Sec. 234. Annual Legacy Costs* – NEW**

Identifies estimated department "legacy costs" for the fiscal year ending September 30, 2026 of $8.9 million, of which pension related costs were $8.0 million and retiree health care costs $870,100. Executive and Senate do not include. House includes new language. Conference includes standard language.

***Sec. 235. Report on Annual Strategic Plan* – NEW**

Conference includes standard language.

Major Boilerplate Changes from FY 2024-25

***Sec. 236. State Obligations* – NEW**
Conference includes standard language.

***Sec. 237. Private and Third-Party Funds* – NEW**
Requires the department to report on a publicly accessible website private and other third-party funds received in FY 2024-25, including the amount and source of funding, the purpose, and the amount of any remaining funds. Conference includes standard language.

***Sec. 238. Accessibility of Required Reports* – NEW**
Conference includes standard language.

***Sec. 239. Legislatively Directed Spending Items* – NEW**
Conference includes standard language.

***Sec. 302. Contracts and Grants Notification Requirements* – MODIFIED**
Executive deletes section that requires the department to provide notice to the appropriations subcommittees, the House and Senate fiscal agencies, and the State Budget Office of contracts or grants awarded. Senate retains. House retains. Conference modifies to require the department to notify legislators when grantees are located within legislative district.

***Sec. 406. Michigan Animal Agriculture Alliance* – RETAINED**
Directs the department to work with animal industry representatives and state research universities to continue an animal research grant program. Executive and Senate retain. House deletes. Conference retains.

***Sec. 502. Agricultural Climate Resiliency/Soil Health and Regenerative Agriculture* – RETAINED**
Executive deletes section that defines Agricultural Climate Resiliency, and Soil Health and Regenerative Agriculture. Senate retains. House deletes. Conference retain***s.***

***Sec. 503 Agricultural Nutrient Best Management Voluntary Practices Program* – RETAINED**
Executive deletes reporting requirement for work project related to water quality improvement project in western Lake Erie basin. Senate retains. House deletes. Conference retains.

***Sec. 507. Local Conservation Districts* – RETAINED**
Executive retains section that currently requires the distribution of $3.0 million appropriation as grants to local conservation districts that were in operation in the previous fiscal year based upon criteria established by the department. Senate renumbers as Sec. 601 and modifies to define the new appropriation line item: MAEAP administration and conservation district support. House changes to require that grants be *distributed equally*. Conference retains current year language.

FY 2025-26: CORRECTIONS
Summary: Conference
Article 2, House Bill 4706 (H-1) CR-1

Analyst: Robin R. Risko

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	FY 2025-26 Senate	FY 2025-26 House	FY 2025-26 Conference	*Difference: Conference From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$0	$0	$0	$0	$0	*$0*	*--*
Federal	5,180,500	5,203,700	5,203,700	5,192,100	5,203,700	*23,200*	*0.4*
Local	11,694,000	12,122,000	12,122,000	275,000	275,000	*(11,419,000)*	*(97.6)*
Private	0	0	0	0	0	*0*	*--*
Restricted	33,494,400	30,304,100	45,904,200	30,064,000	30,304,100	*(3,190,300)*	*(9.5)*
GF/GP	2,097,010,100	2,171,345,100	2,191,548,800	2,083,327,400	2,128,211,700	*31,201,600*	*1.5*
Gross	**$2,147,379,000**	**$2,218,974,900**	**$2,254,778,700**	**$2,118,858,500**	**$2,163,994,500**	***$16,615,500***	***0.8***
FTEs	13,227.0	13,226.0	13,223.0	12,452.0	12,774.0	*(453.0)*	*(3.4)*

Notes: (1) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (2) FY 2024-25 year-to-date (YTD) figures are as of release of the Executive budget, February 5, 2025. (3) "Senate" means Senate Bill 169 (S-2). (4) "House" means Article 2, House Bill 4706 (H-1) as Amended. (5) "Conference" means the budget agreement reflected in HB 4706 (H-1) CR-1.

Overview

The Michigan Department of Corrections (MDOC) is responsible for operation and maintenance of the state's 26 correctional facilities that house felony offenders sentenced to prison. This includes provision of physical and mental health care, education, food service, transportation, and reintegration programming. The department is also responsible for supervision of all parolees and probationers under the department's jurisdiction and has oversight over community corrections programs and other programs designed to encourage alternatives to prison placement for appropriate offenders. As of September 1, 2025, the department was responsible for 73,225 offenders: 32,416 prisoners; 31,614 probationers; and 9,195 parolees. Compared to last year on September 1, there has been a net decrease in the total number of offenders. The total decreased by 1,033, or by 1.4%. The number of prisoners decreased by 482, or 1.5%. The number of probationers decreased by 614, or 1.9%. The number of parolees increased by 63, or 0.7%.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		**FY 2024-25 Year-to-Date (as of 2/5/25)**	**FY 2025-26 Conference Change**
1. Restructure Wage Scale for Corrections Officers	**Gross**	**NA**	**$17,142,000**
Executive includes $17.3 million Gross ($17.1 million GF/GP) to support costs associated with restructuring the pay schedule for corrections officers, effective October 1, 2024. Under the collective bargaining agreement, all pay steps received a 5% base-pay increase and the first two steps of the pay schedule were eliminated. This results in officers reaching the highest level of pay in 3 years instead of in 5 years. Senate concurs. House includes $121,400 Gross less than the executive because the Detroit Detention Center was conveyed back to the City of Detroit so there is no longer a need to authorize funding for MDOC staff at the center. Conference concurs with the House.	GF/GP	NA	$17,142,000

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
2. 54-Month Pay Step for Corrections Officers and Supervisors Executive includes $15.1 million Gross ($15.0 million GF/GP) to support costs of adding a new top pay step at the end of 54 months of service for corrections officers and increasing hourly pay rates for shift supervisors. The new step provides a $1.30 per hour increase over the old top step at 42 months for corrections officers, and an hourly increase of $1.30 was approved for each pay step for shift supervisors. These pay increases were approved by the Civil Service Commission in December 2024 and will become effective October 1, 2025. Senate concurs. House includes $159,500 Gross less than the executive because the Detroit Detention Center was conveyed back to the City of Detroit and there is no longer a need to authorize funding for MDOC staff at the center. Conference concurs with the House.	**Gross** GF/GP	**NA** NA	**$14,984,000** $14,984,000
3. Pay Increases for Corrections Officers House includes $50.0 million GF/GP to be used to provide pay increases for corrections officers. Pay increases would be in addition to pay increases and pay rate structure changes described in items #1 and #2 above. It is intended that $50.0 million in work project appropriations would be lapsed and repurposed to fund the additional pay increases. Conference does not include the funding.	**Gross** GF/GP	**$0** $0	**$0** $0
4. Thumb Correctional Facility Education Center Executive includes $1.5 million GF/GP to annualize costs of custody staff at the new Thumb Correctional Facility University and Vocational Center. Funding is included in the FY 2024-25 budget to support costs of custody staff for the last quarter of the fiscal year. Senate concurs. House concurs. Conference concurs.	**Gross** GF/GP	**NA** NA	**$1,521,700** $1,521,700
5. Peer Recovery Coaches Executive includes $6.6 million in ongoing GF/GP and 3.0 FTE positions for expanding the number of peer recovery coaches in parole and probation offices throughout the state and on-site at correctional facilities. Peer recovery coaches provide skills and interventions to support, encourage, and educate parolees, probationers, and prisoners who have substance use disorders. Senate does not include ongoing funding or FTE positions but includes $1.0 million in one-time funding (see #14). House does not include funding or FTE positions. Conference includes $650,000 in one-time GF/GP but does not include new FTE positions.	FTE **Gross** GF/GP	NA **NA** NA	0.0 **$650,000** $650,000
6. Automation of Prisoner Counts and Callouts Executive includes $3.4 million in one-time GF/GP to automate the prisoner count and callout processes in correctional facilities. Currently, these are manual processes in which pencil and paper are used to tally and record numbers of prisoners and to track prisoner movement within facilities. Senate does not include funding for this purpose. House includes $3.4 million in one-time GF/GP. Conference includes $1.5 million in one-time GF/GP.	**Gross** GF/GP	**$0** $0	**$1,500,000** $1,500,000
7. Supplies for Health Care Clinics Executive includes $2.1 million GF/GP to cover an increase in supply costs for health care clinic operations. The department has experienced a 46% increase over the past 7 years in costs for janitorial and rubbish removal, medical, surgical, and lab supplies, maintenance supplies, replacement parts, and other supplies and materials used in health care clinics. Senate concurs. House does not include funding. Conference includes $2.1 million GF/GP.	**Gross** GF/GP	**NA** NA	**$2,100,000** $2,100,000

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
8. Transitional Housing Development Project Executive includes $2.0 million of one-time GF/GP to support development of two multi-unit transitional housing sites to provide temporary housing to parolees upon reentry into the community. The department would collaborate with private developers and non-profit organizations to construct new or renovate existing sites to meet transitional housing needs in underserved areas of the state. Senate includes $2.0 million of ongoing funding for this purpose. House does not include the funding. Conference does not include the funding.	**Gross** GF/GP	**$0** $0	**$0** $0
9. Contraband Prevention Executive reallocates $1.8 million in existing GF/GP from the Public Safety Initiative line item to support costs of contraband prevention efforts and safety in correctional facilities. Senate concurs. House does not reallocate funding from the Public Safety Initiative line to this line. Conference reallocates $1.8 million GF/GP.	**Gross** GF/GP	**$1,000,000** $1,000,000	**$1,750,000** $1,750,000
10. Expand Offender Success Services for Probationers Executive includes $1.5 million GF/GP to expand the number of felony probationers receiving reentry services. Currently, services are provided to parolees and to felony probationers in prosperity regions 1 and 4. Funding would enable services to be provided to felony probationers in prosperity regions 2, 7, and 8. Services include, but are not limited to, behavioral therapies, job placement/readiness assistance, vital documents, physical and behavioral health, and transportation. Senate includes $250,000 GF/GP for this purpose. House does not include the funding. Conference does not include the funding.	**Gross** GF/GP	**NA** NA	**$0** $0
11. Higher Education in Prison Executive includes an additional $750,000 GF/GP for the department to expand their collaboration with 4-year state universities and colleges to provide prisoners with an opportunity to participate in certificate, associate's, and bachelor's degree programs. Currently, there are 13 universities/colleges providing education to prisoners in correctional facilities. One additional school is expected to launch in FY 2025, and the department is involved in discussions with two additional schools. Funding is used for eligible expenses including staffing, supplies, and tuition. Senate concurs. House does not include the funding. Conference includes $850,000 in one-time GF/GP.	**Gross** GF/GP	**$1,250,000** $1,250,000	**$850,000** $850,000
12. State Employees' Retirement System Changes Senate includes $31.0 million GF/GP for implementation costs associated with legislation passed by both chambers last legislative session but not sent to the governor for signature. Legislation would authorize certain law enforcement-related employees in the defined contribution plan to terminate membership in the DC plan and instead become members of the State Police Retirement System hybrid pension plan. House does not include the funding. Conference does not include the funding.	**Gross** GF/GP	**NA** NA	**$0** $0
13. Funding Shifts Senate reduces funding by $1.0 million GF/GP from the Offender Success Services line item and by $1.0 million GF/GP from the Probation Residential Services line item and shifts the funding to other line items to cover costs associated with Senate initiatives. House does not include funding shifts. Conference does not include funding shifts.	**Gross** GF/GP	**NA** NA	**$0** $0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
14. Funding for One-Time Projects	**Gross**	**NA**	**$0**
Senate includes $18.1 million Gross ($15.6 million state restricted, $2.5 million GF/GP) for the following Senate-initiated one-time projects:	Restricted	NA	0
	GF/GP	NA	$0
• $500,000, funded with repurposed work project appropriations, for A Brighter Way which is a non-profit organization in Ypsilanti that provides reentry services to formerly incarcerated individuals returning to their communities.			
• $100 placeholder, funded with repurposed work project appropriations, for reimbursing ambulance service providers for services they provided but were not compensated for by the department's previous healthcare contractor.			
• $100 GF/GP placeholder for Chance for Life, an evidence-based mentoring program that emphasizes job training, life skills, and family reintegration while focusing on preparing prisoners for a successful transition back into the community.			
• $100,000, funded with repurposed work project appropriations, to be granted to EMU for providing incarcerated individuals nearing release an opportunity to complete a bachelor's degree program at no cost to the individual.			
• $15.0 million, funded with repurposed work project appropriations, to be used to upgrade all railings in cell block housing units to prevent individuals from jumping or falling over, under, or through.			
• $1.0 million GF/GP to train and support 250 incarcerated individuals to serve as peer recovery coaches in correctional facilities providing skills and interventions to support, encourage, and educate prisoners who have substance use disorders.			
• $500,000 GF/GP to be used by the department to make every effort to lower co-payment amounts paid by prisoners for medical services and other medical needs.			
House does not include one-time funding for these projects. Conference does not include funding for the Senate initiatives.			
15. Detroit Detention Center Conveyance	FTE	75.8	(75.8)
House eliminates funding and FTE positions authorized for the Detroit Detention Center. Under 2025 PA 6, the property was conveyed to the City of Detroit in July 2025 and the contract between the department and the city was terminated. Conference concurs.	**Gross**	**$11,419,000**	**($11,419,000)**
	Local	11,419,000	(11,419,000)
	GF/GP	$0	$0
16. Eliminate Funded Vacant FTE Positions	FTE	NA	(373.2)
House eliminates authorization and funding for 695.2 funded/vacant FTE positions. Conference eliminates authorization for unfunded FTE positions.	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
17. Reduction to Information Technology	**Gross**	**$31,516,400**	**$0**
House includes a 15% reduction to funding appropriated for information technology services and projects. Conference does not reduce funding.	Restricted	901,800	0
	GF/GP	$30,614,600	$0
18. Technical Adjustments	FTE	NA	0.0
Executive makes internal FTE adjustments, funding adjustments, and transfers throughout the budget, which have no overall impact on Gross, GF/GP, or FTE position authorization. Adjustments are made to accurately reflect employee counts, department operations, and department activities and to align funding authorization with revenue received. Senate concurs. House does not include internal adjustments. Conference includes internal FTE adjustments, funding adjustments, and transfers.	**Gross**	**NA**	**$0**
	GF/GP	NA	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
19. Eliminate Programs and Placeholders	**Gross**	**$9,149,300**	**($4,750,000)**
House eliminates funding for the following programs and placeholders:	GF/GP	$9,149,300	($4,750,000)
• Equipment and Special Maintenance ($1.6 million GF/GP).			
• Criminal Justice Reinvestment ($2.5 million GF/GP).			
• Goodwill Flip the Script ($1.3 million GF/GP).			
• Public Safety Initiative ($2.0 million GF/GP).			
• Residential Alternative to Prison Program ($1.5 million GF/GP).			
• Inmate Legal Services ($290,900 GF/GP).			
• Compensatory Buyout and Union Leave Bank ($100 placeholder).			
• Inmate Housing Fund ($100 placeholder).			
• Leased Beds and Alternatives to Leased Beds ($100 placeholder).			
Conference eliminates the following programs:			
• Goodwill Flip the Script ($1.3 million GF/GP).			
• Public Safety Initiative ($2.0 million GF/GP).			
• Residential Alternative to Prison Program ($1.5 million GF/GP).			
20. Funding Reductions	**Gross**	**NA**	**($32,587,000)**
House reduces funding for the Prosecutorial and Detainer Expenses line item by $2.0 million GF/GP. Conference reduces funding for the following:	GF/GP	NA	($32,587,000)
• Various correctional facilities ($19.5 million F/GP).			
• Field Operations ($5.0 million GF/GP).			
• Hepatitis C ($3.0 million GF/GP).			
• Prosecutorial and Detainer Expenses ($1.3 million).			
• Criminal Justice Reinvestment ($1.1 million GF/GP).			
• Probation Residential Services ($1.0 million GF/GP).			
• Southern Region Admin & Support ($500,000 GF/GP).			
• Prison Food Service ($250,000 GF/GP).			
• County Jail Reimbursement Program ($250,000 GF/GP).			
• Offender Success Community Partners ($250,000 GF/GP).			
• Central Records ($210,000 GF/GP).			
• Enhanced Food Technology Program ($125,000 GF/GP).			
• Parole Board ($125,000 GF/GP).			
21. One-Time Funding to Offset Reduction to Facilities	**Gross**	**NA**	**$3,750,000**
Conference includes $3.8 million in one-time GF/GP to be allocated to various facility line items in an effort to partially offset GF/GP reductions.	GF/GP	NA	$3,750,000
22. Removal of FY 2024-25 One-Time Appropriations	FTE	4.0	(4.0)
Executive removes $6.4 million Gross ($3.0 million GF/GP) of one-time funding that was included in the FY 2024-25 budget to support the following:	**Gross**	**$6,400,000**	**($6,400,000)**
	Restricted	3,400,000	(3,400,000)
	GF/GP	$3,000,000	($3,000,000)
• Breast milk program ($500,000 and 1.0 FTE).			
• Higher education in prison ($500,000).			
• In-reach services expansion ($500,000).			
• Nation Outside ($1.0 million).			
• Peer-led reentry services ($500,000).			
• Thumb education center ($3.4 million and 3.0 FTEs).			
Senate concurs. House concurs. Conference concurs.			

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
23. Economic Adjustments	**Gross**	**NA**	**$27,523,800**
Executive reflects a net increase in costs of $27.7 million Gross ($27.3 million GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), overtime costs, longevity, insurances, actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, food, fuel, and utilities. Senate concurs. House includes a little less than half of the amount of funding included by the executive for economic adjustments. Conference includes funding for economics but $147,100 less than the executive because of the conveyance of the Detroit Detention Center.	Federal	NA	23,200
	Restricted	NA	209,700
	GF/GP	NA	$27,290,900

Major Boilerplate Changes from FY 2024-25

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

GENERAL SECTIONS

***Sec. 205. Purchase of Foreign Goods and Services* – RETAINED**
Prohibits the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services are available; requires preference to be given to goods and services manufactured or provided by Michigan businesses and Michigan businesses owned and operated by veterans. Executive retains current law. Senate revises to include requirement that preference be given to goods and services that are manufactured in facilities that employ union members. House retains current law. Conference retains current law.

***Sec. 206. Disciplinary Action Against State Employees and Prisoners* – RETAINED**
Prohibits MDOC from taking disciplinary action against classified civil service employees or prisoners for communicating with legislators or their staff unless the communication is prohibited by law and MDOC is exercising its authority. Executive deletes. Senate retains current law. House retains current law. Conference retains current law.

***Sec. 208. Use of Funding for Legal Services* – DELETED**
Prohibits using appropriations to hire a person to provide legal services that are the responsibility of the attorney general; prohibition does not apply to legal services for bonding activities or to services authorized by the attorney general. Executive retains current law. Senate retains current law. House deletes current law. Conference deletes current law.

***Sec. 208. Prioritizing In-Person Work* – NEW**
Requires MDOC to maximize efficiency of the state workforce and to prioritize employees working in-person 5 days per week; requires field service employees to report to the office before beginning field work; requires the department to establish a policy and a process for verifying that all employes are working their jobs during normal business hours; requires the department to provide information on employee badge scanning when requested by the legislature. Executive does not include. Senate does not include. House includes new language. Conference includes new language that requires MDOC to maximize utilization of its in-person workforce, prioritize utilization of office space, monitor field staff to ensure hours reported as worked are worked, comply with requirements set forth by the Office of the State Employer on in-person work, utilization, and occupancy rates, and adhere to Civil Service rules and regulations pertaining to work hours.

***Sec. 210. Contingency Authorization* – RETAINED**
Authorizes up to $2.5 million in federal and up to $2.0 million in local contingency funds to be appropriated should funds become available; authorizes expenditure of funds after legislative transfer to specific line items. Executive revises to include up to $2.5 million in state restricted contingency authorization and increases local contingency authorization from $2.0 million to $2.5 million. Senate retains current law. House retains current law. Conference retains current law.

***Sec. 211. Transparency Website* – REVISED**
Requires MDOC to maintain a searchable website accessible by the public at no cost that includes expenditures made by MDOC, payments to vendors, number of active employees by job classification, job specifications, and wage rates. Executive retains current law. Senate retains current law. House revises to delete reporting on the number of active employees by job classification, job specifications, and wage rates, and to require that the website be updated quarterly. Conference concurs with House revisions.

Major Boilerplate Changes from FY 2024-25

Sec. 212. Report on State Restricted Funds **– RETAINED**
Requires MDOC to work with the state budget office to report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures. Executive deletes. Senate retains current law. House retains current law. Conference retains current law.

Sec. 216. State Administrative Board Transfers **– NEW**
Authorizes the legislature, by a concurrent resolution adopted by a majority of members elected to and serving in each house, to inter-transfer funds if State Administrative Board transfers funds. Executive does not include. Senate does not include. House includes new language. Conference includes new language.

Sec. 217. Receipt and Retention of Reports **– REVISED**
Requires MDOC to follow federal and state guidelines for short- and long-term retention of records; requires federal and state guidelines to be followed for short- and long-term retention of records; authorizes MDOC to electronically retain copies of reports unless otherwise required by federal and state guidelines. Executive deletes. Senate retains current law. House revises to include the requirement to follow state law in addition to federal and state guidelines. Conference concurs with House revisions.

Sec. 218. Report on Policy Changes Made to Implement Public Acts **– REVISED**
Requires MDOC to report on each specific policy change made by the department to implement a public act affecting the department. Executive deletes. Senate retains current law. House revises to require report to include reference to the public act that necessitates the policy change. Conference concurs with House revisions.

Sec. 219. Expending Available Work Project Authorization **– RETAINED**
Prohibits appropriations that have unexpended work project authorization associated with them, to the extent possible, from being expended until all existing work project authorization for the same purpose is exhausted. Executive deletes. Senate retains current law. House retains current law. Conference retains current law.

Sec. 220. State Fiscal Recovery Fund (SFRF) **– DELETED**
Requires the state budget director to ensure that all SFRF revenue is expended by December 31, 2026; authorizes the state budget director to reallocate appropriated funds for the purpose of fully expending the funds; requires all guidance, implementation, and reporting provisions of federal law to be followed; requires the state budget director to notify the appropriations committees of reallocations made; authorizes the state budget director and state departments to make accounting transactions necessary to implement reallocation. Executive deletes. Senate revises to require MDOC to report if an appropriation is projected to lapse. House deletes. Conference deletes.

Sec. 220. Report on Status of Work Project Appropriations **– NEW**
Requires MDOC to report quarterly a summary of all work project accounts, including a list and status of each account and the amount of funds that lapsed from any previous accounts. Executive does not include. Senate does not include. House includes new language. Conference includes new language but revises quarterly summary to every 6 months.

Sec. 221. Severance Pay for Department Officials **– NOT INCLUDED**
Requires MDOC to report any severance pay for a director or other high-ranking official not later than 14 days after a severance agreement is signed; requires report on total amount of severance pay remitted and number of employees receiving severance pay; defines severance pay. Executive does not include. Senate does not include. House includes new language. Conference does not include.

Sec. 221. E-Verify Requirement **– NEW**
Requires MDOC to require contractors and subcontractors to use the E-Verify system to verify that all persons hired during the contract term are legally present and authorized to work in the United States; authorizes the department to verify the information directly or to receive certification from the contractor; requires the department to submit a report describing the processes it develops and implements; prohibits the department from contracting with any foreign entities that are known or suspected enemies of the Unites States or known foreign adversaries; lists known foreign adversaries; defines "E-Verify". Executive does not include. Senate does not include. House includes new language. Conference revises House language to delete the prohibition that MDOC not contract with any foreign entities that are known or suspected enemies of the Unites States.

Sec. 222. Boilerplate Deemed Unenforceable **– NOT INCLUDED**
Requires MDOC to report on sections of boilerplate deemed to be unenforceable including the legal rationale; requires a report on the difference in costs between policies deemed unenforceable and policies MDOC intends to pursue; authorizes MDOC to coordinate with the Executive branch on compilation of a statewide report. Executive does not include. Senate includes new language. House does not include. Conference does not include.

Major Boilerplate Changes from FY 2024-25

***Sec. 222. Impact of Federal Policy Changes* – NEW**
Requires quarterly reports detailing federal policy changes that do any of the following: affect MDOC operations; affect an industry, community, population, or other group regulated or served by MDOC; affect regulations that protect the public; or create a regulatory gap that could negatively impact the public. Executive does not include. Senate includes new language. House does not include. Conference includes new language that requires MDOC to report on federal policy changes that affect operations of the department, affect populations engaged with the department, and create a gap that could impact the public.

***Sec. 223. Grant Requirements* – NOT INCLUDED**
Requires grants to be provided only to entities that have been established for at least 36 months, and have had an office in the state or service area for at least 12 months; requires grant recipients to provide a spending plan; sets limits on funds used for administrative costs and contingencies; requires MDOC to annually audit recipients' use of grant funds; requires MDOC to work with the auditor general to conduct audits of grant funds; prohibits grant recipients and immediate family members from being employed in the executive or legislative branches; requires audits to be posted on the department's website; requires MDOC to submit quarterly reports containing information on grant recipients and funds. Executive does not include. Senate does not include. House includes new language. Conference does not include.

***Sec. 223. Legacy Costs* – NEW**
States the total amount of funding estimated to be expended on legacy costs in FY 2025-26 is $165.6 million ($149.3 million on pension-related legacy costs; $16.2 million on health care-related legacy costs). Executive does not include. Senate does not include. House includes new language. Conference includes new language.

***Sec. 224. Website for Performance Scorecard* – NEW**
Requires MDOC to maintain, on a publicly accessible website, a scorecard that identifies, tracks, and updates on a quarterly basis key metrics used to monitor and improve the department's performance. Executive does not include. Senate does not include. House includes new language. Conference revises new language to require MDOC to submit a copy of its annual strategic plan.

***Sec. 225. Use of Appropriations for Non-Citizens* – NOT INCLUDED**
Prohibits state or federal appropriations from being used to provide services, grants, or programming to non-citizens, unless the individuals are qualified aliens as that term is defined under 8 USC section 1641, and unless expenditures are for the purpose of detaining non-citizens. Executive does not include. Senate does not include. House includes new language. Conference does not include.

***Sec. 225. Posting of Reports* – NEW**
Requires MDOC to make required reports readily accessible to the public and conspicuously posted in a single archivable location on the department's website; requires MDOC to maintain reports from previous fiscal years in the same archivable location. Executive does not include. Senate does not include. House does not include. Conference includes new language.

***Sec. 226. State Obligations* – NEW**
Prohibits appropriations from being used to pay for a state obligation that exceeds $200,000 for a court-approved judgment, settlement, award, or claim, without prior legislative approval; requires notification to be given if a state obligation for a court-approved judgment, settlement, award, or claim results in a change from current statute. Executive does not include. Senate does not include. House includes new language. Conference includes new language that requires MDOC to report on any court settlement that may require further legislative review of state statutory programs or regulations.

***Sec. 227. Private and Third-Party Funds* – NEW**
Requires MDOC to disclose on a publicly accessible website private and other third-party funds received, including the amount and specific source of funding, the purpose, and the amount of any remaining funds. Executive does not include. Senate does not include. House includes new language. Conference includes new House language.

***Sec. 228. Diversity, Equity, and Inclusion Initiatives* – NOT INCLUDED**
Prohibits state funds from being used for diversity, equity, and inclusion initiatives or programs. Executive does not include. Senate does not include. House includes new language. Conference does not include.

Major Boilerplate Changes from FY 2024-25

***Sec. 228. Legislatively Directed Spending Items* – NEW**
Requires the legislature to provide a list of legislatively directed spending items (LDSI) consistent with House and Senate rules; requires MDOC to do the following: establish a process to review, complete, and execute grant agreements; verify that grant recipients are not-for-profit entities that will use funds for a public purpose; review and verify all necessary information to ensure grant recipients are able to execute grant agreements, perform fiduciary duties, comply with applicable laws, and disburse grants according to grant disbursement schedules; prohibits MDOC from disbursing funds if grant recipients do not meet disclosure requirements; requires grant agreements to include identifying information, descriptions of projects, tentative timelines, estimated budgets, ways grant funds will be used; authorizes MDOC to adopt MOUs with other departments to improve grant administration or oversight; requires grant recipients to respond to information requests; requires grants to be spent by September 30, 2030; requires MDOC to return funds if grant recipients do not submit required information; requires MDOC to post reports; requires the State Budget Office to compile LDSI information; prohibits MDOC from awarding additional funds to grant recipients that misuse funds; requires MDOC to refer misused grants for review following internal audit protocols. Executive does not include. Senate does not include. House does not include. Conference includes new language.

DEPARTMENTAL ADMINISTRATION AND SUPPORT

***Sec. 302. Allowing Staff to Reach Highest Pay Levels in Shorter Amount of Time* – DELETED**
Requires MDOC to submit a report that assesses the cost of allowing corrections officers and corrections medical officers to reach their highest level of pay within 3 years of service instead of reaching it within 5 years of service and the effect it would have on staff. Executive deletes. Senate deletes. House deletes. Conference deletes.

***Sec. 302. Pay Increases for Corrections Officers* – NOT INCLUDED**
Requires MDOC to work with the State Budget Office to lapse $50.0 million of existing work project appropriations to be used to provide pay increases to corrections officers; requires increases to be in addition to pay step increases and pay rate structure changes already approved by the Civil Service Commission; requires there to be a letter of understanding approved by the Civil Service Commission between the Office of the State Employer and the Michigan Corrections Organization that specifies the terms of the agreement to increase pay for corrections officers. Executive does not include. Senate does not include. House includes new language. Conference does not include.

***Sec. 303. Staff Retention Strategies* – RETAINED**
Requires MDOC to report on staff retention strategies, including how to improve employee engagement, how to improve employee wellness, how to offer additional training and professional development, mechanisms by which to receive employee feedback, how MDOC considers suggestions made by employees, and steps taken and future plans MDOC has for retention and improving employee wellness. Executive revises to require a report on only staff retention strategies; deletes all other specified information to be included. Senate retains current law. House retains current law. Conference retains current law.

***Sec. 305. Prosecutorial and Detainer Expenses* – RETAINED**
Requires MDOC to reimburse counties for housing and custody of parole violators and offenders returned to MDOC from community placement. Executive retains current law. Senate revises to require rates to be increased by $20.00. House retains current law. Conference retains current law.

***Sec. 310. Maintenance and Utility Costs at Facilities* – RETAINED**
Requires MDOC to report on maintenance and utility costs, plans for capital improvement and associated costs, the status of capital outlay project accounts, and the expected future useful life for each correctional facility. Executive deletes. Senate retains current law. House retains current law. Conference retains current law.

***Sec. 316. Employee Offenses* – NOT INCLUDED**
Requires MDOC to report on employees charged with committing a crime in a facility during work hours, outcome of the charges, number of employees disciplined, demoted, or separated from service due to personal misconduct, and outcome of corrective actions. Executive does not include. Senate includes new language. House does not include. Conference does not include.

Major Boilerplate Changes from FY 2024-25

***Sec. 320. County Jail Reimbursement Program* – RETAINED**
Requires MDOC to administer County Jail Reimbursement program, which offers counties per diem payments for housing certain offenders in jail; specifies reimbursement criteria and rates; requires counties receiving funding to report on annual average jail capacity and annual average jail occupancy; requires MDOC to report on number of inmates sentenced to custody of the sheriff and eligible for the County Jail Reimbursement program, amount paid to counties, number of days inmates were in custody, number of inmates sentenced by specified category, amount paid by specified category of inmate, number of days inmates were in custody by specified category, and estimated cost of housing inmates sentenced to custody of the sheriff and eligible for the County Jail Reimbursement program as inmates of a state prison. Executive retains current law. Senate revises to increase state reimbursement $5.00 per day per offender for each category and to require counties receiving state reimbursement to offer in-person visitation for all housed inmates. House retains current law. Conference retains current law.

***Sec. 324. Management-to-Staff Ratio* – DELETED**
Expresses legislative intent that MDOC maintain a management-to-staff ratio of not more than 1 supervisor for each 8 employees at the central office in Lansing and at northern and southern region administration offices. Executive deletes. Senate retains current law. House retains current law. Conference deletes.

***Sec. 325. Compilation of Data for Swift and Sure Sanctions Program* – RETAINED**
Requires MDOC to provide the State Court Administrative Office with data sufficient to administer Swift and Sure Sanctions program. Executive retains current law. Senate retains current law. House deletes. Conference retains current law.

***Sec. 326. Corrections Officer Pensions* – NOT INCLUDED**
Requires appropriation to be remitted to the State Employee' Retirement System for implementation costs and to be used to pay for costs associated with retirement benefit changes. Executive does not include. Senate includes new language. House does not include. Conference does not include.

OFFENDER SUCCESS ADMINISTRATION

***Sec. 403. Matching Parolees with Potential Employers* – RETAINED**
Requires MDOC to ensure, when possible, that all prisoners have potential employer matches in communities to which they will return, prior to each prisoner's initial parole hearing. Executive deletes. Senate retains current law. House retains current law. Conference retains current law.

***Sec. 408. Public Safety Initiative* – DELETED**
Requires Genesee County law enforcement agency to report quarterly on expenditures made, purpose of expenditures, specific services provided, and number of individuals served; makes distribution of funding to the county conditional on county compliance with report submission. Executive retains current law. Senate retains current law. House deletes. Conference deletes.

***Sec. 410. Higher Education in Prison* – REVISED**
Requires funding to be used for MDOC to collaborate with accredited universities and colleges to provide prisoners with an opportunity to participate in comprehensive bachelor's degree programs at no cost to the prisoners; requires funding to be used for eligible expenses including staffing, supplies, and tuition; requires universities and colleges to report on expenditure of funds, number of participants served, enrollments by race and gender, and number of participants completing the program. Executive retains current law. Senate revises to require MDOC to report instead of universities and colleges, requires information reported to be reported for each college/university, and changes the reporting due date from July 1 to March 1. House retains current law. Conference revises to require reporting by facility.

***Sec. 414. Goodwill Flip the Script* – DELETED**
Requires MDOC to contract with Goodwill Industries of Detroit to provide persons aged 16-39 with education, job training, and mentoring in an effort to keep them out of prison; requires program to target individuals entering the criminal justice system for the first or second time; requires report on program performance measures, number of individuals diverted from incarceration, number of individuals served, and outcomes of participants completing the program. Executive retains current law. Senate retains current law. House deletes. Conference deletes.

***Sec. 417. Criminal Justice Reinvestment* – REVISED**
Requires funding for criminal justice reinvestment to be used for data collection and evidence-based programs designed to reduce recidivism among probationers, parolees, and prisoners; allocates $600,000 to Muskegon County jail to provide programming and job training services to county jail inmates to prepare them for employment upon release from jail; requires MDOC to report on programs, including reincarceration recidivism rates of participants, employment rates of participants completing the program, and cost of the program per participant. Executive revises to delete reporting requirement. Senate retains current law. House deletes entire section. Conference revises by deleting the allocation to Muskegon County jail.

Major Boilerplate Changes from FY 2024-25

Sec. 419. Reporting on Elimination of Prisoner Programming **– RETAINED**
Requires MDOC to report on plans to eliminate programming for prisoners at least 30 days prior to program elimination; defines "programming for prisoners" to mean a department core program or career and technical education program. Executive deletes. Senate retains current law. House retains current law. Conference retains current law.

FIELD OPERATIONS ADMINISTRATION

Sec. 501. Annual Program Reports **– RETAINED**
Specifies content to be included in reports by MDOC on residential reentry, electronic monitoring, and special alternative incarceration programs (e.g., successful and unsuccessful terminations, end of month populations, length of placements, returns to prison, descriptions of programs, comparison with previous year statistics, impact on prison admissions and jail utilization, cost effectiveness of programs). Executive deletes. Senate retains current law. House retains current law. Conference retains current law.

Sec. 502. Violators of Parole and Probation **– RETAINED**
Requires MDOC to review and revise proposals for alternatives to prison for technical violators of parole and probation; requires a report on the number of probationers and parolees returned to or sent to prison for new crimes, the number of probationers and parolees returned to or sent to prison for technical violations, the educational history of offenders, the number of offenders that participated in reentry programs, and the number of offenders that participated in substance use disorder treatment programs, mental health programs, or both. Executive deletes. Senate retains current law. House retains current law. Conference retains current law.

Sec. 503. Residential Alternative to Prison Program **– DELETED**
Requires MDOC to provide vocational, educational, and cognitive programming in a secure environment to enhance existing alternative sentencing options, increase employment readiness and successful placement rates, and reduce new criminal behavior for the West Michigan probation violator population. Executive deletes. Senate retains current law. House deletes. Conference deletes.

Sec. 503. Medical Parole Process **– NEW**
Requires MDOC to report on the medical parole process including the number of incarcerated individuals who applied for medical parole in the previous fiscal year, organized by reason for application; the number who were referred to the medical parole process; the number of medical parole hearings that took place; the number who were granted medical parole; the number who were serving medical parole at the end of the previous year; and the number who were granted parole but then returned to incarceration. Executive does not include. Senate includes new language. House does not include. Conference includes new language that requires MDOC to report on individuals considered for medical parole, including demographic data, controlling offense of individual, categorization of the medical condition; if the individual was not granted parole the reason for denial; the number of individuals previously granted parole and returned to prison; and the number of individuals previously granted parole that were discharged from further parole supervision.

Sec. 504. Prisoners Reviewed for Parole **– RETAINED**
Requires MDOC to report on outcomes of prisoners reviewed for parole, including the number of prisoners reviewed; the number granted or denied parole; the number of decisions deferred; the number of times prisoners were reviewed before being granted or denied parole; the number of paroles granted, denied, or deferred for each of the parole guideline scores of low, average, and high; and the reasons for parole denial or deferment. Executive deletes. Senate retains current law. House retains current law. Conference retains current law.

HEALTH CARE

Sec. 603. Health Care Utilization Reports **– RETAINED**
Requires MDOC to report on prisoner health care utilization, including the number of inpatient hospital days, outpatient visits, emergency room visits, prisoners receiving off-site in-patient medical care, and the top 10 most common chronic care conditions. Executive deletes. Senate revises to include reporting on amounts collected for all medical co-payments paid by prisoners itemized by category, and amounts collected from prisoners for any other medical services, medication, medical devices, or any other payments that are not co-payments. House retains current law. Conference retains current law.

Sec. 605. Medicaid Utilization by Prisoners **– RETAINED**
Requires MDOC to report on utilization of Medicaid benefits for prisoners. Executive deletes. Senate retains current law. House retains current law. Conference retains current law.

Major Boilerplate Changes from FY 2024-25

***Sec. 606. Medication Assisted Therapies* – RETAINED**
Requires MDOC to report on the number of prisoners that received medication assisted therapies, length of time on therapies, number of prisoners that discontinued treatment while incarcerated, listing of all medications used, and number of prisoners prescribed each medication used. Executive retains current law. Senate revises by consolidating current law sections 606 and 607. House retains current law. Conference retains current law but consolidates this section with current law sections 412 and 607 to alleviate redundancy.

***Sec. 607. Medication Assisted Treatment Clinics* – REVISED**
Requires appropriation to be used for maintaining not less than 3 clinics at facilities that will allow for treatment of the highest number of prisoners; requires participating prisoners to be treated while incarcerated and to be given an injection immediately before being released from prison; requires quarterly reports on site locations, staffing levels, expenditures, number of prisoners treated, and number of prisoners requiring treatment but not yet receiving treatment. Executive retains current law. Senate revises by consolidating current law sections 606 and 607. House revises to require the injection given to prisoners immediately before being released to be an injection of a nonaddictive opioid blocker. Conference revises current law by consolidating this section with current law sections 412 and 606 to alleviate redundancy and including that prisoners be encouraged to receive one injection of nonaddictive medication before being released from prison, if clinically appropriate.

***Sec. 608. Gender Reassignment* – NOT INCLUDED**
Prohibits use of appropriations for any costs associated with gender reassignment surgery for any prisoner of this state. Executive does not include. Senate does not include. House includes new language. Conference does not include.

CORRECTIONAL FACILITIES AND ADMINISTRATION

***Sec. 705. Reporting Critical Incidents in Prisons* – REVISED**
Requires MDOC to report within 72 hours of occurrence, any critical incident occurring at a correctional facility; requires MDOC to report annually on number of critical incidents occurring each month by type and severity; defines "critical incidents" to mean prisoner assaults on staff that result in serious physical injury to staff, escapes and attempted escapes, prisoner disturbances that cause facility operation concerns, drug overdoses or suspected overdoses that result in inpatient hospitalization, and unexpected deaths of prisoners. Executive retains current law. Senate revises to require reporting results of each critical incident that requires an investigation and requires classification of drugs if prisoner deaths result from drug overdose; requires an annual report that lists the number of drug overdose deaths by facility, and by classification of drug. House retains current law. Conference revises the definition of critical incidents by including the implementation of a phase plan or similar significant restriction on activity within a facility.

***Sec. 708. Prisoner Labor and Delivery* – RETAINED**
Requires MDOC to allow prisoners to have one visitor present during labor and delivery, in addition to a doula being present if the prisoner wants to work with a doula; requires visitors to be immediate family members, legal guardians, spouses, or domestic partners; authorizes MDOC to deny access to visitors if there are safety concerns; authorizes MDOC to conduct criminal background checks on visitors. Executive deletes. Senate retains current law. House retains current law. Conference retains current law.

***Sec. 713. Report on Restricted Visiting Privileges* – REVISED**
Requires MDOC to report on the number of prisoners that lose visiting privileges by race and by violation type, the number of days visitation rights were lost, the number of prisoners that apply to have visiting privileges restored, the number of prisoners that have had visiting privileges restored, and the number of prisoners that have had visiting restrictions extended. Executive revises to delete requirement to report on the number of days visitation rights were lost. Senate retains current law. House deletes entire section. Conference revises current law by deleting the requirement to report on the number of cumulative days visitation rights were lost.

***Sec. 714. Intelligence Unit* – RETAINED**
Requires MDOC to maintain an intelligence unit to conduct investigatory and intelligence operations; requires the intelligence unit to provide telephone intelligence activities previously provided by the contractor; requires savings resulting from in-house telephone intelligence activities to be passed on to prisoners through reduced phone call rates; requires MDOC to continue pursuing all opportunities for further reducing the cost of phone calls. Executive deletes. Senate retains current law. House retains current law. Conference retains current law.

Major Boilerplate Changes from FY 2024-25

***Sec. 715. Economic Impact and Savings from Prison Closures* – REVISED**
Requires MDOC to provide notice of plans to close, consolidate, or relocate any correctional facility in the state at least 30 days prior to the effective date of the closure, consolidation, or relocation; requires MDOC to report on the projected savings from closure, consolidation, or relocation and projected impact on positions; following closure, consolidation, or relocation, requires a report on actual savings achieved and impact on staff; requires MDOC, when planning to close a correctional facility, to complete an analysis of the potential economic impact of prison closure on the local community. Executive deletes. Senate retains current law. House retains current law. Conference revises by deleting the requirement that MDOC complete an analysis of the potential economic impact of prison closure on the local community.

***Sec. 716. Investment in Communities After Facility Closure* – RETAINED**
Requires MDOC to consult with the legislature and appropriate state agencies to develop a framework to provide investment in communities that have formerly operational state correctional facilities that have been closed; requires framework to include plans to ensure that vacant state correctional facilities do not become a nuisance or danger to the community. Executive retains current law. Senate retains current law. House deletes. Conference retains current law.

***Sec. 716. Contraband Prevention* – NEW**
Requires appropriation to be used to enhance a multifaceted approach that combines technology, rigorous policies, vigilant staff, intelligence gathering, and a commitment to addressing the root causes of contraband; requires increasing the frequency and enhancing the methods of screening all individuals, including all department employees, and all items entering into correctional facilities; requires a report on contraband prevention efforts. Executive does not include. Senate does not include. House includes new language. Conference includes new language.

***Sec. 720. Visitation by Members of the Legislature* – NEW**
Exempts members of the legislature, who are in good standing, from MDOC's policy that requires a 72-hour notice before a visit. Executive does not include. Senate includes new language. House does not include. Conference includes new language.

***Sec. 721. Strip Search Protocol* – NEW**
Requires MDOC to reform the strip search protocol so that it results in fewer and less intrusive strip searches of prisoners to maintain safety and security; requires MDOC to report department to report on efforts undertaken. Executive does not include. Senate includes new language. House does not include. Conference includes new language that expresses legislative intent that MDOC reform its strip search protocol and report on efforts undertaken if efforts are undertaken.

ONE-TIME APPROPRIATIONS

***Sec. 801. A Brighter Way* – NOT INCLUDED**
Requires appropriation to be used to support a contract with the goal of supporting peer-led reentry programming; requires A Brighter Way to enlist an accredited Michigan university to perform an independent evaluation of the program; requires A Brighter Way to submit a report and lists information to be included in the report. Executive does not include. Senate includes new language. House does not include. Conference does not include.

***Sec. 801. Breast Milk Program* – DELETED**
Requires funding to be used for a program that provides breast milk to newborns of post-partum prisoners; requires MDOC to collaborate with Mama's Mobile Milk to ensure prisoners who have given birth within the last 18 months have the opportunity to breastfeed, including expressing milk and providing necessary supplies; grants immunity from criminal and civil liability to MDOC; requires Mama's Mobile Milk to report quarterly; designates unexpended funds as a work project appropriation. Executive deletes. Senate deletes. House deletes. Conference deletes.

***Sec. 802. Ambulance Service Reimbursements* – NOT INCLUDED**
Requires appropriation to be used to reimburse ambulance service providers for services they provided but were not compensated for by the department's previous healthcare contractor. Executive does not include. Senate includes new language. House does not include. Conference does not include.

***Sec. 802. In-Reach Services Expansion* – DELETED**
Requires MDOC to allocate $500,000 in one-time funding, in addition to $900,000 in ongoing funding, to expand provision of in-reach parole planning services to all parolees prior to release from prison. Executive deletes. Senate deletes. House deletes. Conference deletes.

***Sec. 803. Eastern Michigan University* – NOT INCLUDED**
Requires appropriation to be used by EMU to provide incarcerated individuals with an opportunity to complete a bachelor's degree program; requires EMU to submit a report and lists information to be included in the report. Executive does not include. Senate includes new language. House does not include. Conference does not include.

Major Boilerplate Changes from FY 2024-25

***Sec. 803. Nation Outside* – DELETED**
Requires funding to be used to support a contract with the goal of supporting peer-led reentry programming; requires Nation Outside to enlist Wayne State University to perform an independent program evaluation; requires a report on program outcomes. Executive deletes. Senate deletes. House deletes. Conference deletes.

***Sec. 804. Facility Railing Improvements* – NOT INCLUDED**
Requires appropriation to be used to upgrade all railings in cell block housing units. Executive does not include. Senate includes new language. House does not include. Conference does not include.

***Sec. 804. Peer-Led Reentry Services* – DELETED**
Requires MDOC to allocate $500,000 in one-time funding, in addition to $1.5 million in ongoing funding, to expand provision of peer-led reentry services to parolees. Executive deletes. Senate deletes. House deletes. Conference deletes.

***Sec. 805. Goodwill Flip the Script* – NOT INCLUDED**
Requires appropriation to be used to expand the program. Executive does not include. Senate includes new language. House does not include. Conference does not include.

***Sec. 805. Thumb Correctional Facility Education Center* – DELETED**
Designates funding for the Thumb education center as a work project appropriation; states that the purpose of the project is to provide educational programming and vocational training at the facility; designates unexpended funds as a work project appropriation. Executive deletes. Senate deletes. House deletes. Conference deletes.

***Sec. 806. Peer Recovery Coaches* – NOT INCLUDED**
Requires appropriation to be used to embed peer recovery coaches throughout the state; requires coaches to train 250 individuals to be able to provide consistent peer recovery supports in prisons statewide. Executive does not include. Senate includes new language. House does not include. Conference does not include.

***Sec. 807. Reducing Medical Co-Payments* – NOT INCLUDED**
Requires appropriation to be used by MDOC to make every effort to lower the co-payment amounts for prisoners for medical services or other medical needs. Executive does not include. Senate includes new language. House does not include. Conference does not include.

***Sec. 808. Outcomes and Performance Measures* – NOT INCLUDED**
Lists 27 different outcomes and performance measures to be included for A Brighter Way, the Eastern Michigan University pilot program, and the one-time Goodwill Flip the Script program; requires any data collected to be provided to the legislature and to be made available to accredited universities for research purposes. Executive does not include. Senate includes new language. House does not include. Conference does not include.

***Sec. 809. Work Project Appropriation Lapses* – NOT INCLUDED**
Expresses legislative intent that the state budget director lapse $15.6 million that was appropriated in past public acts and designated as work project appropriations, that the lapsed work project funds are available for expenditure, and that the funds are required to be expended only for allowable uses. Executive does not include. Senate includes new language. House does not include. Conference does not include.

FY 2025-26: DEPARTMENT OF EDUCATION
Summary: Conference
Article 3, House Bill 4706 (H-1) CR-1

Analyst: Noel Benson

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	FY 2025-26 Senate	FY 2025-26 House	FY 2025-26 Conference	*Difference: Conference From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$0	$0	$0	$0	$0	*$0*	*--*
Federal	82,550,500	83,575,100	83,575,100	76,162,200	83,575,100	*1,024,600*	*1.2*
Local	5,868,500	5,884,200	5,884,200	5,868,500	5,884,200	*15,700*	*0.3*
Private	2,542,200	2,547,500	2,547,500	2,542,200	2,547,500	*5,300*	*0.2*
Restricted	10,117,800	10,193,800	2,193,800	2,090,000	10,193,800	*76,000*	*0.8*
GF/GP	63,896,100	62,722,100	72,222,100	46,569,800	62,546,100	*(1,350,000)*	*(2.1)*
Gross	**$164,975,100**	**$164,922,700**	**$166,422,700**	**$133,232,700**	**$164,746,700**	***($228,400)***	***(0.1)***
FTEs	574.5	587.5	589.5	456.5	568.5	*(6.0)*	*(1.0)*

Notes: (1) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (2) FY 2024-25 year-to-date (YTD) figures are as of release of the Executive budget, February 5, 2025. (3) "Senate" means Senate Bill 165 (S-2). (4) "House" means House Bill 4576 (H-2). (5) "Conference" means the budget agreement reflected in HB 4706 (H-1) CR-1.

Overview

The State Board of Education is an eight-member elected board constitutionally mandated to provide leadership and supervision for public education in Michigan. The Michigan Department of Education (MDE) is the administrative arm of the Board charged with implementing state and federal educational mandates and administering programs. Major responsibilities of the MDE include developing and overseeing the K-12 school system, certifying teachers, disbursing funds to educational organizations and libraries, and providing technical assistance to school districts and libraries.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
1. Office of Health and Safety	FTE	NA	20.0
Executive transfers in $1.5 million Gross ($468,900 GF/GP) and authorization for 19.0 FTE positions from Office of Nutrition Services (formerly School Support Services Operations). Provides authorization for 3.0 additional FTE positions to reflect available federal funding. (See Item #2 for the equivalent reduction in funding.)	**Gross**	**NA**	**$1,465,300**
	Federal	NA	996,400
	GF/GP	NA	$468,900
Senate concurs with Executive.			
House does not include.			
Conference concurs with Executive, but only provides authorization for 1.0 additional FTE to reflect available federal funding.			
2. Office of Nutrition Services	FTE	82.6	(16.0)
Executive renames School Support Services Operations to the Office of Nutrition Services. Transfers out $1.5 million Gross ($468,900 GF/GP) and authorization for 19.0 FTE positions to the new Office of Health and Safety (See Item #1 for the equivalent increase in funding.). Provides authorization for an additional 5.0 FTE positions to reflect currently available federal funding.	**Gross**	**$15,969,300**	**($1,465,300)**
	Federal	13,127,300	(996,400)
	Restricted	150,000	0
	GF/GP	$2,692,000	($468,900)
Senate concurs with Executive.			
House does not include.			
Conference concurs with Executive.			
3. Michigan eLibrary	**Gross**	**$1,740,800**	**$1,008,800**
Executive does not include.	GF/GP	$1,740,800	$1,008,800
Senate does not include.			
House does not include.			
Conference provides $1.0 million GF/GP ($900,000 one-time GF/GP) to support the Michigan eLibrary.			

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
4. Michigan Core Curriculum	**Gross**	**$750,000**	**($750,000)**
Executive does not include.	GF/GP	$750,000	($750,000)
Senate concurs with Executive.			
House eliminates $750,000 GF/GP for designing, implementing, and evaluating professional learning modules regarding Michigan indigenous tribal history.			
Conference concurs with House.			
5. Science of Reading Literacy Supports	FTE	84.7	2.0
Executive increases by $960,900 GF/GP and provides authorization for 6.0 FTE positions to provide supports to districts on new dyslexia requirements under 2024 PA 146 and continue literacy improvements under science of reading. Funding is transferred from ASL Literacy Resources ($500,000 GF/GP) and Educator Recruitment and Preparation ($460,900 GF/GP). (See Item #6 and Item #24 for reductions in funding.)	**Gross**	**$17,696,000**	**$400,000**
	Federal	13,175,600	0
	Restricted	602,400	0
	GF/GP	$3,918,000	$400,000
Senate concurs with Executive.			
House does not include.			
Conference increases by $400,000 GF/GP and provides authorization for 2.0 FTE positions to provide literacy supports. Funding is transferred from ASL Literacy Resources. (See item #6 for reduction in funding.)			
6. ASL Literacy Resources	**Gross**	**$1,000,000**	**($500,000)**
Executive reduces by $500,000 GF/GP for a total of $500,000 GF/GP to reallocate funds for the science of reading literacy supports. (See Item #5 for increase in funding.)	GF/GP	$1,000,000	($500,000)
Senate concurs with Executive.			
House does not include.			
Conference concurs with Executive.			
7. Office of Systems, Evaluation, and Technology Federal Increase	FTE	18.0	0.0
Executive increases by $360,000 federal to reflect increased available federal revenue for the Office of Systems, Evaluation, and Technology.	**Gross**	**$3,132,900**	**$360,000**
	Federal	1,802,300	360,000
Senate concurs with Executive.	Restricted	11,000	0
House does not include.	GF/GP	$1,319,600	$0
Conference concurs with Executive.			
8. Media Literacy Training	FTE	84.7	0.0
Executive does not include.	**Gross**	**$18,446,000**	**$300,000**
Senate provides $300,000 GF/GP for developing professional training for teaching artificial intelligence and media literacy.	Federal	13,175,600	0
	Restricted	602,400	0
House does not include.	GF/GP	$4,668,000	$300,000
Conference provides $300,000 one-time GF/GP.			
9. Special Education Services Transfer	FTE	47.0	0.0
Executive transfers in $200,000 GF/GP from the Michigan Schools for the Deaf and Blind Operations to support staff responsible for statewide special education monitoring activities. (See Item #12 for equivalent reduction in funding.)	**Gross**	**$9,555,600**	**$200,000**
	Federal	8,955,700	0
	Private	111,800	0
	Restricted	49,200	0
Senate concurs with Executive.	GF/GP	$438,900	$200,000
House does not include.			
Conference concurs with Executive.			
10. Michigan Schools for the Deaf and Blind Transfer	FTE	82.0	0.0
Executive transfers out $200,000 GF/GP from the Michigan Schools for the Deaf and Blind Operations to support staff responsible for statewide special education monitoring activities. (See Item #11 for equivalent increase in funding.)	**Gross**	**$20,064,400**	**($200,000)**
	Federal	7,639,400	0
	Local	5,868,500	0
	Private	1,350,400	0
Senate concurs with Executive.	Restricted	1,206,100	0
House does not include.	GF/GP	$4,000,000	($200,000)
Conference concurs with Executive.			

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
11. CTE Pathways to Success	FTE	25.0	1.0
Executive increases by $342,400 GF/GP and provides authorization for 2.0 FTE positions to provide administrative support for new career and technical education programs included in the proposed School Aid budget.	**Gross**	**$5,668,700**	**$160,000**
	Federal	4,099,200	0
	GF/GP	$1,569,500	$160,000
Senate concurs with Executive.			
House does not include.			
Conference increases by $160,000 GF/GP and provides authorization for 1.0 FTE position.			
12. Office of Systems, Evaluation, and Technology FTE Transfer	FTE	18.0	0.0
Executive transfers in $153,500 Gross ($7,600 GF/GP) from the Office of Financial Management to the Office of Systems, Evaluation, and Technology to reallocate resources based on anticipated workload. (Although not included in documents, the Executive expressed intent to transfer authorization for 1.0 FTE position from the Office of Financial Management to the Office of Systems, Evaluation, and Technology. See Item #13 for equivalent reduction in funding.)	**Gross**	**$3,132,900**	**$153,500**
	Federal	1,802,300	145,900
	Restricted	11,000	0
	GF/GP	$1,319,600	$7,600
Senate concurs with Executive.			
House does not include.			
Conference concurs with Executive.			
13. Office of Financial Management FTE Transfer	FTE	3.0	0.0
Executive transfers out $153,500 Gross ($7,600 GF/GP) from the Office of Financial Management to the Office of Systems, Evaluation, and Technology to reallocate resources based on anticipated workload. (Although not included in documents, the Executive expressed intent to transfer authorization for 1.0 FTE position from the Office of Financial Management to the Office of Systems, Evaluation, and Technology. See Item #12 for equivalent increase in funding.)	**Gross**	**$2,029,900**	**($153,500)**
	Federal	1,822,400	(145,900)
	Restricted	93,700	0
	GF/GP	$113,800	($7,600)
Senate concurs with Executive.			
House does not include.			
Conference concurs with Executive.			
14. Foster Care Oversight	FTE	84.7	0.0
Executive does not include.	**Gross**	**$17,696,000**	**$150,000**
Senate provides $150,000 GF/GP and authorization for 1.0 FTE position for regularly reviewing educational programs in child caring institutions, as required by 2024 PA 11.	Federal	13,175,600	0
	Restricted	602,400	0
	GF/GP	$3,918,000	$150,000
House does not include.			
Conference provides $150,000 one-time GF/GP for foster care oversight.			
15. Mental Health Training	**Gross**	**$275,000**	**($125,000)**
Executive eliminates $275,000 one-time GF/GP to provide training to mental health providers, administrators, and superintendents in eligible districts.	GF/GP	$275,000	($125,000)
Senate does not include.			
House does not include.			
Conference retains $150,000 one-time GF/GP to provide mental health training.			
16. Michigan Poet Laureate	**Gross**	**$100,000**	**($100,000)**
Executive transfers $100,000 GF/GP for Michigan's Poet Laureate out of Library of Michigan Operations and into a separate line item.	GF/GP	$100,000	($100,000)
Senate concurs with Executive.			
House does not include.			
Conference eliminates $100,000 GF/GP for Michigan's Poet Laureate.			

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
17. Elimination of Vacant FTE Positions	FTE	NA	(10.0)
Executive does not include.	**Gross**	**NA**	**$0**
Senate concurs with Executive.	GF/GP	NA	$0
House removes authorization for 65.0 FTE positions not currently filled and eliminates $9.5 million GF/GP in associated funding as follows: • Educator Excellence Operations (15.0 FTE positions) • Accountability Services Operations (20.0 FTE positions) • School Support Services Operations (20.0 FTE positions) • Educational Support Operations (10.0 FTE positions)			
Conference removes authorization for 10.0 FTE positions, including 5.0 FTE positions in Educator Excellent Operations and 5.0 FTE positions in Accountability Services Operations.			
18. School Board Member Training	**Gross**	**$150,000**	**$0**
Executive transfers $150,000 GF/GP for School Board Member Training out of School Support Services Operations and into a separate line item.	GF/GP	$150,000	$0
Senate concurs with Executive.			
House does not include.			
Conference concurs with Executive.			
19. Teacher Certification Fees Fund Swap	FTE	**NA**	0.0
Executive does not include.	**Gross**	NA	**$0**
Senate swaps $8.0 million restricted Teacher-Administrator Preparation and Certification Fund for $8.0 million GF/GP for a net-zero change due to the proposed elimination of teacher certification fees.	Restricted	NA	0
	GF/GP	NA	$0
House eliminates $8.0 million restricted Teacher-Administrator Preparation and Certification fund due to the proposed elimination of teacher certification fees. Does not replace with GF/GP. Removes authorization for 30.0 FTE positions as follows: • State Board and Superintendent Operations (3.0 FTE positions) • Central Support Operations (2.0 FTE positions) • Educator Excellence (21.0 FTE positions) • Administrative Law Operations (1.0 FTE position) • Educational Support Operations (3.0 FTE positions)			
Conference concurs with Executive.			
20. Library Services and Technology Program	FTE	1.0	0.0
Executive does not include.	**Gross**	**$5,630,700**	**$0**
Senate concurs with Executive.	Federal	5,630,700	0
House eliminates $5.6 million Federal and removes authorization for 1.0 FTE position to provide support to libraries and individuals who have difficulty using a library.	GF/GP	$0	$0
Conference concurs with Executive.			
21. Partnership District Support Operations	FTE	13.0	0.0
Executive does not include.	**Gross**	**$3,638,200**	**$0**
Senate concurs with Executive.	Federal	114,500	0
House eliminates $3.6 million Gross ($3.5 million GF/GP) and removes authorization for 13.0 FTE positions for Partnership District Support Operations. (Note: Sec. 21h in the School Aid budget, which provides funding for partnership districts, was also eliminated.)	GF/GP	$3,523,700	$0
Conference concurs with Executive.			
22. Strategic Planning and Implementation Operations	FTE	6.0	0.0
Executive does not include.	**Gross**	**$1,194,100**	**$0**
Senate concurs with Executive.	Federal	643,100	0
House eliminates $1.2 million Gross ($551,000 GF/GP) and removes authorization for 6.0 FTE positions for Strategic Planning and Implementation Operations.	GF/GP	$551,000	$0
Conference concurs with Executive.			

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
23. Information Technology	**Gross**	**$4,783,400**	**$0**
Executive does not include.	Federal	2,492,100	0
Senate concurs with Executive.	Restricted	977,400	0
House decreases by $717,500 GF/GP for information technology services and projects. (Note: this line is also reduced by $977,400 Restricted fund due to the elimination of teacher certification fees.)	GF/GP	$1,313,900	$0
Conference concurs with Executive.			
24. Educator Recruitment and Preparation	**Gross**	**$1,675,600**	**$0**
Executive reduces by $460,900 GF/GP for a total of $1.2 million GF/GP to reallocate funds for the science of reading literacy supports. (See Item #2 for increase in funding.)	GF/GP	$1,675,600	$0
Senate concurs with Executive.			
House does not include.			
Conference concurs with House.			
25. State Aid to Libraries	**Gross**	**$16,567,700**	**$0**
Executive does not include.	GF/GP	$16,567,700	$0
Senate provides $900,000 GF/GP to increase state aid to libraries by 5.4%.			
House does not include.			
Conference does not include.			
26. Medicaid Technical Support	FTE	82.6	0.0
Executive does not include.	**Gross**	**$15,969,300**	**$0**
Senate provides $150,000 GF/GP and authorization for 1.0 FTE position to provide technical support to districts to use Medicaid dollars for mental health.	Federal	13,127,300	0
	Restricted	150,000	0
	GF/GP	$2,692,000	$0
House does not include.			
Conference does not include.			
27. Removal of FY 2024-25 One-Time Appropriations	FTE	3.0	(3.0)
Executive removes 1.7 million GF/GP of one-time funding and authorization for 3.0 FTE positions that were included in the FY 2024-25 budget to support the following:	**Gross**	**$1,725,000**	**($1,725,000)**
	GF/GP	$1,725,000	($1,725,000)
• Michigan Test for Teacher Certification Reimbursement ($1.1 million GF/GP)			
• Community Health Worker Career Center ($325,000 million GF/GP)			
• Charter School Transparency Database ($150,000 GF/GP; 1.0 FTE position)			
• School Infrastructure and Consolidation Administration ($150,000 GF/GP; 2.0 FTE positions)			
Senate concurs with Executive.			
House concurs with Executive.			
Conference concurs with Executive.			
28. Economic Adjustments	**Gross**	**NA**	**$1,245,200**
Executive reflects increased costs of $1.2 million Gross ($483,600 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	Federal	NA	664,600
	Local	NA	15,700
	Private	NA	5,300
	Restricted	NA	76,000
	GF/GP	NA	$483,600
Senate concurs with Executive, but swaps $72,000 Teacher-Administrator Preparation and Certification Fund increases for GF/GP for a total of $555,600 GF/GP.			
House does not include.			
Conference concurs with Executive.			

Major Boilerplate Changes from FY 2024-25

Boilerplate Deletions

In general, the Executive, Senate, House, and Conference concur to delete boilerplate sections included in the FY 2024-25 budget. The list below includes major changes to boilerplate but is not a comprehensive list of all sections proposed to be deleted.

- Charter School Transparency Database (Sec. 1100)
- Community Health Worker Career Center (Sec. 1102)
- School Infrastructure and Consolidation Administration (Sec. 1103)
- Michigan Test for Teacher Certification Reimbursement (Sec. 1104)

***Sec. 201. Total State Spending and State Spending to Local Governments* – REVISED**

Provides total state spending and payments to local units of government. Executive revises to reflect new appropriation amounts, removal of one-time funding, and the shift of School Board Member Training to a separate line item. Senate concurs with Executive. House concurs with Executive. Conference concurs with Executive.

***Sec. 205. Purchase of Foreign Goods* – RETAINED**

Prohibits use of state funds to purchase foreign-made goods if comparable American or Michigan goods or services are available. Gives preference to Michigan businesses owned and operated by veterans. Executive does not change. Senate requires preference to be given to good or services manufactured in facilities that employ union members. House retains current law. Conference retains current law.

***Sec. 206. Communication with the Legislature* – RETAINED**

Prohibits MDE from taking disciplinary action against an employee for communicating with a legislator or staff. Executive deletes this section. Senate retains current law. House retains current law. Conference retains current law.

***Sec. 208. Hire of Outside Legal Counsel* – DELETED**

Prohibits MDE from hiring a person to provide legal services that are the responsibility of the Attorney General but exempts legal services for bonding or other activities authorized by the Attorney General. Conference deletes this section.

***Sec. 211. Department Financial Information* – REVISED**

Requires MDE to work with DTMB to maintain a searchable website accessible to the public at no cost, which includes department expenditures and employee information. House adds in-person and remote hours worked by employees to reporting requirements. Conference concurs with House.

***Sec. 212. Restricted Funds Report* – RETAINED**

Requires MDE to work with SBO to provide a report to the legislature on estimated restricted fund revenues, expenditures, and fund balances for the prior two fiscal years. Executive deletes this section. Senate retains current law. House retains current law. Conference retains current law.

***Sec. 214. Access to State and Local Government Resources* – RETAINED**

Requires that appropriated funds shall not be used to restrict a marginalized community's access to government resources, programs, or facilities. Also requires local governments to report any action or policy that interferes with the duties of the local health officer. House deletes. Conference retains current law.

***Sec. 215. Geographically Disadvantaged Business Enterprises* – RETAINED**

Requires State Superintendent to make effort to contract with geographically disadvantaged business enterprises. House deletes. Conference retains current law.

***Sec. 217. Transfer of Funds by Legislature* – NEW**

House adds language that states the legislature may inter-transfer funds within the department through a concurrent resolution if the State Administrative Board transfers funds from any appropriation. Conference concurs with House.

***Sec. 218. Department Reports and Records Retention* – RETAINED**

Executive deletes language that requires MDE to retain all reports funded from appropriations according to federal and state guidelines for short-term and long-term retention of records. Senate retains current law. House retains current law. Conference retains current law.

***Sec. 219. Report on Policy Changes Made to Implement Public Acts Affecting Department* – REVISED**

Requires MDE to report by April 1 on each specific policy change made to implement a public act affecting MDE that took effect during the prior calendar year. Executive deletes this section. Senate retains this section. House adds requirement to reference the specific public act number. Conference concurs with House.

***Sec. 220. General Fund Appropriations* – NOT INCLUDED**

Senate adds language that requires federal or private funds to be expended before general funds. Requires MDE to provide notice if they are required to make a reduction in expenditures under Sec. 395(1) or (2) of the Management and Budget Act, 1984 PA 431, MCL 18.1395. House does not include. Conference does not include.

Major Boilerplate Changes from FY 2024-25

***Sec. 220. Departmental Scorecard* – NEW**
House adds language that requires MDE to quarterly update a department performance scorecard on its website. Conference adds language requiring the department to provide a copy of its annual strategic plan.

***Sec. 221. Unenforceable Sections* – NOT INCLUDED**
Senate adds language that requires MDE to provide a report on any sections that they determined to be unenforceable with a detailed legal rationale. House does not include. Conference does not include.

***Sec. 221. Court-Approved Judgement* – NEW**
House adds language that restricts appropriated funds from being used for court-approved judgements, settlements, awards, or claims in excess of $200,000. Conference requires MDE to report on any court settlement that may require legislative review of state statutory programs or regulations.

***Sec. 222. Expending Available Work Project Authorization* – RETAINED**
Prohibits appropriations from being expended until all existing work project authorization available for the same purpose is exhausted, to the extent possible. Executive deletes this section. Senate retains this section. House retains current law. Conference retains current law.

***Sec. 223. State Fiscal Recovery Funds Reallocation Authorization* – DELETED**
Directs the state budget director to reallocate state fiscal recovery funds that are in jeopardy of not meeting the expenditure deadline of December 31, 2026, and must notify the Legislature within 10 days after making the reallocation. Executive deletes this section. Senate revises to require MDE to provide notice if an appropriation described under this section is projected to lapse. Strikes language directing how funds should be reallocated. House concurs with Executive. Conference concurs with Executive.

***Sec. 223. Work Project Report* – NEW**
House adds language that requires MDE to quarterly report on all work project accounts. Conference concurs with House but revises to a biannual report.

***Sec. 224. Federal Policy Changes Report* – NEW**
Senate adds language that requires MDE to provide a quarterly report detailing federal policy changes that affect the operations of the department; affect an industry, community, population, or other group that engages with the department; affect regulations that affect a group served by the department; or create a regulatory gap that could negatively impact the public. House does not include. Conference concurs with Senate, but removes policy changes that affect regulations. Revises to Sec. 227.

***Sec. 224. Departmental Legacy Costs* – NEW**
House adds language listing the pension and retiree health care legacy costs for the department. Conference concurs with House.

***Sec. 225. Severance Pay Report* – NOT INCLUDED**
House adds language that requires MDE to report on any amounts of severance pay for high-ranking department officials within 14 days of the severance agreement signing and report the total amount of severance pay for the prior fiscal year. Conference does not include.

***Sec. 225. Posting Required Departmental Reports* – NEW**
Conference adds language that requires MDE to post each required report in a single archivable location on the department's website and maintain previous reports grouped by fiscal year.

***Sec. 226. In-Person and Remote Work Report* – NEW**
House adds language that requires MDE to prioritize in-person work, including the requirement for employees to work in-person 5 days per week. Requires employees with field work to report to the office each morning. Requires MDE to establish a policy to ensure all employees are working their jobs during normal business hours. Conference adds language that requires MDE to prioritize occupancy utilization of office space. Requires monitoring of employees that serve outside the office to ensure all work hours are accurately reported. Requires occupancy rates of 80% or higher.

***Sec. 227. Department Grant Transparency* – NOT INCLUDED**
House adds language that requires MDE to follow a set of conditions when awarding grant funding and requires a quarterly report on grant funding awarded. Conference does not include.

***Sec. 228. Utilization of E-Verify* – NEW**
House adds language that requires MDE to condition all contractors and subcontractors to use the federal E-Verify system for all employees hired during the length of the contract with MDE. Requires MDE to not contract with any foreign enemies of the United States. Conference concurs with House but strikes requirement to not contract with any foreign enemies.

Major Boilerplate Changes from FY 2024-25

***Sec. 229. Non-Citizen Restrictions* – NOT INCLUDED**
House adds language that restricts MDE from using any state or federal funds on services, grants, or programming for any non-citizen, unless the non-citizen is a qualified alien or if the funds are used to restrain the non-citizen in jails or correctional facilities. Conference does not include.

***Sec. 229. Legislatively Directed Spending Items* – NEW**
Conference creates transparency requirements for the grant distribution, review, and verification process.

***Sec. 230. Third-Party Funds Report* – NEW**
House adds language that requires MDE to report on various information related to third-party funds received and expended by the department in the previous fiscal year. Conference concurs with House.

***Sec. 231. Restriction on Diversity, Equity, and Inclusion Programs* – NOT INCLUDED**
House adds language that restricts MDE from using any funds on diversity, equity, and inclusion programs. Conference does not include.

***Sec. 504. District Educator Preparation Programs* – RETAINED**
Requires MDE to award funding to districts for educator preparation programing. Executive requires MDE to award funding to districts for educator preparation programming. Revises allocation to reflect reprioritization of funds toward implementation of 2024 PA 146. Senate concurs with Executive. House adds nonpublic schools as eligible recipients of funding. Adds requirement for MDE to report on how funding is distributed. Does not concur with Executive revisions. Conference retains current law.

***Sec. 505. Educator Recruitment and Staffing* – REVISED**
Requires MDE to direct resources towards teacher recruitment and preparation programs. House adds requirement for MDE to report on how funds are spent. Conference concurs with House.

***Sec. 602. School Board Training* – RETAINED**
Requires MDE to approve and reimburse districts for one or more eligible training programs for school board members, covering conflicts of interest, labor relations, education law, school finance, board governance, and implicit bias training. House strikes implicit bias training as an eligible expense. Conference retains current law.

***Sec. 604. Mental Health Support Services* – REVISED**
Requires MDE to use funding to provide technical assistance to districts receiving funding under Sec. 31n of the School Aid Act to make them more effective at using Medicaid dollars for mental health. Executive revises to clarify that technical assistance includes but is not limited to Medicaid claims. Senate revises allocation and FTE authorizations to reflect increased funding. Does not concur with Executive revisions. House retains current law. Conference revises allocation to match appropriation.

***Sec. 701. MTSS, At-Risk, Reading Intervention Report* – REVISED**
Requires MDE to produce a report detailing the progress made by districts with grades K-12 receiving at-risk funding under section 31a of the State School Aid Act in implementing Multi-Tiered Systems of Supports (MTSS), in implementing MTSS for grades K-12 in the prior school fiscal year, and in providing reading intervention services described in section 1280f of the Revised School Code. House adds that MDE must report which districts have been determined by the department to have a need to implement multitiered systems of support and reading intervention programs. Conference concurs with House.

***Sec. 704. Foster Care Oversight* – NEW**
Senate adds language that requires MDE to use funds and an FTE position authorization to regularly review educational programs in child caring institutions, as required by 2024 PA 11. House does not include. Conference concurs with Senate but revises to Sec. 1000.

***Sec. 705. Media Literacy Training* – NEW**
Senate adds language that requires MDE to use funds to design, implement, and evaluate professional learning and optional curriculum modules for teaching artificial intelligence and media literacy. House does not include. Conference concurs with Senate but revises to Sec. 1001.

***Sec. 750. CTE Workforce Development Reporting* – NEW**
House adds language requiring MDE to develop and implement a reporting mechanism for CTE participation. Requires a report on CTE participation and workforce development participation. Conference concurs with House.

FY 2025-26: ENVIRONMENT, GREAT LAKES, AND ENERGY
Summary: Conference
Article 4, House Bill 4706 (H-1) CR-1

Analyst: Austin Scott

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	FY 2025-26 Senate	FY 2025-26 House	FY 2025-26 Conference	*Difference: Conference From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$4,085,900	$4,129,100	$4,129,100	$4,085,900	$4,129,100	*$43,200*	*1.1*
Federal	463,788,900	464,268,500	464,268,500	397,788,900	464,268,500	*479,600*	*0.1*
Local	0	0	0	0	0	*0*	*--*
Private	1,364,200	1,404,200	1,404,200	1,364,200	1,404,200	*40,000*	*2.9*
Restricted	309,149,300	420,631,500	377,453,700	324,300,300	327,853,700	*18,704,400*	*6.1*
GF/GP	260,710,300	296,389,800	187,412,000	111,543,300	170,064,100	*(90,646,200)*	*(34.8)*
Gross	**$1,039,098,600**	**$1,186,823,100**	**$1,034,667,500**	**$839,082,600**	**$967,719,600**	***($71,379,000)***	***(6.9)***
FTEs	1,652.0	1,786.0	1,672.0	1,403.0	1,637.0	*(15.0)*	*(0.9)*

Notes: (1) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (2) FY 2024-25 year-to-date (YTD) figures are as of release of the Executive budget, February 5, 2025. (3) "Senate" means Senate Bill 181 (S-1) as Amended. (4) "House" means Article 4, House Bill 4706 (H-1) as Amended. (5) "Conference" means the budget agreement reflected in HB 4706 (H-1) CR-1.

Overview

The Department of Environment, Great Lakes, and Energy (EGLE) is responsible for managing Michigan's air, land, water, and energy resources. Departmental functions include improving resource quality, reducing waste, and mitigating threats to Michigan's environment.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
1. Fee Increase – Landfill Tipping Fee	FTE	NA	0.0
Executive provides $80.0 million in state restricted funding and authorizes 36.0 new FTE positions from a proposed increase in the landfill tipping fee from $0.36 per ton to $5.00 per ton. New revenue would be expended for contaminated site remediation and redevelopment ($40.7 million) and for material management programs ($39.3 million and 36.0 FTE positions).	**Gross**	**NA**	**$0**
	Restricted	NA	0
	GF/GP	NA	$0
Senate does not provide.			
House does not provide.			
Conference does not provide.			
2. Fee Increase – Water Resources Division	FTE	NA	0.0
Executive appropriates $7.3 million in state restricted funding and authorizes 41.0 new FTE positions from a proposed 300% increase in land and water permit fees and a proposed 40% increase in certain water fees. New revenue would be expended for permitting stormwater, wastewater, and shoreline permitting.	**Gross**	**NA**	**$0**
	Restricted	NA	0
	GF/GP	NA	$0
Senate does not appropriate.			
House does not appropriate.			
Conference does not appropriate.			
3. Fee Increase – Hazardous Waste	FTE	121.0	0.0
Executive includes $5.0 million from the Environmental Pollution Prevention Fund and authorizes 17.0 new FTE positions from a proposed doubling of hazardous waste fees. New revenue would be expended for hazardous waste oversight and regulation.	**Gross**	**$24,721,800**	**$0**
	IDG	1,566,600	0
	Federal	3,444,100	0
	Private	510,700	0
Senate does not include.	Restricted	18,455,600	0
House does not include.	GF/GP	$744,800	$0
Conference does not include.			

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
4. Fee Increase – Oil and Gas Wells	FTE	63.0	0.0
Executive provides $465,500 from the Oil and Gas Regulatory Fund and authorizes 3.0 new FTE positions from a proposed increase on oil and gas well permits from $20 per year to $250 per year. New revenue would be expended for oil and gas well oversight and regulation.	**Gross**	**$22,711,600**	**$0**
	IDG	223,100	0
	Federal	5,308,500	0
	Restricted	7,068,700	0
Senate does not provide.	GF/GP	$10,111,300	$0
House does not provide.			
Conference does not provide.			
5. Lead Service Line Replacement	**Gross**	**NA**	**$13,400,000**
Executive appropriates $80.0 million GF/GP for water infrastructure projects, $50.0 million of which is designated as one-time and earmarked in boilerplate section 1002 for lead service line replacement.	GF/GP	NA	$13,400,000
Senate appropriates $10.0 million GF/GP in ongoing funding for water infrastructure projects.			
House does not appropriate.			
Conference reduces ongoing funding for water infrastructure projects by $4.0 million GF/GP and provides $17.4 million GF/GP in one-time funding for a net change of $13.4 million GF/GP.			
6. Document Digitization, Transparency, and Modernization (One-Time)	**Gross**	**$0**	**$5,000,000**
	GF/GP	$0	$5,000,000
Executive includes $39.0 million GF/GP to digitize and index historical department records.			
Senate includes $10.0 million GF/GP.			
House does not include.			
Conference includes $5.0 million GF/GP.			
7. Electric Charging Infrastructure (One-Time)	**Gross**	**$0**	**$0**
Executive provides $10.0 million GF/GP for grants for electric charging and hydrogen fueling vehicle infrastructure projects.	GF/GP	$0	$0
Senate concurs.			
House does not provide.			
Conference does not provide.			
8. Septic System Database (One-Time)	**Gross**	**$0**	**$0**
Executive appropriates $7.0 million GF/GP to establish a statewide database to track the permitting of septic systems.	GF/GP	$0	$0
Senate appropriates a $100 placeholder.			
House does not appropriate.			
Conference does not appropriate.			
9. Drinking Water and Environmental Health Division Staff	FTE	NA	0.0
Executive includes $6.0 million GF/GP and authorizes 35.0 new FTE positions to expand clean water enforcement, inspections and permitting.	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
Senate includes $3.0 million GF/GP and authorizes 18.0 new FTE positions.			
House does not include.			
Conference does not include.			
10. Energy Programs Staff	FTE	13.0	0.0
Executive includes $370,000 GF/GP and authorizes 2.0 new FTE positions to expand energy programs planning and implementation.	**Gross**	**$6,278,500**	**$0**
	Federal	3,837,000	0
Senate concurs.	Private	141,900	0
House does not include.	Restricted	2,299,600	0
Conference does not include.	GF/GP	$0	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
11. Technical Adjustments	**Gross**	NA	**$16,679,800**
Executive includes $16.7 million Gross ($0 GF/GP) for technical adjustments to align expenditures and increased available state restricted revenues ($16.6 million) and private revenues ($40,000).	Private	NA	40,000
	Restricted	NA	16,639,800
	GF/GP	NA	$0
Senate concurs with Executive.			
House does not include.			
Conference concurs with Executive.			
12. Water State Revolving Funds	**Gross**	**$424,000,000**	**($34,000,000)**
Senate provides $40.0 million from the Community Infrastructure Fund and transfers $4.6 million from Geologic Resources Management to expand grants and loans to local government for water infrastructure projects.	Federal	370,000,000	0
	Restricted	15,000,000	0
	GF/GP	$39,000,000	($34,000,000)
House reduces GF/GP by $39.0 million and replaces with $39.0 million from the Make it in Michigan Competitiveness Fund for a net zero Gross change.			
Conference reduces ongoing GF/GP by $34.0 million and replaces with $34.0 million one-time GF/GP (see below).			
13. Geologic Resources Management Fund Swap and GF/GP Transfer	FTE	63.0	0.0
	Gross	**$22,711,600**	**$0**
Senate swaps out GF/GP for state restricted funding and transfers $4.6 million GF/GP to Water State Revolving Funds.	IDG	223,100	0
	Federal	5,308,500	0
House does not swap.	Restricted	7,068,700	0
Conference does not swap.	GF/GP	$10,111,300	$0
14. Water Infrastructure Risks and Reserve Fund Community Infrastructure Funding	**Gross**	**$0**	**$0**
	Restricted	0	0
Senate provides $5.0 million from the Community Infrastructure Fund for a new program to provide grants and loans to communities experiencing water infrastructure emergencies.	GF/GP	$0	$0
House does not provide.			
Conference does not provide.			
15. Jefferson-Chalmers Flood Mitigation (One-Time)	**Gross**	**$0**	**$0**
Senate includes a $100 placeholder for flood mitigation.	GF/GP	$0	$0
House does not include.			
Conference does not include.			
16. Water Use Advisory Council Recommendations (One-Time)	**Gross**	**$0**	**$0**
Senate includes a $100 placeholder to continue support for the 2022 report recommendations of the Water Use Advisory Council.	GF/GP	$0	$0
House does not include.			
Conference does not include.			
17. Dam and Flood Mitigation Grants	**Gross**	**$0**	**$0**
House provides $20.0 million GF/GP for grants dam construction, flood control, flood mitigation, or flood prevention.	GF/GP	$0	$0
Conference does not provide			
18. Sewer and Water Infrastructure Upgrade Grants	**Gross**	**$0**	**$0**
House appropriates $10.0 million GF/GP for grants counties or municipalities to upgrade aging sewer and water infrastructure.	GF/GP	$0	$0
Conference does not appropriate.			
19. Water Quality Programs Reduction	FTE	232.0	(2.0)
House reduces 116.0 FTE positions and $17.4 million Gross ($11.3 million GF/GP) for Water Quality Programs.	**Gross**	**$37,406,400**	**$0**
	Federal	13,917,100	0
Conference reduces 2.0 FTE positions.	Restricted	12,208,000	0
	GF/GP	$11,281,300	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
20. Water Resource Programs Reduction	FTE	168.0	(3.0)
Conference reduces 3.0 FTE positions and $400,000 GF/GP for Water Resource Programs.	**Gross**	**$28,132,900**	**($400,000)**
	IDG	2,037,300	0
	Federal	5,073,000	0
	Restricted	2,450,500	0
	GF/GP	$18,572,100	($400,000)
21. Departmental Administration and Support Unit Reduction	FTE	112.0	0.0
House reduces 37.0 FTE positions and $6.1 million Gross ($3.5 million GF/GP) for the Departmental Administration and Support Unit including cuts to Accounting Service Center, Environmental Support, Executive Direction, Financial Support, and Property Management.	**Gross**	**$42,102,500**	**($2,600,000)**
	IDG	191,000	0
	Federal	766,700	0
	Private	711,600	0
Conference reduces ongoing funding for the Michigan Geological Survey by $2.6 million GF/GP and partially replaces with $2.3 million one-time GF/GP (see below).	Restricted	28,152,500	0
	GF/GP	$12,280,700	($2,600,000)
22. Drinking Water and Environmental Health Reduction	FTE	160.0	0.0
House reduces 15.0 FTE positions and $4.9 million GF/GP for Drinking Water and Environmental Health.	**Gross**	**$40,471,600**	**($1,000,000)**
	Federal	13,702,900	0
Conference reduces $1.0 million GF/GP.	Restricted	7,844,300	0
	GF/GP	$18,924,400	($1,000,000)
23. Contaminated Site Remediation and Redevelopment Programs Reduction	FTE	327.0	(3.0)
	Gross	**$78,302,700**	**$0**
House reduces 30.0 FTE positions and $4.5 million Gross ($294,600 GF/GP) for Contaminated Site Remediation and Redevelopment Programs.	Federal	7,752,600	0
	Restricted	70,255,500	0
	GF/GP	$294,600	$0
Conference reduces 3.0 FTE positions.			
24. Air Quality Programs Reduction	FTE	228.0	(3.0)
House reduces 28.0 FTE positions and $4.4 million GF/GP for Air Quality Programs.	**Gross**	**$38,842,200**	**($1,000,000)**
	Federal	7,680,100	0
Conference reduces 3.0 FTE positions and $1.0 million GF/GP.	Restricted	15,604,100	0
	GF/GP	$15,558,000	($1,000,000)
25. Municipal Assistance Reduction	FTE	30.0	(3.0)
Conference reduces 3.0 FTE positions for Municipal Assistance.	**Gross**	**$6,695,300**	**$0**
	Federal	5,304,000	0
	Restricted	774,300	0
	GF/GP	$617,000	$0
26. Renewing Michigan's Environment Unit Reduction	FTE	168.0	0.0
House reduces 10.0 FTE positions and $3.2 million Gross ($2.3 million GF/GP) for the Renewing Michigan's Environment Unit including cuts to Information Management and the Renew Michigan Program.	**Gross**	**$77,290,700**	**$0**
	IDG	13,100	0
	Federal	5,800	0
Conference does not reduce.	Restricted	72,008,100	0
	GF/GP	$5,263,700	$0
27. Information Technology Services and Projects Reduction	**Gross**	**$10,367,000**	**$0**
House reduces $1.6 million GF/GP for Information Technology Services and Projects.	IDG	54,800	0
	Federal	2,062,300	0
Conference does not reduce.	Restricted	5,902,400	0
	GF/GP	$2,347,500	$0
28. Material Management Programs Reduction	FTE	121.0	(1.0)
House reduces 8.0 FTE positions and $1.2 million Gross ($744,800 GF/GP) for Material Management Programs.	**Gross**	**$24,721,800**	**$0**
	IDG	1,566,600	0
Conference reduces 1.0 FTE position.	Federal	3,444,100	0
	Private	510,700	0
	Restricted	18,455,600	0
	GF/GP	$744,800	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
29. Watershed Council Grants Elimination	**Gross**	**$600,000**	**$0**
House eliminates funding for Watershed Council Grants totaling $600,000 GF/GP.	GF/GP	$600,000	$0
Conference does not eliminate.			
30. Geologic Resources Management Reduction	FTE	63.0	0.0
House reduces 3.0 FTE positions and $450,000 GF/GP for oil, gas, and mineral services.	**Gross**	**$22,711,600**	**($5,000,000)**
	IDG	223,100	0
Conference reduces ongoing GF/GP by $5.0 million and replaces with $5.0 million one-time GF/GP (see below).	Federal	5,308,500	0
	Restricted	7,068,700	0
	GF/GP	$10,111,300	($5,000,000)
31. FY 2023-24 Unexpended Authorization Reduction	**Gross**	**NA**	**$0**
House reduces federal and state restricted authorization to reflect unexpended FY 2023-24 funding totaling $75.0 million Gross ($0 GF/GP) from Water State Revolving Funds ($65.0 million federal and $5.0 million state restricted) and Contaminated Site Remediation and Redevelopment Programs ($4.0 million state restricted and $1.0 million federal).	Federal	NA	0
	Restricted	NA	0
	GF/GP	NA	$0
Conference does not reduce.			
32. Underground Storage Tank Cleanup Program Reduction	FTE	12.0	0.0
House reduces 2.0 FTE positions and $300,000 from the Underground Storage Tank Cleanup Fund for the Underground Storage Tank Cleanup Program.	**Gross**	**$20,117,300**	**$0**
	Restricted	20,117,300	0
	GF/GP	$0	$0
Conference does not reduce.			
33. Water State Revolving Funds One-Time	**Gross**	**$0**	**$34,000,000**
Conference appropriates $34.0 million GF/GP for grants and loans to local government for water infrastructure projects.	GF/GP	$0	$34,000,000
34. Geologic Resources Management One-Time	**Gross**	**$0**	**$34,000,000**
Conference appropriates $5.0 million GF/GP for oil, gas, and mineral services.	GF/GP	$0	$34,000,000
35. Michigan Geological Survey One-Time	**Gross**	**$0**	**$2,300,000**
Conference appropriates $2.3 million GF/GP to the Michigan Geological Survey at Western Michigan University.	GF/GP	$0	$2,300,000
36. Permitting Guidebooks (One-Time)	**Gross**	**$0**	**$300,000**
Conference appropriates $300,000 GF/GP to develop and distribute permitting guidebooks to assist those applying to EGLE for certain permits.	GF/GP	$0	$300,000
37. Water Resources Division Rollup	FTE	10.0	0.0
Executive rolls funding for groundwater data collection ($2.0 million Gross and 3.0 FTE positions) and water quality programs ($1.6 million Gross and 7.0 FTE positions) into oil, gas, and mineral services, which is renamed geologic resources management, for a net zero change.	**Gross**	**$3,631,500**	**$0**
	Restricted	871,000	0
	GF/GP	$2,760,500	$0
Senate concurs with Executive.			
House does not include.			
Conference concurs with Executive.			

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
38. Removal of FY 2024-25 One-Time Appropriations	**Gross**	**$109,000,000**	**($109,000,000)**
	GF/GP	$109,000,000	($109,000,000)

Executive removes $109.0 million GF/GP of one-time funding that was included in the FY 2024-25 budget to support the following:

- Clean fuel and charging infrastructure ($30.0 million)
- Drinking water infrastructure ($35.3 million)
- Drinking water intake monitoring program ($1.5 million)
- Lead service line replacement one-time ($8.0 million)
- Microplastics research ($2.0 million)
- Solar array project ($3.0 million)
- Water infrastructure initiative ($10.0 million)
- Water infrastructure projects ($17.0 million)
- Water use advisory council recommendations ($1.2 million)
- Wetlands mapping ($1.0 million)

Senate concurs.
House concurs.

39. Economic Adjustments	**Gross**	**NA**	**$4,941,200**
	IDG	NA	43,200
	Federal	NA	479,600
	Restricted	NA	2,064,600
	GF/GP	NA	$2,353,800

Executive reflects increased costs of $4.9 million Gross ($2.4 million GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.
Senate concurs with Executive.
House does not include.
Conference concurs with Executive.

Major Boilerplate Changes from FY 2024-25

Sec. 205. Purchase of Foreign Goods and Services **– RETAINED**
Prohibits department from purchasing foreign goods and services if competitively priced American goods or services of comparable quality are available; requires preference for goods and services manufactured by Michigan businesses and their associated subcontractors and manufactured or provided by Michigan businesses owned and operated by veterans.
Executive retains, Senate revises to add subsection requiring preference for goods and services manufactured in facilities that employ union members; House and Conference retain.

Sec. 206. Disciplinary Action Against State Employees **– RETAINED**
Prohibits department from disciplining state employees for communicating with members of the legislature and their staffs unless communication is prohibited by law. *(Governor deemed this section unenforceable in FY 2024-25.)*
Executive deletes, Senate, House, and Conference retain.

Sec. 210. Legislative Contingency Transfer Authorization **– RETAINED**
Allows for the legislative transfer process to increase federal authorization by up to $100.0 million, state restricted authorization by up to $3.0 million, and private authorization by up to $10.0 million private.
Executive revises to increase state restricted authorization to up to $10.0 million and decrease private authorization to up to $3.0 million.
Senate revises to increase state restricted authorization to up to $15.8 million.
House revises eliminate federal and private authorization.
Conference retains current law.

Sec. 212. Restricted Fund Revenues, Expenditures, and Fund Balances Report **– RETAINED**
Requires annual report on fund balances, revenues, and expenditures for state restricted funds for previous and current fiscal years.
Executive deletes, Senate, House, and Conference retain.

Sec. 214. Access to State and Local Services **– RETAINED**
Prohibits appropriations from being used to restrict or impede a marginalized community's access to government programs; requires local governments to report on actions that attempt to restrict duties of local health officers.
Executive, Senate, and Conference retain, House deletes.

Major Boilerplate Changes from FY 2024-25

***Sec. 215. Geographically Disadvantaged Business Enterprises* – RETAINED**
Requires director to take reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts.
Executive, Senate, and Conference retain, House deletes.

***Sec. 215. Severance Reporting* – NOT INCLUDED**
Requires department to report details of severance pay for certain departmental employees.
House adds new section, Conference does not include.

***Sec. 217. In-Person Work Prioritization* – NEW**
Requires the department to prioritize utilization of departmental office space, comply with Office of State Employer requirements, and comply with civil service rules for work hours.
House and Conference add new section.

***Sec. 218. Internet Posting of Reports* – NEW**
Requires the department to conspicuously post each report required by boilerplate by the report's due date on the department's Michigan.gov website.
Senate and Conference add new section, House does not include.

***Sec. 219. Citizenship Requirement* – NOT INCLUDED**
Prohibits department from using state or federal funds to provide services to non-US citizens, except for qualified aliens under federal law.
House adds new section, Conference does not include.

***Sec. 219. Receipt and Retention of Reports* – RETAINED**
Requires department to receive and retain copies of all reports.
Executive deletes, Senate, House, and Conference retain.

***Sec. 220. Report on Policy Changes Made to Implement Public Acts Affecting Department* – RETAINED**
Requires the department to report on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year by April 1.
Executive deletes, Senate, House, and Conference retain.

***Sec. 221. State Administrative Board Transfers* – NEW**
Allows legislature to adopt a concurrent resolution to intertransfer funds within the department's budget if the State Administrative Board transfers appropriated funds.
House and Senate add new section.

***Sec. 222. Expending Available Work Project Authorization* – RETAINED**
Advises department not to expend appropriations until existing work project authorization for the same purpose has been expended. *(Governor deemed this section unenforceable in FY 2024-25.)*
Executive deletes, Senate, House, and Conference retain.

***Sec. 223. General Fund Expenditure Restrictions* – NOT INCLUDED**
Prohibits the department from expending general fund if federal or private funding are available for the same expenditures, requires the department to notify standard report recipients if a reduction in departmental expenditures is necessary.
Senate adds new section, House and Conference do not include.

***Sec. 224. Unenforceable Boilerplate Sections Report* – NOT INCLUDED**
Requires the department to report to standard report recipients on any boilerplate sections deemed unenforceable.
Senate and House add new section, Conference does not include.

***Sec. 225. Federal Policy Change Report* – NEW**
Requires the department to report annually to standard report recipients any federal policy changes that affect the department, those that engage with the department, related regulations, or create a regulatory gap with a potential negative public impact.
Senate and Conference add new section, House does not include.

***Sec. 226. Legislatively-Directed Spending Items* – NEW**
Defines requirements for legislatively-directed spending items.
Conference adds new section.

Major Boilerplate Changes from FY 2024-25

***Sec. 227. Work Authorization Requirement* – NEW**
Requires departmental contractors and subcontractors to use the E-Verify system to certify personnel are legally authorized to work in the United States and requires the department to annually report on processes implemented under this section.
House and Conference add new section.

***Sec. 228. Prohibition on DEI Programs* – NOT INCLUDED**
Prohibits the department from using state funds on diversity, equity, and inclusion initiatives as defined in federal Executive Orders 14151, 14168, and 14173.
House adds new section, Conference does not include.

***Sec. 236. Flint Supplemental Funding Report* – DELETED**
Requires annual report on use of funds appropriated for drinking water declaration of emergency.
Executive, Senate, and Conference delete; House retains.

***Sec. 239. Department Scorecard* – NEW**
Requires department to maintain on a publicly accessible website a department scorecard with key metrics concerning the department's performance.
House and Conference add new section.

***Sec. 240. Court Approved Judgment Cap* – NEW**
Requires the department to report on any court settlement that may require further legislative review of state statutory programs or regulations.
House and Conference add new section.

***Sec. 242. Legislator Notification* – RETAINED**
Requires the department to inform local state legislators as soon possible and within 24 hours when responding to significant incidents to protect life and property.
Executive, Senate, and Conference retain, House revises from 24 hours to 12 hours.

***Sec. 244. Justice40 Initiative* – DELETED**
Requires the department to comply with the requirement of the Justice40 Initiative in expending federal funds.
Executive and Senate retain, House and Conference delete.

***Sec. 245. Single Grant Recipient Requirements* – DELETED**
Provides process requirements for grants or projects awarded to single recipient organizations or local governments.
Executive and Conference deletes, Senate and House revise to further define eligible grant recipients and requirements.

***Sec. 246. State Fiscal Recovery Funds* – DELETED**
Requires the state budget director to ensure that State Fiscal Recovery Funds allocated under the American Rescue Pan Act of 2021 be expended before 2027; requires the state budget director to notify the House and Senate Appropriations Committees of reallocations made under this section.
Executive and Conference deletes, Senate revises to require the department to notify standard report recipients if an SFRF appropriation is projected to lapse, House deletes.

***Sec. 246. Work Project Reporting* – NEW**
Requires the department to report quarterly on the status of work project accounts including funds expended, funds encumbered, and funds available.
House and Conference add new section.

***Sec. 247. FTE Reallocation Report* – NOT INCLUDED**
Requires the department to report any need to reallocate FTE positions between or among appropriations by January 1.
House adds new section, Conference does not include.

***Sec. 247. Identification of Legacy Costs* – NEW**
Estimates annual appropriations for legacy costs, including pension-related legacy costs and health care-related legacy costs.
House and Conference adds new section.

***Sec. 248. Private and Other Third-Party Funds Report* – NEW**
Requires the department to disclose private and other third-party funds received in the previous fiscal year.
House and Conference add new section.

Major Boilerplate Changes from FY 2024-25

***Sec. 249. Rule Promulgation* – NEW**
Requires report on any policy changes made to implement a public act; prohibits department from adopting a rule that applies to a small business if it has a disproportionate economic impact.
House and Conference add new section.

***Sec. 250. Justification for Changes in Permitting Standards* – NOT INCLUDED**
Requires the department to provide written citations of statute, administrative rules, or science to justify changes in permitting standards.
House adds new section, Conference does not include.

***Sec. 250. Permit Issuance Report* – NEW**
Requires the department to provide a report that details the number and percentage of each permit during the prior fiscal year that were issued outside the relevant statutory deadline.
House and Conference adds new section.

***Sec. 251. Permit Fee Discounts for Delayed Permit Reviews* – NOT INCLUDED**
Requires the department to provide a 10% discount on permit fees for every 30 days a permit review process remains incomplete beyond the permit application review timeframe as defined in statute or administrative rules; requires the department to report quarterly on the fiscal impact of discounts given under this section.
House adds new section, Conference does not include.

***Sec. 303. Bonding* – DELETED**
Authorizes department, if approved by state budget director, to expend GF/GP funding for cash flow requirements of projects financed by bonds, if bonds have not yet been authorized; funding to be repaid to GF/GP when bonds are sold.
Executive deletes, Senate and House concur.

***Sec. 305. Refined Petroleum Fund* – NEW**
Expresses legislative intent to restore $70.0 million Refined Petroleum Fund transferred to General Fund in FY 2006-07.
House and Conference add new section.

***Sec. 306. Recycling Centers Earmark* – NOT INCLUDED**
Earmarks the average annual revenue generated by unclaimed bottle deposits between October 1, 2015, to September 30, 2022, within the Contaminated Site Remediation and Redevelopment Programs appropriation for the establishment of local recycling centers.
House adds new section, Conference does not include.

***Sec. 401. PFAS Testing Standards* – NOT INCLUDED**
Prohibits Water Resources Division funding from being expended until the department establishes PFAS standards in accordance with the federal Water Pollution Control Act.
House adds new section, Conference does not include.

***Sec. 402. Permit Application Reporting* – NEW**
Requires the department to report the number of permit application decision appeals filed in the previous fiscal year as well as the number of permit applications approved within 30 days, 60 days, 90 days, 6 months, and 1 year after an application is determined to be administratively complete.
House and Senate add new section.

***Sec. 403. Dam and Flood Mitigation Grants* – NOT INCLUDED**
Requires dam and flood mitigation grants to be awarded for dam construction, flood control, flood mitigation, or flood prevention; with priority given to projects that prioritize preventative measures.
House adds new section, Conference does not include.

***Sec. 405. Septage Waste Compliance Program Grants* – RETAINED**
Authorizes department to provide drinking water and environmental health services if a certified health department does not exist in a city, county, or district, or if the county health department fails to fulfill mandated responsibilities.
Executive, Senate, and Conference retain, House deletes.

***Sec. 411. Cooperative Lakes Monitoring Program Earmark* – NOT INCLUDED**
Earmarks $150,000 from Water Quality Programs to continue the Cooperative Lakes Monitoring Program, which helps volunteers monitor local lake water quality and document changes over time.
House adds new section, Conference does not include.

Major Boilerplate Changes from FY 2024-25

***Sec. 902. Community Surcharge Reimbursement Fund* – NOT INCLUDED**
Creates new fund to receive a portion of revenue from proposed landfill tipping fee increase; fund revenue may be expended for the support of program operations.
Executive adds new section, Senate, House, and Conference do not add.

***Sec. 903. Host Community Grants Fund* – NOT INCLUDED**
Creates new fund to receive a portion of revenue from proposed landfill tipping fee increase; fund revenue may be expended for the support of program operations.
Executive adds new section, Senate, House, and Conference do not add.

***Sec. 904. Materials Management Planning Fund* – NOT INCLUDED**
Creates new fund to receive a portion of revenue from proposed landfill tipping fee increase; fund revenue may be expended for the support of program operations.
Executive adds new section, Senate, House, and Conference do not add.

***Sec. 925. Geologic Resource Management Funding Plan* – NEW**
Requires the department to work with stakeholders to align program costs with future program revenues.
Senate and Conference add new section, House does not include.

***Sec. 951. Lead Service Line Replacement* – REVISED**
Earmarks the Lead Service Line Replacement appropriation to support lead line replacement activities in overburdened and significantly overburdened communities as defined in NREPA.
Executive, Senate, and Conference revise the Lead Service Line Replacement appropriation with a broader scope of water infrastructure projects, House retains without revision.

***Sec. 952. Water State Revolving Funds Earmark* – NOT INCLUDED**
Earmarks a minimum of 25% from Water State Revolving Funds for communities with populations of less than 20,000.
House adds new section, Conference does not include.

***Sec. 952. Work Project – Water State Revolving Funds Community Infrastructure Fund* – NOT INCLUDED**
Authorizes unexpended funds for Water State Revolving Funds from the Community Infrastructure Fund totaling $40.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to offset unanticipated increased project costs due to higher federal tariffs affecting foreign trade and the cost and availability of construction materials.
Senate adds new section, House and Conference do not include.

***Sec. 953. Work Project – Water Infrastructure Risks and Reserve Fund* – NOT INCLUDED**
Authorizes unexpended funds for Water Infrastructure Risks and Reserve Fund totaling $5.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used for grants and loans to communities experiencing water infrastructure emergencies; at least 40% of funds must be awarded to environmental justice communities, overburdened communities, or significantly overburdened communities.
Senate adds new section, House and Conference do not include.

***Sec. 953. Sewer and Water Upgrade Grants* – NOT INCLUDED**
Requires sewer and water infrastructure grants to be awarded to counties or municipalities to upgrade aging sewer and water infrastructure.
House adds new section, Conference does not include.

***Sec. 1001. Work Project – Electric Charging Infrastructure* – NOT INCLUDED**
Authorizes unexpended funds for Electric Charging Infrastructure totaling $10.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to support the installation of charging and clean fuel infrastructure.
Executive adds new section, Senate adds new section and adds cap of 5% on administrative expenditures, House and Conference do not include.

***Sec. 1001. Work Project – Document Digitization, Transparency, and Modernization* – NEW**
Authorizes unexpended funds for Document Digitization, Transparency, and Modernization totaling $5.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to support the digitization and indexing of department records.
Conference adds new section.

Major Boilerplate Changes from FY 2024-25

***Sec. 1002. Work Project – Geologic Resources Management Division* – NEW**
Authorizes unexpended funds for Geologic Resources Management Division totaling $5.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to support geologic resources management.
Conference adds new section.

***Sec. 1003. Work Project – Information Management Initiative* – NOT INCLUDED**
Authorizes unexpended funds for Information Management Initiative totaling $39.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to support the digitization and indexing of department records.
Executive adds new section, Senate concurs and revises total to $100, House and Conference do not include.

***Sec. 1003. Work Project – Lead Service Line Replacement One-Time* – NEW**
Authorizes unexpended funds for Lead Service Line Replacement One-time totaling $17.4 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to support the upgrade or replacement of water infrastructure.
Conference adds new section.

***Sec. 1004. Work Project – Michigan Geological Survey One-Time* – NEW**
Authorizes unexpended funds for Michigan Geological Survey One-time totaling $2.3 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to support the Michigan Geological Survey.
Conference adds new section.

***Sec. 1005. Permitting Guidebooks* – NEW**
Requires the department to collaborate with technical experts to create and issue permitting guidebooks for issue-specific areas of focus including groundwater discharge permitting for large livestock operations, meat processors, and fruit and vegetable processors.
House and Conference add new section.

***Sec. 1006. Work Project – Water State Revolving Funds One-Time* – NEW**
Authorizes unexpended funds for Water State Revolving Funds One-time totaling $34.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to support water infrastructure projects.
Conference adds new section.

FY 2025-26: TOTAL GENERAL GOVERNMENT
Summary: Conference
Article 5, House Bill 4706 (H-1) CR-1

Analyst: Michael Cnossen

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	FY 2025-26 Senate	FY 2025-26 House	FY 2025-26 Conference	*Difference: Conference From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$1,197,837,100	$1,231,348,400	$1,231,348,400	$1,027,439,300	$1,231,093,400	*$33,256,300*	*2.8*
Federal	44,147,200	44,573,800	44,573,800	37,439,300	44,573,800	*426,600*	*1.0*
Local	17,541,100	17,851,700	17,851,700	11,192,600	17,671,700	*130,600*	*0.7*
Private	762,300	4,770,200	4,770,200	739,600	4,763,200	*4,000,900*	*524.8*
Restricted	2,928,311,200	2,847,697,600	2,882,882,500	2,599,568,900	2,718,649,500	*(209,661,700)*	*(7.2)*
GF/GP	1,169,710,500	1,265,074,700	1,244,291,800	1,014,644,300	1,175,024,500	*5,314,000*	*0.5*
Gross	**$5,358,309,400**	**$5,411,316,400**	**$5,425,718,400**	**$4,691,024,000**	**$5,191,776,100**	***($166,533,300)***	***(3.1)***
FTEs	7,795.6	7,853.6	7,849.6	6,769.9	7,766.2	*(29.4)*	*(0.4)*

Notes: (1) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (2) FY 2024-25 year-to-date (YTD) figures are as of release of the Executive budget, February 5, 2025. (3) "Senate" means Senate Bill 173 (S-2). (4) "House" means Article 5, House Bill 4706 (H-1) as Amended. (5) "Conference" means the budget agreement reflected in HB 4706 (H-1) CR-1.

Overview

Currently, the following departmental and agency budgets are included in the General Government budget: Executive Office, Legislature, Legislative Auditor General, and the Departments of Attorney General, Civil Rights, State, Technology, Management, and Budget (including the former Departments of Civil Service and Information Technology, and State Building Authority rent costs), and Treasury (including the Bureau of State Lottery, Michigan Gaming Control Board, State Building Authority, Revenue Sharing, and Debt Service). **Budget issues are listed by department on the following pages.**

Major Boilerplate Changes from FY 2024-25

***Sec. 205. Purchase of Foreign Goods* – RETAINED**

Prohibits purchase of foreign goods or services if competitively priced and of comparable quality American goods or services are available; requires preference to be given to goods and services manufactured by Michigan businesses and Michigan businesses owned and operated by veterans.

Senate revises to require a preference for goods or services manufactured in facilities that employ union members.

Executive, House, and Conference retain.

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

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

Executive deletes. Senate, House, and Conference retain.

***Sec. 208. State Administrative Board Transfers* – NEW**

Authorizes legislature, by concurrent resolution adopted by majority of members elected to and serving in each house, to inter-transfer funds if State Administrative Board transfers funds.

Executive and Senate do not include. House and Conference add

***Sec. 208. Use of Funding for Legal Services* – DELETED**

Prohibits using appropriations to hire a person to provide legal services that are the responsibility of the attorney general; prohibition does not apply to legal services for bonding activities and for those outside legal services that the attorney general authorizes.

Executive and Senate retain. House and Conference delete.

Major Boilerplate Changes from FY 2024-25

Sec. 210. Budget Stabilization Fund **– REVISED**
Provides budget stabilization fund calculations for pay-in and pay-out as required by Section 352 of the Management and Budget Act; states that $50.0 million from the unassigned fund balance recorded as part of the state book-closing process for FY 2023-24. is appropriated for deposit in the Countercyclical Budget and Economic Stabilization Fund in FY 2024-25.
Executive and Senate include a $50.0 million deposit for FY 2025-26. House and Conference revise to not include a deposit.

Sec. 212. State Restricted Funds Report **– RETAINED**
Requires departments and agencies and State Budget Office to report on state restricted fund balances, projected state restricted fund revenues, and state restricted fund expenditures.
Executive deletes. Senate, House, and Conference retain.

Sec. 214. Geographically Disadvantaged Business Enterprises **– RETAINED**
Requires department and agency directors to take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts.
House deletes. Executive, Senate, and Conference retain.

Sec. 215. Severance Pay Report **– NOT INCLUDED**
Requires departments and agencies to report name and any amount of severance pay given to high-ranking department officials; requires department and agencies to submit annual report on total amount of severance pay remitted to former employees during prior fiscal year and total number of those employees; defines "severance pay".
House adds. Executive, Senate, and Conference do not include.

Sec. 216. Prioritization of In-person Work for State Workforce **– REVISED**
Requires departments and agencies to maximize efficiency of state workforce and, where possible, prioritize in-person work 5 days per week; requires workers who serve outside of the office to report to the office before beginning field work; lists examples of field service employees; requires departments and agencies to establish a policy for verifying all employees are working their jobs during business hours and to provide information on employee badge scans upon request by the legislature.
Executive and Senate do not include. House adds. Conference revises to require monitoring of out-of-office workers; requires departments to ensure in-person work is optimized and state buildings are occupied at 80% occupancy or higher.

Sec. 217. Report on Section Deemed Unenforceable **– NOT INCLUDED**
Requires a report from each department that includes any sections that each department deems unenforceable, a detailed rationale for that determination, and the difference in cost resulting from that determination; authorizes departments to coordinate with Executive Office to compile the reports.
Senate adds. Executive, House, and Conference do not include.

Sec. 217. Work Project Account Reporting **– NEW**
Requires quarterly reports summarizing all work project accounts including amounts spent, encumbered, and available for each account and the amount of funds lapsed from any work project account.
Executive and Senate do not include. House and Conference add.

Sec. 218. Receipt and Retention of Required Reports **– RETAINED**
Requires departments and agencies to receive and retain copies of all reports required; requires federal and state guidelines to be followed for short-term and long-term retention of records; authorizes department to electronically retain copies of reports unless otherwise required by federal and state guidelines.
Executive deletes. Senate, House, and Conference retain.

Sec. 219. Reporting Requirement on Policy Changes **– RETAINED**
Requires departments and agencies to report on policy changes made in order to implement enacted legislation.
Executive deletes. Senate, House, and Conference retain.

Sec. 219. Services for Non-U.S. Citizens **– NOT INCLUDED**
Prohibits state or federal funding from being used to provide services, grants, or programming for non-U.S. citizens unless they are qualified aliens under the 8 United States Code section 1641 related to immigration; permits public entities to expend funds for purposes of detaining individuals who are not citizens of the United States.
House adds. Executive, Senate, and Conference do not include.

Major Boilerplate Changes from FY 2024-25

***Sec. 220. E-Verify System* – NEW**
Requires departments and agencies to require each prequalified contractor or subcontractor to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States; requires a report on processes developed and implemented for use of the E-Verify system; prohibits contracting with foreign entities that are known or suspected enemies of the United States or known foreign adversaries; identifies foreign adversaries; defines E-Verify.
House adds. Executive and Senate do not include. Conference includes and deletes section on foreign entities and known or suspected enemies.

***Sec. 221. Access to State and Local Services* – RETAINED**
Prohibits appropriations from being used to restrict or impede a marginalized community's access to government programs; requires local governments to report on actions that attempt to restrict duties of local health officers.
House deletes. Executive, Senate, and Conference retain.

***Sec. 222. Work Project Expenditures* – RETAINED**
Prohibits appropriations from being expended in cases where existing work project authorization is available for the same expenditures.
Executive deletes. Senate, House, and Conference retain.

***Sec. 223. Impacts from Federal Policy Changes Report* – NEW**
Requires quarterly reports detailing how federal policy changes have affected, or are expected to affect, operations of the department, an industry, community, population, or other group served by the department, or changes that create a regulatory gap that could impact the public.
Executive and House do not include. Senate and Conference add.

***Sec. 224. Department Metrics* – NEW**
Requires departments and agencies to maintain, on a publicly accessible website, a department or agency scorecard that identifies, tracks, and regularly updates, key metrics that are used to monitor and improve the department or agency performance.
House adds. Executive and Senate do not include. Conference revises to require departments to submit their annual strategic plan.

***Sec. 225. Posting Budget Boilerplate Reports Online* – RETAINED**
Requires departments and agencies to post all reports required by budget boilerplate on their website by the required due date and to maintain and archive of previous years' reports.
Executive deletes. Senate, House, and Conference retain.

***Sec. 226. Legislative Approval of Settlement Payments* – NEW**
Prohibits use of funds for payments for court-approved judgments, settlements, awards, or claims exceeding $200,000 without prior legislative approval; requires notification to the legislature if a court-approved judgment, settlement, award, or claim results in a change from current statute.
Executive and Senate do not include. House adds. Conference revises House section by deleting prohibition on expenditures and requires notification to the legislature on any court settlement that may require further legislative review of state statutory programs or regulations.

***Sec. 227. Reporting of Receipt of Private and Third-Party Funds* – NEW**
Requires departments and agencies to disclose on a publicly accessible website private and other third-party funds received in the previous fiscal year, including the source and purpose of the funding, and amount of any remaining funds.
Executive and Senate do not include. House and Conference add.

***Sec. 228. Authorization to Reallocate State Fiscal Recovery Funds* – DELETED**
Requires the state budget director to ensure that all State Fiscal Recovery Funds (SFRF) are expended by December 31, 2026; authorizes the state budget director to reallocate funds to fully utilize SFRF that are in jeopardy of not meeting the expenditure deadline; requires the state budget director to notify the Senate and House appropriations committees not later than 10 business days after making any reallocations.
Senate revises to require a notification for when an appropriation of SFRF are projected to lapse. Executive, House, and Conference delete.

Major Boilerplate Changes from FY 2024-25

Sec. 228. Grant and Project Funding Transparency **– REVISED**
Requires departments and agencies to follow procurement statutes for any grant program or project, created for a public purpose, unless it can fully validate specific organization or local unit of government that will receive funds and how funds will be administered and expended; lists eligibility requirements to receive a grant; provides list of required verifying and application activities departments must perform to administer public grants or projects; requires identification of sponsoring legislator or department of a grant and certain activities for approval of grant agreement; requires all grant funding to be expended by close of FY 2028-29; requires all information on each grant or project to be posted on public website, including receiving entity and grant sponsor.
Executive deletes. Senate revises the list of eligible recipients to specify eligibility of public entities; requires applications to be submitted through a public portal; adjusts deadlines for applying and reporting of grants. House deletes and includes new section on grants transparency. Conference includes new section on grants transparency.

Sec. 228. Prohibition of DEI Programs **– NOT INCLUDED**
Prohibits use of state funds for diversity, equity, and inclusion initiatives or programs as outlined by federal executive orders.
House adds. Executive, Senate, and Conference do not include.

Sec. 229. Fund Sourcing Priorities **– RETAINED**
Requires federal or private grant funding to be used prior to general fund appropriations when available for the same expenditure.
Executive deletes. Senate revises to require a notification of when a department makes a reduction in spending due to federal, state restricted, local, or private revenues falling short of their appropriated amounts, and a description of the impact of the reduction to state services and residents affected. House retains. Conference does not include Senate revision.

Sec. 230. Purchase of Ownership Interest in a Casino **– RETAINED**
Prohibits use of appropriations to purchase an ownership interest in a casino enterprise or gambling operation.
Executive deletes. Senate, House, and Conference retain.

Sec. 233. Information Technology Project Product Owners **– NOT INCLUDED**
Requires departments and agencies to assign a product owner for every IT project; defines "product owner" and their responsibilities; requires full time, trained product owners for projects over $5 million.
House adds. Executive and Senate do not include. Conference does not include.

FY 2025-26: DEPARTMENT OF ATTORNEY GENERAL
Summary: Conference
Article 5, House Bill 4706 (H-1) CR-1

Analyst: Michael Cnossen

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	FY 2025-26 Senate	FY 2025-26 House	FY 2025-26 Conference	*Difference: Conference From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$39,465,600	$39,381,700	$39,381,700	$32,929,500	$39,381,700	*($83,900)*	*(0.2)*
Federal	10,391,600	10,567,200	10,567,200	8,811,200	10,567,200	*175,600*	*1.7*
Local	0	0	0	0	0	*0*	*--*
Private	0	950,000	950,000	0	950,000	*950,000*	*--*
Restricted	22,480,400	22,678,800	22,678,800	19,883,400	30,223,700	*7,743,300*	*34.4*
GF/GP	57,409,100	58,778,000	63,778,000	29,744,500	45,278,000	*(12,131,100)*	*(21.1)*
Gross	**$129,746,700**	**$132,355,700**	**$137,355,700**	**$91,368,600**	**$126,400,600**	***($3,346,100)***	***(2.6)***
FTEs	627.4	635.4	655.4	531.4	685.0	*57.6*	*9.2*

Notes: (1) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (2) FY 2024-25 year-to-date (YTD) figures are as of release of the Executive budget, February 5, 2025. (3) "Senate" means Senate Bill 173 (S-2). (4) "House" means Article 5, House Bill 4706 (H-1) as Amended. (5) "Conference" means the budget agreement reflected in HB 4706 (H-1) CR-1.

Overview

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

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		**FY 2024-25 Year-to-Date (as of 2/5/25)**	**FY 2025-26 Conference Change**
1. Price Gouging Unit	FTE	NA	0.0
Executive includes $900,000 GF/GP and authorization for 5.0 FTE positions for the corporate oversight division to expand legal services working against price gouging, or the excessive raising of prices of goods and services to exploit disruptions in the market. Funding would provide for two attorneys, two technicians, and a legal secretary.	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
Senate concurs and includes funding and FTE authorization under new Consumer Protection Relief Task Force line item described in item number 2 below.			
House and Conference do not include.			
2. Consumer Protection Relief Task Force	FTE	NA	0.0
Senate includes $4.1 million GF/GP and authorization for 15.0 additional FTE positions to create a new line item supporting a task force under the Corporate Oversight Division dedicated to consumer protection, price gouging enforcement, and regulatory enforcement. The task force would include 5.0 FTE positions from the Operations line item and $900,000 and 5.0 FTE positions from the Executive's increase for the price gouging unit described in item number 1 above for a total of $5.0 million and 25.0 FTE positions.	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
Executive, House, and Conference do not include.			

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
3. Organized Retail Crime Unit	**Gross**	**$961,900**	**$950,000**
Executive includes $950,000 in private revenues to support the work of the organized retail crime unit which works to reduce demand for stolen merchandise, limit opportunities to sell stolen merchandise, and reduce theft opportunities. Private revenues would come from unadjudicated forfeitures that result from the seizure of assets that arise from investigations of the organized retail crime unit and other department units.	Private	0	950,000
	GF/GP	$961,900	$0
House does not include. Senate and Conference concur with Executive.			
4. Tribal Legal Services	FTE	NA	0.0
Executive includes $600,000 GF/GP and authorization for 3.0 FTE positions to expand existing services to accommodate increasing legal services to the state's federally recognized tribes related to treaty rights, tax agreements, gaming, cannabis, and missing persons. Funding would provide for two attorneys and one assistant.	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
Senate includes $500,000 and 3.0 FTE positions. House and Conference do not include.			
5. DIFS Legal Services	**Gross**	**$1,270,000**	**$330,000**
Executive includes $330,000 in IDG revenue from the Department of Insurance and Financial Services to cover investigations and litigation costs from increased referrals of civil and criminal cases.	IDG	1,270,000	330,000
	GF/GP	$0	$0
House does not include. Senate and Conference concur with Executive.			
6. Violence Against Women Federal Grant	**Gross**	**$0**	**$175,000**
Executive includes $175,000 for federal grant funding to support contractors, experts, and training to encourage treatment of domestic violence, dating violence, sexual assault, and stalking as serious violations and to develop arrest policies and enforcement of protection orders.	Federal	0	175,000
	GF/GP	$0	$0
House does not include. Senate and Conference concur with Executive.			
7. NCHIP Grant Authorization Removal	**Gross**	**$121,200**	**($121,200)**
Executive removes $121,200 in federal funding authorization for the Prosecuting Attorneys Coordinating Council to reflect the reduction in funds available for the National Criminal History Improvement Program (NCHIP) grant.	Federal	121,200	(121,200)
	GF/GP	$0	$0
House does not include. Senate and Conference concur with Executive.			
8. Removal of FY 2023-24 One-Time Appropriations	**Gross**	**$1,850,000**	**($1,850,000)**
Executive removes $1.9 Gross ($1.0 million GF/GP) of one-time funding that was included in the FY 2024-25 budget to support the following: • $1.0 million GF/GP for the Operation Survivor Justice extradition program • $850,000 of IDG funds for legal services to the Michigan State Housing Development Authority.	IDG	850,000	(850,000)
	GF/GP	$1,000,000	($1,000,000)
Senate, House, and Conference concur.			
9. Economic Adjustments	**Gross**	**NA**	**$1,607,900**
Reflects increased costs of $1.6 million Gross ($868,900 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. Senate, House, and Conference concurs and reduces $17,300 GF/GP to reflect the transfer of the Prosecuting Attorneys Coordinating Council to LEO.	IDG	NA	436,100
	Federal	NA	121,800
	Restricted	NA	198,400
	GF/GP	NA	$851,600
10. Human Trafficking Commission Victim Services	**Gross**	**NA**	**$0**
Senate includes $1.0 million GF/GP to support victim services as recommended by the Human Trafficking Commission.	GF/GP	NA	$0
Executive, House, and Conference do not include.			

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
11. Removal of Prior Years Increases	FTE	NA	0.0
House reduces $15.1 million Gross ($12.2 million GF/GP) and authorization of 77.0 FTE positions from a review and removal of some of the various ongoing program and operational increases from the previous 5 fiscal years.	**Gross**	**NA**	**$0**
	IDG	NA	0
	Federal	NA	0
	Restricted	NA	0
Executive, Senate, and Conference do not include.	GF/GP	NA	$0
12. Administrative Efficiency Reductions	**Gross**	**NA**	**($8,913,100)**
House reduces $12.4 million Gross ($5.3 million GF/GP) reflecting a 10% reduction in costs to be achieved through identifying administrative efficiencies and 25% reduction for information technology.	IDG	NA	0
	Federal	NA	0
	Restricted	NA	0
Executive and Senate do not include. Conference reduces $8.9 million GF/GP for ongoing operations.	GF/GP	NA	($8,913,100)
13. Work Project Based Reductions	FTE	NA	0.0
House reduces $3.7 million GF/GP and authorization for 8.0 FTE positions to reflect balances available in work project accounts for ongoing operational purposes.	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
Executive, Senate, and Conference do not include.			
14. Inessential Programs	FTE	NA	(1.0)
House reduces $1.4 million Gross ($1.3 million GF/GP) and authorization for 5.0 FTE positions through the elimination of programs and initiatives.	**Gross**	**NA**	**($888,300)**
	IDG	NA	0
	Restricted	NA	0
Executive and Senate do not include. Conference eliminates $888,300 GF/GP and authorization for 1.0 FTE position for Public Safety Initiative.	GF/GP	NA	($888,300)
15. Unclassified Positions	FTE	6.0	0.0
House reduces $964,200 GF/GP and authorization for 5.0 unclassified FTE positions.	**Gross**	**$1,076,700**	**$0**
	GF/GP	$1,076,700	$0
Executive, Senate, and Conference do not include.			
16. Restricted, GF/GP Fund Swap	**Gross**	**$1,118,600**	**$0**
House includes $3.0 million in additional revenue from the state restricted Attorney General's Operations Fund and reduces GF/GP by a corresponding amount.	Restricted	1,118,600	0
	GF/GP	$0	$0
Executive, Senate, and Conference do not include.			
17. Lawsuit Settlement Proceeds Fund	**Gross**	**$2,697,100**	**$0**
House removes authorization for up to $2.7 million of state restricted Lawsuit Settlement Proceeds Fund revenue to reflect the conclusion of the Flint water investigation and related cases which the funds previously supported.	Restricted	2,697,100	0
	GF/GP	$0	$0
Executive, Senate, and Conference do not include.			
18. Diversity, Equity, and Inclusion Officer	FTE	1.0	0.0
House removes $218,800 GF/GP and authorization for 1.0 FTE position for the removal of the department's diversity, equity, and inclusion officer.	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
Executive, Senate, and Conference do not include.			
19. Special Lawsuits Oversight Placeholder	**Gross**	**NA**	**$0**
House includes a $100 placeholder to facilitate legislative transfers for approval of use of funds for taking part in multi-state lawsuits, lawsuits against the federal government, or lawsuits against any oil or gas entities.	GF/GP	NA	$0
Executive, Senate, and Conference do not include.			
20. Operations Line Item Unrolling	**Gross**	**$115,988,100**	**$0**
House unrolls the Operations line into 34 new line items delineated by department divisions.	IDG	38,615,600	0
	Federal	7,269,700	0
Executive and Senate do not include. Conference unrolls Operations into 31 new line items.	Restricted	22,025,300	0
	GF/GP	$48,077,500	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
21. Prosecuting Attorneys Coordinating Council Transfer	FTE	14.0	(14.0)
Conference removes $2.6 million Gross ($2.2 million GF/GP) and authorization for 14.0 FTE positions to reflect the transfer of the Prosecuting Attorneys Coordinating Council transfer to LEO.	**Gross**	**$2,636,400**	**($2,636,400)**
	Restricted	455,100	(455,100)
	GF/GP	$2,181,300	($2,181,300)
Executive, Senate, and House do not include.			
22. Attorney General Support Fund	**Gross**	**$0**	**$8,000,000**
Conference includes $8.0 million in state restricted revenue from the Attorney General Support Fund.	Restricted	0	8,000,000
	GF/GP	$0	$0
Executive, Senate, and House do not include.			
23. FTE Authorization Reduction	FTE	NA	(6.0)
Conference reduces authorization for 6.0 FTE positions from the former Operations line.	**Gross**	**NA**	**$0**
	GF/GP	NA	$0

Major Boilerplate Changes from FY 2024-25

***Sec. 311. Center for Civil Justice* – DELETED**
Requires department to provide $500,000 to the Center for Civil Justice to provide legal and technical assistance to low-income individuals and to pursue impact litigation that protects low-income and marginalized populations.
Executive and Senate retain. House and Conference delete.

***Sec. 314. Lawsuit Settlement Proceeds Fund* – DELETED**
Allows department to use up to $2.7 million of lawsuit settlement proceeds for associated expenses with Flint Declaration of Emergency due to drinking water contamination; requires quarterly expenditure report detailing how funds related to Flint Declaration of Emergency were spent by case, purpose, hourly rate of retained attorney, and department involved; caps hourly rate of attorneys retained for investigation at $250 if reporting requirements are not fulfilled.
Executive revises to permit the $2.7 million to be used for general department costs and other court and legal costs.
Senate concurs. House and Conference delete.

***Sec. 315. Legacy Costs* – NEW**
Identifies annual pension-related and retiree health care legacy costs.
Executive and Senate do not include. House and Conference add.

***Sec. 316. Sexual Assault Kit Testing* – RETAINED**
Requires funding to be used to test sexual assault kits statewide in order to eliminate county backlogs, assist with prosecutions and investigations of viable cases, and provide victim services; requires annual report on number of untested kits, a work plan outlining actions to eliminate remaining untested kits, and a work and spending plan outlining anticipated litigation and expenditures resulting from test findings; allows funds to be used for retesting kits for DNA; stipulates funds to be used only for testing if there are remaining untested kits on January 31.
House deletes. Executive, Senate, and Conference retain.

***Sec. 320. Lawsuit Settlement Notification and Appropriation of Certain Proceeds* – RETAINED**
Requires notification of lawsuit settlements with a fiscal impact for the state of $200,000 or more; prohibits department from entering into a lawsuit that is contrary to state laws; subjects proceeds of state-initiated tobacco litigation and of opioid litigation to appropriations process.
Executive revises to delete subjecting proceeds of state-initiated tobacco and opioid litigation to appropriations process.
Senate, House, and Conference retain.

***Sec. 322. Department Initiatives Quarterly Expenditure Report* – REVISED**
Requires department to submit quarterly expenditure reports by line item and fund source for the following initiatives and activities: Catholic Church Investigation, Elder Abuse Task Force, Conviction Integrity Unit, Opioid Litigation, Hate Crimes Unit, Payroll Fraud Enforcement Unit, PFAS contamination, Human Trafficking, Robocall Enforcement, Job Court, Organized Retail Crime Unit, reducing utility rate increases, Boy Scouts of America investigation, and Address Confidentiality Program.
Executive deletes. Senate retains. House revises to add reporting on performance metrics for initiative outcomes. Conference revises to add section requiring a summary of activities, staffing levels, and outcomes.

Major Boilerplate Changes from FY 2024-25

Sec. 324. Payroll Fraud Enforcement Unit Report **– RETAINED**
Requires department to report on its website activities and findings of Payroll Fraud Enforcement Unit, including a listing of each complaint received, the unit's finding on validity of each complaint, any enforcement action taken, and complaints were subject to action by the department; requires department to request findings of investigations conducted by other departments and agencies to comply with this section.
Executive deletes. Senate, House, and Conference retain.

Sec. 325. Consumer Protection Relief Task Force **– NOT INCLUDED**
Requires the department to create and maintain a task force dedicated to consumer protection, price gouging enforcement, and regulatory enforcement of existing laws and rules.
Senate adds. Executive, House, and Conference do not include.

Sec. 325. Legislative Approval of Certain Legal Actions **– NOT INCLUDED**
States the intent of the legislature that the department shall not take any legal action or join or take part in any multi-state lawsuit, lawsuit against the federal government, or lawsuit against any oil or gas entity except on appropriation or legislative transfer.
House adds. Executive, Senate, and Conference do not include.

Sec. 326. Human Trafficking Commission Support Services **– NOT INCLUDED**
Requires the department to provide victim services on behalf of the Michigan Human Trafficking Commission.
Senate adds. Executive, House, and Conference do not include.

Sec. 326. Contingency Contracts **– NOT INCLUDED**
Prohibits the department from entering into contracts with third-party entities for legal services in which compensation to the third-party are contingent upon successful recovery of funds obtained in the litigation or services pursued under the terms of the contract.
House adds. Executive, Senate, and Conference do not include.

FY 2025-26: DEPARTMENT OF CIVIL RIGHTS
Summary: Conference
Article 5, House Bill 4706 (H-1) CR-1

Analyst: Michael Cnossen

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	FY 2025-26 Senate	FY 2025-26 House	FY 2025-26 Conference	*Difference: Conference From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$0	$0	$0	$0	$0	*$0*	*--*
Federal	2,890,900	2,899,300	2,899,300	2,599,500	2,899,300	*8,400*	*0.3*
Local	0	0	0	0	0	*0*	*--*
Private	18,700	18,700	18,700	18,700	18,700	*0*	*0.0*
Restricted	58,500	58,500	58,500	52,600	58,500	*0*	*0.0*
GF/GP	26,195,400	27,804,900	27,804,900	10,921,200	25,463,200	*(732,200)*	*(2.8)*
Gross	**$29,163,500**	**$30,781,400**	**$30,781,400**	**$13,592,000**	**$28,439,700**	***($723,800)***	***(2.5)***
FTEs	175.0	177.0	177.0	101.8	174.0	*(1.0)*	*(0.6)*

Notes: (1) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (2) FY 2024-25 year-to-date (YTD) figures are as of release of the Executive budget, February 5, 2025. (3) "Senate" means Senate Bill 173 (S-2). (4) "House" means Article 5, House Bill 4706 (H-1) as Amended. (5) "Conference" means the budget agreement reflected in HB 4706 (H-1) CR-1.

Overview

The Michigan Civil Rights Commission is charged with investigating alleged discrimination against any person because of religion, race, color, national origin, sex, age, marital status, height, weight, arrest record, or physical and mental disabilities. The commission is directed to "secure the equal protection of such civil rights without such discrimination." The Department of Civil Rights serves as the administrative arm charged with implementing policies of the commission. The department works to prevent discrimination through educational programs that promote voluntary compliance with civil rights laws, investigates and resolves discrimination complaints, disseminates information on the rights and responsibilities of Michigan citizens as provided by law, and provides information and services to businesses on diversity initiatives, equal employment law, procurement opportunities, feasibility studies, and joint venture/strategic alliance matchmaking.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		**FY 2024-25 Year-to-Date (as of 2/5/25)**	**FY 2025-26 Conference Change**
1. Information Technology Increase	**Gross**	**NA**	**$767,800**
Executive includes $767,800 GF/GP to support increased information technology demands due to significant staffing increases. Costs include the following: • $318,800 for DTMB staffing and infrastructure to support the Civil Rights Information System (CRIS) • $300,000 to develop a new Public Complaint Portal • $149,000 for new hardware for new department staff, including laptop workstations, smart phones, and telecommunications equipment. House does not include. Senate and Conference concur with Executive.	GF/GP	NA	$767,800
2. Development, Innovation, and Access Training	FTE	NA	0.0
Executive includes $466,800 GF/GP and authorization for 2.0 FTE positions for the Development, Innovation, and Access (DIA) division which develops training and resources to increase awareness of various customer perspectives in work contexts. Funding would support monitoring language assistance services and oversight and evaluation of DIA efforts. Senate concurs. House and Conference do not include.	**Gross** GF/GP	**NA** NA	**$0** $0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
3. Economic Adjustments	**Gross**	**NA**	**$383,300**
Executive includes increased costs of $383,300 Gross ($374,900 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	Federal	NA	8,400
	GF/GP	NA	$374,900
House does not include. Senate and Conference concur with Executive.			
4. Removal of Prior Years Increases	FTE	NA	0.0
House reduces $10.3 million GF/GP and authorization of 57.0 FTE positions from a review and removal of some of the various ongoing program and operational increases from the previous 5 fiscal years.	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
Executive, Senate, and Conference do not include.			
5. Unfilled FTE Reductions	FTE	NA	(1.0)
House reduces $2.1 million GF/GP to reflect vacant authorized FTE positions.	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
Executive and Senate do not include. Conference reduces authorization for 1.0 FTE position from Public Affairs.			
6. Administrative Efficiency Reductions	**Gross**	**NA**	**$0**
House reduces $1.7 million Gross ($1.4 million GF/GP) reflecting a 10% reduction in costs to be achieved through identifying administrative efficiencies and 25% reduction for information technology.	Federal	NA	0
	Restricted	NA	0
	GF/GP	NA	$0
Executive, Senate, and Conference do not include.			
7. Museums Support	**Gross**	**$1,500,000**	**($1,500,000)**
House removes $1.5 million GF/GP to be allocated to the Arab American National Museum in Dearborn, Charles H. Wright Museum of African American History in Detroit, and Holocaust Memorial Center in Farmington Hills at $500,000 each.	GF/GP	$1,500,000	($1,500,000)
Executive and Senate do not include. Conference removes $1.5 million GF/GP to transfer line item to LEO.			
8. Executive Bonuses	**Gross**	**NA**	**$0**
House reduces $8,600 GF/GP for the removal of a bonus paid to executive staff.	GF/GP	NA	$0
Executive, Senate, and Conference do not include.			

Major Boilerplate Changes from FY 2024-25

***Sec. 405. Federal Complaint Report* – RETAINED**
Requires department to notify legislature and State Budget Office prior to submitting report or complaint to U.S. Commission on Civil Rights or other federal department.
Executive deletes. Senate, House, and Conference retain.

***Sec. 406. Native American Boarding School Study* – RETAINED**
Requires status update report on Native American boarding school study funded in the Department of Civil Rights in 2022 PA 166 to provide information on activities, costs, and anticipated completion date of study.
Executive deletes.
Senate revises to require submission of the required report by November 30 if it has not been published before that date.
House retains. Conference concurs with Senate.

***Sec. 410. Legacy Costs* – NEW**
Identifies annual pension-related and retiree health care legacy costs.
Executive and Senate do not include. House adds. Conference concurs with House.

Major Boilerplate Changes from FY 2024-25

***Sec. 411. Museums Support* – DELETED**

Allocates $500,000 each to Arab American National Museum in Dearborn, Charles H. Wright Museum of African American History in Detroit, and Holocaust Memorial Center in Farmington Hills.

Executive and Senate retain.

House revises to permit the department to provide grants from funding in part 1, rather than the Museums Support line item; requires any funding provided to be equally divided among grant recipients. Conference deletes.

FY 2025-26: EXECUTIVE OFFICE
Summary: Conference
Article 5, House Bill 4706 (H-1) CR-1

Analyst: Michael Cnossen

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	FY 2025-26 Senate	FY 2025-26 House	FY 2025-26 Conference	*Difference: Conference From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$0	$0	$0	$0	$0	*$0*	--
Federal	0	0	0	0	0	*0*	--
Local	0	0	0	0	0	*0*	--
Private	0	0	0	0	0	*0*	--
Restricted	0	0	0	0	0	*0*	--
GF/GP	9,337,100	9,609,200	9,609,200	9,609,200	9,609,200	*272,100*	*2.9*
Gross	**$9,337,100**	**$9,609,200**	**$9,609,200**	**$9,609,200**	**$9,609,200**	***$272,100***	***2.9***
FTEs	96.2	96.2	96.2	96.2	96.2	*0.0*	*0.0*

Notes: (1) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (2) FY 2024-25 year-to-date (YTD) figures are as of release of the Executive budget, February 5, 2025. (3) "Senate" means Senate Bill 173 (S-2). (4) "House" means Article 5, House Bill 4706 (H-1) as Amended. (5) "Conference" means the budget agreement reflected in HB 4706 (H-1) CR-1.

Overview

The Executive Office budget provides funding for the governor, the lieutenant governor, and their staffs. Major constitutionally specified responsibilities include organization and supervision of the Executive branch and annual preparation and submission of the executive budget.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
1. Executive Office Economic Adjustments	**Gross**	**NA**	**$272,100**
Executive includes increased costs of $272,100 GF/GP for negotiated salary and wage increases (3.0% on October 1, 2025) for employees. Senate, House, and Conference concur.	GF/GP	NA	$272,100

Major Boilerplate Changes from FY 2024-25

There is no boilerplate for the Executive Office.

FY 2025-26: LEGISLATURE
Summary: Conference
Article 5, House Bill 4706 (H-1) CR-1

Analyst: Michael Cnossen

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	FY 2025-26 Senate	FY 2025-26 House	FY 2025-26 Conference	*Difference: Conference From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$0	$0	$0	$0	$0	*$0*	--
Federal	0	0	0	0	0	*0*	--
Local	0	0	0	0	0	*0*	--
Private	467,700	481,700	481,700	481,700	474,700	*7,000*	*1.5*
Restricted	5,422,500	5,585,100	5,585,100	1,505,200	5,503,800	*81,300*	*1.5*
GF/GP	194,753,100	197,513,800	198,713,700	201,320,500	194,837,300	*84,200*	*0.0*
Gross	**$200,643,300**	**$203,580,600**	**$204,780,500**	**$203,307,400**	**$200,815,800**	***$172,500***	***0.1***
FTEs	0.0	0.0	0.0	0.0	0.0	*0.0*	--

Notes: (1) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (2) FY 2024-25 year-to-date (YTD) figures are as of release of the Executive budget, February 5, 2025. (3) "Senate" means Senate Bill 173 (S-2). (4) "House" means Article 5, House Bill 4706 (H-1) as Amended. (5) "Conference" means the budget agreement reflected in HB 4706 (H-1) CR-1.

Overview

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

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		**FY 2024-25 Year-to-Date (as of 2/5/25)**	**FY 2025-26 Conference Change**
1. Legislature Operations Adjustment	**Gross**	**$200,643,300**	**$2,964,800**
Reflects increased costs of $5.9 million Gross ($5.8 million GF/GP) for legislative employees, operations, and property management. The following is detail by budget area:	Private	467,700	7,000
	Restricted	5,422,500	81,300
	GF/GP	$194,753,100	$2,876,500
• Legislature $4.2 million GF/GP • Legislative Council $684,600 GF/GP • Legislative Retirement $188,400 Gross ($144,600 GF/GP) • Property Management $500,800 GF/GP • State Capitol Historic Site $316,000 Gross (183,200 GF/GP). Senate concurs. House concurs with increases except provides $684,600 to Legislative Council. Conference provides half of Executive's 3.0% increase.			
2. Sentencing Commission	**Gross**	**$100**	**$0**
Senate includes $999,900 GF/GP to fund the Sentencing Commission created under 2024 PA 273 to research and recommend effective sentencing guidelines. Executive does not include. House removes $100 placeholder. Conference retains a $100 placeholder.	GF/GP	$100	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
3. Independent Citizens Redistricting Commission (ICRC)	**Gross**	**$2,992,300**	**($2,992,300)**
Executive removes $3.0 million GF/GP to reflect the commission going dormant until the next decennial census.	GF/GP	$2,992,300	($2,992,300)
Senate, House, and Conference concur.			
4. Senate and House Fiscal Agencies	**Gross**	**$9,472,600**	**$0**
Senate includes $200,000 GF/GP for $100,000 each to the Senate Fiscal Agency and House Fiscal Agency.	GF/GP	$9,472,600	$0
Executive and House do not include. Conference concurs with Senate.			
5. Reallocation from National Association Dues	**Gross**	**$703,700**	**$0**
House reduces $703,700 GF/GP for national association dues and from that amount allocates $251,900 to the Legislative Services Bureau, $251,800 to the Office of the Auditor General, and $100,000 each to the Senate and House Fiscal Agencies for a $0 net change when including the budget of the Office of the Auditor General.	GF/GP	$703,700	$0
Executive, Senate, and Conference do not include.			
6. GF/GP, Restricted Fund Swap	**Gross**	**$4,079,900**	**$0**
House removes $4.1 million from state restricted Capitol Historic Site Fund revenue and replaces it with a corresponding amount of GF/GP revenue for a $0 net change.	Restricted	4,079,900	0
	GF/GP	$0	$0
Executive, Senate, and Conference do not include.			
7. Placeholder Removals	**Gross**	**$200**	**$0**
House removes 2 $100 GF/GP placeholders to facilitate legislative transfers for calculated contribution into defined benefit pension plan and to meet bond or lease obligations.	GF/GP	$200	$0
Executive, Senate, and Conference do not include.			

Major Boilerplate Changes from FY 2024-25

***Sec. 603. National Association Dues* – DELETED**
Requires the Legislative Council to distribute funds appropriated for payment of national association dues; requires first $34,800 to be paid to the National Conference of Commissioners of Uniform State Laws with the remaining funds distributed accordingly by the Legislative Council; authorizes the Legislative Council to approve up to $10,000 of remaining funds, if any are available, to pay for the registration fees of any state employees who serve as board members to any of the national associations receiving state funds for annual dues to attend that national association's annual conference; authorizes Legislative Council to use any remaining funds to pay for registration fees for any other state employees to attend annual conferences of associations receiving state funds.
Executive and Senate retain. House and Conference delete.

***Sec. 605. Michigan Manual Work Project* – RETAINED**
Designates appropriation for Michigan Manual as a work project account.
House deletes. Executive, Senate, and Conference retain.

***Sec. 606. Property Management Work Project* – RETAINED**
Designates appropriations for property management as work project accounts; requires appropriations to be used for purchasing equipment and for building maintenance services.
House revises to designate unexpended funds for Binsfeld Office Building and other properties as a work project account.
Executive, Senate, and Conference retain.

***Sec. 607. Automated Data Processing Work Project* – RETAINED**
Designates appropriations for automated data processing as work project accounts; requires appropriations to be used to purchase equipment, software, and services.
House deletes. Executive, Senate, and Conference retain.

***Sec. 613. Independent Citizens Redistricting Commission Compensation* – DELETED**
Requires the council administrator to administer compensation, benefits, and other personnel support for the members, employees, staff, and consultants of the ICRC.
Executive deletes. Senate, House, and Conference concur.

Major Boilerplate Changes from FY 2024-25

***Sec. 614. Independent Citizens Redistricting Commission Reporting* – DELETED**
Requires the ICRC to issue a report providing a detailed listing of commission expenditures.
Executive deletes. Senate, House, and Conference concur.

***Sec. 615. Legislative Retirement System Revenue* – NOT INCLUDED**
Appropriates GF/GP revenue to support the Legislative Retirement System actuarially required amounts if state restricted court fees are insufficient, up to the amount of the revenue deficiency.
Senate adds. Executive, House, and Conference do not include.

***Sec. 615. Legacy Costs* – NEW**
Identifies annual pension-related and retiree health care legacy costs.
Executive and Senate do not include. House and Conference add.

FY 2025-26: LEGISLATIVE AUDITOR GENERAL
Summary: Conference
Article 5, House Bill 4706 (H-1) CR-1

Analyst: Michael Cnossen

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	FY 2025-26 Senate	FY 2025-26 House	FY 2025-26 Conference	*Difference: Conference From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$7,334,800	$7,555,600	$7,555,600	$7,555,600	$7445,000	*$110,200*	*1.5*
Federal	0	0	0	0	0	*0*	*--*
Local	0	0	0	0	0	*0*	*--*
Private	0	0	0	0	0	*0*	*--*
Restricted	2,475,900	2,549,400	2,549,400	2,549,400	2,512,900	*37,000*	*1.5*
GF/GP	21,427,000	22,069,800	22,069,800	22,321,600	21,748,400	*321,400*	*1.5*
Gross	**$31,237,700**	**$32,174,800**	**$32,174,800**	**$32,426,600**	**$31,706,300**	***$468,600***	***1.5***
FTEs	0.0	0.0	0.0	0.0	0.0	*0.0*	*--*

Notes: (1) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (2) FY 2024-25 year-to-date (YTD) figures are as of release of the Executive budget, February 5, 2025. (3) "Senate" means Senate Bill 173 (S-2). (4) "House" means Article 5, House Bill 4706 (H-1) as Amended. (5) "Conference" means the budget agreement reflected in HB 4706 (H-1) CR-1.

Overview

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

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
1. Legislative Auditor General Operations	**Gross**	**$31,237,700**	**$468,600**
Reflects increased costs of $937,100 Gross ($642,800 GF/GP) for staff of the Office of Auditor General and for other operations.	IDG	7,334,800	110,400
	Restricted	2,475,900	36,800
Senate and House concur. Conference provides half of Executive's 3.0% increase.	GF/GP	$21,427,000	$321,400
2. Reallocation from National Association Dues	**Gross**	**$31,237,700**	**$0**
House transfers $251,800 GF/GP to the Office of the Auditor General from National Association Dues line for a $0 net change when including the Legislature budget.	IDG	7,334,800	0
	Restricted	2,475,900	0
	GF/GP	$21,427,000	$0
Executive, Senate, and Conference do not include.			

Major Boilerplate Changes from FY 2024-25

***Sec. 621. Contract Audits* – RETAINED**

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

House deletes. Executive, Senate, and Conference retain.

Major Boilerplate Changes from FY 2024-25

***Sec. 625. Access to Confidential Information* – RETAINED**
States the auditor general is not to be denied access to examine confidential information of any branch, department, office, board, commission, agency, authority, or institution of the state.
Executive deletes. Senate, House, and Conference retain.

***Sec. 627. Operations Work Project Language* – RETAINED**
Provides work project authorization for unexpended funds related to Field Operations for conducting the State of Michigan Comprehensive Annual Financial Report.
House deletes. Executive, Senate, and Conference retain.

***Sec. 631. Audit of Secretary of State's Review of Voter Rolls* – NEW**
Requires the Office of the Auditor General to conduct and audit of the secretary of state's systematic review of voter rolls based on requirements under section 728.
Executive and Senate do not include. House and Conference add.

FY 2025-26: DEPARTMENT OF STATE
Summary: Conference
Article 5, House Bill 4706 (H-1) CR-1

Analyst: Michael Cnossen

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	FY 2025-26 Senate	FY 2025-26 House	FY 2025-26 Conference	*Difference: Conference From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$20,000,000	$20,000,000	$20,000,000	$20,000,000	$20,000,000	*$0*	*0.0*
Federal	1,460,000	1,460,000	1,460,000	1,160,000	1,460,000	*0*	*0.0*
Local	0	0	0	0	0	*0*	*--*
Private	50,100	50,100	50,100	25,000	50,100	*0*	*0.0*
Restricted	258,360,700	262,935,500	262,935,500	198,551,300	261,503,800	*3,143,100*	*1.2*
GF/GP	11,969,100	12,151,800	12,151,800	2,759,800	11,969,100	*0*	*0*
Gross	**$291,839,900**	**$296,597,400**	**$296,597,400**	**$222,496,100**	**$294,983,000**	***$3,143,100***	***1.1***
FTEs	1,635.0	1,635.0	1,635.0	1,395.1	1,607.0	*(28.0)*	*(1.7)*

Notes: (1) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (2) FY 2024-25 year-to-date (YTD) figures are as of release of the Executive budget, February 5, 2025. (3) "Senate" means Senate Bill 173 (S-2). (4) "House" means Article 5, House Bill 4706 (H-1) as Amended. (5) "Conference" means the budget agreement reflected in HB 4706 (H-1) CR-1.

Overview

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

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
1. Legal Services Staffing	FTE	179.0	0.0
Executive includes $973,800 of state restricted revenue to support 8 new positions to support business compliance efforts to ensure services are consistent with state driver and vehicle laws.	**Gross**	**$25,191,700**	**$0**
	Restricted	24,991,700	0
	GF/GP	$200,000	$0
Senate concurs. House and Conference do not include.			
2. Central Operations Staffing	FTE	335.0	0.0
Executive includes $640,600 of state restricted revenue to support 4 new positions for information technology system support for more efficient driver and vehicle service options to residents.	**Gross**	**$53,614,100**	**$0**
	Federal	1,160,000	0
	Restricted	52,106,800	0
Senate concurs. House and Conference do not include.	GF/GP	$347,300	$0
3. State Restricted Revenue Alignment	**Gross**	**NA**	**($440,200)**
Executive includes state restricted revenue authorizations by $440,200 to align authorization levels with available estimated revenues. The authorization reductions include $143,500 of Notary Fee Fund revenue for Election Administration and Services and $296,700 of Expedient Service Fees Revenue for Information Technology Services and Projects.	Restricted	NA	(440,200)
	GF/GP	NA	$0
House does not include. Senate and Conference concur.			
4. Economic Adjustments	**Gross**	**NA**	**$3,583,300**
Reflects increased costs of $3.6 million Gross ($182,700 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	Restricted	NA	3,400,600
	GF/GP	NA	$182,700
Senate concurs. Senate and Conference concur.			

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
5. Unfilled FTE Reductions	FTE	NA	(28.0)
House reduces $24.2 million Gross ($2.3 million GF/GP) to reflect vacant authorized FTE positions.	**Gross**	**NA**	**$0**
	Restricted	NA	0
Executive and Senate do not include. Conference reduces authorization for 28.0 FTE positions.	GF/GP	NA	$0
6. Administrative Efficiency Reductions	**Gross**	**NA**	**$0**
House reduces $23.0 million Gross ($2.8 million GF/GP) reflecting a 10% reduction in costs to be achieved through identifying administrative efficiencies.	Restricted	NA	0
	GF/GP	NA	$0
Executive, Senate, and Conference do not include.			
7. Removal of Prior Years Increases	FTE	NA	0.0
House reduces $7.8 million Gross ($965,300 GF/GP) and authorization of 49.0 FTE positions from a review and removal of some of the various ongoing program and operational increases from the previous 5 fiscal years.	**Gross**	**NA**	**$0**
	Federal	NA	0
	Restricted	NA	0
	GF/GP	NA	$0
Executive, Senate, and Conference do not include.			
8. Transfer of Local Election Administration Grants	**Gross**	**$10,500,000**	**$0**
House removes $10.5 million in state restricted revenue from the Election Administration Support Fund for transfer to Treasury to issue grants to local clerk offices for election administration costs related to early voting and absentee ballot postage.	Restricted	10,500,000	0
	GF/GP	$0	$0
Executive, Senate, and Conference do not include.			
9. Work Project Based Reductions	**Gross**	**NA**	**$0**
House reduces $3.0 million Gross ($2.1 million GF/GP) and authorization for 8.0 FTE positions to reflect balances available in work project accounts for ongoing operational purposes.	Restricted	NA	0
	GF/GP	NA	$0
Executive, Senate, and Conference do not include.			
10. Digital ID	**Gross**	**$100,000**	**($100,000)**
House reduces $100,000 GF/GP for the removal of the Digital ID line item which supports implementation of a digital state identification card system.	GF/GP	$100,000	($100,000)
Executive, Senate, and Conference do not include.			
11. Unclassified Positions	FTE	6.0	(5.0)
House reduces $804,200 GF/GP and authorization for 5.0 unclassified FTE positions.	**Gross**	**$804,200**	**($804,200)**
	GF/GP	$804,200	($804,200)
Executive, Senate, and Conference do not include.			
12. Restricted, GF/GP Fund Swap	**Gross**	**NA**	**$0**
House includes $104,000 in additional revenue from the state restricted Transportation Administration Collection Fund and reduces GF/GP by a corresponding amount for a $0 net change.	Restricted	NA	182,700
	GF/GP	NA	($182,700)
Executive and Senate do not include. Conference includes $182,700 in additional revenue from Enhanced Driver License and ID Card fee revenue and reduces GF/GP by a corresponding amount for a $0 net change.			
13. Organ Donor Program	**Gross**	**$129,100**	**$0**
House reduces $64,600 Gross ($39,500 GF/GP) for producing organ donation pamphlets and promotional materials and collecting and transferring organ donor information from participating drivers' records to support the organ donor program.	Private	50,100	0
	GF/GP	$79,000	$0
Executive, Senate, and Conference do not include.			

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
14. Michigan Technology Transparency Fund	**Gross**	**NA**	**$0**
House appropriates funding for IT services and projects for deposit into the Michigan Technology Transparency Fund to permit spending for IT services and projects only upon legislative transfer or appropriation.	Restricted	NA	0
	GF/GP	NA	$0
Executive, Senate, and Conference do not include.			

Major Boilerplate Changes from FY 2024-25

Sec. 701. Legislative Contingency Transfer Authorization **– RETAINED**
Allows for the legislative transfer process to increase federal authorization by up to $500,000, state restricted authorization by up to $500,000, local authorization by up to $25,000, and private authorization by up to $50,000.
Executive revises to increase maximum amounts of contingency authorizations up to $1.5 million in federal, $1.5 million in state restricted, $50,000 in local, and $100,000 in private. House revises to decrease authorizations to $500,000 in federal and state restricted, $25,000 in local, and $50,000 for private. Senate and Conference retain.

Sec. 703. Commercial Look-Up Fees Report **– RETAINED**
Requires department to provide quarterly reports on number of records sold and revenue collected.
Executive deletes. Senate, House, and Conference retain.

Sec. 704. Prohibition of Certain Advertisements **– NOT INCLUDED**
Prohibits the department from using funds for radio, billboard, or other audio recorded advertising.
Executive and Senate do not include.
House adds. Executive, Senate, and Conference do not include.

Sec. 705. Department Publications **– REVISED**
Authorizes DOS to accept gifts and grants to underwrite publications pertaining to the vehicle code and authorizes DOS to approve paid advertising in such publications; authorizes unexpended funds to be carried forward into the next fiscal year; requires annual report on details of gifts received under this subsection, expenditures made from those gifts, and other details.
Executive revises to delete reporting requirement. Senate and House retain. Conference revises to condition report on if there are revenues received.

Sec. 710. IT Service Centralization **– NEW**
Requires Department of State to delegate responsibility for the procurement, development, and maintenance of all information technology services to DTMB.
Executive, Senate, and House do not include. Conference adds.

Sec. 713. Organ Donor Program Public Information Campaign **– RETAINED**
Provides for receipt and expenditure of funds for a public information campaign for organ donor program; authorizes revenues from gifts and grants to be carried forward; requires annual report on amount of revenue collected, purpose of each expenditure, and amount of revenue carried forward.
Executive revises to delete reporting requirement. Senate, House, and Conference retain.

Sec. 714. Branch Office Closings or Consolidations **– RETAINED**
Requires legislature to be notified in writing at least 180 days prior to closing a branch office or 60 days prior to relocating a branch outside of its current local unit of government; notification to include analyses of branch transactions and revenue, citizen impact, and savings and costs.
Executive deletes. Senate, House, and Conference retain.

Sec. 716. In-Person Branch Office Service **– NEW**
Requires department to maintain "adequate in-person services" as defined in Michigan Vehicle Code, MCL 257.1a., which defines as providing in-person service options, without requirement of advance appointment, on each day and at each location a secretary of state branch office is open for services in this state.
Executive and Senate do not include. House and Conference add.

Sec. 717. Gifts to Support Department Activities **– REVISED**
Authorizes DOS to accept non-monetary gifts of a de minimus value to support licensing, regulation, and safety functions; prohibits acceptance if conditioned on future state spending; requires report.
Executive revises to delete reporting requirement. Senate and House retain. Conference revises to condition report on if there are revenues received.

Major Boilerplate Changes from FY 2024-25

Sec. 719. Local Election Funding Report **– RETAINED**
Requires the department to report on distributions of funding for elections allocated to counties, cities, and townships.
Executive deletes. House deletes and transfers to Treasury section 942. Senate and Conference retain.

Sec. 720. Voter Registration Report **– NEW**
Requires department to report on figures on voter registrations from information returned from change of address notifications sent by secretary of state. Required information includes number of electors who corrected their voter registration records, and number of possible improper votes cast at preceding primary and general election referred to law enforcement by secretary of state.
Executive and Senate do not include. House and Conference add.

Sec. 722. Legacy Mainframes System Modernization **– DELETED**
Requires expense report by fund source on Customer and Automotive Records System (CARS) including projected expenses in current and next fiscal years.
Senate and House retain. Executive and Conference delete.

Sec. 724. Timely Reimbursements to Local Governments **– RETAINED**
Requires the department to reimburse cities, townships, and counties for eligible expenses not later than 60 days after receiving all necessary documentation from the local government.
Executive deletes. Senate, House, and Conference retain.

Sec. 725. Legacy Costs **– NEW**
Identifies annual pension-related and retiree health care legacy costs.
Executive and Senate do not include. House and Conference add.

Sec. 726. Michigan Technology Transparency Fund **– NOT INCLUDED**
Creates the Michigan Technology Transparency Fund; permits expenditures from the fund only upon legislative transfer or appropriation; authorizes funds to be used for information technology services and projects.
House adds. Executive, Senate, and Conference do not include.

Sec. 727. ERIC Prohibition **– NOT INCLUDED**
Prohibits the department from entering an agreement for third-party services related to multi-state sharing of voter registration information for any purpose other than providing a cross-check verification of voter registration information; requires the department to send copy of any multi-state agreement; subjects agreements to termination by legislature if it finds them to be in violation of this section; requires biannual report on information shared through any agreement made.
House adds. Executive, Senate, and Conference do not include.

Sec. 728. Systematic Review of Qualified Voter File **– NEW**
Requires the department to conduct systematic reviews of the Qualified Voter File (QVF) by comparing information in it with the department's driver and identification data and federal databases; requires notification be sent to individuals whose voter registration status is in question to verify information before it is cancelled; requires report on various activities of the systematic reviews.
House adds. Executive and Senate do not include. Conference includes requirement for a systematic review and notification and deletes references to federal databases.

FY 2025-26: TECHNOLOGY, MANAGEMENT, AND BUDGET
Summary: Conference
Article 5, House Bill 4706 (H-1) CR-1

Analyst: Michael Cnossen

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	FY 2025-26 Senate	FY 2025-26 House	FY 2025-26 Conference	*Difference: Conference From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$1,119,848,200	$1,152,596,000	$1,152,596,000	$958,544,600	$1,152,596,000	*$32,747,800*	*2.9*
Federal	4,393,300	4,393,300	4,393,300	3,216,000	4,393,300	*0*	*0.0*
Local	2,334,000	2,360,100	2,360,100	2,229,300	2,360,100	*26,100*	*1.1*
Private	189,200	229,400	229,400	173,900	229,400	*40,200*	*21.2*
Restricted	296,362,300	142,450,700	142,450,700	112,622,000	145,578,700	*(150,783,600)*	*(50.9)*
GF/GP	539,964,000	614,335,400	548,971,400	455,191,200	538,318,900	*(1,645,100)*	*(0.3)*
Gross	**$1,963,091,000**	**$1,916,364,900**	**$1,851,000,900**	**$1,531,977,000**	**$1,843,476,400**	***($119,614,600)***	***(6.1)***
FTEs	3,249.5	3,269.5	3,269.5	3,056.4	3,238.5	*(11.0)*	*(0.3)*

Notes: (1) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (2) FY 2024-25 year-to-date (YTD) figures are as of release of the Executive budget, February 5, 2025. (3) "Senate" means Senate Bill 173 (S-2). (4) "House" means Article 5, House Bill 4706 (H-1) as Amended. (5) "Conference" means the budget agreement reflected in HB 4706 (H-1) CR-1.

Overview

The Department of Technology, Management, and Budget (DTMB) is the centralized service agency for the executive branch. Its responsibilities include information technology services and project support for state departments and agencies; state facility and lease management; the state motor vehicle fleet; state purchasing and procurement; state retirement systems; internal audit; state budget development and monitoring; and state accounting and financial control systems. Autonomous units within DTMB include the following: State Budget Office, Office of the State the Child Advocate.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
1. Information Technology Investment Fund (ITIF) (One-Time)	**Gross**	**$35,000,000**	**$15,000,000**
Executive includes $42.6 million GF/GP for ITIF, the state's strategic portfolio of information technology system modernization projects, to support new legacy system modernization projects. With $35.0 million GF/GP in the current year base, a total of $77.6 million Gf/GP would be available for ITIF.	Restricted	0	0
	GF/GP	$35,000,000	$15,000,000
Senate includes $15.5 million. House does not $42.6 million and reduces $10.0 million Gross ($20.0 million GF/GP from the $35.0 million ongoing line item and includes $10.0 of state restricted revenue from rates charged to departments and agencies for a net total of $25.0 million Gross ($15.0 million GF/GP) in one-time funding. Conference includes $15.0 million GF/GP of additional one-time funding.			
2. State Facilities Special Maintenance	**Gross**	**$28,000,000**	**($4,000,000)**
Executive includes $25.0 million in one-time GF/GP for maintenance, demolition, and infrastructure projects for state-owned buildings and structures, which includes approximately 800 buildings and 5,000 structures. With $28.0 million GF/GP in the current year base, a total of $53.0 million would be available for special maintenance projects. Senate does not include. House does not include Executive increase and decreases ongoing funding by $14.0 million. Conference does not include Executive increase and decreases ongoing funding by $4.0 million.	GF/GP	$28,000,000	($4,000,000)

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
3. State Property Self Insurance Fund	**Gross**	**$0**	**$0**
Executive includes $10.0 million GF/GP to create what is intended to be a self-sustaining fund to self-insure property and building contents at state-owned facilities against damages. The fund would be designed to provide the state with reserve funding to draw from to help counter rising property insurance premiums. Savings from decreased property insurance rates charged to state agencies would be deposited into the fund.	GF/GP	$0	$0
Senate, House, and Conference do not include.			
4. Energy Efficiency Revolving Fund	**Gross**	**$0**	**$0**
Executive includes an additional deposit of $5.0 million GF/GP for up-front financing of projects at state facilities that achieve energy efficiency or renewable energy; aims for re-investment of resources in new projects on a continual basis to establish long-term funding aimed at reducing the state's carbon footprint. This $5.0 million would be in addition to the $5.0 million deposited in FY 2021-22.	GF/GP	$0	$0
Senate includes $1.8 GF/GP. House, and Conference do not include.			
5. State Building Authority Capital Outlay Debt Financing	**Gross**	**$246,170,600**	**$15,481,100**
Executive includes $15.5 million GF/GP to the annual amount set aside for projected payments on debt for capital construction projects financed through the State Building Authority. Additional funding would support a projected increase in payments due on existing and anticipated state capital outlay projects. Senate, House, and Conference concur.	GF/GP	$246,170,600	$15,481,100
6. Civil Service Commission IT System Upgrade	**Gross**	**NA**	**$7,528,700**
Executive includes $7.5 million of state restricted funding from rates charged to departments and agencies to upgrade the Human Resource Management Network System (HRMN). The upgrade would enable the transition from the on-premises human resources, payroll and benefits system that supports over 50,000 users to a government cloud platform. Funding would support the first year of the multi-year project and supplement $23.5 million GF/GP included for the project within the executive's FY 2025-26 ITIF proposal. Total project costs would be $47.9 million.	Restricted	NA	7,528,700
	GF/GP	NA	$0
House does not include. Senate and Conference concur with Executive.			
7. State Budget Office Staffing Increase	FTE	NA	11.0
Executive includes $771,700 GF/GP and authorization for 11.0 FTE positions to support budget development, financial management, and internal auditing services.	**Gross**	**NA**	**$121,900**
	GF/GP	NA	$121,900
Senate concurs. House does not include. Conference includes $121,900 GF/GP and 11.0 FTEs.			
8. Civil Service Commission HR Staffing Increase	FTE	293.0	0.0
Executive includes $1.3 million Gross ($628,500 GF/GP) and authorization for 9.0 FTE positions to help maintain timely human resource services to the state through agency hiring and staffing operations statewide.	**Gross**	**$39,015,900**	**$0**
	Restricted	23,170,800	0
	GF/GP	$15,845,100	$0
Senate concurs. House, and Conference do not include.			
9. Office of the State Employer Training Program	**Gross**	**$1,786,800**	**$116,000**
Executive includes $404,000 Gross ($288,000 GF/GP) for staffing to support labor relations and a new management training for managers and supervisors in the state classified service.	Restricted	815,100	116,000
	GF/GP	$971,700	$0
Senate concurs. House does not include. Conference includes $116,000 in state restricted funding.			

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
10. Annual IT IDG Baseline Adjustment	**Gross**	**$880,274,300**	**$19,166,000**
Executive increases IDG funding from Technology User Fee revenue by $19.2 million to reflect projects and service adjustments in other executive department and agency budgets, administrative cost allocation changes, and IT budgetary requests made by departments and agencies. Technology Service appropriation lines are prorated by department based on their total IT budget. Adjustments include $7.5 million from the Civil Service Commission for the project described under item number 6 and $9.9 million for various program adjustments under DHHS.	IDG	880,274,300	19,166,000
	GF/GP	$0	$0
House does not include. Senate and Conference concur.			
11. Fleet Vehicle Travel Services Rate Increase	**Gross**	**$95,708,200**	**$5,426,600**
Executive includes $5.4 million in IDG funding from the Motor Transport Fund to align IDG authorization with revenue from rates charged to departments and agencies.	IDG	95,708,200	5,426,600
	GF/GP	$0	$0
House does not include. Senate and Conference concur.			
12. Building Occupancy Charges – Rate Increase	**Gross**	**$109,241,200**	**$3,820,000**
Executive includes $3.8 million in IDG funding from building occupancy and parking charges to reflect building occupancy rate adjustments primarily attributable to increasing utility costs.	IDG	109,241,200	3,820,000
	GF/GP	$0	$0
House does not include. Senate and Conference concur.			
13. State Records Center Staffing	**Gross**	**NA**	**$272,400**
Executive includes $272,400 in state restricted funding to align staffing resources for the State Records Center (SRC). The SRC is responsible for the storing and control of inactive records on behalf of state agencies and developing retention schedules for state and local government records.	Restricted	NA	272,400
	GF/GP	NA	$0
House does not include. Senate and Conference concur.			
14. DMVA Accounting Services	**Gross**	**NA**	**$136,100**
Executive includes $136,100 in IDG funding to align departmental accounting service center funding support with funding from the Department of Military and Veterans Affairs and the Michigan Veterans' Facility Authority.	IDG	NA	136,100
	GF/GP	NA	$0
House does not include. Senate and Conference concur.			
15. Federal and State Restricted Revenue Alignment	**Gross**	**NA**	**$1,300**
Executive includes a reduction of $38,700 in federal fund authorization for the Michigan Center for Data and Analytics and an increase of $40,000 in private funding from the National Association of Purchasing Officers to align authorization levels with available revenues and estimated expenditures for a net increase of $1,300.	Federal	NA	(38,700)
	Private	NA	40,000
	GF/GP	NA	$0
House does not include. Senate and Conference concur.			
16. SWCAP Adjustment	**Gross**	**NA**	**$0**
Executive reallocates fund sourcing associated with the annual Statewide Cost Allocation Plan (SWCAP) for a net change of $0 Gross and decrease of $2.1 million GF/GP.	IDG	NA	(132,300)
	Restricted	NA	2,189,200
	GF/GP	NA	($2,056,900)
House does not include. Senate and Conference concur.			
17. Microsoft Licensing Agreement Alignment	**Gross**	**NA**	**($400,000)**
Executive removes $400,000 GF/GP in ongoing funding from the Information Technology Services and Projects line item to align costs for the Enterprise Licensing Agreement contract that is executed with the Microsoft Corporation.	GF/GP	NA	($400,000)
House does not include. Senate and Conference concur.			

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
18. Removal of FY 2024-25 One-Time Appropriations	**Gross**	**$26,400,000**	**($26,400,000)**
Executive removes $26.4 million GF/GP of one-time funding that was included in the FY 2024-25 budget to support the following: • $25.0 million for Michigan Public Safety Communication System lifecycle replacement • $1.4 million for menstrual products in state buildings. Senate, House, and Conference concur.	GF/GP	$26,400,000	($26,400,000)
19. Removal of Make It in Michigan Transfer	**Gross**	**$166,265,800**	**($166,265,800)**
Executive removes $166.3 million of state restricted authorization to enable the allocation of Make It in Michigan grant awards to leverage federal funding opportunities for key projects for public, private, and non-profit organizations from the Infrastructure Investment and Jobs Act (IIJA), the CHIPS Act of 2022, and the Inflation Reduction Act of 2022, (IRA). Senate, House, and Conference concur.	Restricted	166,265,800	(166,265,800)
	GF/GP	$0	$0
20. Make It in Michigan Transfer Placeholders	**Gross**	**$400**	**($400)**
House removes 4 $100 placeholders in place to facilitate future transfers from the Make it In Michigan Competitiveness Fund. Executive, Senate, and Conference do not include.	Federal	100	(100)
	Local	100	(100)
	Private	100	(100)
	Restricted	100	(100)
	GF/GP	$0	$0
21. Economic Adjustments	**Gross**	**NA**	**$9,449,000**
Reflects increased costs of $9.4 million Gross ($3.5 million GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. House does not include. Senate and Conference concur.	IDG	NA	4,331,400
	Federal	NA	38,700
	Local	NA	26,100
	Private	NA	200
	Restricted	NA	1,593,600
	GF/GP	NA	$3,459,000
22. Administrative Efficiency Reductions	**Gross**	**NA**	**($3,067,900)**
House reduces $180.7 million Gross ($13.7 million GF/GP) reflecting a 10% reduction in costs to be achieved through identifying administrative efficiencies. Executive and Senate do not include. Conference reduces a total $3.1 million GF/GP to several line items.	IDG	NA	0
	Federal	NA	0
	Local	NA	0
	Private	NA	0
	Restricted	NA	0
	GF/GP	NA	($3,067,900)
23. Removal of Prior Years Increases	FTE	NA	0.0
House reduces $26.9 million Gross ($13.9 million GF/GP) and authorization of 70.0 FTE positions from a review and removal of some of the various ongoing program and operational increases from the previous 5 fiscal years. Executive, Senate, and Conference do not include.	**Gross**	**NA**	**$0**
	IDG	NA	0
	Restricted	NA	0
	GF/GP	NA	$0
24. Unfilled FTE Reductions	FTE	NA	(22.0)
House reduces $16.0 million Gross ($6.0 million GF/GP) to reflect vacant authorized FTE positions. Executive and Senate do not include. Conference reduces authorization for 22.0 FTE positions.	**Gross**	**NA**	**$0**
	IDG	NA	0
	Federal	NA	0
	Local	NA	0
	Private	NA	0
	Restricted	NA	0
	GF/GP	NA	$0
25. Vacated Leases	**Gross**	**NA**	**$0**
House reduces $2.1 million GF/GP to reflect savings from leases terminated from office space consolidation. Executive, Senate, and Conference do not include.	GF/GP	NA	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
26. Work Project Based Reductions	**Gross**	**NA**	**$0**
House reduces $2.2 million GF/GP) to reflect balances available in work project accounts for ongoing operational purposes.	GF/GP	NA	$0
Executive, Senate, and Conference do not include.			
27. Lansing Grant Removal	**Gross**	**$1,000,000**	**$0**
House removes $1.0 million GF/GP for a grant to the City of Lansing to maintain or improve local roads, sidewalks, public utility infrastructure, emergency response, traffic management, and other public safety services that support the state capitol and adjacent state facilities.	GF/GP	$1,000,000	$0
Executive, Senate, and Conference do not include.			
28. State Fleet Electric Vehicle Transition	**Gross**	**$1,000,000**	**($1,000,000)**
House removes $1.0 million for administration costs to begin transitioning the state's fleet of over 14,000 leased and owned vehicles to electric vehicles and to conduct an analysis on infrastructure needs of transitioning the states fleet to electric power.	GF/GP	$1,000,000	($1,000,000)
Executive and Senate do not include. Conference concurs with House.			
29. Executive Bonuses	**Gross**	**NA**	**$0**
House reduces $19,800 Gross ($3,100 GF/GP) for the removal of bonuses paid to executive staff.	IDG	NA	0
	GF/GP	NA	$0
Executive, Senate, and Conference do not include.			
30. Information Technology Services and Projects	**Gross**	**NA**	**$0**
House transfers $44.0 million Gross ($26.7 million GF/GP) for the ongoing Information Technology Services and Projects line item to the One-time Appropriations unit for a $0 change.	IDG	NA	0
	Restricted	NA	0
	GF/GP	NA	$0
Executive, Senate, and Conference do not include.			
31. Michigan State Digital Service Office	**Gross**	**NA**	**$0**
House transfers $5.0 million GF/GP and authorization for 15.0 FTE positions from the Budget and Financial Management line item to a new line item to support the Michigan State Digital Service Office. The office would collaborate with departments and agencies and DTMB IT and procurement leadership to adopt modern software development strategies and practices.	GF/GP	NA	$0
Executive, Senate, and Conference do not include.			
32. Election Equipment Reserve Fund	**Gross**	**NA**	**$5,000,000**
Conference includes $5.0 million GF/GP to support the purchase of election equipment for local units of government.	GF/GP	NA	$5,000,000
Executive, Senate, and House do not include.			
33. Restricted, GF/GP Fund Swap	**Gross**	**NA**	**$0**
Conference includes $3.8 million in additional state restricted revenue and reduces GF/GP by a corresponding amount for a $0 net change.	GF/GP	NA	3,782,300
			($3,782,300)

Major Boilerplate Changes from FY 2024-25

Sec. 801. Contingency Authorization **– REVISED**

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

House revises to decrease authorizations to $2.0 million in federal, $4.0 million in state restricted, $75,000 in local, and $50,000 in private. Senate and Conference concur with Executive.

Major Boilerplate Changes from FY 2024-25

***Sec. 809. Computer Contracts* – REVISED**
Requires DTMB to report revisions that increase or decrease current contracts for computer software development, hardware acquisition, or quality assurance by more than $500,000, individually or in aggregate.
Executive deletes. Senate retains. House revises to decrease reporting threshold of revisions to $250,000. Conference concurs with House.

***Sec. 812. Legacy Costs* – NEW**
Identifies annual pension-related and retiree health care legacy costs.
Executive and Senate do not include. House and Conference add.

***Sec. 814. Prohibition of Fleet Electric Vehicles* – NOT INCLUDED**
Prohibits the lease or purchase of electric or hybrid electric vehicles for the state fleet.
House adds. Executive, Senate, and Conference do not include.

***Sec. 815. Legal Services Fund* – NEW**
Creates the Legal Services Fund; subjects funds in the fund to legislative transfer or appropriation; appropriates funds carried forward under work project account number 17458, titled "legal services", for deposit into the fund; requires report on expenditures.
House adds. Executive and Senate do not include. Conference requires a report on expenditures from funds in the work project.t

***Sec. 821. State Retirement Systems Report* – NEW**
Requires Office of Retirement Services (ORS) to produce a report on Judges Retirement System, Military Retirement System, Michigan Public School Employees' Retirement System, State Employees' Retirement System, and State Police Retirement System showing tables and charts of annual required contribution flow per fiscal year and justification if payroll growth assumption is maintained at or above 0% for any pension or OPEB plan; requires additional items to be reported for Michigan Public School Employees' Retirement System; requires ORS to post most recent year's CAFR for each plan.
Executive and Senate do not include. House and Conference add.

***Sec. 822. Report on Unclassified Salaries* – RETAINED**
Requires report on individual appointee and unclassified employee salaries, rounded to the nearest thousand dollars, by January 1.
Executive deletes. Senate, House, and Conference retain.

***Sec. 822d. Fees and Rates Charged to State Agencies* – RETAINED**
Requires report on fees and rates charged to state agencies, along with justification for any increases from prior year.
Executive deletes. Senate, House, and Conference retain.

***Sec. 822e. Census-Related Services* – RETAINED**
Appropriates funding collected by DTMB for providing census-related information and technical services and demographic products; authorizes unexpended funding to be carried forward; requires annual report on amount of revenue collected and carried forward.
Executive revises to delete reporting requirement. Senate, House, and Conference retain.

***Sec. 822f. Supplier Risk Assessment Program* – RETAINED**
Requires not more than an additional $200,000 appropriated to Business Support Services line item to be used to maintain a comprehensive supplier risk and information subscription used for pre-contract risk assessment.
Executive and Senate delete. House and Conference retain.

***Sec. 822g. Emergency Services Contracted Providers Fund* – NEW**
Creates the Emergency Services Contracted Providers Fund and assigns DTMB as administrator of the fund; lapses $6.0 million of unexpended funds work project funds to be made available for reimbursing ambulance providers that can verify they are owed payments by a provider of health care services the Department of Corrections (DOC) contracted with for services after December 31, 2022 and before January 1, 2025; requires DTMB to collaborate with DOC to develop a grant program and provide payments to qualifying ambulance providers; provides application requirements; requires a recipient of a grant who also received reimbursement for services through a litigation settlement to return proceeds from the settlement to the state.
House adds. Executive, Senate, and Conference do not include.

***Sec. 822h. Capital City Services* – RETAINED**
Requires department to reimburse the City of Lansing up to $1.0 million to aid with local infrastructure and municipal services; requires funds to be used to maintain or improve local roads, sidewalks, public utility infrastructure, emergency response, traffic management, and other public safety services that support the state capitol and adjacent state facilities; requires City of Lansing to maintain and provide supporting documentation for auditing purposes.
House deletes. Executive, Senate, and Conference retain.

Major Boilerplate Changes from FY 2024-25

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

Sec. 822n. Solar Energy Projects Selection Process **– NOT INCLUDED**
Authorizes requests for proposals or other arrangements for installation of solar energy projects at state-owned or leased facilities to consider the value of the lifecycle carbon emissions in manufacturing of solar equipment as part of selection process; requires DTMB to report on implementation of this section.
House adds. Executive, Senate, and Conference do not include.

Sec. 825. Access to SIGMA and MAIN Data **– REVISED**
Requires legislature and all state departments to have access to historical and current data in SIGMA and MAIN.
Executive deletes. House revises to include data from the Judicial branch. Senate and Conference retain.

Sec. 826. Definition of Information Technology Services **– RETAINED**
Defines "information technology services" as services involving all aspects of managing and processing information, including certain IT management and support items and services.
Executive deletes. Senate, House, and Conference retain.

Sec. 827. Michigan Public Safety Communications System (MPSCS) **– REVISED**
Provides for assessment of fees and expenditure of revenues pertaining to MPSCS; authorizes unencumbered funds to be carried forward.
Executive and Senate retain. House revises to require a spending plan and report on revenue collected and spent. Conference concurs with Houses report.

Sec. 828. IT-Related Appropriations and Expenditures **– RETAINED**
Requires annual report on funding and expenditures for IT services and projects for all executive departments and agencies.
Executive deletes. Senate, House, and Conference retain.

Sec. 829. IT Lifecycle Report **– NEW**
Requires report that analyzes and makes recommendations on life-cycle of IT hardware and software***.***
Executive and Senate do not include. House and Conference add.

Sec. 831. Information Technology Services Billing **– RETAINED**
Requires DTMB to submit information technology services-related invoices to departments and agencies no later than 60 days after receiving approval from departments to pay vendor invoices.
Executive deletes. House revises time limit to 45 days. Senate and Conference retain.

Sec. 832. Child Support Enforcement System **– RETAINED**
Requires DTMB to notify legislature of potential or actual penalties for failure of Michigan Child Support Enforcement System to achieve federal certification; requires additional reporting in event of penalties being imposed.
Executive deletes. Senate, House, and Conference retain.

Sec. 834. Commercial-Off-the-Shelf Product Contract Conditions **– NEW**
Prohibits contracting for a commercial-off-the-shelf (COTS) product if the vendor would need to write software code to enable the product to meet the requirements of a department or agency and would either involve labor costs that exceed the base price of the COTS product or the vendor cannot provide more than 1 example of successful implementation of the product.
Executive and Senate do not include. House adds. Conference prohibits if COTS product would require significant customization.

Sec. 835. Information Technology Contract Limits **– NEW**
Prohibits expenditure of funds for entering a contract for over $10 million or effective for longer than 3 years except upon appropriation or legislative transfer.
Executive and Senate do not include. House adds. Conference includes report on all contracts over $10 million and longer than 3 years.

Major Boilerplate Changes from FY 2024-25

Sec. 836. Independent Verification and Validation Contracting **– NEW**
Requires DTMB to contract for independent verification and validation (IVV) services for IT projects that have a contract value over $5 million or over $1 million and meet certain conditions; requires contracts for IVV services to report monthly and on a twice-year basis and to distribute the reports to the applicable department or agency, the IT vendor, and standard report recipients.
Executive and Senate do not include. House adds. Conference requires existing IVV contracts to provide reports at the established frequence.

Sec. 839. Federal and State Restricted Revenue for ITIF **– NEW**
Appropriates additional federal and state restricted revenue for the Enterprisewide Information Technology Investments line item up to amounts earned based on initiatives undertaken with the General Fund appropriation.
Executive adds. House does not include. Senate and Conference concur.

Sec. 840. IT Contract Requirements **– NEW**
Requires DTMB to use the U.S. General Services Administration's Contract-Awarded Labor Category Tool for calculating expected labor costs for information technology software project contracts before soliciting bids, proposals, or solutions for those contracts; requires each request for proposal for a contract to a include a statement of objective not longer than 5 pages.
Executive and Senate do not include. House adds. Conference requires 5 page statement of objective.

Sec. 841. Michigan State Digital Service Office **– NOT INCLUDED**
Establishes the Michigan State Digital Service Office to collaborate with DTMB central procurement, the Chief Information Officer (CIO), the Enterprise Portfolio Management Office and offices under the CIO to adopt modern software development strategies and practices; provides objectives for collaboration; requires report on progress towards adoption of modern practices; requires the office to be led by an Executive Director appointed by the governor with the advice and consent of the Senate Majority Leader and the Speaker of the House
House adds. Executive, Senate, and Conference do not include.

Sec. 853. State Employment Education and Experience Requirements **– RETAINED**
Requires Civil Service Commission to review employee classifications and educational requirements necessary for state employment; requires Civil Service Commission to substitute relevant experience for default educational requirement of a bachelor's degree.
Executive deletes. Senate, House, and Conference retain.

Sec. 862. Report on Capital Outlay Projects **– RETAINED**
Requires DTMB to provide various detailed reports to Joint Capital Outlay Subcommittee (JCOS) and fiscal agencies with status of each planning or construction project financed by SBA.
Executive deletes. Senate, House, and Conference retain.

Sec. 863. JCOS Approval of Proposed Rent Increases **– NOT INCLUDED**
Requires proposed new or renewal rental spaces or facilities for which the annual base cost is more than $500,000 to receive approval from the Joint Capital Outlay Subcommittee (JCOS) prior to being approved by the State Administrative Board; waives JCOS approval in emergency situations and requires department to notify JCOS within 5 days after executing agreement.
House adds. Executive, Senate, and Conference do not include.

Sec. 863a. Office Building Space Usage Report **– NEW**
Requires DTMB to submit report which evaluates office building and space usage by all state departments and develop a projection for future building occupancy; lists additional report requirements.
Executive and Senate do not include. House and Conference add.

Sec. 866. Energy Efficiency Revolving Fund **– RETAINED**
Creates Energy Efficiency Revolving Fund within Treasury; authorizes Treasury to receive money or other assets for deposit into fund and to credit interest and earnings into fund; provides carry-forward authorization for unexpended funds at close of fiscal year; requires DTMB to provide oversight for fund, coordinate call for projects, and prioritize projects to be awarded funds; limits administrative costs to 10% of total project cost; describes department's responsibilities in administering the fund; requires report on details of projects funded from fund.
Executive revises to deposit $5.0 million into the revolving fund; appropriates all money deposited into the fund for projects in accordance with proposed legislation. Senate concurs. House deletes. Conference retains.

Major Boilerplate Changes from FY 2024-25

Sec. 867. Special Maintenance, Remodeling, and Additions for State Agencies **– NEW**
Appropriates federal and restricted funds earned based on initiatives undertaken with funds appropriated for Special Maintenance, Remodeling, and Additions for State Agencies; requires the state budget director to determine the appropriate manner for implementing this section.
Executive adds. House does not include. Senate and Conference concur.

Sec. 890. Free Menstrual Products Pilot Program **– DELETED**
Requires funds appropriated for menstrual products to be used to provide free menstrual discharge absorption devices in the restrooms of state-owned and managed buildings and state-leased buildings where possible.
Executive, Senate, House, and Conference delete.

Sec. 890. Election Equipment Reserve Fund **– NEW**
Authorizes unexpended funds to be designated as a work project for the purchase of election equipment and authorizes funds to carry forward to subsequent fiscal year.
Executive, Senate, and House do not include. Conference adds.

Sec. 891. MPSCS Lifecycle Replacement **– DELETED**
Requires the MPSCS to perform lifecycle replacement work, including, but not limited to, equipment upgrades, security, and maintenance; designates unexpended funds as a work project.
Executive, Senate, House, and Conference delete.

Sec. 894. Actuarial Cost of Living Study **– DELETED**
Requires the Office of Retirement Services to contract with the state's actuary to conduct a study to provide options related to providing cost-of-living adjustments in the State Employees' Retirement System; lists information to be included in the study.
Executive, Senate, House, and Conference delete.

Sec. 895. Risk Management Internal Service Fund **– NOT INCLUDED**
Creates the Risk Management Internal Service Fund to self-insure property in state-owned and managed buildings; appropriates revenues recovered from rates charged to state agencies for property insurance to pay loss or damage claims to be deposited into the fund; authorizes deposits into the fund to remain in the fund and not lapse to the general fund.
Senate adds. Executive, House, and Conference do not include.

FY 2025-26: DEPARTMENT OF TREASURY
Summary: Conference
Article 5, House Bill 4706 (H-1) CR-1

Analyst: Michael Cnossen

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	FY 2025-26 Senate	FY 2025-26 House	FY 2025-26 Conference	*Difference: Conference From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$11,188,500	$11,815,100	$11,815,100	$8,409,600	$11,670,700	*$482,200*	*4.3*
Federal	25,011,400	25,254,000	25,254,000	21,652,600	25,254,000	*242,600*	*1.0*
Local	15,207,100	15,491,600	15,491,600	8,963,300	15,311,600	*104,500*	*0.7*
Private	36,600	3,040,300	3,040,300	40,300	3,040,300	*3,003,700*	*8,206.8*
Restricted	2,343,150,900	2,411,439,600	2,446,624,500	2,264,405,000	2,273,268,100	*(69,882,800)*	*(3.0)*
GF/GP	308,655,700	322,811,800	361,193,000	282,776,300	327,800,400	*19,144,700*	*6.2*
Gross	**$2,703,250,200**	**$2,789,852,400**	**$2,863,418,500**	**$2,586,247,100**	**$2,656,345,100**	***($46,905,100)***	***(1.7)***
FTEs	2,012.5	2,040.5	2,016.5	1,589.0	1,965.5	*(47.0)*	*(2.3)*

Notes: (1) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (2) FY 2024-25 year-to-date (YTD) figures are as of release of the Executive budget, February 5, 2025. (3) "Senate" means Senate Bill 173 (S-2). (4) "House" means Article 5, House Bill 4706 (H-1) as Amended. (5) "Conference" means the budget agreement reflected in HB 4706 (H-1) CR-1.

Overview

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

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		**FY 2024-25 Year-to-Date (as of 2/5/25)**	**FY 2025-26 Conference Change**
1. Constitutional Revenue Sharing	**Gross**	**$1,073,331,400**	**($63,248,500)**
Executive includes an increase of $25.7 million of restricted sales tax revenue relative to the FY 2024-25 budget act appropriated amount for constitutionally required payments to cities, villages, and townships (CVTs), for an estimated projected total of $1.1 billion in FY 2025-26. Senate concurs with Executive. House includes $29.8 million based off of May revenue estimates. Conference reduces $$63.4 million.	Restricted	1,073,331,400	(63,248,500)
	GF/GP	$0	$0
2. City, Village, and Township (CVT) Revenue Sharing	**Gross**	**$333,547,300**	**$0**
Executive includes a net increase of $12.0 million of restricted sales tax revenue for CVT revenue sharing based on a 4% increase to the FY 2024-25 base statutory appropriations for CVTs or a 3.6% increase from the total FY 2024-25 appropriation for CVT revenue sharing including formula payments based on inverse taxable value, unit type population, and millage yield equalization. Senate includes $33.3 million of state restricted from the Community Infrastructure Fund to be distributed through the 3-factor formula. House reduces $40.0 million to reflect removal of component distributed by 3-factor formula. Conference maintains current year funding and formula.	Restricted	333,547,300	0
	GF/GP	$0	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
3. County Revenue Sharing	**Gross**	**$291,111,400**	**$0**
Executive includes a net increase of $10.4 million of state restricted Sales Tax revenue for county revenue sharing based on a 4% increase to the FY 2024-25 base statutory appropriations for counties or a 3.6% increase from the total FY 2024-25 appropriation for county revenue sharing including formula payments based on inverse taxable values. Senate includes $29.1 million of state restricted from the Community Infrastructure Fund to be distributed using an inverse taxable value formula. House reduces $34.9 million to reflect removal of component distributed based on inverse taxable value formula. Conference maintains current year funding and formula.	Restricted	291,111,400	0
	GF/GP	$0	$0
4. Public Safety and Violence Prevention	**Gross**	**$75,000,000**	**($75,000,000)**
Executive maintains $75.0 million for Public Safety and Violence Prevention revenue sharing payments for a $0 net change from FY 2024-25 to support public safety initiatives in CVTs. Funding would be authorized to be distributed similarly as proposed under House Bill 4606 of 2024 and as shown below: • $4.9 million, or 6.5%, to the Department of Health and Human Services (DHHS) for grants to CVTs, tribal entities, and community organizations for the purpose of advancing solutions to community violence • $1.5 million, or 2.0%, to the crime victim's rights fund created under section 4 of 1989 PA 196 and is appropriated in the DHHS • $68.6 million, or the remaining balance, to CVTs proportionate to violent crime data provided by the Michigan State Police. Senate does not include. House includes $40.0 million in additional revenue from the Public Safety Violence and Prevention Fund for a total of 112.0 million. Conference removes.	Restricted	75,000,000	(75,000,000)
	GF/GP	$0	$0
5. Community Aid to Responders and Emergency Services	**Gross**	**$0**	**$0**
Senate includes $118.0 million Gross ($43.0 million GF/GP) for distribution to eligible CVTs and counties according to a taxable value per capita formula. Ongoing funding would be $70.8 million Gross ($20.8 million GF/GP) and one-time funding would be $47.2 million Gross ($22.2 million GF/GP. Executive, House, and Conference do not include.	Restricted	0	0
	GF/GP	$0	$0
5. Caregiver Tax Credit	**Gross**	**$0**	**$0**
Senate includes $30.0 million GF/GP in ongoing funding to offset tax credits for family caregivers. Executive, House, and Conference do not include.	GF/GP	$0	$0
7. Detroit Hazardous Arc Wiring Removal	**Gross**	**$0**	**$0**
Executive includes $25.0 million GF/GP to remove an estimated 1,300 miles of hazardous arc wiring in Detroit from a streetlamp system which is no longer in use. Abandoned arc wiring poses a risk if it contacts live utility lines utilizing the same utility poles. Approximately 50% of utility poles in Detroit have unused arc wiring. Senate, House, and Conference do not include.	GF/GP	$0	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
8. Michigan's Achieving a Better Life Experience (MiABLE) Program Expansion	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
Executive includes $5.0 million GF/GP to support 4.0 FTEs for promotion and education of the MiABLE program following a federal expansion that would extend program eligibility to an additional 500,000 residents. The MiABLE program allows disabled individuals to create accounts for disability-related expenses without impacting their eligibility for public benefits.			
Senate, House, and Conference do not include.			
9. MiABLE Administrative Fee Assistance	**Gross**	**$0**	**$0**
Senate includes $347,500 GF/GP to reimburse individuals for annual MiABLE asset based fees and maintenance fees charged under 2015 PA 160.	GF/GP	$0	$0
Executive, House, and Conference do not include.			
10. Recreational Marihuana Grants to Locals	**Gross**	**$96,380,000**	**$9,220,000**
Executive includes $9.2 million in state restricted Marihuana Regulation Fund revenue to align grant payments to municipalities and counties with the expected increase in revenue based on the current total estimate from the January revenue estimating conference.	Restricted	96,380,000	9,220,000
	GF/GP	$0	$0
Senate, House, and Conference concur.			
11. Vaping, Non-Tobacco Nicotine Products Tax Administration	FTE	0.0	0.0
Executive includes $2.5 million GF/GP and authorization for 17.0 FTE positions to administer collection, enforcement, licensing, and compliance with a proposed 32% wholesale tax on vaping and non-tobacco nicotine products.	**Gross**	**$0**	**$0**
	GF/GP	$0	$0
Senate, House, and Conference do not include.			
12. AI Predictive Analytics and Fraud Prevention	FTE	0.0	0.0
Executive includes $1.1 million GF/GP ($381,000 ongoing; $750,000 one-time) and authorization for 2.0 FTE positions to deploy artificial intelligence tools across Treasury's various data sets for implementing fraud detection analysis, ensuring the integrity of tax collections, and finding other efficiencies.	**Gross**	**$0**	**$0**
	GF/GP	$0	$0
Senate concurs with $750,000 GF/GP in one-time funding but does not include ongoing $381,000 and 2.0 FTE positions.			
House, and Conference do not include.			
13. Payment Card Data Compliance and Fraud Monitoring	FTE	74.0	0.0
Executive includes $892,700 Gross ($772,700 GF/GP) and authorization for 6.0 FTE positions for the Bureau of Financial and Accounting Services to implement payment card industry data compliance standards, fraud monitoring activities, and expansion of the optional city income tax program.	**Gross**	**$9,555,400**	**$0**
	IDG	2,354,500	0
	Federal	966,800	0
	Local	0	0
	Restricted	6,063,600	0
Senate does not include GF/GP portion of the Executive increase for an increase of $120,000 of local revenue and 1.0 FTE position.	GF/GP	$170,500	$0
House, and Conference do not include.			
14. MI Financial Empowerment Program	**Gross**	**$0**	**$3,000,000**
Executive includes $3.0 million in private funds donated by the Ballmer Group to create the MI Financial Empowerment program aimed at providing financial literacy education services to residents.	Private	0	3,000,000
	GF/GP	$0	$0
House does not include. Senate and Conference concur with Executive.			

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
15. Payment in Lieu of Taxes (PILT)	**Gross**	**$35,156,800**	**$3,155,700**
Executive includes $3.2 million Gross ($2.4 million GF/GP) for increased PILT payments to local units of government for state lands owned by the Department of Natural Resources. Funding would align payments with current property tax estimates. Increased payments would include $1.2 million for state purchased lands and $2.0 million for DNR swamp and tax reverted lands.	Private	36,600	3,700
	Restricted	7,312,800	731,500
	GF/GP	$27,807,400	$2,420,500
Senate, House, and Conference concur.			
16. Michigan State Lottery	**Gross**	**$37,475,000**	**$0**
Executive includes $4.9 million in state restricted funding from lottery ticket sales revenue to support efforts to sell and promote Lottery products through online and retail outlets.	Restricted	37,475,000	0
	GF/GP	$0	$0
Senate, House, and Conference do not include.			
17. Gaming Control – Increased Funding Authorization	**Gross**	**NA**	**$703,300**
Executive authorizes an additional $703,300 in state restricted State Services Fee Fund revenue to be used for gaming-related enforcement services.	Restricted	NA	703,300
	GF/GP	NA	$0
House does not include. Senate and Conference concur with Executive.			
18. Bureau of Local Government Audit and Assessment Services	**Gross**	**NA**	**$695,000**
Executive includes $695,000 GF/GP for increased costs associated with the Bureau of Local Government for audit and assessment services to local units of government.	GF/GP	NA	$695,000
House does not include. Senate and Conference concur with Executive.			
19. Senior Citizen Cooperative Housing Tax Exemption Program	**Gross**	**$11,512,300**	**$612,700**
Executive includes $612,700 GF/GP for estimated payments to locals in lieu of property taxes for qualified senior housing facilities for new facilities or costs entering the program.	GF/GP	$11,512,300	$612,700
House does not include. Senate and Conference concur with Executive.			
20. Restricted and IDG Revenue Adjustments	**Gross**	**$4,091,000**	**$400,000**
Executive includes the following adjustments to align authorizations with revenue:	IDG	2,449,800	0
	Local	0	0
• $604,400 in restricted, local, and IDG revenues for local government programs to reflect increased revenues related to administrative changes to the third-party disclosure fee, assessor training fee, and the municipal filing fee	Restricted	1,641,200	0
	GF/GP	$0	$400,000
• $400,000 in IDG funding from the Michigan Department of Transportation due to increased costs associated with tax collections for the Motor Fuel and International Fuel Tax Agreement taxes.			
Senate concurs. House does not include. Conference does not include $604,400 in revenues from fee increases.			
21. Other Technical Adjustments	**Gross**	**NA**	**$1,407,400**
Executive includes a net increase of $1.4 million Gross for the following technical adjustments:	Federal	NA	186,500
	Restricted	NA	1,220,900
• $26,700 in federal funding for the Low Income Heat and Energy Assistance Program	GF/GP	NA	$0
• $159,800 in federal funding for student financial assistance programs			
• ($279,100) in state restricted revenue from the Health and Safety Fund for Health and Safety Grants			
• $1.5 million in state restricted revenue for administration of the qualified heavy equipment rental personal property tax exemption program.			
House does not include. Senate and Conference concur with Executive.			

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
22. Michigan Infrastructure Council FTE Increase	FTE	3.0	0.0
Executive includes authorization for 2.0 FTE positions to manage new initiatives associated with the Council's new 30-Year Integrated Infrastructure Strategic Plan.	**Gross**	**$3,858,800**	**($800,000)**
	IDG	252,700	0
	GF/GP	$3,606,100	($800,000)
Senate concurs. House does not include. Conference reduces $800,000 GF/GP.			
23. Language Access Plan	FTE	0.0	0.0
Executive includes $245,000 GF/GP and authorization for 1.0 FTE position to implement and administer a language access plan to ensure Treasury documents are translated for all major languages that interact with Treasury services and tax collections. The program would be included under the newly created Bureau of Operational Excellence described under item number 25.	**Gross**	**$0**	**$0**
	GF/GP	$0	$0
House does not include. Senate and Conference concur with Executive.			
24. Liability Reimbursement	**Gross**	**$0**	**$0**
Senate includes a $100 placeholder for possible future support for reimbursements to counties for legal liabilities from actions taken in compliance with statute.	GF/GP	$0	$0
Executive, House, and Conference do not include.			
25. Bureau of Operational Excellence	FTE	24.0	0.0
Executive transfers $3.8 million Gross ($363,700 GF/GP) from 8 line items and authorization for 24.0 FTE positions, for a net $0 and FTE change, to a new line item that would support a new Bureau of Operational Excellence within Treasury to centralize lean process improvement and project management services.	**Gross**	**$3,811,900**	**$0**
	Restricted	3,448,200	0
	GF/GP	$363,700	$0
House does not include. Senate and Conference concur with Executive.			
26. Funding and FTE Authorization Alignment Transfers	FTE	NA	0.0
Executive transfers $4.5 million and authorization for 31.0 FTE positions from 9 line items to align authorizations with workloads across several areas within Treasury.	**Gross**	**NA**	**$0**
	Restricted	NA	0
	GF/GP	NA	$0
House does not include. Senate and Conference concur with Executive.			
27. Debt Service Adjustments	**Gross**	**$95,087,000**	**($5,206,000)**
Executive reduces general obligation debt service by $206,000 GF/GP based on existing debt service schedules and projected new debt service issues for Clean Michigan Initiative, Quality of Life Bonds, and Great Lakes Water Quality Bonds.	GF/GP	$95,087,000	($5,206,000)
Senate and House concur. Conference reduces by $5.2 million GF/GP.			
28. Removal of Other FY 2024-25 One-Time Appropriations	**Gross**	**$25,592,000**	**($25,592,000)**
Executive removes $25.6 million Gross ($25.0 million GF/GP) of one-time funding that was included in the FY 2024-25 budget to support the following:	Restricted	592,000	(592,000)
	GF/GP	$25,000,000	($25,000,000)
• 12th District Court Security Upgrades ($1.0 million GF/GP)			
• 38th District Court Construction Project ($1.0 million GF/GP)			
• Eaton County Prosecutor Support ($250,000 GF/GP)			
• Local Prosecutors Support Grants ($16.8 million GF/GP)			
• Lottery IT Services and Projects ($592,000 state restricted)			
• MiABLE Outreach ($3.0 million GF/GP)			
• Secure Retirement for Small Businesses ($3.0 million GF/GP).			
Senate, House, and Conference concur.			

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
29. Economic Adjustments	**Gross**	**NA**	**$0**
Reflects increased costs of $4.9 million Gross ($1.0 million GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	IDG	NA	0
	Federal	NA	0
	Local	NA	0
	Restricted	NA	0
House does not include. Senate and Conference concur with Executive.	GF/GP	NA	$0
30. Local Prosecutor Support Grants	**Gross**	**NA**	**$25,000,000**
House includes $25.0 million GF/GP to support local prosecutors reduce active case backlogs and cases related to retrying juvenile life without parole cases.	GF/GP	NA	$25,000,000
Executive, Senate, and Conference do not include.			
31. Unfilled FTE Reductions	FTE	NA	(50.0)
House reduces $42.6 million Gross ($6.8 million GF/GP) and authorization for 327.5 FTE positions to reflect vacant authorized FTE positions.	**Gross**	**NA**	**$0**
	IDG	NA	0
	Federal	NA	0
Executive and Senate do not include. Conference reduces authorization for 50.0 FTE positions.	Local	NA	0
	Restricted	NA	0
	GF/GP	NA	$0
32. Administrative Efficiency Reductions	**Gross**	**NA**	**$0**
House reduces $30.1 million Gross ($6.7 million GF/GP) reflecting a 10% reduction in costs to be achieved through identifying administrative efficiencies.	IDG	NA	0
	Federal	NA	0
	Local	NA	0
Executive and Senate do not include.	Restricted	NA	0
	GF/GP	NA	$0
33. Removal of Prior Years Increases	FTE	NA	0.0
House reduces $26.2 million Gross ($7.4 million GF/GP) and authorization of 70.0 FTE positions from a review and removal of some of the various ongoing program and operational increases from the previous 5 fiscal years.	**Gross**	**NA**	**$0**
	IDG	NA	0
	Local	NA	0
	Restricted	NA	0
Executive and Senate do not include.	GF/GP	NA	$0
34. Work Project Based Reductions	**Gross**	**NA**	**$0**
House reduces $4.8 million Gross ($2.2 million GF/GP) to reflect balances available in work project accounts for ongoing operational purposes.	Restricted	NA	0
	GF/GP	NA	$0
Executive, Senate, and Conference do not include.			
35. Wrongful Imprisonment Compensation Fund	**Gross**	**$10,000,000**	**$0**
House reduces $5.0 million GF/GP for deposit into the Wrongful Imprisonment Compensation Fund to provide payments to individuals who were wrongly convicted of crimes and imprisoned pursuant to the provisions of the Wrongful Imprisonment Compensation Act, 2016 PA 343.	GF/GP	$10,000,000	$0
Executive, Senate, and Conference do not include.			
36. Financially Distressed CVTs Payments	**Gross**	**$2,500,000**	**$0**
House removes $2.5 million in state restricted revenues for competitive grants to address conditions in financially distressed cities, villages, and townships.	Restricted	2,500,000	0
	GF/GP	$0	$0
Executive, Senate, and Conference do not include.			
37. Executive Bonuses	**Gross**	**NA**	**$0**
House reduces $18,800 Gross ($10,100 GF/GP) for the removal of bonuses paid to executive staff.	Restricted	NA	0
	GF/GP	NA	$0
Executive, Senate, and Conference do not include.			

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
38. Public Safety Revenue Sharing Grants	**Gross**	**NA**	**$70,000,000**
Conference includes $70.0 million in state restricted sales tax revenue for grants to counties and CVTs for uses related to public safety. $20.0 million of this amount is appropriated as one-time.	Restricted	NA	70,000,000
	GF/GP	NA	$0
Executive, Senate, and House do not include.			
39. Public Safety Constituency Grants	**Gross**	**NA**	**$25,000,000**
Conference includes $25.0 million in state restricted sales tax revenue for grants to local prosecutors and firefighters.	Restricted	NA	25,000,000
	GF/GP	NA	$0
Executive, Senate, and House do not include.			
40. Prosecuting Attorneys Coordinating Council Transfer	FTE	NA	14.0
Conference includes $2.7 million ($2.2 million GF/GP) and authorization for 14.0 FTE positions for the transfer of the Prosecuting Attorneys Coordinating Council from the Department of Attorney General's Budget to Treasury's budget.	**Gross**	**NA**	**$2,655,100**
	Restricted	NA	455,100
	GF/GP	NA	$2,200,000
Executive, Senate, and House do not include.			

Major Boilerplate Changes from FY 2024-25

Sec. 902a. Notification of Bond Refunding or Restructuring **– RETAINED**
Requires Treasury to report, not more than 30 days after a refunding or restructuring bond issue is sold, on the annual debt service changes, the change in principal and interest over the duration of the debt, and the projected change in the present value of the debt service due to the refinancing and restructuring.
Executive deletes. Senate, House, and Conference retain.

Sec. 933. MiABLE Administrative Fee Assistance **– NOT INCLUDED**
Requires the department to reimburse asset based fees and maintenance fees charged under 2015 PA 160.
Senate adds. Executive, House, and Conference do not include.

Sec. 934. Expending of Authority Revenues **– RETAINED**
Authorizes Treasury to expend revenues under various authorities for operation expenses and grants to the Civil Service Commission and the State Employee's Retirement Fund; requires a report on expenditures over $250,000.
Executive revises to delete reporting requirement. Executive deletes. Senate, House, and Conference retain.

Sec. 935. Student Loan Ombudsman **– RETAINED**
Creates student loan ombudsman to advocate for borrowers.
Executive deletes. Senate, House, and Conference retain.

Sec. 937. Michigan Accounts Receivable Collections System Report **– REVISED**
Requires the Department of Treasury to submit a report on the Michigan Accounts Receivable Collections System; requires report to include information regarding current collection strategies, vendors and contractors used, amount of delinquent accounts and collection referrals to vendors and contractors, liquidation rates, profile of uncollected delinquent accounts, department's strategy to manage delinquent accounts, and a summary of strategies used in other states. Executive revises to delete information on vendors and contractors from the reporting requirement. House retains. Senate and Conference concur with Executive.

942. Community Infrastructure Fund **– NOT INCLUDED**
Creates the Community Infrastructure Fund and appropriates $372.4 million of GF/GP revenue for deposit into it, of which $200.0 million shall be a one-time deposit; subjects spending from the fund to appropriation or legislative transfer; states funds from the fund are available to support local infrastructure investments such as transportation, water, and public safety initiatives.
Senate adds. Executive, House, and Conference do not include.

Sec. 942. Local Election Funding Report **– NOT INCLUDED**
Requires the department to report on distributions of funding for elections allocated to counties, cities, and townships.
House adds to Treasury as a transfer of section 719 under Department of State. Executive, Senate, and Conference do not include.

Major Boilerplate Changes from FY 2024-25

Sec. 943. Community Aid for Responders and Emergency Services **– NOT INCLUDED**
Requires Treasury to award $60.0 million in grants to counties, $40.0 million in grants to eligible CVTs, and $18.0 million to the city of Detroit; provides eligibility criteria for awards to counties and CVTs; lists eligible uses of funding; provides local funding maintenance requirements for eligibility; requires the department to withhold all grant payments if the attorney general finds a local government have violated the 5th or 14th amendments of the US Constitution; requires a report on recipients and uses of grants.
Senate adds. Executive, House, and Conference do not include.

Sec. 947. Financial Independence Teams **– RETAINED**
Expresses legislative intent that financial independence teams cooperate with the Financial Responsibility Section to coordinate and streamline efforts in identifying and addressing fiscal emergencies in school districts and intermediate school districts.
Executive deletes. Senate, House, and Conference retain.

Sec. 948. Legacy Costs **– NEW**
Identifies annual pension-related and retiree health care legacy costs.
Executive and Senate do not include. House and Conference add.

Sec. 949c. Department of Agriculture and Rural Development Coordination **– REVISED**
Requires Department of Treasury to coordinate with the Department of Agriculture and Rural Development to improve the processing and issuance of tax credits from the Michigan Farmland and Open Space Preservation Program. Executive revises to delete specific services required under the requirement for "timely processing and issuance of tax credits". Executive deletes performance criteria. Senate, and House retain. Conference concurs with Executive.

Sec. 949o. Liability Reimbursement **– NOT INCLUDED**
Requires the department to reimburse counties for costs due to a court order or settlement issued for actions taken by a county treasurer that was in compliance with state law; requires a county treasurer to demonstrate financial liabilities were resulting from action that was in compliance with state law at the time the action occurred.
Senate adds. Executive, House, and Conference do not include.

REVENUE SHARING

Sec. 951. City, Village, and Township (CVT) Local Tax Equalization Payment Formulas **– NOT INCLUDED**
Distributes local tax equalization revenue sharing payments to CVTs according to one-third based on inverse taxable value per capita, one-third based on population, and one-third based on yield equalization; provides formulas for determining payments by type.
Executive adds. Senate, House, and Conference do not include.

Sec. 952. City, Village, and Township (CVT) Revenue Sharing and County Incentive Program **– REVISED**
Specifies distribution to all CVTs that received a payment under Section 952 of article 5 of 2023 PA 119; eligible payment is equal to 100.0% of its FY 2023-24 eligible payment; and any remaining amount distributed according to one-third based on inverse taxable value per capita, one-third based on population, and one-third based on yield equalization; provides formulas for determining payments by type.
Executive revises to delete formulas for local tax equalization payments to transfer to section 951.
House revises to delete formulas for local tax equalization payments and does not transfer to section 951.
Conference retains.

Sec. 953. County Local Tax Equalization Payment Formulas **– NOT INCLUDED**
Distributes local tax equalization revenue sharing payments to counties according to one-third based on inverse taxable value per capita, one-third based on population, and one-third based on yield equalization; provides formulas for determining payments according to a formula based on taxable value per capita.
Executive adds. Senate, House, and Conference do not include.

Sec. 954. Revenue Sharing Conditions **– RETAINED**
Outlines conditions under which cities, villages, and townships (Sec. 952) and counties (Sec. 955) receive revenue sharing payments.
Executive retains.
Senate revises to add requirement for Treasury to withhold payments under sections 952 and 955 to any CVT or county that does not report on plans to coordinate future infrastructure improvements or that have been determined by the Attorney General that either the local unit's elected board, sheriff, or prosecutor has declared that the local unit will not provide the protections under the 5th and 14th amendments of the US constitution to all residents of that community or that the local unit is found to have violated the 5th amendment of the US constitution.
House revises to delete schedule of payments for local tax equalization payments. Conference retains.

Major Boilerplate Changes from FY 2024-25

Sec. 955. County Revenue Sharing Payments **– RETAINED**
Specifies distribution to all CVTs that received a payment under Section 955 of article 5 of 2023 PA 119; eligible payment is equal to 100.0% of its FY 2023-24 eligible payment; and any remaining amount distributed according to formula based on taxable value per capita.
Executive revises to delete formulas for local tax equalization payments to transfer to section 953. House revises to delete formulas for local tax equalization payments and does not transfer to section 953. Senate and Conference retain.

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

Sec. 959. Public Safety and Violence Prevention Fund **– REVISED**
Appropriates revenue collected in the Public Safety and Violence Prevention Fund if House Bills 4605 and 4606 of the 102nd Legislature are enacted.
Executive revises to delete reference to House Bills and replaces it with conditions and a distribution formula based off of the those provided in House Bill 4606. House revises to replace reference to House Bills 4605 and 4606 with House Bills 4260 and 4261. Senate and Conference delete.

Sec. 959. Public Safety Revenue Sharing Grants **– NEW**
Allocates funding for Public Safety Revenue Sharing grants by amounts and public safety purposes to be made available to CVTs and counties.
Executive, Senate, and House, do not include. Conference adds.

CASINO GAMING

Sec. 971. Compulsive Gaming Prevention Fund and First Responder Presumed Coverage Fund Allocations **– REVISED**
Appropriates, pursuant to statute, the following to the Compulsive Gaming Prevention Fund: $2.0 million of the annual assessment revenue collected by Michigan Gaming Control Board from each casino licensee; $1.0 million from internet sports betting revenue, and $3.0 million from internet gaming fund; appropriates, pursuant to statute, the following to the First Responder Presumed Coverage Fund: 2.0 million from internet sports betting fund revenue and $2.0 million from internet gaming fund revenue.
Executive revises to delete distribution amounts to cite new statute containing the distribution. Senate, House, and Conference concur.

Sec. 973. Local Revenue Sharing Boards **– RETAINED**
Authorizes funds for local government programs to assist local revenue sharing boards; requires boards to comply with Open Meetings and Freedom of Information acts; authorizes county treasurers to receive and administer revenue on behalf of boards; authorizes directors of State Police and MGCB to help local boards allocate funds to local public safety organizations; requires local revenue sharing boards to comply with all applicable provisions of any agreement authorized by the Indian Gaming Regulatory Act, Public Law 100-497; requires MGCB to report on revenue receipt and distribution.
Executive revises to delete reporting requirement. Senate, House, and Conference retain.

Sec. 979. Millionaire Party Regulation **– RETAINED**
Authorizes receipt and expenditure of Internet Gaming Fund revenue in an amount not to exceed the amount appropriated to MGCB to support regulation and licensing of millionaire parties; requires a report.
Executive revises to delete reporting requirement. Senate, House, and Conference retain.

ONE-TIME APPROPRIATIONS

Sec. 990. 12th District Court Project **– DELETED**
Requires funding to be used for security upgrades at a district court in Jackson.
Executive deletes. Senate, House, and Conference concur.

Sec. 990. MI Financial Empowerment **– NOT INCLUDED**
Requires funding to be used to develop and conduct a marketing campaign to promote financial literacy to Michigan residents; lists examples of eligible expenses as the purchase or creation of educational materials, paid advertising, planning and hosting events, or other activities.
Executive adds. Senate concurs. House and Conference do not include.

Major Boilerplate Changes from FY 2024-25

***Sec. 990. Local Prosecutor Support Grants* – NOT INCLUDED**
Requires Treasury to award grants to the offices of county prosecutors to help reduce active case backlogs and cases related to retrying juvenile life without parole cases; requires report on receipt and use of grants by county prosecutor office.
House adds. Executive, Senate, and Conference do not include.

***Sec. 991. Public Safety Constituency Grants* – NEW**
Allocates funding for Public Safety Constituency grants by amounts and public safety purposes to be made available to county prosecutors and fire departments.
Executive, Senate, and House, do not include. Conference adds.

***Sec. 991. 38th District Court Project* – DELETED**
Requires funding to be used to build a district court and police station in Eastpointe.
Executive deletes. Senate, House, and Conference concur.

***Sec. 992. Additional Local Prosecutor Support* – DELETED**
Requires funding to be used to reduce the average caseload per attorney in the office of the Eaton County prosecutor.
Executive deletes. Senate, House, and Conference concur.

***Sec. 993. Local Prosecutor Support Grants* – DELETED**
Requires Treasury to award grants to the offices of county prosecutors to reduce the average caseload per attorney; describes program requirements.
Executive deletes. Senate, House, and Conference concur.

***Sec. 994. MiABLE Savings Program* – DELETED**
Requires funding to support efforts of Michigan ABLE savings program established under Michigan Achieving A Better Life Experience (ABLE) Program Act (2015 PA 160); designates unexpended funds as a work project.
Executive deletes. Senate, House, and Conference concur.

***Sec. 995. Secure Retirement for Small Businesses* – DELETED**
Requires appropriation to be used only to implement HB 5461 of 2024 to create a state-managed retirement plan marketplace that small businesses with fewer than 100 employees may voluntarily enroll in as a means to provide retirement plan options to their employees; authorizes Treasury to receive and expend private funds for development and operation of the marketplace; requires a report on the number of participating employers, employees, and financial services firms; requires Treasury to cooperate with DTMB and DIFS and other departments and agencies to establish and implement program oversight guidelines.
Executive deletes. Senate, House, and Conference concur.

***Sec. 1201. Hazardous Arc Wiring Removal Project* – NOT INCLUDED**
Requires funding to be granted to an electrical utility in Detroit for the removal of abandoned wire that was used to serve arc-type streetlamps; requires an annual report to be filed with the Michigan Public Service Commission detailing progress made on removing arc wiring and the cost-per mile of removal; permits appropriated funds to be combined with other funds related to arc wire removal, to be used for trimming trees and other activities related to arc wire removal.
Executive adds. Senate, House, and Conference concur.

FY 2025-26: HEALTH AND HUMAN SERVICES
Summary: Conference
Article 6, House Bill 4706 (H-1) CR-1

Analysts: Sydney Brown, Kent Dell, Cassidy Uchman, and Kevin Koorstra

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	FY 2025-26 Senate	FY 2025-26 House	FY 2025-26 Conference	*Difference: Conference From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$14,707,900	$15,448,000	$15,448,000	13,640,500	$15,448,000	*$740,100*	*5.0*
Federal	26,644,177,600	27,369,656,600	27,478,281,100	22,869,755,700	20,776,106,700	*(5,868,070,900)*	*(22.0)*
Local	170,492,500	190,421,900	188,378,200	156,272,700	183,204,100	*12,711,600*	*7.5*
Private	177,599,600	180,133,600	180,133,600	173,416,900	178,884,400	*1,284,800*	*0.7*
Restricted	3,922,022,500	4,030,240,400	4,188,607,900	2,824,612,200	1,739,677,500	*(2,182,345,000)*	*(55.6)*
GF/GP	6,717,231,000	7,365,958,300	7,267,705,900	6,653,024,700	7,132,247,500	*415,016,500*	*6.2*
Gross	**$37,646,231,100**	**$39,151,858,800**	**$39,318,554,700**	**$32,690,722,700**	**$30,025,568,200**	***($7,620,662,900)***	***(20.2)***
FTEs	15,941.5	16,364.5	16,030.5	14,316.3	15,114.5	*(827.0)*	*(5.2)*

Notes: (1) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (2) FY 2024-25 year-to-date (YTD) figures are as of release of the Executive budget, February 5, 2025. (3) "Senate" means Senate Bill 180 (S-1) as Amended. (4) "House" means Article 6A-6C, House Bill 4706 (H-1) as Amended. (5) "Conference" means the budget agreement reflected in HB 4706 (H-1) CR-1.

Overview

The Department of Health and Human Services (DHHS) includes programs and services to assist Michigan's most vulnerable families, including public assistance programs, protecting children and assisting families by administering foster care, adoption, and family preservation programs and by enforcing child support laws, and funding for behavioral health (mental health and substance use disorder), public health, aging, crime victim, and medical services programs, including Medicaid and the Healthy Michigan Plan.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
MEDICAID – GENERAL			
1. Traditional Medicaid Cost Adjustments	**Gross**	**$20,522,491,800**	**$1,337,745,100**
Executive includes an increase of $753.2 million Gross ($259.4 million GF/GP) to recognize caseload, utilization, inflation, and special financing adjustments, and traditional FMAP cost-sharing adjustments from FMAP increasing from 65.13% to 65.30% for medical and behavioral health services in the traditional Medicaid program. Compared to FY 2023-24 expenditures, and including actuarial soundness adjustments in item #3, State Budget Office forecasts an average annual increase of 3.7%. Senate concurs, but includes an additional $80.4 million Gross ($27.9 million GF/GP) in managed care caseload savings. House revises based on May consensus estimates. Conference concurs with the House.	Federal	13,312,825,800	922,360,700
	Local	44,686,000	(1,403,300)
	Private	7,165,100	1,846,600
	Restricted	3,110,411,800	159,066,900
	GF/GP	$4,047,403,100	$255,874,200
2. Healthy Michigan Plan Cost Adjustments	**Gross**	**$6,648,194,800**	**$35,627,500**
Executive includes an increase of $110.8 million Gross ($17.7 million GF/GP) to recognize caseload, utilization, inflation, and special financing adjustments for medical and behavioral health services in the Healthy Michigan Plan (HMP). Compared to FY 2023-24 expenditures, and including actuarial soundness adjustments in item #3, State Budget Office forecasts an average annual increase of 4.3%. Senate concurs. House revises based on May consensus estimates. Conference concurs with the House.	Federal	5,976,755,900	29,679,300
	Local	1,771,700	139,900
	Private	1,122,800	(422,800)
	Restricted	577,498,600	(5,592,800)
	GF/GP	$91,045,800	$11,823,900

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
3. Actuarial Soundness	**Gross**	**NA**	**$664,555,100**
Executive includes $664.6 million Gross ($185.3 million GF/GP) to support actuarial soundness adjustments for prepaid inpatient health plans (PIHPs), Medicaid Health plans, Program of All-inclusive Care for the Elderly (PACE), home- and community-based services, Integrated Care Organizations (MI Health Link), and Healthy Kids Dental. Senate, House, and Conference concur.	Federal	NA	479,254,200
	GF/GP	NA	$185,300,900
4. QAAP Hospital Rate Adjustments – Provider Tax Revisions	**Gross**	**$6,016,634,600**	**($6,016,634,600)**
House removes $2,548.2 million Gross ($0 GF/GP) of Hospital Quality Assurance Assessment Program (QAAP) revenue and associated federal match, to reflect federal changes to Medicaid financing provisions regarding provider taxes. Holds authorization in contingency. Conference moves Hospital QAAP, and associated federal match into boilerplate receive and expend authorization. Sec. 1834 is related boilerplate.	Federal	4,147,690,700	(4,147,690,700)
	Restricted	1,868,943,900	(1,868,943,900)
	GF/GP	$0	$0
5. IPA Special Payments – Provider Tax Revisions	**Gross**	**NA**	**($3,314,791,300)**
House removes $2,352.3 million Gross ($0 GF/GP) of Insurance Provider Assessment (IPA) revenue and associated federal match, to reflect federal changes to Medicaid financing provisions regarding provider taxes. Holds authorization in contingency until IPA tax is revised to be assessed uniformly. Conference concurs and adjusts financing. Sec. 1833 is related boilerplate.	Federal	NA	(2,686,567,100)
	Restricted	NA	(628,224,200)
	GF/GP	NA	$0
6. Special Network Access Fee – Provider Tax Revisions	**Gross**	**NA**	**$0**
House removes $100.0 million Gross ($0 GF/GP) in SNAF revenue expenditure authorization, and associated federal match, to reflect federal revisions to Medicaid financing rules. Conference does not include.	Federal	NA	0
	Local	NA	0
	Restricted	NA	0
	GF/GP	NA	$0
DEPARTMENT ADMINISTRATION			
7. Coordination of Children's Healthcare	FTE	74.0	0.0
Executive transfers $24.7 million Gross ($10.8 million GF/GP) and 74.0 FTE positions from throughout DHHS, and includes $7.5 million restricted revenue from the Healthy Michigan Fund for tobacco and smoking prevention and cessation. Consolidates programs and services such as early child mental health, MiKidsNow, Transitions of Care programming, and youth smoking prevention under a single programmatic line item. YTD amounts reflect appropriations associated with programs transferred from other line items. Senate concurs, but does not include additional Healthy Michigan Fund revenue. House does not include. Conference concurs with Executive transfers, but does not include additional Healthy Michigan fund revenue and eliminates funding for Autism Navigator.	**Gross**	**$24,688,300**	**($2,025,000)**
	TANF	450,200	0
	Federal	13,271,100	0
	Private	200,000	0
	Restricted	0	0
	GF/GP	$10,767,000	($2,025,000)
8. Departmentwide Administrative Reductions and FTE Authorization Alignments	FTE	NA	(8.0)
	Gross	**NA**	**($1,238,300)**
House reduces various line items by $4.4 million Gross ($2.8 million GF/GP) and 54.8 FTE positions to align FTE authorization with April 2025 actuals, and reduce Office of Grant Management positions (7.0 FTEs), remove a general FY25 administrative increase (5.0 FTEs), remove KB v. Lyon settlement administrative positions (2.0 FTEs), eliminate the Office of Race, Equity, Diversity, and Inclusion (2.0 FTEs), and property management costs for the former Maxey school (1.0 FTE). Conference eliminates 8.0 vacant FTE positions and identifies $1.2 million GF/GP in lapse reductions.	GF/GP	NA	($1,238,300)

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
9. Information Technology Systems and Services Cost Increase	**Gross**	**$532,841,400**	**$9,016,000**
	IDT/IDG	609,700	0
Executive includes $9.0 million Gross ($4.2 million GF/GP) for cost adjustments related to increased prices for system hardware, software, program licensing fees, and vendor/service provider contractual costs. Senate concurs. House does not include. Conference concurs with the Executive and Senate.	TANF	24,471,400	0
	Federal	356,556,000	4,775,900
	Local	6,700	0
	Private	5,250,000	0
	Restricted	2,010,400	0
	GF/GP	$143,937,200	$4,240,100
10. Information Technology Administrative Reduction	FTE	11.0	0.0
	Gross	**$532,841,400**	**($2,708,000)**
House reduces IT appropriations $81.5 million Gross ($20.6 million GF/GP), to include removal of FTE positions and appropriations for the implementation of Integrated Services Delivery, reduction of MiSACWIS to account for operational CCWIS modules, and general, departmentwide information technology cost savings. Conference reduces by $2.7 million GF/GP.	IDT/IDG	609,700	0
	TANF	24,471,400	0
	Federal	356,556,000	0
	Local	6,700	0
	Private	5,250,000	0
	Restricted	2,010,400	0
	GF/GP	$143,937,200	($2,708,000)
COMMUNITY SERVICES AND OUTREACH			
11. TANF GF/GP Swap	**Gross**	**NA**	**$0**
Executive includes $6.2 million GF/GP to replace TANF within the diaper assistance program, foster care suitcases, and newborn car seats initiatives. The use of GF/GP in these programs would allow for greater flexibility in spending by the department and expanded access to services. Senate concurs with the Executive but does not include the $5.2 million GF/GP swap for the diaper assistance program. House and Conference do not include.	TANF	NA	0
	GF/GP	NA	$0
12. Assistance Programs – TANF Increase	FTE		0.0
	Gross	**NA**	**$0**
Executive includes a total of $6.2 million federal TANF reallocated from the diaper assistance program, foster care suitcases, and newborn car seats initiatives to supplement various programs. Investments include: • $5.0 million and a 1.0 new FTEs for child support enforcement programming to support responsible fatherhood. • $1.2 million to increase the FIP – Child Supplemental Payment for eligible families. Senate concurs with the Executive, but does not include the $5.0 million TANF and 1.0 FTEs for responsible fatherhood programming. House and Conference do not include.	TANF	NA	0
	GF/GP	NA	$0
13. Permanent Supportive Housing	**Gross**	**NA**	**$5,000,000**
Senate includes $10.0 million GF/GP for supportive housing services and to build administrative capacity to seek Medicaid reimbursement for eligible services. House does not include. Conference includes $5.0 million GF/GP on a one-time basis.	GF/GP	NA	$5,000,000
14. Shelter Per Diem Rate Increase	**Gross**	**NA**	**$0**
Senate includes $5.0 million TANF to increase the per diem rate for the emergency shelter program from $19 to $24. House and Conference do not include.	TANF	NA	0
	GF/GP	NA	$0
15. Nazarene Community Housing	**Gross**	**NA**	**$2,000,000**
Senate includes $1.0 million GF/GP for capital costs to convert structures into emergency housing for women, children, and parolees. House does not include. Conference includes $2.0 million GF/GP on a one-time basis.	GF/GP	NA	$2,000,000

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
16. Youth Homeless Protection Council	**Gross**	**NA**	**$0**
Senate includes $1.0 million GF/GP to support the activities of a Youth Homeless Protection Council. House and Conference do not include.	GF/GP	NA	$0
17. FTE Authorization Adjustments	FTE	187.7	(7.0)
House reduces various line items by $3.2 million Gross ($913,300 GF/GP) and 24.6 FTE positions to align FTE authorization with April 2025 actuals. FTE reductions include:	**Gross**	**NA**	**$0**
	TANF	NA	0
	Federal	NA	0
• Child support enforcement operations – 9.7 FTEs.	GF/GP	NA	$0
• State disbursement unit – 2.0 FTEs.			
• Bureau of community services and outreach – 8.4 FTEs.			
• Community services and outreach administration – 4.5 FTEs.			
Conference reduces 7.0 unfunded FTEs from Child support enforcement operations.			
18. Community Services and Outreach Line-Item Reductions	FTE	1.0	0.0
House reduces $9.9 million Gross ($5.5 million GF/GP) as a result of the elimination or reduction of the following programs:	**Gross**	**$43,358,500**	**$0**
	TANF	23,389,800	0
• Eliminate School Success Partnership Program – $1.5 million TANF.	Federal	3,613,900	0
	GF/GP	$16,354,800	$0
• Eliminate Kids Food Basket – $525,000 GF/GP.			
• Eliminate Senior University – $400,000 GF/GP.			
• Reduce Homeless Programs – $4.0 million GF/GP.			
• Reduce Diaper Assistance Grant – $3.4 million Gross (601,100 GF/GP).			
Conference does not include.			
19. Federal Authorization Adjustments	FTE	11.0	0.0
House realizes a savings of $20.0 million Federal as a result of reducing authorization for federal funds in the following lines:	**Gross**	**$198,453,300**	**$0**
	Federal	193,831,100	0
• Legal support contracts – $10.0 million.	GF/GP	$4,622,200	$0
• Community Services Block Grant – $5.0 million.			
• Weatherization-IIJA – $5.0 million.			
Conference does not include.			
20. Senate One-Time Items	**Gross**	**NA**	**$0**
Senate includes $3.2 million GF/GP for the following:	GF/GP	NA	$0
• Chaldean Community Foundation Housing Project – $2.0 million GF/GP.			
• Food Pantry Grants – $1.0 million GF/GP.			
• Diaper Assistance Procurement Implementation – $185,800 GF/GP.			
House and Conference do not include.			
21. Kids' Food Basket – One Time			
Conference includes $1.0 million GF/GP on a one-time basis for Kids' Food Basket. Program received $525,000 GF/GP ongoing in FY 2024-25, and this funding is continued.	**Gross**	**$525,000**	**$1,000,000**
	GF/GP	$525,000	$1,000,000
CHILDREN'S SERVICES AGENCY – CHILD WELFARE			
22. FTE Authorization Adjustments	FTE	4,259.7	(270.0)
House includes a savings of $96.6 million Gross ($41.2 million GF/GP) as result of decreasing the authorized number of FTEs by 15% across multiple lines. Conference reduces 270.0 unfunded FTEs.	**Gross**	**NA**	**$0**
	GF/GP	NA	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
23. Child Welfare Caseload Adjustments	**Gross**	**$861,186,300**	**$64,082,700**
Executive increases funding for child welfare programs by $56.6 million Gross ($64.4 million GF/GP) as follows:	TANF	72,665,900	(771,100)
• Adoption Subsidies is reduced $7.4 million Gross ($1.2 million GF/GP).	Federal	211,630,600	677,000
• Child care fund is increased $48.4 million Gross ($45.1 million GF/GP).	Local	40,687,800	4,769,200
• Foster Care Payments is increased $15.5 million Gross (20.7 million GF/GP).	Private	1,503,300	(276,400)
• Guardianship Assistance Program is increased by $56,400.	Restricted	3,615,800	156,500
Amount includes $347,200 GF/GP reduction from changes in the FY 2025-26 FMAP to 65.30%.	GF/GP	$531,082,900	$59,527,500
Senate concurs with all except for the following change to the Child Care Fund Line:			
• Child care fund is increased $23.4 million Gross ($23.0 million GF/GP).			
House increases funding by $64.1 million Gross ($59.5 million GF/GP) based on May caseload estimates as follows:			
• Adoption Subsidies is increased $1.1 million Gross ($3.1 million GF/GP).			
• Child care fund is increased $21.5 million Gross ($31.7 million GF/GP).			
• Foster Care Payments is increased $41.1 million Gross (40.7 million GF/GP).			
• Guardianship Assistance Program is increased by $416,000 Gross ($41,300 GF/GP reduction)			
Amount includes $347,200 GF/GP reduction from changes in the FY 2025-26 FMAP to 65.30%.			
Conference concurs with the House.			
24. Kinship Support Services	FTE	NA	0.0
Executive includes $24.4 million Gross ($22.6 million GF/GP) and authorizes an additional 157.0 FTEs to fund programming that supports foster children and the relatives that care for them. Funds would be used to support the Kinship Advisory Council, Kinship Support Program in partnership with Michigan State University, kinship activities for family bonding, and family finding specialists. Amount includes $471,000 Gross ($428,600 GF/GP) for IT costs. Senate, House, and Conference do not include.	**Gross**	**NA**	**$0**
	Federal	NA	0
	GF/GP	NA	$0
25. Foster Home Array and Permanency Planning	FTE	NA	0.0
Executive includes $13.3 million Gross ($11.2 million GF/GP) and authorizes an additional 22.0 FTEs to support foster parent recruitment efforts, community reintegration for youth exiting foster care, expanding enhanced treatment foster care services, and increase the Family Incentive Grant to address continued safety issues. Senate concurs with the Executive on funding for a Family Incentive Grant increase and includes the following:	**Gross**	**NA**	**$0**
	Federal	NA	0
	GF/GP	NA	$0
• $100 GF/GP placeholder for foster parent recruitment.			
• $100 GF/GP placeholder for expansion of enhanced treatment foster care services.			
• $100 GF/GP placeholder to support child welfare licensing staff and training.			
• $100 GF/GP placeholder for the Team Decision Making model.			
House and Conference do not include.			

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
26. Adoption Support Investment	**Gross**	**NA**	**$0**
Executive includes $17.5 million Gross ($12.7 million GF/GP) to support efforts to improve access to behavioral health supports for adopted children. Amount includes $5.1 million Gross ($1.2 million GF/GP) to account for increases in medical subsidies expenditures. Senate includes $1.5 million GF/GP to support an increase to medical subsidies as well as $980,000 Gross ($785,200 GF/GP) to increase adoption rates. House and Conference do not include.	Federal	NA	0
	GF/GP	NA	$0
27. Foster Youth Benefits	**Gross**	**NA**	**$0**
Executive includes an increase of $3.5 million GF/GP to offset the loss of federal funds from federal benefits such as Supplemental Security Income (SSI). Currently, federal benefits are used to fund the child's care while they are in foster care. Funds will now be set aside for the youth to use as they transition out of foster care. Senate concurs with the Executive. House and Conference do not include.	Restricted	3,615,800	$0
	GF/GP	($3,615,800)	$0
28. Independent Living Plus Rate Increase	**Gross**	**NA**	**$0**
Executive includes $2.0 million Gross ($1.9 million GF/GP) to fund a 20% increase to the Independent Living Plus per diem rates for both Staff-Supported Housing from $210.25 to $252.30 and the Host Home rate from $99.21 to $119.05. Senate includes $100 GF/GP placeholder. House and Conference do not include.	GF/GP	NA	$0
29. Indian Child Welfare Act Foster Care Rate Increase	**Gross**	**NA**	**$0**
Executive includes $325,700 Gross ($261,000 GF/GP) to fund a $10.02 increase to the add-on rate paid to child placing agencies. Currently, child placing agencies receive an add-on rate of $2.50 for Indian foster youth in addition to the general administrative per diem of $60.20. The add-on rate is required for the state to remain in compliance with the Indian Child Welfare Act of 1978. Senate includes $100 GF/GP placeholder. House and Conference do not include.	GF/GP	NA	$0
30. Foster Care Aging-Out Assistance Pilot	**Gross**	**NA**	**$0**
Senate includes $2.5 million GF/GP to support 1,000 youth transitioning out of the child welfare system. House and Conference do not include.	GF/GP	NA	$0
31. Foster Care Emergent Needs	**Gross**	**$50,000**	**$0**
Senate includes $25,000 GF/GP to increase funding for caseworkers to access in order to provide urgent need items to children in foster care. In FY 2024-25, $50,000 GF/GP was allocated for emergent needs on an ongoing basis. House and Conference do not include.	GF/GP	$50,000	$0
32. Caseworker Mental Health	**Gross**	**NA**	**$0**
House includes $1.0 million GF/GP to fund programming and services for child welfare caseworkers and supervisors. Conference does not include.	GF/GP	NA	$0
33. GF/TANF Fund Swap	**Gross**	**NA**	**$0**
House includes a $14.4 million TANF increase to offset a GF/GP reduction in the Children's Services unit. State funds will be used to support FTE costs in the Public Assistance unit. Conference does not include.	TANF	NA	0
	GF/GP	NA	$0
34. WMPC Contract Savings	**Gross**	**NA**	**($3,000,000)**
Conference assumes a savings of $3.0 million GF/GP as a result of the elimination of a contract with the West Michigan Partnership for Children (WMPC).	GF/GP	NA	($3,000,000)

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
35. Juvenile Justice Operations	FTE	NA	53.0
Executive includes $12.8 million Gross ($6.2 million GF/GP) and authorizes an additional 62.0 FTEs for the following juvenile justice investments:	**Gross**	**NA**	**$2,172,700**
	Federal	NA	90,500
	Local	NA	4,412,600
	GF/GP	NA	($2,330,400)
• Bay Pines Operations: $4.1 million Gross ($2.0 million GF/GP) and an additional 4.0 FTEs.			
• Juvenile Justice Programmatic Improvements: $6.5 million GF/GP and an additional 5.0 FTEs.			
• New Michigan Youth Treatment Center: $16.1 million Gross ($7.6 million GF/GP) and an additional 111.0 FTEs.			
• Shawono Closure: $7.6 million Gross ($3.6 million GF/GP) savings and reduction of 58.0 FTEs.			
• Foster Care savings: $6.4 million GF/GP savings.			
Senate concurs with the Executive on all but the following:			
• Juvenile Justice Programmatic Improvements: $100 GF/GP placeholder.			
• Bay Pines Operations: $100 GF/GP placeholder			
House includes a savings of $2.6 million Gross ($1.4 million GF/GP increase) for the following:			
• Shawono Closure: $7.6 million Gross ($3.6 million GF/GP) savings and reduction of 58.0 FTEs.			
• Juvenile Justice Residential bed capacity expansion: $5.0 million GF/GP.			
Conference includes $2.2 million Gross ($2.3 million GF/GP reduction) and an additional 53.0 FTEs for the following			
• New Michigan Youth Treatment Center: $16.1 million Gross ($7.6 million GF/GP) and an additional 111.0 FTEs.			
• Shawono Closure: $7.6 million Gross ($3.6 million GF/GP) savings and reduction of 58.0 FTEs.			
• Foster Care savings: $6.4 million GF/GP savings.			
36. Senate One-Time Items	**Gross**	**NA**	**$0**
Senate includes $2.8 million for the following:	GF/GP	NA	$0
• FACT Community Hubs - $2.0 million GF/GP.			
• Family Match Software Pilot - $750,000 GF/GP.			
House and Conference do not include.			
37. Extracurricular Activities for Foster Youth – One-Time	**Gross**	**$100,000**	**$658,000**
Conference includes a net increase of $658,000 GF/GP to support costs of participation in extracurricular activities for foster youth. In FY 2024-25, $100,000 GF/GP was allocated on an ongoing basis. This amount has been removed from ongoing funding for FY 2025-26.	GF/GP	$100,000	$658,000
38. The New Foster Care – One-Time	**Gross**	**NA**	**$2,025,000**
Conference includes $2.0 million GF/GP to The New Foster Care for services through its Bridge Program, including housing, child welfare housing infrastructure, and other supportive housing projects.	GF/GP	NA	$2,025,000
39. Mothers in Foster Care - Wraparound Services	**Gross**	**NA**	**$250,000**
Conference includes $250,000 GF/GP to Nia Purpose 4 Life to offer comprehensive mental health support, prenatal care coordination, parenting classes, mentorship, and social integration activities for foster care youth who are also mothers.	GF/GP	NA	$250,000
40. Child Welfare Lapse Savings	**Gross**	**NA**	**($12,000,000)**
Conference assumes savings of $12.0 million GF/GP from lapses in various child welfare lines	GF/GP	NA	($12,000,000)

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
PUBLIC ASSISTANCE / LOCAL OFFICE OPERATIONS			
41. *Michigan Energy Assistance Program*	**Gross**	**$50,000,000**	**$50,000,000**
Executive includes a total of $75.0 million Gross ($25.0 million GF/GP) for energy assistance services for low-income residents. Amount includes: • $50.0 million from the Low-income energy assistance fund (LIEAF) and its associated new revenue from PA 168 and 169 of 2024. • $25.0 million GF/GP on a one-time basis. Senate concurs with the Executive, but does not include the additional one-time funding. House does not include. Conference concurs with the Senate.	Restricted	50,000,000	50,000,000
	GF/GP	$0	$0
42. Water Affordability	**Gross**	**$10,000,000**	**($5,000,000)**
Executive continues a total of $7.0 million GF/GP ($1.0 million ongoing; $6.0 million one-time) to support water affordability efforts, including paying water arrearages, shut off notices, and subsidizing other water affordability programs. Program received $10.0 million GF/GP in FY 2024-25 on a one-time basis. Senate includes a total of $13.0 million GF/GP ($7.0 million ongoing; $6.0 million one-time). House does not include. Conference continues $5.0 million GF/GP on a one-time basis.	GF/GP	$10,000,000	($5,000,000)
43. Public Assistance Caseload Adjustments	**Gross**	**$4,182,176,700**	**($523,357,100)**
Executive includes a net reduction of $519.8 million Gross ($1.7 million GF/GP) for current year and FY 2025-26 caseload adjustments for the Family Independence Program (FIP), Food Assistance Program (FAP), State Disability Assistance (SDA), and State Supplementation (SSI). The Gross reduction is primarily from a decrease in federal FAP authorization in the current year. Caseload changes include: • FAP – reduction of $518.6 million Federal. • SDA – reduction of $1.1 million Gross ($1.5 million GF/GP). • SSI – reduction of $62,800 GF/GP. Senate concurs with the Executive. House includes a net reduction of $523.4 million Gross ($1.6 million GF/GP) based on May caseload estimates. Caseload changes include: • FIP – reduction of $4.3 million Gross ($355,100 GF/GP). • FAP – reduction of $518.6 million Federal. • SDA – reduction of $415,700 Gross ($983,500 GF/GP). SSI – reduction of $97,200 GF/GP. Conference concurs with the House.	TANF	90,370,200	(3,351,000)
	Federal	4,013,660,000	(518,591,700)
	Restricted	14,785,700	214,200
	GF/GP	$63,360,800	($1,628,600)
44. Family Impact Teams	FTE	NA	(12.0)
Executive includes a net increase of $390,000 Gross ($0 GF/GP) for statewide expansion of Family Impact Teams. Funds will be used to embed public assistance local office staff in child welfare services to support families in applying for public assistance and accessing other resources. Amount includes a reduction of $26.6 million Gross ($11.3 million GF/GP) and a net reduction of 12.0 FTEs from the elimination of the Pathways to Potential program. Senate includes $100 GF/GP placeholder. House does not include. Conference concurs with the Executive.	**Gross**	**NA**	**$390,000**
	IDG/IDT	NA	0
	TANF	NA	0
	Federal	NA	390,000
	GF/GP	NA	$0
45. Prenatal and Infant Support Program Expansion	**Gross**	**$20,000,000**	**$0**
Senate adds $58.0 million Gross ($48.0 million GF/GP) to expand the Prenatal and Infant Support program to additional areas of the state. House and Conference do not include.	TANF	20,000,000	0
	Restricted	0	0
	GF/GP	$0	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
46. Kinship Care Supplemental	**Gross**	**NA**	**$0**
House includes $5.0 million TANF for annual supplemental payments to FIP-eligible children being cared for by relatives outside of the formal foster care system. Conference does not include.	TANF	NA	0
	GF/GP	NA	$0
47. Food Assistance Program – Error Rate Contingency	**Gross**	**$4,018,370,000**	**$0**
House removes $333.5 million federal in line with the Fiscal Year 2024 food assistance program payment error rate of 9.53%. Holds authorization in contingency. Sec. 674 is related boilerplate. Conference does not include.	Federal	4,013,660,000	0
	Restricted	4,517,200	0
	GF/GP	$192,800	$0
48. FTE Authorization Adjustments	FTE	4,959.5	(212.0)
House reduces various line items by $49.9 million Gross ($13.8 million GF/GP) and 384.2 FTE positions to align FTE authorization with April 2025 actuals. FTE reductions include:	**Gross**	**NA**	**$0**
	IDG	NA	0
	TANF	NA	0
• Administrative support workers – 103.1 FTEs.	Federal	NA	0
• Adult services local office staff – 42.1 FTEs.	Local	NA	0
• Donated funds positions – 57.2 FTEs.	Private	NA	0
• Local office policy and administration – 5.3 FTEs.	Restricted	NA	0
• Public assistance local office staff – 57.3 FTEs.	GF/GP	NA	$0
• Disability determination operations – 119.2 FTEs.			
Conference reduces 212.0 unfunded FTEs across various lines. FTE reductions include:			
• Administrative support workers – 40.0 FTEs.			
• Donated funds positions – 52.0 FTEs.			
• Local office policy and administration – 6.0 FTEs.			
• Public assistance local office staff – 114.0 FTEs.			
49. Public Assistance / Local Office Line-Item Reduction Savings	FTE	2.0	(2.0)
	Gross	**$33,040,900**	**($33,040,900)**
House realizes a savings of $62.8 million Gross ($6.5 million GF/GP) and a reduction of 18.0 FTEs as a result of the elimination or reduction of the following programs:	Federal	33,040,900	(33,040,900)
	GF/GP	$0	$0
• Eliminate Nutrition education – $33.0 million Federal (2.0 FTEs).			
• Eliminate Food assistance reinvestment – $3.8 million GF/GP (16.0 FTEs).			
• Eliminate SSI advocacy legal services grant – $975,000 GF/GP.			
• Eliminate Elder Law of Michigan MiCAFE contract – $450,000 Gross ($225,000 GF/GP).			
• Reduce Family independence program – $20.0 million TANF.			
• Reduce Family independence program – Child Supplemental Payment – $3.0 million TANF.			
• Reduce Indigent burial – $1.6 million GF/GP.			
Conference realizes a savings of $33.0 million Federal and a reduction of 2.0 FTEs as a result of eliminating the Nutrition education program in alignment with the federal H.R. 1.			
50. Public Assistance Lapse Savings	**Gross**	**NA**	**($4,600,000)**
Conference assumes savings of $4.6 million GF/GP from lapses in various lines. Reductions include:	GF/GP	NA	($4,600,000)
• Community services and outreach administration - $250,000 GF/GP			
• Indigent burial – $1.5 million GF/GP.			
• Electronic benefit transfer (EBT) – $1.5 million GF/GP.			
• Employment and training support services – $350,000 GF/GP.			
• Disability determination operations – $1.0 million GF/GP.			

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
51. Conference One-Time Items			
Conference includes $46.8 million Gross ($23.8 million GF/GP) for the following on a one-time basis: • Matrix Human Services -- $750,000 GF/GP • Electronic benefit transfer reinvestment -- $16.0 million Gross ($8.0 million GF/GP) • Food assistance program reinvestment -- $30.0 million Gross ($15.0 million GF/GP)	**Gross** Federal GF/GP	**NA** NA NA	**$46,750,000** 23,000,000 $23,750,000
BEHAVIORAL HEALTH			
52. Certified Community Behavioral Health Clinics (CCBHCs) Executive adds $39.3 million Gross ($6.3 million GF/GP) for utilization and cost adjustments for the CCBHC demonstration program. Also includes a net $0 transfer of $350.8 million Gross ($75.7 million GF/GP) of base CCBHC payments currently within the Medicaid Mental Health and Healthy Michigan Plan – Behavioral Health lines into the supplemental payments CCBHC line. Senate concurs. House includes the cost adjustments but does not include the base CCBHC payment transfers. Conference concurs with the Executive.	**Gross** Federal GF/GP	**$525,913,900** 441,942,600 $83,971,300	**$39,372,800** 33,086,200 $6,286,600
53. Michigan Opioid Healing and Recovery Fund Executive includes a net increase of $21.8 million in Michigan Opioid Healing and Recovery Funds to increase opioid use disorder services, including prevention, treatment, harm reduction, and data collection for a total of $70.0 million. Of that amount, $55.0 million would be allocated on an ongoing basis and $15.0 million would be allocated on a one-time basis. Senate includes $55.0 million on an ongoing basis, with Sec. 917 itemizing out the use of the funds. House includes $81.0 million on an ongoing basis, with Sec. 917 categorizing the use of the funds. Conference includes a total of $131.8 million, $55.0 million on an ongoing basis and $76.8 million on a one-time basis from the Opioid Healing, and Recovery Fund. Sec. 917 and 1930. are related boilerplate.	**Gross** Restricted GF/GP	**$48,202,300** 48,202,300 $0	**$83,547,700** 83,547,700 $0
54. Youth Cannabis Prevention Senate includes $500,000 GF/GP for educational material aiming at reducing the use of recreational and medical cannabis products by children. House and Conference do not include.	**Gross** GF/GP	**NA** NA	**$0** $0
55. Nonprofit Mental Health Clinics House includes $1.4 million GF/GP to nonprofit mental health clinics that provide counseling services regardless of the client's ability to pay. Conference does not include.	**Gross** GF/GP	**$100,000** $100,000	**$0** $0
56. Behavioral Health Program Reductions and Eliminations House reduces $13.4 million Gross ($11.0 million GF/GP) from behavioral health FTE reductions and the elimination of the following programs: • Michigan Clinical Consultation and Care (MC3) ($5.3 million). • Mental Health Diversion Council ($3.9 million). • Autism Navigators ($2.0 million). • Conference of Western Wayne ($1.0 million). • Altarum ($600,000). • National Association of Yemeni Americans ($400,000). Conference does not include, and transfers $400,000 GF/GP for National Association of Yemeni Americans to one-time.	FTE **Gross** Federal GF/GP	NA **NA** NA NA	0.0 **($400,000** 0 ($400,000)

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
57. Autism Benefit Carve-Out	**Gross**	**NA**	**$0**
Senate transfers in $25.0 million Gross ($8.7 million GF/GP, which is a net GF/GP increase of $2.6 million GF/GP) from the CCBHC line for the department to make payments to PIHPs and CMHSPs for autism services outside of the managed care per-capita payment process. House and Conference do not include.	Federal	NA	0
	GF/GP	NA	$0
58. Medicaid Pre-Release Services Demonstration Start-Up Costs	**Gross**	**NA**	**$0**
	Federal	NA	0
Executive includes $40.0 million Gross ($20.0 million GF/GP) for start-up costs for correctional and other facilities, staffing, outreach, and IT costs of a new Medicaid demonstration program to provide 90 days of Medicaid covered pre-release services, including: case management, medication assisted treatment, pharmaceutical services, practitioner services, and diagnostics. Services that would begin in the following fiscal year. Senate includes $2.5 million GF/GP on a one-time basis. House and Conference do not include.	GF/GP	NA	$0
59. Multicultural Integration Funding	**Gross**	**$25,884,900**	**$0**
	TANF	421,000	0
Senate includes $8.6 million GF/GP on an ongoing basis to multicultural organizations. $8.6 million GF/GP has been allocated on a one-time basis to these organizations for the past 3 fiscal years. Year-to-date amount includes both the ongoing and one-time amounts for multicultural integration. House eliminates funding but retains boilerplate section 1014. Conference continues $8.6 million GF/GP on a one-time basis..	Federal	694,500	0
	GF/GP	$24,769,400	$0
60. Behavioral Health Lapse Savings	**Gross**	**NA**	**($4,000,000)**
Senate includes $6.3 million of GF/GP lapse savings within the health homes, behavioral health community supports, community substance use disorder, and diversion council line items. House includes $28.4 million Gross ($10.7 million GF/GP) in lapse savings within the health homes line item. Conference reduces a total of $4.0 million GF/GP from health homes ($3.0 million) and community substance use disorder($1.0 million).	GF/GP	NA	($4,000,000)
61. Medicaid Direct Care Agency Rate Reduction	**Gross**	**NA**	**$0**
	Federal	NA	0
House reduces $215.8 million Gross ($74.9 million GF/GP) from reducing the direct care agency rates by $4.56 per hour. Rate reduction would have to come from agency overhead costs and not from direct care work wages paid through agencies. Conference does not include.	GF/GP	NA	$0
62. Medicaid Methadone Rate Reduction	**Gross**	**NA**	**$0**
	Federal	NA	0
House reduces $16.0 million Gross ($4.0 million GF/GP) to reduce the Medicaid methadone reimbursement rates from boilerplate section 965. Conference does not include.	GF/GP	NA	$0
63. Medicaid Mental Health Local Match	**Gross**	**$28,655,900**	**$0**
	Federal	18,712,300	0
House removes $9.9 million of local funding, and associated federal reimbursement, used for Medicaid mental health services. Local funds were originally added to increase Medicaid mental health rates. Section 928 is related boilerplate. Conference does not include.	Local	9,943,600	0
	GF/GP	$0	$0
64. Community Mental Health – Mobile Crisis	**Gross**	**NA**	**($4,148,200)**
Conference reduces funding for mobile crisis services based on anticipated utilization being lower than appropriations.	GF/GP	NA	($4,148,200)

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
65. PIHP Funding to One-Time Basis	**Gross**	**$4,919,453,700**	**$0**
House transfers 6 Medicaid PIHP behavioral health services line items from the ongoing Behavioral Health Services unit to the One-Time Basis unit. Line items include, Autism Services, CCBHCs, Health Homes, Healthy Michigan Plan – Behavioral Health, Medicaid Mental Health Services, and Medicaid Substance Use Disorder Services. Conference does not include.	Federal	3,448,230,700	0
	Local	10,190,500	0
	Restricted	84,811,900	0
	GF/GP	$1,376,220,600	$0
66. New State Psychiatric Hospital Operations	FTE	786.2	0.0
Executive includes $15.2 million GF/GP and authorizes 147.0 FTEs for the state to transition patients into the new State Psychiatric Hospital in Northville. The patients are currently residing at the Walter Reuther Psychiatric Hospital in Westland, and the year-to-date amount reflects the authorization for Walter Reuther. The new State Psychiatric Hospital has a 264-bed capacity, of which 72 would be for children and adolescents. The census for Walter Reuther and Hawthorn has averaged 215 individuals, of which 50 have been children and adolescents. Senate includes $100 GF/GP placeholder. House includes $100 placeholder transfer for the new hospital. Conference concurs with the House.	**Gross**	**$123,069,900**	**$0**
	Federal	29,765,600	0
	Local	6,263,900	0
	Restricted	5,282,600	0
	GF/GP	$81,757,800	$0
67. State Psychiatric Hospital Reductions	FTEs	NA	(388.0)
House reduces 4.0 FTEs and $1.8 million Gross ($1.1 million GF/GP) from purchase of medical services, special maintenance, and state hospital administration. Conference removes 388.0 unfunded FTEs.	**Gross**	**NA**	**$0**
	Federal	NA	0
	Restricted	NA	0
	GF/GP	NA	$0
68. Other State Psychiatric Hospital Adjustments	**Gross**	**NA**	**$4,727,600**
Executive includes a total of $4.7 million Gross ($618,400 GF/GP) for pharmaceutical cost increases, funding to open a new kitchen at the Forensic Center, and updated revenue estimates from first and third party reimbursements. Senate concurs. House includes FMAP adjustments and reduces $5.0 million federal authorization. Conference concurs with the Executive.	Federal	NA	109,200
	Local	NA	0
	Restricted	NA	4,000,000
	GF/GP	NA	$618,400
69. First Responder Mental Health Service (One-Time)	**Gross**	**$2,500,000**	**($2,500,000)**
Executive continues $2.5 million GF/GP on a one-time basis for first responder mental health services to support first responders suffering from post-traumatic stress and other mental health conditions. Program received $2.5 million GF/GP in FY 2024-25, also on a one-time basis. Senate, House, and Conference do not continue.	GF/GP	$2,500,000	($2,500,000)
70. Senate One-Time Items	**Gross**	**NA**	**$1,500,000**
Senate includes $6.9 million GF/GP for the following programs: • Oakland County Health Network - $3.0 million GF/GP. • Team Wellness - $1.5 million GF/GP. • Mosaic Counseling - $1.4 million GF/GP. • Macomb County addiction pilot programs - $1.0 million GF/GP. • Living and Learning Center of Northville - $100 GF/GP placeholder. Conference includes funding for Team Wellness.	GF/GP	NA	$1,500,000
71. Conference One-Time Items	**Gross**	**NA**	**$6,533,700**
Conference includes $6.5 million GF/GP for the following programs: • Statewide supports - $5.1 million GF/GP. • National Association of Yemeni Americans - $800,000 GF/GP. • Developmental Milestones - $500,000 GF/GP. • Suicide Prevention Council - $125,000.	GF/GP	NA	$6,533,700

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
PUBLIC HEALTH AND AGING			
72. FTE Authorization Adjustments	FTE	850.4	(0.0)
House includes a savings of $17.8 million Gross ($6.5 million GF/GP) as result of decreasing the authorized number of FTEs across multiple lines to their current levels of filled positions. Conference does not include.	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
73. Crime Victim's Rights Sustaining Grants Increase – One-Time	**Gross**	**$30,000,000**	**$5,000,000**
Executive includes $20.0 million GF/GP to offset a projected shortfall in the state restricted Crime Victim's Rights fund and federal Victims of Crime Act (VOCA) funding. Senate includes $100 GF/GP placeholder. House reduces funding by $4.0 million GF/GP. Conference includes $5.0 million GF/GP on a one-time basis.	GF/GP	$30,000,000	$5,000,000
74. Tobacco Prevention and Smoking Cessation Increase	FTE	33.0	0.0
Executive includes $22.9 million Gross ($1.5 million GF/GP) and an additional 7.0 FTEs to support smoking prevention programs such as cancer screenings, free nicotine quit kits, and cessation counseling services as well as anti-smoking campaigns. Programming would be largely funded by revenues from a new tax on vaping and other nicotine products. Senate includes $100 GF/GP placeholder. House and Conference do not include.	**Gross**	**$23,076,100**	**$0**
	Federal	14,630,600	0
	Private	700,000	0
	Restricted	1,661,900	0
	GF/GP	$6,083,600	$0
75. Essential Local Public Health Services for Youth	**Gross**	**$117,662,000**	**$5,000,000**
Executive includes $11.1 million in local funding authorization to align vision and hearing screening service levels with School Aid Act Appropriations for schools and Child and Adolescent Health Centers. Senate concurs with the Executive. House and does not include. Conference includes $5.0 million.	Local	46,392,700	5,000,000
	GF/GP	$71,269,300	$0
76. Statewide Paramedic Competency Exam	FTE	NA	0.0
Executive includes $3.1 million GF/GP and an additional 6.0 FTEs to implement a statewide paramedic competency exam as required by PA 48 of 2024. Senate includes $1.1 million and an additional 6.0 FTEs. House and Conference do not include.	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
77. Detroit Trauma Recovery Pilot – One-Time	**Gross**	**NA**	**$2,000,000**
Senate includes $2.0 million GF/GP to continue a 3-year trauma recovery center pilot in Detroit. In FY 2024-25, $4.0 million GF/GP was allocated on a one-time basis. House does not include. Conference includes $2.0 million GF/GP on a one-time basis.	GF/GP	NA	$2,000,000
78. Domestic Violence and Sexual Assault Services	**Gross**	**NA**	**$0**
Senate includes $4.0 million GF/GP to support domestic violence and sexual assault services provided by the Kalamazoo YWCA. Of the above funding, $1.5 million GF/GP shall be allocated to support maternal and child health programs. House and Conference do not include.	GF/GP	NA	$0
79. Child Advocacy Center - Supplemental Grants Increase	**Gross**	**$2,000,000**	**$0**
Senate includes $6.0 million GF/GP increase to support child advocacy centers. In FY 2024-25, $2.0 million GF/GP was allocated on an ongoing basis along with $2.0 million GF/GP on a one-time basis. House includes $4.0 million GF/GP. Conference does not include.	GF/GP	$2,000,000	$0
80. Community Health Screenings – One-Time	**Gross**	**NA**	**$5,000,000**
Senate includes $5.0 million GF/GP to provide free chest CT scans to underserved populations. House does not include. Conference includes $5.0 million GF/GP on a one-time basis.	GF/GP	NA	$5,000,000

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
81. Community Violence Intervention Grants – One-Time	FTE	8.9	0.0
Senate includes $5.0 million GF/GP to support community-based violence prevention programming. In FY 2024-25, $800,000 GF/GP was allocated as ongoing funding along with 2.0 FTEs for the central Office of Community Violence along with $6.0 million for CVI programming on a one-time basis. House realizes a savings of $7.1 million Gross ($1.3 million GF/GP) as a result of aligning appropriations for the line with current year spending levels. Eliminates the Office of Community Violence. Conference includes $1.8 million GF/GP on a one-time basis.	**Gross**	**$14,062,100**	**$1,800,000**
	Federal	12,620,000	0
	GF/GP	$1,442,100	$1,800,000
82. Meals on Wheels Increase	**Gross**	**$50,004,200**	**$0**
Senate includes $1.3 million GF/GP to increase funding for meals for seniors. House and Conference do not include.	Federal	37,107,000	0
	Private	300,000	0
	GF/GP	12,597,200	$0
83. Public Health Line-Item Reduction Savings	**Gross**	**$43,097,000**	**$0**
House realizes a savings of $34.6 million GF/GP as a result of the elimination and/or reduction of the following lines: • Eliminate Cellular Therapy for Versiti Michigan - $750,000 GF/GP. • Eliminate Community Health Programs - $17.5 million GF/GP. • Eliminate Drinking Water Declaration of Emergency- $4.3 million GF/GP • Reduce Family Planning and Local Agreements - $7.3 million GF/GP • Eliminate Senior Volunteer Service Program - $4.8 million GF/GP. Conference does not include, but does move Cellular Therapy for Versiti Michigan to the One-Time Unit.	Federal	8,530,900	0
	GF/GP	$34,556,100	$0
84. Boilerplate Savings	FTE	2.0	0.0
House realizes a savings of $5.8 million Gross ($5.2 million GF/GP) and reduces FTE authorization by 2.0 FTEs as a result of striking multiple boilerplate sections within the Public Health space for the following programs: • $5.0 million GF/GP and a 2.0 FTEs for Perinatal Quality Collaboratives • $500,000 TANF revenue to provide car seats for newborn infants. Conference does not include,	**Gross**	**$5,760,000**	**$0**
	TANF	500,000	0
	GF/GP	$5,164,000	$0
85. Public Health Lapse Savings	**Gross**	**NA**	**($5,200,000)**
Conference assumes a savings of $5.2 million GF/GO from lapses of various public health lines.	GF/GP	NA	($5,200,000)

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
86. Senate One-Time Items	**Gross**	**NA**	**$4,658,600**
Senate includes $31.4 million GF/GP for the following programs: • Menopause Initiatives - $2.5 million GF/GP. • Uterine Fibroid Study - $250,000 GF/GP. • Medical Debt Relief - $5.0 million GF/GP • Reproductive Health Access Grants - $10.0 million GF/GP. • Yes Rx - $3.0 million GF/GP • Genesee County United Way SDOH - $3.0 million GF/GP. • Air Quality Data Sensor Pilot - $100,000 GF/GP • Our Own Wallstreet - $250,000 GF/GP • Hispanic Maternal Mortality Study - $100 GF/GP placeholder. • Mi Nurses Foundation Scholarships - $3.0 million GF/GP • Wayne State University Psychiatric Nurse Practitioner Program - $1.3 million GF/GP • National Council of Dementia Minds - $100 GF/GP placeholder. • My Community Dental Centers Equipment Funding - $100 GF/GP placeholder. • Female Liver Screening - $1.0 million GF/GP. • America's Community Council Primary Care Clinic - $2.0 million GF/GP. House does not include. Conference includes funding for National Council for Dementia Minds ($408,600), MCDC ($4.0 million), and Female Liver Screening ($250,000).	GF/GP	NA	$4,658,600
87. Conference One-Time Items	**Gross**	**NA**	**$7,300,100**
Conference includes $7.3 million Gross ($6.9 million GF/GP) for the following: • SOS Maternity - $1.5 million GF/GP. • Wigs 4 Kids - $125,000 GF/GP. • Revive Health Clinic - $300,000 GF/GP. • Blood Pressure Monitors for Mother on Medicaid - $800,000 GF/GP. • SB 29/SB 30 Implementation - $299,700 GF/GP. • National Kidney Foundation - $950,000 GF/GP. • United We Smile - $2.9 million GF/GP.	Federal GF/GP	NA NA	425,100 $6,875,000
HEALTH SERVICES			
88. Medicaid Protected Income – Spend Down Threshold	**Gross**	**NA**	**$0**
Executive includes $96.4 million Gross ($33.1 million GF/GP) to detach the Medicaid protected income level from the Family Independence Program standard, pursuant to MCL 400.106, and align it with federal poverty standards issued by the U.S. Department of Health and Human Services. For CY 2025, the spend down threshold would increase from approximately 28% to 100% of FPL ($363 per month to $1,304 per month) for an individual. DHHS assumes a spend down population of 78,252. Sec. 1605 includes related boilerplate. Senate includes $41.3 million Gross ($14.2 million GF/GP) to align the protected income level with 60% of FPL. House and Conference do not include.	Federal GF/GP	NA NA	0 $0
89. Health Services Administrative Reductions and FTE Authorization Alignments	FTE **Gross**	NA **NA**	0.0 **($2,000,000)**
House reduces various line items by $1.6 million Gross ($910,000 GF/GP) and 14.6 FTE positions to align FTE authorization with April 2025 actuals and remove a general administrative increase. Conference includes a $2.0 million Gross ($1.0 million GF/GP) reduction related to contractual services.	Federal GF/GP	NA NA	(1,000,000) ($1,000,000)

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
90. Rural Health Transformation Program Grants	**Gross**	**NA**	**$250,000,000**
House includes $250.0 million federal to support new federal grant program for rural health initiatives. Sec. 1803 is related boilerplate. Conference concurs.	Federal	NA	250,000,000
	GF/GP	NA	$0
91. Preferred Pharmaceuticals Revision	**Gross**	**NA**	**($240,000,000)**
House reduces managed care and fee-for-service pharmaceutical appropriations by $374.9 million Gross ($151.9 million GF/GP), and directs preference for generic prescriptions, disallows required adherence to a state single preferred drug list, and limits the utilization of GLP-1 agonists to CMS directives for Medicare Part D. Sec. 1880 is related boilerplate. Conference reduces by $240.0 million Gross ($5.0 million GF/GP) to limit utilization of GLP-1 agonists.	Federal	NA	(235,000,000)
	GF/GP	NA	($5,000,000)
92. MI Choice – Structured Family Caregiving	**Gross**	**$2,881,800**	**($2,881,800)**
Conference removes $2.9 million Gross ($1.0 million GF/GP) to eliminate training supports and stipends for live-in family members that provide caregiving supports to Home and Community-Based Services waiver beneficiaries.	Federal	1,881,800	(1,881,800)
	GF/GP	$1,000,000	($1,000,000)
93. Dental Rates and Services	**Gross**	**NA**	**$0**
House reduces managed care and fee-for-service adult dental appropriations by $21.0 million Gross ($8.5 million GF/GP) and directs the department to limit services in accordance with reduction. Sec. 1627 is related boilerplate. Conference does not include.	Federal	NA	0
	GF/GP	NA	$0
94. University of Detroit Dental DSH	**Gross**	**$1,000,000**	**$0**
House removes $1.0 million GF/GP to eliminate a partial replacement of disproportionate share hospital payments that are no longer available. Conference does not include.	GF/GP	$1,000,000	$0
95. Plan First	**Gross**	**$2,320,700**	**$0**
House removes $3.5 million Gross ($896,500 GF/GP) to eliminate the Plan First standalone Medicaid family planning service. Net reduction amounts to zero after incorporating May consensus estimates adjustment. Conference does not include.	Federal	1,542,000	0
	Private	10,500	0
	GF/GP	$768,200	$0
96. Recuperative Care	**Gross**	**$297,300**	**$0**
House removes $299,400 GF/GP to eliminate the fee-for-service transitional service Medicaid benefit. Net reduction amounts to zero after incorporating May consensus estimates adjustment. Conference does not include.	GF/GP	$297,300	$0
97. Special Medicaid Reimbursement – Hospital DSH	**Gross**	**$3,500,000**	**$0**
House removes $3.5 million GF/GP to eliminate a disproportionate share hospital payment to Michigan State University/McLaren Greater Lansing. Conference retains as one-time. Sec. 1978 is related boilerplate.	GF/GP	$3,500,000	$0
98. Centering Pregnancy	**Gross**	**$5,000,000**	**$0**
House removes $5.0 million Gross ($2.5 million GF/GP) to eliminate grant program for hospital-based prenatal health care providers operating group-based maternity programs. Sec. 1830 is related boilerplate. Conference does not include.	Federal	2,500,000	0
	GF/GP	$2,500,000	$0
99. Hospital Maternal Health Incentives	**Gross**	**$10,000,000**	**$0**
House removes $10.0 million GF/GP to eliminate incentive payments for data-sharing initiatives between maternity care providers. Sec. 1831 is related boilerplate. Conference does not include.	GF/GP	$10,000,000	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
100. Mothering Justice Decision – DCW Wage Continuation	**Gross**	**NA**	**$0**
Senate includes $315.0 million Gross ($0 GF/GP), including $115.0 million of work project lapse funds, to continue the pandemic-era wage uplift for direct care workers. House and Conference do not include.	Federal	NA	0
	Restricted	NA	0
	GF/GP	NA	$0
101. Dental Rate Safety Net Payments	**Gross**	**NA**	**$4,000,000**
Senate includes $4.0 million GF/GP to provide higher rates for select dental services. House does not include. Conference includes $4.0 million GF/GP as one-time. Sec. 1973 is related boilerplate.	GF/GP	NA	$4,000,000
102. Federally Qualified Health Centers - Training	**Gross**	**NA**	**$2,000,000**
Senate includes $2.0 million GF/GP to support the Health Center's Career Training Program for recruitment and employee training. House does not include. Conference includes $2.0 million GF/GP as one-time. Sec. 1980 is related boilerplate.	GF/GP	NA	$2,000,000
103. MiDOCS Enhancement	**Gross**	**$20,200,000**	**$0**
Senate includes $4.6 million GF/GP to increase grant base to support medical doctors through tuition loan relief for services provided in underserved and impoverished communities in this state. House and Conference do not include.	Federal	10,100,000	0
	Restricted	3,700,000	0
	GF/GP	$6,400,000	$0
104. Long-Term Care – Nursing Facility Ventilators	**Gross**	**$2,434,890,200**	**$0**
Senate includes $14.1 million Gross ($5.0 million GF/GP) to support the costs of installing ventilator systems in skilled nursing facilities. House and Conference do not include.	Federal	1,544,691,300	0
	Local	6,618,800	0
	Private	6,100,000	0
	Restricted	400,613,500	0
	GF/GP	$476,866,600	$0
105. Long-Term Care – Current Asset Value	**Gross**	**$2,434,890,200**	**$0**
Senate includes $4.9 million Gross ($1.7 million GF/GP) to increase the current asset value for skilled nursing facilities. Intent is to defray recent construction costs. House and Conference do not include.	Federal	1,544,691,300	0
	Local	6,618,800	0
	Private	6,100,000	0
	Restricted	400,613,500	0
	GF/GP	$476,866,600	$0
106. Nonclinical Long-Term Care Staff Wage Increase	**Gross**	**$2,434,890,200**	**$0**
Executive includes $14.0 million Gross ($6.2 million GF/GP) to provide a $0.85 per hour wage increase for nonclinical staff employed in skilled nursing facilities. Amends boilerplate Sec. 1645 include nursing unit clerks and non-certified aides as eligible classifications. Senate concurs. House and Conference do not include.	Federal	1,544,691,300	0
	Local	6,618,800	0
	Private	6,100,000	0
	Restricted	400,613,500	0
	GF/GP	$476,866,600	$0
107. MI Choice Risk Pool	**Gross**	**$500,319,100**	**$0**
Senate includes $14.4 million Gross ($5.0 million GF/GP) to create a risk-sharing pool for service providers managing high-cost cases under the Medicaid Home and Community-Based Services waiver. House and Conference do not include.	Federal	325,435,500	0
	Private	366,700	0
	GF/GP	$174,516,900	$0
108. Medicaid Orthodontic Benefit Expansion	**Gross**	**$4,301,700**	**($4,301,700)**
Executive retains $1.5 million GF/GP appropriated in FY 2024-25 for a Medicaid orthodontic benefit pilot program in Kent and Wayne Counties, and transfers to the Children's Special Health Care Services. Removes pilot program boilerplate Sec. 1632. Senate includes $442,700 Gross ($154,400 GF/GP) and expands the pilot to Grand Traverse, Lapeer, and Muskegon Counties. House eliminates pilot program. Conference concurs with the House.	Federal	2,801,700	(2,801,700)
	GF/GP	$1,500,000	($1,500,000)

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
109. Birth Clinics – Licensed Midwives	**Gross**	**NA**	**$2,881,800**
Senate includes $2.9 million Gross ($1.0 million GF/GP) to include free-standing birthing clinics, and licensed midwives, as reimbursable Medicaid providers. House does not include. Conference includes $2.9 million Gross ($1.0 million GF/GP) as one-time. Sec. 1982 is related boilerplate.	Federal	NA	1,881,800
	GF/GP	NA	$1,000,000
110. PACE Slot Increase	**Gross**	**$270,385,800**	**$2,899,400**
Executive includes $2.9 million Gross ($1.0 million GF/GP) to provide 54 additional slots at existing PACE sites in Newaygo (2), Saginaw (32), and Traverse City (20). Revises boilerplate Sec. 1854 to incorporate additional slots. Senate includes a $100 GF/GP placeholder. House does not include. Conference concurs with the Executive.	Federal	176,099,000	1,893,300
	GF/GP	$94,286,800	$1,006,100
111. Home Help Caregiver Council	**Gross**	**NA**	**$0**
Executive includes $7.0 million Gross ($3.5 million GF/GP) to establish the Home Help Caregiver Council, in accordance with 2024 PA 144. Funding to provide for administrative costs, pre-service orientation, communications, advisory group support, and voluntary training over a 5-year period with the intent to work project the appropriations. Senate concurs. House and Conference do not include.	Federal	NA	0
	GF/GP	NA	$0
112. Prior Authorization Processing	FTE	458.0	30.0
Executive includes $3.6 million Gross ($1.8 million GF/GP) to support 30.0 additional FTE positions. Staffing increase is requested in preparation for the January 2026 implementation of CMS regulations requiring the processing of all prior authorization requests within 7 calendar days. Senate concurs. House does not include. Conference concurs with the Executive.	**Gross**	**$128,854,100**	**$3,633,400**
	Federal	85,538,600	1,816,700
	Local	37,700	0
	Private	1,001,300	0
	Restricted	336,300	0
	GF/GP	$41,940,200	$1,816,700
113. Medicaid Eligibility Phone Renewal Services	**Gross**	**NA**	**$2,837,000**
Executive includes $2.8 million Gross ($1.4 million GF/GP) to provide Medicaid eligibility phone renewal services. These renewal services were previously funded with one-time Medicaid redetermination funding and remain federally mandated. Senate concurs. House does not include. Conference concurs with the Executive.	Federal	NA	1,418,500
	GF/GP	NA	$1,418,500
114. Federal State Psychiatric DSH Clawback (One-Time)	**Gross**	**NA**	**$0**
Executive includes $78.7 million GF/GP in the one-time unit for the third of a 4-year repayment plan back to the federal government for state psychiatric disproportionate share hospital payments that the state inappropriately claimed prior to 2007. The total GF/GP cost is $236.6 million. Senate concurs. House does not include. Conference includes in a FY 2024-25 supplemental.	GF/GP	NA	$0
115. Continuous Childhood Eligibility Evaluation (One-Time)	**Gross**	**NA**	**$0**
Executive includes $400,000 Gross ($200,000 GF/GP) for a one-time feasibility study to assess the implementation of continuous eligibility for Medicaid recipients aged 0-5. Senate includes $100 GF/GP placeholder. House and Conference do not include.	Federal	NA	0
	GF/GP	NA	$0
116. Merit Award Trust Fund – Revenue Shift	**Gross**	**NA**	**$0**
Senate offsets $75.0 million GF/GP with net-zero appropriations of Tobacco Settlement revenue from the Merit Award Trust Fund. Revenue available through the elimination of annual deposits into the 21st Century Jobs Trust Fund in accordance with 2018 PA 577. House and Conference do not include.	Restricted	NA	0
	GF/GP	NA	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
117. Restricted Fund Adjustments	**Gross**	**NA**	**$0**
Executive includes net-zero adjustments that replace $43.5 million GF/GP with state restricted revenues. Adjustments include $21.4 million of GF/GP offsets from estimated revenue related to the proposed Vape Tax increase deposited into the Medicaid Benefits Trust Fund. Also assumes $17.5 million additional Merit Award Trust Fund revenue to be available by eliminating tobacco settlement deposits into the Budget Stabilization Fund. Senate concurs, but does not include estimated Vape Tax revenue. House does not include. Conference offsets $22.1 million GF/GP net with adjustments to the Medicaid Benefits Trust Fund, Healthy Michigan Fund, and Merit Award Trust Fund. Amount does not assume a Vape Tax.	Restricted	NA	22,135,200
	GF/GP	NA	($22,135,200)
118. Health Services One-Time Appropriations	**Gross**	**NA**	**$11,000,000**
Conference includes $11.0 million GF/GP in one-time funding for the following: • Sheridan Community Hospital - $10.0 million. • Mary Free Bed - $1.0 million.	GF/GP	NA	$11,000,000
119. Removal of FY 2024-25 One-Time Appropriations	**Gross**	**$195,654,900**	**($195,654,900)**
Executive removes $195.7 million Gross ($155.3 million GF/GP) of one-time funding for 74 items that were included in the FY 2024-25 budget. Any funding retained into FY 2025-26 is noted elsewhere. Senate, House, and Conference concur.	Federal	15,354,900	(15,354,900)
	Restricted	25,000,000	(25,000,000)
	GF/GP	$155,300,000	($155,300,000)
120. Economic Adjustments	**Gross**	**NA**	**$34,660,000**
Executive reflects increased costs of $34.7 million Gross ($23.7 million GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. Senate concurs. House does not include. Conference concurs with the Executive.	IDG	NA	12,900
	Federal	NA	10,572,500
	Local	NA	51,100
	Private	NA	138,300
	Restricted	NA	216,600
	GF/GP	NA	$23,668,600

Major Boilerplate Changes from FY 2024-25

Executive Boilerplate Deletions

The Executive Budget Recommendation deletes a significant amount of boilerplate language, including legislative reporting requirements, included in the FY 2024-25 budget. The list below includes major changes to boilerplate and is not a comprehensive list of all sections proposed to be deleted.

GENERAL SECTIONS

***Sec. 204/233. State Administrative Board Transfers* – NEW**

House allows legislature to adopt a concurrent resolution to intertransfer funds within the department's budget if the State Administrative Board transfers appropriated funds. Conference concurs.

***Sec. 205/206. Purchase of Foreign Goods and Services* – RETAINED**

Prohibits department from purchasing foreign goods and services if competitively priced American goods or services of comparable quality are available; requires preference for goods and services manufactured by Michigan businesses and their associated subcontractors and manufactured or provided by Michigan businesses owned and operated by veterans. Executive retains. Senate revises to add subsection requiring preference for goods and services manufactured in facilities that employ union members. House and Conference retain.

***Sec. 206. Geographically-Disadvantaged Business Enterprises* – RETAINED**

Requires the Director of DHHS to take steps to ensure geographically-disadvantaged business enterprises compete for and perform contracts to provide services or supplies, and to encourage firms with which DHHS contracts to subcontract with geographically-disadvantaged business enterprises for services, supplies, or both. Executive and Senate retain. House deletes. Conference retains.

Major Boilerplate Changes from FY 2024-25

Sec. 210/221. Legislative Contingency Transfer Authorization **– RETAINED**
Allows for the legislative transfer process to increase federal authorization by up to $100 million, state restricted authorization by up to $50 million, local authorization by up to $30 million, and private authorization by up to $45 million; prohibits increasing TANF authorization through the legislative contingency transfer process. House revises down the authorization amounts. Conference retains.

Sec. 213. Unenforceable Boilerplate Sections Report **– NOT INCLUDED**
Senate requires DHHS to report to standard report recipients on any boilerplate sections deemed unenforceable. House and Conference do not include.

Sec. 214. Federal Policy Change Report **– NEW**
Senate requires DHHS to report quarterly any federal policy changes that affect the department, those that engage with the department, related regulations, or create a regulatory gap with a potential negative public impact. House does not include. Conference requires DHHS to report any federal policy changes that affect the department, those that engage with the department, or create a regulatory gap with a potential negative public impact.

Sec. 215. Severance Reporting **– NOT INCLUDED**
House requires DHHS to report details of severance pay for certain departmental employees. Conference does not include.

Sec. 216/236. In-Person Work Prioritization **– NEW**
House requires DHHS to prioritize in-person work 5 days a week for its workforce, post related policies; annually report on remote work hours and in-person work hours; and require employee badge scanning information be made available to the legislature. Conference requires DHHS to prioritize utilization of departmental office space, comply with Office of State Employer requirements, and comply with civil service rules for work hours

Sec. 218/237. E-Verify **– NEW**
House requires departmental contractors and subcontractors to use the E-Verify system to certify personnel are legally authorized to work in the United States and requires the department to report on implementation. Conference concurs without the listing of foreign adversaries.

Sec. 219/255. Contract with Michigan Public Health Institute and Reports **– RETAINED**
Allows DHHS to contract for up to a 1-year period with the Michigan Public Health Institute for public health projects and related activities; requires semiannual reports on each funded project; and requires DHHS to semiannually provide copies of all reports, studies, and publications produced by the Institute from prior fiscal year DHHS funding. House revises to prohibit contracting with MHPI for the purpose of performing the department's regulatory, disciplinary, or administrative duties. Conference retains.

Sec. 219. U.S. Citizenship Requirement **– NOT INCLUDED**
House prohibits DHHS from using state or federal funds to provide services to non-US citizens, except for qualified aliens under federal law. Excludes actions for the purpose of detaining non-U.S. citizens from this prohibition. Conference does not include.

Sec. 225. Internet Posting of Reports **– NEW**
Senate requires DHHS to conspicuously post each report required by boilerplate by the report's due date on the department's Michigan.gov website. House does not include. Conference concurs, with revision.

Sec. 225/245. Department Scorecard **– NEW**
House requires DHHS to maintain on a publicly accessible website a department scorecard with key metrics concerning the department's performance and to update quarterly. Conference requires a copy of DHHS's annual strategic plan.

Sec. 226/246. Court Approved Judgments **– NEW**
House prohibits departmental funds from being used to pay a court-approved judgment more than $200,000, unless authorized elsewhere. Conference requires DHHS to report on any court settlements that may require further legislative review.

Sec. 227/247. Private and Other Third-Party Funds Disclosure Report **– NEW**
House requires DHHS to disclose private and other third-party funds received in the previous fiscal year. Conference concurs.

Sec. 228. Prohibition on DEI Programs **– NOT INCLUDED**
House prohibits DHHS from using state funds on diversity, equity, and inclusion initiatives as defined in various federal Executive Orders. Conference does not include.

Major Boilerplate Changes from FY 2024-25

Sec. 229. General Fund Expenditure Restrictions **– NOT INCLUDED**
Senate prohibits DHHS from expending general fund if federal or private funding are available for the same expenditures, requires the department to notify standard report recipients if a reduction in departmental expenditures is necessary. House and Conference do not include.

Sec. 250/217. Single Recipient Grants **– REVISED**
Requires that for any grant program or project funded in part 1 intended for a single recipient organization or local government, the grant program or project is for a public purpose and the department shall follow procurement statutes of this state, including any bidding requirements, unless it can fully validate, through information detailed in this section and outline departmental process for review and execution of grants. Also includes reporting requirements. Executive deletes. Senate revises to further define eligible grant recipients and requirements. House revises by limiting eligible grant recipients and revising auditing requirements. Conference revises to update provisions for legislatively directed spending items.

Sec. 296. Employee Legal Costs Related to Flint Water System **– DELETED**
Requires that DHHS, as permissible under the Governmental Immunity Act, be responsible for legal costs of private attorneys defending current and former DHHS employees in a legal action or investigation related to the City of Flint or other community in which a declaration of emergency was issued because of drinking water contamination. Executive, Senate, House, and Conference delete.

DEPARTMENTAL ADMINISTRATION AND SUPPORT

Sec. 302. Property Management Consolidation Report **– NOT INCLUDED**
House requires department to report on property portfolio, leases, contracts, sales and acquisitions, and consolidation. Conference does not include.

Sec. 303. Medicaid Community Engagement Requirement Training **– NEW**
House requires DHHS to develop and administer caseworker training programs and materials to implement and administer new federal community engagement requirements for Healthy Michigan Plan eligibility. Conference concurs.

COMMUNITY SERVICES AND OUTREACH

Sec. 453. Homeless Programs Per Diem Rate **– RETAINED**
Requires DHHS to maintain emergency shelter program per diem rates at $19.00 per night; requires report. Executive retains. Senate revises by requiring a per diem rate of $24.00 per night. House and Conference retains.

Sec. 458. Homeless Shelter Data **– RETAINED**
Directs DHHS to require any entities receiving direct or indirect state funds for homeless programs to report data to a Homeless Management Information system. Executive deletes. Senate, House, and Conference retains.

Sec. 461. Permanent Supportive Housing **– REVISED**
Senate allocates $10.0 million to expand supportive housing services and establishes program criteria; limits grants for administrative capacity building to no more than 8% of funds; allocates at least 1% of funds to the Corporation for Supportive Housing; designates unexpended funds as a work project appropriation. House does not include. Conference, in Sec. 1956, revises allocation to $5.0 million.

Sec. 464. Diaper Assistance Grants **– REVISED**
Allocates $6.4 million to purchase diapering supplies in bulk and allocate those supplies to diaper assistance programs, maternity homes, local county offices, and other nonprofit agencies that distribute diapers free of charge; states requirements of eligibility; states requirements of distribution; requires report; designates unexpended funds as work project appropriation. Executive revises by requiring the funds to be allocated as grants, striking report, and striking requirement that unexpended funds be designated as work project appropriation. Senate revises by amending the tentative work project completion date from September 30, 2029 to September 30, 2030. House revises by adding requirement that funds be distributed in every county and striking work project provision. Conference revises by requiring the funds to be allocated as grants and limiting administrative expenditures to 10% of funds.

Sec. 465. 2-1-1 Statewide Calling System **– REVISED**
Allocates $2.9 million to Michigan 2-1-1 to coordinate and support a statewide 2-1-1 call system; funding shall not exceed 50% of total operating expenses; requires 2-1-1 to refer to DHHS any calls reporting fraud, waste, or abuse of state-administered public assistance. Executive revises by striking requirement that funding shall not exceed 50% of total operating expenses. Senate concurs. House retains current year language. Conference concurs with Executive and revises by requiring 2-1-1 to continue to seek funding from nonprofit organizations.

Major Boilerplate Changes from FY 2024-25

***Sec. 466. Runaway and Homeless Youth Grants* – REVISED**
Allocates $5.3 million to support program expansion; establishes methodology for allocating funding based on geographic coverage, population demographics, scope of services provided, and need; requires that provider agencies must provide continued infrastructure improvements and support for expanded staff, supervision, and training, and expansion of direct services for client stabilization; requires annual report. Executive deletes. Senate revises by deleting the allocation, methodology, and requirement to provide continued infrastructure improvements, staff supports, and direct services expansion. House retains current year language. Conference concurs with the Senate.

CHILDREN'S SERVICES AGENCY – CHILD WELFARE

***Sec. 503. Child Welfare Performance-Based Funding* – DELETED**
Directs DHHS to review actuarially sound case rates for child welfare services by DHHS and private providers. Executive deletes. Senate and House retain. Conference deletes.

***Sec. 504. West Michigan Partnership for Children Consortium* – DELETED**
Allows DHHS to continue a master agreement with the West Michigan Partnership for Children Consortium and requires the Consortium to maintain a revised agreement that supports the transition to a global capitated payment model and maintain a risk reserve of at least $1.5 million; requires report. Executive deletes. Senate and House retain. Conference deletes.

***Sec. 513. Child Placements in Out-of-State Facilities* – REVISED**
Restricts placement of children in out-of-state facilities unless specified criteria are met; requires report on number of children in out-of-state placements, costs of placements, per diems of residential facilities, and a list of each placement. House revises by requiring DHHS to visit out-of-state facilities prior to a child's placement or within the last 6 months, whichever is sooner. Conference revises reporting requirements.

***Sec. 521. Caseworker Mental Health Support* – NOT INCLUDED**
Allocates $1.0 million to support child welfare caseworker mental health. Conference does not include.

***Sec. 532. DHHS/Provider Meetings* – NEW**
House requires DHHS to fold semiannual meetings with residential providers to receive feedback and discuss potential improvements to the residential system. Conference concurs with the House.

***Sec. 546. Foster Care Agency Administrative Rates* – REVISED**
Establishes foster care administrative rate of $60.20 for private child placing agencies under contract with DHHS; requires payments for independent living plus services at the statewide per diem; requires providers to submit quarterly expenditure reports, if required by federal guidelines. Executive revises by allowing for per diem to be less than $60.20, establishes criteria for agencies not receiving incentive payment, increases independent living plus rate, increases independent living plus age limit from 19 to 26 years old, and strikes reporting requirements for providers. Senate revises by requiring that the department pay out administrative rates before incentive payments, increases independent living plus age limit from 19 to 26 years old, and retains reporting requirements. House retains current year language. Conference concurs with the Senate.

***Sec. 564. Parent-Child and Parent-Caseworker Visitations* – REVISED**
Requires DHHS to maintain policy for parent-child visitations; requires local offices to meet an 85% success rate, after accounting for factors outside of the caseworker's control; requires caseworkers to achieve a success rate of 85% for parent-caseworker visitations, after accounting for factors outside of the caseworker's control; requires report. Executive revises by requiring private child placing agencies to ensure an 85% success rate for parent-child and parent-caseworker visits. Senate revises by requiring private child placing agencies and local county offices to ensure an 85% success rate for parent-child and parent-caseworker visits. House retains current year language. Conference concurs with the Senate.

PUBLIC ASSISTANCE

***Sec. 613. Indigent Burial* – REVISED**
Provides reimbursements for final disposition of indigent persons; establishes maximum allowable reimbursements; accounts for religious preferences that prohibit cremation; establishes a time limit on applications for burial services; allows individuals to donate up to $6,000.00 toward burial services; and requires a report. House revises by increasing maximum allowable reimbursement amounts. Conference concurs with the House.

***Sec. 652. Soda and Candy Prohibition Waiver for Food Assistance* – NOT INCLUDED**
House requires DHHS to request a federal waiver to prohibit the use of food assistance program benefits to purchase soda or candy; defines soda and candy. Conference does not include.

***Sec. 673. Electronic Benefit Transfer Card Technology Updates* – REVISED**
House requires DHHS to adopt chip card technology and other security updates for Michigan Bridge cards by January 1, 2026. Conference, in Sec. 1958, revises by requiring DHHS to begin implementation by January 1.

Major Boilerplate Changes from FY 2024-25

***Sec. 674. Food Assistance Contingency Authorization* – NOT INCLUDED**
House reappropriates federal SNAP revenue removed from Part 1; establishes authorization contingency of $333.5 million; and requires legislative transfer and report on efforts to lower the food assistance program error rate and reduce fraud, waste, and abuse in the food assistance program prior to expenditure. Conference does not include.

***Sec. 678. Annual FIP Young Child Supplement* – RETAINED**
Provides for annual supplemental payments to FIP cases that include young children; allocates funds by 2 age categories, 0 through 5 and 6 through 13; establishes distribution methodology; and requires an annual report. Executive revises by establishing monthly payments, strikes age categories. Senate retains current year language. House revises by allocating 70% of funds to children aged 0 through 5 and 30% of funds to children aged 6 through 13. Conference retains current year language.

***Sec. 686. Caseworker Public Assistance Policies* – RETAINED**
Requires DHHS to ensure that individuals presenting out-of-state identification are not enrolled in benefit programs in other states; requires confirmation of resident addresses in FIP and SDA cases; prohibits individuals with homes worth more than $200,000 from receiving assistance; and requires caseworkers to collect up-to-date phone numbers from Medicaid recipients during eligibility determination. House revises by requiring that Healthy Michigan Plan redeterminations be conducted every six months. Conference retains current year language.

***Sec. 688. Heat and Eat Program* – DELETED**
Requires DHHS to allocate funding for the Heat and Eat program, which provides energy assistance payments of $20.01 to certain Food Assistance Program (FAP) recipients making them potentially eligible for additional FAP benefits. Conference deletes.

LOCAL OFFICE OPERATIONS AND SUPPORT SERVICES

***Sec. 803. Employee Work Environment Report* – NOT INCLUDED**
House requires report on numbers of DHHS employees working in remote, hybrid, and in-person work environments. Conference does not include.

***Sec. 804. Public Assistance Local Office Staff In-Person Work Requirement* – NOT INCLUDED**
House requires all Public Assistance Local Office staff to work in-person. Conference does not include.

***Sec. 825. Vehicle Repairs* – REVISED**
Provides for work-related transportation repairs and limits repair grants to $2,000 per-year. House revises by limiting repair grants to $1,000 per-year and requiring a report. Conference revises by requiring a report.

BEHAVIORAL HEALTH SERVICES

***Sec. 902. Contracts Between DHHS and CMHSPs/PIHPs* – RETAINED**
Requires final authorizations to CMHSPs or PIHPs be made upon the execution of contracts between DHHS and CMHSPs or PIHPs; requires DHHS to report if there are new contracts or amendments to contracts with CMHSPs or PIHPs that would affect rates or expenditures. (Document from the State Budget Office dated September 3 noted this section is unenforceable.) Executive deletes. Senate, House, and Conference retain.

***Sec. 912. Salvation Army Harbor Light Program* – RETAINED**
Requires DHHS to contract with the Salvation Army Harbor Light Program for providing non-Medicaid substance use disorder services, if program meets standard of care. (Document from the State Budget Office dated September 3 noted this section is unenforceable.) Executive deletes. Senate retains House revises. Conference retains.

***Sec. 917. Michigan Opioid Healing and Recovery Fund and Report* – REVISED**
Allocates $19.2 million from the Michigan Opioid Healing and Recovery Fund, MCL 12.253, to supplement other opioid-related programs and services; allocates $4.0 million for peer recovery services; and requires a semiannual report. Executive revises by updating allocation to $55.0 million and removes $4.0 million allocation for peer recovery services. Senate revises by updating allocation to $55.0 million and itemized 10 required programs or distributions. House revises by updating allocation to $81.0 million and subdivides amount into 10 programmatic categories. Conference revises by updating allocation to $55.0 million and outlines distributions. (Sec. 1930. outlines the distribution of the one-time portion.)

***Sec. 920. Rate-Setting Process for PIHPs* – RETAINED**
Requires the Medicaid rate-setting process for PIHPs include any state and federal wage and compensation increases. Executive deletes. Senate, House, and Conference retain.

***Sec. 924. Autism Services Fee Schedule* – RETAINED**
Requires DHHS to maintain a fee schedule for autism services by not allowing expenditures used for actuarially sound rate certification to exceed the identified fee schedule, also sets behavioral technician fee schedule at not less than $66.00 per hour. (Document from the State Budget Office dated September 3 noted this section is unenforceable.) Executive deletes. Senate, House, and Conference retain.

Major Boilerplate Changes from FY 2024-25

***Sec. 994. National Accreditation Review Criteria for Behavioral Health Services* – NEW**
House requires DHHS to seek, if necessary, a federal waiver to allow a CMHSP, PIHP, or subcontracting provider agency that is reviewed and accredited by a national accrediting entity for behavioral health care services to be in compliance with state program review and audit requirements; requires a report that lists each CMHSP, PIHP, and subcontracting provider agency that is considered in compliance with state requirements; requires DHHS to continue to comply with state and federal law not initiate an action by negatively impacts beneficiary safety; defines "national accrediting entity." Conference concurs with updated reporting dates.

***Sec. 1002. CCBHC Organization Criteria* – REVISED**
Establishes criteria organizations need to meet to be part of the CCBHC expansion including be a CMHSP or other eligible organization as outlined in federal law and be able to achieve CCBHC certification by September 1, 2024, and requires administrative funds be used for outreach to encourage CCBHC expansion into new counties. Executive deletes. Senate retains. House revises by prohibiting funds from being used to expand the CCBHC demonstration. Conference concurs with House and removes outreach provision.

***Sec. 1003. Policies and Procedures for PIHPs or CMHSPs* – RETAINED**
Requires DHHS to notify the Community Mental Health Association of Michigan when developing policies and procedures that will impact PIHPs or CMHSPs. Executive deletes. Senate, House, and Conference retain.

***Sec. 1005. Health Home Programs* – RETAINED**
Requires DHHS to maintain the number of behavioral health homes in PIHP regions and the number of opioid health homes in PIHP regions, and permits expansion into additional PIHP regions; requires a report. House revises to require any expansions to be made through the submission of a request to the legislature. Conference retains.

***Sec. 1007. Autism Benefit Carve-Out* – NOT INCLUDED**
Senate requires DHHS to make payments for autism services separate from per-capita payments to PIHPs and CMHSP. House and Conference do not include.

***Sec. 1009. Medicaid Behavioral Health RFP* – NOT INCLUDED**
House requires the Medicaid behavioral health RFP to includes specific performance measures of improved behavioral health outcomes, conflict of interest provisions, uniform standards and reduced administrative costs; requires a report on the process and rationale DHHS used to award the new contracts. Conference does not include.

Sec. 1034. PIHP Performance Incentives – NEW
House conditions eligibility of PIHP performance incentives funded in part 1 on compliance with the provider rates for autism services and direct care in section 924 and 1031; requires the inspector general to audit claims and utilization data to verify compliance. Conference requires DHHS to seek CMS approval to condition PIHP performance incentives on compliance with the provider rates for autism services and direct care in section 924 and 231.

***Sec. 1051. Third-Party Payments and Revenue Recapture Project* – RETAINED**
Requires DHHS to continue a revenue recapture project to generate additional third party revenue from cases that are closed or inactive. Executive deletes. Senate, House, and Conference retain.

PUBLIC HEALTH

***Sec. 1157. Child Advocacy Centers – Supplemental Grants* – RETAINED**
Requires $2.0 million funding for child advocacy centers be allocated as supplemental grants for operations and to increase services to victims and their families; directs DHHS to set an allocation formula in consultation with Children's. Advocacy Centers of Michigan (CAC-MI) and includes base funding for each program. Senate revises by increasing allocated amount to $8.0 million. House revises by increasing allocated amount to $6.0 million and requires DHHS to provide a report on funding allocations to child advocacy centers. Conference retains.

***Sec. 1158. Crime Victims' Rights Sustaining Grants* – RETAINED**
Allocates $29.9 million to supplement the loss of federal victims of crime act and state crime victim rights funding; directs DHHS to distribute funds consistent with the regular allocation formula used for crime victim justice assistance grants and crime victim rights service grants. Executive revises by increasing allocated amount to $49.9 million. Senate revises by adding $100 placeholder to current year funding. House revises by adjusting allocated amount to 25.9 million and adjusts distribution formula. Conference retains.

***Sec. 1160. Crime Victim Grants Reporting* – NEW**
House requires DHHS to provide a report detailing the distribution of crime victim rights justice assistance grants, crime victim rights services grants, and crime victim rights sustaining grants from the previous fiscal year along with the name of the agencies that received funding. Conference concurs with the House.

Major Boilerplate Changes from FY 2024-25

***Sec. 1186. Stroke and STEMI Initiative* – DELETED**
Allocates $2.0 million GF/GP to establish a statewide stroke and ST-elevation myocardial infarction (STEMI) care system integrated into the statewide trauma and EMS systems including facility designations and registries; requires report. Conference deletes.

***Sec. 1231. PFAS Contamination and Other Public Health Threats – Local Health Department Response* – RETAINED**
Allocates up to $4.75 million for grants to local public health departments to support response to PFAS contamination or other public health threats such as infectious and vector-borne disease threats, vapor intrusion, drinking water contamination, and lead exposure. Requires report by March 1 on previous year and current year expenditures. Executive revises by striking reporting requirement. Senate retains. House revises by requiring DHHS to allocate all funds to local health departments. Conference retains.

***Sec. 1301. Pregnancy Planning, Prenatal, and Maternal and Child Health Programs Report* – RETAINED**
Requires DHHS to report by April 1 on funding allocations, breakdown of expenditures by urban and rural, and previous fiscal year service and expenditure data by population groups for the local maternal and child health, prenatal care, family planning, and pregnancy prevention programs. DHHS shall ensure that needs of rural communities are considered in distribution of funds for these programs. Defines "rural" as having a population of 30,000 or less. Executive deletes. Senate, House, and Conference retain.

***Sec. 1302. Maternal Infant Health Program* – RETAINED**
Allocates $500,000 to purchase car seats for newborn children who are TANF eligible. House deletes. Conference retains.

***Sec. 1303. Family Planning and Local Agreements Funding Restriction* – NOT INCLUDED**
House prohibits DHHS from contracting with organizations that provide abortion services; prohibits organizations that contract from DHHS from subcontracting with agencies that provide abortion services. Conference does not include.

***Sec. 1317. Immunization Waiver Accessibility* – NOT INCLUDED**
House requires DHHS to make certified non-medical waivers for required immunizations available on their website; prohibits DHHS from requiring in-person appointments and educational classes to receive certified non-medical waivers. Conference does not include.

***Sec. 1325. Local Perinatal Quality Collaboratives* – RETAINED**
Allocates $5 million to support grants to local collaboratives to enhance ability to coordinate and improve maternal and infant health outcomes. House deletes. Conference retains.

***Sec. 1403 Palliative Care Advisory Task Force* – NEW**
Senate directs DHHS to implement a Palliative Care Advisory Task Force to complete the following: provide definition of palliative care, conduct research, recommend provisions for expansion of palliative care, develop program metrics, collaborate to improve services, public engagement strategies, and identify capacity; requires report. House does not include. Conference concurs and revises language to be permissive.

HEALTH SERVICES

***Sec. 1601. Remedial Services Costs and Medicaid Eligibility* – DELETED**
Requires remedial service costs to be used in determining medically needy eligibility for those in adult foster care and homes for the aged. Executive and Senate delete. House retains. Conference deletes.

***Sec. 1608. Federal Medicaid Eligibility and New Resident Eligibility* for Healthy Michigan Plan – NEW**
House requires department to comply with federal eligibility requirements for medical assistance; requires department to apply the stricter of the community engagement requirement look-back period in place for this state or the state in which a new resident previously lived for eligibility verification; and defines period under which an applicant is considered a new resident. Conference provides legislative intent that the department comply with federal residency and eligibility requirements for medical assistance.

***Sec. 1615. Healthy Michigan Plan Community Engagement Requirements* – NOT INCLUDED**
House requires implementation of the federal community engagement requirements by January 2026. Conference does not include.

***Sec. 1628. Dental Services Reimbursements Increase* – RETAINED**
Allocates $3,000,000 to continue the Medicaid reimbursement rate increase for dental services for ambulatory surgical centers and outpatient hospitals. Executive and Senate retain. House deletes. Conference retains.

***Sec. 1633. Federal Provider Tax Transition Period* – NEW**
Conference requires the department to request a transition period for implementing new federal provider tax rules, and coordinate with the department of treasury and insurance providers to payment timelines.

Major Boilerplate Changes from FY 2024-25

***Sec. 1634. Insurance Provider Assessment Alternative* – NEW**
Conference eliminates the Insurance Provider Assessment upon the establishment of an alternative provider assessment, and lowers assessment rates if alternative revenue sources do not equate to previous IPA revenue.

***Sec. 1640. Adult Home Help Direct Care Worker Wages* – NEW**
Senate requires department to maintain caregiver wage rates. House does not include. Conference concurs with the Senate.

***Sec. 1642. Adult Home Help Direct Care Worker Earned Sick Time* – NOT INCLUDED**
House requires collective bargaining unit and agency-employed direct care workers to abide by the provisions of 2018 PA 338 as part of contractual agreements. Conference does not include.

***Sec. 1644. Medicaid Fee-For-Service Direct Care Worker Wage Increase* – REVISED**
Requires DHHS to increase the established Medicaid fee-for-service wages by $0.20 per-hour for direct care workers and defines the term "direct care worker". Executive deletes. Senate revises to “maintain” wage rate. House deletes. Conference concurs with the Senate.

***Sec. 1647. Home- and Community-Based Services Fund Report* – NEW**
Conference requires the department to report on any changes to the approved HCBS fund spending plan, and requires an annual report on total expenditures with grantee and program progress details.

***Sec. 1650. University DSH Backfill* – RETAINED**
Allocates $3.5 million as disproportionate share hospital payments for McLaren Greater Lansing/Michigan State University in lieu of the former DSH pool. Executive and Senate retain. House deletes. Conference retains as Sec. 1978.

***Sec. 1689. Non-Available Bed Plan* – NOT INCLUDED**
Senate requires DHHS to request a Medicaid state plan amendment to retain pandemic-era nursing home bed plan flexibilities. House and Conference do not include.

***Sec. 1690. Home Office Nursing Costs* – NOT INCLUDED**
Senate requires DHHS to recognize home office nursing costs within base costs for patient care. House and Conference do not include.

***Sec. 1691. Home Dialysis Services* – NOT INCLUDED**
Senate requires DHHS to recognize in-home dialysis as reimbursable costs for skilled nursing facility services. House and Conference do not include.

***Sec. 1693. Special Medicaid Reimbursement Appropriation Increase* – DELETED**
Allows for an increase in special Medicaid reimbursement appropriation if a Medicaid state plan amendment for such payments above the appropriated level is submitted. Executive and Senate retain. House and Conference delete.

***Sec. 1786. Vaccine Reimbursements* – REVISED**
Requires DHHS to maintain the Medicaid reimbursement rate for injectable and oral vaccines at $23.03. Executive revises to include nasally administered vaccines as eligible for the reimbursement rate. Senate, House, and Conference concur.

***Sec. 1788. Medicaid Ambulance Reimbursement Rates* – RETAINED**
Requires DHHS to provide reimbursement rates for ambulance QAAP equal to, or greater than, Medicare rates at a specified locality. Executive revises to “maintain” rates. Senate retains. House revises to provide reimbursements up to 100% of current Medicare allowable rates. Conference retains.

***Sec. 1792. Health Plan Pharmaceutical Encounter Data Report* – NOT INCLUDED**
House requires the department to report on managed care pharmacy encounter data and recommendations for rate recertifications. Conference does not include.

***Sec. 1802. Rural Hospital Payments* – REVISED**
Directs $8.5 million in lump sum payments to non-critical access hospitals that qualified for rural hospital access payments in FY 2013-14 at a rate proportional to each hospital's obstetrical care and newborn care volume; $15.2 million GF/GP and any associated federal match to hospitals providing services to low-income rural residents; provides for eligibility exemptions; and requires the department to publish the payment distribution from the previous fiscal year. Executive and Senate retain. House revises to remove eligibility exemptions. Conference concurs with the House.

***Sec. 1805. Long-Term Care Bed Dual Certification* – DELETED**
Requires DHHS to seek a state plan amendment to allow long-term care facilities to seek dual Medicare/Medicaid eligibility for beds currently certified for Medicare recipients, and details eligibility criteria. Document from the State Budget Office dated September 3, 2024 noted this section is unenforceable for FY 2024-25. Executive and Senate delete. House retains. Conference deletes.

Major Boilerplate Changes from FY 2024-25

***Sec. 1833. Insurance Provider Assessment Contingency* – NEW**
House reappropriates state restricted IPA revenue and federal match removed from Part 1; establishes combined authorization contingency of $2,400.0 million; and requires legislative transfer prior to expenditure. Conference concurs with the House, but revises to receive and expend authorization with a cap, and requires legislative notification.

***Sec. 1834. Quality Assurance Assessment Program Contingency* – NEW**
House reappropriates state restricted QAAP revenue and federal match removed from Part 1; establishes combined authorization contingency of $2,550.0 million; and requires legislative transfer prior to expenditure. Conference concurs with the House, but revises to receive and expend authorization with a cap, and requires legislative notification.

***Sec. 1879. Medicaid Pharmaceutical Report* – RETAINED**
Requires DHHS to report no later than May 15 on total Medicaid pharmaceutical benefit expenses and rebates received, and pharmaceutical carve out expenses for the previous fiscal year. Executive revises to require health plans to cover physician-ordered drugs not included in the common formulary and apply the standard Medicaid co-payment. Senate concurs. House and Conference retain.

***Sec. 1880. Medicaid Pharmaceutical Quality and Clinical Standards* – REVISED**
Requires DHHS to align all pharmacy-related policies with federal quality and clinical standards and any single preferred drug list utilization management criteria to be established in consultation with the Medicaid health plans and the Michigan pharmacy and therapeutics committee. Executive and Senate retain. House revises to require priority utilization of generic pharmaceuticals; disallow adherence to the state single preferred drug list as part of contractual agreements; and require glucagon-like peptide 1 (GLP-1) agonists be prescribed in accordance with CMS policy for Medicare Part D. Conference revises to limit utilization of GLP-1 agonists.

***Sec. 1881. Medicaid Managed Care Cost Savings Review* – NOT INCLUDED**
House requires the department, in coordination with contracted health plans, to conduct a review of the previous 15 years to identify items resulting in Medicaid cost increases, and provide revision recommendations; and requires a report. Conference does not include.

***Sec. 1889. QAAP Revenue Expenditure Restriction* – NEW**
House requires all quality assurance assessment program tax revenue to be expended on services provided under the state Medicaid program and Healthy Michigan Plan. Conference concurs.

INFORMATION TECHNOLOGY

***Sec. 1902. Comprehensive Child Welfare Information System Implementation Report* – NEW**
House requires the department to report on the development, implementation, and project completion timeline for CCWIS. Conference concurs.

FY 2025-26: INSURANCE AND FINANCIAL SERVICES
Summary: Conference
Article 7, House Bill 4706 (H-1) CR-1

Analyst: Una Jakupovic

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	FY 2025-26 Senate	FY 2025-26 House	FY 2025-26 Conference	*Difference: Conference From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$753,500	$763,800	$763,800	$706,600	$763,800	*$10,300*	*1.4*
Federal	700,000	250,000	250,000	250,000	250,000	*(450,000)*	*(64.3)*
Local	0	0	0	0	0	*0*	*--*
Private	0	0	0	0	0	*0*	*--*
Restricted	77,167,900	79,241,800	77,037,800	72,452,500	78,392,600	*1,224,700*	*1.6*
GF/GP	0	0	0	0	0	*0*	*--*
Gross	**$78,621,400**	**$80,255,600**	**$78,051,600**	**$73,409,100**	**$79,406,400**	***$785,000***	***1.0***
FTEs	404.5	409.5	407.0	373.5	396.5	*(8.0)*	*(2.0)*

Notes: (1) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (2) FY 2024-25 year-to-date (YTD) figures are as of release of the Executive budget, February 5, 2025. (3) "Senate" means Senate Bill 178 (S-3). (4) "House" means Article 7, House Bill 4706 (H-1) as Amended. (5) "Conference" means the budget agreement reflected in HB 4706 (H-1) CR-1.

Overview

The Department of Insurance and Financial Services (DIFS) is responsible for regulating and promoting the insurance and financial services industries operating within this state. The department also provides consumer protection by managing consumer information and inquiries and investigating consumer complaints. DIFS administers and enforces state statutes pertaining to state-chartered banks and credit unions; mortgage brokers, lenders, and servicers; consumer finance entities; insurance companies, agents, and products; and health maintenance organizations.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		**FY 2024-25 Year-to-Date (as of 2/5/25)**	**FY 2025-26 Conference Change**
1. Attorney General Services	**Gross**	**NA**	**$330,000**
Executive includes $330,000 in state restricted authorization to support legal services provided by the Attorney General to align with growth in the number of civil and criminal case referrals by the department. Senate concurs with Executive. House does not include. Conference concurs with Executive.	Restricted	NA	330,000
	GF/GP	NA	$0
2. FTE Reductions	FTE	NA	(8.0)
Conference includes reductions to FTE authorizations for the following line items**:**	**Gross**	**NA**	**$0**
	GF/GP	NA	$0

- Reduction of 1.0 FTE for Consumer Services and Protection
- Reduction of 7.0 FTEs for Financial Institutions Evaluation.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
3. Staffing Increases	FTE	NA	0.0
Executive includes $849,200 in state restricted funding and authorization for 5.0 FTEs within three line items (Consumer Services and Protection, Insurance Evaluation, and Department Services) to support increased work volumes associated with the department's regulatory, enforcement, and consumer protection services. The positions would consist of the following:	**Gross**	**NA**	**$0**
	Restricted	NA	0
	GF/GP	NA	$0
• One PRIRA analyst responsible for reviewing appeals related to health care benefits			
• One legal research specialist to support DIFS' implementation of state and federal legislative requirements			
• One company market regulation analyst to support DIFS' efforts related to consumer protection and cybersecurity event mitigation			
• One insurance investigation manager to support increased investigative work associated with growth in the number of licensed entities			
• One technology services specialist to support DIFS' technology systems.			
Senate concurs in part with Executive. Senate includes funding and FTE authorization for 4.0 FTE positions (PRIRA analyst, legal research specialist, company market regulation analyst, and insurance investigation manager). Senate includes funding but no additional FTE authorization to support DIFS' technology systems. House and Conference do not include.			
4. FTE and Funding Reductions	FTE	NA	0.0
House includes reductions to FTE authorizations and corresponding funding for the following line items:	**Gross**	**NA**	**$0**
	IDG	NA	0
• Reduction of 4.0 FTEs and $540,000 Gross for Department Services	Federal	NA	0
	Restricted	NA	0
• Reduction of 9.0 FTEs and $1.2 million Gross for Consumer Services and Protection	GF/GP	NA	$0
• Reduction of 10.0 FTEs and $1.4 million Gross for Financial Institutions Evaluation			
• Reduction of 8.0 FTEs and $1.1 million Gross for Insurance Evaluation.			
Senate and Conference do not include.			
5. Information Technology Reduction	**Gross**	**$2,369,100**	**$0**
House includes a reduction of $355,400 Gross for Information Technology Services and Projects. Senate and Conference do not include.	IDG	25,200	0
	Restricted	2,343,900	0
	GF/GP	$0	$0
6. Property Management Reduction	**Gross**	**$1,389,100**	**$0**
House includes a reduction of $171,900 Gross for Property Management. Senate and Conference do not include.	IDG	15,100	0
	Restricted	1,374,000	0
	GF/GP	$0	$0
7. Technical Adjustments	FTE	NA	0.0
Executive includes internal FTE adjustments, funding adjustments, and transfers throughout the budget, which have no overall impact on Gross, GF/GP, or FTE position authorization. Adjustments are made to align funding to the current organizational structure and align DIFS estimated expenditures and services. Includes a transfer of 1.0 FTE from the Insurance Evaluation line item to the Consumer Services and Protection line item. Senate concurs in part with Executive. Senate includes an overall funding reduction of $2.2 million across the impacted line items and a reduction of 1.5 authorized FTEs. House does not include. Conference concurs with Executive.	**Gross**	**NA**	**$0**
	IDG	NA	600
	Restricted	NA	449,400
	Federal	NA	(450,000)
	GF/GP	NA	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
8. Removal of FY 2024-25 One-Time Appropriations	**Gross**	**$500,000**	**($500,000)**
Executive removes $500,000 Gross ($0 GF/GP) of one-time funding that was included in the FY 2024-25 budget to support the following: • Automobile Insurance Study ($250,000 Gross) • Insurance Complaints and Health Care Appeals Outreach Campaign ($250,000 Gross). Senate, House, and Conference concur with Executive.	Restricted GF/GP	500,000 $0	(500,000) $0
9. Economic Adjustments	**Gross**	**NA**	**$955,000**
Executive reflects increased costs of $955,000 Gross ($0 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. Senate concurs with Executive. House does not include. Conference concurs with Executive.	IDG Restricted GF/GP	NA NA NA	9,700 945,300 $0

Major Boilerplate Changes from FY 2024-25

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

Sec. 205. Purchase of Foreign Goods **– RETAINED**
Prohibits purchase of foreign goods or services if competitively priced and comparable quality American goods or services are available; gives preference to goods and services from Michigan businesses and Michigan businesses owned and operated by veterans. Executive retains. Senate revises to require giving preference to goods and services manufactured in facilities that employ union members. House and Conference retain.

Sec. 206. Communication with the Legislature **– RETAINED**
Prohibits DIFS from taking disciplinary action against employees for communicating with legislators or their staff unless the communication is prohibited by law. Executive deletes. Senate, House, and Conference retain.

Sec. 208. Hiring of External Legal Counsel **– DELETED**
Prohibits using appropriations to hire a person to provide legal services that are the responsibility of the attorney general; prohibition does not apply to legal services for bonding activities or services authorized by attorney general. Executive and Senate retain. House and Conference delete.

Sec. 209. General Fund Lapse Report **– REVISED**
Requires SBO to report on estimated general fund lapses by major program or program areas at close of prior fiscal year. Executive revises to require DIFS to submit report to standard report recipients. Senate, House, and Conference concur with Executive.

Sec. 210. Contingency Authorization **– RETAINED**
Authorizes up to $200,000 in federal and $1.0 million in state restricted contingency funds to be appropriated should funds become available; authorizes expenditure of funds after legislative transfer to specific line items. Executive revises to increase maximum amounts of federal contingency authorization by up to $300,000 and state restricted authorization by up to $5.0 million. Senate, House, and Conference retain.

Sec. 211. Transparency Website **– REVISED**
Requires DIFS, in cooperation with DTMB, to maintain a searchable website accessible by the public at no cost that includes information on expenditures, vendor payments, number of active employees, job specifications, and wage rates. Executive and Senate retain. House and Conference revise to remove required information on number of employees, job specifications, and wage rates; requires the website to be updated quarterly.

Sec. 212. Restricted Funds Report **– RETAINED**
Requires DIFS to work with SBO to report on estimated restricted fund revenues, expenditures, and balances for the prior two fiscal years. Executive deletes. Senate, House, and Conference retain.

Sec. 213. Geographically Disadvantaged Business Enterprises **– RETAINED**
Requires DIFS director to make an effort to contract with geographically disadvantaged business enterprises. Executive and Senate retain. House deletes. Conference retains.

Major Boilerplate Changes from FY 2024-25

Sec. 215. Work Project Usage **– RETAINED**
Stipulates that appropriations are not to be expended, if possible, until all existing work project appropriations for the same purpose are exhausted. Executive deletes. Senate, House, and Conference retain.

Sec. 216. Retention of Reports **– RETAINED**
Requires DIFS to receive and retain copies of all reports funded by the department's budget, while complying with federal and state guidelines for records retention. Executive deletes. Senate, House, and Conference retain.

Sec. 216. State Administrative Board Transfers **– NEW**
Stipulates that the legislature may inter-transfer funds via concurrent resolution if the State Administrative Board transfers funds. Executive and Senate do not include. House and Conference include the new language.

Sec. 217. Report on Policy Changes for Public Act Implementation **– RETAINED**
Requires DIFS to report on policy changes made to implement public acts that took effect during the prior calendar year. Executive deletes. Senate, House, and Conference retain.

Sec. 217. Severance Pay Reporting **– NOT INCLUDED**
Requires DIFS to report any severance pay for a director or other high-ranking official not later than 14 days after a severance agreement is signed; requires report on total amount of severance pay remitted and number of DIFS employees receiving severance pay in FY 2024-25. Executive and Senate do not include. House includes the new language. Conference does not include.

Sec. 218. In-Person Work **– NEW**
Requires DIFS to maximize efficiency of the state workforce and prioritize in-person work; requires field service employees to report to the office prior to beginning field work; requires DIFS to establish a policy and process to verify employees are working during business hours; requires DIFS to provide information on employee badge scanning when requested by a legislator. Executive and Senate do not include. House includes the new language. Conference includes revised language requiring the department to maximize utilization of in-person workforce, prioritize occupancy utilization, and ensure occupancy rates are 80% or higher.

Sec. 219. Access to Government Services **– RETAINED**
Prohibits funding from being used to restrict or impede a marginalized community's access to government resources, programs, or facilities; requires local governments to report any action or policy that attempts to restrict or interfere with a local health officer's duties. Executive and Senate retain. House deletes. Conference retains.

Sec. 219. Grant Requirements **– NOT INCLUDED**
Requires that all grants be provided only to entities that have been established for over 36 months and have had an office in the state or service area for at least 12 months; requires all grant recipients to provide a spending plan; sets limits on funds used for administrative costs and contingencies; requires DIFS to annually audit recipients' use of funds; requires DIFS to work with the Office of the Auditor General to conduct audits of grants; prohibits grant recipients and immediate family members from being employed in the executive or legislative branches; requires audits to be posted on the department website; requires DIFS to submit a quarterly report containing information on grant recipients. Executive and Senate do not include. House includes the new language. Conference does not include.

Sec. 220. Increased Payment Options **– REVISED**
Allows DIFS to accept credit card or other electronic means of payment. Executive retains. Senate revises to require that at least one electronic method of payment offered does not incur additional fees. House retains. Conference revises to require DIFS to report on fees collected from credit card payments.

Sec. 220. E-Verify Requirement **– NEW**
Stipulates that DIFS must require all contractors and subcontractors to agree to use the E-Verify system to verify that all people hired during the contract term are legally present and authorized to work in the United States; allows the department to verify the information directly or receive certification from the contractor; requires DIFS to submit a report describing the processes it has developed and implemented; prohibits DIFS from contracting with foreign entities that are enemies or adversaries of the United States. Executive and Senate do not include. House includes the new language. Conference includes revised language to not include section prohibiting DIFS from contracting with foreign entities that are enemies or adversaries of the United States.

Sec. 221. Insurance Bureau Fund Use **– RETAINED**
Authorizes Insurance Bureau Fund appropriations for use to support legislative participation in insurance activities coordinated by insurance and legislative associations, in accordance with Insurance Code of 1956. Executive deletes. Senate revises to require DIFS to report the names of those seeking reimbursements and the number of times each individual seeks a reimbursement. House revises to prohibit appropriated funds from being used to support any legislative participation in insurance activities coordinated by insurance and legislative associations. Conference retains.

Major Boilerplate Changes from FY 2024-25

***Sec. 221. Fund Use Restrictions for Non-Citizens* – NOT INCLUDED**
Prohibits appropriated funds from being used to provide services, grants, or programming to non-citizens, unless the individual is a qualified alien as that term is defined under 8 USC section 1641. Executive and Senate do not include. House includes the new language. Conference does not include.

***Sec. 222. State Fiscal Recovery Fund (SFRF)* – DELETED**
Requires state budget director to ensure all SFRF revenue is expended by December 31, 2026; authorizes state budget director to reallocate appropriated funds for the purpose of fully expending funds; requires all guidance, implementation, and reporting provisions of federal law to be followed; requires state budget director to notify appropriations committees of reallocations made; authorizes state budget director and state departments to make accounting transactions necessary to implement reallocation. Executive deletes. Senate revises to delete language authorizing state budget director to reallocate appropriated funds, language requiring state budget director to notify appropriations committees of reallocations, and language allowing state budget director and department to make necessary accounting transactions. Senate also revises to require departments receiving appropriations to notify standard report recipients if an appropriation of funds described in this section is projected to lapse. House and Conference delete.

***Sec. 222. Work Projects Report* – NEW**
Requires DIFS to report information on all work project accounts, including a list and status of each account and the amount of funds that have lapsed from any previous accounts. Executive and Senate do not include. House and Conference include the new language.

***Sec. 223. General Fund Expenditures* – NOT INCLUDED**
Requires that general fund appropriations not be expended if federal or private grant funding is available for the same expenditures; requires the department to notify standard report recipients not later than 10 days after making a required reduction in expenditures that includes information on the insufficient fund source, the cause, and the government functions that will be affected. Executive does not include. Senate includes the new language. House and Conference do not include.

***Sec. 223. Legacy Costs* – NEW**
Identifies total funding estimated to be expended on legacy costs in FY 2025-26, $27.6 million ($24.9 million on pension related legacy costs and $2.7 million on health care legacy costs). Executive and Senate do not include. House and Conference include the new language.

***Sec. 224. Unenforceable Boilerplate* – NOT INCLUDED**
Requires DIFS to submit a report containing information about the sections determined to be unenforceable; allows the department to coordinate with the Executive Office of the Governor or other state departments to compile a statewide report. Executive does not include. Senate includes the new language. House and Conference do not include.

***Sec. 224. Department Scorecard Website* – NEW**
Requires DIFS to maintain, on a publicly accessible website, a scorecard that identifies, tracks, and regularly updates key metrics used to monitor and improve department performance. Executive and Senate do not include. House includes the new language. Conference includes revised language that requires DIFS to provide standard report recipients a copy of its annual strategic plan.

***Sec. 225. Report on Federal Policy Changes* – NEW**
Requires DIFS to submit a report detailing federal policy changes that are expected to affect department operations, affect groups the department engages with, and affect regulations that impact those groups. Executive does not include. Senate includes the new language. House does not include. Conference includes revised language that removes the requirement to report on any changes that affect regulations.

***Sec. 225. State Obligations* – NEW**
Prohibits appropriated funds from being used to pay for a state obligation that exceeds $200,000 for a court-approved judgment, settlement, award, or claim. Executive and Senate do not include. House includes the new language. Conference includes revised language that requires DIFS to report on any court settlement that may require further legislative review.

***Sec. 226. Single Recipient Grants* – NOT INCLUDED**
Requires grant funding intended for a single recipient organization or local government to be used for a program or project that is for a public purpose; requires department to follow state procurement statutes, including bidding requirements; requires the department to work with SBO to develop application and grant agreement processes; provides requirements for identifying grant sponsorship; provides timeframes for receiving and expending grant funding; requires SBO to post on a public website information on grant recipients and projects. Executive does not include. Senate includes the new language. House and Conference do not include.

Major Boilerplate Changes from FY 2024-25

Sec. 226. Private and Third-Party Funds **– NEW**
Requires DIFS to report on a publicly accessible website private and other third-party funds received in FY 2024-25, including the amount and source of funding, the purpose, and the amount of any remaining funds. Executive and Senate do not include. House and Conference include the new language.

Sec. 227. Diversity, Equity, and Inclusion Initiatives **– NOT INCLUDED**
Prohibits state funds from being used for diversity, equity, and inclusion initiatives or programs. Executive and Senate do not include. House includes the new language. Conference does not include.

Sec. 228. Legislatively Directed Spending Items **– NEW**
Requires the legislature to provide DIFS and the state budget director with a list of legislatively directed spending items; provide requirements for the administering of grants; provide requirements for grant agreements; requires grant recipients to respond to reasonable information requests; provides deadline for grant expenditure; requires DIFS to post information about grant recipients on its website. Executive, Senate, and House do not include. Conference includes the new language.

Sec. 230. Television and Radio Production Expenditure Report **– NEW**
Requires DIFS to report any expenditure of funds to a third-party vendor for television or radio productions; specifies information to be included. Executive and Senate do not include. House and Conference include the new language.

Sec. 231. Department Facility Access **– NOT INCLUDED**
Requires DIFS to allow the chairs, majority vice chairs, and minority vice chairs of the House and Senate Appropriations Committees and Subcommittees on LARA and DIFS access to all department facilities during business hours. Executive and Senate do not include. House includes the new language. Conference does not include.

Sec. 301. Health Insurance Rate Change Report **– REVISED**
Requires DIFS to electronically transmit the annual health insurance rate change report prepared pursuant to 45 CFR 154.301(b), including the total number of objections issued for insurance filings. Executive revises to remove requirement that the report be distributed to standard report recipients. Senate concurs with Executive. House revises to require the report to contain the number of filings that are approved and denied by DIFS, the percentage of filings processed within the statutory time frame, and the average processing time. Conference includes House revisions and additionally requires the report to contain the number of filings that are objected to by DIFS.

Sec. 302. Conservatorship and Insurance Liquidation Funds **– REVISED**
Requires funds collected by DIFS in connection with a conservatorship pursuant to section 32 of 1987 PA 173 and from corporations being liquidated pursuant to 1956 PA 218 to be appropriated for expenses necessary to provide required services and to not lapse to general fund; limits appropriations to $1.0 million. Executive and Senate retain. House revises to lower appropriation limit to $400,000. Conference revises to lower appropriation limit to $600,000.

Sec. 303. Fees for Customized Listings **– REVISED**
Permits DIFS to provide customized lists of non-confidential information to interested parties and to charge reasonable fees; states that funds lapse to appropriate restricted fund accounts and limits amount appropriated to $1.0 million. Executive and Senate retain. House revises to lower appropriation limit to $400,000. Conference revises to lower appropriation limit to $600,000.

Sec. 304. Annual Reports Transmission **– RETAINED**
Requires DIFS to electronically transmit the annual report required under the Insurance Code of 1956 and the Banking Code of 1999. Executive deletes. Senate, House, and Conference retain.

Sec. 305. Financial Institutions Marihuana Evaluation Guidance **– RETAINED**
Requires DIFS to update examination manuals and letters of guidance to reflect how institutions will be evaluated that provide financial services to businesses involved in the marihuana industry. Executive deletes. Senate deletes. House and Conference retain.

Sec. 306. Automobile Insurance Rate Filings Report **– REVISED**
Requires DIFS to report on filings received from auto insurers in the previous calendar year, including the number of auto insurance rate filings received, the average number of days to process filings, and the number of objections issued. Executive deletes. Senate revises to require report be distributed additionally to the chair of the senate committee that addresses financial and insurance issues. House deletes. Conference includes Senate revisions and additionally requires the report to be distributed to chair of house committee.

Major Boilerplate Changes from FY 2024-25

***Sec. 306. State or Regional Health Care Claims Database Grant Award Criteria* – NOT INCLUDED**
Requires DIFS to consider not-for-profit and Michigan-based status, prior experience collecting and analyzing relevant information, and prior work experiences when awarding any grant for the creation of a state or regional health care claims database utilizing federal funds. Executive and Senate do not include. House includes the new language. Conference does not include.

***Sec. 307. Customer Service Outreach and Education* – REVISED**
Requires DIFS to expend $600,000 to add up to 3.0 FTEs to provide customer service outreach or education relating to financial services and insurance, with at least 1.0 FTE trained and experienced to assist catastrophic accident survivors. Executive deletes. Senate revises to require a report that includes the number of auto insurance customers assisted, number of complaints addressed, and number of complaint results in favor of the complainant and in favor of the respondent. House deletes. Conference includes revisions to Senate language to require DIFS to have at least 1.0 FTE to provide outreach and education and be trained to assist catastrophic accident survivors and to instead require the report to include the number of consumers assisted, number of complaints received, number of utilization orders issued, and the number that upheld and reversed the insurer's decision.

***Sec. 308. Outreach and Education Plan* – DELETED**
Requires DIFS to create a plan to increase outreach, education, and support services, with consideration of demographics and areas with greatest need; allows DIFS to partner with other state agencies to meet requirements. Executive deletes. Senate revises to require DIFS create a plan to establish satellite offices to provide in-person customer service, considering demographic variables and highest need areas when choosing locations; allow DIFS to partner with the Secretary of State. House and Conference delete.

***Sec. 401. Automobile Insurance Reform Study* – DELETED**
Requires DIFS to study and report on the effects of the 2019 automobile insurance reform; allows DIFS to consult or contract with policy research entities; recommends that the study consider impacts on costs, participants, demographics, and access to care and providers, as well as the total impact on insured accident victims and access to long-term care providers. Executive deletes. Senate, House, and Conference delete.

***Sec. 402. Outreach Campaign and Report* – DELETED**
Requires DIFS to provide an outreach campaign informing residents of DIFS services and information, including filing complaints and appealing health insurance denials; allows campaign to include paid advertising, media outreach, and targeted outreach to stakeholders; requires DIFS to report on outreach campaign expenditures. Executive deletes. Senate, House, and Conference delete.

FY 2025-26: JUDICIARY
Summary: Conference
Article 8, House Bill 4706 (H-1) CR-1

Analyst: Robin R. Risko

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	FY 2025-26 Senate	FY 2025-26 House	FY 2025-26 Conference	*Difference: Conference From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$2,402,300	$1,902,300	$1,902,300	$1,902,300	$1,902,300	*($500,000)*	*(20.8)*
Federal	7,132,600	7,270,900	7,270,900	7,154,900	7,270,900	*138,300*	*1.9*
Local	0	0	0	5,500,000	0	*0*	*--*
Private	1,905,300	1,906,400	1,906,400	1,906,100	1,906,400	*1,100*	*0.1*
Restricted	95,887,300	96,645,800	96,645,800	94,844,700	96,468,300	*581,000*	*0.6*
GF/GP	266,113,900	287,288,200	287,573,800	232,837,500	276,073,800	*9,959,900*	*3.7*
Gross	**$373,441,400**	**$395,013,600**	**$395,299,200**	**$344,145,500**	**$383,621,700**	***$10,180,300***	***2.7***
FTEs	643.5	684.5	684.5	641.5	643.5	*0.0*	*0.0*

Notes: (1) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (2) FY 2024-25 year-to-date (YTD) figures are as of release of the Executive budget, February 5, 2025. (3) "Senate" means Senate Bill 170 (S-1). (4) "House" means Article 8, House Bill 4706 (H-1) as Amended. (5) "Conference" means the budget agreement reflected in HB 4706 (H-1) CR-1.

Overview

Article VI of the State Constitution of 1963 forms the basis for Michigan's judicial branch of government. The Judiciary budget provides operational funding for the Michigan Supreme Court, the Court of Appeals, the State Appellate Defender Office, and other judicial agencies. The budget funds the salaries of justices of the Supreme Court and judges of the appeals, circuit, probate, and district courts according to constitutional and statutory requirements. Funding assistance for local trial court operations is provided through a variety of grant programs. The largest of these, the Court Equity Fund Reimbursement program, reimburses counties for trial court operations based on a statutory formula that recognizes circuit and probate caseloads and the number of judgeships.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		**FY 2024-25 Year-to-Date (as of 2/5/25)**	**FY 2025-26 Conference Change**
1. Statewide Case Management System	FTE	67.0	0.0
Executive includes an additional $7.2 million GF/GP and an additional 12.0 FTE positions for continued support of the statewide judicial case management system as trial courts continue transitioning to the system from locally managed systems. Of the total, $2.7 million would be allocated to support ongoing personnel costs and $4.6 million would be allocated for operating costs. (Funding proposed by the executive would be in addition to $13.5 million of ongoing funding appropriated to date and $150.0 million of one-time funding appropriated in FY 2023.) Senate concurs. House does not include additional funding or FTE positions and eliminates ongoing funding that has been appropriated to date. Conference includes $1.8 million in ongoing GF/GP and $2.0 million in one-time GF/GP but does not include additional FTE positions.	**Gross**	**$13,499,100**	**$3,820,000**
	GF/GP	$13,499,100	$3,820,000
2. Local User Fees for Statewide Case Management System	**Gross**	**$0**	**$0**
House includes authorization for SCAO to impose and collect local user fees from trial courts that have not fully migrated to the statewide case management system. GF/GP revenue is offset by the receipt of local revenue. Conference does not include.	Local	0	0
	GF/GP	$0	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
3. Additional Staff for Supreme Court and SCAO	FTE	0.0	0.0
Executive includes a total of $4.7 million Gross ($4.6 million GF/GP) to support the following:	**Gross**	**$0**	**$167,400**
	Restricted	0	0
	GF/GP	$0	$167,400
• $2.6 million to expand capacity for conducting financial audits of local trial courts.			
• $1.2 million for 5.0 human resources staff and 2.0 finance staff to implement the administrative structure of SCAO as recommended by the National Center for State Courts.			
• $355,000 for 2.0 field service staff for SCAO to support court programs and trial court operations.			
• $210,000 for 1.0 grants officer position to research, apply for, and administer federal and private grant funding.			
• $177,500 for 1.0 field service staff position for the Office of Dispute Resolution within SCAO.			
• $167,400 for 1.0 legal editor position in the Office of Reporter of Decisions to support ongoing caseloads and reduce the backlog of decisions awaiting editing and publication.			
Senate includes FTE positions and funding but includes $1.1 million less than the executive. House includes funding for only the 1.0 legal editor position. Conference includes $167,400 in one-time GF/GP for the legal editor position and authorizes 1.0 limited term employee in boilerplate.			
4. Problem-Solving Courts	FTE	NA	0.0
Executive includes a total of $1.6 million GF/GP and 2.0 FTE positions to support problem-solving courts. Of the total:	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
• $642,000 would support establishing new problem-solving court programs.			
• $389,000 would support economic increases for local trial courts.			
• $355,000 would support 2.0 new staff within SCAO to support oversight and management of the problem-solving courts program.			
• $198,000 would support increased wages for behavioral health workers.			
Senate includes FTE positions and funding but includes $84,000 less than the executive. Senate consolidates drug treatment courts, mental health treatment courts, and veterans treatment courts into one problem-solving courts line item. House does not include additional funding or FTE positions and does not consolidate line items. Conference does not include funding or FTE positions.			
5. FTE and Funding Adjustment	FTE	NA	0.0
Executive reflects a net $0 transfer of funding and FTE positions from drug treatment courts (2.0 FTEs and $349,200) and mental health courts (1.0 FTE and $150,800) to SCAO (3.0 FTEs and $500,000). With this transfer, problem-solving court line items would include funding only for grant awards for local courts and would not include funding for SCAO staff that administer the grant programs. Funding for staff would be included in the SCAO line item. Senate concurs. House does not transfer funding or FTE positions. Conference does not transfer funding or FTE positions.	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
6. Federal Funds Adjustment for Drug Treatment Courts	**Gross**	**$2,258,700**	**$100,000**
Executive includes authorization to receive an additional $100,000 in federal grant funding from the Office of Highway Safety Planning. Funding would be used to support drug treatment courts. Senate concurs. House does not include authorization for additional federal funds. Conference includes authorization to receive additional $100,000 in federal funds.	Federal	2,258,700	100,000
	GF/GP	$0	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
7. Drug Court Case Management System	**Gross**	**NA**	**$265,000**
Executive includes $265,000 GF/GP to support increased contractual costs of maintaining the drug court case management information system. Senate concurs. House does not include funding. Conference includes $265,000 GF/GP.	GF/GP	NA	$265,000
8. Training for Judges and Court Staff	FTE	NA	0.0
Executive includes $533,700 GF/GP and authorization for 3.0 additional FTE positions for the Michigan Judicial Institute to expand training provided to judges and court staff. Senate concurs. House does not include funding or FTE positions. Conference does not include funding or FTE positions.	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
9. Michigan Legal Help	**Gross**	**$600,000**	**$400,000**
Executive transfers funding appropriated for Michigan Legal Help from the SCAO line item into a new line item specifically for Michigan Legal Help and includes an additional $400,000 GF/GP to support increased salary costs for program personnel and increased information technology costs for hosting the Michigan Legal Help website. Senate concurs. House does not create a new line item or include additional funding. Conference includes additional $400,000 GF/GP and creates a new line item.	GF/GP	$600,000	$400,000
10. Judgeship Changes	**Gross**	**$305,500**	**$539,200**
Executive includes a total of $539,200 Gross ($123,500 GF/GP) to support costs of judgeship changes. Funding would support annualizing costs of one probate court judgeship in Macomb County and one district court judgeship in Kent County, authorized under Public Acts 310 and 311 of 2023, respectively. Funding for three quarters of the fiscal year was included in the FY 2024-25 budget. Funding would also support the addition of two circuit court judgeships, one in Kalamazoo County and one in Allegan County, authorized under 2022 PA 277. The effective date of the judgeship changes was January 1, 2025. Senate concurs. House concurs. Conference concurs.	Restricted	133,800	415,700
	GF/GP	$171,700	$123,500
11. SOCC Recommendations for Supreme Court Justices	**Gross**	**$166,600**	**($166,600)**
Executive removes $166,600 GF/GP that was included in the FY 2024-25 budget to support recommendations made by SOCC in May 2023 to provide a 7% salary increase for Supreme Court justices in 2025 and 2026, and a $10,000 expense allowance for each justice. Recommendations needed legislative approval via a concurrent resolution prior to the November 2024 general election in order to take effect. The resolution did not make it all the way through the legislative process. Senate concurs. House concurs. Conference concurs.	GF/GP	$166,600	($166,600)
12. Appellate Indigent Defense Workload Standards	FTE	23.0	0.0
Executive includes $2.3 million GF/GP to support costs of 12.0 new attorney and support staff positions for SADO for year two of the phased implementation of workload standards, based on a workload assessment conducted by the National Center for State Courts. Standards are developed by the Michigan Indigent Defense Commission in parallel with separate workload standards for trial-level public defenders. Senate concurs. House does not include funding or FTE positions. Conference does not include funding or FTE positions.	**Gross**	**$3,259,000**	**$0**
	GF/GP	$3,259,000	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
13. SADO Salary Adjustments	**Gross**	**NA**	**$591,000**
Executive includes a total of $591,000 GF/GP to cover costs of pay increases for SADO employees. Of the total, $488,500 is included to cover costs of negotiated pay increases for UAW-represented employees and $102,500 is included to cover costs of pay increases for non-represented employees to keep pace with adjustments provided to union-represented employees. Senate concurs. House does not include funding. Conference includes $591,000 GF/GP.	GF/GP	NA	$591,000
14. Funding for One-Time Projects	**Gross**	**NA**	**$0**
Senate includes $1.5 million GF/GP for the following Senate-initiated one-time projects: • $499,900 GF/GP to assist the Judicial Tenure Commission with addressing the judicial complaint backlog. • $1.0 million GF/GP to be granted to U of M Law School for the Michigan Innocence Clinic to use for legal advocacy and investigation, and to cover litigation expenses incurred for helping people who are wrongfully convicted. • $100 GF/GP placeholder for additional funding to be appropriated to support the financial impact of recent state Supreme Court decisions requiring the resentencing of individuals who were sentenced to life without parole for crimes committed at ages 19 and 20. House does not include one-time funding for these projects. Conference does not include funding for the Senate initiatives.	GF/GP	NA	$0
15. Transfer Funding from SCAO to Prescription Compliance	**Gross**	**NA**	**$0**
House reduces funding for the State Court Administrative Office line item by $1.0 million GF/GP and transfers the $1.0 million to a new line item created for the prescription compliance through oral fluid testing program operating in veterans, mental health, and drug treatment courts. Conference does not reduce or transfer funding to create a new line item.	GF/GP	NA	$0
16. Transfer Funding from Supreme Court Administration to SADO	**Gross**	**NA**	**$0**
House reduces funding for the Supreme Court Administration line item by $2.0 million GF/GP and transfers the $2.0 million to SADO to support the financial impact of recent Supreme Court decisions which require resentencing of individuals who were sentenced to life without parole for crimes they committed at ages 19 and 20. Conference does not reduce or transfer funding.	GF/GP	NA	$0
17. Transfer Funding from MIDC to SADO	**Gross**	**NA**	**$0**
House appropriates $2.0 million of lapsed Michigan Indigent Defense Commission (MIDC) work project appropriations to SADO to support the financial impact of recent Supreme Court decisions which require resentencing of individuals who were sentenced to life without parole for crimes they committed at ages 19 and 20. Conference does not include the lapsed MIDC funding.	GF/GP	NA	$0
18. Eliminate Programs	FTE	3.0	0.0
House eliminates funding and FTE positions for the following programs: • Jail Reform Advisory Support ($157,700 GF/GP; 1.0 FTE position). • Justice for All ($1.5 million GF/GP; 2.0 FTE positions). • Next Generation Michigan Court System ($4.1 million GF/GP). • Swift and Sure Sanctions Program ($3.4 million Gross; $1.8 million GF/GP). Conference does not eliminate these programs but eliminates GF/GP used to support the Swift and Sure Sanctions Program and transfers it to SCAO to support ongoing costs of the Statewide Case Management System.	**Gross** Restricted GF/GP	**$9,158,400** 1,537,600 $7,620,800	**($1,812,400)** 0 ($1,812,400)

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
19. Program Reductions	**Gross**	**NA**	**$0**
House reduces funding for various programs and line items throughout the budget for a savings of $9.7 million GF/GP. Conference does not include these reductions.	GF/GP	NA	$0
20. One-Time Funding	**Gross**	**NA**	**$2,825,000**
Conference includes one-time GF/GP for the Judicial Tenure Commission ($500,000) and one-time GF/GP for SADO for juvenile lifer resentencings ($2.3 million). Boilerplate authorizing 3.0 limited term employees for the Judicial Tenure Commission and 14.0 limited term employees for SADO is also included.	GF/GP	NA	$2,825,000
21. Removal of FY 2024-25 One-Time Appropriations	**Gross**	**$2,500,000**	**($2,500,000)**
Executive removes $2.5 million Gross ($2.0 million GF/GP) of one-time funding that was included in the FY 2024-25 budget to support the following: • Eviction Diversion Pilot program ($500,000). • Operation Drive ($1.0 million). • Prescription Compliance Through Oral Fluid Testing program ($500,000). • Status Offender Pilot program ($500,000). Senate concurs. House concurs. Conference concurs.	IDG GF/GP	500,000 $2,000,000	(500,000) ($2,000,000)
22. Economic Adjustments	**Gross**	**NA**	**$5,951,700**
Executive reflects a net increase in costs of $6.0 million Gross ($5.7 million GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), insurances, actuarially required retirement contributions, worker's compensation, building occupancy charges, and rent. Senate concurs. House includes roughly half of the amount of funding included by the executive for economic adjustments. Conference includes $6.0 million Gross ($5.7 million GF/GP) for economic adjustments.	Federal Private Restricted GF/GP	NA NA NA NA	38,300 1,100 165,300 $5,747,000

Major Boilerplate Changes from FY 2024-25

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

GENERAL SECTIONS

Sec. 205. Purchase of Foreign Goods and Services **– RETAINED**

Prohibits the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services are available; requires preference to be given to goods and services manufactured or provided by Michigan businesses and Michigan businesses owned and operated by veterans. Executive retains current law. Senate revises to include the requirement that preference be given to goods and services that are manufactured in facilities that employ union members. House retains current law. Conference retains current law.

Sec. 208. Transparency Website **– RETAINED**

Requires the judicial branch to maintain a searchable website accessible by the public at no cost that includes all expenditures made by the judicial branch within the fiscal year and purposes for which expenditures were made. Executive retains current law. Senate retains current law. House revises to require that the website be updated quarterly. Conference retains current law.

Sec. 209. Report on State Restricted Funds **– RETAINED**

Requires the judicial branch to work with the state budget office to report annually on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures. Executive deletes. Senate retains current law. House retains current law. Conference retains current law.

Major Boilerplate Changes from FY 2024-25

***Sec. 210. Appropriation of Additional Revenue* – NOT INCLUDED**
Appropriates an additional $2.5 million in federal revenue, $2.5 million in state restricted revenue, and $500,000 in private revenue should the revenue become available; requires a report on amounts appropriated, sources of funding appropriated, and purposes for which appropriations were expended. Executive includes new language. Senate includes new language. House does not include new language. Conference does not include new language.

***Sec. 210. Legacy Costs* – NEW**
States that the total amount of funding estimated to be expended on legacy costs in FY 2025-26 is $12.0 million ($10.9 million for pension-related legacy costs; $1.5 million for health care-related legacy costs). Executive does not include. Senate does not include. House includes new language. Conference includes new language.

***Sec. 211. Disciplinary Action Against State Employees* – RETAINED**
Prohibits the judicial branch from taking disciplinary action against employees for communicating with legislators or their staff unless the communication is prohibited by law and the judicial branch is exercising its authority. Executive deletes. Senate retains current law. House retains current law. Conference retains current law.

***Sec. 212. Receipt and Retention of Required Reports* – REVISED**
Requires the judicial branch to receive and retain copies of all required reports; requires federal and state guidelines to be followed for short- and long-term retention of records; authorizes the judicial branch to electronically retain copies of reports unless otherwise required by federal and state guidelines. Executive deletes. Senate retains current law. House revises to include a requirement to follow state law in addition to following federal and state guidelines. Conference concurs with House revisions.

***Sec. 213. Requirements for Reports Required by* Boilerplate – NOT INCLUDED**
Requires reports to be submitted to standard report recipients; requires website where reports are posted to include a reference to each statutory or appropriations bill section that requires the report; requires SCAO to compile, post, and maintain all required reports on an easily accessible website page. Executive does not include. Senate includes new language. House does not include new language. Conference does not include new language.

***Sec. 213. Expending Available Work Project Authorization* – NEW**
Prohibits appropriations that have unexpended work project authorization associated with them, to the extent possible, from being expended until all existing work project authorization for the same purpose is exhausted. Executive does not include. Senate includes new language. House includes new language. Conference includes new language.

***Sec. 214. Report on Status of Work Project Appropriations* – NEW**
Requires the judicial branch to report quarterly a summary of all work project accounts, including a list and status of each account and the amount of funds that lapsed from any previous accounts. Executive does not include. Senate does not include. House includes new language. Conference includes new language but revises quarterly summary to every 6 months.

***Sec. 216. Website for Performance Scorecard* – NOT INCLUDED**
Requires the judicial branch to maintain, on a publicly accessible website, a scorecard that identifies, tracks, and updates on a quarterly basis, key metrics used to monitor and improve the judicial branch's performance. Executive does not include. Senate does not include. House includes new language. Conference does not include.

***Sec. 218. Access to Financial Information on SIGMA* – NOT INCLUDED**
Requires SCAO to cooperate with DTMB to grant access to financial information for the judicial branch that is contained within SIGMA to the Senate and House Fiscal Agencies. Executive does not include. Senate does not include. House includes new language. Conference does not include new language.

***Sec. 218. Private and Third-Party Funds* – NEW**
Requires the judicial branch to disclose on a publicly accessible website private and other third-party funds received, including the amount and specific source of funding received, the purpose for which funding was expended, and the amount of any remaining funds. Executive does not include. Senate does not include. House includes new language. Conference includes new language.

***Sec. 221. Access to Government Services* – NOT INCLUDED**
Prohibits appropriations from being used to restrict or impede a marginalized community's access to government resources, programs, or facilities. Executive does not include. Senate includes new language. House does not include. Conference does not include new language.

Major Boilerplate Changes from FY 2024-25

***Sec. 223. Boilerplate Deemed Unenforceable* – NOT INCLUDED**
Requires the judicial branch to report on sections of boilerplate deemed to be unenforceable including the legal rationale; requires report to include the difference in costs between policies deemed unenforceable and policies the judicial branch intends to pursue; authorizes the judicial branch to coordinate with the executive branch on compilation of a statewide report. Executive does not include. Senate includes new language. House does not include. Conference does not include new language.

***Sec. 224. Impact of Federal Policy Changes* – NOT INCLUDED**
Requires quarterly reports detailing federal policy changes that affect judicial branch operations; affect an industry, community, population, or other group regulated or served by the judicial branch; affect regulations that protect the public; or create a regulatory gap that could negatively impact the public. Executive does not include. Senate includes new language. House does not include. Conference does not include new language.

JUDICIAL BRANCH

***Sec. 304. Funding for Recommendations of Mental Health Diversion Council* – DELETED**
Expresses intent that $1.7 million of the appropriation for mental health courts is intended to address recommendations of the Mental Health Diversion Council. Executive retains current law. Senate retains current law but reflects line item consolidation. House retains current law. Conference deletes.

***Sec. 308. Swift and Sure Sanctions Program* – RETAINED**
Requires SCAO to administer the Swift and Sure Sanctions program and distribute grants to qualifying courts; authorizes SCAO to expend $150,000 to pay for employee costs associated with administration of the program; reserves $500,000 for programs in counties that had more than 325 individuals sentenced to prison in the previous calendar year; requires SCAO to work with the Department of Corrections to report, for each individual court, by program, participating courts, number of offenders participating, criminal history of offenders, recidivism rates, parameters of the program, and an accounting of prior year expenditures, including grant amounts requested by courts, grant amounts awarded to courts, and grant amounts expended by courts. Executive retains current law. Senate retains current law. House deletes. Conference retains current law.

***Sec. 308. Prescription Compliance through Oral Fluid Testing* – NOT INCLUDED**
Requires SCAO to allocate $1.0 million to continue the Prescription Compliance through Oral Fluid Testing program in problem solving courts; requires SCAO to submit a report on the program, including the number of existing programs and the number of new programs established, the number of program participants, the number of tests completed, program testing and results, and program outcomes, including rearrest rate of participants and the benefit of the program to the state. Executive does not include. Senate does not include. House includes new language. Conference does not include new language.

***Sec. 309. Separation of Powers* – NOT INCLUDED**
States the legislature recognizes the status of the judicial branch as a separate, independent branch of state government as prescribed by Section 2 of Article III of the state constitution. Executive does not include. Senate includes new language. House includes new Senate language and adds to it that the judicial branch recognizes the constitutional obligation of the legislature to oversee state funding and the state's appropriations process, and that, as prescribed by Section 23 of Article IX of the state constitution, all financial records, accountings, audit reports and other reports of public moneys are public records and open to inspection, and that a statement of all revenues and expenditures of public moneys is required to be published and distributed annually. Conference does not include new language.

***Sec. 310. Parental Rights Restoration Act* – NOT INCLUDED**
Requires SCAO to report on the total number of petitions filed by minors seeking court-issued waivers of parental consent under the Parental Rights Restoration Act, and on the total number of petitions granted. Executive does not include. Senate does not include. House includes new language. Conference does not include new language.

***Sec. 312. Local User Fees for Use of Statewide Case Management System* – RETAINED**
Prohibits SCAO from imposing or collecting local user fees from trial courts that use the statewide judicial case management system. Executive retains current law. Senate retains current law. House revises to require SCAO to impose and collect local user fees from trial courts that have not fully migrated to the system. Conference retains current law.

***Sec. 314. Medication-Assisted Treatment Program* – RETAINED**
Requires the judicial branch to maintain a medication-assisted treatment program to provide treatment for opioid- and alcohol-addicted individuals who are referred to and who voluntarily participate in the program; requires the judicial branch to report on the program, including itemized spending by court, number of participants, and statistics that indicate average program participation duration and success rates. Executive deletes. Senate retains current law. House retains current law. Conference retains current law.

Major Boilerplate Changes from FY 2024-25

Sec. 316. Editor for Office of Reporter of Decisions **– NOT INCLUDED**
Requires the Supreme Court to allocate $167,400 to support an editor position for the Office of Reporter of Decisions; requires the editor to work to reduce the Court of Appeals backlog of opinions awaiting review and editing. Executive does not include. Senate does not include. House includes new language. Conference does not include new language.

Sec. 318. MIDC Funding to Support Juvenile Life Resentencing **– NOT INCLUDED**
Requires $2.0 million of the appropriation for SADO – juvenile life resentencing to be supported with unexpended and unencumbered funds appropriated for MIDC that were designated as work project appropriations and subsequently lapsed to the state general fund. Executive does not include. Senate does not include. House includes new language. Conference does not include new language.

ONE-TIME APPROPRIATIONS

Sec. 401. Innocence Investment Grant **– NOT INCLUDED**
Requires one-time appropriation to be granted to the Michigan Innocence Clinic at U of M Law School to be used for legal advocacy and investigation, and to cover litigation expenses associated with helping people who are wrongfully convicted; designates funding as a work project appropriation. Executive does not include. Senate includes new language. House does not include. Conference does not include new language.

Sec. 401. Eviction Diversion Pilot Program **– DELETED**
Requires one-time appropriation to be used to support an eviction diversion pilot program in 14A District Court in Washtenaw County; requires funding to be used to assist tenants experiencing financial hardship through a collaborative program designed to settle landlord-tenant disputes and prevent eviction and homelessness; requires SCAO to report on the number of program participants, the number of disputes settled, the number of evictions avoided, and other program outcomes, including the benefit of the program to participants and the benefit of the program to the state; designates unexpended funding as a work project appropriation. Executive deletes. Senate deletes. House deletes. Conference deletes.

Sec. 401. Limited-Term Employees for Judicial Tenure Commission **– NEW**
Authorizes the Judicial Tenure Commission to hire up to 3.0 limited term employees to assist the commission with addressing the judicial complaint backlog. Executive does not include. Senate does not include. House does not include. Conference includes the new language.

Sec. 402. Status Offender Pilot Program **– DELETED**
Requires SCAO to establish a grant program to award 5 eligible courts with grants of up to $100,000 for innovative, community-based diversion programs and services that work solely with youth for who the court receives a complaint, referral, or petition for what is alleged to be a status offense; authorizes SCAO to partner with DHHS; designates unexpended funding as a work project account. Executive deletes. Senate deletes. House deletes. Conference deletes.

Sec. 402. Limited-Term Employees for SADO **– NEW**
Authorizes SADO to hire up to 14.0 limited term employees to support the financial impact of recent supreme court decisions that require resentencing of individuals who were sentenced to life without parole for crimes they committed at ages 19 and 20. Executive does not include. Senate does not include. House does not include. Conference includes the new language.

Sec. 403. Operation Drive **– DELETED**
Requires $500,000 to be allocated to the 52nd District Court in Oakland County and $500,000 to be allocated to district courts statewide that want to establish a program; requires courts receiving funding to work with the 44th District Court in Royal Oak on establishing a program; requires the program to provide individuals with guidance on how to address underlying issues that led to driver license suspension, guidance on how to maintain the individual's responsibility, and guidance on how to address traffic tickets, warrants, court appearances, and payment of fees and fines; designates unexpended funding as a work project appropriation. Executive deletes. Senate deletes. House deletes. Conference deletes.

Sec. 403. Limited-Term Employees for Supreme Court **– NEW**
Authorizes the Supreme Court to hire 1.0 limited term employee to serve as an editor for the Office of Reporter of Decisions; requires the editor to work to reduce the Court of Appeals backlog of opinions awaiting review and editing. Executive does not include. Senate does not include. House does not include. Conference includes the new language.

Sec. 404. Prescription Compliance through Oral Fluid Testing Program **– DELETED**
Requires $500,000 to be used to continue the program in veterans, mental health, and drug treatment courts that want to participate; requires SCAO to report on the number of programs, the number of program participants in each jurisdiction, the number of tests completed, program testing and results, program treatment, and program outcomes, including rearrest rate of participants, and the benefit of the program to the state; designates unexpended funding as a work project appropriation. Executive deletes. Senate deletes. House deletes. Conference deletes.

FY 2025-26: LABOR AND ECONOMIC OPPORTUNITY
Summary: Conference
Article 9, House Bill 4706 (H-1) CR-1

Analyst: Marcus Coffin

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	FY 2025-26 Senate	FY 2025-26 House	FY 2025-26 Conference	*Difference: Conference From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$0	$0	$0	$0	$0	*$0*	--
Federal	1,191,165,800	1,227,473,300	1,227,473,300	805,103,500	1,188,234,200	*(2,931,600)*	*(0.2)*
Local	10,700,000	10,700,000	10,700,000	5,750,000	6,200,000	*(4,500,000)*	*(42.1)*
Private	12,584,600	12,588,200	12,588,200	6,301,400	8,088,200	*(4,496,400)*	*(35.7)*
Restricted	413,774,700	312,373,900	292,874,300	229,307,300	312,373,700	*(101,401,000)*	*(24.6)*
GF/GP	793,569,400	322,996,700	569,146,500	245,158,600	216,183,600	*(577,385,800)*	*(72.8)*
Gross	**$2,421,794,500**	**$1,886,132,100**	**$2,112,782,300**	**$1,291,620,800**	**$1,731,079,700**	***($690,714,800)***	***(25.5)***
FTEs	2,671.5	2,684.5	2,695.5	2,533.5	2,633.5	*(38.0)*	*(1.4)*

Notes: (1) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (2) FY 2024-25 year-to-date (YTD) figures are as of release of the Executive budget, February 5, 2025. (3) "Senate" means Senate Bill 179 (S-2). (4) "House" means Article 9, House Bill 4706 (H-1) as Amended. (5) "Conference" means the budget agreement reflected in HB 4706 (H-1) CR-1.

Overview

The Department of Labor and Economic Opportunity (LEO) engages in economic development, community growth and development, affordable housing, tourism, job creation and retention, and workforce development. LEO includes the Michigan Strategic Fund (MSF)/Michigan Economic Development Corporation (MEDC), Bureau of Employment Relations, Bureau of Services for Blind Persons, Michigan Occupational Safety & Health Administration (MIOSHA), Workforce Development, Michigan Rehabilitation Services, Office of Global Michigan, Unemployment Insurance Agency (UIA), Workers' Disability Compensation Agency, State Land Bank Authority, and Michigan State Housing Development Authority (MSHDA).

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		**FY 2024-25 Year-to-Date (as of 2/5/25)**	**FY 2025-26 Conference Change**
1. Revitalization and Placemaking Removal	**Gross**	**$50,000,000**	**($50,000,000)**
Executive removes $50.0 million of state restricted funding authorization that was appropriated for the Revitalization and Placemaking Program to reflect the sunset of the program's funding source, which is a $50.0 million earmark from Corporate Income Tax revenue that was authorized under 2023 PA 4 for Fiscal Years 2022-23, 2023-24, and 2024-25. The Revitalization and Placemaking Program provides access to gap financing for place-based infrastructure development, real estate rehabilitation and development, and public space improvements. Senate, House, and Conference concur with Executive.	Restricted	50,000,000	(50,000,000)
	GF/GP	$0	$0
2. Pre-Employment Transition Services Expansion	**Gross**	**NA**	**$0**
Executive includes $40.4 million Gross ($8.4 million GF/GP) to expand pre-employment transition services provided to students with disabilities through the Bureau of Services for Blind Persons and Michigan Rehabilitation Services. Specifically, the funding would be used to increase efforts to serve students with disabilities by offering services that would include concentrated academic remediation, specialized tutoring, and enrollment into career and technical training or college. Senate concurs in part with Executive but includes only a portion of the GF/GP funding and includes state restricted funding authorization from a new Yields, Savings, and Earnings fund source, for a total appropriation of $33.5 million Gross ($1.0 million GF/GP). House and Conference do not include.	Federal	NA	0
	Restricted	NA	0
	GF/GP	NA	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
3. Employer Assisted Housing Financing Program Executive includes $25.0 million GF/GP (one-time) to support an Employer Assisted Housing Financing Program, which would allow MSHDA to provide up to a 1:1 match on employer investments for the creation of local workforce housing opportunities. Eligible households would have to be below 120% of the area median income and housing opportunities would include housing acquisition, rental housing, down payment assistance, and housing rehabilitation. Senate, House, and Conference do not include.	**Gross** GF/GP	**$0** $0	**$0** $0
4. Statewide Apprenticeship Expansion Executive includes $19.0 million GF/GP (one-time) to expand available apprenticeship opportunities, to assist citizens with obtaining industry credentials recognized by the U.S. Department of Labor, and to support registered apprenticeship expansion across Michigan. Funding would be distributed to registered apprenticeship sponsors, employers, and apprentices in both traditional and non-traditional industries. Senate includes $5.0 million GF/GP (one-time) for this purpose. House and Conference do not include.	**Gross** GF/GP	**$0** $0	**$0** $0
5. Growth Programming and Initiatives Executive includes $10.0 million GF/GP (one-time) for programs to support community growth, engagement efforts to advance Michigan's growth, and strategies to support talent attraction and retention. Funding would support programming offered by the Michigan Growth Office and other programs to implement the Growing Michigan Together Council's blueprint for growth. Senate, House, and Conference do not include.	**Gross** GF/GP	**$0** $0	**$0** $0
6. Small Business Support Hubs Executive includes $10.0 million GF/GP (one-time) to continue the Small Business Support Hubs program, supporting a statewide network of small business entrepreneurial support hubs. The funding would be used to offer grants to small business support organizations for incubators, accelerators, networking and mentorship programming, and other entrepreneurial support initiatives. Senate includes $30.0 million Gross ($5.0 million GF/GP; both one-time) for grants for similar purposes, which would be primarily supported with state restricted funding authorization from Corporation Fees. The Senate's proposed grants would also be open to community resource hubs that increase economic and community development, entrepreneurship, and innovation; the grants would be prioritized for economically distressed communities. House and Conference do not include.	**Gross** Restricted GF/GP	**$0** 0 $0	**$0** 0 $0
7. Small Business Development Initiative Senate includes $10.0 million GF/GP (ongoing) to make awards for economic assistance (technical assistance, grants, incubation, capital access, and other financing opportunities) to qualified businesses (owned and operated by individuals from underrepresented groups or distressed communities) or business organizations that provide services to qualified small businesses. House and Conference do not include.	**Gross** GF/GP	**$0** $0	**$0** $0
8. Talent Action Teams Executive includes $10.0 million GF/GP (one-time) to continue the activities of the Talent Action Teams (TATs) program. The TATs provide customized talent solutions to employers in strategic industries, including electric vehicles, semiconductors, and aerospace/defense. Talent solutions include personnel recruitment, curriculum development, internships, incumbent worker training, career exploration, and veteran recruitment. Senate, House, and Conference do not include.	**Gross** GF/GP	**$0** $0	**$0** $0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
9. Barrier Removal and Employment Success	**Gross**	**$0**	**$0**
Executive includes $7.5 million GF/GP (one-time) to support a program that would seek to remove employment barriers for low-income and asset limited, income constrained, employed (ALICE) individuals by providing supportive services in areas including transportation, childcare, clothing, tools for work, legal services, and other needs. Senate includes $3.0 million GF/GP (ongoing) in the Workforce Development line item for this purpose. House and Conference do not include.	GF/GP	$0	$0
10. Michigan Rehabilitation Services Federal Award and State Match	**Gross**	**NA**	**$0**
	Federal	NA	0
Executive includes $9.2 million Gross ($2.0 million GF/GP) to provide the requisite state match and to align federal funding authorization to enable Michigan Rehabilitation Services to receive an anticipated federal grant award from the U.S. Department of Education, which would be used to expand vocational rehabilitation services. Senate concurs in part with Executive but replaces the GF/GP funding with state restricted funding authorization from a new Yields, Savings, and Earnings fund source. House and Conference do not include.	Restricted	NA	0
	GF/GP	NA	$0
11. Michigan Rehabilitation Services Federal Authorization	**Gross**	**NA**	**$5,391,000**
Executive includes $5.4 million of federal funding authorization to allow Michigan Rehabilitation Services to receive $5.4 million from the U.S. Department of Education. This federal funding would be used to support an IT project to acquire a modern content management system that would have the capability to create accurate federal reports. Senate concurs with Executive. House does not include. Conference concurs with Executive.	Federal	NA	5,391,000
	GF/GP	NA	$0
12. State Brownfield Redevelopment Fund	**Gross**	**$3,002,100**	**$4,000,000**
Executive includes an additional $4.0 million of state restricted funding authorization from the State Brownfield Redevelopment Fund for the Job Creation Services line item, which supports activities of the MSF. Under the Brownfield Redevelopment Financing Act, 1996 PA 381, up to 15% of amounts annually deposited to the State Brownfield Redevelopment Fund may be used by the MSF and the Department of Environment, Great Lakes, and Energy for implementing the Brownfield Redevelopment Financing Act and Part 196 of the Natural Resources and Environmental Protection Act. Senate concurs with Executive. House does not include. Conference concurs with Executive.	Restricted	3,002,100	4,000,000
	GF/GP	$0	$0
13. First Responder Presumed Coverage Claims	**Gross**	**$4,000,000**	**$2,500,000**
Executive includes an additional $2.5 million of state restricted funding authorization from the Christopher R. Slezak First Responder Presumed Coverage Fund (FRPCF) to adequately cover claims costs for wage loss and medical care expenses paid to eligible first responders. Legislation enacted in 2021, specifically 2021 PA 117 and 2021 PA 129, expanded both the population of first responders who are eligible to make claims through the program and the types of cancer that qualify for reimbursement. The executive recommendation also proposes statutory changes to increase allocations made to the FRPCF from the Internet Gaming Fund and the Internet Sports Betting Fund. Senate concurs with Executive. House does not include. Conference concurs with Executive.	Restricted	4,000,000	2,500,000
	GF/GP	$0	$0
14. Office of Rural Prosperity Federal Funding Authorization	FTE	1.0	0.0
	Gross	**$697,400**	**$1,500,000**
Executive includes $1.5 million of federal funding authorization to allow the Office of Rural Prosperity to receive and expend federal funding that may be available to it, including funding from the U.S. Department of Agriculture which is currently available. Senate concurs. House does not include. Conference concurs with Executive.	Federal	0	1,500,000
	GF/GP	$697,400	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
15. Wage and Hour Program	FTE	33.0	0.0
Executive includes an additional $1.5 million GF/GP and authorization for 10.0 FTE positions to onboard additional staff for the Wage and Hour Program. The additional staff would engage with employees and employers on workplace operations related to pay, benefits, and youth employment and would include 7 regulation agents, 2 analysts, and 1 regulation supervisor. Senate concurs with Executive. House does not include. Conference includes an additional $1.0 million GF/GP (one-time) for the Wage and Hour Program.	**Gross**	**$4,555,000**	**$1,000,000**
	Restricted	4,555,000	0
	GF/GP	$0	$1,000,000
16. Arts and Cultural Program	**Gross**	**$12,379,200**	**$0**
Executive removes $1.3 million GF/GP of specific Arts and Cultural Program award allocations. Of the removed amount, $250,000 is for the Michigan Traditional Arts Program and $1.0 million is for the Concert of Colors. Senate concurs with the removals but includes an additional $1.0 million GF/GP for an award to a cultural exchange network to support a music and arts festival that is free to the public. House removes all funding for the Arts and Cultural Program. Conference shifts $8.7 million of the ongoing GF/GP funding for the Arts and Cultural Program to one-time and removes the specific award allocations from the remaining ongoing funding.	Federal	1,050,000	0
	Private	200,000	0
	GF/GP	$11,129,200	$0
17. Volunteer Income Tax Assistance Grants	**Gross**	**$1,000,000**	**($1,000,000)**
Executive removes $1.0 million GF/GP that supports a volunteer income tax assistance grants program for tax preparation services. Senate includes an additional $1.0 million GF/GP for this purpose, to bring total funding for Volunteer Income Tax Assistance Grants to $2.0 million GF/GP. House and Conference concur with Executive.	GF/GP	$1,000,000	($1,000,000)
18. Personal Assistance Services Reimbursement for Employment Program (PASREP)	**Gross**	**$400,000**	**($400,000)**
Executive removes $400,000 GF/GP for PASREP, which reimburses eligible persons with disabilities for personal assistance costs incurred to gain or maintain employment. Senate and House retain current funding for PASREP. Conference concurs with Executive.	GF/GP	$400,000	($400,000)
19. Office of Rural Prosperity FTE Authorization	FTE	1.0	0.0
Executive increases authorization in the Michigan Office of Rural Prosperity line item by 3.0 FTE positions. The additional authorization would be used to onboard a program and partnership manager, a grant administration specialist, and a community resource specialist. Funding for the positions would come from existing resources and funding authorization discussed under item 44. Senate includes an increase of 1.0 FTE position. House and Conference do not include.	**Gross**	**$697,400**	**$0**
	GF/GP	$697,400	$0
20. Business Attraction and Community Revitalization Reduction	**Gross**	**$100,000,000**	**($40,650,000)**
Senate removes all state restricted funding authorization from the 21st Century Jobs Trust Fund (which receives a portion of Michigan's tobacco settlement revenue) for the Business Attraction and Community Revitalization (BACR) line item, which supports performance-based incentives to encourage business investment and growth in Michigan and projects to improve communities. House removes all funding for the BACR line item, including both the GF/GP and state restricted funding components. Conference removes all GF/GP funding for the BACR line item, a $40.7 million reduction.	Restricted	59,350,000	0
	GF/GP	$40,650,000	($40,650,000)

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
21. Talent Partnership	**Gross**	**$0**	**$0**
Senate includes $40.0 million GF/GP to administer a grant program to support transformational community development initiatives in central city neighborhoods and concentrated districts and to leverage interdepartmental and cross-sector coordination through local talent plans. House and Conference do not include.	GF/GP	$0	$0
22. Entrepreneurship Ecosystem Reduction	**Gross**	**$15,650,000**	**$0**
Senate and House remove $15.7 million Gross ($0 GF/GP) from the Entrepreneurship Ecosystem line item, eliminating the line, which supports entrepreneurial programs. The line item is exclusively supported by state restricted funding authorization from the 21st Century Jobs Trust Fund (which receives a portion of Michigan's tobacco settlement revenue). Conference does not include the removal.	Restricted	15,650,000	0
	GF/GP	$0	$0
23. Wage and Hour Program – Prevailing Wage	FTE	33.0	0.0
Senate includes $8.0 million of state restricted funding authorization from the Prevailing Wage Fund and authorization for 24.0 FTE positions to implement and administer 2024 PA 110, which pertains to specific prevailing wage requirements. House and Conference do not include.	**Gross**	**$4,555,000**	**$0**
	Restricted	4,555,000	0
	GF/GP	$0	$0
24. Pure Michigan	**Gross**	**$26,000,000**	**($9,000,000)**
Senate includes a $5.0 million GF/GP reduction to the Pure Michigan marketing and tourism program. House replaces GF/GP funding with state restricted funding authorization from the 21st Century Jobs Trust Fund (which receives a portion of Michigan's tobacco settlement revenue) and reduces overstated local and private funding authorizations to algin with expected revenue. Conference reduces overstated local and private funding authorizations to align with expected revenue.	Local	5,000,000	(4,500,000)
	Private	5,000,000	(4,500,000)
	Restricted	0	0
	GF/GP	$16,000,000	$0
25. Land Bank Stabilization Grants	**Gross**	**$0**	**$0**
Senate includes $3.0 million GF/GP for grants to local land banks to support property management and redevelopment, with grants prioritized to local land banks with the largest inventory of properties. House and Conference do not include.	GF/GP	$0	$0
26. State Land Bank Authority	FTE	9.0	0.0
Senate includes an additional $2.5 million GF/GP to support operations of the State Land Bank Authority. House and Conference do not include.	**Gross**	**$6,397,900**	**$0**
	Federal	1,000,000	0
	Restricted	3,370,500	0
	GF/GP	$2,027,400	$0
27. Community Development Financial Institutions	**Gross**	**$0**	**$5,000,000**
Senate includes $2.0 million GF/GP for the creation of a Michigan Community Development Financial Institutions Fund to provide grants to eligible CDFIs, which are mission-driven financial institutions that specialize in increasing access to financial services in underserved and low-income areas. House does not include. Conference includes $5.0 million GF/GP (one-time) for this purpose.	GF/GP	$0	$5,000,000
28. Center for Employment Opportunity	**Gross**	**$0**	**$0**
Senate includes $1.0 million GF/GP for an award to a nonprofit organization that operates a program that provides services to parolees and probationers assessed by the Department of Corrections as moderate- or high-risk to recidivate that include job readiness training, transitional employment, job coaching and placement, and postplacement retention services. House and Conference do not include.	GF/GP	$0	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
29. Schools to Tools Program	**Gross**	**$0**	**$0**
Senate includes $1.0 million GF/GP for a schools to tools program, which would provide students, parents, teachers, and school counselors with information, training, and hands-on experiences to make informed career decisions. House and Conference do not include.	GF/GP	$0	$0
30. Job Creation Services Reduction	FTE	164.0	(34.0)
Senate reduces the Job Creation Services line item by $590,000 GF/GP and reduces FTE authorization by 14.0 positions. The Job Creation Services line item supports various Michigan Strategic Fund activities and programs. House reduces the Job Creation Services line item by $3.0 million GF/GP. Conference reduces FTE authorization by 34.0 positions.	**Gross**	**$31,570,100**	**$0**
	Federal	4,900,000	0
	Private	200,000	0
	Restricted	8,316,900	0
	GF/GP	$18,153,200	$0
31. Black Leadership Council	FTE	0.0	0.0
Senate includes $220,000 GF/GP and authorization for 1.0 FTE position that would work on policies and actions designed to address and prevent discrimination and racial inequity, serve as a resource to community groups, and promote culture and arts in the black community. House and Conference do not include.	**Gross**	**$0**	**$0**
	GF/GP	$0	$0
32. Tribal Commission	FTE	0.0	0.0
Senate includes $220,000 GF/GP and authorization for 1.0 FTE position that would work on policies and actions designed to address and prevent discrimination and inequality for tribal members, serve as a resource to community groups, and promote culture and arts in tribal communities. House and Conference do not include.	**Gross**	**$0**	**$0**
	GF/GP	$0	$0
33. Office of Global Michigan	FTE	15.0	0.0
Senate includes $150,000 GF/GP and authorization for 1.0 FTE position to support activities that assist Michigan residents who have been impacted by federal immigration action or changes occurring after January 1, 2025. House removes all funding and FTE authorization for the Office of Global Michigan. Conference shifts $500,000 of GF/GP funding from ongoing to one-time and reduces ongoing GF/GP funding for this item by an additional $1.5 million.	Gross	**$43,949,800**	**($1,511,700)**
	Federal	38,419,100	0
	GF/GP	$5,530,700	($1,511,700)
34. Global Talent Initiative	**Gross**	**$0**	**$0**
Senate includes $100,000 GF/GP for an award to a nonprofit organization in Detroit that is focused on equitable local, regional, and statewide economic growth through immigrant inclusion for programming aimed at international entrepreneurs, companies, startups, professionals, and students. House and Conference do not include.	GF/GP	$0	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
35. Senate One-Time Programs	**Gross**	**$0**	**$2,000,000**
Senate includes $285.5 million Gross ($265.5 million GF/GP) for the 19 one-time programs listed below: • ADA Small Business Compliance ($2.0 million GF/GP) • Arts and Culture Facility Upgrades ($2.0 million GF/GP) • Community Health and Services Grants ($1,200 GF/GP) • Community Infrastructure Grants ($1,400 GF/GP) • Community Public Safety Grants ($900 GF/GP) • Community Workforce Development Grants ($600 GF/GP) • Economic Relief ($100.0 million GF/GP) • Economic Stress Test ($500,000 GF/GP) • Emergency Housing ($50.0 million GF/GP) • Emerging Community Grants ($2.8 million GF/GP) • Fire Station Infrastructure Grants ($3.0 million GF/GP) • Housing Relief Fund ($75.0 million GF/GP) • Michigan Capital Access Fund ($20.0 million Yields, Earnings, and Savings) • Michigan Future Force ($15.0 million GF/GP) • Michigan Veteran Wraparound Services ($3.0 million GF/GP) • Michigan Works! ($1.0 million GF/GP) • My Pay Today Pilot Program ($1.0 million GF/GP) • Re-emerging Workforce ($10.0 million GF/GP) • Women in the Workplace ($250,000 GF/GP) House does not include. Conference includes $2.0 million GF/GP (one-time) for Emerging Community Grants and incorporates portions of other Senate items within its new one-time appropriations.	Restricted GF/GP	0 $0	0 $2,000,000
36. House Funding and FTE Authorization Reductions	FTE	NA	0.0
House includes a net reduction of $328.8 million Gross ($8.1 million GF/GP) and 88.0 FTE positions to reflect a reversion to FY 2021-22 funding levels across 20 line items, with further reductions to 11 of these lines to more closely align authorized levels of federal, local, private, and state restricted funding with expected revenues. A reduction of 5.0 FTE positions and $1.6 million GF/GP for the Bureau of Employment Relations line item is also included in these figures, though the reduction is not specifically related to the FY 2021-22 benchmarking. Conference includes a different set of reductions, which are detailed in item 46.	**Gross** Federal Local Private Restricted GF/GP	**NA** NA NA NA NA NA	**$0** 0 0 0 0 $0
37. House Line Item Removals	FTE	51.0	0.0
House removes $81.2 million Gross ($23.3 million GF/GP) by eliminating funding for the following line items: 23+ High School Diploma Program, At-Risk Youth Grants, Community and Worker Economic Transition Office, Helmets to Hardhats, High School Equivalency to School Program, MiSTEM Advisory Council, Office of Future Mobility and Electrification, Subregional Libraries State Aid, Office of Global Michigan, Asian Pacific American Affairs Commission, Commission on Middle Eastern American Affairs, Hispanic/Latino Commission of Michigan, Michigan Community Service Commission, Michigan Women's Commission, and Prosperity. $100,000 GF/GP and 1.0 FTE position from the Prosperity line item is retained and shifted into a new line item for the Michigan High-Speed Internet Office. Conference does not include the removals.	**Gross** Federal Private Restricted GF/GP	**$81,255,400** 56,619,300 1,250,000 0 $23,386,100	**$0** 0 0 0 $0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
38. Legislatively Directed Spending Items	**Gross**	**$0**	**$28,013,700**
House includes $100.0 million GF/GP (one-time) to support 62 projects that were submitted by legislative members and subject of testimony in public hearings. Conference includes $28.0 million GF/GP (one-time) to support 22 projects that were submitted by legislative members and subject of testimony in public hearings. See Table 1 for information on recipients.	GF/GP	$0	$28,013,700
39. Going Pro	**Gross**	**$54,750,000**	**($22,945,400)**
House removes all funding for the Going Pro program, a $54.8 million Gross ($45.2 million GF/GP) reduction. The program offers awards to employers to assist in training, developing, and retaining current and newly hired employees. Conference removes $22.9 million of the GF/GP funding for the Going Pro program and shifts the remaining GF/GP ($22.3 million) from ongoing to one-time.	Restricted	9,540,800	0
	GF/GP	$45,209,200	($22,945,400)
40. Wakefield Township Infrastructure Investment	**Gross**	**$0**	**$0**
House includes $50.0 million GF/GP (one-time) for Wakefield Township for infrastructure improvements that include transportation access, water and wastewater, groundwater quality analysis, power reliability, and cellular and broadband access. Conference does not include.	GF/GP	$0	$0
41. Skilled Trades Workforce Training Grants	**Gross**	**$0**	**$0**
House includes $20.0 million GF/GP (one-time) for grants to organizations that provide support for skilled trades education partnerships, skilled trades certification programs, and skilled trades upskilling initiatives. Total grant awards to organizations affiliated with community colleges and organizations affiliated with trade unions would be capped at $5.0 million each. Conference does not include.	GF/GP	$0	$0
42. Information Technology Reduction	**Gross**	**$33,535,600**	**($70,600)**
House includes a reduction of $8.0 million Gross ($190,100 GF/GP) to reflect a 25% reduction to the Information Technology Services and Projects line item and a 15% reduction to the MSHDA Technology Services and Projects line item. Conference includes a $70,600 GF/GP reduction to the Information Technology Services and Projects line item.	Federal	26,568,600	0
	Restricted	6,206,900	0
	GF/GP	$760,100	($70,600)
43. Rural Jobs and Capital Investment	**Gross**	**$0**	**$0**
House includes $7.5 million in state restricted funding authorization from the Rural Jobs and Capital Investment Creation Fund, which would be used to make grants, loans, and other economic assistance available to rural jobs and capital investment funds, as provided under MCL 125.2090n. Appropriations were previously made to the Rural Jobs and Capital Investment Creation Fund under 2020 PA 166 ($1.5 million GF/GP) and 2021 PA 87 ($5.0 million GF/GP), but the fund has been dormant since. Conference does not include.	Restricted	0	0
	GF/GP	$0	$0
44. Michigan Defense Center Program	**Gross**	**$5,000,000**	**$0**
House reflects the transfer of funding for the Michigan Defense Center (recently renamed the Office of Defense and Aerospace Innovation – ODAI) to the Department of Military and Veterans Affairs budget. The appropriation supports the ODAI, which aims to enhance Michigan's defense and aerospace sectors by increasing awareness of Michigan's capabilities, attracting and expanding businesses involved in Department of Defense activities, and fostering growth in defense and commercial aerospace industry. Conference shifts $1.0 million of GF/GP funding for this program from ongoing to one-time.	GF/GP	$5,000,000	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
45. Strategic Outreach and Attraction Reserve Fund (SOAR)	**Gross**	**$200**	**($200)**
House removes $100 state restricted funding placeholders that were included and supported by the SOAR funding source. The Critical Industry Program (CIP) line item and the Michigan Strategic Site Readiness Program (MSSRP) line item are the items that would be removed. These appropriations enabled legislative transfers to shift funding from the SOAR Fund to the CIP and MSSRP, so that expenditures could be made for projects under those programs that received approval from the Michigan Strategic Fund Board. Conference concurs with House.	Restricted	200	(200)
	GF/GP	$0	$0
46. Conference FTE Authorization and GF/GP Funding Reductions and Shifts	FTE	NA	(4.0)
	Gross	**NA**	**($3,123,300)**
Conference reduces FTE authorization in the Insurance Funds Administration line item by 2.0 positions and in the Michigan Rehabilitation Services line item by 2.0 positions. Conference also includes a $3.1 million GF/GP funding reduction, in addition to including ongoing to one-time shifts, which are detailed below: • Reduces the 23+ High School Diploma Program line item by $1.0 million GF/GP. • Reduces the Centers for Independent Living line item by $1.0 million GF/GP. • Reduces the At-Risk Youth Grants line item by $515,500 GF/GP. • Reduces the Office of Future Mobility and Electrification line item by $500,000 GF/GP. • Includes smaller reductions across 7 other line items that sum to $107,800 GF/GP. • Shifts $250,000 of GF/GP funding for the Community and Worker Economic Transition Office from ongoing to one-time. • Shifts $250,000 of GF/GP funding for the Helmets to Hardhats line item from ongoing to one-time.	GF/GP	NA	($3,123,300)
47. Conference One-Time Grants and Programs	**Gross**	**$0**	**$13,778,500**
Conference includes $13.8 million GF/GP (one-time) for the 11 items listed below: • Arts and Cultural Grants ($1.0 million GF/GP) • Empowerment Plan ($500,000 GF/GP) • Food Pantry Support ($800,000 GF/GP) • Habitat for Humanity ($500,000 GF/GP) • Home Repair Grants ($1.2 million GF/GP) • Michigan Black Business Alliance ($1.0 million GF/GP) • Museum Support ($1.5 million GF/GP) • North Rosedale Park ($500,000 GF/GP) • Redford Water Infrastructure ($750,000 GF/GP) • Sheet Metal Training Center ($1.0 million GF/GP) • Workforce and Employer Expansion ($5.0 million GF/GP)	GF/GP	$0	$13,778,500

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
48. Removal of FY 2024-25 One-Time Appropriations	**Gross**	**$638,812,000**	**($633,012,000)**
Executive removes $636.8 million Gross ($562.8 million GF/GP) of one-time funding that was included in the FY 2024-25 budget. Funding for 58 of the 60 FY 2024-25 one-time programs and grants would be eliminated; the Office of Rural Prosperity Grants line item would be retained but reduced by $1.5 million GF/GP and the Focus: HOPE line would be retained at $1.0 million GF/GP. Senate eliminates funding for 59 of the 60 FY 2024-25 one-time programs and grants but retains $2.5 million GF/GP for Short-Term Loan Grants. House removes all FY 2024-25 one-time funding items. Conference removes funding for 53 of the 60 FY 2024-25 one-time programs and grants but retains the following one-time items for FY 2025-26: $1.5 million GF/GP for Detroit Right to Counsel, $1.0 million GF/GP for Focus: HOPE, $750,000 GF/GP for Michigan Women Forward, $250,000 GF/GP for Reignite, $500,000 GF/GP for SER Metro, $1.0 million GF/GP for Starfish Family Services, and $800,000 GF/GP for Wayne Metro.	Federal	14,000,000	(14,000,000)
	Restricted	60,000,000	(60,000,000)
	GF/GP	$564,812,000	($559,012,000)
49. Technical Adjustments	**Gross**	**NA**	**($2,043,100)**
Executive includes numerous internal transfers to reflect funding allocations and technical adjustments to align fund sources with anticipated revenues. These technical adjustments include the following: • Transfers $592,800 of federal funding and $160,500 GF/GP from the Michigan Community Service Commission and the Michigan Rehabilitation Services line items to the Information Technology Services and Projects line item. • Transfers $300,000 of private funding authorization from the Workforce Development line item to the Prosperity line item. • Includes an additional $294,000 of state restricted funding authorization from Corporation Fees in the MIOSHA line item to align with increased expenditures for services provided by the Michigan Office of Administrative Hearings and Rules in LARA. • Transfers $100,000 of private funding authorization from the Workforce Development line item to the Michigan Office of Rural Prosperity line item to reflect current fund sources supporting the program. • Aligns federal funding authorization from 11 sources and state restricted funding authorization from 7 sources across 11 line items. Senate concurs with Executive. House concurs only on a $57,500 state restricted funding authorization reduction for the Lighthouse Preservation Program. Conference concurs with Executive.	Federal	NA	(1,955,000)
	Restricted	NA	(97,600)
	GF/GP	NA	$9,500
50. Economic Adjustments	**Gross**	**NA**	**$9,858,300**
Executive reflects a net increase in costs of $9.9 million Gross ($1.5 million GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, overtime costs, insurances, workers' compensation, building occupancy charges, food, fuel, and utilities, and other economic adjustments. Senate concurs with Executive. House does not include. Conference concurs with Executive.	Federal	NA	6,132,400
	Private	NA	3,600
	Restricted	NA	2,196,800
	GF/GP	NA	$1,525,500

Major Boilerplate Changes from FY 2024-25

GENERAL SECTIONS

Note: Boilerplate section numbers listed in this document are section numbers as they appear in the Conference Report.

***Sec. 205. Purchase of Foreign Goods and Services* – RETAINED**
Prohibits purchase of foreign goods or services if competitively priced and comparable quality American goods or services are available; gives preference to goods and services from Michigan businesses and Michigan businesses owned and operated by veterans. Executive retains. Senate revises to provide preference to goods or services manufactured in facilities that employ union members. House and Conference retain.

***Sec. 206. Communication with the Legislature* – RETAINED**
Prohibits LEO from taking disciplinary action against employees for communicating with legislators or their staff, unless the communication is prohibited by law. Executive deletes. Senate, House, and Conference retain.

***Sec. 208. Hiring of External Legal Counsel* – DELETED**
Prohibits using appropriations to hire a person to provide legal services that are the responsibility of the attorney general; prohibition does not apply to legal services for bonding activities or services the attorney general authorizes. Executive and Senate retain. House and Conference delete.

***Sec. 210. Contingency Authorization* – RETAINED**
Appropriates up to $30.0 million in federal, $560.0 million in state restricted, $2.0 million in local, and $11.0 million in private contingency authorization; authorizes expenditure of funds after legislative transfer to specific line items. Executive revises state restricted contingency authorization to $715.0 million. Senate retains. House revises contingency authorization levels to $15.0 million for federal, $5.0 million for state restricted, $1.0 million for local, and $1.0 million for private. Conference retains.

***Sec. 211. Transparency Website* – REVISED**
Requires LEO, in cooperation with DTMB, to maintain a searchable website accessible by the public at no cost that includes information on expenditures, vendor payments, number of active employees, job specifications, and wage rates. Executive and Senate retain. House and Conference revise to delete reporting on the number of active employees, job specifications, and wage rates, and to require that the website be updated quarterly.

***Sec. 212. State Restricted Funds Report* – RETAINED**
Requires LEO to work with SBO to report on estimated restricted fund revenues, expenditures, and fund balances for the previous two fiscal years. Executive deletes. Senate, House, and Conference retain.

***Sec. 213. Access to State and Local Services* – RETAINED**
Prohibits funding from being used to restrict or impede a marginalized community's access to government resources, programs, or facilities; requires local governments to report any action or policy that attempts to restrict or interfere with a local health officer's duties. Executive and Senate retain. House deletes. Conference retains.

***Sec. 214. Contracting With Geographically Disadvantage Business Enterprises* – RETAINED**
Requires LEO director to take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts. Executive and Senate retain. House deletes. Conference retains.

***Sec. 216. Receipt and Retention of Reports* – REVISED**
Requires LEO to receive and retain copies of all reports funded by the department's budget, while complying with federal and state guidelines for records retention. Executive deletes. Senate retains. House and Conference revise to include a requirement to follow federal and state law in addition to federal and state guidelines.

***Sec. 217. Report on Policy Changes for Public Act Implementation* – REVISED**
Requires LEO to report on policy changes made to implement public acts that took effect during the previous calendar year. Executive deletes. Senate retains. House and Conference revise to require the report to include reference to the public act that necessitates the policy change.

***Sec. 218. Work Project Expenditures* – RETAINED**
Stipulates that appropriations are not to be expended, if possible, until all existing work project authorization for the same purpose is exhausted. Executive deletes. Senate, House, and Conference retain.

Major Boilerplate Changes from FY 2024-25

Sec. 221. State Fiscal Recovery Fund (SFRF) **– DELETED**
Requires state budget director to ensure all SFRF revenue is expended by December 31, 2026; authorizes state budget director to reallocate appropriated funds for the purpose of fully expending funds; requires all guidance, implementation, and reporting provisions of federal law to be followed; requires state budget director to notify appropriations committees of reallocations made; authorizes state budget director and state departments to make accounting transactions necessary to implement reallocation. Executive deletes. Senate revises to retain language requiring the state budget director to ensure all SFRF revenue is expended by December 31, 2026, to include language requiring notification if an appropriation is projected to lapse, and to delete all other language. House and Conference delete.

Sec. 221. State Administrative Board Action **– NEW**
Allows the legislature, by concurrent resolution, to inter-transfer funds if the State Administrative Board transfers funds. Executive and Senate do not include. House and Conference include new language.

Sec. 222. Legislatively Directed Spending Items **– NEW**
Requires the legislature to provide a list of legislatively directed spending items consistent with House and Senate rules; requires LEO to do the following: establish a process to review, complete, and execute grant agreements; verify that grant recipients are not-for-profit entities that will use funds for a public purpose; review and verify all necessary information to ensure grant recipients are able to execute grant agreements, perform fiduciary duties, comply with applicable laws, and disburse grants according to grant disbursement schedules; prohibits LEO from disbursing funds if grant recipients do not meet disclosure requirements; requires grant agreements to include identifying information, descriptions of projects, tentative timelines, estimated budgets, ways grant funds will be used; authorizes LEO to adopt MOU with other departments to improve grant administration or oversight; requires grant recipients to respond to information requests; requires grants to be spent by September 30, 2030; requires LEO to return funds if grant recipients do not submit required information; requires LEO to post reports; requires the State Budget Office to compile LDSI information; prohibits LEO from awarding additional funds to grant recipients that misuse funds; requires LEO to refer misused grants for review following internal audit protocols. Executive, Senate, and House do not include. Conference includes new language.

Sec. 222. Single Recipient Grants **– DELETED**
Requires grant funding intended for a single recipient organization or local government to be used for a program or project that is for a public purpose; requires LEO to follow state procurement statutes, including bidding requirements; authorizes SBO to compile and submit reports; lists eligibility requirements to receive grant funding; provides timeframes for receiving and expending grant funding; requires information on grants/projects to be posted on a public website, including receiving entity and grant sponsor; requires reports. Executive deletes. Senate revises to include additional eligibility requirements, create new timing requirements, require monthly reporting, and make other reporting and programmatic changes. House and Conference delete.

Sec. 222. Severance Pay Reporting **– NOT INCLUDED**
Requires LEO to report any severance pay to high-ranking officials not later than 14 days after a severance agreement is signed; requires report on total amount of severance pay remitted and number of employees receiving severance pay during prior fiscal year; defines severance pay. Executive and Senate do not include. House includes new language. Conference does not include.

Sec. 223. General Fund Prioritization and Expenditure Reduction Reporting **– NOT INCLUDED**
Requires federal or private grant funding to be used prior to general fund appropriations when available for the same expenditure; requires the department to notify standard report recipients within 10 days if a reduction in expenditures under MCL 18.1395 is required and outlines required content. Executive does not include. Senate includes new language. House and Conference do not include.

Sec. 223. State Workforce Efficiency and In-Person Work **– NEW**
Requires LEO to maximize state workforce efficiency and to prioritize employees working in-person 5 days per week; requires field service employees to report to the office before beginning field work; requires LEO to establish a policy and a process for verifying that all employes are working their jobs during normal business hours; requires LEO to provide information on employee badge scanning when requested by the legislature. Executive and Senate do not include. House includes new language. Conference includes new language that requires LEO to maximize utilization of its in-person workforce, prioritize utilization of office space, monitor field staff to ensure hours reported as worked are worked, comply with requirements set forth by the Office of the State Employer on in-person work, utilization, and occupancy rates, and adhere to Civil Service rules and regulations pertaining to work hours.

Sec. 224. Unenforceable Provisions Report **– NOT INCLUDED**
Requires LEO to report on sections deemed unenforceable, including the legal rationale; requires reporting on the difference in costs between policies deemed unenforceable and policies LEO intends to pursue; authorizes LEO to coordinate with the executive branch on compilation of a statewide report. Executive does not include. Senate includes new language. House and Conference do not include.

Major Boilerplate Changes from FY 2024-25

Sec. 224. Grants Oversight **– NOT INCLUDED**
Requires grants to be provided only to entities that have been established or operating for at least 36 months; requires receiving entities to have had an office in Michigan or the service area for at least 12 months; requires grant recipients to provide a spending plan; limits amount of funds that may be used for administrative costs and contingencies; requires annual audits of recipients' use of grant funds; requires LEO and each agency work with the auditor general to conduct audits of grant funds; prohibits grant recipients and immediate family members from being employed in the executive or legislative branches; requires full audits to be posted on the department's website; requires quarterly reports on legislatively sponsored grant funds. Executive and Senate do not include. House includes new language. Conference does not include.

Sec. 224. Federal Policy Changes Reporting **– NEW**
Requires quarterly reports detailing federal policy changes that do any of the following: affect LEO operations; affect an industry, community, population, or other group regulated or served by LEO; affect regulations that protect the public or create a regulatory gap that could negatively impact the public. Executive does not include. Senate includes new language. House does not include. Conference includes new language but omits the portion pertaining to federal changes that affect regulations that protect the public.

Sec. 225. E-Verify and Foreign Entities **– NEW**
Requires LEO to require contractors and subcontractors to use the E-Verify system to verify that all hired persons are legally present and authorized to work in the United States; allows LEO to verify the information directly or to require the contractor to verify and certify the information; requires LEO to report on the processes it develops and implements; prohibits LEO from contracting with any foreign entities that are known or suspected enemies of the Unites States or known foreign adversaries and lists known foreign adversaries. Executive does not include. Senate does not include. House includes new language. Conference includes the new language but removes the portion prohibiting LEO from contracting with any foreign entities that are known or suspected enemies of the Unites States or known foreign adversaries and listing known foreign adversaries.

Sec. 226. Prohibition on Services to Non-Citizens **– NOT INCLUDED**
Prohibits state or federal funds from being used to provide services, grants, or programming to a non-citizen, unless the individual is a qualified alien as defined under 8 USC section 1641; excepts expenditures for the purpose of detaining non-citizens. Executive and Senate do not include. House includes new language. Conference does not include.

Sec. 226. Posting of Reports **– NEW**
Requires LEO, MEDC, and other agencies to make required reports readily accessible to the public and conspicuously posted in a single archivable location on the department's website; requires maintenance of reports from previous fiscal years in the same archivable location. Executive, Senate, and House do not include. Conference includes new language.

Sec. 227. Work Project Reporting **– NEW**
Requires LEO to report quarterly on all work project accounts, including a list of work project accounts, status of all accounts, and the amount of funds that lapsed from any previous accounts. Executive and Senate do not include. House includes new language. Conference includes new language with an annual reporting frequency.

Sec. 228. Legacy Costs **– NEW**
Identifies the total amount of LEO funding estimated to be expended on legacy costs in FY 2025-26 is $39.6 million ($35.8 million on pension-related legacy costs; $3.9 million on health care-related legacy costs). Executive and Senate do not include. House and Conference include new language.

Sec. 229. Department Scorecard Website **– NEW**
Requires LEO to maintain, on a publicly accessible website, a scorecard that identifies, tracks, and regularly updates key metrics used to monitor and improve department performance. Executive and Senate do not include. House includes new language. Conference includes new language that requires LEO to provide a copy of its annual strategic plan, which is prepared in compliance with the Management and Budget Act.

Sec. 230. State Obligations **– NEW**
Prohibits appropriations from being used to pay for a state obligation that exceeds $200,000 for a court-approved judgment, settlement, award, or claim without prior legislative approval; requires notification if a state obligation for a court-approved judgment, settlement, award, or claim results in a change from current statute; exempts compensation under the Wrongful Imprisonment Compensation Act. Executive and Senate do not include. House includes new language. Conference includes new language that requires LEO to report on any court settlement that may require further legislative review of state statutory programs or regulations.

Major Boilerplate Changes from FY 2024-25

Sec. 231. Private and Third-Party Funds **– NEW**
Requires LEO to disclose on a publicly accessible website private and other third-party funds received, including the amount of funding, the specific source of funding received, the expenditure purpose, and the amount of any remaining funds. Executive and Senate do not include. House and Conference include new language.

Sec. 232. DEI Funding Prohibition **– NOT INCLUDED**
Prohibits state funds from being used for diversity, equity, and inclusion initiatives or programs. Executive and Senate do not include. House includes new language. Conference does not include.

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY (LEO)

Sec. 301. General Fund Prioritization **– RETAINED**
Requires federal or private grant funding to be used prior to general fund appropriations when available for the same expenditure. Executive deletes. Senate, House, and Conference retain.

Sec. 303. SIGMA System Reporting **– DELETED**
Requires LEO to use SIGMA to report encumbrances and expenditures. Executive deletes. Senate retains. House and Conference delete.

Sec. 304. Private Grant Funded Projects **– REVISED**
Authorizes appropriation of private grant revenues, subject to a limitation of $1.5 million; requires LEO to report on fund source, purpose, and amount of the grant within 10 days of receipt. Executive revises to remove $1.5 million appropriation cap. Senate revises to require a report on amount of private revenue generated in FY 2024-25 and amount carried forward into FY 2025-26. House deletes. Conference concurs with Senate.

Sec. 305. Informational, Training, and Special Events Revenues and Expenditures **– REVISED**
Authorizes LEO to charge registration fees for events sponsored by LEO; requires fees to reflect costs of sponsoring events; appropriates revenue generated by fees for sponsorship costs; authorizes excess revenue to be carried forward; limits appropriation to $500,000. Executive revises to remove the $500,000 appropriation cap. Senate revises to require reporting on amount of registration fees generated in FY 2024-25 and amount carried forward into FY 2025-26. House revises to cap total fee collections at the cost of sponsorship and to delete carry forward authorization. Conference concurs with Senate.

Sec. 306. Sale of Documents **– REVISED**
Authorizes LEO to sell various agency documents at cost of production; requires revenue to carry forward and be expended only on costs of production and distribution; appropriates funds collected for cost of publication and distribution. Executive retains. Senate revises to remove language limiting documents to which the section applies and to require a report on the amount of revenue from document sales in FY 2024-25 and amount carried forward into FY 2025-26. House deletes. Conference revises to require a report on the amount of revenue from document sales in FY 2024-25 and amount carried forward into FY 2025-26.

Sec. 309. Yields, Earnings, and Savings Fund **– NOT INCLUDED**
Creates the Yields, Earnings, and Savings Fund as a state restricted fund; requires quarterly transfer of any interest and earnings from the SOAR Fund (MCL 12.254), the Revitalization and Placemaking Fund (MCL 206.696) and the Michigan Housing and Community Development Fund (MCL 125.1458a) into the Yields, Earnings, and Savings Fund; allows funds to be expended from the Yields, Earnings, and Savings Fund only on appropriation or legislative transfer to support investments in LEO. Executive does not include. Senate includes new language. House and Conference do not include.

Sec. 309. Grant Prioritization **– NOT INCLUDED**
Requires grants to be distributed, to the extent practicable, with prioritization to recipients that have been active in Michigan for a least 5 years. Executive and Senate do not include. House includes new language. Conference does not include.

Sec. 310. Underserved Communities and Individuals Adversely Affected by Federal Actions **– NOT INCLUDED**
Requires funds to be prioritized to support initiatives for underserved communities or individuals adversely affected by federal executive orders issued on or after January 21, 2025, or the revocation of federal Executive Order No. 13985. Executive does not include. Senate includes new language. House and Conference do not include.

Sec. 310. SOAR Work Project Lapse Directive **– NOT INCLUDED**
Requires LEO to work with the State Budget Director to lapse $50.0 million of unexpended SOAR work project funds from FY 2023-24 to the general fund. Executive and Senate do not include. House includes new language. Conference does not include.

Major Boilerplate Changes from FY 2024-25

STRATEGIC OUTREACH AND ATTRACTION RESERVE FUND

Sec. 351. Strategic Outreach and Attraction Reserve Appropriation **– DELETED**
Appropriates up to $500.0 million of restricted funding from the SOAR fund; requires funds to support activities under the Michigan Strategic Fund Act, after transfer; requires funding not restricted, obligated, or committed at fiscal year close to lapse to the general fund. Executive deletes. Senate revises to eliminate the appropriation and to apply the requirements to funds held in the SOAR Fund. House and Conference delete.

Sec. 352. Critical Industry Program and Michigan Strategic Site Readiness Program **– DELETED**
States that the legislature finds and declares that Critical Industry Program (CIP) and Michigan Strategic Site Readiness Program (MSSRP) appropriations are for a public purpose to serve the health, safety, and general welfare of state residents. Executive deletes. Senate retains. House and Conference delete.

Sec. 353. SOAR Program: CIP and MSSRP Expenditures **– DELETED**
Expresses legislative intent that CIP and MSSRP funding be expended to maximize job creation, grow wages, support existing businesses, attract new business development, and include community support and equity; states legislative intent that the MSF prioritize specific conditions when expending funds, including claw-back provisions if jobs are not retained for 5 years, locating projects in qualified census tracts or communities that have unemployment rates higher than state average, first-source hiring provisions, community benefits agreements, and agreements that qualified business offer specific employee services. Executive deletes. Senate retains. House and Conference delete.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

Sec. 401. Michigan State Housing Development Authority Annual Report **– REVISED**
Requires MSHDA to annually present a report on the status of the authority's housing production goals under all financing programs; prohibits MSHDA from restricting eligibility for housing units without a permanent foundation unless it is a federal restriction for program; requires report on production goals, including efforts to raise affordable housing goals, program summaries, status of goal progress, and program utilization explanations. Executive deletes. Senate retains with non-substantive technical changes. House and Conference revise to streamline reporting requirements.

Sec. 403. Transition and Supportive Housing **– Revised**
Requires that at least 2.0 FTEs work with MDHHS on transition and supportive housing to support the transition to permanent housing. Executive deletes. Senate revises to require at least 1.0 FTE to work with MSF on mixed-use housing projects and to require a report on MSHDA's work with LEO, MSF, and MDHHS. House deletes. Conference revises to include a required report on MSHDA's work with LEO, MSF, MDHHS, and other departments.

Sec. 404. Payments on Behalf of Tenants in the Event of Federal Funding Reductions **– NOT INCLUDED**
Allows MSHDA to support activities of payments on behalf of tenants in the event of federal funding reductions. Executive does not include. Senate includes new language. House and Conference do not include.

Sec. 405. Lapsing of Work Project Funds **– NEW**
Expresses legislative intent that the state budget director lapse $14.0 million of work project funds for a blight elimination program appropriated under 2022 PA 166; requires any lapsed funds to be appropriated for grants to local land banks for blight removal or redevelopment projects and requires reporting. Executive does not include. Senate includes new language. House does not include. Conference includes new language.

STATE LAND BANK AUTHORITY

Sec. 452. Land Bank Stabilization Grants **– NOT INCLUDED**
Requires funds to be allocated for grants to local land banks to support property management and redevelopment, with priority for local land banks with the largest property inventories. Executive does not include. Senate includes new language. House and Conference do not include.

MICHIGAN STRATEGIC FUND

Major Boilerplate Changes from FY 2024-25

Sec. 503. Pure Michigan Appropriation **– REVISED**
(1) Requires Pure Michigan appropriations to be used for specified purposes and allows up to 4.25% of the appropriation to be used for administration; (2) authorizes MSF to contract any authorized activities; (3) authorizes MSF to work with local units of government, non-profit entities, and private entities on Pure Michigan promotion campaigns; (4) requires a report on utilization of funds for eligible activities; (5) requires Pure Michigan appropriations to be used to market Michigan as a travel and tourist destination with the sole purpose of attracting new visitors and retaining former visitors; (6) requires funds appropriated for Pure Michigan to be used exclusively for marketing Michigan as a travel and tourist destination and prohibits MEDC from using funds to sponsor or support non-tourism incentives and campaigns. Executive revises to remove the 4.25% cap under item (1), to extend a reporting deadline, and to delete items (5) and (6). Senate revises to reduce the 4.25% cap under item (1) to 1.0% and to delete and replace item (6) with a requirement that each local visitor bureau can only receive Pure Michigan funding once per fiscal year. House revises to reduce the 4.25% cap under item (1) to 1.0% and to require MSF Board approval for contracting with a third party. Conference revises to reduce the 4.25% cap under item (1) to 4.0%, to require MSF Board approval for contracting, to replace the current item (6) with a condition that local visitor's bureaus can only receive Pure Michigan funding once per fiscal year, and to make other technical changes.

Sec. 506. Business Incentive and Community Revitalization Project Amendments Report **– RETAINED**
Requires MSF to provide a report of prior year amendments to Michigan Business Development Program and Michigan Community Revitalization Program incentives. Executive deletes. Senate, House, and Conference retain.

Sec. 507. MEDC Reporting **– REVISED**
Requires MEDC/MSF to report information on MEDC's budget, including expenditures and revenues, FTE numbers, activities, programs, grants, and subprograms funded with the Business Attraction and Community Revitalization line item. Executive deletes. Senate retains. House revises to require information on whether FTEs are filled or unfilled. Conference concurs with House.

Sec. 508. MSF Interlocal Agreements **– RETAINED**
Requires interlocal agreements entered by MSF and local units of government to contain language stating that if the local unit has a contract or memorandum of understanding with a private economic development agency, the MEDC will work cooperatively with the private corporation. Executive deletes. Senate, House, and Conference retain.

Sec. 509. Land Options and Purchases **– REVISED**
Prohibits MEDC from purchasing land or land options unless the land is in an economically distressed area, the purchase is at invitation of local unit of government and economic development agency, or land is obtained from the State Land Bank Authority or a local land bank authority; authorizes consideration of purchases where proposed use is consistent with a regional land use plan, will result in redeveloping an economically distressed area, can be supported with existing infrastructure, and will not cause population to shift from population centers; requires a report that lists all properties purchased, all options on land purchased, the location of the land purchased, and the purchase price if the fund purchases land or options for land. Executive deletes. Senate revises to delete current language and instead require notification not later than 45 days after the purchase of land or options on land, including land location, selling entity information, and purchase price of the land or option on land. House retains. Conference concurs with Senate.

Sec. 513. MEDC Staff Fundraising Activities **– RETAINED**
Prohibits MEDC staff involved in private fundraising from being party to grant award, incentives, or tax abatement decisions. Executive deletes. Senate revises to eliminate the prohibition and instead require a report listing any MEDC staff involved in private fund-raising activities and whether those individuals were party to any decisions regarding awarding of grants, incentives, or tax abatements from MSF, Critical Industry Program, Michigan Strategic Site Readiness Program, MEDC, or MEGA. House and Conference retain.

Sec. 514. Business Attraction and Community Revitalization Allocation **– REVISED**
Requires not less than 20% of funds appropriated for the program to be granted for brownfield redevelopment and historic preservation projects under the Community Revitalization Program. Executive deletes. Senate retains. House deletes. Conference revises to specify the following allocations that must be made from the Business Attraction and Community Revitalization appropriation: not less than 25% to provide grant or loan funding for business support services to small and medium-sized businesses, not less than 19% for grants to small business support hubs and community incubators, not less than 30% for cash and loan assistance to small businesses through the Business Development Program, not less than 2% to provide CDFI supplemental support, and not more than 4% for program administration; the remainder of the funds may be used to support the Community Revitalization Program and up to 7% may be used to provide additional support to the Business Development Program.

Major Boilerplate Changes from FY 2024-25

Sec. 515. Film Incentives Reporting **– RETAINED**
Requires MSF to report on the status of film incentives and specifies information to be included, with requirements for both tax credits and loans; requires MSF to report on Michigan Film and Digital Media Office activities; specifies that the report must include a listing of all projects that received assistance from the office, a listing of services provided for each project, and an estimate of investment leveraged. Executive deletes. Senate, House, and Conference retain.

Sec. 517. Arts and Cultural Grant Program **– REVISED**
(1) Requires Michigan Arts and Culture Council to administer an arts and cultural grant program that maintains an equitable geographic distribution of funding and utilizes past arts and cultural grant programs as a guideline; requires council to publish application criteria; authorizes council to charge a non-refundable application fee, appropriated for expenses necessary to administer the programs; requires a report to the legislature on awards; (2) allows up to 3% of the arts and cultural appropriation to be expended for program administration; (3) requires $250,000 from the arts and cultural program appropriation to be awarded to the Michigan Traditional Arts Program at Michigan State University; (4) requires $1.0 million from the arts and cultural program appropriation to be awarded to Concert of Colors. Executive revises to delete items (2), (3), and (4). Senate revises to reduce the cap under item (2) to 1.0%, strike items (3) and (4), and include new language allocating $1.0 million to a cultural exchange network for a free music and arts festival. House deletes. Conference revises to delete items (3) and (4).

Sec. 518. Business Attraction and Community Revitalization 21st Century Jobs Trust Fund Transfer **– RETAINED**
Requires GF/GP funds appropriated to MSF for Business Attraction and Community Revitalization to be transferred to the 21st Century Jobs Trust Fund, pursuant to the Michigan Strategic Fund Act, 1984 PA 270; appropriates transferred funds for allocation. Executive and Senate retain. House deletes. Conference retains.

Sec. 519. Business Attraction and Community Revitalization Quarterly Reporting **– RETAINED**
Requires quarterly reporting on the amount of funds considered appropriated, pre-encumbered, encumbered, and expended; requires report to include funds previously appropriated that have lapsed back to the fund after being considered appropriated, pre-encumbered, encumbered, or expended for any reason. Executive deletes. Senate retains. House revises report to only apply to Business Attraction and Community Revitalization work projects. Conference retains.

Sec. 521. Tax Credit Transfer Notification **– RETAINED**
Requires notification 30 days prior to authorizing the transfer of any previously authorized tax credit that would increase the state's liability. Executive deletes. Senate, House, and Conference retain.

Sec. 522. Business Attraction and Community Revitalization Outcomes and Performance Measures **– RETAINED**
Requires MSF to identify specified outcomes and performance measures for the Business Attraction and Community Revitalization appropriation; requires reporting on outcomes and measures, results and data for the previous fiscal year if the information is available, and a summary of any metrics used to evaluate program outcomes and performance. Executive revises to change reporting deadline. Senate retains. House deletes. Conference retains.

Sec. 525. Job Creation Services Report **– RETAINED**
Requires LEO to provide a report that includes expenditures by division and program unit within the job creation services line item; requires report to contain detailed information on expenditures and programs within the State Historic Preservation Office. Executive deletes. Senate, House, and Conference retain.

Sec. 526. Michigan Defense Center **– REVISED**
Requires that funding be used to support the defense and homeland security industry in Michigan; allows funding to be used to help businesses identify federal defense contract opportunities, provide technical assistance for bidding federal defense contracts, and strengthen cybersecurity compliance at Michigan businesses. Executive retains. Senate revises to require a report on the defense industry and the Michigan Defense Center. House deletes. Conference concurs with Senate.

Sec. 526. Rural Jobs and Capital Investment **– NOT INCLUDED**
Requires that MSF, in conjunction with MEDC and LEO, make grants, loans, and economic assistance available to rural jobs and capital investment funds, as provided in MCL 125.2090n. Executive and Senate do not include. House includes new language. Conference does not include.

Sec. 527. Revitalization and Placemaking Program Expenditures **– DELETED**
Requires Revitalization and Placemaking Program appropriation to be expended for projects as described in section 696 of the Income Tax Act of 1967. Executive revises to include language appropriating any interest and earnings from the Revitalization and Placemaking Fund to the Revitalization and Placemaking Program to support activities described in section 696 of the Income Tax Act of 1967. Senate, House, and Conference delete.

Major Boilerplate Changes from FY 2024-25

Sec. 528. Revitalization and Placemaking Program **– DELETED**
(1) Requires Revitalization and Placemaking Program appropriation to be deposited in accordance with section 695 of the Income Tax Act of 1967 and allocates $25.0 million of the appropriation for administering the Revitalization and Placemaking Program, with the remainder allocated for the Michigan Talent Partnership Program; (2) requires Michigan Talent Partnership Program to be used to implement transformational public space development projects and to leverage coordination through local talent plans, also establishes criteria that qualified plan proposals must include; (3) declares that the Revitalization and Placemaking Program appropriation is for a public purpose; (4) outlines permitted actions LEO may take to implement the program; (5) requires LEO to allocate program funding through local talent plans from eligible applicants; (6) requires eligible applicants to be a consortium of entities, requires consortium applicants to appoint a lead applicant to serve as a fiduciary and project manager, establishes other consortium requirements, and requires applicants to provide at least 50% local or private match funds to be considered for a grant; (7) requires approved talent plans to include certain specified activities; (8) establishes additional criteria that approved local plans must satisfy; (9) allows LEO to establish a state agency workgroup to support implementation; (10) allows LEO to retain up to 3% of funds for implementation costs and allows LEO to contract with nonprofit research organizations or public education institutions; (11) specifies LEO communication responsibilities during development and implementation; (12) establishes criteria that LEO must use when evaluating applications and selecting grant recipients; (13) requires LEO to award $18.0 million to 1 project in Detroit, Grand Rapids, Lansing, and Ann Arbor, and $7.0 million, less implementation costs, to projects in regional prosperity zones that meet requirements; (14) requires LEO to publish approved plans and funding allocations and allows LEO to approve subsequent funding rounds if funds are available; (15) outlines oversight mechanisms and requires claw-back provisions; (16) requires biannual updates on the program; (17) designates unexpended funds as a work project appropriation. Executive deletes. Senate revises to delete current language and to include reporting on the implementation of the Revitalization and Placemaking Program with funds appropriated for FY 2024-25. House and Conference delete.

Sec. 529. Michigan Talent Partnership **– NOT INCLUDED**
Requires funds to be used to administer a grant program and support implementation of transformational community development initiatives; requires Michigan Talent Partnership to be used to implement transformational public space development projects in central city neighborhoods or concentrated districts and leverage interdepartmental and cross-sector coordination through local talent plans; outlines requirements for qualified plan proposals; outlines activities LEO may undertake to implement the grant program and provides various program requirements; outlines requirements for eligible applicants and approved talent plans; allows LEO to retain up to 3% for implementation costs and authorizes up to 2% for costs to reimburse other state agencies; requires annual reporting; designates unexpended funds as a work project appropriation. Executive does not include. Senate includes new language. House and Conference do not include.

Sec. 530. MSF Economic Assistance Agreements Database **– NOT INCLUDED**
Requires LEO to work with MSF to develop and maintain a searchable database containing detailed information on all economic assistance agreements funded with state appropriations; provides requirements for the database and information it must contain. Executive does not include. Senate includes new language. House and Conference do not include.

Sec. 531. Small Business Development Initiative **– NOT INCLUDED**
Requires funds to be used to make awards for economic assistance to qualified businesses or business organizations that provide services to qualified small businesses; prioritizes awards for development and expansion of small businesses from underserved groups and distressed communities and requires funds to be awarded in a geographically diverse and competitive manner; outlines other program requirements, including reporting; designates unexpended funds as a work project appropriation; defines the following terms: business organizations, economic assistance, and qualified business. Executive does not include. Senate includes new language. House and Conference do not include.

Sec. 533. Global Talent Initiative **– NOT INCLUDED**
Requires funds to be awarded to a Detroit nonprofit organization focused on equitable local, regional, and statewide economic growth through immigrant inclusion for programs including marketing and attracting, licensing, credentialing, placing, training, and accessing education to international entrepreneurs, companies and startups, professionals, and students. Executive does not include. Senate includes new language. House and Conference do not include.

EMPLOYMENT SERVICES

Sec. 601. Wage and Hour Program Investigations **– REVISED**
Requires LEO to conduct investigations of child labor violations and wage theft from workers. Executive and Senate revise to require LEO to engage with employers and employees to enhance education and outreach in accordance with the Youth Employment Standards Act, Payment of Wages and Fringe Benefits Act, Improved Workforce Opportunity Wage Act, Earned Sick Time Act, Human Trafficking Notification Act, and Prevailing Wage on State Projects Act. House retains. Conference concurs with Executive and Senate.

Major Boilerplate Changes from FY 2024-25

***Sec. 601a. Prevailing Wage Implementation and Administration* – NOT INCLUDED**
Requires $8.0 million of Prevailing Wage Fund and 24.0 FTE positions from the Wage and Hour Program appropriation to be used for implementation and administration of 2024 PA 110. Executive does not include. Senate includes new language. House and Conference do not include.

***Sec. 602. First Responder Presumed Coverage Fund* – NEW**
Appropriates all funds necessary from the Slezak First Responder Presumed Coverage Fund to pay approved first responder presumed coverage claims and administrative costs; requires LEO to provide a report to the Michigan Gaming Control Board, the Department of Treasury, and the State Budget Office that includes the total of all approved claims and administrative costs. Executive and Senate include new language. House does not include. Conference includes new language.

WORKFORCE DEVELOPMENT

***Sec. 700. Program Specialist and Placement Prioritization* – NOT INCLUDED**
Requires LEO to have a program specialist or local employment representative to Michigan Works! service centers available during hours of operation and to continue making appropriate placement of and providing resources to individuals with disabilities and those served by Michigan Rehabilitation Services and Centers for Independent Living. Executive does not include. Senate includes new language. House and Conference do not include.

***Sec. 702. Workforce Development Grants* – REVISED**
Allows LEO to provide grants to non-profit organizations that offer programs to WIOA-eligible youth that focus on entrepreneurship, work-readiness skills, job shadowing, apprenticeship readiness, and financial literacy; stipulates eligibility criteria for organizations and requires LEO to develop other appropriate eligibility requirements. Executive retains. Senate revises to require a report on grant expenditures, number of students served, and organizations that received funding. House revises to delete a provision requiring eligible organizations to have capacity to provide similar programs in urban areas. Conference concurs with both the Senate and House revisions.

***Sec. 705. Going Pro Program Reporting* – REVISED**
(1) Requires LEO to publish biannual data and reports concerning the status of Going Pro, including number of awardees participating, funding information, training models established, and utilization metrics; (2) requires LEO to expand workforce training and reemployment services to better connect workers to in-demand jobs and identify specific outcomes and performance metrics for the initiative; (3) requires LEO to report on recommendations for enhanced reporting on training outcomes associated with the Going Pro Talent Fund. Executive revises to adjust reporting dates and required information and to delete item (3). Senate revises to adjust required information in the report. House deletes. Conference concurs with Executive.

***Sec. 706. Going Pro Program Administration* – REVISED**
Requires Going Pro to be administered according to specific guidelines; allows up to 2% of the Going Pro appropriation to be used for administration; requires at least 5% of the available funding to be reserved for businesses in talent fund priority industry sectors. Executive revises to delete the 2% administration cap and to change requirements for talent fund priority industry sector applications. Senate revises to require LEO to prioritize training for cross-industry projects and industries negatively affected by tariffs and to allow LEO to use the MiSTEM Advisory Council to assist with application processing. House deletes. Conference revises requirements for talent fund priority industry sector applications and includes language to allow the MiSTEM Advisory Council to assist with application processing.

***Sec. 707. MiSTEM Advisory Council* – RETAINED**
Requires MiSTEM Advisory Council funding to be used to support MiSTEM Network staff and for administrative, training, and travel costs related to the MiSTEM Council; delineates functions MiSTEM Network staff must fulfill and requires a report on activities and performance of the MiSTEM network regions. Executive and Senate retain. House deletes. Conference retains.

***Sec. 710. 23+ High School Diploma Program* – REVISED**
Requires appropriation for 23+ High School Diploma Program to be awarded for a program to assist adults over the age of 23 with obtaining high school diplomas and placement in career training programs; specifies eligibility requirements; provides detailed reimbursement rates for certain performance measures. Executive revises to make technical changes. Senate consolidates the language into the new Michigan Future Force section. House deletes. Conference revises to make minor technical changes.

Major Boilerplate Changes from FY 2024-25

***Sec. 710. Michigan Future Force* – NOT INCLUDED**
Consolidates existing requirements for the 23+ High School Diploma Program, At-Risk Youth Grants, and the High School Equivalency-to-School Program under one section and requires $1.0 million GF/GP from the Michigan Future Force line item to be awarded to a Schools to Tools program to provide students, parents, teachers, and school counselors with information, training, and hands-on experiences to make informed career decisions. Executive does not include. Senate includes new language. House and Conference do not include.

***Sec. 711. At-Risk Youth Grants* – RETAINED**
Requires funds to be awarded to the Michigan franchise holder of the national Jobs for America's Graduates program. Executive retains. Senate consolidates the language into the new Michigan Future Force section. House deletes. Conference retains.

***Sec. 712. High School Equivalency-to-School Program* – REVISED**
Requires funds to be used to cover the cost of a high school equivalency test free of charge for individuals meeting certain requirements; requires LEO to develop procedures, provide program information, and provide a full-year cost estimate; requires report on utilization. Executive revises to allow for vouchers. Senate consolidates the language into the new Michigan Future Force section. House deletes. Conference concurs with Executive.

***Sec. 713. Interagency Job Readiness TANF Funding* – RETAINED**
Requires LEO to provide reporting on the interagency agreement with MDHHS for the use of TANF funds to provide job readiness and welfare-to-work programming; requires report containing various metrics regarding referrals to Michigan Works! job readiness programs. Executive deletes. Senate, House, and Conference retain.

***Sec. 715. Community and Worker Economic Transition Office* – RETAINED**
Authorizes LEO to hire employees and deploy capabilities to evaluate and address impacts of economic transitions on workers, communities, and employers; requires LEO to develop and submit a community and worker economic transition plan not later than December 31, 2025; requires LEO to submit a report on office activities and progress made on the transition plan, in addition to information on the mission statement, goals, metrics, and recommendations of the Community and Worker Economic Transition Office. Executive retains. Senate revises to require a transition plan for residents laid off by the federal government or impacted by federal contracts or tariffs. House deletes. Conference retains.

***Sec. 716. Volunteer Income Tax Assistance Grants* – DELETED**
Requires LEO to allocate funds to a nonprofit trade association to provide free tax preparation services for tax filers, expanded statewide access to free tax preparation services, and expanded local capacity to provide free tax preparation services; allows up to 5% of the appropriation to be used for administration. Executive deletes. Senate retains. House and Conference delete.

***Sec. 717. Rural Development Fund Grant Program* – NEW**
Requires Office of Rural Prosperity to collaborate with MDARD on the Rural Development Fund grant program. Executive and Senate include new language. House does not include. Conference includes new language.

***Sec. 718. Center for Employment Opportunity* – NOT INCLUDED**
Requires funds to be awarded to a nonprofit that operates a program that meets the following criteria: provides services to parolees and probationers assessed by the Department of Corrections as moderate or high risk to recidivate; provides job readiness training, transitional employment, job coaching and placement, and postplacement retention services; has been independently and rigorously evaluated and shown to reduce recidivism; demonstrates an ability to serve multiple jurisdictions across Michigan. Executive does not include. Senate includes new language. House and Conference do not include.

***Sec. 719. Workforce Development Barrier Removal* – NOT INCLUDED**
Requires $3.0 million of the Workforce Development appropriation to be used to provide supportive services to at-risk individuals (which includes Michigan residents who are low-income, poor, working poor, and individuals laid off by the federal government since January 2025) to address and remove barriers preventing them from receiving job training or attaining or retaining employment; outlines services that may be provided; prioritizes service to veterans or individuals with disabilities. Executive does not include. Senate includes new language. House and Conference do not include.

UNEMPLOYMENT

***Sec. 804. UIA Branch Offices* – REVISED**
Requires funds appropriated for UIA to be used to staff unemployment insurance agency branch offices for in-person claimant service appointments; requires biannual report on in-person office operations. Executive and Senate retain. House revises to require information on UIA facility space, staffing distribution, and volumes of claimants served through different venues. Conference revises to require information on staffing distribution and volumes of claimants served through different venues.

Major Boilerplate Changes from FY 2024-25

Sec. 805. UIA Limited-Term Employee Authorization **– REVISED**
Authorizes UIA to hire up to 500 limited-term employees if UIA local offices offer full-time, in-person services. Executive and Senate retain. House deletes. Conference revises to authorize up to 250 limited-term employees, with up to an additional 250 limited-term employees authorized if the number of unemployment claims increases by 20% or more in a month.

Sec. 807. UIA Federal Funding Appropriation **– RETAINED**
Appropriates additional funds earned or authorized by USDOL and allows expenditure for staffing and related expenses after notification of the purpose and amount of each grant award. Executive and Senate retain. House deletes. Conference retains.

REHABILITATION SERVICES

Sec. 902. Michigan Rehabilitation Services Report **– REVISED**
Requires annual report on efforts taken to improve MRS; specifies information that must be included in the report. Executive deletes. Senate retains. House and Conference revise to add an additional item to the report regarding MRS program goals and to make other technical changes.

Sec. 903. Michigan Rehabilitation Services Funding for Disabled Agricultural Workers **– RETAINED**
Allocates funding from MRS appropriation along with federal matching funds for vocational rehabilitation services to disabled agricultural workers; requires report. Executive and Senate retain. House deletes. Conference retains with an updated report deadline.

Sec. 905. Independent Living **– REVISED**
(1) Requires that funds appropriated for Independent Living be used to support Centers for Independent Living in various capacities that include serving underserved areas and building capacity, and establishes requirements for applications, use of funds, and service provision; (2) requires LEO to provide a report on direct customer and system outcomes and performance measures; (3) designates unexpended GF/GP as a work project appropriation. Executive revises to delete item (3). Senate retains. House and Conference revise to delete item (3) and to make other technical changes.

Sec. 906. Personal Assistance Services Reimbursement for Employment Program **– DELETED**
Requires LEO to allocate PASREP appropriations to support administration of the program; allows MRS to work collaboratively with service organizations to administer the program; requires annual reporting on PASREP. Executive deletes. Senate retains. House revises to eliminate references to administration of the program, requiring all funding to go to PASREP. Conference deletes.

Sec. 906. Federal Workforce Innovation and Opportunity Vocational Rehabilitation Funds **– NEW**
Appropriates federal Workforce Innovation and Opportunity vocational rehabilitation funds from prior years that have already met state matching requirements; allows LEO to carry forward unexpended federal Workforce Innovation and Opportunity vocational rehabilitation funds. Executive, Senate, and House do not include. Conference includes new language.

Sec. 907. Bureau of Services for Blind Persons Service Agreements **– RETAINED**
Stipulates that funds appropriated for the BSBP include funds for case services that may be used for tuition payments for blind clients; requires unexpended revenue collected by BSBP and from local and private sources to carry forward into the subsequent fiscal year. Executive and Senate retain. House revises to delete the carry-forward requirement. Conference retains.

Sec. 909. Local Support for Subregional Libraries **– RETAINED**
Prohibits funds appropriated for a regional or subregional library from being released until a budget for that library has been approved by LEO for library services directly serving the blind and persons with disabilities; requires local maintenance of effort for subregional libraries to receive state grants for expenditures for library services directly serving blind persons and persons with disabilities. Executive and Senate retain. House deletes. Conference retains.

COMMISSIONS

Sec. 951. Commissions Reporting and Expenditures **– REVISED**
Requires Office of Global Michigan to coordinate with affiliated commissions to produce a report detailing commission activities, including interaction volumes, activity descriptions, and programmatic costs; requires an expenditure of appropriated funds by a commission to directly relate to the mission statement of that commission. Executive deletes. Senate revises to focus reporting on grants and to delete the requirement that a commission expenditure directly relate to the commission's mission statement. House deletes. Conference revises to include reporting on grants and to delete the requirement that a commission expenditure directly relate to the commission's mission statement.

Major Boilerplate Changes from FY 2024-25

***Sec. 952. Office of Global Michigan Federal Immigration Action* – NOT INCLUDED**
Requires Office of Global Michigan to allocate at least $150,000 and 1.0 FTE position for activities that assist and support residents who have been impacted by federal immigration action or changes occurring after January 1, 2025, outlines activities to be supported. Executive does not include. Senate includes new language. House and Conference do not include.

***Sec. 953. Office of Global Michigan Report* – RETAINED**
Requires Office of Global Michigan to report on activities of the office; stipulates reporting requirements. Executive and Senate retain. House deletes. Conference retains.

***Sec. 954. Black Leadership Council* – NOT INCLUDED**
Requires LEO to create an FTE position to do the following: work on policies and actions to eradicate and prevent discrimination and racial inequity, identify state laws that create or perpetuate inequalities, serve as a resource for community groups, promote culture and arts in black communities, report annually on activities undertaken; stipulates that if a black leadership advisory council is created by public act or executive order, the FTE position would serve as staff to support the council. Executive does not include. Senate includes new language. House and Conference do not include.

***Sec. 955. Tribal Commission* – NOT INCLUDED**
Requires LEO to create an FTE position to do the following: work on policies and actions to eradicate and prevent discrimination and inequalities for tribal members, identify state laws that create or perpetuate tribal member inequalities, serve as a resource for community groups, promote culture and arts in tribal communities, report annually on activities undertaken; stipulates that if a tribal commission is created by public act or executive order, the FTE position would serve as staff to support the commission. Executive does not include. Senate includes new language. House and Conference do not include.

ONE-TIME APPROPRIATIONS

***Sec. 1000. ADA Small Business Compliance* – NOT INCLUDED**
Requires funds to be allocated for a need-based grant program for small businesses (50 employees or less) to support ADA compliance; caps grants at $50,000. Executive does not include. Senate includes new language. House and Conference do not include.

***Sec. 1001-1054. FY 2024-25 One-Time Boilerplate Sections* – DELETED**
Stipulates how 60 different FY 2024-25 one-time appropriations are to be used and allocated. Executive deletes all sections except for language related to Focus: HOPE and Office of Rural Prosperity Grants, which are retained as one-time sections. Senate deletes all sections except for language related to Short-Term Loan Grants and Community Development Financial Institutions Grants, which appear in SB 179 as sections 1018 and 532, respectively. House deletes all sections. Conference deletes all sections except for language related to Focus: HOPE, Michigan Women Forward, Reignite, Right to Counsel, SER Metro, Starfish Family Services, and Wayne Metro.

***Sec. 1001. Arts and Culture Facility Upgrades* – NOT INCLUDED**
Requires funds to be allocated for need-based grants to art facilities, cultural centers, or museums that have demonstrated need for facility upgrades; requires grants to be matched with at least equal funding from a local unit of government, nonprofit, or private match; caps grants at $250,000. Executive does not include. Senate includes new language. House and Conference do not include.

***Sec. 1001. Skilled Trades Workforce Training Grants* – NOT INCLUDED**
Requires funds to be used for grants to organizations that provide support for skilled trades education partnerships, skilled trades certification programs, and skilled trades upskilling initiatives; caps awards to organizations affiliated with community colleges and organizations affiliated with trade unions at $5.0 million each. Executive and Senate do not include. House includes new language. Conference does not include.

***Sec. 1001. Arts and Cultural Grants* – NEW**
Requires $750,000 to be awarded to a cultural exchange network to support a free, public music and arts festival; requires $250,000 to be awarded to the folk and traditional arts program based at Michigan State University. Executive, Senate, and House do not include. Conference includes new language.

Major Boilerplate Changes from FY 2024-25

Sec. 1002. Community Health and Services Grants **– NOT INCLUDED**
Provides $100 allocations from the Community Health and Services Grants appropriation to each of the following: a nonprofit park civic association in Detroit to support improvements to the community house space; an early childhood education service provider with locations in Detroit to provide high-quality services and to support facility infrastructure improvements; City of Flint to support costs to reopen a community center facility; a multiservice community development organization advancing health equity located in Detroit for facility purchase and upgrades; a youth activity and athletic facility located in Shiawassee County to support renovations to the facility, ADA compliance, and construction of 4 licensed child care rooms; a nonprofit organization that supports a food pantry located in Detroit to support supplies and operations; a health network located in Oakland County for infrastructure upgrades at a resource and crisis center; a food bank in Detroit to create a more stable food security network through the metro area; a community organization focused on alleviating poverty located in Pontiac to support programming and operations; a community association to address social, recreational, and cultural needs of the community and headquartered in Kalamazoo to support accessibility upgrades; a youth engagement and adult reengagement nonprofit center in Detroit for expansion of the center; a nonprofit organization headquartered in Detroit that operates a community center in Highland Park for structural improvements to a nonprofit community center. Executive does not include. Senate includes new language. House and Conference do not include.

Sec. 1002. Wakefield Township Infrastructure Investment **– NOT INCLUDED**
Requires LEO to award $50.0 million to Wakefield Township for infrastructure improvements that include transportation access, water and wastewater, groundwater quality analysis, power reliability, and cellular and broadband access. Executive and Senate do not include. House includes new language. Conference does not include.

Sec. 1002. Community Development Financial Institutions Fund **– RETAINED**
(1) Transfers funding to the Michigan Community Development Financial Institutions Fund, which is created in the section, and appropriates all funds in the Michigan Community Development Financial Institutions Fund for grants to eligible CDFIs; (2) requires MSF to develop a grant application not later than October 31; (3) establishes items that must be included in the grant application; (4) delineates grant award eligibility for CDFIs that are depository institutions; (5) delineates grant award eligibility for non-depository institution CDFIs; (6) limits a grant award to a multistate CDFI that is not a depository institution to $633,000 or less; (7) outlines MSF's responsibilities with respect to reviewing applications; (8) outlines process for additional review of a denied application; (9) allows for proportional grant award distribution, based on the amount of CDFI funding available; (10) delineates items that must be included in required written grant agreements; (11) allows for a CDFI that is awarded a grant to serve as an intermediary lender to another CDFI; (12) allows for assignment of a grant award to an affiliate, subject to conditions; (13) requires reporting from grant award recipients; (14) provides specific exemptions to requirements under (13); (15) requires MSF to make all reasonable efforts to ensure at least 10% of funds benefit businesses operated by underrepresented entrepreneurs; (16) allows MSF to expend up to 4% of the appropriation for administrative costs; (17) designates unexpended funds as a work project appropriation; (18) defines terms used within the section. Executive deletes. Senate retains with technical revisions. House deletes. Conference retains with non-substantive technical revisions.

Sec. 1003. Employer Assisted Housing Financing Program **– NOT INCLUDED**
Allocates funds to MSHDA for the purpose of incentivizing employers to create local workforce housing opportunities (housing acquisition, rental housing, down payment assistance, and rehabilitation) by providing up to a 1:1 match on employer investments; stipulates that eligible households must be below 120% of the area median income; requires MSHDA to develop and post program guidelines and eligibility criteria; requires efforts be made to ensure a broad geographic distribution of funds to urban and rural communities. Executive includes new language. Senate, House, and Conference do not include.

Sec. 1003. Community Infrastructure Grants **– NOT INCLUDED**
Provides $100 allocations from the Community Infrastructure Grants appropriation to each of the following: City of Rockwood for purchasing a fire engine; City of Huntington Woods for replacing HVAC at city hall; City of Warren for repair and restoration of Red Run Drain; Redford Charter Township to construct a combined sewer overflow basin; City of Lincoln Park for water metering system upgrades; Oakland County for grants to management organizations for placemaking and small business support; City of Allen Park for purchasing a community center generator; City of Algonac to support engineering costs for boardwalk revitalization and improvements; City of St. Clair Shores for enhancement of the nautical miles; City of Grosse Pointe Park for water main replacement; Macomb County to conduct a muck removal feasibility study; City of Livonia for construction of a bike and walk trail; Ann Arbor-based treeline conservancy to support trail expansion; Delta Charter Township for water treatment facility improvements. Executive does not include. Senate includes new language. House and Conference do not include.

Sec. 1003. Legislatively Directed Spending Items **– NOT FULLY INCLUDED**
Allocates funds appropriated for Legislatively Directed Spending Items for 62 different programs and projects. Executive and Senate do not include. House includes new language. Conference includes a portion of the items but removes others (see Sec. 1011 for further detail).

Major Boilerplate Changes from FY 2024-25

Sec. 1003. Detroit Right to Counsel **– RETAINED**
Requires funds to be awarded to the City of Detroit to implement a right to counsel program for city tenants in eviction proceedings. Executive deletes. Senate retains as an item within its section 1008. House deletes. Conference retains with non-substantive stylistic revisions.

Sec. 1004. Talent Action Teams **– NOT INCLUDED**
Requires funds to be used for operation of the talent action teams fast track system; requires MSF to collaborate with higher education institutions, community colleges, Michigan Works! Agencies, private training providers, nonprofits, state agencies, and units of local government on providing services that include talent recruitment, workforce training, and scholarships and other resources; allows LEO to retain up to 3% of the appropriation for administration. Executive includes new language. Senate, House, and Conference do not include.

Sec. 1004. Community Public Safety Grants **– NOT INCLUDED**
Provides $100 allocations from the Community Public Safety Grants appropriation to each of the following: Redford Charter Township for purchasing police radios; City of Flat Rock for purchasing a fire engine; City of Kalamazoo for purchasing firefighter turnout gear; City of Sterling Heights for construction of a police training center; City of Allen Park for purchasing a fire truck; Waterford Charter Township for construction of a fire station; City of Eastpointe for police station and district courthouse infrastructure improvements; Eaton County for municipal fire department infrastructure and equipment needs; Ingham County for municipal fire department infrastructure and equipment needs. Executive does not include. Senate includes new language. House and Conference do not include.

Sec. 1004. Emerging Community Grants **– NEW**
Requires funds to be used to provide grants to nonprofit organizations and community organizations dedicated to supporting emerging populations; allows grants to be used to support facility acquisitions, facility upgrades, economic development activities, and programming to support the organization's community. Executive does not include. Senate includes new language. House does not include. Conference includes new language.

Sec. 1005. Growth Programming and Initiatives **– NOT INCLUDED**
Allows funds to be used for growth programs and activities that include programs and pilots to support growth in communities across Michigan, engagement efforts to advance Michigan's growth, and strategies to support talent attraction and retention; allows LEO to retain up to 3% of the appropriation for administration. Executive includes new language. Senate, House, and Conference do not include.

Sec. 1005. Community Workforce Development Grants **– NOT INCLUDED**
Provides $100 allocations from the Community Workforce Development Grants appropriation to each of the following: Schoolcraft College to support expansion of a masonry trades center; a 501(c)(3) nonprofit that provides support to individuals with disabilities and their families located in Northville Charter Township to support operations; a nonprofit that helps women consider careers in and connect with technology industries, to support programs aimed at connecting women in K-12 through post-university with technology careers; an association that provides education for the care at home industry located in Meridian Charter Township to support education programs providing onboarding safety training; a 501(c)(3) nonprofit formed in 1983 whose mission is to engage in partnerships, provide member support, and advocate for lifelong learning leading to employment and self-sufficient families that is located in Delta Charter Township to support programming and operations; Oakland County to establish an automation alley project to support a robust, distributed manufacturing network. Executive does not include. Senate includes new language. House and Conference do not include.

Sec. 1005. Empowerment Plan **– NEW**
Requires funds to be awarded to Empowerment Plan, a nonprofit 501(c)(3). Executive, Senate, and House do not include. Conference includes new language.

Sec. 1006. Barrier Removal and Employment Success **– NOT INCLUDED**
Requires funds to be used to provide supportive services to low-income, poor, and working poor citizens in Michigan to address and remove barriers preventing them from taking or staying in a job; allows LEO to retain up to 3% of the appropriation for administration. Executive includes new language. Senate, House, and Conference do not include.

Sec. 1006. Economic Stress Test **– NOT INCLUDED**
Requires LEO to use funds to conduct an economic stress test to assess potential impacts of tariffs and federal funding reductions, establishes stress test requirements, allows LEO to coordinate with DTMB and other relevant agencies, delineates allowable LEO expenditures, and requires reporting on activities undertaken and recommendations. Executive does not include. Senate includes new language. House and Conference do not include.

Major Boilerplate Changes from FY 2024-25

***Sec. 1006. Focus: HOPE* – RETAINED**
Requires funds to be awarded to Focus: HOPE for education and workforce development programming, early childhood education, youth development, food assistance, or community empowerment and advocacy. Executive retains. Senate and House delete. Conference retains with non-substantive stylistic revisions.

***Sec. 1007. Economic Relief* – NOT INCLUDED**
Allocates funding from Economic Relief appropriation as follows: $20.0 million for grants or loans to businesses impacted by tariffs; $20.0 million for economic relief and emergency preparedness grants to nonprofit organizations that provide community supports; $30.0 million for grants that support worker training and retooling initiatives; $10.0 million for grants to food banks to prioritize the purchase of locally grown food; $1.0 million for a request for information proposal to develop in-state manufacturing of public safety vehicles, with a priority on fire trucks, with any remaining dollars used for incentives to manufacture fire trucks in Michigan; $9.0 million for grants or incentives to reshore supply chains to Michigan; $10.0 million for grants to apprenticeship and adult education programs. Executive does not include. Senate includes new language. House and Conference do not include.

***Sec. 1007. Food Pantry Support* – NEW**
Requires $300,000 to be awarded to the Brightmoor Connection Food Pantry to support its supply and operations; requires $500,000 to be awarded to a Gleaners Community Food Bank to support fresh food security network infrastructure. Executive does not include. Senate included placeholders for these items in its section 1002. House does not include. Conference includes new language.

***Sec. 1008. Small Business Support Hubs* – NOT INCLUDED**
Requires funds to be used by MSF for continued support of small businesses statewide; allows funds to be used for grants to small business support organizations for incubators, accelerators, networking and mentorship programming, and other entrepreneurial support initiatives; allows MSF to retain up to 3% of the appropriation for administration. Executive includes new language. Senate, House, and Conference do not include.

***Sec. 1008. Emergency Housing* – NOT INCLUDED**
Allocates funding from Emergency Housing Appropriation as follows: $2.5 million for grants to nationally recognized Michigan tribes to support housing projects on tribal land or where a majority of tribal members will reside; $2.0 million for grants of up to $50,000 for homeowners or $200,000 for business owners to make accessibility improvements to homes or businesses to align with Americans with Disabilities Act requirements, requiring at least 50% of the funds go to homeowners that need accessibility upgrades; $15.0 million for grants for home repairs and weatherization to homes with a household income not greater than 250% of federal poverty level guidelines; $1.0 million for a statewide nonprofit located in Delta Charter Township that specializes in eliminating poverty housing and advocating for safe and affordable housing for statewide affordable housing construction; $9.5 million to provide housing affordability grants to support housing development projects that have at least 50% of housing units designated for affordable housing for individuals making not more than 120% of the community's median income; $100 for a tribe located in Chippewa County to support housing and care for homeless tribal members; $3.0 million for an association located in Grand Rapids that provides civil legal aid to provide services to tenants facing eviction from non-subsidized housing; $1.5 million for a city that has established a tenant right to counsel program to implement a right to counsel program for city tenants in eviction proceedings; $2.0 million for MSHDA's landlord incentive fund; $1.0 million for MSHDA's housing navigation fund; $4.0 million for a statewide pay as you stay program, which would support households with an income not greater than 250% of the federal poverty level with an unpaid delinquent tax balance greater than 10% of home's taxable value by paying off the total balance of property taxes, interest, fees, and penalties, once the homeowner pays back unpaid taxes that equate to 10% of the value of the home over no more than 3 years; $2.5 million for emergency housing solutions grants; $2.5 million for MSHDA's shelter diversion program; $100 to Empowerment Plan in Detroit; $3.5 million for combatting homelessness, housing insecurity, eviction diversion, or legal housing assistance. Executive does not include. Senate includes new language. House and Conference do not include.

***Sec. 1008. Habitat for Humanity* – NEW**
Requires funds to be awarded to Habitat for Humanity to support affordable housing construction statewide. Executive, Senate, and House do not include. Conference includes new language.

***Sec. 1009. Helmets to Hardhats* – REVISED**
Requires funding to be awarded to a national nonprofit program that connects national guard, reserve, retired, and transitioning active-duty military service members with skilled training and quality career opportunities in the construction industry. Executive retains. Senate revises to allow grants to be used for wraparound services and to require the awardee to offer an online program application. House deletes. Conference revises to allow grants to be used for wraparound services and to require the awardee to offer an online program application.

Major Boilerplate Changes from FY 2024-25

***Sec. 1010. Fire Station Infrastructure Grants* – NOT INCLUDED**
Requires funds to be used to provide grants to support fire station facility upgrades and firefighter uniforms and gear, with grants prioritized to communities with a median income less than 300% of the federal poverty level. Executive does not include. Senate includes new language. House and Conference do not include.

***Sec. 1010. Home Repair Grants* – NEW**
Requires funds to be allocated to provide grants for home repairs and weatherization to households with incomes not greater than 250% of the federal poverty level. Executive does not include. Senate includes a similar item in its section 1008. House does not include. Conference includes new language.

***Sec. 1011. Housing Relief Fund* – NOT INCLUDED**
Requires MSHDA to use the Housing Relief Fund appropriation to support down payment assistance, Missing Middle, employer housing, foreclosure prevention, rental assistance, grants to convert commercial space to workforce housing in downtown corridors, streamlining of housing applications, permanent supportive housing, and faith-based housing grants; requires at least $2.5 million to be used for faith-based housing grants and not more than $7.5 million to be used for Missing Middle. Executive does not include. Senate includes new language. House and Conference do not include.

***Sec. 1011. Legislatively Directed Spending Items* – NEW**
Allocates funds appropriated for Legislatively Directed Spending Items for 22 different programs and projects (see Table 1 for information on recipients). Executive and Senate do not include. House includes a portion of the items. Conference includes new language that incorporates portions of the House's section 1003 along with new items.

***Sec. 1012. Michigan Capital Access Fund* – NOT INCLUDED**
Creates Michigan Capital Access Fund as a state restricted fund and requires the MiCAP appropriation to be deposited into the fund to support the Michigan Capital Access Program, which would provide reduced interest loans to small businesses, with priority for small businesses located in low-income or economically disadvantaged communities and businesses owned by individuals in emerging populations, who have disabilities, or who are veterans; allows the state treasurer to use up to the amount of the fund's interest and earnings for administration; outlines program requirements and requires quarterly reporting. Executive does not include. Senate includes new language. House and Conference do not include.

***Sec. 1012. Michigan Black Business Alliance* – NEW**
Requires funds to be awarded to a nonprofit business alliance in Detroit to operate entrepreneur capital connection and technical assistance programs. Executive, Senate, and House, do not include. Conference includes new language.

***Sec. 1013. Michigan Future Force* – NOT INCLUDED**
Allocates funding from the Michigan Future Force appropriation as follows: $15.0 million for grants for youth workforce development programming and education services; $100 to a free after-school writing program in southeast Michigan for service expansion; $100 to a center for educational excellence in Flint for education and workforce infrastructure access; $100 to a 501(c)(3) nonprofit with a mission to create and support 1-on-1 youth mentoring relationships for statewide service expansion; $100 to a women's mentoring and scholarship program headquartered in Oakland County for programming; $100 to a 501(c)(3) nonprofit serving Metro Detroit that empowers youth ages 14 through 24 with confidence, skills, knowledge, and onramps to opportunities to achieve their goals and build their futures; $100 to a nonprofit youth development program that provides academic support, squash coaching, and character-building activities located in Detroit to support programming and operations. Executive does not include. Senate includes new language. House and Conference do not include.

***Sec. 1013. Michigan Women Forward* – RETAINED**
Requires funds to be allocated to a Detroit-based organization that supports women's entrepreneurship and mentorship programs to support programming and expansion of the organization. Executive, Senate, and House do not include. Conference retains with non-substantive stylistic revisions.

***Sec. 1014. Michigan Veteran Wraparound Services* – NOT INCLUDED**
Requires funds to be used to provide financial assistance to Michigan veterans, with assistance of up to $250.00 or the veteran's biweekly wage, whichever is less, allocated every 2 weeks for not more than 2 months or until the veteran attains new employment, whichever is sooner; prioritizes veterans who lost federal employment because of actions taken by the federal government after January 21, 2025. Executive does not include. Senate includes new language. House and Conference do not include.

***Sec. 1014. North Rosedale Park* – NEW**
Requires funds to be allocated to a nonprofit park civic association in Detroit to support improvements to the community house space. Executive does not include. Senate includes a similar item in its section 1002. House does not include. Conference includes new language.

Major Boilerplate Changes from FY 2024-25

Sec. 1015. Michigan Works! **– NOT INCLUDED**
Requires $500,000 of the Michigan Works! appropriation to be allocated to Michigan Works! agencies to assist individuals with disabilities who lost employment due to federal government actions after January 21, 2025 with obtaining new employment; requires $500,000 of the appropriation to be allocated to Michigan Works! agencies to assist veterans who lost employment due to federal government actions after January 21, 2025 with obtaining new employment. Executive does not include. Senate includes new language. House and Conference do not include.

Sec. 1015. Redford Water Infrastructure **– NEW**
Requires funds to be awarded to Redford Township to construct a combined sewer overflow basin. Executive does not include. Senate includes a similar item in its section 1002. House does not include. Conference includes new language.

Sec. 1016. My Pay Today Pilot Program **– NOT INCLUDED**
Requires funds to be awarded to an alternative payday loan program located in Oakland County to provide loans of up to $2,000 to households at or below 200% of the federal poverty level; outlines loan program requirements and requires an annual report. Executive does not include. Senate includes new language. House and Conference do not include.

Sec. 1016. Reignite **– RETAINED**
Requires funds to be awarded to a nonprofit organization that helps women consider careers in technology industries to support programs aimed at connecting women in K-12 through post-university with careers in technology. Executive deletes. Senate includes a similar item in its section 1005. House deletes. Conference retains with non-substantive stylistic revisions.

Sec. 1017. Re-emerging Workforce **– NOT INCLUDED**
Requires funds to be allocated to provide grants to organizations that support programs or other services to help adults reenter the workforce; outlines eligibility requirements and allowable uses. Executive does not include. Senate includes new language. House and Conference do not include.

Sec. 1017. SER Metro **– RETAINED**
Requires funds to be awarded to a youth engagement and adult reengagement nonprofit center in Detroit. Executive, Senate, and House delete. Conference retains with non-substantive stylistic revisions.

Sec. 1018. Sheet Metal Training Center **– NEW**
Requires funds to be awarded to sheet metal apprenticeship training centers for infrastructure upgrades, technology enhancements, and modernization and expansion of classroom and lab facilities. Executive, Senate, and House do not include. Conference includes new language.

Sec. 1019. Community Support Hubs **– NOT INCLUDED**
Requires funds to be used to award need-based grants to hubs that provide community or small business support; outlines eligible recipients and allowable uses; requires 50% match for grants awarded to hubs located in communities with a median income greater than 500% of the average federal income poverty level. Executive does not include. Senate includes new language. House and Conference do not include.

Sec. 1020. Statewide Apprenticeship Expansion **– NOT INCLUDED**
Requires funds to be used for expanding available apprenticeship opportunities, assisting individuals with obtaining industry credentials recognized by the U.S. Department of Labor, and supporting registered apprenticeship program expansion efforts; allows LEO to retain up to 3% of the appropriation for administration; requires LEO to provide a report on the number of active, new, and completing registered apprentices served under the program. Executive and Senate include new language. House and Conference do not include.

Sec. 1021. Women in the Workforce **– NOT INCLUDED**
Requires LEO to develop recommendations for employers on best practices to support, attract, and retain women in the workforce and post the recommendations on LEO's website not later than January 1, 2026; allows LEO to partner with additional stakeholders to complete the recommendations; requires that recommendations address postpartum care, menstruation and menopause support, and fair and transparent pay practices. Executive does not include. Senate includes new language. House and Conference do not include.

Sec. 1021. Workforce and Employer Expansion **– NEW**
Requires LEO to use funds to address current and future workforce needs; allows funds to be used for developing customized talent solutions, to support statewide pre-apprenticeship and registered apprenticeship expansion, and to expand existing, or create new, employer-led collaboratives and other sector strategies. Executive, Senate, and House do not include. Conference includes new language.

Table 1: Legislatively Directed Spending Items House Bill 4706 (H-1) CR-1

Sec. 1011	1	Sheridan Township Bridge Repairs	$3,300,000
	2	City of Vassar Public Safety Building	2,000,000
	3	Utica Police Department Equipment	250,000
	4	City of Rochester Hills Park Infrastructure	2,000,000
	5	Shelby Township Community Pool	1,000,000
	6	City of Harbor Beach North Park Campground Expansion	1,000,000
	7	Jackson County Parks (The Cascades)	1,500,000
	8	City of Marysville Seawall Replacement	750,000
	9	City of Springfield Law Enforcement Carport	125,000
	10	Common Ground	175,000
	11	Hindu Community Relations Council of Michigan	300,000
	12	Isabella County US-127 Feasibility Study	250,000
	13	Macomb County Public Works Muck Control	800,000
	14	MDOT M-53 Project in Washington Township	60,000
	15	Southwest Shiawassee Emergency Services Ambulances	1,231,000
	16	City of Albion Police Body-Worn Cameras	32,000
	17	Park Township Coast Guard Station Conversion	600,000
	18	City of Bronson UV Water Disinfection System	609,000
	19	Bronson Health Foundation	31,700
	20	Four Lakes Task Force Dam Restoration	9,800,000
	21	City of Portage Stormwater Runoff Project	2,000,000
	22	City of Cadillac Culvert Project	200,000
		TOTAL	**$28,013,700**

FY 2025-26: LICENSING AND REGULATORY AFFAIRS
Summary: Conference
Article 10, House Bill 4706 (H-1) CR-1

Analyst: Una Jakupovic

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	FY 2025-26 Senate	FY 2025-26 House	FY 2025-26 Conference	*Difference: Conference From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$27,682,800	$30,192,600	$30,192,600	$24,770,700	$30,192,600	*$2,509,800*	*9.1*
Federal	30,471,300	34,478,800	34,478,800	30,052,100	30,369,700	*(101,600)*	*(0.3)*
Local	0	0	0	0	0	--	--
Private	0	0	0	0	0	--	--
Restricted	281,979,200	284,429,800	284,842,500	270,591,900	285,958,900	*3,979,700*	*1.4*
GF/GP	308,605,700	301,539,300	307,539,300	253,867,800	279,485,700	*(29,120,000)*	*(9.4)*
Gross	**$648,739,000**	**$650,640,500**	**$657,053,200**	**$579,282,500**	**$626,006,900**	***($22,732,100)***	***(3.5)***
FTEs	1,821.0	1,857.0	1,853.0	1,550.0	1,813.0	*(8.0)*	*(0.4)*

Notes: (1) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (2) FY 2024-25 year-to-date (YTD) figures are as of release of the Executive budget, February 5, 2025. (3) "Senate" means Senate Bill 177 (S-2). (4) "House" means Article 10, House Bill 4706 (H-1) as Amended. (5) "Conference" means the budget agreement reflected in HB 4706 (H-1) CR-1.

Overview

The Department of Licensing and Regulatory Affairs (LARA) is the state's primary regulatory entity. The department oversees regulation across a variety of sectors, including commercial and occupational activities, construction and fire safety, health care and human services, public utilities, liquor control, and cannabis. Units within LARA also conduct and adjudicate administrative hearings, oversee rules promulgation, provide support for the Michigan Indigent Defense Commission and the Unarmed Combat Commission, and administer multiple grant programs, including Michigan Indigent Defense Commission grants.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
1. Michigan Indigent Defense Commission (MIDC) Grants	**Gross**	**$258,345,300**	**($22,328,500)**
House includes a reduction of $50.0 million GF/GP for Michigan Indigent Defense Commission Grants. Senate does not include. Conference includes a partial reduction in GF/GP authorization.	Restricted	300,000	0
	GF/GP	$258,045,300	($22,328,500)
2. FTE Reductions	FTE	NA	(22.0)
Conference includes reductions to FTE authorizations for the following line items:	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
• Reduction of 10.0 FTEs for Unclassified Salaries • Reduction of 1.0 FTE for Administrative Services • Reduction of 1.0 FTE Public Service Commission • Reduction of 2.0 FTEs for Liquor Licensing and Enforcement • Reduction of 2.0 FTEs for Bureau of Community and Health Systems • Reduction of 2.0 FTEs for Bureau of Survey and Certification • Reduction of 4.0 FTEs for Michigan Office of Administrative Hearings and Rules.			
3. Interdepartmental Grant Adjustments	**Gross**	**$26,096,000**	**$2,234,600**
Executive includes $2.2 million in IDG funding for the Michigan Office of Administrative Hearings and Rules (MOAHR) to support increased cases and workloads relating to UIA and MIOSHA within the Department of Labor and Economic Opportunity. Senate concurs with Executive. House does not include. Conference concurs with Executive.	IDG	26,096,000	2,234,600
	GF/GP	$0	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
4. Homes for the Aged Staffing Increase	FTE	NA	0.0
Executive includes $700,000 GF/GP and authorization for 3.0 FTEs to support oversight of state-licensed homes for the aged. The positions would consist of three health care surveyors responsible for licensing, inspections, and complaint investigations. Senate concurs with Executive. House does not include. Conference concurs in part with Executive.	**Gross**	**NA**	**$700,000**
	GF/GP	NA	$700,000
5. Nursing Home Surveys and Investigations	FTE	NA	0.0
Executive includes $2.7 million GF/GP and authorization for 9.0 FTEs to support nursing home complaint intake and investigations. Of the total, $2.4 million and 7.0 FTEs would be allocated to hire health care surveyors to support immediate jeopardy complaint investigations associated with nursing and continuing care facilities. The requested funding would also support the hiring of eleven already authorized health care surveyor positions. The remaining $316,900 and 2.0 FTEs would support intake of public questions and complaints related to nursing homes. The positions would consist of one departmental analyst and one customer service escalation specialist. Senate concurs with Executive. House does not include. Conference concurs in part with Executive.	**Gross**	**NA**	**$428,500**
	GF/GP	NA	$428,500
6. Mortuary Science Staffing Increase	FTE	NA	2.0
Executive includes $305,700 in state restricted funding and authorization for 2.0 FTEs within the Corporations, Securities, and Commercial Licensing Bureau to support two new license types in the mortuary science profession created by 2024 PA 107. The positions would include one regulation agent and one departmental analyst. Senate concurs with Executive. House does not include. Conference concurs with Executive.	**Gross**	**NA**	**$305,700**
	Restricted	NA	305,700
	GF/GP	NA	$0
7. MIDC Operations	**Gross**	**$3,140,200**	**$200,000**
Conference includes additional GF/GP funding authorization for Michigan Indigent Defense Commission operations.	GF/GP	$3,140,200	$200,000
8. Elevator Inspectors	FTE	NA	8.0
Executive includes authorization for 8.0 FTEs (no additional funding authorization) to hire additional elevator inspectors within the Bureau of Construction Codes. Senate concurs with Executive. House does not include. Conference concurs with Executive.	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
9. Residential Builders	FTE	NA	5.0
Executive includes authorization for 5.0 FTEs (no additional funding authorization) to hire staff in the Bureau of Construction Codes focused on consumer complaints related to residential builders. Senate concurs with Executive. House does not include. Conference concurs with Executive.	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
10. Net-to-Zero General Fund Reduction	**Gross**	**NA**	**$0**
Conference includes a reduction of $867,600 GF/GP, replaced by state restricted funding (Health Professional Regulatory Fund) in the following line items: • Bureau of Professional Licensing ($384,900 GF/GP) • Information Technology Services and Projects ($482,700 GF/GP).	Restricted	NA	867,600
	GF/GP	NA	($867,600)
11. Urban Search and Rescue	**Gross**	**$1,000,000**	**($1,000,000)**
Conference removes Urban Search and Rescue from the ongoing line items and transfers to one-time appropriations.	GF/GP	$1,000,000	($1,000,000)

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
12. Federal Energy and Benchmarking Grants	**Gross**	**NA**	**$0**
Executive includes $4.1 million in federal grant funding from the U.S. Department of Energy to support the development of a statewide energy code and energy benchmarking within the Bureau of Construction Codes (BCC).	Federal	NA	0
	GF/GP	NA	$0
The funding would include support for: • BCC training for local governments relating to energy efficiency standard adoption • BCC partnership with labor organizations to train and employ workers in energy auditing and building system optimization • A building stock analysis that would categorize buildings by type and identify common energy efficiency upgrades required.			
Senate concurs with Executive. House and Conference do not include.			
13. Michigan Indigent Defense Commission (MIDC)	FTE	21.0	0.0
Executive includes $769,100 GF/GP and authorization for 4.0 FTEs to support increased financial monitoring and planning efforts across local indigent defense systems. One position would be used to hire a senior regional manager responsible specifically for overseeing programming and compliance related to Standard 1 (Attorney Training) and Standard 7 (Attorney Qualifications and Review). The remaining three positions would consist of departmental or financial analysts focused on oversight of the financial and programmatic aspects of compliance. Senate concurs with Executive. House and Conference do not include.	**Gross**	**$3,140,200**	**$0**
	GF/GP	$3,140,200	$0
14. Compliance and Risk Management Section	FTE	NA	0.0
Executive includes $490,000 in state restricted funding and authorization for 3.0 FTEs to support the establishment of a Compliance and Risk Management section within Administrative Services to support regulatory compliance, risk management, and audit activities. The section would be responsible for creating and maintaining a centralized form review process to support consistency across licensure forms. The positions would consist of a state administrative manager, a departmental analyst, and an accountant. Senate, House, and Conference do not include.	**Gross**	**NA**	**$0**
	Restricted	NA	0
	GF/GP	NA	$0
15. Michigan Liquor Control Commission (MLCC)	FTE	31.0	0.0
Executive includes $297,300 in state restricted funding and authorization for 2.0 FTEs within the Management Support Services line item to support oversight and management of the MLCC's inventory. The positions would include one accountant and one department technician. Senate, House, and Conference do not include.	**Gross**	**$4,921,600**	**$0**
	Restricted	4,921,600	0
	GF/GP	$0	$0
16. Cannabis Regulatory Agency (CRA) Staffing Increase	FTE	182.0	0.0
Executive includes $151,200 in state restricted funding and 1.0 FTE to provide additional human resources support. The position would consist of a departmental analyst whose duties would include interviewing and onboarding employees, monitoring employee time and leave, and compiling information for required reports, among other duties. Senate concurs with Executive. House and Conference do not include.	**Gross**	**$33,649,200**	**$0**
	Restricted	33,649,200	0
	GF/GP	$0	$0
17. Michigan Saves	**Gross**	**NA**	**$0**
Senate includes $3.5 million GF/GP for a new Michigan Saves line item under the Michigan Public Service Commission unit for grants to support a loan loss reserve fund. House and Conference do not include.	GF/GP	NA	$0
18. Mobile Home Park Database	FTE	NA	0.0
Senate includes $500,000 GF/GP and authorization for 1.0 FTE within the Bureau of Construction Codes to create a database of mobile home park owners. House and Conference do not include.	**Gross**	**NA**	**$0**
	GF/GP	NA	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
19. FTE and Funding Reductions	FTE	NA	0.0
House includes reductions to FTE authorizations for the following line items:	**Gross**	**NA**	**$0**
	IDG	NA	0
• Reduction of 10.0 FTEs and $1.4 million Gross for Unclassified Salaries	Federal	NA	0
	Restricted	NA	0
• Reduction of 19.0 FTEs and $2.6 million Gross for Administrative Services	GF/GP	NA	$0
• Reduction of 7.0 FTEs and $945,000 Gross for Executive Director Programs			
• Reduction of 43.0 FTEs and $5.8 million Gross for Public Service Commission			
• Reduction of 25.0 FTEs and $3.4 million in state restricted funding for Liquor Licensing and Enforcement			
• Reduction of 9.0 FTEs and $1.2 million in state restricted funding for Management Support Services			
• Reduction of 8.0 FTEs and $1.1 million Gross for Bureau of Community and Health Systems			
• Reduction of 55.0 FTEs and $7.4 million Gross for Bureau of Construction Codes			
• Reduction of 1.0 FTE and $135,000 GF/GP for Bureau of Fire Services			
• Reduction of 16.0 FTEs and $2.2 million Gross for Bureau of Professional Licensing			
• Reduction of 15.0 FTEs and $2.0 million GF/GP for Bureau of Survey and Certification			
• Reduction of 15.0 FTEs and $2.0 million in state restricted funding for Corporations, Securities, and Commercial Licensing Bureau			
• Reduction of 37.0 FTEs and $5.0 million in state restricted funding for Cannabis Regulatory Agency			
• Reduction of 34.0 FTEs and $4.6 million Gross for Michigan Office of Administrative Hearings and Rules			
• Reduction of 3.0 FTEs and $405,000 GF/GP for Michigan Indigent Defense Commission.			
Senate and Conference do not include.			
20. Michigan Commission on Law Enforcement Standards	FTE	NA	0.0
House includes the addition of six line items within the Michigan Commission on Law Enforcement Standards (MCOLES) unit transferred from the Michigan State Police budget.	**Gross**	**NA**	**$0**
	Federal	NA	0
	Restricted	NA	0
• $500,000 GF/GP for De-escalation Training	GF/GP	NA	$0
• $18.3 million GF/GP and 7.0 FTEs for In-service Training			
• $10.0 million in state restricted funding for Justice Training Grants			
• $303,000 GF/GP and 1.0 FTE for Public Safety Officers Benefit Fund			
• $4.0 million Gross and 19.0 FTEs for Standards and Training			
• $855,000 in state restricted funding for Training Only to Local Units.			
Senate and Conference do not include.			
21. Cannabis Regulatory Agency Enforcement	**Gross**	**NA**	**$0**
House includes $5.0 million in state restricted funding for the creation of a new Cannabis Regulatory Agency Enforcement line item to support the investigation and regulation of cannabis black market activities. Senate and Conference do not include.	Restricted	NA	0
	GF/GP	NA	$0
22. Information Technology Reduction	**Gross**	**$27,589,700**	**$0**
House includes a reduction of $4.1 million Gross for Information Technology Services and Projects. Senate and Conference do not include.	IDG	1,436,800	0
	Federal	1,279,400	0
	Restricted	22,927,800	0
	GF/GP	$1,945,700	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
23. Customer Service and Business Ethics Training	**Gross**	**NA**	**$0**
House includes $250,000 Gross for Administrative Services to support customer service and business ethics training for all classified and unclassified LARA employees. Senate and Conference do not include.	IDG	NA	0
	Federal	NA	0
	Restricted	NA	0
	GF/GP	NA	$0
24. Property Management Reduction	**Gross**	**$7,067,100**	**$0**
House includes a reduction of $142,900 for Property Management and a replacement of all GF/GP with federal and state restricted funding sources. Senate and Conference do not include.	Federal	393,400	0
	Restricted	6,440,000	0
	GF/GP	$233,700	$0
25. Worker's Compensation Reduction	**Gross**	**$93,400**	**$0**
House includes a reduction of $21,400 for Worker's Compensation. Senate and Conference do not include.	Federal	12,700	0
	Restricted	80,700	0
	GF/GP	$0	$0
26. New FY 2025-26 One-Time Appropriations	**Gross**	**NA**	**$6,600,000**
Senate includes $3.2 million Gross ($2.0 GF/GP) of one-time funding to support the following: • BFS – Smoke Detectors ($1.0 million Gross) • CRA Social Equity Program ($1.0 million Gross) • Michigan Saves ($1.0 million Gross) • Real Estate Continuing Education ($200,000 Gross) House does not include. Conference includes $6.6 million Gross ($5.0 million GF/GP) of one-time funding to support the following: • Accounting Continuing Education ($200,000 Gross) • BFS – Smoke Detectors ($1.0 million Gross) • CRA Social Equity Program ($1.0 million Gross) • Michigan Saves ($3.0 million Gross) • Real Estate Continuing Education ($400,000 Gross) • Urban Search and Rescue ($1.0 million Gross).	Restricted	NA	1,600,000
	GF/GP	NA	$5,000,000
27. Removal of FY 2024-25 One-Time Appropriations	FTE	1.0	(1.0)
Executive removes $14.3 million Gross ($12.0 million GF/GP) of one-time funding that was included in the FY 2024-25 budget to support the following: • 5-Year Energy Waste Reduction and Demand Response Statewide Study ($1.0 million Gross) • BFS – Smoke Detectors ($1.0 million Gross) • CRA Social Equity Program ($1.0 million Gross) • Health Professions Implicit Bias Study ($250,000 Gross) • Juvenile Indigent Defense Grants ($1.0 million Gross) • Michigan Saves ($5.0 million Gross) • Renewable Energy and Electrification Infrastructure Enhancement and Development ($5.0 million Gross). Senate, House, and Conference concur with Executive.	**Gross**	**$14,250,000**	**($14,250,000)**
	Restricted	2,250,000	(2,250,000)
	GF/GP	$12,000,000	($12,000,000)
28. Technical Adjustments	FTE	NA	0.0
Executive includes internal FTE adjustments, funding adjustments, and transfers throughout the budget, which have no overall impact on Gross, GF/GP, or FTE position authorization. Adjustments are made to reflect employee counts more accurately and to align funding authorization with revenue received and department operations and activities. Includes a shift of funding and FTE authorization out of the MOAHR line item into a new Michigan Tax Tribunal line item. Also includes a shift of funding and FTE authorization out of the Administrative Services and Executive Director Programs line items to a new Regulatory Effectiveness Office line item. Senate concurs with Executive. House does not include. Conference concurs with Executive.	**Gross**	**NA**	**$0**
	Federal	NA	(377,000)
	Restricted	NA	377,000
	GF/GP	NA	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
29. Economic Adjustments	**Gross**	**NA**	**$4,377,600**
Executive reflects increased costs of $4.4 million Gross ($748,000 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. Senate concurs with Executive. House does not include. Conference concurs with Executive.	IDG	NA	275,200
	Federal	NA	275,400
	Restricted	NA	3,079,400
	GF/GP	NA	$747,600

Major Boilerplate Changes from FY 2024-25

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

Sec. 205. Purchase of Foreign Goods **– RETAINED**
Prohibits purchase of foreign goods or services if competitively priced and comparable quality American goods or services are available; gives preference to goods and services from Michigan businesses and Michigan businesses owned and operated by veterans. Executive retains. Senate revises to require giving preference to goods and services manufactured in facilities that employ union members. House and Conference retain.

Sec. 206. Communication with the Legislature **– RETAINED**
Prohibits LARA from taking disciplinary action against employees for communicating with legislators or their staff unless the communication is prohibited by law. Executive deletes. Senate, House, and Conference retain.

Sec. 208. Hiring of External Counsel **– DELETED**
Prohibits using appropriations to hire a person to provide legal services that are the responsibility of the attorney general; prohibition does not apply to legal services for bonding activities or services the attorney general authorizes. Executive and Senate retain. House and Conference delete.

Sec. 210. Contingency Authorizations **– RETAINED**
Authorizes up to $1.0 million in federal, $25.0 million in state restricted, $200,000 in local, and $100,000 in private contingency funds to be appropriated should funds become available; authorizes expenditure of funds after legislative transfer to specific line items. Executive and Senate retain. House revises to lower state restricted contingency authorization to $1.5 million and remove local and private contingency authorizations. Conference retains.

Sec. 211. Transparency Website **– REVISED**
Requires LARA, in cooperation with DTMB, to maintain a searchable website accessible by the public at no cost that includes information on expenditures, vendor payments, number of active employees, job specifications, and wage rates. Executive and Senate retain. House and Conference revise to remove required information on number of active employees, job specifications, and wage rates; requires the website to be updated quarterly.

Sec. 212. Restricted Funds Report **– RETAINED**
Requires LARA to work with SBO to report on estimated restricted fund revenues, expenditures, and fund balances for the prior two fiscal years. Executive deletes. Senate, House, and Conference retain.

Sec. 213. Access to Government Services **– RETAINED**
Prohibits funding from being used to restrict or impede a marginalized community's access to government resources, programs, or facilities; requires local governments to report any action or policy that attempts to restrict or interfere with a local health officer's duties. Executive and Senate retain. House deletes. Conference retains.

Sec. 214. Geographically Disadvantaged Business Enterprises **– RETAINED**
Requires LARA director to make an effort to contract with geographically disadvantaged business enterprises. Executive and Senate retain. House deletes. Conference retains.

Sec. 216. Retention of Reports **– RETAINED**
Requires LARA to receive and retain copies of all reports funded by the department's budget, while complying with federal and state guidelines for records retention. Executive deletes. Senate, House, and Conference retain.

Sec. 216. State Administrative Board Transfers **– NEW**
Stipulates that the legislature may inter-transfer funds via concurrent resolution if the State Administrative Board transfers funds. Executive and Senate do not include. House and Conference include the new language.

Major Boilerplate Changes from FY 2024-25

Sec. 217. Report on Policy Changes for Public Act Implementation **– RETAINED**
Requires LARA to report on policy changes made to implement public acts that took effect during the prior calendar year. Executive deletes. Senate, House, and Conference retain.

Sec. 217. Severance Pay Reporting **– NOT INCLUDED**
Requires LARA to report any severance pay for a director or other high-ranking official not later than 14 days after a severance agreement is signed; requires report on total amount of severance pay remitted and number of LARA employees receiving severance pay in FY 2024-25. Executive and Senate do not include. House includes the new language. Conference does not include.

Sec. 218. Work Project Usage **– RETAINED**
Stipulates that appropriations are not to be expended, if possible, until all existing work project appropriations for the same purpose is exhausted. Executive deletes. Senate, House, and Conference retain.

Sec. 218. In-Person Work **– NEW**
Requires LARA to maximize efficiency of the state workforce and prioritize in-person work; requires field service employees to report to the office prior to beginning field work; requires LARA to establish a policy and process to verify employees are working during business hours; requires LARA to provide information on employee badge scanning when requested by a legislator. Executive and Senate do not include. House includes the new language. Conference includes revised language requiring the department to maximize utilization of in-person workforce, prioritize occupancy utilization, and ensure occupancy rates are 80% or higher.

Sec. 219. Increased Payment Options **– REVISED**
Allows LARA to accept credit card or other electronic means of payment. Executive retains. Senate revises to require that at least one electronic method of payment offered does not incur additional fees. House retains. Conference revises to require LARA to report on fees collected from credit card payments.

Sec. 219. Grant Requirements **– NOT INCLUDED**
Requires that all grants be provided only to entities that have been established for over 36 months and have had an office in the state or service area for at least 12 months; requires all grant recipients to provide a spending plan; sets limits on funds used for administrative costs and contingencies; requires LARA to annually audit recipients' use of funds; requires LARA to work with the Office of the Auditor General to conduct audits of grants; prohibits grant recipients and immediate family members from being employed in the executive or legislative branches; requires audits to be posted on the department website; requires LARA to submit a quarterly report containing information on grant recipients. Executive and Senate do not include. House includes the new language. Conference does not include.

Sec. 220. Federal Funds Carry-Forward **– RETAINED**
Authorizes LARA to carry-forward federal pass-through funds to local governments into succeeding fiscal year, so long as no additional state matching funds are required; appropriates the funds; requires LARA to report the receipt of federal pass-through funds within 14 days of their receipt. Executive and Senate retain. House deletes. Conference retains.

Sec. 220. E-Verify Requirement **– NEW**
Stipulates that LARA must require all contractors and subcontractors to agree to use the E-Verify system to verify that all people hired during the contract term are legally present and authorized to work in the United States; allows the department to verify the information directly or receive certification from the contractor; requires LARA to submit a report describing the processes it has developed and implemented; prohibits LARA from contracting with foreign entities that are enemies or adversaries of the United States. Executive and Senate do not include. House includes the new language. Conference includes revised language to not include section prohibiting LARA from contracting with foreign entities that are enemies or adversaries of the United States.

Sec. 221. Private Grant Funded Projects **– RETAINED**
Authorizes appropriation of private grant revenues, subject to a limitation of $4.0 million; requires report within 10 days of receiving grants from private entities. Executive revises to remove the $4.0 million appropriation limit. Senate retains. House deletes. Conference retains.

Sec. 221. Fund Use Restrictions for Non-Citizens **– NOT INCLUDED**
Prohibits appropriated funds from being used to provide services, grants, or programming to non-citizens, unless the individual is a qualified alien as that term is defined under 8 USC section 1641. Executive and Senate do not include. House includes the new language. Conference does not include.

Sec. 222. Informational, Training, and Special Events Revenues and Expenditures **– RETAINED**
Authorizes LARA to charge registration fees for events sponsored by LARA; requires fees to reflect costs of sponsoring events; appropriates revenue generated by fees for sponsorship costs; authorizes excess revenue to be carried forward; limits appropriation to $1.0 million. Executive revises to remove the $1.0 million appropriation limit. Senate retains. House revises to lower appropriation limit to $500,000. Conference retains.

Major Boilerplate Changes from FY 2024-25

***Sec. 222. Work Projects Report* – NEW**
Requires LARA to report information on all work project accounts, including a list and status of each account and the amount of funds that have lapsed from any previous accounts. Executive and Senate do not include. House and Conference include the new language.

***Sec. 223. General Fund Expenditures* – NOT INCLUDED**
Requires that general fund appropriations not be expended if federal or private grant funding is available for the same expenditures; requires the department to notify standard report recipients not later than 10 days after making a required reduction in expenditures that includes information on the insufficient fund source, the cause, and the government functions that will be affected. Executive does not include. Senate includes the new language. House and Conference do not include.

***Sec. 223. Legacy Costs* – NEW**
Identifies total funding estimated to be expended on legacy costs in FY 2025-26, $27.6 million ($24.9 million on pension related legacy costs and $2.7 million on health care legacy costs). Executive and Senate do not include. House and Conference include the new language.

***Sec. 224. Department Scorecard Website* – NEW**
Requires LARA to maintain, on a publicly accessible website, a scorecard that identifies, tracks, and regularly updates key metrics used to monitor and improve department performance; requires the scorecard to be updated quarterly. Executive and Senate do not include. House includes the new language. Conference includes revised language that requires LARA to provide standard report recipients a copy of its annual strategic plan.

***Sec. 225. Regulatory Statistical Report* – RETAINED**
Requires LARA to submit annual report specifying and summarizing statistical information pertaining to fees, revenues, expenditures, application determinations, timeliness, examinations, complaints, investigations, enforcement actions, administrative hearings, and adjudications for regulatory products administered by specified agencies within LARA. Executive and Senate retain. House revises to expand the list of agencies included in the report. Conference retains.

***Sec. 225. State Obligations* – NEW**
Prohibits appropriated funds from being used to pay for a state obligation that exceeds $200,000 for a court-approved judgment, settlement, award, or claim. Executive and Senate do not include. House includes the new language. Conference includes revised language that requires LARA to report on any court settlement that may require further legislative review.

***Sec. 226. Single Recipient Grants* – DELETED**
Requires grant funding intended for a single recipient organization or local government to be used for a program or project that is for a public purpose; requires department to follow state procurement statutes, including bidding requirements; authorizes SBO to compile and submit reports; lists eligibility requirements to receive grant funding; provides timeframes for receiving and expending grant funding; requires information on grants/projects to be posted on a public website, including receiving entity and grant sponsor; requires reports. Executive deletes. Senate revises to provide a modified set of requirements for single recipient grants. House and Conference delete.

***Sec. 226. Private and Third-Party Funds* – NEW**
Requires LARA to report on a publicly accessible website private and other third-party funds received in FY 2024-25, including the amount and source of funding, the purpose, and the amount of any remaining funds. Executive and Senate do not include. House and Conference include the new language.

***Sec. 227. State Fiscal Recovery Fund (SFRF)* – DELETED**
Requires state budget director to ensure all SFRF revenue is expended by December 31, 2026; authorizes state budget director to reallocate appropriated funds for the purpose of fully expending funds; requires all guidance, implementation, and reporting provisions of federal law to be followed; requires state budget director to notify appropriations committees of reallocations made; authorizes state budget director and state departments to make accounting transactions necessary to implement reallocation. Executive deletes. Senate revises to delete language authorizing state budget director to reallocate appropriated funds, language requiring state budget director to notify appropriations committees of reallocations, and language allowing state budget director and department to make necessary accounting transactions. Senate also revises to require departments receiving appropriations to notify standard report recipients if an appropriation of funds described in this section is projected to lapse. House and Conference delete.

***Sec. 227. Website Reporting* – NEW**
Requires LARA to make each report accessible on the department's website no later than the due date of the report and to maintain reports from previous fiscal years on the website. Executive does not include. Senate includes the new language. House does not include. Conference includes the new language.

Major Boilerplate Changes from FY 2024-25

Sec. 227. Diversity, Equity, and Inclusion Initiatives **– NOT INCLUDED**
Prohibits state funds from being used for diversity, equity, and inclusion initiatives or programs. Executive and Senate do not include. House includes the new language. Conference does not include.

Sec. 228. Legislatively Directed Spending Items **– NEW**
Requires the legislature to provide LARA and the state budget director with a list of legislatively directed spending items; provide requirements for the administering of grants; provide requirements for grant agreements; requires grant recipients to respond to reasonable information requests; provides deadline for grant expenditure; requires LARA to post information about grant recipients on its website. Executive, Senate, and House do not include. Conference includes the new language.

Sec. 229. Unenforceable Boilerplate **– NOT INCLUDED**
Requires LARA to submit a report containing information about the sections determined to be unenforceable; allows the department to coordinate with the Executive Office of the Governor or other state departments to compile a statewide report. Executive does not include. Senate includes the new language. House and Conference do not include.

Sec. 230. Report on Federal Policy Changes **– NEW**
Requires LARA to submit a report detailing federal policy changes that are expected to affect department operations, affect groups the department engages with, affect regulations that impact those groups, and create a regulatory gap. Executive does not include. Senate includes the new language. House does not include. Conference includes revised language that removes the requirement to report on any changes that affect regulations.

Sec. 233. Television and Radio Production Expenditure Report **– NEW**
Requires LARA to report any expenditure of funds to a third-party vendor for television or radio productions; specifies information to be included. Executive and Senate do not include. House and Conference include the new language.

Sec. 234. Pending Litigation **– NOT INCLUDED**
Stipulates that pending litigation related to a licensee must not delay LARA investigations and licensing actions, unless prohibited by law. Executive and Senate do not include. House includes the new language. Conference does not include.

Sec. 235. Training Materials Reporting **– NEW**
Requires LARA to report on materials that employees and contractors are required to review or complete for mandatory training; requires materials be made available to subcommittee members or their designees for review. Executive and Senate do not include. House includes the new language. Conference includes revised language that requires LARA to post a report describing materials employees and contractors are required to review.

Sec. 236. Employee Performance Monitoring System **– NOT INCLUDED**
Expresses legislative intent that LARA establish a consistent employee performance monitoring process; requires quarterly reports on planned or implemented changes to that process and the number of evaluations performed. Executive and Senate do not include. House includes the new language. Conference does not include.

Sec. 237. Customer Service and Business Ethics Training **– NOT INCLUDED**
Stipulates that at least $250,000 of the Administrative Services appropriation must be allocated to provide 1 hour of customer service and business ethics training to all classified employees and 2 hours of training to all unclassified employees; establishes general training and reporting requirements. Executive and Senate do not include. House includes the new language. Conference does not include.

Sec. 238. Department Facility Access **– NOT INCLUDED**
Requires LARA to allow the chairs, majority vice chairs, and minority vice chairs of the House and Senate Appropriations Committees and Subcommittees on LARA and DIFS access to all department facilities during business hours. Executive and Senate do not include. House includes the new language. Conference does not include.

Sec. 253. Regulatory Effectiveness Office Report **– NOT INCLUDED**
Requires the Regulatory Effectiveness Office to submit a report containing legislative recommendations for improving licensing and regulation, a plan of department actions, the number of licenses issued and number of applications by category, and the average turnaround times by category. Executive does not include. Senate includes the new language. House and Conference do not include.

Sec. 280. Attorney General Support Fund **– NEW**
Creates the attorney general support fund and appropriates $8.0 million in corporation fees to the fund. Executive, Senate, and House do not include. Conference includes the new language.

Major Boilerplate Changes from FY 2024-25

***Sec. 301. Low-Income Energy Assistance Grant Program* – REVISED**
Stipulates that MPSC administers the low-income energy assistance grant program on behalf of MDHHS, and funds supporting the program are appropriated upon awarding of grants and may be used for grant payments or administrative program expenses. Executive retains. Senate revises to require MPSC to report on the median annual household income of grant recipients and the number of grants administered in each county. House retains. Conference includes Senate revisions.

***Sec. 302. Public Service Commission Hearings* – RETAINED**
Requires the MPSC to conduct at least 4 public hearings in the state; requires a hearing to be held in Detroit and Grand Rapids; requires MPSC to submit report that summarizes outcomes and public comments. Executive deletes. Senate revises to require MPSC to conduct at least 5 public hearings in the state: one in the Upper Peninsula and one each in the northwest, northeast, southwest, and southeast parts of the Lower Peninsula. House and Conference retain.

***Sec. 303. Energy Utility Rates Report* – NEW**
Requires the MPSC to designate 1.0 FTE to assist consumers with utility issues, disruption, or outages; requires the MPSC to report on utility costs and rates, the number of companies requesting rate increases, the number of consumers assisted by the department, the number of complaints, and the commission's plan for affordability. Executive does not include. Senate includes the new language. House does not include. Conference includes revised language to require the MPSC to report on electric rates, comparison of electric bills, power supply cost recovery factors, natural gas rates, gas cost recovery factors, reliability data, number of consumers assisted, and number of complaints.

***Sec. 304. Michigan Saves* – NOT INCLUDED**
Allows MPSC to award a $3.5 million grant to a nonprofit green bank to make loans more affordable for families, businesses, and public entities in Michigan; stipulates grant funds may be used for a loan loss reserve fund or similar financial instrument. Executive does not include. Senate includes the new language. House and Conference do not include.

***Sec. 401. MLCC Investigation of Direct Shipments of Wine and Report* – REVISED**
Requires MLCC to use funds appropriated from Direct Shipper Enforcement Fund – as required under Section 203(11) of Michigan Liquor Control Code, 1998 PA 58 – to investigate illegal direct shipments of wine and that notice be sent to entities found to have illegally shipped wine into the state; requires MLCC to submit report detailing activities to investigate illegal shipping of wine. Executive revises to delete an item in the required report and delete language requiring notice to unlicensed out-of-state entities that illegally shipped wine into Michigan. Senate revises to require the report to contain the number of unlicensed out-of-state entities that have illegally shipped wine into the state and the number of notices sent. House retains. Conference includes Senate revisions.

***Sec. 501. Fire Safety Fees* – REVISED**
Establishes fee schedule for inspections of hospitals and plan reviews of hospitals and schools by Bureau of Fire Services, in accordance with Section 2c of 1941 PA 207. Executive revises to include fees for nursing homes, homes for the aged, and adult foster care facilities. Implementation legislation would be needed to effectuate these fee changes. Senate concurs with Executive. House retains. Conference concurs with Executive.

***Sec. 505. Fees for False Final Inspections by the Bureau of Fire Services* – REVISED**
Authorizes BFS to assess a fee not to exceed $800 if BFS responds to multiple confirmed false inspection appointments; requires LARA to identify revenue generated by fee within state's accounting system; requires report pertaining to fee, its effect on BFS costs, and recommendations to legislature. Executive and Senate retain. House revises to lower maximum assessed fee to $200. Conference revises to lower maximum assessed fee to $500.

***Sec. 506. Michigan Automated Prescription System (MAPS) Report* – REVISED**
Requires LARA to submit report detailing usage statistics for MAPS, department actions resulting from information obtained from MAPS, and integrations between MAPS and electronic health record systems. Executive retains. Senate revises to require the report to also contain the department's recommendations for electronic health integration. House retains. Conference includes Senate revisions.

***Sec. 507. Carnival-Amusement and Ski Area Inspections* – RETAINED**
Stipulates that at least $900,000 of the BCC appropriation must be allocated for additional inspections and enforcement activities for the Carnival-Amusement Safety Act of 1966 and the Ski Area Safety Act of 1962; requires LARA to submit a report to the standard report recipients detailing fund allocation. Executive revises to remove the $900,000 allocation requirement. Senate, House, and Conference retain.

Major Boilerplate Changes from FY 2024-25

***Sec 508. Homeowner Construction Lien Recovery Fund* – REVISED**
Appropriates unexpended funds in Homeowner Construction Lien Recovery Fund for payment of court-ordered construction lien judgments entered prior to August 23, 2010. Executive retains. Senate revises to require LARA to report on the expenditures, revenue balance, and revenue sources of the fund. House retains. Conference includes revisions to Senate language to require LARA to report on only the revenue sources of the fund.

***Sec. 510. Nursing Home Surveys and Investigations Report* – REVISED**
Requires LARA to report on Bureau of Survey and Certification activities, including surveys and investigations of nursing homes. Executive revises to specify inclusion of surveys and investigations of hospitals and acute and continuing care facilities in the report. Senate concurs with Executive. House retains. Conference concurs with Executive.

***Sec. 511. Masking Requirement Prohibition* – NOT INCLUDED**
Prohibits LARA from enforcing masking requirements for children under 5 years of age and from taking any licensing or administrative action against licensees for not enforcing such a requirement. Executive and Senate do not include. House includes the new language. Conference does not include.

***Sec. 511. Report on Premanufactured Unit Plans* – DELETED**
Requires BCC to report on changes made to decrease processing time of premanufactured unit plan submissions, the processing times in the current and previous fiscal year, and the number of plans submitted in the current and previous fiscal year. Executive deletes. Senate revises to require the report to contain the number of plans in the current fiscal year and the two previous fiscal years. House and Conference delete.

***Sec. 512. Mobile Home Park Database* – NOT INCLUDED**
Requires that at least $500,000 of the BCC appropriation be allocated to create a database of mobile home park owners that includes contact information, license numbers and statuses, and any violations; requires at least 1.0 FTE be allocated to assist with mobile home park resident complaints and issues; requires the department to report on the number of complaints received and resolved. Executive does not include. Senate includes the new language. House and Conference do not include.

***Sec. 512. Fireworks Safety Inspection Reimbursement Report* – NOT INCLUDED**
Requires LARA to submit report providing information on the amount of reimbursements to local units of government for delegated inspections of fireworks retail locations pursuant to Michigan Fireworks Safety Act. Executive and Senate do not include. House includes the new language. Conference does not include.

***Sec. 513. Notice of AFC, HFA, and LTC Facility Closing* – NOT INCLUDED**
Requires LARA to serve a facility and notify offices of representing legislators and the subcommittees on MDHHS when an order of suspension is received for a licensed adult foster care home, home for the aged, or nursing home. Executive and Senate do not include. House includes the new language. Conference does not include.

***Sec. 514. Accounting Continuing Education* – NOT INCLUDED**
Stipulates that at least $200,000 of the BPL appropriation must be allocated for grants to a professional accounting association for the maintenance and operation of the continuing professional education tracker and portal. Executive and Senate do not include. House includes the new language. Conference does not include.

***Sec. 515. Realtors Continuing Education* – NOT INCLUDED**
Stipulates that at least $400,000 of the BPL appropriation must be allocated for grants to a professional realtors association for the tracking and approval of continuing education credits. Executive and Senate do not include. House includes the new language. Conference does not include.

***Sec. 516. Bureau of Fire Services – Smoke Detectors* – NOT INCLUDED**
Stipulates that at least $1,000,000 of the BFS appropriation must be allocated to purchase and distribute smoke detectors to Michigan residents and allows BFS to purchase smoke detectors with additional capabilities for individuals with physical or psychological conditions that require an accommodative technology; requires report on the number of smoke detectors purchased, per-unit price, listing of all local units that received smoke detectors, and number distributed. Executive and Senate do not include. House includes the new language. Conference does not include.

***Sec. 601. Cannabis Regulatory Agency Programs Report* – REVISED**
Requires LARA to submit report on all marihuana programs administered by the CRA; requires report to include information on application volumes and determinations, timeliness, revenues, complaints, investigations, enforcement actions, and other topics. Executive retains. Senate revises to require the report to contain information on license holders with multiple types of marihuana licenses. House revises to require the report to contain the costs of administering the licensing program under each act. Conference includes House revisions.

Major Boilerplate Changes from FY 2024-25

***Sec. 602. Cannabis Regulatory Agency Investigative Reports* – REVISED**
Requires CRA to annually post on a publicly accessible website the number of investigative reports identifying violations of the Michigan Medical Marihuana Act, the Medical Marihuana Facilities Licensing Act, the Michigan Regulation and Taxation of Marihuana Act, or administrative rules enacted under the previously mentioned acts, the number of reports that identify suspected marihuana product without required tracking numbers, the number of public complaints regarding product without required tracking numbers or unlicensed commercial production or sale of delta 8 THC, the number and outcome of CRA disciplinary proceedings, number of law enforcement agency referrals, and information on licensees subject to disciplinary proceedings. Executive retains. Senate revises to require reporting on the current licensing status of disciplined licensees and the number of licenses revoked. House revises to require information on the fines or other penalties issued for each reported disciplinary proceeding. Conference includes all Senate and House revisions.

***Sec. 603. Hemp Programs Report* – REVISED**
Requires LARA to submit a report on all hemp programs administered by the CRA, which must include revenue collected from regulatory and licensing activities, total cost of administering hemp regulatory and licensing programs, number of hemp licensees by county, and a description of any fees CRA assesses on hemp licensees. Executive retains. Senate revises to require LARA to report on the number of inspections and results of each inspection, the number of hemp license applications and approvals, and the number of times the agency is contacted to destroy hemp. House retains. Conference includes revisions to Senate language that removes the requirement to report on the number of times the agency is contacted to destroy hemp.

***Sec. 604. Prohibition of Cannabis Regulatory Agency Partiality* – NEW**
Prohibits the CRA from exhibiting partiality toward or bias against any licensee. Executive and Senate do not include. House and Conference include the new language.

***Sec. 605. Cannabis Regulatory Agency Enforcement* – NOT INCLUDED**
Requires funds appropriated for Cannabis Regulatory Agency Enforcement to be used to investigate and regulate the cannabis black market; requires any remaining funds to be distributed to municipalities proportional to the number of licensed marihuana facilities to be used for reducing the amount of fentanyl in the community. Executive and Senate do not include. House includes the new language. Conference does not include.

***Sec. 802. Michigan Indigent Defense Commission Report on Incremental Costs* – REVISED**
Requires MIDC to submit report on incremental costs associated with standard development process, compliance plan process, and collection of data from all indigent defense systems and attorneys providing indigent defense. Executive deletes. Senate revises to require the MIDC to report the total cost calculation for each indigent defense standard, how much each recipient is receiving for each standard, and the causal factors associated with any changes in grant funding. House retains. Conference includes Senate revisions.

***Sec. 803. Michigan Indigent Defense Commission Report on Grant Funding* – DELETED**
Requires MIDC to submit report explaining the total cost calculation for each indigent defense standard, including a comprehensive itemization of costs included for each standard, listing of how much funding each grant recipient is receiving for each standard, and explanation of factors associated with any increase or decrease in MIDC grant funding from the previous fiscal year level. Executive retains. Senate deletes. House retains. Conference deletes.

***Sec. 803. Minimum Standards for Youth Defense Services* – NEW**
Requires the MIDC to begin the process of developing and implementing minimum standards for youth defense services. Executive does not include. Senate includes the new language. House does not include. Conference includes revisions to the Senate language to indicate legislative intent.

***Sec. 805. MIDC Construction Expenses Prohibition* – NEW**
Prohibits MIDC grants from being used to support any construction expenses for a new structure. Executive and Senate do not include. House and Conference include the new language.

***Sec. 806. MIDC Grant Restrictions for Non-Citizens* – NOT INCLUDED**
Prohibits MIDC grants from being used to provide criminal defense services to non-citizens unless the individual is a qualified alien as that term is defined under 8 USC section 1641. Executive and Senate do not include. House includes the new language. Conference does not include.

***Sec. 807. MIDC Work Project Appropriations* – NOT INCLUDED**
Requires LARA to work with the state budget director to lapse $2.0 million of unexpended and unencumbered funds appropriated for the MIDC and designated as work project appropriations to be made available for expenditure by the state appellate defender office. Executive and Senate do not include. House includes the new language. Conference does not include.

Major Boilerplate Changes from FY 2024-25

***Sec. 901. Commission on Law Enforcement Standards* – NOT INCLUDED**
Stipulates MCOLES' responsibilities and requires maintenance of proper staffing and resource levels to update standards within 120 days of enactment date of new applicable legislation; requires report summarizing MCOLES activities and distributions of training funds during prior calendar year. Executive and Senate do not include. House includes the new language. Conference does not include.

***Sec. 902. Public Safety Officers Benefit Fund* – NOT INCLUDED**
Requires GF/GP appropriated for Public Safety Officers Benefit Fund to be deposited to Public Safety Officers Benefit Fund and appropriates all funds within Public Safety Officers Benefit Fund; stipulates that appropriated funds should be used to increase benefit payments to eligible recipients to $50,000. Executive and Senate do not include. House includes the new language. Conference does not include.

***Sec. 903. In-service Training* – NOT INCLUDED**
Requires funds appropriated for In-service Training to be deposited into the Law Enforcement Officers Training Fund; appropriates all funds in the Law Enforcement Officers Training Fund for expenditure to support implementation of required annual in-service training standards for all licensed law enforcement officers. Executive and Senate do not include. House includes the new language. Conference does not include.

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

***Sec. 1002. Cannabis Regulatory Agency Social Equity Program* – RETAINED**
Lists the following goals that are to be pursued using social equity program one-time funds: encourage and increase participation in the social equity program, with particular focus on individuals from communities that have been disproportionately impacted by marihuana prohibition and enforcement; establish a minimum number of licensees that are participating in the program; consider the median income in designating disproportionately impacted communities. Executive deletes. Senate revises to require the CRA to publicly post the number of initial applications received and whether they were eligible or ineligible, the number of applications approved or denied, the average application processing time, the number of outreach sessions held, any application assistance provided, demographic information for participants, and a list of awardees. House deletes. Conference retains.

***Sec. 1003. UM Law School Juvenile Indigent Defense Grants* – DELETED**
Requires LARA to provide grants to the University of Michigan Law School to provide financial assistance to unrepresented juvenile defendants or their guardians; designates unexpended funds as a work project appropriation. Executive deletes. Senate, House, and Conference delete.

***Sec. 1004. Michigan Saves Appropriation Use* – REVISED**
Allows MPSC to award a $5.0 million grant to a nonprofit green bank to make loans more affordable for families, businesses, and public entities in Michigan; stipulates grant funds may be used for a loan loss reserve fund or similar financial instrument; requires Michigan Saves to report on the number of loans issued, the types of projects, and the project locations. Executive deletes. Senate revises to delete report requirements and delete current grant requirements to instead allow the MPSC to award a $1.0 million grant to Michigan Saves to conduct a grant program for clean energy improvement and on-site wastewater system replacement or repair; requires that a single grant not exceed $100,000. House deletes. Conference includes revised language that allows the MPSC to award $1.5 million to Michigan Saves to conduct a grant program and $1.5 million to a nonprofit green bank to support a loan loss reserve fund or similar financial instrument.

***Sec. 1003. Michigan Realtors Association* – NEW**
Requires the Bureau of Professional Licensing to provide grants to the Michigan Realtors Association to approve and track real estate continuing education. Executive does not include. Senate includes the new language. House does not include. Conference includes the new language.

***Sec. 1004. Michigan Association of CPAs* – NEW**
Requires the Bureau of Professional Licensing to provide grants to the Michigan Association of CPAs to support the maintenance and operation of the continuing professional education tracker and web portal. Executive, Senate, and House do not include. Conference includes the new language.

***Sec. 1005. Urban Search and Rescue* – NEW**
Requires the Bureau of Fire Services to provide funds to Michigan Task Force 1 to support activities related to emergency response. Executive, Senate, and House do not include. Conference includes the new language.

Major Boilerplate Changes from FY 2024-25

***Sec. 1005. Renewable Energy and Electrification Infrastructure Enhancement and Development* – DELETED**

(1) Requires funding to be expended, aside from administration, only for grants to businesses, nonprofit organizations, and local or state government units for planning, developing, designing, acquiring, or constructing renewable energy and electrification infrastructure projects; (2) establishes goal of distributing 50% of the total amount of funding for grants awarded for electric vehicle fast-charging infrastructure for charging ports that provide a power level of at least 200 kW and 50% of the total for charging ports that provide a power level of at least 350 kW; (3) requires MPSC to develop guidelines and implement a grant application process within 6 months and requires prioritization for grants that meet the goals of the MI Healthy Climate Plan; (4) requires grant applicants to perform an impact study that provides sufficient detail to allow the proposed project to be evaluated; (5) establishes further requirements for grant applicants for renewable natural gas infrastructure projects; (6) provides a 45-day review period for affected entities to review and comment on an application and a 15-day period for an applicant to modify their initial proposal; (7) requires MPSC to award grants to applicants who have met the grant criteria, with priority given to applicants in distressed areas; (8) requires grant recipients to report to MPSC on how the money was used within 30 days after a project's completion; (9) prohibits grant funding from being used to expand the use of conventional natural gas; (10) allows the MPSC to expend up to $125,000 for administration expenses; (11) defines "renewable energy and electrification infrastructure projects" and "renewable natural gas." Executive deletes. Senate, House, and Conference concur with Executive.

FY 2025-26: LIFELONG EDUCATION, ADVANCEMENT AND POTENTIAL
Summary: Conference
Article 11, House Bill 4706 (H-1) CR-1

Analysts: Perry Zielak and Noel Benson

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	FY 2025-26 Senate	FY 2025-26 House	FY 2025-26 Conference	*Difference: Conference From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$0	$0	$0	$0	$0	*$0*	*--*
Federal	505,391,000	506,428,200	506,428,200	455,475,800	457,769,900	*(47,621,100)*	*(9.4)*
Local	0	0	0	0	0	*0*	*--*
Private	250,000	1,000,000	1,000,000	250,000	1,000,000	*750,000*	*300.0*
Restricted	1,863,900	1,880,000	1,880,000	1,863,900	1,880,000	*16,100*	*0.9*
GF/GP	136,489,300	226,908,800	246,908,800	182,879,400	201,593,300	*65,104,000*	*47.7*
Gross	**$643,994,200**	**$736,217,000**	**$756,217,000**	**$640,469,100**	**$662,243,200**	***$18,249,000***	***2.8***
FTEs	343.0	354.0	354.0	281.0	348.0	*5.0*	*1.5*

Notes: (1) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (2) FY 2024-25 year-to-date (YTD) figures are as of release of the Executive budget, February 5, 2025. (3) "Senate" means Senate Bill 164 (S-2). (4) "House" means House Bill 4578 (H-1). (5) "Conference" means the budget agreement reflected in HB 4706 (H-1) CR-1.

Overview

The Department of Lifelong Education, Advancement, and Potential (MiLEAP) is responsible for administering and coordinating statewide education efforts outside of the K-12 school system, which includes child care, child care worker and facility licensing, early childhood education, out of school time, and postsecondary scholarships and transfer opportunities. The department is grouped into three offices overseeing those efforts: the Office of Early Childhood Education, which is focused on child care and child care facilities; the Office of Education Partnerships, which is focused on building relationships in child care and postsecondary arenas; and the Office of Higher Education, which is focused on postsecondary scholarships, transfers and increasing degree and credential attainment.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		**FY 2024-25 Year-to-Date (as of 2/5/25)**	**FY 2025-26 Conference Change**
1. Child Development and Care Caseload Costs	**Gross**	**$499,035,800**	**$44,276,200**
Executive increases funding by $63.0 million Gross ($62.8 million GF/GP) to reflect increased caseload costs for the Child Development and Care (CDC) program. Includes $184,500 GF/GP to federal Child Development and Care Fund (CCDF) fund swap due to FMAP rate adjustment. Total funding for the CDC program would be $562.0 million Gross ($132.3 million GF/GP). Senate concurs and adds $23.0 million GF/GP to increase child care provider payments. Total funding for the CDC program would be $585.0 million Gross ($155.3 million GF/GP). House increases funding by $44.3 million Gross ($93.0 million GF/GP) to reflect May 2025 Consensus Revenue Estimating Conference caseload estimates for the CDC program. This includes a $48.7 million replacement of federal funding with a corresponding amount of GF/GP. Total funding for the CDC program would be $543.3 million Gross ($162.5 million GF/GP). Conference concurs with House.	Federal	429,525,100	(48,723,800)
	GF/GP	$69,510,700	$93,000,000

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
2. Child Development and Care Federal Requirements	**Gross**	**$0**	**$3,500,000**
Executive provides $50.0 million GF/GP of one-time funding to partially fulfill new federal requirements for the CDC program. An estimated $33.0 million will be used to shift to a prospective payment system to reimburse child care providers before services are rendered. Remaining funds will be used to contract services for certain populations of children, which include infants and toddlers, children with disabilities, and those in underserved geographic areas. Senate concurs but provides $40.0 million GF/GP of one-time funding for the CDC program. House does not include. Conference provides $3.5 million GF/GP of one-time funding to initiate the shift to a prospective payment system to reimburse child care providers.	GF/GP	$0	$3,500,000
3. Office of Education Partnerships Family and Community Engagement Program Transfer	FTE	6.0	6.0
	Gross	**$1,062,500**	**$1,320,700**
Executive transfers $1.3 million GF/GP from the Office of Great Start for the Family and Community Engagement program (identified in Item #10 below). The program assists parents and guardians become more involved in their child's education through partnerships with family engagement centers or intermediate school districts. Although not included in documents, the Executive expressed intent to transfer authorization for 7.0 FTE positions. Total funding for the Family and Community Engagement program would be $2.4 million GF/GP. Senate concurs. House maintains current funding levels. Conference transfers $1.3 million federal and authorization for 6.0 FTE positions.	Federal	0	1,320,700
	GF/GP	$1,062,500	$0
4. College Success Fund and Student Wraparound Supports	**Gross**	**$0**	**$1,000,000**
Executive provides $15.0 million GF/GP of one-time funding for the continuation of a program originally located in the Department of Labor and Economic Opportunity that provides competitive grants to community colleges, public universities, and private colleges and universities for student support services and efforts to improve degree and certificate completion rates. Senate concurs but provides $16.0 million GF/GP of one-time funding and specifies that $1.0 million must be used for Hunger-Free Campus grants to community colleges and public and private universities. House does not include. Conference provides $1.0 million GF/GP of one-time funding for reenrollment initiatives and to support hunger-free campus activities.	GF/GP	$0	$1,000,000
5. Michigan Center for Civic Education	**Gross**	**$0**	**$1,000,000**
Conference provides $1.0 million GF/GP of one-time funding to support the civic education and engagement programs provided by the Michigan Center for Civic Education.	GF/GP	$0	$1,000,000
6. Michigan Center for Adult College Success	**Gross**	**$1,833,400**	**($833,400)**
Executive removes $1.8 million GF/GP of one-time funding for the Michigan Center for Adult College Success. Senate concurs. House concurs. Conference reduces funding by $833,400 GF/GP and maintains as one-time funding.	GF/GP	$1,833,400	($833,400)
7. Department of the Attorney General Services	**Gross**	**$0**	**$569,500**
Executive provides $569,500 GF/GP across multiple lines to cover higher than anticipated costs for services rendered by the Department of the Attorney General that were not originally included in the FY 2024-25 budget. Senate concurs. House does not include. Conference concurs with Executive.	GF/GP	$0	$569,500

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
8. Executive Direction and Operations	FTE	30.0	7.0
Executive increases authorization by 8.0 FTE positions for Executive Direction and Operations to provide internal department accountants instead of using an external service. Current funding levels would remain the same. Senate concurs. House reduces funding by $3.8 million GF/GP and reduces authorization by 15.0 FTE positions. Total funding for Executive Direction and Operations would be $3.8 million Gross ($3.0 million GF/GP). Conference includes a net decrease of $500,000 Gross ($750,000 GF/GP reduction) and increases authorization by 7.0 FTE positions.	**Gross**	**$7,531,200**	**($500,000)**
	Federal	750,000	250,000
	GF/GP	$6,781,200	($750,000)
9. Student Financial Assistance Programs MI Student Scholarship and Grants Portal and FTE Authorizations	FTE	45.0	5.0
Executive increases funding by $300,000 GF/GP to cover additional information technology costs for maintaining the MI Student Scholarships and Grants Portal, which is the primary administration system for state-sponsored financial aid programs. Additionally, authorizes 5.0 FTE positions to convert some employee classifications from temporary to ongoing in the Office of Sixty by 30, which works to ensure that 60% of Michigan residents obtain a postsecondary degree or skills credential by 2030. Total funding for Student Financial Assistance Programs would be $9.5 million Gross ($8.2 million GF/GP). Senate concurs. House reduces funding by $3.1 million GF/GP and reduces authorization by 15.0 FTE positions. Total funding for Student Financial Assistance Programs would be $6.1 million Gross ($4.9 million GF/GP). Conference concurs with Executive.	**Gross**	**$9,184,100**	**$300,000**
	Restricted	1,254,700	0
	GF/GP	$7,929,400	$300,000
10. Office of Great Start Private Funding Authorization, Federal Preschool Development Funds Transfer, and Family and Community Engagement Program Transfer	FTE	71.0	(6.0)
Executive includes a net decrease of $270,700 Gross ($1.3 million GF/GP reduction) for the Office of Great Start. This includes the following: • Transfer of $1.3 million GF/GP to the Office of Education Partnerships for the Family and Community Engagement program. Although not included in documents, the Executive expressed intent to transfer authorization for 7.0 FTE positions • Increase of $750,000 in private revenues, for a total of $1.0 million, for the Office of Great Start. Increased private funding was received in FY 2024-25, but the department lacked sufficient authorization to expend received funds. • Transfer of $300,000 federal from the School Aid budget for the administration of the Preschool Development Funds in Sec. 39a(2)(d) of the School Aid budget, which are used to promote and expand high-quality preschool services. The Executive expressed intent to provide authorization for an additional 4.0 FTE positions. Senate concurs. House reduces funding by $502,100 GF/GP and reduces authorization by 2.0 FTE positions. Total funding for the Office of Great Start would be $17.3 million Gross ($2.2 million GF/GP). Conference concurs with Executive but revises fund source of $1.3 million GF/GP to be federal and transfers authorization for 6.0 FTE positions.	**Gross**	**$17,824,500**	**($270,700)**
	Federal	14,857,000	(1,020,700)
	Private	250,000	750,000
	Restricted	64,600	0
	GF/GP	$2,652,900	$0
11. Ensuring Access to Postsecondary Opportunities	**Gross**	**$0**	**$260,000**
Conference provides $260,000 GF/GP of one-time funding to support public outreach to raise awareness among men of postsecondary opportunities.	GF/GP	$0	$260,000

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
12. Departmental Adjustments in Child Care Licensing and Regulation	FTE	172.0	(5.0)
	Gross	**$29,626,300**	**($250,000)**
House reduces funding by $5.5 million Gross ($4.3 million GF/GP) and reduces authorization by 28.0 FTE positions in unclassified salaries, information technology, and child care licensing and regulation. Conference reduces funding by $250,000 GF/GP and reduces authorization by 5.0 FTE positions in child care licensing and regulation.	Federal	25,493,200	0
	Restricted	501,700	0
	GF/GP	$3,631,400	($250,000)
13. Community College Workforce Initiative	**Gross**	**$0**	**$240,000**
Conference provides $240,000 GF/GP of one-time funding to support a statewide approach for small and medium-sized employers to obtain workforce training at community colleges.	GF/GP	$0	$240,000
14. Child Development and Care External Support	**Gross**	**$11,028,100**	**$700**
Executive provides additional $700 federal for defined calculations from an Interdepartmental Grant with the Michigan Department of Health and Human Services (DHHS) to support child development and care related activities, including program eligibility determinations and responding to administrative hearings. Total funding for Child Development and Care External Support would be $11.0 million Gross. Senate concurs. House does not include. Conference concurs with Executive.	Federal	11,028,100	700
	GF/GP	$0	$0
15. Nonpublic Dual Enrollment	**Gross**	**$3,500,000**	**$0**
Executive eliminates $3.5 million GF/GP for the nonpublic dual enrollment program, which pays the tuition of eligible nonpublic school students enrolled in postsecondary institutions. The Executive Recommendation includes proposed legislation to allow nonpublic students to enroll in dual enrollment programs through a shared time program with a local school district that would be funded through Sec. 22b in the School Aid budget. Senate concurs. House maintains current funding levels. Conference removes $3.5 million GF/GP of ongoing funding and replaces with $3.5 million GF/GP of one-time funding.	GF/GP	$3,500,000	$0
16. Expansion Grants	**Gross**	**$0**	**$0**
Senate provides $3.9 million GF/GP of one-time funding to provide grants to Head Start providers to expand child care services. House does not include. Conference does not include.	GF/GP	$0	$0
17. Reenrollment Recruitment	**Gross**	**$0**	**$0**
Senate provides $2.0 million GF/GP to increase the recruitment and reenrollment of college stop-out students, which are students who temporarily leave postsecondary education with the intention of returning at a later date. House does not include. Conference does not include, but allocates $500,000 GF/GP in one-time funding for reenrollment services as part of the College Success Fund and Student Wraparound Supports (identified in Item #4 above).	GF/GP	$0	$0
18. Dual Enrollment Task Force	**Gross**	**$0**	**$0**
Senate provides $10,000 GF/GP of one-time funding for the creation of a task force to examine and make recommendations about improving the dual enrollment program. House does not include. Conference does not include but adds associated boilerplate for the creation of a task force.	GF/GP	$0	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
19. Removal of FY 2024-25 One-Time Appropriations	FTE	2.0	(2.0)
Executive removes $33.2 million GF/GP of one-time funding and authorization for 2.0 FTE positions that were included in the FY 2024-25 budget to support the following:	**Gross**	**$33,166,600**	**($33,166,600)**
	GF/GP	$33,166,600	($33,166,600)
• Child Care Program Stabilization Grants ($24.0 million GF/GP) • Wonderschool ($5.0 million GF/GP) • One-Time Administration Supports ($1.2 million GF/GP and 2.0 FTEs) • Adult Education Outreach Project ($1.0 million GF/GP) • Foster Care Supports ($500,000 GF/GP) • Hunger-Free Campus Grant Pilot Program ($500,000 GF/GP) • Youth Mentorship ($500,000 GF/GP) • After School Programming Extension ($300,000 GF/GP) • Postsecondary Enrollment ($166,000 GF/GP)			
Senate concurs. House concurs. Conference concurs.			
20. Economic Adjustments	**Gross**	**NA**	**$802,600**
Executive reflects increased costs of $802,600 Gross ($234,500 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. Senate concurs. House does not include. Conference concurs with Executive.	Federal	NA	552,000
	Restricted	NA	16,100
	GF/GP	NA	$234,500

Major Boilerplate Changes from FY 2024-25

Executive Boilerplate Deletions

In general, the executive budget deletes a number of boilerplate sections included in FY 2024-25 budget. The list below includes major changes to boilerplate but is not a comprehensive list of all sections proposed to be deleted.

- Communication with the Legislature (Sec. 206)
- Restricted Funds Report (Sec. 212)
- Submission of Reports (Sec. 213)
- Department Reports and Records Retention (Sec. 219)
- Department Policy Changes Made to Implement Public Acts Report (Sec. 220)
- Requirement to Expend Available Work Project Authorization (Sec. 222)
- State Fiscal Recovery Funds Reallocation Authorization (Sec. 224)
- Individual Grant Recipient Transparency (Sec. 250)
- Adult Learners Pilot Program (Sec. 1101)
- After School Programming Extension (Sec. 1102)
- Michigan Center for Adult College Success (Sec. 1103)
- Child Care Program Stabilization Grants (Sec. 1104)
- One-Time Administration Supports (Sec. 1105)
- Hunger-Free Campus Grant Pilot Program (Sec. 1106)
- Wonderschool (Sec. 1107)
- Foster Care Supports (Sec. 1108)
- Postsecondary Enrollment (Sec. 1109)
- Youth Mentorship (Sec. 1110)

Senate concurs with Sec. 219, Sec. 224, and Sections 1101 through 1110. House concurs with Sec. 213, Sec. 224, Sec. 250, and Sections 1101 through 1110. Conference concurs with Sec. 213, Sec. 224, Sec. 250, and Sections 1101, 1102, and 1104 through 1110.

***Sec. 205. Purchase of Foreign Goods* – RETAINED**

Prohibits purchase of foreign goods or services if competitively price and comparable quality American goods or services are available; gives preference to goods and services from Michigan businesses and Michigan businesses owned and operated by veterans. Senate adds preference for goods and services that are manufactured in union employed facilities. House retains. Conference retains.

Major Boilerplate Changes from FY 2024-25

Sec. 206. Communication with the Legislature **– RETAINED**
Executive deletes language that prohibits MiLEAP from taking disciplinary action against an employee for communicating with a legislator or staff. Senate retains. House retains. Conference retains.

Sec. 208. Hiring Outside Legal Council **– DELETED**
Conference deletes language that prohibits MiLEAP from hiring a person to provide legal services that are the responsibility of the Attorney General.

Sec. 212. Restricted Funds Report **– RETAINED**
Executive deletes language that requires MiLEAP to work with the State Budget Office to provide a report to the legislature on estimated restricted fund revenues, expenditures, and fund balances for the prior two fiscal years. Senate retains. House retains. Conference retains.

Sec. 213. Submission of Reports **– DELETED**
Executive deletes language that requires the department to submit reports to the senate and house appropriation subcommittees, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office, that list the statutory or bill section requiring the report and compile, post, and maintain the reports on a public website. Senate retains. House concurs with Executive. Conference concurs with Executive.

Sec. 214. Access to State and Local Government Services **– RETAINED**
House deletes language that prohibits appropriated funds from being used to restrict or impede a marginalized community's access to government resources, programs, or facilities. Conference retains.

Sec. 215. Geographically Disadvantaged Business Enterprises **– REVISED**
House deletes language that requires MiLEAP director to make an effort to contract with geographically disadvantaged business enterprises for services and/or supplies. Conference revises with minor technical change clarifying the directive applies to the director any of department receiving an appropriation in the bill.

Sec. 217. Transfer of Funds by Legislature **– NEW**
House adds language that states the legislature may inter-transfer funds within the department through a concurrent resolution if the State Administrative Board transfers funds from any appropriation. Conference concurs.

Sec. 218. Work Project Account Information **– NEW**
House adds language that requires the department to submit quarterly reports of information related to department work project accounts. Conference concurs but revises to make reports due every six months.

Sec. 219. Department Reports and Records Retention **– RETAINED**
Executive deletes language that requires MiLEAP to retain all reports funded from appropriations according to federal and state guidelines for short-term and long-term retention of records. Senate concurs. House retains. Conference concurs with House.

Sec. 220. Department Policy Changes Made to Implement Public Acts Report **– REVISED**
Executive deletes language that requires MiLEAP to report by April 1 on each specific policy change made to implement a public act affecting MiLEAP that took effect during the prior calendar year. Senate retains but revises as Sec. 219. House adds requirement to reference the specific public act that necessitates the policy change. Conference concurs with House.

Sec. 222. Requirement to Expend Available Work Project Authorization **– RETAINED**
Executive deletes language that prohibits appropriations from being expended until all existing work project authorization available for the same purpose is exhausted, to the extent possible. Senate retains. House retains. Conference retains.

Sec. 223. Prioritization of Federal and Private Funding **– NOT INCLUDED**
Senate adds language that prohibits general fund expenditures if federal or private grant funding is available for the same expenditure. House does not include. Conference concurs with House.

Sec. 224. State Fiscal Recovery Funds Reallocation Authorization **– DELETED**
Executive deletes language that directs the state budget director to reallocate state fiscal recovery funds that are in jeopardy of not meeting the expenditure deadline of December 31, 2026, and requires a notification to the Legislature within 10 days after making the reallocation. Senate concurs. House concurs. Conference concurs.

Sec. 224. Departmental Legacy Costs **– NEW**
House adds language listing the pension and retiree health care legacy costs for the department. Conference concurs.

Major Boilerplate Changes from FY 2024-25

***Sec. 225. Severance Pay Report* – NOT INCLUDED**
House adds language that requires MiLEAP to report on any amounts of severance pay for high-ranking department officials within 14 days of the severance agreement signing and report the total amount of severance pay for the prior fiscal year. Conference does not include.

***Sec. 225. Unenforceable Boilerplate Report* – NOT INCLUDED**
Senate adds language that requires MiLEAP to issue a report on any boilerplate section declared unenforceable by the Executive, along with legal rationale behind the declaration and a cost estimate if any program operations are impacted by the sections declared unenforceable. House does not include. Conference concurs with House.

***Sec. 225. Posting Required Departmental Reports* – NEW**
Conference adds language that requires MiLEAP to post each required report in a single archivable location on the department's website and maintain previous reports grouped by fiscal year.

***Sec. 226. In-Person and Remote Work* – NEW**
House adds language that requires MiLEAP to prioritize in-person work for five days a week, requires employees to report to the office before beginning field work, and requires MiLEAP to establish a process for verifying that all employees are working during normal business hours. Conference adds language that requires MiLEAP to maximize utilization of its in-person workforce, comply with the requirements on in-person work and occupancy rates set by the Office of the State Employer, and adhere to civil service rules on working during business hours.

***Sec. 227. Federal Policy Changes Impact Report* – NEW**
Senate adds language that requires MiLEAP to issue a quarterly report on the impacts that federal policy changes have on the department, associated populations that engage with or are served by the department, and regulations that protect the public. House does not include. Conference concurs with Senate but does not include language on associated populations that engage with or are served by the department.

***Sec. 227. Department Grant Transparency* – NOT INCLUDED**
House adds language that requires MiLEAP to follow a set of conditions when awarding grant funding and requires a quarterly report on grant funding awarded. Conference does not include.

***Sec. 228. Utilization of E-Verify* – NEW**
House adds language that requires MiLEAP to condition all contractors and subcontractors to use the federal E-Verify system for all employees hired during the length of the contract with MiLEAP and prohibits MiLEAP from contracting with any foreign entities known or suspected to be enemies of the United States. Conference concurs with House but does not include language on known or suspected foreign enemies.

***Sec. 228. Expenditure of State Fiscal Recovery Funds* – NOT INCLUDED**
Senate adds language that requires the state budget director to expend all state fiscal recovery funds by December 31, 2026, and directs MiLEAP to issue a report if funds are projected to lapse. House does not include. Conference concurs with House.

***Sec. 229. Non-Citizen Restrictions* – NOT INCLUDED**
House adds language that restricts MiLEAP from using any state or federal funds on services, grants, or programming for any non-citizen, unless the non-citizen is a qualified alien or if the funds are used to restrain the non-citizen in jails or correctional facilities. Conference does not include.

***Sec. 230. Departmental Scorecard* – NOT INCLUDED**
House adds language that requires MiLEAP to quarterly update a department performance scorecard on its website. Conference does not include.

***Sec. 230. Annual Departmental Strategic Plan* – NEW**
Conference adds language that requires MiLEAP to report on its annual strategic plan.

***Sec. 231. Court-Approved Judgement* – NOT INCLUDED**
House adds language that restricts appropriated funds from being used for court-approved judgements, settlements, awards, or claims in excess of $200,000. Conference does not include.

***Sec. 231. Court Settlement Impact on Programs or Regulations* – NEW**
Conference adds language that requires MiLEAP to report on any court settlements that may require a legislative review of state statutory programs or regulations.

***Sec. 232. Third-Party Funds Report* – NEW**
House adds language that requires MiLEAP to report on various information related to third-party funds received and expended by the department in the previous fiscal year. Conference concurs.

Major Boilerplate Changes from FY 2024-25

Sec. 233. Restriction on Diversity, Equity, and Inclusion Programs **– NOT INCLUDED**
House adds language that restricts MiLEAP from using any funds on diversity, equity, and inclusion programs. Conference does not include.

Sec. 250. Individual Grant Recipient Transparency **– REVISED**
Executive deletes language that requires MiLEAP to follow a standard grant distribution process; establish a process to review, complete, and execute a grant agreement with a grant recipient; verify that a grant recipient will utilize funds for a public purpose; review and verify all necessary information to ensure the grant recipient is able to execute the grant agreement; and establish a timeline to review all grant elements. Senate revises as Sec. 224 with various modifications to the grant distribution, review, and verification process. House concurs with Executive. Conference revises as Sec. 233 with various modifications to the grant distribution, review, and verification process.

Sec. 301. Restriction and Penalty on Pronoun Usage in Departmental Materials **– NOT INCLUDED**
House adds language that restricts MiLEAP from using pronouns in email signatures, business cards, and departmental letterhead and subjects MiLEAP to a $100 fine for each violation that can be pursued by residents in the Court of Claims. Conference does not include.

Sec. 703. Reenrollment Recruitment of College Stop-Outs **– NOT INCLUDED**
Senate adds language that allows MiLEAP to contract with private organizations to prioritize the reenrollment of students who temporarily step away from postsecondary enrollment, also known as college stop-outs. House does not include. Conference concurs with House.

Sec. 705. Dual Enrollment Payments **– RETAINED**
Executive deletes language that requires dual enrollment payments to be distributed as provided under the Postsecondary Enrollment Options Act, 1996 PA 160, and the Career and Technical Preparation Act, 2000 PA 258, as determined by the department. Senate concurs. House retains. Conference retains.

Sec. 706. Dual Enrollment Task Force **– NEW**
Conference adds language creating a task force to recommend improvements to the dual enrollment system, specifies task force duties and appointees, and requires a report submitted by September 30, 2026.

Sec. 1002. CDC Provider Reimbursement Rates **– REVISED**
Requires MiLEAP to publish reimbursement rates on its website and the Great Start to Quality webpage. Allows MiLEAP, with the approval of the state budget director, to receive and expend federal child care development block grant funds at risk of being lapsed back to the federal government. Executive deletes language that increases reimbursement rates for child care providers by 15% from the rates established in FY 2023-24. Senate concurs but adds language specifying $23.0 million is appropriated for child care provider reimbursement. House concurs with Executive but deletes language allowing MiLEAP to use federal funds that are at risk of lapsing upon approval of the state budget director and changes notification on increasing the hourly reimbursement rate from the state budget director to the chairs of the House and Senate Appropriations Committee. Conference concurs with Executive.

Sec. 1003. Early Childhood Comprehensive Systems Annual Report **– NEW**
Executive adds language that requires MiLEAP to submit an annual report on all funding appropriated to contracts for the early childhood comprehensive systems planning. Senate concurs. House concurs. Conference concurs.

Sec. 1007. CDC Annual Report **– REVISED**
Requires MiLEAP to create an annual report to track the affordability, availability, health and safety, and quality of child care; actions taken to improve the quality, health, and safety of child care; the child care workforce; and total funding appropriated to contracts for the early childhood comprehensive systems planning during the previous fiscal year. Executive removes reporting language on the early childhood comprehensive systems planning and relocates to Section 1003. Senate concurs. House concurs. Conference concurs.

Sec. 1012. CDC Provider Rate Increase **– REVISED**
Requires MiLEAP to work in collaboration with DHHS to continue the network of infant and early childhood mental health consultation, which provides mental health consultation to child care providers; requires $3.0 million to be used for this purpose. Executive revises amount from $3.0 million to $1.5 million and specifies funds are appropriated from child development and care contracted services. Senate maintains amount at $3.0 million but concurs with fund specification. House concurs with Executive. Conference concurs with Executive.

Sec. 1025. Receipt of Private Donations **– NEW**
Executive adds language that states private donations will be appropriated upon receipt as permitted under state and federal law; requires MiLEAP to notify the subcommittee chairs, fiscal agencies, and state budget director of the receipt and details of private donations; and prohibits private appropriations from exceeding $3.0 million. Senate concurs. House does not include. Conference concurs with Executive.

Major Boilerplate Changes from FY 2024-25

***Sec. 1030. Administration of Tri-Share Program* – REVISED**
Requires funding to be used to continue the Tri-Share Child Care program; allows funding of new child care facilitator hubs provided that existing hubs receive sufficient support; requires new hubs to increase the number of participating counties or serve statewide employers; caps administration costs at $200,000. Executive revises language to direct MiLEAP to establish and support Tri-Share regional facilitator hubs and statewide services, and to create benchmarks for regional hubs that receive funding. Senate concurs. House concurs with creating benchmarks for regional hubs and adds language that allows funds to be used for families living in Wisconsin but have a family member employed in Michigan. Conference concurs with Executive and House.

***Sec. 1101. Child Development and Care Public Assistance One-Time Funds* – NEW**
Executive adds language that states funds would be used to begin implementing prospective payments to child care providers and begin contracting for child care services for infants, toddlers, children from underserved areas, or children who have a disability; and designates unexpended funds as a work project. Senate concurs. House does not include. Conference concurs with Executive on language implementing prospective payments.

***Sec. 1102. College Success Fund and Student Wraparound Supports* – NEW**
Executive adds language that states funds would be used for competitive grants to community colleges, public universities, and private institutions to support student success, retention, and completion efforts; and designates unexpended funds as a work project. Senate concurs but adds language that states $1.0 million is for Hunger-Free Campus grants at community colleges, public and private universities. House does not include. Conference adds language stating $500,000 would be used to support Hunger-Free Campus activities and $500,000 would be used to support reenrollment initiatives for citizens with some college but no degree or credential.

***Sec. 1103. Dual Enrollment Task Force* – NOT INCLUDED**
Senate adds language that states funds would be used to support a task force to recommend improvements to the dual enrollment system, specifies task force duties and appointees, and requires a report submitted by September 30, 2026. House does not include. Conference adds as Sec. 706 with revisions.

***Sec. 1103. Michigan Center for Adult College Success* – RETAINED**
Executive deletes language that states the Michigan Center for Adult College Success shall use funds to continue improving adult postsecondary enrollment and completion rates through the Michigan Reconnect program. Senate concurs. House concurs. Conference retains.

***Sec. 1104. Expansion Grants* – NOT INCLUDED**
Senate adds language that states funds would be used for grants to Head Start providers seeking to expand services to include child care and designates unexpended funds as a work project. House does not include. Conference concurs with House.

***Sec. 1104. Ensuring Access to Postsecondary Opportunities* – NEW**
Conference adds language that states funds would be used to raise awareness of postsecondary opportunities among men through public outreach.

***Sec. 1105. Community College Workforce Initiative* – NEW**
Conference adds language that states funds would be used to create a statewide approach for small and medium size employers to obtain workforce training for employees at community colleges.

***Sec. 1106. Michigan Center for Civic Education* – NEW**
Conference adds language that states funds would be used to support the nonprofit organization that improves law and civic education for youth through engagement programs.

FY 2025-26: MILITARY AND VETERANS AFFAIRS
Summary: Conference
Article 12, House Bill 4706 (H-1) CR-1

Analyst: Aaron A. Meek

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	FY 2025-26 Senate	FY 2025-26 House	FY 2025-26 Conference	*Difference: Conference From FY 2024-25 YTD* Amount	%
IDG/IDT	$101,800	$101,800	$101,800	$101,800	$101,800	*$0*	*0.0*
Federal	144,786,800	148,840,000	148,840,000	142,464,800	148,840,000	*4,053,200*	*2.8*
Local	0	0	0	0	0	*0*	–
Private	100,000	100,000	100,000	100,000	100,000	*0*	*0.0*
Restricted	13,221,400	12,953,500	12,953,500	13,221,400	12,953,500	*(267,900)*	*(2.0)*
GF/GP	117,694,100	131,084,800	129,584,800	139,151,600	128,171,000	*10,476,900*	*8.9*
Gross	**$275,904,100**	**$293,080,100**	**$291,580,100**	**$295,039,600**	**$290,166,300**	***$14,262,200***	***5.2***
FTEs	1,060.0	1,065.0	1,065.0	1,060.0	976.0	*(84.0)*	*(7.9)*

Notes:
(1) FY 2024-25 year-to-date (YTD) figures are as of release of the Executive budget, February 5, 2025.
(2) "Senate" means Senate Bill 175 (S-1).
(3) "House" means Article 12, House Bill 4706 (H-1) as Amended.
(4) "Conference" means the budget agreement reflected in HB 4706 (H-1) CR-1.

Overview

The Department of Military and Veterans Affairs (DMVA) provides for the operations of the Michigan National Guard in support of military and security needs of the state and federal government. The department, through the Michigan Veterans Affairs Agency, oversees state programs for veterans, grants to veterans service organizations, the County Veteran Service Fund, and the Michigan Veterans Trust Fund. The department also houses the independent Michigan Veterans Facility Authority, which manages and operates the state's three veterans homes.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
1. Selfridge Air National Guard Base	**Gross**	**NA**	**$26,000,000**
Executive includes $26.0 million one-time GF/GP to continue funding for infrastructure improvements related to the runway placement project at Selfridge Air National Guard Base. This is $11.0 million more than the $15.0 million one-time GF/GP provided in FY 2024-25 for the same purpose. Senate concurs. House concurs. Conference concurs.	GF/GP	NA	$26,000,000
2. Veterans Nonprofit Improvement Grants	**Gross**	**$0**	**$4,000,000**
House includes $5.0 million one-time GF/GP to support competitive grants for improving facilities owned by nonprofit organizations that provide veterans services. Conference includes $4.0 million one-time GF/GP.	GF/GP	$0	$4,000,000
3. Michigan Veterans Affairs Agency (MVAA) Administration	FTE	49.0	0.0
Conference eliminates $1.7 million GF/GP for MVAA administration and operations.	**Gross**	**$10,150,600**	**($1,738,800)**
	Federal	750,000	0
	Private	10,000	0
	Restricted	50,000	0
	GF/GP	$9,340,600	($1,738,800)
4. Veterans Homes FTE Reduction	FTE	0.0	(88.0)
Conference reduces FTE authorization for state veterans homes as follows:	**Gross**	**$0**	**$0**
	GF/GP	$0	$0

- Chesterfield Township Home for Veterans – 5.0 FTEs
- D.J. Jacobetti Home for Veterans – 21.0 FTEs
- Grand Rapids Home for Veterans – 62.0 FTEs

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
5. Military Retirement	**Gross**	**$2,770,600**	**($185,000)**
Executive reduces authorization by $185,000 GF/GP for the Military Retirement System to align funding with anticipated retirement obligations based on annual actuarial valuation of military retirement pension benefits. Senate concurs. House concurs. Conference concurs.	GF/GP	$2,770,600	($185,000)
6. National Guard Member Benefits Program	FTE	NA	4.0
	Gross	**NA**	**$0**
Executive restructures $11.3 million GF/GP and 3.5 FTE positions from the Michigan National Guard State Tuition Assistance Program (MINGSTAP) line item, and 4.0 FTE positions from the Military Training Sites and Support Facilities line item, into the new Michigan National Guard Member Benefit Program line item. This line item would cover both MINGSTAP and new programs that would provide a child care subsidy for Michigan National Guard members during annual and weekend drilling and support reimbursement for TRICARE health and dental insurance premiums. Also authorizes an additional 4.0 FTE positions to administer the child care program. Senate concurs with Executive. House reallocates MINGSTAP line item as follows: • Michigan National Guard Tuition Assistance Fund ($7.3 million GF/GP) • Michigan National Guard Child Care Assistance ($2.3 million GF/GP) • Michigan National Guard Member Healthcare Reimbursement ($1.6 million GF/GP). Conference concurs with Executive.	GF/GP	NA	$0
7. State Veterans Cemetery	**Gross**	**$0**	**$0**
Executive includes $5.0 million one-time GF/GP to support land acquisition, design, and engineering costs for a state veterans cemetery in Crawford County. Senate does not include. House concurs with Executive. Conference does not include.	GF/GP	$0	$0
8. Eliminating Veteran Homelessness Grants	**Gross**	**NA**	**$0**
Executive does not include. Senate includes $2.5 million one-time GF/GP to continue funding grants of up to $250,000 to nonprofit organizations combating veteran homelessness across the state. This is the same amount provided in FY 2024-25 for the same purpose. House does not include. Conference does not include.	GF/GP	NA	$0
9. Mitigating Impact of Loss of Federal Funds	**Gross**	**$0**	**$0**
Executive does not include. Senate includes $1.0 million one-time GF/GP to assist veterans impacted by reductions in federal funding in their efforts to return to the workplace. House does not include. Conference does not include.	GF/GP	$0	$0
10. Departmentwide Audit Support	FTE	0.0	0.0
	Gross	**$0**	**$0**
Executive includes $175,000 GF/GP and 1.0 FTE position to provide audit support for the department, including supporting internal controls, audit response, and reviews of program processes and procedures. Senate concurs with Executive. House does not include. Conference does not include.	GF/GP	$0	$0
11. Removal of FY 2024-25 One-Time Appropriations	**Gross**	**$19,000,000**	**($19,000,000)**
Executive removes $19.0 million of one-time GF/GP that was included in the FY 2024-25 budget to support the following: • Selfridge Air National Guard Base ($15.0 million GF/GP) • Eliminating Veteran Homelessness Grants ($2.5 million GF/GP) • Veterans of Foreign Wars National Home ($1.5 million GF/GP) Senate concurs. House concurs. Conference concurs.	GF/GP	$19,000,000	($19,000,000)

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
12. Technical Adjustments	**Gross**	**NA**	**$2,775,000**
Executive includes $2.8 million Gross for adjustments to federal and state restricted fund sources to align Michigan Veterans' Facility Authority authorization with changing cost factors for the state's veteran homes, including shifting membership and changes in per diem rates paid by the U.S. Department of Veterans Affairs. Senate concurs with Executive. House does not include. Conference concurs with Executive.	Federal	NA	3,054,400
	Restricted	NA	(279,400)
	GF/GP	NA	$0
Executive also includes the following internal net-to-zero transfers to align funding and FTE authorization with department activity: • Transfers $40,000 GF/GP from the Grand Rapids Home for Veterans main operating line item to the Veterans Cemetery line item to align authorization with projected expenditures • Transfers $107,000 GF/GP from the Michigan Veterans Affairs Agency to the Headquarters and Armories line item to cover additional billed costs for services provided by the Department of Technology, Management, and Budget Accounting Service Center. Senate concurs with Executive. House does not include. Conference concurs with Executive.			
13. Economic Adjustments	**Gross**	**NA**	**$2,411,000**
Executive reflects increased costs of $2.4 million Gross ($1.4 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. Senate concurs with Executive. House does not include. Conference concurs with Executive.	Federal	NA	998,800
	Restricted	NA	11,500
	GF/GP	NA	$1,400,700

Major Boilerplate Changes from FY 2024-25

***Sec. 205. Purchase of Foreign Goods* – RETAINED**
Prohibits purchase of foreign goods or services if competitively priced and of comparable quality American goods or services are available; requires preference be given to goods and services manufactured by Michigan businesses and Michigan businesses owned and operated by veterans. Executive retains. Senate revises to include a new requirement that preference be given to goods and services manufactured in facilities that employ union members. House retains. Conference retains.

***Sec. 206. Disciplinary Action Against State Employees* – RETAINED**
Prohibits DMVA from taking disciplinary action against employees in the state classified civil service for communicating with legislators or their staff; stipulates disciplinary action may be taken if the communication is prohibited by law and disciplinary action is exercised as authorized by law. Executive deletes. Senate retains. House retains. Conference retains.

***Sec. 210. Contingency Authorization* – RETAINED**
Authorizes appropriation of up to $8.6 million in federal, $1.1 million in state restricted, $250,000 in local, and $100,000 in private contingency funds; authorizes expenditure of funds only after legislative transfer to specific line items. Executive revises to increase federal authorization to up to $10.0 million and state restricted authorization to up to $2.0 million. Senate retains. House retains. Conference retains.

***Sec. 212. State Restricted Funds Report* – RETAINED**
Requires DMVA and State Budget Office to report on state restricted fund balances, projected state restricted fund revenues, and state restricted fund expenditures. Executive deletes. Senate retains. House retains. Conference retains.

***Sec. 219. Receipt and Retention of Required Reports* – RETAINED**
Requires DMVA to receive and retain copies of all reports required; requires federal and state guidelines to be followed for short-term and long-term retention of records; authorizes DMVA to electronically retain copies of reports unless otherwise required by federal and state guidelines. Executive deletes. Senate retains. House retains. Conference retains.

Major Boilerplate Changes from FY 2024-25

***Sec. 220. Report on Policy Changes for Public Act Implementation* – REVISED**
Requires DMVA to report on policy changes made to implement public acts that took effect during the prior calendar year. Executive deletes. Senate retains. House revises to require report to include reference to the public act that necessitates the policy change. Conference concurs with House.

***Sec. 222. Work Project Expenditures* – RETAINED**
Prohibits appropriations from being expended in cases where existing work project authorization is available for the same expenditures. Executive deletes. Senate retains. House retains. Conference retains.

***Sec. 224. Intention to Sell Department Property* – RETAINED**
Requires DMVA to provide a 60-day notice of intent to sell property. Executive deletes. Senate retains. House retains. Conference retains.

***Sec. 225. Key Metrics Scorecard* – NOT INCLUDED**
requires DMVA to maintain department scorecard that identifies, tracks, and updates key metrics to measure the department's performance; requires DMVA to update and post the scorecard on its website on a quarterly basis and notify the legislature when updates are made. Executive does not include. Senate does not include. House includes new language. Conference does not include.

***Sec. 226. Legislatively Directed Spending Items (LDSI)* – NEW**
Requires Legislature to provide DMVA and state budget director with list of funded LDSIs consistent with House and Senate rules; requires department to do the following: establish process to review, complete, and execute grant agreement; verify that a grant recipient is a not-for-profit entity that will use funds as publicly disclosed and for a public purpose; and review and verify all necessary information to ensure the grant recipient is reasonably able to execute grant agreement, perform its fiduciary duty, comply with applicable laws, and disburse grant money according to grant disbursement schedule; prohibits department from disbursing funds if state budget director determines that the grantee does not meet disclosure requirements, that the grant will be used to pay a tax or obligation, or that the grant will create a conflict of interest; requires grant agreements to include identifying information, description of project, tentative timeline, estimated budget, ways grant money will be expended, a requirement that funds appropriated may be used only for future expenditures, reporting requirements, a clawback provision, and all documents publicly disclosed by the grantee; allows department to adopt memoranda of understanding with other Executive branch departments to improve grant administration or oversight; requires grant recipients to respond to all reasonable information requests from department for up to seven years; requires grant recipients to expend all grant money by September 30, 2030; requires department to return funds if grantee does not submit required information by June 1, 2026; appropriates LDSI funds for expenditure; requires department to post report with information about grant recipients and projects on its website; authorizes State Budget Office to compile LDSI information for all affected Executive branch departments in single report; prohibits department from awarding additional funds to grant recipients that misuse funds; requires department to refer misused grants for review following internal audit protocols. Executive does not include. Senate does not include. House does not include. Conference includes new language.

***Sec. 227. Report Accessibility and Posting* – NEW**
Requires DMVA to make required reports readily accessible to the public and conspicuously post each report in a single archivable location on the department's Michigan.gov website not later than the report's due date; requires DMVA to maintain on its website all reports from the current and previous fiscal years. Executive does not include. Senate does not include. House does not include. Conference includes new language.

***Sec. 228. DEI Programs* – NOT INCLUDED**
Prohibits state funds from being expended for diversity, equity, and inclusion (DEI) initiatives or program and as outlined in federal Executive Orders 14151, 14168, and 14173. Executive does not include. Senate does not include. House includes new language. Conference does not include.

***Sec. 229. Annual Strategic Plan* – REVISED**
Requires DMVA to submit its annually updated departmental strategic plan to the legislature. Executive deletes. Senate retains. House retains. Conference revises to change submission deadline to April 1 and to require strategic plan to include mission, vision, goals, strategies, and performance measures of department.

***Sec. 230. Authorization to Reallocate State Fiscal Recovery Funds* – DELETED**
Requires state budget director to ensure that all State Fiscal Recovery Funds (SFRF) are expended by December 31, 2026; authorizes state budget director to reallocate funds to fully utilize SFRF that are in jeopardy of not meeting expenditure deadline; requires state budget director to notify appropriations committees not later than 10 business days after making any reallocations. Executive deletes. Senate revises to delete language authorizing state budget director to reallocate appropriated funds and adds language to require all SFRF be expended by December 31, 2026, and that a department or agency receiving SFRF appropriations must notify the standard report recipients if SFRF are projected to lapse. House deletes. Conference deletes.

Major Boilerplate Changes from FY 2024-25

Sec. 232. Report on Unenforceable Boilerplate **– NOT INCLUDED**
Requires DMVA to report on boilerplate sections deemed unenforceable within 10 days of the effective date of the act and on estimated cost differences between enacted and intended policies; allows the department to coordinate with the Executive Office of the Governor or other state departments or agencies to compile a statewide report. Executive does not include. Senate includes new language. House does not include. Conference does not include.

Sec. 233. Report on Federal Policy Changes **– NEW**
Requires DMVA to report quarterly on federal policy changes that are expected to affect the operations of the department, affect groups the department engages with, affect regulations that impact those groups, or create a regulatory gap that could negatively impact the public. Executive does not include. Senate includes new language.

Sec. 233. Prioritization of In-Person Work **– NEW**
Requires DMVA to maximize utilization of its in-person state workforce; requires DMVA to prioritize occupancy utilization of office space for each department division; requires monitoring of employees who complete work outside of an office; requires DMVA to comply with in-person work requirements set by office of the state employer and ensure utilization and occupancy rates of state buildings are 80% or higher; requires DMVA to establish policies and processes to ensure all employees are working during agreed upon business hours. Executive does not include. Senate does not include. House includes language that requires DMVA to prioritize employees working in-person five days per week; to establish a policy and process for verifying that employees are working during normal business hours; and to provide information on employee badge scanning to the Legislature upon request. Conference includes new language.

Sec. 234. Grants Transparency **– NOT INCLUDED**
Provides eligibility and process requirements for grants or projects awarded to single recipient organizations or local governments; provides timeframes for receiving and expending grant money; authorizes State Budget Office to extend grant expenditure deadlines upon request. Executive does not include. Senate includes new language. House does not include. Conference does not include.

Sec. 234. E-Verify System **– NEW**
Requires DMVA to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States; requires report on processes developed and implemented for use of the E-Verify system; defines E-Verify. Executive does not include. Senate does not include. House includes language that also prohibits DMVA from contracting with any foreign entities that are known or suspected enemies of the United States or known foreign adversaries. Conference includes new language.

Sec. 235. Work Project Report **– REVISED**
Requires DMVA to provide biannual reports on status of work projects, financial status, and employment levels. Executive deletes requirement to report on employment levels. Senate retains. House revises to require quarterly reports including the following: a list of all work project accounts; the status of all work project accounts, including amounts expended, amounts encumbered, and available balances for each account; and the amount of funds that lapsed from any previously designated work project accounts, the names and descriptions of the accounts, and the funds that received lapsed amounts. Conference concurs with House but requires report not later than six months after State Budget Office sends work project letters.

Sec. 236. Legacy Costs **– NEW**
Authorizes appropriations to be expended for legacy costs. Executive does not include. Senate does not include. House includes new language. Conference concurs with House.

Sec. 237. Private and Third-Party Funds **– NEW**
Requires report on funds received from private and other third-party sources; requires DMVA to post report on its website. Executive does not include. Senate does not include. House includes new language. Conference concurs with House.

Sec. 239. Report on Federal Policy Changes **– NEW**
Requires annual report detailing federal policy changes that do any of the following: affect DMVA operations; affect an industry, community, population, or other group regulated or served by DMVA; or create a regulatory gap that could negatively impact the public. Executive does not include. Senate includes new language with technical changes. House does not include. Conference includes new language.

Sec. 240. Legal Settlement Costs **– NEW**
Requires DMVA to report on any court settlement that may require further legislative review of state statutory programs or regulations. Executive does not include. Senate does not include. House includes language prohibiting appropriations from being expended for state obligations in excess of $200,000 for a court approved judgement, settlement, award, or claim. Conference includes new language.

Major Boilerplate Changes from FY 2024-25

MILITARY

***Sec. 301. Unclassified Positions* – REVISED**
Appropriates funding to support unclassified positions; requires DMVA to notify subcommittees prior to submitting requests for additional unclassified positions or requests for substantive changes to duties of existing unclassified positions; requires annual report listing current unclassified positions with official titles and responsibilities. Executive deletes notification requirement and modifies report date. Senate retains. House retains. Conference revises report date.

***Sec. 307. Michigan National Guard Tuition Assistance Program* – REVISED**
Requires DMVA to establish and maintain tuition assistance program for members of Michigan National Guard and other eligible members as defined in 2014 PA 259; states program's objectives, performance metrics, and reporting requirements. Executive deletes fund balance reporting requirement and language appropriating those funds for expenditure. Senate concurs with Executive and includes non-substantive changes. House revises reporting requirements to include information on educational and training programs for which tuition assistance was disbursed, the number of tuition recipients that successfully completed an educational or training program, an analysis of the ways that the tuition assistance program has affected Michigan National Guard recruitment and retention efforts, and descriptions of filled and vacant FTE positions. Conference makes technical changes and includes House reporting requirements.

***Sec. 308. Starbase Program* – RETAINED**
Requires DMVA to maintain Starbase program, providing programs in mathematics, science, and technology primarily to 5th grade students, at ANG facilities. Executive retains. Senate retains. House deletes. Conference retains.

***Sec. 314. Michigan National Guard Healthcare Reimbursement* – NEW**
Requires DMVA to maintain a healthcare premium reimbursement program for Michigan National Guard (MNG) members who are eligible for coverage under the TRICARE dental program or the TRICARE reserve select program; authorizes the department to establish other eligibility criteria and to promulgate rules to administer the program. Executive does not include. Senate does not include. House includes new language. Conference concurs with House and requires DMVA to use funds appropriated for Michigan National Guard Member Benefit Fund to administer healthcare reimbursement program.

***Sec. 315. Michigan National Guard Child Care Assistance Program* – NEW**
Requires DMVA to maintain a child care assistance program for Michigan National Guard (MNG) members (assumes statutory change); requires annual report on number of eligible members receiving a child care stipend and the total number of MNG members by service branch, the number of children for whom a stipend is paid and the associated number of hours paid by service branch, the hourly rate paid, program expenditures paid for child care stipends, program expenditures paid for administrative costs, and any other pertinent information on the program's operations. Executive includes new language. Senate concurs with technical changes. House creates fund and program in boilerplate in lieu of statutory change. Conference concurs with Senate with technical changes, includes House reporting requirements, and requires DMVA to use funds appropriated for Michigan National Guard Member Benefit Fund to administer child care assistance program.

***Sec. 316. Michigan National Guard Member Benefit Fund* – NEW**
Requires funds appropriated for the Michigan National Guard Member Benefit Program to be deposited into the restricted Michigan National Guard Member Benefit Fund (pending statutory change) and that those funds be appropriated and available for expenditure for the Michigan National Guard Tuition Assistance Program and the Michigan National Guard Child Care Assistance Program; requires annual report on revenues, expenditures by program, and starting and year-end balances of the fund. Executive includes new language. Senate concurs with non-substantive changes. House does not include. Conference concurs with Executive and authorizes DMVA to use funds appropriated for the Michigan National Guard Member Benefit Fund to support the Michigan National Guard Tuition Assistance Program, healthcare reimbursement program, and child care assistance program.

***Sec. 316. Prohibit Hypersonic Testing* – NOT INCLUDED**
Prohibits DMVA from using funds for projects, studies, staff effort, consultant expenses, or any other activity related to the development or use of hypersonic and extreme environment testing program at Selfridge ANG Base; defines "hypersonic and extreme environment testing." Executive does not include. Senate does not include. House includes new language. Conference does not include.

Major Boilerplate Changes from FY 2024-25

MICHIGAN VETERANS AFFAIRS AGENCY

***Sec. 404. MVAA Private Donations* – REVISED**
Authorizes receipt of private donations to MVAA in excess of funds appropriated and permits expenditure of those funds for purpose designated by donor, if specified; authorizes unexpended donations to not lapse to general fund and carry forward to subsequent fiscal year; requires annual report of donations under $10,000 and notification to legislature within 14 days of donations of $10,000 or more; requires all private donations to be used for the benefit and life enrichment of veterans. Executive revises to add January 15 reporting date and to delete reporting requirement for private donations of $10,000 or greater. Senate revises to add January 15 reporting date. House concurs with Senate. Conference concurs with Senate.

***Sec. 405. Veterans Trust Fund* – REVISED**
Requires MVAA to report on Michigan Veterans Trust Fund financial status, awarded grants, operating and administrative expenses, and expenditures for Emergency Grant Program, program partnerships, and other initiatives. Executive revises with non-substantive changes. Senate revises to change reporting date to January 15. House concurs with Senate. Conference concurs with Senate.

***Sec. 406. MVAA Outreach Services* – REVISED**
Requires MVAA to provide outreach services to veterans, communicate information on available VA benefits, process requests for military discharge documents, and assist in processing claims for VA benefits; requires annual report providing estimate of state's homeless veteran population. Executive revises to delete veteran homelessness report and to modify reporting requirements for outreach services and outcomes. Senate retains. House revises to delete veteran homelessness report and to change report date to January 15. Conference concurs with Senate.

***Sec. 410. MVAA and County Counseling Services* – RETAINED**
Requires MVAA to assist veterans in filing claims for VA benefits; establishes capacity metric of 500 claims per year; requires biannual data on number and type of claims activities; requires MVAA to provide training to county veterans counselors (CVCs); establishes performance metrics for training and CVC-filed claims for VA benefits; requires annual report on number and percentage of CVCs requesting training by MVAA; authorizes up to $100,000 to be expended to provide legal services to represent veterans benefit cases before federal courts in order to maintain accreditation by VA. Executive revises to delete staffing and resource requirements and to modify reporting requirements for county veterans counselor training. Senate retains. House retains. Conference retains.

***Sec. 411. Grants to Veterans Service Organizations* – REVISED**
Requires MVAA to provide competitive grants to veterans service organizations (VSOs) using a regional service delivery model and lists requirements for the competitive grant process; requires quarterly reports from grantees on claims and services provided; requires grant recipients to meet performance metrics, specifies basic parameters of grant agreement; requires MVAA to report on grant activities; appropriates funding to cover administrative costs; authorizes unexpended funding as work project. Executive revises to create the Veterans Service Fund in Treasury to establish, award, and administer grants to congressionally-chartered VSOs and to update administrative cost allowance for MVAA. Senate revises to update administrative cost allowance and to change report date to January 15. House revises to eliminate administrative cost allowance and to change report date to January 15. Conference concurs with Senate.

***Sec. 413. County Veteran Service Fund* – REVISED**
Requires funds appropriated for County Veteran Service Fund to be deposited into County Veteran Service Fund created in 2018 PA 210; stipulates funds are available for expenditure to support county veterans' services grants; authorizes funding to cover costs associated with administration and providing technical assistance to counties participating in grant program; requires annual detailed expenditures report on counties' use of grant funding. Executive revises to update administrative cost allowance and to include amount of funds recovered due to misuse and amount of funds expended by MVAA for administration in annual report. Senate concurs with Executive. House revises to eliminate administrative cost allowance; to require report on information about grant allocation process and timeline, grant funds expended by and recovered from counties, and counties that did and did not request grant funding; to require MVAA to notify the legislature of changes to county grant awards; and to require counties to report to MVAA quarterly and annually on the grant fund expenditures, service delivery, and county veteran services funding. Conference concurs with Executive, includes House reporting requirements, and requires counties to only use funds for allowable expenditures; defines “allowable expenditures.”

***Sec. 414. State Veterans Cemetery Report* – DELETED**
Requires DMVA to report on status of construction, operations, and finances of state veterans cemetery authorized under 2022 PA 166. Executive includes technical changes. Senate concurs with Executive. House revises reporting date. Conference deletes.

Major Boilerplate Changes from FY 2024-25

***Sec. 415. MVAA Veteran Homelessness Study* – REVISED**
Requires MVAA to complete study that includes analysis of scope of veteran homelessness in Michigan, identification of challenges to securing housing for homeless veterans, and recommendations for future partnerships and actions that will assist in eliminating veteran homelessness while minimizing additional costs to local units of government. Executive revises to require MVAA to include the estimated number of homeless veterans by county and the agency's activities in the previous fiscal year to support homeless veterans or eliminate veteran homelessness. Senate concurs. House concurs with technical changes. Conference concurs.

***Sec. 416. Suicide Prevention Research Contracts and Grants* – RETAINED**
Authorizes DMVA to contract with or provide grants to local health care providers to accelerate research and deployment of treatments for suicide prevention that have been granted breakthrough therapy designation by United States Food and Drug Administration; authorizes department to partner with Department of Health and Human Services to facilitate and administer program. Executive deletes. Senate retains. House retains. Conference retains.

MICHIGAN VETERANS' FACILITY AUTHORITY

***Sec. 501. Private Donations to Veteran Homes* – REVISED**
Appropriates money privately donated to state veterans homes and permits its use for the purpose designated by private donor if used for the benefit and life-enrichment of veterans; requires annual report on the amount of private donations received by DMVA; requires department to notify the legislature within 14 days of receiving donations of $10,000 or more; authorizes unexpended private donations to not lapse to the general fund and to carry forward to subsequent fiscal year; requires annual report providing the amount of private donations and the purpose for which the funds will be expended; requires additional report within 14 days after receiving a private donation greater than or equal to $10,000. Executive revises to delete reporting requirement for private donations of $10,000 or more. Senate revises to change reporting date to January 31. House revises to change reporting date to January 15. Conference concurs with Senate.

***Sec. 505. Member Care Standards* – RETAINED**
Requires Michigan Veteran Homes to provide all veterans homes members with board-certified psychiatric care, a safe and secure environment, and to ensure veterans homes develop, execute, and monitor all comprehensive care plans in accordance with federal regulations and internal policies. Executive deletes. Senate retains. House retains. Conference retains.

***Sec. 507. Posting to Public Website* – REVISED**
Requires Michigan Veteran Homes to post on website all adopted policies related to administrative operations of a veterans home, agenda and minutes of MVFA board meetings, and a copy of each veterans home's USDVA State Veteran Home quarterly report; requires bimonthly reports on details of care hours and finances; requires MVH to report and post online results of any annual or for-cause survey conducted by an overseeing entity of veterans homes with any corresponding corrective action plan; requires MVFA to provide a report detailing strategies and actions taken to maximize revenues from non-GF/GP sources and cost saving strategies. Executive replaces posting requirement for each veterans home's USDVA State Veteran Home quarterly report with statistics and information that demonstrate the performance of the state's homes compared to available state and national veterans home or nursing homes and changes reporting date to January 31. Senate concurs with Executive. House revises to change reporting date to January 15. Conference concurs with House.

***Sec. 511. MVFA Internal Allocation of Federal Revenues* – NEW**
Authorizes DMVA, upon approval from the state budget director, to align appropriations of federal fund sources with revenue; prohibits changes that would produce a gross increase or decrease in the total authorization for individual MVFA line-item appropriations; requires quarterly report on actions taken under this section. Executive includes new language. Senate concurs with Executive with technical changes. House does not include. Conference concurs with Senate.

ONE-TIME APPROPRIATIONS

***Sec. 701. Eliminating Veteran Homelessness Grants* – DELETED**
Requires MVAA to create and operate grant program to provide grants not to exceed $250,000 to non-profit organizations to provide, or assist in providing, housing for homeless veterans and their families; requires report summarizing grant program activities and expenditures; defines "veteran" and "homeless"; designates unexpended funds as work project appropriation. Executive deletes. Senate retains. House deletes. Conference deletes.

Major Boilerplate Changes from FY 2024-25

***Sec. ~~702~~ 701. Selfridge Air National Guard Base* – RETAINED**
Requires funds to be used to comply with Air Installation Compatible Use Zone Program requirements and projects including shifting runway location and roadway repairs; lists eligible uses of funds. Executive retains. Senate retains. House revises to include report on costs of completed projects, estimated costs and tentative completion dates of ongoing projects, and information about DMVA's efforts to secure federal funds for projects; House also authorizes DMVA to expend up to $90.0 million of federal revenues to support capital improvements and infrastructure projects and expresses legislative intent for department to use federal revenues before general fund appropriations for those expenditures. Conference retains.

***Sec. 702. Veterans Nonprofit Improvement Grants* – NEW**
Requires MVAA to create and operate grant program to provide grants of up to $300,000 to statewide chapters of nonprofit organizations that provide, or assist in providing, services to veterans for purposes of improving or upgrading facilities; requires applicants to submit itemized list of facilities and proposed improvements as part of grant application; requires report on grant expenditures and locations of recipient facilities; defines "facility" and "nonprofit organization." Executive does not include. Senate does not include. House includes new language. Conference includes new language.

***Sec. 703. State Veterans Cemetery* – NOT INCLUDED**
Requires one-time funds to be used to acquire or to designate state land as state veterans cemetery and for supporting costs of engineering, designing, conducting environmental impact studies, preparing land, expenses for applying for and receiving federal funds, and other ongoing expenses of operating state veterans cemetery. Executive includes new language. Senate does not include. House includes new language. Conference does not include.

***Sec. 703. Mitigating Loss of Federal Funds* – NOT INCLUDED**
Requires one-time funds to be used to support DMVA's activities to reach out to veterans whose jobs have been adversely impacted or lost due to reductions in federal funds and to reengage those veterans back into the workforce. Executive does not include. Senate includes new language. House does not include. Conference does not include.

FY 2025-26: NATURAL RESOURCES
Summary: Conference
Article 13, House Bill 4706 (H-1) CR-1

Analyst: Austin Scott

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	FY 2025-26 Senate	FY 2025-26 House	FY 2025-26 Conference	*Difference: Conference From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$207,000	$208,100	$208,100	$207,000	$208,100	*$1,100*	*0.5*
Federal	96,140,700	100,214,800	100,214,800	95,340,700	100,214,800	*4,074,100*	*4.2*
Local	0	0	0	0	0	*0*	*--*
Private	7,609,200	7,609,200	7,609,200	7,509,200	7,609,200	*0*	*0.0*
Restricted	353,865,900	408,296,400	446,485,300	338,665,000	362,152,800	*8,286,900*	*2.3*
GF/GP	76,757,000	88,201,200	81,809,600	39,570,200	73,009,400	*(3,747,600)*	*(4.9)*
Gross	**$534,579,800**	**$604,529,700**	**$636,327,000**	**$481,292,100**	**$543,194,300**	***$8,614,500***	***1.6***
FTEs	2,545.3	2,635.1	2,575.2	2,110.5	2,515.2	*(30.1)*	*(1.2)*

Notes:
(1) FY 2024-25 year-to-date (YTD) figures are as of release of the Executive budget, February 5, 2025.
(2) "Senate" means Senate Bill 172 (S-2).
(3) "House" means Article 13, House Bill 4706 (H-1) as Amended.
(4) "Conference" means the budget agreement reflected in HB 4706 (H-1) CR-1.

Overview

The Department of Natural Resources (DNR) manages Michigan's natural and cultural resources through conservation and protection. State parks, wildlife, fisheries, forests, and minerals management are all administered by DNR.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
1. Fee increase – Hunting Licenses, Fishing Licenses, and Watercraft Registrations	FTE	NA	0.0
	Gross	**NA**	**$0**
Executive includes $28.9 million in state restricted funding and authorizes 79.3 new FTE positions from proposed 30% to 50% price increases for hunting licenses and fishing licenses and a proposed 60% price increase for watercraft registrations. Most of this new funding would go toward expanding the Wildlife Division, Fisheries Division, and Law Enforcement Division.	Restricted	NA	0
	GF/GP	NA	$0
Senate includes $40.8 million in state restricted funding and authorizes 19.0 new FTE positions from proposed price increases for hunting licenses, fishing licenses, and watercraft registrations. Portions would establish new programs including Hunters Feeding Michigan ($1.4 million), Hunting and Fishing Recruitment, Education, and Safety ($2.8 million), and Cold Water Management ($2.2 million).			
House does not include.			
Conference does not include.			
2. Recreation Passport Process Change Revenue	**Gross**	**NA**	**$0**
Executive includes $17.2 million in new restricted authorization in anticipation of Recreation Passport sales changing from an opt-in model to an opt-out model. Motorists would purchase a passport by default unless they choose to opt-out when renewing motor vehicle registration. Passports would be provided free of charge to resident military veterans.	Restricted	NA	0
	GF/GP	NA	$0
Senate includes $43.5 million in new restricted authorization in anticipation of Recreation Passport sales changing from an opt-in model to a mandatory $10 charge on all eligible vehicle registrations. A portion would establish a new program for local water trail grants ($2.1 million).			
House does not include.			
Conference does not include.			

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
3. Dam Safety and Management (One-Time)	**Gross**	**$0**	**$0**
Executive appropriates $15.0 million GF/GP for removal, maintenance, and study of dams in accordance with dam management and land strategy policies.	GF/GP	$0	$0
Senate concurs.			
House does not appropriate.			
Conference does not appropriate.			
4. Asset Management Solution (One-Time)	**Gross**	**$0**	**$0**
Executive provides $6.4 million GF/GP to continue implementation of the departmental digital asset management system.	GF/GP	$0	$0
Senate does not provide.			
House does not provide.			
Conference does not provide.			
5. Nature Awaits	FTE	13.8	(13.8)
Executive reduces GF/GP authorization by $1.8 million for grants to schools to cover transportation and other costs related to connecting all Michigan fourth graders to the state park system; this funding is included in the FY 2025-26 executive budget proposal for School Aid.	**Gross**	**$4,045,300**	**($4,045,300)**
	GF/GP	$4,045,300	($4,045,300)
Senate concurs.			
House eliminates funding.			
Conference eliminates ongoing funding and moves appropriation to one-time (see below).			
6. Off-road Vehicle Trail Improvement Fund Revenue	**Gross**	**NA**	**$3,965,900**
Executive appropriates $4.0 million in additional revenue from the Off-road Vehicle Trail Improvement Fund according to revenue distribution defined in the Natural Resources and Environmental Protection Act.	Restricted	NA	3,965,900
	GF/GP	NA	$0
Senate concurs with Executive.			
House does not appropriate.			
Conference concurs with Executive.			
7. Federal High-speed Internet Infrastructure Funding	**Gross**	**NA**	**$1,417,500**
Executive appropriates $1.4 million in available federal funding for the installation of high-speed internet infrastructure on DNR lands.	Federal	NA	1,417,500
	GF/GP	NA	$0
Senate concurs with Executive.			
House does not appropriate.			
Conference concurs with Executive.			
8. Capital Outlay Adjustments	**Gross**	**NA**	**$1,317,400**
Executive provides a net increase of $1.3 million Gross ($0 GF/GP) for funding increases to State Game and Wildlife Area Infrastructure and State Parks Repair and Maintenance. Funding decreases are included to Wetlands Restoration, Enhancement, and Acquisition; Local Boating Infrastructure and Maintenance; and State Boating Infrastructure and Maintenance.	Federal	NA	1,292,400
	Restricted	NA	25,000
	GF/GP	NA	$0
Senate concurs with Executive.			
House does not provide.			
Conference concurs with Executive.			
9. Marketing and Outreach – Shooting Range Operations and Maintenance	FTE	88.8	7.5
	Gross	**$17,433,700**	**$481,300**
Executive includes $481,300 in available federal funding and authorizes 7.5 new FTE positions for the operation and maintenance of state shooting range facilities.	Federal	1,960,900	481,300
	Restricted	14,371,900	0
	GF/GP	$1,100,900	$0
Senate concurs with Executive.			
House does not include.			
Conference concurs with Executive.			

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
10. Parks and Recreation Division – Park Supervisors	FTE	NA	3.4
Executive appropriates $355,000 in state restricted funding and authorizes 3.0 new FTE positions for park supervisors.	**Gross**	**NA**	**$355,000**
Senate appropriates $355,000 in state restricted funding and authorizes 3.4 new FTE positions.	Restricted	NA	355,000
House does not appropriate.	GF/GP	NA	$0
Conference concurs with Senate.			
11. Technical Adjustments	**Gross**	**NA**	**$763,600**
Executive provides $763,600 Gross ($0 GF/GP) for technical adjustments to align expenditures and increased available state restricted and federal revenues.	Federal	NA	352,200
Senate concurs with Executive.	Restricted	NA	411,400
House does not provide.	GF/GP	NA	$0
Conference concurs with Executive.			
12. Wildlife Management – Pheasant Release Program	FTE	221.5	0.0
Senate appropriates $25,000 from the Game and Fish Protection Account to expand the Pheasant Release Program.	**Gross**	**$47,802,600**	**$0**
House does not provide.	Federal	26,263,300	0
Conference does not provide.	Private	315,700	0
	Restricted	16,589,600	0
	GF/GP	$4,634,000	$0
13. Elberta Waterfront Community Conservation Project (One-Time)	**Gross**	**$0**	**$1,750,000**
	GF/GP	$0	$1,750,000
Senate includes a $100 GF/GP placeholder for a waterfront community conservation project in Elberta.			
House does not include.			
Conference includes $1.8 million GF/GP.			
14. Extreme Weather Forestry Restoration Activities (One-Time)	**Gross**	**$0**	**$0**
Senate includes a $100 GF/GP placeholder to support forest restoration after extreme weather.	GF/GP	$0	$0
House does not include.			
Conference does not include.			
15. Forest Recreation and Trails FTE and Funding Changes	FTE	86.7	0.0
House reduces 9.0 FTE positions and adds $1.9 million GF/GP to shrink personnel authorizations and increase funding for Forest Recreation and Trails.	**Gross**	**$11,384,500**	**$0**
	Restricted	10,613,400	0
	GF/GP	$771,100	$0
Conference does not concur.			
16. General Law Enforcement Reduction	FTE	293.0	0.0
House reduces 63.0 FTE positions and $7.0 million GF/GP for General Law Enforcement.	**Gross**	**$54,037,500**	**($98,000)**
	Federal	6,991,100	0
Conference reduces $98,000 GF/GP.	Restricted	28,131,200	0
	GF/GP	$18,915,200	($98,000)
17. Parks and Recreation Division Reduction	FTE	1,001.9	0.0
House reduces 114.0 FTE positions and $8.0 million Gross ($3.7 million GF/GP) for the Parks and Recreation Division including cuts to MacMullan Conference Center, Recreational Boating, and State Parks, as well as eliminating funding for the Michigan Conservation Corps.	**Gross**	**$127,809,000**	**($635,000)**
	Federal	1,892,000	0
	Private	428,300	0
	Restricted	121,820,500	0
Conference reduces $435,000 GF/GP for the Michigan Conservation Corps and $200,000 GF/GP for State Parks.	GF/GP	$3,668,200	($635,000)
18. Fisheries Division Reduction	FTE	227.5	(19.0)
House reduces 56.5 FTE positions and $5.3 million Gross ($3.7 million GF/GP) for the Fisheries Division including cuts to Fish Production and Fisheries Resource Management.	**Gross**	**$35,471,700**	**$0**
	Federal	12,127,700	0
	Private	136,700	0
Conference reduces 4.0 FTE positions for Fish Production and 15.0 FTE positions for Fisheries Resource Management.	Restricted	21,992,400	0
	GF/GP	$1,214,900	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
19. Communication and Customer Services Unit Reduction	FTE	136.3	0.0
House reduces 40.5 FTE positions and $5.9 million Gross ($3.2 million GF/GP) for the Communication and Customer Services Unit including cuts to Marketing and Outreach and the Michigan Historical Center, as well as eliminating funding for Cultural Resource Management.	**Gross**	**$26,289,200**	**($200,000)**
	Federal	2,976,900	0
	Restricted	18,017,200	0
	GF/GP	$5,295,100	($200,000)
Conference reduces $200,000 GF/GP for Marketing and Outreach.			
20. Departmental Administration and Support Unit Reduction	FTE	156.1	(2.0)
House reduces 47.0 FTE positions and $3.8 million Gross ($1.4 million GF/GP) for the Departmental Administration and Support Unit including cuts to Unclassified Salaries, Accounting Service Center, Executive Direction, Finance and Operations, Minerals Management, and Office of Public Lands.	**Gross**	**$37,429,600**	**$0**
	IDG	207,000	0
	Federal	449,100	0
	Private	5,003,600	0
	Restricted	28,488,000	0
Conference reduces 2.0 FTE positions for Minerals Management.	GF/GP	$3,281,900	$0
21. Wildlife Division Reduction	FTE	230.5	(20.0)
House reduces 49.0 FTE positions and $4.2 million Gross ($3.5 million GF/GP) for the Wildlife Division including cuts to Natural Resources Heritage and Wildlife Management.	**Gross**	**$48,461,800**	**($200,000)**
	Federal	26,472,600	0
	Private	315,700	0
Conference reduces 20.0 FTE positions and $200,000 for Wildlife Management.	Restricted	17,039,500	0
	GF/GP	$4,634,000	($200,000)
22. Invasive Species Prevention and Control Reduction	FTE	21.0	0.0
House reduces 6.0 FTE positions and $2.5 million GF/GP for Invasive Species Prevention and Control.	**Gross**	**$7,109,200**	**($1,200,000)**
	GF/GP	$7,109,200	($1,200,000)
Conference reduces $1.2 million GF/GP.			
23. Information Technology Services and Projects Reduction	**Gross**	**$10,769,100**	**$0**
House reduces $1.6 million Gross ($1.3 million GF/GP) for Information Technology Services and Projects.	Restricted	9,497,000	0
	GF/GP	$1,272,100	$0
Conference does not reduce.			
24. Federal – Urban Forestry Grants Elimination	**Gross**	**$900,000**	**$0**
House eliminates funding for Federal – Urban Forestry Grants totaling $900,000 Gross ($0 GF/GP).	Federal	800,000	0
	Private	100,000	0
Conference does not eliminate.	GF/GP	$0	$0
25. Mackinac Island State Park Commission Reduction	FTE	17.0	0.0
House reduces 6.0 FTE positions and $900,000 Gross ($421,700 GF/GP) for the Mackinac Island State Park Commission including cuts to Historical Facilities System and Mackinac Island State Park Operations.	**Gross**	**$2,255,600**	**($421,700)**
	Restricted	1,833,900	0
	GF/GP	$421,700	($421,700)
Conference reduces $421,700 GF/GP.			
26. Wetland Restoration, Enhancement, and Acquisition Reduction	**Gross**	**$3,000,000**	**($1,000,000)**
House reduces $200,000 GF/GP for Wetland Restoration, Enhancement, and Acquisition.	Restricted	1,000,000	0
	GF/GP	$2,000,000	($1,000,000)
Conference reduces $1.0 million GF/GP.			
27. Forest Resources Division Reduction	FTE	356.5	0.0
House reduces 30.0 FTE positions and $1.7 million Gross ($1.3 million GF/GP) for the Forest resources Division including cuts to Cooperative Resource Programs, Forest Management and Timber Market Development, and Wildfire Protection.	**Gross**	**$72,156,400**	**$0**
	Federal	14,350,500	0
	Private	1,624,900	0
	Restricted	43,960,200	0
Conference does not reduce.	GF/GP	$12,220,800	$0
28. Fish Production (One-Time)	**Gross**	**$0**	**$2,800,000**
Conference appropriates $2.8 million GF/GP for fish production and stocking in Great Lakes and inland fisheries.	GF/GP	$0	$2,800,000
29. Reforestation (One-Time)	**Gross**	**$0**	**$2,200,000**
Conference includes $2.2 million GF/GP for the reforestation of state forest lands affected by the northern Michigan ice storm.	GF/GP	$0	$2,200,000

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
30. Ice Storm Wildfire Protection (One-Time)	**Gross**	**$0**	**$2,000,000**
Conference provides $2.0 million GF/GP for fire suppression resources for the increased fire risk from the northern Michigan ice storm.	GF/GP	$0	$2,000,000
31. Nature Awaits (One-Time)	FTE	0.0	13.8
Conference appropriates $2.0 million GF/GP for grants to schools to connect all Michigan fourth graders to the state park system.	**Gross**	**$0**	**$2,000,000**
	GF/GP	$0	$2,000,000
32. Removal and Repair of High Hazard Dams (One-Time)	**Gross**	**$0**	**$1,450,000**
Conference includes $1.5 million GF/GP for the removal and repair of high hazard dams.	GF/GP	$0	$1,450,000
33. Forest Resources Division Rollup	FTE	19.5	0.0
Executive rolls funding for Adopt-A-Forest Program ($25,000 Gross), cooperative resource programs ($1.7 million Gross and 11.0 FTE positions), forest fire equipment ($931,500 Gross), and forest management initiative ($944,200 Gross and 8.5 FTE positions) into forest management and timber market development ($2.6 million Gross and 19.5 FTE positions) and wildfire protection ($931,500 Gross) for a net zero change.	**Gross**	**$3,551,300**	**$0**
	Federal	736,700	0
	Private	124,500	0
	Restricted	2,351,700	0
	GF/GP	$338,400	$0
Senate concurs with Executive.			
House does not include.			
Conference concurs with Executive.			
34. Finance and Operations Rollup	FTE	2.0	0.0
Executive rolls funding for minerals management ($159,600 state restricted funding and 1.0 FTE position) and marketing and outreach ($199,000 in state restricted funding and 1.0 FTE position) into departmental finance and operations for a net zero change.	**Gross**	**$358,600**	**$0**
	Restricted	358,600	0
	GF/GP	$0	$0
Senate concurs with Executive.			
House does not include.			
Conference concurs with Executive.			
35. Removal of FY 2024-25 One-Time Appropriations	**Gross**	**$9,000,000**	**($9,000,000)**
Executive removes $9.0 million GF/GP of one-time funding that was included in the FY 2024-25 budget to support the following: • America 250 Commission grants ($5.0 million) • American chestnut restoration initiative ($500,000) • Huron Waterloo Pathways Initiative's Border-To-Border Trail ($1,749,900) • Mass timber market development ($1.0 million) • Phragmites management equipment ($250,000) • Sportsmen Against Hunger refrigeration units ($500,000) • Upper Peninsula ski project ($100)	GF/GP	$9,000,000	($9,000,000)
Senate concurs.			
House concurs.			
Conference concurs.			
36. Economic Adjustments	**Gross**	**NA**	**$4,913,800**
Executive reflects increased costs of $4.9 million Gross ($852,400 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	IDG	NA	1,100
	Federal	NA	530,700
	Restricted	NA	3,529,600
	GF/GP	NA	$852,400
Senate concurs with Executive.			
House does not include.			
Conference concurs with Executive.			

Major Boilerplate Changes from FY 2024-25

***Sec. 205. State Administrative Board Transfers* – NEW**
Allows legislature to adopt a concurrent resolution to intertransfer funds within the department's budget if the State Administrative Board transfers appropriated funds.
House and Senate add new section.

***Sec. 206. Purchase of Foreign Goods and Services* – RETAINED**
Prohibits department from purchasing foreign goods and services if competitively priced American goods or services of comparable quality are available; requires preference for goods and services manufactured by Michigan businesses and their associated subcontractors and manufactured or provided by Michigan businesses owned and operated by veterans.
Executive retains, Senate revises to add subsection requiring preference for goods and services manufactured in facilities that employ union members; House and Conference retain.

***Sec. 207. Disciplinary Action Against State Employees* – RETAINED**
Prohibits department from disciplining state employees for communicating with members of the legislature and their staffs unless communication is prohibited by law. *(Governor deemed this section unenforceable in FY 2024-25.)*
Executive deletes, Senate, House, and Conference retain.

***Sec. 210. Legislative Contingency Transfer Authorization* – RETAINED**
Allows for the legislative transfer process to increase state restricted authorization by up to $5.0 million.
Executive revises to add federal authorization to up to $3.0 million, Senate, House, and Conference retain.

***Sec. 212. Restricted Fund Revenues, Expenditures, and Fund Balances Report* – RETAINED**
Requires annual report on fund balances, revenues, and expenditures for state restricted funds for previous and current fiscal years.
Executive deletes, Senate, House, and Conference retain.

***Sec. 213. Access to State and Local Services* – RETAINED**
Prohibits appropriations from being used to restrict or impede a marginalized community's access to government programs; requires local governments to report on actions that attempt to restrict duties of local health officers.
Executive, Senate, and Conference retain, House deletes.

***Sec. 214. Geographically Disadvantaged Business Enterprises* – RETAINED**
Requires director to take reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts.
Executive, Senate, and Conference retain, House deletes.

***Sec. 215. Severance Reporting* – NOT INCLUDED**
Requires department to report details of severance pay for certain departmental employees.
House adds new section, Conference does not include.

***Sec. 216. In-Person Work Prioritization* – NEW**
Requires the department to prioritize utilization of departmental office space, comply with Office of State Employer requirements, and comply with civil service rules for work hours.
House and Conference add new section.

***Sec. 217. Receipt and Retention of Reports* – RETAINED**
Requires department to receive and retain copies of all reports.
Executive deletes, Senate, House, and Conference retain.

***Sec. 218. Report on Policy Changes Made to Implement Public Acts Affecting Department* – RETAINED**
Requires the department to report on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year by April 1.
Executive deletes, Senate, House, and Conference retain.

***Sec. 219. Citizenship Requirement* – NOT INCLUDED**
Prohibits department from using state or federal funds to provide services to non-US citizens, except for qualified aliens under federal law.
House adds new section, Conference does not include.

***Sec. 219. Work Authorization Requirement* – NEW**
Requires departmental contractors and subcontractors to use the E-Verify system to certify personnel are legally authorized to work in the United States and requires the department to annually report on processes implemented under this section.
House and Conference add new section.

Major Boilerplate Changes from FY 2024-25

Sec. 220. Expending Available Work Project Authorization **– RETAINED**
Advises department not to expend appropriations until existing work project authorization for the same purpose has been expended. *(Governor deemed this section unenforceable in FY 2024-25.)*
Executive deletes, Senate, House, and Conference retain.

Sec. 222. Work Project Reporting **– NEW**
Requires the department to report quarterly on the status of work project accounts including funds expended, funds encumbered, and funds available.
House and Conference add new section.

Sec. 223. General Fund Expenditure Restrictions **– NOT INCLUDED**
Prohibits the department from expending general fund if federal or private funding are available for the same expenditures, requires the department to notify standard report recipients if a reduction in departmental expenditures is necessary.
Senate adds new section, House and Conference do not include.

Sec. 223. Federal Policy Change Report **– NEW**
Requires the department to report annually to standard report recipients any federal policy changes that affect the department, those that engage with the department, related regulations, or create a regulatory gap with a potential negative public impact.
Senate and Conference add new section, House does not include.

Sec. 224. Identification of Legacy Costs **– NEW**
Estimates annual appropriations for legacy costs, including pension-related legacy costs and health care-related legacy costs.
House and Conference adds new section.

Sec. 225. Department Scorecard **– NEW**
Requires department to maintain on a publicly accessible website a department scorecard with key metrics concerning the department's performance.
House and Conference add new section.

Sec. 226. Internet Posting of Reports **– NEW**
Requires the department to conspicuously post each report required by boilerplate by the report's due date on the department's Michigan.gov website.
Senate and Conference add new section, House does not include.

Sec. 227. Court Approved Judgment Cap **– NEW**
Requires the department to report on any court settlement that may require further legislative review of state statutory programs or regulations.
House and Conference add new section.

Sec. 228. Private and Other Third-Party Funds Report **– NEW**
Requires the department to disclose private and other third-party funds received in the previous fiscal year.
House and Conference add new section.

Sec. 228. Prohibition on DEI Programs **– NOT INCLUDED**
Prohibits the department from using state funds on diversity, equity, and inclusion initiatives as defined in federal Executive Orders 14151, 14168, and 14173.
House adds new section, Conference does not include.

Sec. 229. Energy and Noise Efficiency **– DELETED**
Requires preference for goods and services that are energy efficient and minimize noise pollution.
Executive and Senate retain, House and Conference delete.

Sec. 229. Legislatively-Directed Spending Items **– NEW**
Defines requirements for legislatively-directed spending items.
Conference adds new section.

Sec. 230. Single Grant Recipient Requirements **– DELETED**
Provides process requirements for grants or projects awarded to single recipient organizations or local governments.
Executive and Conference deletes, Senate and House revise to further define eligible grant recipients and requirements.

Major Boilerplate Changes from FY 2024-25

***Sec. 232. State Fiscal Recovery Funds* – DELETED**
Requires the state budget director to ensure that State Fiscal Recovery Funds allocated under the American Rescue Pan Act of 2021 be expended before 2027; requires the state budget director to notify the House and Senate Appropriations Committees of reallocations made under this section.
Executive and Conference deletes, Senate revises to require the department to notify standard report recipients if an SFRF appropriation is projected to lapse, House deletes.

***Sec. 233. Unenforceable Boilerplate Sections Report* – NOT INCLUDED**
Requires the department to report to standard report recipients on any boilerplate sections deemed unenforceable.
Senate adds new section, House and Conference do not include.

***Sec. 234. Solar and Wind Project Prohibition* – NEW**
Prohibits the department from using funds in part 1 for utility scale solar or wind development projects.
House and Conference add new section.

***Sec. 235. General Fund Deposit to Game and Fish Protection Account* – NOT INCLUDED**
Appropriates $10.0 million from the general fund to the Game and Fish Protection Account.
Senate adds new section, House and Conference do not include.

***Sec. 240. Cultural Resource Management* – RETAINED**
Expands the department's archeological operations and establishes an ongoing process that requires increased consultation with known lineal descendants and Native American tribe officials of tribes on whose aboriginal lands a planned archeological activity will occur or where an inadvertent discovery has been made in addressing the identification, treatment, and disposition of Native American cultural items.
Executive, Senate, and Conference retain; House deletes.

***Sec. 251. Invasive Species Initiative* – REVISED**
Requires $3.6 million of funding for Invasive Species Initiative to be allocated as grants for prevention, detection, eradication, and control of invasive species.
Conference revises to $2.4 million.

***Sec. 253. Prohibition on Expending Funds for Legal Actions Against Swine Hunting* – NEW**
Prohibits the department from using funds in part 1 for legal services against hunting operation concerning swine.
Conference adds new section.

***Sec. 254. Feeding Birds or Wildlife Near a Residence* – NEW**
Prevents the department from prohibiting an individual from feeding birds or wildlife within 300 feet of a residence if feed quantity totals less than 2 gallons.
Conference adds new section.

***Sec. 255. References to State-managed Lands* – NEW**
States that state lands managed by the department shall be identified as department-managed public lands or publicly owned lands.
Conference adds new section.

***Sec. 256. Contingency Authorization for New Hunting and Fishing License Revenue* – NEW**
Allows for the legislative transfer process to increase state restricted authorization by up to $30.0 million if legislation is enacted to raise hunting and fishing license prices.
Conference adds new section.

***Sec. 257. Permits or Easements for Broadband* – NEW**
Requires the department to prioritize right-of-way permits or easements for construction or maintenance of broadband facilities on state land and prohibits the department from requiring a centerline survey as a condition of the road right-of-way permit or easement if the applicant can provide detailed engineering plans and if the broadband facilities are contained completely in the right-of-way.
Conference adds new section.

***Sec. 304. Receive and Expend for Carbon Offset Credits* – RETAINED**
Authorizes department to receive and expend revenues to pay vendors for administering carbon offset credits.
Executive, Senate, and Conference retain; House deletes.

***Sec. 408. Land Transactions Report* – RETAINED**
Requires detailed report to legislature on land purchases, sales, and exchanges.
Executive deletes, Senate, House, and Conference retain.

Major Boilerplate Changes from FY 2024-25

***Sec. 501. Little Manistee River Designation Prohibition* – NEW**
Prohibits Fisheries Resource Management funding from being expended to designate the Little Manistee River as a natural river as defined in Part 305 of the Natural Resources and Environmental Protection Act.
House and Conference add new section.

***Sec. 601. General Law Enforcement FTE Positions* – NOT INCLUDED**
Requires that all general law enforcement FTE positions be filled by conservation officers.
House adds new section, Conference does not include.

***Sec. 701. Recreation Passport Selection* – NEW**
Requires the department to provide the choice to opt in to purchasing a Recreation Passport.
House and Conference add new section.

***Sec. 702. One-day State Park Pass* – NOT INCLUDED**
Requires the department to create a one-day pass option to visit all state park facilities, the cost of which may not exceed half of the annual fee for a recreation passport.
House adds new section, Conference does not include.

***Sec. 1002. Grants to Counties – Marine Safety Prohibition* – NOT INCLUDED**
Prohibits counties from receiving Grants to Counties – Marine Safety funding unless the county board of commissioners adopts a resolution committing the county to enforce federal executive orders and statutes related to immigration.
House adds new section, Conference does not include.

***Sec. 1201. Work Project – Asset Management Solution* – NOT INCLUDED**
Authorizes unexpended funds for Asset Management Solution totaling $6.4 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to implement a department asset management system.
Executive adds new section, Senate, House, and Conference do not add.

***Sec. 1201. Work Project – Ice Storm Wildfire Protection* – NEW**
Authorizes unexpended funds for Ice Storm Wildfire Protection totaling $2.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to enhance fire suppression resources for Michigan due to increased fire risk from the northern Michigan ice storm.
Conference adds new section.

***Sec. 1202. Work Project – Reforestation* – NEW**
Authorizes unexpended funds for Reforestation totaling $2.2 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used for the reforestation of state forest lands impacted by the northern Michigan ice storm.
Conference adds new section.

FY 2025-26: STATE POLICE
Summary: Conference
Article 14, House Bill 4706 (H-1) CR-1

Analyst: Aaron A. Meek

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	FY 2025-26 Senate	FY 2025-26 House	FY 2025-26 Conference	*Difference: Conference From FY 2024-25 YTD* Amount	%
IDG/IDT	$27,189,800	$29,030,200	$29,030,200	$27,189,800	$29,030,200	*$1,840,400*	*6.8*
Federal	99,062,700	101,314,700	101,314,700	97,107,300	101,314,700	*2,252,000*	*2.3*
Local	4,975,700	5,035,600	5,035,600	4,975,700	5,035,600	*59,900*	*1.2*
Private	35,000	35,000	35,000	35,000	35,000	*0*	*0.0*
Restricted	174,984,300	182,336,000	192,336,000	162,555,200	190,336,000	*15,351,700*	*8.8*
GF/GP	646,861,000	674,282,800	687,935,200	594,958,100	638,435,100	*(8,425,900)*	*(1.3)*
Gross	**$953,108,500**	**$992,034,300**	**$1,015,686,700**	**$886,821,100**	**$964,186,600**	***$11,078,100***	***1.2***
FTEs	3,856.0	3,871.0	3,852.0	3,422.5	3,576.0	*(280.0)*	*(7.3)*

Notes:
(1) FY 2024-25 year-to-date (YTD) figures are as of release of the Executive budget, February 5, 2025.
(2) "Senate" means Senate Bill 176 (S-1).
(3) "House" means Article 14, House Bill 4706 (H-1) as Amended.
(4) "Conference" means the budget agreement reflected in HB 4706 (H-1) CR-1.

Overview

The Michigan Department of State Police (MSP) is the state's primary law enforcement and emergency response authority. The department is responsible for criminal law enforcement and investigation, traffic and motor carrier safety, and homeland security. The department is also responsible for the administration and implementation of various state programs, technologies, and specialized services intended to enhance the capabilities and coordination of federal, state, local, and tribal law enforcement agencies, the criminal justice system, and the entire public safety community.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
1. Post Operations	FTE	2,247.5	(243.0)
House eliminates $40.2 million GF/GP and 297.5 FTE positions. Conference includes net increase of $2.2 million Gross (net reduction of $6.8 million GF/GP and 243.0 FTE), which includes the following:	**Gross**	**$419,601,000**	**$2,233,000**
	IDG/IDT	2,100	0
	Federal	2,124,100	0
• Reduction of $9.5 million GF/GP and 280.0 FTE positions	Restricted	45,847,500	9,028,600
• Reallocation of $9.9 million Gross ($8.9 million GF/GP) and 30.0 FTE positions from Secure Cities Partnership	GF/GP	$371,627,300	($6,795,600)
• Reallocation of $1.8 million GF/GP and 7.0 FTE positions from Professional Development Bureau			
• Net-zero $8.0 million increase in state restricted authorization (Traffic Law Enforcement and Safety Fund) to offset GF/GP reduction.			
2. Removal of Professional Development Bureau	FTE	39.0	(30.0)
House eliminates $12.1 million Gross ($9.6 million GF/GP) and 39.0 FTE positions for the Professional Development Bureau. Conference eliminates $3.0 million GF/GP in training funds and reallocates remaining $10.6 million Gross ($5.1 million GF/GP) and 30.0 FTE positions (after technical transfers) as follows:	**Gross**	**$12,074,300**	**($10,557,500)**
	Federal	1,937,000	(1,990,700)
	Restricted	571,100	(486,500)
	GF/GP	$9,566,200	($8,080,300)
• $1.8 million GF/GP and 7.0 FTE positions reallocated to Post Operations			
• $5.8 million Gross ($3.3 million GF/GP) and 23.0 FTE positions reallocated to Training Operations.			

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
3. Removal of Secure Cities Partnership	FTE	30.0	(30.0)
House eliminates $9.9 million Gross ($8.9 million GF/GP) and 30.0 FTE positions for the Secure Cities Partnership. Conference reallocates $9.9 million Gross ($8.9 million GF/GP) and 30.0 FTE positions to Post Operations and eliminates line item.	**Gross**	**$9,939,000**	**($9,939,000)**
	Restricted	1,028,600	(1,028,600)
	GF/GP	$8,910,400	($8,910,400)
4. Training Operations	FTE	38.0	23.0
House eliminates $520,000 GF/GP and 4.0 FTE positions in the Training Operations line item. Conference reallocates $5.8 million Gross ($3.3 million GF/GP) and 23.0 FTE positions (after technical transfers) from Professional Development Bureau.	**Gross**	**$8,259,500**	**$5,763,500**
	IDG/IDT	3,560,600	0
	Federal	0	1,990,700
	Restricted	547,800	486,500
	GF/GP	$4,151,100	$3,286,300
5. Michigan Commission on Law Enforcement Standards	FTE	27.0	0.0
House eliminates $34.0 million Gross ($19.4 million GF/GP) and 27.0 FTE positions for the Michigan Commission on Law Enforcement Standards, which includes the following line items: • De-Escalation Training ($500,000 GF/GP) • In-Service Training ($18.3 million GF/GP and 7.0 FTE) • Justice Training Grants ($10.0 million state restricted) • Public Safety Officers Benefit Fund ($303,000 GF/GP and 1.0 FTE) • Standards and Training ($4.0 million Gross [$328,600 GF/GP] and 19.0 FTE) • Training Only to Local Units ($855,000 state restricted) Conference eliminates $5.5 million GF/GP, which includes the following: • Elimination of $500,000 GF/GP for De-Escalation Training • Reduction of $5.0 million GF/GP from In-Service Training	**Gross**	**$33,946,300**	**($5,500,000)**
	Federal	280,400	0
	Restricted	14,263,200	0
	GF/GP	$19,402,700	($5,500,000)
6. Departmentwide	**Gross**	**$53,292,400**	**($5,000,000)**
House eliminates $4.3 million Gross ($4.2 million GF/GP). Conference eliminates $5.0 million GF/GP.	IDG/IDT	484,800	0
	Federal	112,300	0
	Restricted	1,509,000	0
	GF/GP	$51,186,300	($5,000,000)
7. Trooper Recruit School Onboarding, Training, and Outfitting	**Gross**	**$5,000,000**	**($5,000,000)**
Conference eliminates $5.0 million GF/GP.	GF/GP	$5,000,000	($5,000,000)
8. Intelligence Operations	FTE	233.0	0.0
Executive includes $1.0 million GF/GP and authorization for 7.0 FTE positions to expand the capacity of the Michigan Intelligence Operations Center to provide analytics and investigative support to local, state, federal, and tribal law enforcement, as well as an adjustment of $143,600 GF/GP to support increased licensing costs for software used to acquire and analyze digital forensic data during criminal investigations. Senate includes only $143,600 GF/GP in additional funding for software licensing costs. House does not include. Conference includes only $143,600 GF/GP in additional funding for software licensing costs	**Gross**	**$35,424,200**	**$143,600**
	IDG/IDT	100,000	0
	Restricted	3,227,500	0
	GF/GP	$32,096,700	$143,600
9. Grants and Community Services	FTE	60.0	0.0
House eliminates $2.6 million GF/GP and 20.0 FTE positions in the Grants and Community Services line item. Conference does not reduce funding or FTE authorization.	**Gross**	**$25,934,300**	**$0**
	Federal	12,118,200	0
	Private	20,000	0
	Restricted	8,242,800	0
	GF/GP	$5,553,300	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
10. Information Technology Services and Projects	**Gross**	**$30,224,000**	**$0**
House eliminates $2.0 million Gross ($1.2 million GF/GP) in the Information Technology Services and Projects line item. Conference does not reduce authorization.	IDG/IDT	520,700	0
	Federal	960,400	0
	Local	951,700	0
	Restricted	12,669,300	0
	GF/GP	$15,121,900	$0
11. Executive Direction	FTE	46.0	0.0
House eliminates $1.3 million Gross ($1.2 million GF/GP) and 1.0 FTE position in the Executive Direction line item. Conference does not reduce funding or FTE authorization.	**Gross**	**$8,690,700**	**$0**
	IDG/IDT	35,100	0
	Restricted	597,800	0
	GF/GP	$8,057,800	$0
12. Unclassified Salaries	FTE	7.0	0.0
House eliminates $650,000 GF/GP and 5.0 unclassified FTE positions. Conference does not reduce funding or FTE authorization.	**Gross**	**$1,298,900**	**$0**
	IDG/IDT	9,100	0
	Restricted	295,900	0
	GF/GP	$993,900	$0
13. Mobile Office and System Support	FTE	39.0	0.0
House eliminates 10.0 FTE positions in the Mobile Office and System Support line item. Conference does not reduce FTE authorization.	**Gross**	**$6,089,700**	**$0**
	Restricted	1,250,700	0
	GF/GP	$4,839,000	$0
14. Highway Safety Planning	FTE	25.0	0.0
House includes net-zero fund source adjustment in the Highway Safety Planning line item. Conference does not include.	**Gross**	**$20,519,800**	**$0**
	Federal	15,923,700	0
	Restricted	3,975,700	0
	GF/GP	$620,400	$0
15. Crime Victim Support Program	FTE	NA	0.0
Executive includes $1.3 million GF/GP and authorization for 8.0 FTE positions in the Grants and Community Services line item to hire additional full-time victim advocates in each of MSP's 7 districts, increase statewide capacity to support victims' needs, and partner with community organizations in support of victim advocacy. Senate does not include. House does not include. Conference does not include.	**Gross**	**NA**	**$0**
	Federal	NA	0
	Private	NA	0
	GF/GP	NA	$0
16. Office of School Safety	FTE	6.0	0.0
Executive does not include. Senate includes additional $1.0 million GF/GP to expand the capacity of the Office of School Safety to offer school safety academies across the state. House does not include. Conference does not include.	**Gross**	**$1,379,700**	**$0**
	Restricted	250,000	0
	GF/GP	$1,129,700	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
17. New FY 2025-26 One-Time Appropriations	**Gross**	**$0**	**$2,500,000**
	GF/GP	$0	$2,500,000

Executive does not include new one-time appropriations.

Senate includes $25.0 million Gross ($15.0 million GF/GP) for the following one-time appropriations:

- Cold Case Investigations ($1.0 million GF/GP)
- Crimestoppers ($100 GF/GP)
- Disaster and Emergency Contingency Fund ($10.0 million state restricted)
- Law Enforcement Communication Training ($500,000 GF/GP)
- Michigan Public Safety Critical Incident Mapping Grant ($500,000 GF/GP)
- OK2SAY Program ($1.0 million GF/GP)
- Public Safety Academy Assistance Programs ($10.0 million GF/GP)
- Public Safety Heroes Program ($1.0 million GF/GP)
- Statewide Fentanyl Enforcement ($1.0 million GF/GP).

House includes $19.8 million GF/GP for the following one-time appropriations:

- Cold Case Investigations ($600,000 GF/GP)
- Disaster and Emergency Contingency Fund ($8.2 million GF/GP)
- Law Enforcement Communication Training ($1.0 million GF/GP)
- Public Safety Academy Assistance Programs ($10.0 million GF/GP).

Conference includes $2.5 million GF/GP for the following one-time appropriations:

- Cold Case Investigations ($600,000 GF/GP)
- Law Enforcement Communication Training ($500,000 GF/GP)
- Michigan Public Safety Critical Incident Mapping Grant ($400,000 GF/GP)
- Trooper Recruit Schools ($1.0 million GF/GP).

18. Removal of FY 2024-25 One-Time Appropriations	**Gross**	**$24,900,000**	**($24,900,000)**
	GF/GP	$24,900,000	($24,900,000)

Executive removes $24.9 million one-time GF/GP that was included in the FY 2024-25 budget to support the following:

- Cold Case Investigations ($1.0 million GF/GP)
- Disaster and Emergency Contingency Fund ($10.0 million GF/GP)
- Disaster Recovery Grants ($3.2 million GF/GP)
- Law Enforcement Communication Training ($500,000 GF/GP)
- Michigan International Speedway Security ($200,000 GF/GP)
- Public Safety Academy Assistance Programs ($10.0 million GF/GP).

Senate concurs. House concurs. Conference concurs.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
19. Technical Adjustments	**Gross**	**NA**	**$1,880,600**
Executive includes $1.9 million Gross for adjustments to the following federal and state restricted fund sources to align with available revenues:	Federal	NA	783,400
	Restricted	NA	1,097,200
	GF/GP	NA	$0
• Increases federal funding authorization by $783,400 to reflect the receipt of additional indirect federal funds • Increases state restricted authorization by $757,200 in the Grants and Community Services line item to reflect higher than anticipated Auto Theft Prevention Fund revenues • Increases state restricted authorization by $200,000 in the Biometrics and Identification line item to reflect higher than anticipated Criminal Justice Information Center fee revenues • Increases state restricted authorization by $140,000 in the Intelligence Operations line item to reflect higher than anticipated reimbursement and Criminal Justice Information Center fee revenues.			
Senate concurs with Executive. House does not include. Conference concurs with Executive.			
Executive also includes the following internal net-zero transfers to align funding and FTE authorization with department activity: • Transfers $2.1 million GF/GP and 14.0 FTE positions from the Grants and Community Services line item to the Department Services line item • Transfers $2.1 million Gross ($2.0 million GF/GP) and 9.0 FTE positions from the Professional Development Bureau line item to the Training Operations line item • Transfers $1.1 million Gross from the Department Services line item to the Mobile Office and System Support line item • Transfers $607,500 GF/GP and 4.0 FTE positions from the Intelligence Operations line item to the Forensic Science line item.			
Senate concurs with Executive. House does not include. Conference concurs with Executive.			
20. Economic Adjustments	**Gross**	**NA**	**$59,453,900**
Executive reflects increased costs of $59.5 million Gross ($49.8 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. Senate concurs with Executive. House includes adjustments totaling $46.3 million Gross ($41.8 million GF/GP) for Michigan State Police trooper pay increases as Trooper Pay Increases and Economic Adjustments line item. Conference concurs with Executive.	IDG/IDT	NA	1,840,400
	Federal	NA	1,468,600
	Local	NA	59,900
	Restricted	NA	6,254,500
	GF/GP	NA	$49,830,500

Major Boilerplate Changes from FY 2024-25

***Sec. 205. Purchase of Foreign Goods* – RETAINED**

Prohibits purchase of foreign goods or services if competitively priced and of comparable quality American goods or services are available; requires preference be given to goods and services manufactured by Michigan businesses and Michigan businesses owned and operated by veterans. Executive retains. Senate revises to include a new requirement that preference be given to goods and services manufactured in facilities that employ union members. House retains. Conference retains.

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

Prohibits MSP from taking disciplinary action against employees for communicating with legislators or their staff, unless the communication is prohibited by law. Executive deletes. Senate retains. House retains. Conference retains.

Major Boilerplate Changes from FY 2024-25

Sec. 208. Use of Funding for Legal Services **– DELETED**
Prohibits using appropriations to hire a person to provide legal services that are the responsibility of the attorney general; prohibition does not apply to legal services for bonding activities or to services authorized by attorney general. Executive revises with technical changes. Senate retains. House retains. Conference deletes.

Sec. 208. State Administrative Board Transfers **– NEW**
Authorizes the legislature, by a concurrent resolution adopted by a majority of members elected to and serving in each house, to inter-transfer funds if the State Administrative Board transfers funds. Executive does not include. Senate does not include. House includes new language. Conference concurs with House.

Sec. 215. Severance Pay for Department Officials **– NOT INCLUDED**
Requires MSP to report on any amounts of severance pay agreed to for a department director, deputy director, or other high-ranking department official; requires report to include name of official and amount of severance pay; requires report on total amount of severance pay remitted to former employees and total number of former employees remitted severance pay during prior fiscal year; defines "severance pay" as compensation that is both payable or paid upon the termination of employment and in addition to either wages or benefits earned during the course of employment or generally applicable retirement benefits. Executive does not include. Senate does not include. House includes new language. Conference does not include.

Sec. 215. Prioritization of In-Person Work **– NEW**
Requires MSP to maximize utilization of its in-person state workforce; requires MSP to prioritize occupancy utilization of office space for each department division; requires monitoring of employees who complete work outside of an office; requires MSP to comply with in-person work requirements set by office of the state employer and ensure utilization and occupancy rates of state buildings are 80% or higher; requires MSP to establish policies and processes to ensure all employees are working during agreed upon business hours. Executive does not include. Senate does not include. House includes language that requires MSP to prioritize employees working in-person five days per week; to establish a policy and process for verifying that employees are working during normal business hours; and to provide information on employee badge scanning to the Legislature upon request. Conference includes new language.

Sec. 217. E-Verify System **– NEW**
Requires MSP to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States; requires report on processes developed and implemented for use of the E-Verify system; defines E-Verify. Executive does not include. Senate does not include. House includes language that also prohibits MSP from contracting with any foreign entities that are known or suspected enemies of the United States or known foreign adversaries. Conference includes new language.

Sec. 218. Report on Federal Policy Changes **– NEW**
Requires annual report detailing federal policy changes that do any of the following: affect MSP operations; affect an industry, community, population, or other group regulated or served by MSP; or create a regulatory gap that could negatively impact the public. Executive does not include. Senate includes new language with technical changes. House does not include. Conference includes new language.

Sec. 219. Services for Non-U.S. Citizens **– NOT INCLUDED**
Prohibits state or federal funds from being used to provide services, grants, or programming for non-U.S. citizens unless they are qualified aliens under 8 U.S.C. § 1641. Executive does not include. Senate does not include. House includes new language. Conference does not include.

Sec. 219. Receipt and Retention of Reports **– RETAINED**
Requires MSP to receive and retain copies of all reports required; requires federal and state guidelines to be followed for short-term and long-term retention of records; authorizes MSP to electronically retain copies of reports unless otherwise required by federal and state guidelines. Executive deletes. Senate retains. House retains. Conference retains.

Sec. 220. Report on Policy Changes for Public Act Implementation **– REVISED**
Requires MSP to report on policy changes made to implement public acts that took effect during the prior calendar year. Executive deletes. Senate retains. House revises to require report to include reference to the public act that necessitates the policy change. Conference concurs with House.

Sec. 221. Report Accessibility and Posting **– NEW**
Requires MSP to make required reports readily accessible to the public and conspicuously post each report in a single archivable location on the department's Michigan.gov website not later than the report's due date; requires MSP to maintain on its website all reports from the current and previous fiscal years. Executive does not include. Senate does not include. House does not include. Conference includes new language.

Major Boilerplate Changes from FY 2024-25

***Sec. 222. Work Project Expenditures* – RETAINED**
Prohibits appropriations from being expended in cases where existing work project authorization is available for the same expenditures. Executive deletes. Senate retains. House retains. Conference retains.

***Sec. 223. Federal and Private Fund Sourcing Priorities* – NOT INCLUDED**
Prohibits expenditure of general fund appropriations if federal funding or private grant funding is available for the same expenditures; requires MSP notify standard report recipients within 10 days of any required reduction in expenditures for any appropriation; requires notice to include description of the fund source and amount of reduction, description of the cause of the reduction if known, and description of the functions of state government or services to residents that will be affected by the reduction. Executive does not include. Senate includes new language. House does not include. Conference does not include.

***Sec. ~~224~~ 223. Work Project Report* – REVISED**
Requires MSP to provide biannual reports on its performance against key metrics, status of work projects, and financial status. Executive retains. Senate retains. House revises to require quarterly reports including the following: a list of all work project accounts; the status of all work project accounts, including amounts expended, amounts encumbered, and available balances for each account; and the amount of funds that lapsed from any previously designated work project accounts, the names and descriptions of the accounts, and the funds that received lapsed amounts. Conference concurs with House but requires report not later than six months after State Budget Office sends work project letters.

***Sec. 224. Legacy Costs* – NEW**
Authorizes appropriations to be expended for legacy costs. Executive does not include. Senate does not include. House includes new language. Conference concurs with House.

***Sec. 225. Annual Strategic Plan* – NEW**
Requires MSP to provide standard report recipients a copy of its annual strategic plan, which includes mission, vision, goals, strategies, and performance measures. Executive does not include. Senate does not include. House includes language that requires MSP to maintain department scorecard that identifies, tracks, and updates key metrics to measure the department's performance; requires MSP to update and post the scorecard on its website on a quarterly basis and notify the legislature when updates are made. Conference includes new language.

***Sec. ~~226~~ 301. Post Closure or Consolidation* – RETAINED**
Requires MSP to notify listed recipients when it recommends closure or consolidation of any MSP post and to include a local and state impact study. Executive deletes. Senate retains. House retains. Conference retains.

***Sec. 226. Legal Settlement Costs* – NEW**
Requires MSP to report on any court settlement that may require further legislative review of state statutory programs or regulations. Executive does not include. Senate does not include. House includes language prohibiting appropriations from being expended for state obligations in excess of $200,000 for a court approved judgement, settlement, award, or claim. Conference includes new language.

***Sec. ~~227~~ 302. Privatization Project Plans* – RETAINED**
Requires submission of a project plan if MSP presents the state employer with a plan to privatize; requires evaluation to be submitted to appropriations subcommittees and fiscal agencies within 30 months. Executive deletes. Senate retains. House retains. Conference retains.

***Sec. 227. Private and Third-Party Funds* – NEW**
Requires report on funds received from private and other third-party sources; requires MSP to post report on its website. Executive does not include. Senate does not include. House includes new language. Conference concurs with House.

***Sec. 228. DEI Programs* – NOT INCLUDED**
Prohibits state funds from being expended for diversity, equity, and inclusion (DEI) initiatives or program and as outlined in federal Executive Orders 14151, 14168, and 14173. Executive does not include. Senate does not include. House includes new language. Conference does not include.

Major Boilerplate Changes from FY 2024-25

***Sec. 230. Legislatively Directed Spending Items (LDSI)* – NEW**
Requires Legislature to provide DMVA and state budget director with list of funded LDSIs consistent with House and Senate rules; requires department to do the following: establish process to review, complete, and execute grant agreement; verify that a grant recipient is a not-for-profit entity that will use funds as publicly disclosed and for a public purpose; and review and verify all necessary information to ensure the grant recipient is reasonably able to execute grant agreement, perform its fiduciary duty, comply with applicable laws, and disburse grant money according to grant disbursement schedule; prohibits department from disbursing funds if state budget director determines that the grantee does not meet disclosure requirements, that the grant will be used to pay a tax or obligation, or that the grant will create a conflict of interest; requires grant agreements to include identifying information, description of project, tentative timeline, estimated budget, ways grant money will be expended, a requirement that funds appropriated may be used only for future expenditures, reporting requirements, a clawback provision, and all documents publicly disclosed by the grantee; allows department to adopt memoranda of understanding with other Executive branch departments to improve grant administration or oversight; requires grant recipients to respond to all reasonable information requests from department for up to seven years; requires grant recipients to expend all grant money by September 30, 2030; requires department to return funds if grantee does not submit required information by June 1, 2026; appropriates LDSI funds for expenditure; requires department to post report with information about grant recipients and projects on its website; authorizes State Budget Office to compile LDSI information for all affected Executive branch departments in single report; prohibits department from awarding additional funds to grant recipients that misuse funds; requires department to refer misused grants for review following internal audit protocols. Executive does not include. Senate does not include. House does not include. Conference includes new language.

***Sec. 232. Receive and Expend Authorization for Federal Revenues* – REVISED**
Authorizes MSP to expend federal revenues received in excess of appropriations; requires MSP to report prior to expending excess federal revenues. Executive retains. Senate revises to limit federal receive and expend authorization under this section to $15.0 million. House revises to increase total federal receive and expend authorization under this section and Sec. 604(3) to $750.0 million. Conference concurs with House with technical change for section numbering.

***Sec. ~~234~~ 305. Officer Evaluation Criteria* – RETAINED**
Prohibit use of citation volumes as a metric for performance evaluation and prohibits setting of a specified number of citations for an officer. Executive deletes. Senate retains. House retains. Conference retains.

***Sec. ~~237~~ 306. Placement of Local Headquarters* – RETAINED**
Authorizes director of the department to establish and maintain local headquarters in various places as provided under section 7 of 1935 PA 59, MCL 28.7. Executive deletes. Senate retains. House retains. Conference retains.

***Sec. 239. Authorization to Reallocate State Fiscal Recovery Funds* – DELETED**
Requires state budget director to ensure that all State Fiscal Recovery Funds (SFRF) are expended by December 31, 2026; authorizes state budget director to reallocate funds to fully utilize SFRF that are in jeopardy of not meeting expenditure deadline; requires state budget director to notify appropriations committees not later than 10 business days after making any reallocations. Executive deletes. Senate revises to delete language authorizing state budget director to reallocate appropriated funds and adds language to require all SFRF be expended by December 31, 2026, and that a department or agency receiving SFRF appropriations must notify the standard report recipients if SFRF are projected to lapse. House deletes. Conference deletes.

***Sec. 250. Grants Transparency* – DELETED**
Provides eligibility and process requirements for grants or projects awarded to single recipient organizations or local governments; provides timeframes for receiving grant money; requires interest earned from grant money in excess of $1,000 to be returned to Treasury; requires MSP to report on grant recipient, project purpose, project location, status of funds allocated and disbursed under grant agreement, and legislative sponsor if applicable. Executive deletes. Senate revises to include technical changes. House revises to delete requirements to return grant interest earned to Treasury, to replace specific guidelines for single-recipient grants with general guidelines for all grant programs, and to submit a quarterly report on legislatively sponsored grants. Conference deletes.

***Sec. 251. Report on Unenforceable Boilerplate* – NOT INCLUDED**
Requires MSP to report on sections of boilerplate deemed unenforceable, including the legal rationale; requires MSP to report on the difference in costs between policies deemed unenforceable and policies the department intends to pursue; authorizes MSP to coordinate with Executive Office of the Governor or other state departments or agencies to compile a statewide report. Executive does not include. Senate includes new language. House does not include. Conference does not include.

Major Boilerplate Changes from FY 2024-25

DEPARTMENTAL ADMINISTRATION AND SUPPORT

***Sec. ~~301~~ 401. Professional Development Training* – REVISED**
Allows Professional Development Bureau to conduct training directly related to an employee's departmental role, professional development training, training that allows the employee to seek expanded opportunities within MSP, advanced education training, and de-escalation training; requires a report on training courses and outlines required information. Executive retains. Senate retains. House revises to replace references to Professional Development Bureau and with references to Training Operations and to delete language related to de-escalation training. Conference concurs with House.

***Sec. ~~302~~ 409. Professional Development Training* – REVISED**
Requires MSP to work with MDCR and MCOLES to provide the following training to local police departments and officers free of charge: cultural awareness and competency, tolerance, diversity, and implicit bias, conflict management and de-escalation, use of force on vulnerable individuals, and mental health and wellness; requires quarterly reporting on the training. Executive retains. Senate retains. House revises to delete language related to training on tolerance, diversity, implicit bias, and de-escalation. Conference concurs with House but includes language related to diversity training.

***Sec. 309. Critical Incident Investigations* – NEW**
Requires MSP investigative response teams to submit findings of critical incident investigations to the prosecutor of the county in which the critical incident occurred for review; defines "critical incident." Executive does not include. Senate does not include. House includes new language. Conference does not include.

LAW ENFORCEMENT SERVICES

***Sec. 402. Criminal Justice Information Center* – REVISED**
Requires MSP to (1) maintain criminal justice information systems in support of public safety and law enforcement communities; (2) conduct at least 30 outreach activities targeted to criminal justice agencies and to report on these activities; (3) compile crime statistics; (4) compile and evaluate traffic crash reports; (5) provide traffic crash reports for $15 per incident or an extract of electronic traffic crash data for $0.25 per incident; (6) report traffic crash report revenues, expenditures, and adequacy; (7) maintain, disseminate, and exchange criminal history and juvenile records; (8) maintain records, including firearms licensure records; (9) provide background check volume processed by the Internet Criminal History Access Tool; requires that Criminal Justice Information Center Service Fees carry forward and not lapse to the general fund; requires unexpended revenue generated by local State Records Management System Fees to carry forward and not lapse to the general fund. Executive deletes ICHAT background check reporting requirement in item (9). Senate retains. House revises to reduce traffic crash report fee in item (5) from $15 to $10. Conference retains.

***Sec. 404. Biometrics and Identification* – RETAINED**
Requires MSP to manage specified identification databases and provide data on submissions to the Automated Fingerprint Identification System database; requires MSP to maintain staffing and resources to achieve an average 28-day wait time for polygraph examinations, with a goal of an average 15-day wait time; requires MSP to post changes to protocols for retention and purging of DNA records. Executive deletes staffing and resources requirements. Senate retains. House retains. Conference retains.

***Sec. 408. Trooper Recruit Schools* – REVISED**
Stipulates that unexpended GF/GP appropriated for Trooper Recruit School Onboarding, Training, and Outfitting must be deposited into the Trooper Recruit School Fund created under the Michigan Vehicle Code, 1949 PA 300. Executive retains. Senate retains. House revises to require MSP to make an organized, strategic effort to recruit, onboard, train, and outfit trooper school candidates and other new department employees; to require MSP to operate at least two trooper, motor carrier, or state properties security recruit schools during the fiscal year; to authorize MSP to use attrition funds to offset recruiting costs; and to authorize MSP to utilize funds appropriated for Training Operations to support recruiting efforts if money in the Trooper Recruit School Fund is insufficient. Conference concurs with House but does not require minimum number of schools during the fiscal year and requires unexpended and unencumbered general fund appropriations from Training Operations line item to be deposited into the Trooper Recruit School Fund at the end of the fiscal year.

MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS

***Sec. 501. Michigan Commission on Law Enforcement Standards* – RETAINED**
Stipulates MCOLES' responsibilities and requires maintenance of proper staffing and resource levels to update standards within 120 days of enactment date of new applicable legislation; requires report summarizing MCOLES activities and distributions of training funds during prior calendar year. Executive retains. Senate retains. House deletes to reflect removal of MCOLES-related line items. Conference retains.

Major Boilerplate Changes from FY 2024-25

Sec. 502. Public Safety Officers Benefit Fund **– RETAINED**
Requires general fund appropriations for Public Safety Officers Benefit Fund to be deposited to Public Safety Officers Benefit Fund and appropriates all funds within Public Safety Officers Benefit Fund; stipulates that appropriated funds should be used to increase benefit payments to eligible recipients to $50,000. Executive retains. Senate retains. House deletes to reflect removal of MCOLES-related line items. Conference retains.

Sec. 503. In-Service Training **– RETAINED**
Requires funds appropriated for In-Service Training to be deposited to Law Enforcement Officers Training Fund; appropriates all funds in the Law Enforcement Officers Training Fund for expenditure to support implementation of required annual in-serve training standards for all licensed law enforcement officers. Executive retains. Senate retains. House deletes to reflect removal of MCOLES-related line items. Conference retains.

FIELD SERVICES

Sec. 601. General Law Enforcement and Traffic Safety **– REVISED**
(1) Stipulates MSP troopers shall not be prohibited from responding to criminal or emergency situations and shall make every effort to protect residents; (2) requires MSP to maintain staff and resources to enhance traffic safety and dedicate a minimum of 455,200 hours to statewide patrol, with a minimum of 40,000 in distressed cities; (3) requires MSP to report number of residence checks of registered sex offenders; (4) requires report on Secure Cities Partnership. Executive deletes item (2) in full. Senate retains. House revises to delete staff and resource requirements related to distressed cities in item (2) and to delete item (4) in full. Conference concurs with House.

Sec. 602. Criminal Investigations **– RETAINED**
(1) Requires MSP to identify and apprehend criminals through investigations; (2) requires maintenance of investigation hours; (3) requires MSP to meet or exceed case clearance rate of 62%; (4) requires MSP to provide training opportunities to local law enforcement partners related to gambling, opioid investigations, and other emerging issues; (5) requires MSP to maintain staffing to investigate an average level of opioid cases and to link investigations among partners. Executive deletes. Senate retains. House retains. Conference retains.

Sec. 604. Fire Investigations **– REVISED**
(1) Requires MSP to provide fire investigation training and assistance; (2) requires MSP to maintain readiness for a specified number of requests for fire investigation services and be available for call out statewide. Executive deletes item (2) in full. Senate retains. House concurs with Executive. Conference concurs with Executive.

Sec. 605. Department Diversity **– REVISED**
Requires MSP to make an organized and strategic effort to recruit new employees that mirror the diversity of Michigan's communities, including individuals who are Black, Jewish, Native American, LGBTQ+, Indian/Hindu, Hispanic, Arab/Muslim, and Asian and Pacific Islander; requires an annual report on MSP's diversification efforts; allows MSP to utilize attrition savings to offset costs of diversity recruiting. Executive retains. Senate retains. House deletes. Conference revises to delete language referring to specific communities.

Sec. 505. Disciplinary Action Against Employees Engaged in Pursuits **– NOT INCLUDED**
Prohibits MSP from taking disciplinary action against employees for providing, upon request, assistance or mutual aid to a law enforcement officer who is engaged in the fresh pursuit of an individual on a freeway; defines “fresh pursuit” and “freeway.” Executive does not include. Senate does not include. House includes new language. Conference does not include.

Sec. 506. Trooper Pay Increases **– NOT INCLUDED**
Requires MSP to use appropriated funds to support trooper pay increases and economic adjustments up to amounts approved by Civil Service Commission. Executive does not include. Senate does not include. House includes new language. Conference does not include.

SPECIALIZED SERVICES

Sec. 701. Intelligence and Special Operations **– RETAINED**
(1) Requires MSP to operate Michigan Intelligence Operations Center for Homeland Security (MIOC); (2) requires MSP to provide timely and accurate information to partners regarding critical information key resource threats and to increase public awareness on how to report suspicious activity; (3) requires MSP to operate Cyber Section and to maintain staffing; (4) requires MSP to provide digital forensic analysis and states case turnaround goal. Executive deletes items (3) and (4). Senate retains. House retains. Conference retains.

Major Boilerplate Changes from FY 2024-25

***Sec. 702. Specialized Support Teams* – RETAINED**
(1) Requires MSP to provide specialized support services; (2) requires MSP to maintain staffing and resources to provide training and maintain readiness to respond to an average number of specialty service requests; (3) requires canine unit to be available for call out 100% of the time; (4) requires bomb squad unit to be available for call out 100% of the time; (5) requires emergency support teams to be available for call out 100% of the time; (6) requires marine services team to be available for call out 100% of the time; (7) requires aviation services to be available for call out 100% of the time, unless prohibited by weather or mechanical breakdown; (8) requires maintenance of adequate levels of staffing and resources to provide security services at state Capitol Building and other state buildings and requires a minimum of 35,000 patrols at state-owned and leased facilities. Executive deletes items (2) through (8). Senate retains. House deletes items (5) and (6). Conference retains.

***Sec. 704. Emergency Management and Homeland Security* – REVISED**
(1) Requires MSP to coordinate emergency and disaster response activities of governmental units; (2) authorizes expenditure of appropriated funds to call upon state agencies or departments to protect life or property or to protect health or safety of any area under a state of emergency or disaster; requires report to state budget director and submission of recommendations to legislature for supplemental appropriations; (3) authorizes MSP to expend additional funds from various sources to provide emergency management training or emergency response activities with notification of legislature; limits federal receive and expend under Sec. 704(3) and Sec. 232 to $105.0 million; (4) requires MSP to maintain partnerships to protect the state from all hazards; (5) requires MSP to serve local emergency management preparedness programs and local emergency planning committees, operate and maintain State Emergency Operations Center, respond to civil disorders and natural disasters at a specified level, and perform hazardous materials response training; (6) requires MSP to conduct a minimum of three training sessions to enhance emergency response; (7) appropriates amounts necessary from Disaster and Emergency Contingency Fund to cover costs related to disasters and emergencies; (8) requires reporting if expenditures are made from the Disaster and Emergency Contingency Fund; (9) requires MSP to report biannually on assessment of critical infrastructure vulnerabilities; (10) requires carryforward of unexpended revenue collected for the emergency management and homeland security training center. Executive deletes items (8) and (9). Senate revises to eliminate cap on federal receive and expend authorization under this section. House revises to increase total federal receive and expend authorization under this section and Sec. 232 to $750.0 million. Conference concurs with House.

ONE-TIME APPROPRIATIONS

***Sec. 801. Disaster and Emergency Contingency Fund* – DELETED**
Requires funds appropriated to be deposited in restricted Disaster and Emergency Contingency Fund as created under section 18 of 1976 PA 390, MCL 30.418. Executive deletes. Senate revises to change fund source from general fund to Community Infrastructure Fund. House retains. Conference deletes.

***Sec. 802. Law Enforcement Communication Training* – REVISED**
Requires MCOLES to provide training to law enforcement officers to assist with communication for those with language barriers or who are deaf or hard of hearing; requires training to be developed by an entity that is MCOLES-approved and holds an oral transliteration certificate; designates unexpended funds as work project appropriation. Executive deletes. Senate retains. House revises to make technical changes reflecting transfer of MCOLES to Department of Licensing and Regulatory Affairs budget. Conference revises to make technical changes related to program administration and to require the oral transliteration certificate to be held by an officer, board member, or principal of the entity administering the training for at least one year.

***Sec. ~~803~~ 801. Cold Case Investigations* – REVISED**
Allocates $1.0 million to cold case investigations and course programs; allocates $400,000 of total to department's Special Investigation Division; requires at least $250,000 to be used to support cold case murder investigations in Lansing; allocates $200,000 to department's Forensic Science Division and $200,000 each to cold case course programs at Western Michigan University and Northern Michigan University for programmatic and operational expenses. Executive deletes. Senate retains. House revises to eliminate allocations to MSP and City of Lansing and to require department to distribute funds to universities through a competitive grant program. Conference concurs with House.

***Sec. 803. Public Safety Critical Incident Mapping* – NEW**
Requires funding to be used for providing grants to assist counties in developing critical incident mapping; caps individual grants to counties at $25,000 and limits overall eligibility to three individual grants; requires county recipients to use grant funds to implement critical incident mapping that satisfies certain criteria; authorizes MSP to determine grant disbursement schedule. Executive does not include. Senate includes new language. House does not include. Conference concurs with Senate.

Major Boilerplate Changes from FY 2024-25

***Sec. 804. Disaster Recovery Grants* – DELETED**
Authorizes disbursement of grants to local governments for weather-related disaster expenses not covered by federal relief funding as follows: $1.0 million to Marquette County, $1.0 million to Kalamazoo County, $1.0 million to Baraga County, and $200,000 to the City of Perry. Executive deletes. Senate deletes. House deletes. Conference deletes.

***Sec. 805. Public Safety Academy Assistance Programs* – DELETED**
Requires funding to be used for providing scholarships for police academy recruits and assistance with salaries for police cadets; caps scholarship amounts at $20,000 per recruit and caps assistance with salaries at $4,000 per police cadet; lists eligibility requirements for receiving scholarships; authorizes MCOLES to use up to $140,000 for administration; designates unexpended funds as a work project appropriation. Executive deletes. Senate retains. House retains. Conference deletes.

***Sec. 805. Public Safety Heroes Program* – NOT INCLUDED**
Authorizes use of funds to support costs of identifying and recognizing public safety works that perform a significant act or service of special merit. Executive does not include. Senate includes new language. House does not include. Conference does not include.

***Sec. 806. Statewide Fentanyl Enforcement* – NOT INCLUDED**
Authorizes use of funds to enhance MSP's efforts to enforce laws against the illegal use of fentanyl. Executive does not include. Senate includes new language. House does not include. Conference does not include.

FY 2025-26: DEPARTMENT OF TRANSPORTATION
Summary: Conference
Article 15, House Bill 4706 (H-1) CR-1

Analyst: William E. Hamilton

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	FY 2025-26 Senate	FY 2025-26 House	FY 2025-26 Conference	*Difference: Conference From FY 2024-25 YTD* *Amount*	*%*
IDG/IDT	$4,316,700	$4,366,200	$4,366,200	$4,366,200	$4,366,200	*$49,500*	*1.1*
Federal	2,273,675,100	2,329,605,500	2,329,605,500	2,308,754,300	2,329,605,500	*55,930,400*	*2.5*
Local	87,448,500	87,448,500	87,448,500	85,448,500	87,448,500	*0*	*0.0*
Private	18,800,000	18,800,000	18,800,000	16,800,000	20,500,000	*1,700,000*	*9.0*
Restricted	4,230,660,000	4,288,705,600	4,467,316,700	7,151,382,700	5,447,575,600	*1,216,915,600*	*28.8*
GF/GP	193,000,000	112,183,900	2,000,000	677,000,000	0	*(193,000,000)*	*(100.0)*
Gross	**$6,807,900,300**	**$6,841,109,700**	**$6,909,536,900**	**$10,243,751,700**	**$7,889,495,800**	***$1,081,595,500***	***15.8***
FTEs	3,228.3	3,229.3	3,235.3	2,811.1	3,208.3	*(20.0)*	*(0.6)*

Notes: (1) Appropriation figures for FY 2024-25 include all proposed appropriation amounts, including amounts designated as "one-time." (2) FY 2024-25 year-to-date (YTD) figures are as of release of the Executive budget, February 5, 2025. (3) "Senate" means Senate Bill 174 (S-1). (4) "House" means Article 15, House Bill 4706 (H-1) as Amended. (5) "Conference" means the budget agreement reflected in HB 4706 (H-1) CR-1.

Overview

The state transportation budget supports state and local highway programs, public transportation programs, aeronautics programs, and administration of the Michigan Department of Transportation (MDOT). Historically, approximately two-thirds of the revenue in this budget has come from state restricted revenue, with approximately one-third from federal sources. State-restricted revenue in this budget includes revenue from motor fuel taxes, vehicle registration taxes, as well as from a $600.0 million earmark of Income Tax Act revenue, and an earmark of revenue from the state excise tax on recreational marijuana. For FY 2025-26, approximately $4.0 billion in state restricted revenue will be credited to the Michigan Transportation Fund (MTF) and then distributed in accordance with 1951 PA 51 ("Act 51") to other state transportation funds and programs, including the State Trunkline Fund (STF), the Comprehensive Transportation Fund (CTF), and local road agencies (county road commissions and cities/villages). Revenue from aviation fuel and registration taxes, as well as a portion of Airport Parking Tax revenue, is credited to the State Aeronautics Fund for aeronautics programs. Federal funds for transportation programs are authorized under the federal Infrastructure Investment and Jobs Act (IIJA).

The Conference budget agreement also includes revenue and distributions reflecting a Transportation Funding Package:

Senate Bill 578 (H-1) would Act 51 to Create a Neighborhood Road Fund

House Bill 4180 (S-1) and House Bill 4182 (S-1) would amend the General Sales Tax Act and the Use Tax Act, respectively.

House Bill 4183 (S-2) would amend the Motor Fuel Tax Act

House Bill 4181 (S-1) would amend the Streamlined Sales and Use Tax Revenue Equalization Act

House Bills 4184, 4185 deal with aviation fuel taxes and sales tax on aviation fuel sales, respectively.

House Bill 4186 and House Bill 4187 amend the distribution of corporate income tax

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
1. Debt Service	**Gross**	**$340,703,700**	**$100,500**
Executive debt service totals $340.8 million, $100,500 more than current year. Senate concurs with Executive. House concurs with Executive in total but uses a new fund source, the Bond Proceeds Fund, to provide $333.6 million for STF debt service and shifts $333.6 million STF to the State Trunkline Road and Bridge Construction line, Item #8, below. Conference concurs with Executive.	Restricted	340,703,700	100,500
	GF/GP	$0	$0
The debt service appropriation is primarily based on debt service schedules for previously issued and outstanding bonds, including STF Rebuilding Michigan bonds issued in 2020, 2021, and 2023. Debt service also includes estimated debt service on the final Rebuilding Michigan bond issue, anticipated later in 2025.			
2. Services Provided by Other State Departments (IDGs)	**Gross**	**$50,705,700**	**$2,266,500**
Executive recognizes economic and cost allocation adjustments. Senate concurs with Executive. House reduces $4.5 million Gross ($2.9 million STF) from the current year – $2.5 million of the $4.5 million reduction relates to elimination of IDGs for services provided by the Attorney General. House does not recognize economic or cost allocation adjustments. Conference concurs with Executive.	Restricted	50,705,700	2,266,500
	GF/GP	$0	$0
3. Departmental Administration and Support	FTE	315.3	1.0
Executive includes $171,900 in ongoing MTF funding, and 1.0 FTE position in Finance, Contracts, and Support Services, for a road usage charge pilot project (the balance of funding for this project is shown in the One-time section, below). Senate concurs with Executive. House reduces staffing authorization by 39.9 FTEs, and reduces baseline restricted fund support by net $8.9 million across several line items. Conference concurs with Executive.	**Gross**	**$60,653,700**	**$171,900**
	IDG	4,316,700	0
	Restricted	56,337,000	171,900
	GF/GP	$0	$0
4. Information Technology	**Gross**	**$42,055,700**	**$0**
Executive includes no baseline changes exclusive of economic increases. Senate concurs with Executive. House reduces baseline restricted funding by $3.6 million STF from current year. Conference concurs with Executive.	Federal	520,500	0
	Restricted	41,534,900	0
	GF/GP	$0	$0
5. Transportation Planning	FTE	144.03	0.0
Executive includes no baseline changes exclusive of economic increases. Senate concurs with Executive. House reduces baseline restricted funding by net $1.3 million STF and reduces staffing authorization by 9.6 FTEs. Conference concurs with Executive.	**Gross**	**$45,563,600**	**$0**
	Federal	26,000,000	0
	Restricted	19,563,600	0
	GF/GP	$0	$0
6. Design and Engineering Services	FTE	1,682.3	(27.0)
Executive increases baseline support by $1.0 million MTF for "Signal Maintenance and Energy Programs." Senate concurs with Executive. House reduces baseline funding by $15.1 million STF and staffing authorization by 111.8 FTEs. Conference concurs with Executive with respect to funding; reduces staffing authorization by 27.0 FTEs as compared to the Executive.	**Gross**	**$259,917,700**	**$1,000,000**
	Federal	23,529,800	0
	Restricted	236,387,900	1,000,000
	GF/GP	$0	$0
7. State Trunkline Maintenance	FTE	909.7	0.0
Executive increases baseline funding by $15.4 million STF to reflect increased costs of service contracts, concrete, aggregate, and other maintenance materials. Senate concurs with Executive. House reduces baseline funding by $23.7 million STF and staffing authorization by 189.5 FTEs. Conference concurs with Executive.	**Gross**	**$486,654,800**	**$15,446,900**
	Restricted	486,654,800	15,446,900
	GF/GP	$0	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
8. State Trunkline Road and Bridge Capital Program	**Gross**	**$1,617,892,700**	**$233,320,000**
Executive budget is a $53.6 million net increase for the capital State Trunkline Road and Bridge Construction line item. The increase is almost entirely due to a $53.5 million increase in estimated federal funds available under IIJA. State restricted STF revenue for the capital program would decrease by $13.6 million while support from the restricted Blue Water Bridge Fund (BWBF) would increase by $13.7 million. Senate concurs with Executive. House includes a number of increases related to the April 2025 House road funding plan. Conference concurs with Executive baseline figures but includes an additional $179.7 million STF from estimated revenue increases in the Transportation Funding Package.	Federal	1,261,773,700	53,492,700
	Local	30,003,500	0
	Private	10,000,000	0
	Restricted	316,115,500	179,827,300
	GF/GP	$0	$0
9. MTF Distribution to Cities/Villages	**Gross**	**$734,069,200**	**$255,824,400**
Executive includes $743.8 million MTF for distribution to cities and villages per Act 51 formula, a $9.8 million increase from current year reflecting a marginal increase in estimated MTF revenue. Senate concurs with Executive. House includes a number of increases related to the April 2025 House road funding plan, as well as $260.0 million GF/GP. Conference concurs with Executive baseline figures but includes an additional $246.1 million from estimated revenue increases in the Transportation Funding Package	Restricted	734,069,200	255,824,400
	GF/GP	$0	$0
10. MTF Distribution to County Road Commissions	**Gross**	**$1,316,610,100**	**$474,249,000**
Executive includes $1.3 billion MTF for distribution to county road commissions per Act 51 formula, a $17.5 million increase from current year reflecting a marginal increase in estimated MTF revenue. Senate concurs with Executive. House includes a number of increases related to the April 2025 House road funding plan, as well $318.5 million GF/GP. Conference concurs with Executive baseline figures but includes an additional $456.7 million from estimated revenue increases in the Transportation Funding Package	Restricted	1,316,610,100	474,249,000
	GF/GP	$0	$0
11. Local Federal Aid and Road and Bridge	**Gross**	**$411,168,800**	**$17,831,000**
Executive includes $429.0 million for the line item representing federal-aid highway funds available for local road agency federal-aid projects – an increase of $17.8 million. The increase reflects estimated federal funds made available to Michigan under IIJA as allocated to local road agencies in accordance with Act 51. Senate concurs with Executive. House concurs with Executive. Conference concurs with Executive.	Federal	411,168,800	17,831,000
	GF/GP	$0	$0
12. Movable Bridge Fund/Program	**Gross**	**$6,167,100**	**$141,900**
Executive includes $141,900 MTF inflationary adjustment, as required by Act 51, for program that provides funding to the department and certain local road agencies for operating costs of movable bridges under state and local jurisdiction. Senate concurs with Executive. House concurs with Executive inflationary adjustment; also includes $10.0 million GF/GP baseline increase. Conference concurs with Executive.	Restricted	6,167,100	141,900
	GF/GP	$0	$0
13. Local Bridge Inspection Program	**Gross**	**$0**	**$0**
House includes $20.0 million MTF to offset increased local road agency costs related to new federal bridge inspection requirements. Conference does not include, [Senate Bill 578 would allow use of money from the Movable Bridge Fund for this purpose.]	Restricted	0	0
	GF/GP	$0	$0
14. Rail Grade Crossing Surface Account	**Gross**	**$3,000,000**	**$0**
Executive retains $3.0 million MTF funding per Act 51 MTF earmark. Senate concurs with Executive. House includes $5.0 million MTF, $2.0 million more than current year. Conference concurs with Executive.	Restricted	3,000,000	0
	GF/GP	$0	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
15. Rail Grade Separation Fund	**Gross**	**$0**	**$0**
House includes $88.5 million GF/GP for deposit to the Local Rail Grade Separation established under 2023 PA 66. Conference includes $40.0 million from an earmark of Neighborhood Road Fund revenue in Senate Bill 578, part of the Transportation Funding Package.	Restricted	0	40,000,000
	GF/GP	$0	$0
16. Blue Water Bridge Operations and Maintenance	FTE	47.0	0.0
Executive includes no baseline changes exclusive of economic increases. Senate concurs with Executive. House reduces baseline restricted Blue Water Bridge Fund support by $1.1 million and reduces staffing authorization by 8.5 FTEs. Conference concurs with Executive.	**Gross**	**$7,804,500**	**$0**
	Restricted	7,804,500	0
	GF/GP	$0	$0
17. Transportation Economic Development Fund (TEDF)	**Gross**	**$52,726,300**	**$462,200**
Executive includes $53.2 million in restricted TEDF support, an increase of $464,200 from current year, reflecting estimated available TEDF revenue. The TEDF program is a targeted transportation program established and governed by statute, 1987 PA 231. Senate concurs with Executive. House incudes $2.0 million in additional funding for the TEDF categorical Forest Roads program. Conference concurs with Executive.	Restricted	52,726,300	462,200
	GF/GP	$0	$0
18. Aeronautics Services	FTE	48.0	0.0
Executive includes no changes other than economic increases. Senate concurs with Executive. House includes a $3.2 million increase in state restricted revenue, reflecting a net increase in State Aeronautics Fund revenue from the April House Road Funding plan. Conference concurs with Executive.	**Gross**	**$7,776,600**	**$0**
	Restricted	7,776,600	0
	GF/GP	$0	$0
19. Passenger Transportation Services	FTE	40.0	6.0
Executive recognizes increases in estimated federal support; increases staffing authorization by 6.0 FTEs (no associated funding increase). Senate concurs with Executive. House reduces baseline CTF funding by $887,500 and reduces staffing authorization by 3.0 FTEs. Conference concurs with Executive. Conference concurs with Executive.	**Gross**	**$6,476,900**	**$800,000**
	Federal	1,200,000	800,000
	Restricted	5,276,900	0
	GF/GP	$0	$0
20a. Local Bus Operating – Baseline CTF Funding	**Gross**	**$226,750,000**	**$44,857,300**
Executive budget support for local bus operating assistance would remain unchanged at $226.7 million CTF. Senate includes a $15.0 million increase from a new restricted fund, the Community Infrastructure Fund. House concurs with Executive. Conference increases by $44.8 million CTF: $2.5 million by shifting funds from Transit capital, (Item # 22, below), and $42.4 million from recognition of the estimated CTF share of MTF revenue in the Transportation Funding Package. [As described in Item #21b below, neither the Executive, Senate, House, nor Conference retains $20.0 million one-time federal ARP funding for bus operating assistance.]	Restricted	226,750,000	44,857,300
	GF/GP	$0	$0
20b. Local Bus Operating – Federal ARP Funds (One-Time)	**Gross**	**$20,000,000**	**($20,000,000)**
Executive does not include $20.0 million in one-time federal ARP funding appropriated in FY 2024-25 for local bus operating assistance. Senate and House concur with Executive. Conference concurs with Executive.	Federal	20,000,000	(20,000,000)
	GF/GP	$0	$0
20c. Local Bus Operating – Efficiency Incentive	**Gross**	**$0**	**$0**
House incudes a new local bus operating line item. Conference does not include.	Restricted	0	0
	GF/GP	$0	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
21. Transit Programs – Non-Urban Operating/Capital	**Gross**	**$40,626,500**	**$496,500**
Executive includes $41.1 million for non-urbanized area formula grant program established under 49 USC 5311 ($39.1 million federal funds and $2.0 million local funds). The $496,500 increase in federal funds reflects estimated federal grants available to Michigan under IIJA. Senate concurs with Executive. House does not recognize increase in federal funds. Conference concurs with Executive.	Federal	38,626,500	496,500
	Local	2,000,000	0
	GF/GP	$0	$0
22. Transit Capital	**Gross**	**$254,601,300**	**($6,807,800)**
Executive reflects a $3.9 million net decrease from FY 2024-25: a $2.9 million increase in estimated federal aid under IIJA would be more than offset by a $6.8 million decrease in CTF support. The CTF decrease reflects a decline in estimated available CTF revenue. Senate concurs with Executive. House concurs with Executive. Conference concurs with Executive baseline; reduces CTF support by an additional $2.9 million ($2.5 million is shifted to Local bus operating (Item #20a, above); $430,700 is shifted to Intercity Services.	Federal	144,067,200	2,874,400
	Local	31,000,000	0
	Private	2,000,000	0
	Restricted	77,534,100	(9,682,200)
	GF/GP	$0	$0
23. Infrastructure Projects Authority Fund	**Gross**	**$0**	**$65,000,000**
Conference includes new $65.0 million line item to recognize program established from a Neighborhood Road Program earmark in Senate Bill 578, part of the Transportation Funding Package.	Restricted	0	65,000,000
	GF/GP	$0	$0
24. Office of Rail	FTE	41.0	0.0
Executive includes no baseline changes exclusive of economic increases. Senate concurs with Executive. House reduces baseline CTF funding by $725,000 and reduces staffing authorization by 5.8 FTEs. Conference concurs with Executive.	**Gross**	**$7,776,600**	**$0**
	Restricted	7,776,600	0
	GF/GP	$0	$0
25. Rail Operations and Infrastructure	**Gross**	**$152,189,200**	**($2,800,700)**
Executive recommends a $4.5 million reduction in CTF support reflecting a decline in estimated available CTF revenue. Senate and House concur with Executive. Conference concurs with Executive with respect to CTF funding; includes additional $1.7 million private support in anticipation of private funding for a specific project.	Federal	30,000,000	0
	Local	100,000	0
	Private	2,000,000	1,700,000
	Restricted	120,089,200	(4,500,700)
	GF/GP	$0	$0
26. Capital Outlay – Salt Sheds/Special Maintenance	**Gross**	**$8,000,500**	**$0**
Executive retains current year funding of $8.0 million STF. Senate concurs with Executive. House does not include. Conference concurs with Executive.	Restricted	8,000,500	0
	GF/GP	$0	$0
27. Capital Outlay - Airport Improvement Program (AIP)	**Gross**	**$182,242,300**	**$6,802,700**
Executive includes a $5.0 million increase in state restricted State Aeronautics Fund revenue for a program of capital assistance to eligible local public airports in the state. [This program is shown in the budget under the line item, Airport Safety, Protection, and Improvement (ASAP).] The increase represents an increase in estimated available restricted revenue, including appropriation of fund balance. Senate recognizes an increase in State Aeronautics Fund support of $3.6 million, $1.4 million less than Executive. House retains at current-year funding levels. Conference recognizes an additional $6.8 million in State Aeronautics Fund revenue, in part from increased baseline revenue and in part from Transportation Funding Package increases.	Federal	155,000,000	0
	Local	17,500,000	0
	Private	2,000,000	0
	Restricted	7,742,300	6,802,700
	GF/GP	$0	$0
28. IIJA Airport Infrastructure Grants	**Gross**	**$115,000,000**	**$0**
Executive retains $115.0 million federal spending authority for a program of federal aid to public airports established under Division J of IIJA. Senate concurs with Executive. House reduces by $10.2 million in federal spending authority (FY 2021-22 funding level). Conference concurs with Executive.	Federal	115,000,000	0
	GF/GP	$0	$0

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
29. Detroit Metropolitan Wayne County Airport	**Gross**	**$6,760,000**	**$6,800,000**
Executive recognizes a $260,000 increase in estimated Qualified Airport Fund revenue. As provided through 2015 amendments to the State Aeronautics Code, Qualified Airport Fund revenue is appropriated to the Detroit Metropolitan Wayne County Airport. Senate concurs with Executive. House incudes $12.8 million, an increase of $6.0 million, reflecting the estimated net revenue increase from the April House Road Funding Package. Conference recognizes an additional $6.0 million in Qualified Airport Fund revenue, in part from estimated increase revenue from the Transportation Funding Package.	Restricted	6,760,000	6,800,000
	GF/GP	$0	$0
30. Removal of FY 2024-25 One-Time Appropriations	**Gross**	**$117,990,000**	**($117,990,000)**
Executive removes $118.0 million ($117.0 million GF/GP) in one-time items. Senate and House concur with Executive. Specific items are shown below:	Restricted	990,000	(990,000)
	GF/GP	$117,000,000	($117,000,000)
• Critical infrastructure projects, ($74.5 million GF/GP) • New technology and mobility, ($24.0 million GF/GP) • Air service/airport revitalization, ($6.0 million GF/GP) • MI Contracting Opportunity, ($5.0 million GF/GP) • School zone automated speed enforcement, ($2.5 million GF/GP) • Local rail grade crossing improvements, ($2.0 million GF/GP) • Lake Michigan car ferry, ($2.0 million GF/GP) • Local road and material research program, ($1.0 million GF/GP) • Supplier risk and information subscription, ($50,000 GF/GP) • Blue Water Bridge equipment and facilities ($990,000 BWBF) An additional one-time item, $20.0 million from federal ARP funds for local bus operating assistance, is described in Item #21b above. An additional one-time GF/GP item, $76.0 million for Federal aid match, is described in Item #35 below.			
31. Maritime and Port Fund (One-Time)	**Gross**	**$0**	**$5,294,700**
House includes $7.5 million CTF for credit to the Maritime and Port Fund, defined in boilerplate section 721. Conference includes at $5.3 million.	Restricted	0	5,294,700
	GF/GP	$0	$0
32. Railroad Heritage Preservation (One-Time)	**Gross**	**$0**	**$5,294,700**
House includes $7.5 million CTF for new program defined in boilerplate section 753. Conference includes at $5.3 million.	Restricted	0	5,294,700
	GF/GP	$0	$0
33. Non-Motorized Trails (One-Time)	**Gross**	**$0**	**$5,294,700**
House includes $7.5 million CTF for non-motorized trails, defined in boilerplate section 723. Conference includes at $5.3 million.	Restricted	0	5,294,700
	GF/GP	$0	$0
34. State Aeronautics Fund (One-Time)	**Gross**	**$0**	**$5,294,700**
House includes $7.5 million CTF for credit to the Sate Aeronautics Fund for improvements to General Aviation airports; defined in boilerplate section 724. Conference includes at $5.3 million.	Restricted	0	5,294,700
	GF/GP	$0	$0
35. Federal Aid Match (One-Time)	**Gross**	**$76,000,000**	**($76,000,000)**
Executive includes $112.2 million GF/GP (one-time appropriation) to ensure that MDOT has sufficient state funds to match all federal-aid highway funds available to Michigan through IIJA. This is $36.2 million more than the current year $76.0 million GF/GP appropriated for this purpose. Senate includes $90.0 million for a new "Match Every Federal Dollar" line item, using a new restricted fund, the Community Infrastructure Fund (CIF). House does not include. Conference does not include.	Restricted	0	0
	GF/GP	$76,000,000	($76,000,000)

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Conference Change
36. Road Usage Charge Study and Pilot (One-Time)	FTE	0.0	0.0
Executive includes $7.8 million MTF ($7.7 million one-time and $171,900 ongoing) and 1.0 FTE authorization to support a study and pilot of potential road usage charge revenue options, an anticipated 3-year project. The ongoing funding and FTE are included in Finance, contracts, and support services (See Item #3, above). Senate concurs with Executive. House does not include. Conference concurs with Executive.	**Gross**	**$0**	**$7,650,000**
	Restricted	0	7,650,000
	GF/GP	$0	$0
37. Local Infrastructure Projects (One-Time)	**Gross**	**$0**	**$0**
Senate includes $50.0 million from a new restricted fund, the Community Infrastructure Fund (CIF). Specific projects are designated in boilerplate section 1001. House does not include. Conference does not include.	Restricted	0	0
	GF/GP	$0	$0
38. Grants to Local Business and Municipalities (One-Time)	**Gross**	**$0**	**$0**
Senate includes $25.0 million from a new restricted fund, the Community Infrastructure Fund (CIF). Specific projects are designated in boilerplate section 1003. House does not include. Conference does not include.	Restricted	0	0
	GF/GP	$0	$0
39. Wrong Way Driver Deterrence (One-Time)	**Gross**	**$0**	**$0**
Senate includes $2.0 million GF/GP for new program defined in boilerplate section 1004. House does not include. Conference does not include.	GF/GP	$0	$0
40. Economic Adjustments	**Gross**	**NA**	**$10,907,200**
Executive budget reflects increased costs of $10.9 million Gross ($0 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. Senate concurs with Executive. House does not include. Conference concurs with Executive.	IDG/IDT	NA	49,500
	Federal	NA	1,100
	Restricted	NA	10,856,600
	GF/GP	NA	$0

Major Boilerplate Changes from FY 2024-25

Sec. 206. Communications with the Legislature **– RETAINED**
With certain specific exceptions, this section prohibits the department from taking disciplinary action against an employee for communicating with a member of the legislature or legislative staff. Executive deletes. Conference includes standard language. (The Governor has deemed this section as unenforceable in that it impinged on executive branch authority in violation of Article 3, Section 2 of the Michigan Constitution which deals with the separation of powers.)

Sec. 208. Hire of Outside Legal Counsel **– DELETED**
Prohibits the department from hiring a person to provide legal services that are the responsibility of the Attorney General; exempts legal services for bonding activities and outside legal services authorized by the Attorney General. Executive and Senate retain current year language. House deletes. Conference deletes.

Sec. 214. Access to Government Services **– RETAINED**
Prohibits funding from being used to restrict or impede a marginalized community's access to government resources, programs, or facilities; requires local governments to report any action or policy that attempts to restrict or interfere with a local health officer's duties. Conference includes standard language.

Sec. 215. Geographically Disadvantaged Business Enterprises **– RETAINED**
Directs department director to take reasonable steps to ensure that geographically disadvantaged business enterprises compete for and perform contracts to provide services or supplies, or both. Conference includes standard language.

Major Boilerplate Changes from FY 2024-25

***Sec. 216. FTE Report* – RETAINED**

Requires quarterly report on FTE positions. Conference includes standard language.

***Sec. 219. Retention of Reports* – RETAINED**

Requires the department to receive and retain copies of all reports funded by the department's budget, while complying with federal and state guidelines for records retention. Conference includes standard language.

***Sec. 220. Report on Policy Changes for Public Act Implementation* – RETAINED**

Requires the department to report on policy changes made to implement public acts that took effect during the prior calendar year. Conference includes new standard language*.*

***Sec. 222. Work Project Report* – NEW**

Requires the department to report information on all work project accounts, including a list and status of each account and the amount of funds that have lapsed from any previous accounts. Conference includes new standard language*.*

***Sec. 226. State Workforce* – NEW**

Requires the department to maximize utilization of in-person state workforce. Conference includes new standard language*.*

***Sec. 227. Accessibility of Required Reports* – NEW**

Conference includes standard language.

***Sec. 228. E-Verify Requirement* – NEW**

Stipulates that the department must require all contractors and subcontractors to agree to use the E-Verify system to verify that all people hired during the contract term are legally present and authorized to work in the United States; allows the department to verify the information directly or receive certification from the contractor; requires the department to submit a report describing the processes it has developed and implemented; prohibits contracting with certain foreign enemies of the United States. Conference includes new standard language.

***Sec. 232. Federal Policy Changes* – NEW**

New section requires the department to report on federal policy changes that affect department operations, affect industry or other groups, affect current regulations, or create a regulatory gap. Conference includes new standard language.

***Sec. 234. Annual Legacy Costs* – NEW**

Identifies estimated department "legacy costs" for the fiscal year ending September 30, 2026 of $41.8 million, of which pension related costs were $37.7 million and retiree health care costs $4.1million. Conference includes new standard language.

***Sec. 235. Annual Strategic Plan Report* – NEW**

Conference includes new standard language.

***Sec. 236. Report on Court Settlements* – NEW**

Conference includes new standard language.

***Sec. 237. Report on Private and other 3rd Party Funds* – NEW**

Conference includes new standard language.

***Sec. 239. Requirements for Legislatively Directed Spending Items* – NEW**

Conference includes new standard language.

***Sec. 309. Pavement Marking Material* – NEW**

Senate includes new section to establish specific criteria for procurement of pavement marking materials. House includes similar language as Section 356. Conference includes modified Senate language.

***Sec. 311. Local Bridge Bundling Report* – RETAINED**

Executive deletes reporting requirement related to bridge bundling initiative. Senate and House retain. Conference retains.

***Sec. 314. MI Contracting Opportunity Loan* Fund – NEW**

Executive includes section that establishes an MI Contracting Opportunity Loan Fund as a revolving loan fund; initially funded from appropriations made in FY 2024-25 transportation budget. Senate concurs with Executive. House does not include. Conference concurs with Executive/Senate and includes.

Major Boilerplate Changes from FY 2024-25

***Sec. 315. Movable Bridge Fund* – NEW**
Senate includes a new section that requires the department to "any additional funds" in the Moveable Bridge Fund to cover other costs for any required local federal bridge load analysis, inspection, or other local federal mandate. House does not include. Conference concurs with Senate and includes.

***Sec. 383. Report on State Airfleet* – RETAINED**
Executive deletes reporting requirement regarding use of state airfleet. Senate concurs with Executive and deletes. House retains. Conference concurs with House and retains.

***Sec. 388. Prohibition I-375 Project* – NEW**
Conference includes section prohibiting the department from spending funds appropriated in part 1 in support of a federal aid grant for an I-375 project in Detroit.

***Sec. 614. M-53 Macomb County* – NOT INCLUDED**
House directs that $60,000 be used for safety enhancements on M-53, Washington Township, Macomb County. Conference does not include

***Sec. 703. Local Bus Operating – Efficiency Incentive* – NOT INCLUDED**
House includes section directing the use of new part 1 line item. Conference does not include.

***Sec. 704. Rail Operations and Infrastructure Report* – RETAINED**
Executive revises current-year language. Senate concurs with Executive. House retains current-year language. Conference concurs with Executive/Senate.

***Sec. 705. Rail Abandonment Notice* – NEW**
House includes section that requires the port authority to issue a complete operational assessment. Conference concurs with House and includes.

***Sec. 706. Detroit/Wayne County Port Authority* – NEW**
House includes section that requires MDOT to notify legislature when railroad companies file for abandonment of lines.

***Sec. 707. Rail Strategic Plan* – REVISED**
Executive deletes section that required the department to report on a five-year rail strategic plan and that also earmarked $20.0 million for rail-related economic and rail freight system preservation projects. Senate retains current section, with updated report due date, and including $20.0 million rail economic and rail freight system earmark. House retains the section's current-year language but deletes the $20.0 million earmark. Conference concurs with Senate.

***Sec. 720. Farebox Recovery Intent Language* – NEW**
House includes section that indicates legislative intent that transit agencies strive to achieve at least 6% farebox recovery. Conference concurs with House and includes.

***Sec. 721. Marine and Port Facility Fund* – NEW**
Conference directs that the $5.3 million part 1 appropriation be credited to the Maritime and Port Facility fund created in 2022 PA 159.

***Sec. 723. Non-Motorized Trails* – NEW**
Conference directs that the $5.3 million part 1 appropriation be used to establish and maintain a system of nonmotorized trails .

***Sec. 724. State Aeronautics Fund Deposit* – NEW**
Conference directs that the $5.3 million part 1 appropriation be credited to the State Aeronautics Fund and used for capital improvements at general aviation airports in this state.

***Sec. 753. Railroad Heritage Preservation* – NEW**
Conference directs use of the $5.3 million part 1 appropriation.

***Sec. 802. Air Service Prioritization* – NEW**
Conference includes section establishes priority use of the air service appropriation.

***Sec. 1005. Road Usage Charge Pilot Project* – NEW**
Conference includes new language defining road usage charge study, funded at $7.7 million MTF in part 1.

FY 2024-25 Appropriations

APPENDIX

Supplemental Appropriations

- **Article 16**

FY 2024-25 SUPPLEMENTAL APPROPRIATIONS
Summary: Conference
Article 16, House Bill 4706 (H-1) CR-1

HFA Director: Mary Ann Cleary
Associate Director: Robin R. Risko

FY 2024-25 APPROPRIATIONS SUMMARY

Budget Area		FY 2024-25 Year-to-Date Appropriations	FY 2024-25 Supplemental Change	% Change
Agriculture and Rural Development	Gross	$156,938,900	$1,000,000	0.6
	GF/GP	$89,056,400	$0	0.0
Attorney General	Gross	$129,746,700	$62,000	0.0
	GF/GP	$57,409,100	$0	0.0
Environment, Great Lakes, and Energy	Gross	$1,039,098,600	$175,704,000	16.9
	GF/GP	$260,710,300	$156,800	0.1
Health and Human Services	Gross	$37,646,231,100	$1,143,415,700	3.0
	GF/GP	$6,717,231,000	$550,901,100	8.2
Judiciary	Gross	$373,441,400	$328,300	0.1
	GF/GP	$266,113,900	$45,100	0.0
Labor and Economic Opportunity	Gross	$2,421,794,500	$287,810,700	11.9
	GF/GP	$793,569,400	$138,470,300	17.4
Legislature	Gross	$200,643,300	$6,000,000	3.0
	GF/GP	$194,753,100	$6,000,000	3.1
Licensing and Regulatory Affairs	Gross	$648,739,000	$5,453,600	0.8
	GF/GP	$308,605,700	$0	0.0
Lifelong Education, Advancement, and Potential	Gross	$643,994,200	$38,267,100	5.9
	GF/GP	$136,489,300	$0	0.0
Military and Veterans Affairs	Gross	$275,904,100	$0	0.0
	GF/GP	$117,694,100	$0	0.0
Natural Resources	Gross	$534,579,800	$40,030,700	7.5
	GF/GP	$76,757,000	$14,613,200	19.0
State	Gross	$291,839,900	$9,583,500	3.3
	GF/GP	$11,969,100	$0	0.0
State Police	Gross	$953,108,500	$855,546,800	89.8
	GF/GP	$646,861,000	$38,453,600	5.9
Transportation	Gross	$6,807,900,300	$5,750,000	0.1
	GF/GP	$193,000,000	$5,750,000	3.0
Treasury - Operations	Gross	$832,673,100	$1,950,000	0.2
	GF/GP	$213,568,700	$0	0.0
Treasury - Revenue Sharing	Gross	$1,775,490,100	$0	0.0
	GF/GP	$0	$0	--
TOTAL	**Gross**	**$54,732,123,500**	**$2,570,902,400**	**4.7**
	GF/GP	**$10,083,788,100**	**$754,390,100**	**7.5**

Overview

House Bill 4706 (H-1) CR-1 contains supplemental appropriation adjustments to multiple state department budgets for FY 2024-25. In sum, appropriation adjustments total $2,570.9 million Gross, $754.4 million GF/GP.

The bill includes priorities initiated by the legislature and by the State Budget Office in Supplemental Request letters 2025-1, 2025-4, and 2025-5 dated February 5, 2025, May 30, 2025, and September 11, 2025, respectively. Appropriation and boilerplate priorities are identified following this overview.

FY 2024-25 Supplemental Appropriation Items		Appropriation Change
AGRICULTURE AND RURAL DEVELOPMENT		
1. Food Safety and Quality Assurance	**Gross**	**$1,000,000**
Authorizes $1.0 million from Dairy and Food Safety Fund revenues to be expended for information technology enhancements to MDARD's food inspection regulatory system.	Restricted	1,000,000
	GF/GP	$0
ATTORNEY GENERAL		
2. MCOLES Professional Development	**Gross**	**$62,000**
Includes authorization to receive an additional $62,000 in IDG revenue from the Michigan Commission on Law Enforcement Standards (MCOLES) under the Department of State Police to support professional development training on legal matters for public safety personnel.	IDG	62,000
	GF/GP	$0
ENVIRONMENT, GREAT LAKES, AND ENERGY		
3. Executive Direction – Small, Underserved, and Disadvantaged Communities Grant	**Gross**	**$1,455,000**
Appropriates $1.5 million from the Environmental Protection Agency for grant awards to be made to public water systems in small, underserved, and disadvantaged communities to comply with the federal Safe Drinking Water Act.	Federal	1,455,000
	GF/GP	$0
4. Executive Direction - Lead Service Line Replacement	**Gross**	**$826,000**
Authorizes $826,000 in federal funds to be expended on lead service line replacement in Dowagiac.	Federal	826,000
	GF/GP	$0
5. Local Community Grants	**Gross**	**$129,104,400**
Authorizes $129.1 million from the Inflation Reduction Act to be expended on grant awards to communities for wind, solar, and energy storage facilities.	Federal	129,104,400
	GF/GP	$0
6. Federal - Great Lakes Remedial Action Plan Grants	**Gross**	**$1,080,000**
Appropriates $1.1 million in federal funds to remediate emerging contaminates including PFAS.	Federal	1,080,000
	GF/GP	$0
7. Great Lakes Restoration Initiative	**Gross**	**$7,561,800**
Appropriates $7.6 million from the Infrastructure Investment and Jobs Act Fund to be expended on evaluating Detroit River Area of Concern sediment data.	Federal	7,561,800
	GF/GP	$0
8. Great Lakes Restoration Initiative - Au Sable River	**Gross**	**$5,500,000**
Appropriates $5.5 million in federal funds to improve flow in the Au Sable River system through the removal of four culverts.	Federal	5,500,000
	GF/GP	$0
9. Great Lakes Restoration Initiative - America the Beautiful Grant	**Gross**	**$5,000,000**
Appropriates $5.0 million in federal funds for lakeshore management, habitat improvements, and shoreline protection.	Federal	5,000,000
	GF/GP	$0
10. Water Resource Programs - Coastal Zone Management Program	**Gross**	**$1,300,000**
Appropriates $1.3 million in federal funds for preservation, protection, and restoration of Michigan coastlines.	Federal	1,300,000
	GF/GP	$0
11. Water Resource Programs - Dam Safety Programs	**Gross**	**$375,000**
Appropriates $375,000 in federal funds for dam owner outreach and oversight.	Federal	375,000
	GF/GP	$0
12. Contaminated Site Remediation and Redevelopment Programs – Brownfield Redevelopment	**Gross**	**$15,000,000**
	Restricted	15,000,000
Appropriates $15.0 million from the Clean Michigan Initiative Response Activities Fund for local grants to redevelop contaminated brownfield sites.	GF/GP	$0
13. Energy Programs – Lake Michigan Circuit	**Gross**	**$5,325,000**
Appropriates $5.3 million from the Energy Efficiency and Renewable Energy Revolving Loan Fund for tourism infrastructure to complete the shoreline scenic route along the multi-state Lake Michigan Circuit.	Restricted	5,325,000
	GF/GP	$0
14. Energy Programs – US Department of Energy Grant	**Gross**	**$1,980,000**
Appropriates $2.0 million from the Inflation Reduction Act for a U.S. Department of Energy grant for technical engagement and energy planning.	Federal	1,980,000
	GF/GP	$0

FY 2024-25 Supplemental Appropriation Items		Appropriation Change
15. Material Management Programs	**Gross**	**$400,000**
Appropriates $400,000 from the Environmental Pollution Prevention Fund to cover a shortfall in operational funding previously supported by federal funding.	Restricted	400,000
	GF/GP	$0
16. AmeriCorps and Office of Climate and Energy	**Gross**	**$796,800**
Appropriates $796,800 Gross ($156,800 GF/GP) in federal funds and required GF/GP match to expand AmeriCorps.	Federal	640,000
	GF/GP	$156,800
HEALTH AND HUMAN SERVICES		
17. Traditional Medicaid Cost Adjustments	**Gross**	**$866,345,700**
Includes a net increase of $866.3 million Gross ($173.6 million GF/GP) to support caseload, utilization, inflation, and special financing adjustments for the Traditional Medicaid program.	Federal	572,547,100
	Local	(5,254,800)
	Private	1,858,600
	Restricted	123,597,200
	GF/GP	$173,597,600
18. Healthy Michigan Plan Cost Adjustments	**Gross**	**$9,347,100**
Includes a net increase of $9.3 million Gross ($12.8 million GF/GP) to support caseload, utilization, inflation and special financing adjustments for the Healthy Michigan Plan program.	Federal	5,738,200
	Local	134,700
	Private	(422,800)
	Restricted	(8,874,700)
	GF/GP	$12,771,700
19. Direct Care Worker Wage Increase Continuation	**Gross**	**$193,588,000**
Includes $193.6 million Gross ($54.9 million ARP-GF/GP) to preserve the $3.40 per hour DCW wage increase incorporated during the COVID-19 Public Health Emergency (PHE). The wage increase was covered in-full by the federal government during the PHE, but the option to retain the increase was shifted to states with the end of the PHE declaration. This appropriation would retain the PHE wage increase, and address the February 2025 minimum wage increase, for DCW services within Behavioral Health, MI Choice, and MI Health Link. ARP-GF/GP appropriation comprises a technical one-time deposit into the ARP-Home- and Community-Based Services Projects Fund.	Federal	114,012,000
	Restricted	24,682,000
	ARP-GF/GP	$54,894,000
20. Property Management – Occupancy Adjustment	**Gross**	**$0**
Includes a net GF/GP increase of $1.1 million GF/GP to account for a transfer totaling $1.6 million Gross ($1.3 million GF/GP) to correct building occupancy charge economic adjustments improperly applied to disability determination operations in the previous fiscal year.	Federal	(1,100,100)
	GF/GP	$1,100,100
21. Demonstration Projects – Private Revenue Carry-Forward	**Gross**	**$0**
Includes a net-zero reappropriation of the Demonstration Projects line item in order to include a new section of boilerplate that authorizes carry-forward and expenditure of private revenue received.	Federal	0
	Local	0
	Private	0
	GF/GP	$0
22. Child Support Enforcement Grant Revenue	**Gross**	**$3,424,700**
Authorizes receipt of $3.4 million in federal NextGen Employment and Technical Assistance and Evaluation Grant funds awarded to the Office of Child Support.	Federal	3,424,700
	GF/GP	$0
23. Federal Grant Authorization Increase – Community Services	**Gross**	**$11,608,400**
Increases federal authorization by $11.6 million for the following: • Community Services Block Grant – increase of $11.3 million. • Continuum of Care – increase of $277,800.	Federal	11,608,400
	GF/GP	$0
24. Child Welfare Caseload Adjustments	**Gross**	**$26,560,400**
Reflects a net increase in funding for child welfare programs of $26.6 million Gross ($23.4 million GF/GP) to be allocated as follows: • Adoption Subsidies is decreased by $352,400 Gross ($2.1 million GF/GP increase). • Child Care Fund is increased by $3.4 million Gross ($3.1 million GF/GP). • Foster Care Payments is increased by $23.4 million Gross ($18.3 million GF/GP). • Guardianship Assistance Program is increased by $151,700 Gross ($92,800 GF/GP reduction).	Federal	1,636,600
	Local	1,497,600
	GF/GP	$23,426,200
25. Children Trust Fund Grant Revenue	**Gross**	**$128,700**
Authorizes $128,700 in federal Community-Based Child Abuse Prevention (CBAP) grant funding.	Federal	128,700
	GF/GP	$0

FY 2024-25 Supplemental Appropriation Items		Appropriation Change
26. Public Assistance Caseload Adjustments	**Gross**	**($632,050,400)**
Includes a net reduction of $632.1 million Gross ($2.0 million GF/GP) for caseload and cost adjustments for the Family Independence Program, Food Assistance Program, State Disability Assistance, and State Supplementation. Caseload changes include: • FIP – reduction of $5.4 million Gross ($476,000 GF/GP). • FAP – reduction of $625.8 million Gross ($198,300 GF/GP). • SDA – reduction of $440,600 Gross ($897,400 GF/GP). • SSI – reduction of $406,900 GF/GP.	Federal Restricted GF/GP	(629,994,000) (77,800) ($1,978,600)
27. Nutrition Education	**Gross**	**$23,000,000**
Authorizes $23.0 million in federal funding to allow for utilization of remaining SNAP-Education grant funding.	Federal GF/GP	23,000,000 $0
28. Community SUD Prevention, Education, and Treatment	**Gross**	**$565,800**
Authorizes $565,800 in state restricted funds for expenditure of revenues collected for FY 2024-25 program support in excess of current appropriations.	Restricted GF/GP	565,800 $0
29. Family Support Subsidy	**Gross**	**($7,100)**
Reduces federal authorization by $7,100 to reflect available revenue.	Federal GF/GP	(7,100) $0
30. Certified Community Behavioral Health Clinics (CCBHC)	**Gross**	**$28,288,700**
Includes $28.3 million Gross ($4.5 million GF/GP) to support utilization and cost adjustments for the CCBHC demonstration program.	Federal GF/GP	23,771,900 $4,516,800
31. Health Homes	**Gross**	**($178,700)**
Reduces funding by $178,700 Gross ($0 GF/GP) to recognize discontinuation of local revenue supporting the line item; reduction is partially offset by authorizing additional state restricted revenue.	Local Restricted GF/GP	(246,900) 68,200 $0
32. Psychiatric Hospital Revenue Adjustments	**Gross**	**$4,000,000**
Includes $4.0 million Gross ($0 GF/GP) expenditure authorization for third-party (state restricted) revenue collections exceeding current appropriations; includes net-zero transfers of $3.0 million federal and $200,000 local (county) authorization between hospital line items.	Federal Local Restricted GF/GP	0 0 4,000,000 $0
33. Federal/Restricted Grant Authorization Increase – Public Health	**Gross**	**$3,272,800**
Includes $3.3 million Gross ($2.8 million federal) to adjust authorization for the following: • Federal Family Violence Prevention Services grants: $893,800. • Federal Laboratory Grants: $500,000. • BioWatch IDG Authorization: $727,200. • Restricted Michigan Biologic Products Institute (MBPI) Pharmaceutical Product funds: ($779,000). • Federal CDC Oral Health Grant: $380,800. • Restricted Body Art Fee Revenue: $500,000. • Federal Hepatitis C Prevention Medicaid Match: $300,000.	IDG Federal Restricted GF/GP	727,200 2,824,600 (279,000) $0
34. School Aid Act Funding Alignment	**Gross**	**$5,000,000**
Increases local authorization by $5.0 million to align with requirements of the School Aid Act.	Local GF/GP	5,000,000 $0
35. CSHCS – Parent Fee Revenue Authorization	**Gross**	**$300,000**
Authorizes an additional $300,000 of state restricted parent fee revenue.	Restricted GF/GP	300,000 $0
36. CSHCS – Federal Grant Authorization	**Gross**	**$450,000**
Authorizes $450,000 in federal funding to recognize the first year of a federal grant awarded to support epilepsy transition services.	Federal GF/GP	450,000 $0
37. Direct Care Worker Federal Match – Aging Services	**Gross**	**$0**
Includes $221,600 GF/GP to offset the reduction of federal authorization due to certain aging services that are not eligible for Medicaid match and require state funds.	Federal GF/GP	(221,600) $221,600
38. Medicaid Eligibility Phone Renewal Services	**Gross**	**$2,837,000**
Includes $2.8 million Gross ($1.4 million GF/GP) to provide Medicaid eligibility phone renewal services. These renewal services were previously funded with one-time Medicaid redetermination funds and the services are now federally mandated.	Federal GF/GP	1,418,500 $1,418,500

FY 2024-25 Supplemental Appropriation Items		Appropriation Change
39. Restricted Fund Adjustments	**Gross**	**$0**
Includes net-zero adjustments that add $7.7 million GF/GP to offset state restricted revenues. Adjustments include: • Medicaid Benefits Trust Fund: decrease of $6.5 million. • Healthy Michigan Fund: decrease of $1.2 million.	Restricted GF/GP	(7,650,000) $7,650,000
40. Information Technology – Cost Allocation	**Gross**	**$0**
Includes a net-zero $5.6 million Gross cost allocation adjustment of non-GF/GP revenue authorization between the Bridges and Information Technology Services and Projects line items.	Federal Local Restricted GF/GP	6,700 (6,700) 0 $0
41. Federal COVID-related Funding	**Gross**	**$73,651,400**
Includes a total of $73.7 million in federal funding for the following public health programs: • Epidemiology and Laboratory Capacity for Infection Diseases (ELC): $61.0 million. • Strengthening Public Health Infrastructure, Workforce, and Data Systems: $10.0 million. • Emerging Infections Programs: $2.7 million.	Federal GF/GP	73,651,400 $0
42. Health Services Grant	**Gross**	**$13,000,000**
Includes $13.0 million GF/GP to revise associated boilerplate for McLaren Northern Michigan for renovations for emergency department mental health intake and emergency psychiatric assessment, treatment, and healing (EmPATH) unit. To receive these funds McLaren Northern Michigan must agree to decline funds previously allocated for a similar purpose in a previous appropriations bill.	GF/GP	$13,000,000
43. Medicaid Health Plan Services	**Gross**	**$100,000,000**
Includes $100.0 million GF/GP for actuarial costs, accruals, or account payables that exceed other funds available for reimbursing Medicaid health plans.	GF/GP	$100,000,000
44. Prenatal and Infant Support Program	**Gross**	**$250,000,000**
Authorizes allocation of $250.0 million of state restricted Healthy Michigan Funds to Michigan State University for the prenatal and infant support program, which is for expectant mothers and households with a child less than 1 year in age.	Restricted GF/GP	250,000,000 $0
45. Federal State Psychiatric DSH Clawback	**Gross**	**$160,283,200**
Includes $160.3 million GF/GP for the second and third years, of a 4-year repayment plan, back to the federal government for state psychiatric disproportionate share hospital payments that the state inappropriately claimed prior to 2007. The total GF/GP cost is $236.6 million.	GF/GP	$160,283,200
JUDICIARY		
46. Judgeship Changes	**Gross**	**$316,200**
Includes $316,200 Gross ($45,100 GF/GP) to support the addition of two circuit court judgeships, one in Kalamazoo County and one in Allegan County, authorized under 2022 PA 277. The effective date of the judgeship changes was January 1, 2025, so funding is needed to cover costs for three-quarters of the fiscal year.	Restricted GF/GP	271,100 $45,100
47. Funding Adjustment for Status Offender Pilot Program	**Gross**	**$12,100**
Includes authorization to receive an additional $12,100 in federal grant funding through an IDG from the Department of Health and Human Services for the Status Offender Pilot program. Funding was awarded by the Office of Juvenile Justice Delinquency and Prevention and is being used by eligible courts to provide services for diverted youth.	IDG GF/GP	12,100 $0
LABOR AND ECONOMIC OPPORTUNITY		
48. Community and Worker Economic Transition Office	**Gross**	**$22,653,100**
Includes $22.7 million of federal funding authorization to allow the Community and Worker Economic Transition Office to utilize grant funding from the U.S. Department of Energy to issue grants to small- and medium-sized auto suppliers that are experiencing an industry transition.	Federal GF/GP	22,653,100 $0

FY 2024-25 Supplemental Appropriation Items		Appropriation Change
49. Office of Rural Prosperity	**Gross**	**$350,000**
Includes $350,000 of federal funding authorization to allow the Michigan Office of Rural Prosperity to expend two grants received from the U.S. Department of Agriculture, both of which will support the development of community facilities projects. Under the U.S. Department of Agriculture's guidelines, community facilities include health care facilities, public facilities (town halls, courthouses, etc.), community support services (childcare centers, community centers, etc.), public safety services, educational services (including museums and libraries), utility services, and local food systems.	Federal	350,000
	GF/GP	$0
50. Federal Funding for Michigan Rehabilitation Services	**Gross**	**$35,000,000**
Includes $35.0 million of federal funding authorization for Michigan Rehabilitation Services (MRS) to align spending authorization with available federal resources and projected program expenditures and to allow MRS to spend federal carryforward funding from FY 2024-25. The funds would be used to address the needs of current MRS applicants and eligible individuals with disabilities.	Federal	35,000,000
	GF/GP	$0
51. First Responder Presumed Coverage Fund	**Gross**	**$2,500,000**
Includes $2.5 million of state restricted funding authorization from the Slezak First Responder Presumed Coverage Fund to align funding authorization with projected FY 2024-25 benefit payments, which cover wage loss and medical care expenses for eligible first responders who are diagnosed with specific types of cancer. Eligibility to receive benefits from the First Responder Presumed Coverage Fund was expanded under legislation enacted during the 2021-2022 legislative session, with expansion of both the categories of eligible first responders and types of cancer that are covered. As a result of these changes and maturation of the program, there has been marked growth in the number of open claims, with projected claims levels growing by approximately 2,000% between the program's inception in 2017 and 2025.	Restricted	2,500,000
	GF/GP	$0
52. Wage and Hour Program	FTE	8.0
Includes authorization for an additional 8.0 FTE positions within the Wage and Hour Program. This authorization would be used to onboard 3 technicians and 5 investigators. Technicians would facilitate registration, rate establishment surveys, collection of certified payroll data, and issuance of rate schedules; investigators would review certified payroll records and conduct onsite investigations, inspections, outreach, and education.	**Gross**	**$0**
	GF/GP	$0
53. Community Development Block Grant – Disaster Recovery	**Gross**	**$43,570,000**
Includes $43.6 million of federal funding authorization to allow for the expenditure of a special allocation of Community Development Block Grant Disaster Recovery funds that were received to address severe storms that affected Southeast and Central Michigan in August 2023.	Federal	43,570,000
	GF/GP	$0
54. Community Enhancement Grants	**Gross**	**$12,900,000**
Includes $12.9 million GF/GP for community enhancement grants that would be distributed as follows: • $1.0 million to a railroad history museum in Durand to support property improvements. • $1.0 million to the Concert of Colors to support a diversity, music, and arts festival that is free and open to the public. • $1.0 million to the City of Grosse Pointe Farms to support a seawall project. • $3.0 million to St. Luke's Community Center in Flint to support infrastructure improvements. • $4.0 million to the Jewish Federation of Detroit to implement community safety measures. • $1.9 million to the City of Cadillac for permanent or temporary repairs that are necessary due to a failed culvert system. • $1.0 million to Washtenaw County for road improvements.	GF/GP	$12,900,000
55. Legislatively Directed Spending Items	**Gross**	**$120,000,000**
Includes $120.0 million GF/GP to support 98 projects that were submitted by legislative members. The projects were the subject of testimony received in public hearings. See Tables 1, 2, and 3 at the end of this document for information on recipients.	GF/GP	$120,000,000
56. Grant Award for Michigan Rehabilitation Services	**Gross**	**$9,467,300**
Includes $9.5 million of federal funding authorization to allow for the expenditure of Michigan Rehabilitation Services' receipt of a one-time multi-year grant award from the U.S. Department of Education that is focused on career development and job placement of individuals with disabilities.	Federal	9,467,300
	GF/GP	$0

FY 2024-25 Supplemental Appropriation Items		Appropriation Change
57. Michigan Works! Skills Scholarships	**Gross**	**$0**
Includes a net $0 reappropriation to revise the purpose of the program from supporting youth career exploration initiatives with a healthcare focus to supporting tuition assistance for an industry-recognized credential or certification.	GF/GP	$0
58. Transmission Siting and Economic Development Program	**Gross**	**$35,800,000**
Includes $35.8 million of federal funding authorization to allow for the expenditure of a grant received from the U.S. Department of Energy that would support apprenticeship programs, home weatherization, and workforce training programs in communities in Branch and Calhoun Counties.	Federal	35,800,000
	GF/GP	$0
59. Lost Wages Assistance Unemployment Program	**Gross**	**$5,570,300**
Includes $5.6 million GF/GP to cover overpayment liability resulting from the COVID-era Lost Wages Assistance unemployment program. In 2020, FEMA administered the nationwide Lost Wages Assistance program, which provided self-certifying unemployment claimants with a weekly supplemental federal payment. With the conclusion and closure of the program, the state faces an overpayment balance of $5.7 million, which must be repaid to FEMA. The overpayment largely results from self-attestations for eligibility that were proven to be fraudulent or improper, and there is a high probability that the state will be unable to recover funds that were distributed due to impostor fraud.	GF/GP	$5,570,300
LEGISLATURE		
60. Legislature Security and Enforcement	**Gross**	**$6,000,000**
Includes $3.0 million GF/GP for the House and $3.0 million GF/GP for the Senate to expand security and enforcement capabilities of the sergeant at arms.	GF/GP	$6,000,000
LICENSING AND REGULATORY AFFAIRS		
61. Federal Energy and Benchmarking Grants	**Gross**	**$3,053,600**
Includes $3.1 million in new federal authorization for grant funding from the U.S. Department of Energy to support the development of a statewide energy code and energy benchmarking and performance metrics within the Bureau of Construction Codes.	Federal	3,053,600
	GF/GP	$0
62. Mobile Home Park Investigations and Enforcement	**Gross**	**$2,400,000**
Includes $2.4 million in state restricted fund authorization from the Mobile Home Code Fund and 4.0 limited term employees for the Bureau of Construction Codes to support investigation and enforcement activity related to unlicensed mobile home parks.	Restricted	2,400,000
	GF/GP	$0
LIFELONG EDUCATION, ADVANCEMENT, AND POTENTIAL		
63. Child Development and Care Public Assistance	**Gross**	**$37,517,100**
Includes $37.5 million in federal fund authorization to cover payroll payments to child care providers.	Federal	37,517,100
	GF/GP	$0
64. Office of Great Start	**Gross**	**$750,000**
Includes $750,000 in private fund authorization to allow the department to expend revenue received from private foundations for the Office of Great Start.	Private	750,000
	GF/GP	$0
MILITARY AND VETERANS AFFAIRS		
65. Marquette Home for Veterans – Land Acquisition	**Gross**	**$0**
Transfers $4.5 million GF/GP from Michigan National Guard Tuition Assistance Fund line item to the Michigan Veterans' Facility Authority to support land acquisition costs for the new state veterans' home to be located in the Marquette area.	GF/GP	$0
NATURAL RESOURCES		
66. Wildlife and Fisheries – Capital Outlay	**Gross**	**$4,900,000**
Appropriates $4.9 million from the Game and Fish Protection Fund for wildlife and fisheries capital outlay infrastructure maintenance and improvements.	Restricted	4,900,000
	GF/GP	$0
67. Wildlife and Fisheries – Cormorant Management	**Gross**	**$1,600,000**
Provides $1.6 million from the Game and Fish Protection Fund to protect state fisheries and wildlife habitats from cormorants.	Restricted	1,600,000
	GF/GP	$0
68. Federal High-Speed Internet Infrastructure Funding	**Gross**	**$1,417,500**
Appropriates $1.4 million in available federal funding for the installation of high-speed internet infrastructure on DNR lands.	Federal	1,417,500
	GF/GP	$0

FY 2024-25 Supplemental Appropriation Items		Appropriation Change
69. State Parks Repair and Maintenance	**Gross**	**$15,000,000**
Provides $15.0 million from the State Park Improvement Account for capital outlay projects at state park facilities.	Restricted	15,000,000
	GF/GP	$0
70. Arctic Grayling Fish Passage	**Gross**	**$2,500,000**
Includes $2.5 million from the U.S. Fish and Wildlife Service to the Conservation Resource Alliance and Trout Unlimited to remove fish passage barriers by replacing ineffective road-stream crossings on state forest lands.	Federal	2,500,000
	GF/GP	$0
71. Decree Negotiations	**Gross**	**$613,200**
Includes $613,200 GF/GP to complete the buyout of a state commercial fishing license that is no longer eligible for use under the 2023 Great Lakes Consent Decree that prohibits state licenses for commercial fishing in the Big Bay de Noc management unit of Lake Michigan.	GF/GP	$613,200
72. Northern Michigan Ice Storm	**Gross**	**$14,000,000**
Includes $14.0 million GF/GP for cleanup and reforestation activities necessitated by the 2025 ice storm in northern Michigan.	GF/GP	$14,000,000
STATE		
73. Help America Vote Act	**Gross**	**$9,583,500**
Provides $9.6 million in federal funding to authorize expenditure of Election Security grants. The total requested amount is comprised of $7.6 million of a lapsed work project balance originally provided under the Consolidated Appropriations Act of 2020, $1.0 million provided under the Consolidated Appropriations Act of 2024, and $1.0 million from interest accrued from past and current HAVA fund balances.	Federal	9,583,500
	GF/GP	$0
STATE POLICE		
74. Biometrics and Identification	**Gross**	**$1,100,000**
Increases state restricted fund authorization by $1.1 million to align budget authorization with available Criminal Justice Information Center service fee revenues. Additional authorization would be used to support a one-time Automated Print Identification System record digitization project.	Restricted	1,100,000
	GF/GP	$0
75. Criminal Justice Information Center	**Gross**	**$3,000,000**
Increases state restricted fund authorization by $3.0 million to align budget authorization with available Criminal Justice Information Center service fee revenues. Additional authorization would be used to support various information technology system upgrades, including eDaily, Statewide Records Management System, Michigan Incident Crime Reporting and crime dashboard, and Statewide Network of Agency Photos.	Restricted	3,000,000
	GF/GP	$0
76. Forensic Science	**Gross**	**$3,800,000**
Increases state restricted fund authorization by $3.8 million to align budget authorization with available State Services Fee Fund revenues. Additional authorization would be used to support forensic science equipment upgrades and maintenance.	Restricted	3,800,000
	GF/GP	$0
77. Grants and Community Services	**Gross**	**$3,250,000**
Increases state restricted fund authorization by $3.3 million to recognize the receipt of higher than anticipated Auto Theft Prevention Fund revenues. Additional authorization would be used by the Automobile Theft Prevention Authority to increase grant awards to auto theft prevention teams, prosecutors' offices, and non-profit organizations.	Restricted	3,250,000
	GF/GP	$0
78. Training Operations	**Gross**	**$300,000**
Increases intradepartmental transfer authorization by $300,000 to recognize higher than anticipated grant revenues received from Michigan Commission on Law Enforcement Standards through the Michigan Justice Training Fund.	IDG/IDT	300,000
	GF/GP	$0
79. Post Operations – Wage Increases	**Gross**	**$31,096,800**
Includes an increase of $31.1 million Gross ($28.5 million GF/GP) to support collectively bargained wage increases for non-supervisory enlisted positions (troopers and sergeants) in the Michigan State Police.	Restricted	2,643,200
	GF/GP	$28,453,600
80. Emergency Management and Homeland Security – Receipt of Federal Funds	**Gross**	**$800,000,000**
Increases federal authorization by $800.0 million to align budget authorization with available Department of Homeland Security revenues. Federal funds would be used to reimburse local sub-recipients, including county and municipal governments, for previously approved disaster response and recovery projects.	Federal	800,000,000
	GF/GP	$0

FY 2024-25 Supplemental Appropriation Items		Appropriation Change
81. Secondary Road Patrol Program	**Gross**	**$3,000,000**
Increases state restricted fund authorization by $3.0 million to recognize receipt of higher than anticipated Secondary Road Patrol and Training Fund revenues. Additional authorization would be used to increase grant awards for county sheriffs.	Restricted	3,000,000
	GF/GP	$0
82. Disaster and Emergency Contingency Fund	**Gross**	**$10,000,000**
Includes $10.0 million GF/GP to be deposited into the Disaster and Emergency Contingency Fund to support disaster response and recovery activities related to the northern Michigan ice storm in March 2025.	GF/GP	$10,000,000
TRANSPORTATION		
83. Critical Infrastructure Projects	**Gross**	**$5,750,000**
Includes $750,000 for Van Buren Charter Township for intersection safety improvements and $5.0 million for Wayne County for a rail grade separation project.	GF/GP	$5,750,000
TREASURY		
84. Revenue Sharing	**Gross**	**$0**
Includes a corresponding positive and negative appropriation for a net $0 change to make technical adjustments in boilerplate to include reference to county incentive program payments for proper calculation of FY 2024-25 payments to counties.	Restricted	0
	GF/GP	$0
85. Grants for Local Prosecutors	**Gross**	**$0**
Includes a corresponding positive and negative appropriation for a net $0 change to make technical adjustments in boilerplate to enable the distribution of $18.8 million GF/GP for grants to the offices of county prosecutors to reduce the average caseload per attorney.	GF/GP	$0
86. Lottery Operations	**Gross**	**$1,950,000**
Includes $2.0 million in state restricted funding from lottery ticket sales revenue to support lottery sales operations and security staffing at the Lottery headquarters building located in downtown Lansing.	Restricted	1,950,000
	GF/GP	$0

FY 2024-25 Supplemental Boilerplate Items

GENERAL SECTIONS

Sec. 201. State Spending and State Appropriations Paid to Local Units of Government
Lists amount of state spending from state sources included in the bill and amount of state spending to be paid to local units of government.

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

Sec. 203. State Administrative Board Transfers
Authorizes the legislature, by a concurrent resolution adopted by a majority of members elected to and serving in each house, to inter-transfer funds if State Administrative Board transfers funds.

Sec. 204. Conditions on Receiving Grant Awards
Prohibits certain recipients of single-recipient grants from receiving another grant under 2024 PA 121.

Sec. 205. Legislatively Directed Spending Items
Requires the legislature to provide a list of legislatively directed spending items (LDSI) consistent with House and Senate rules; requires MDOC to do the following: establish a process to review, complete, and execute grant agreements; verify that grant recipients are not-for-profit entities that will use funds for a public purpose; review and verify all necessary information to ensure grant recipients are able to execute grant agreements, perform fiduciary duties, comply with applicable laws, and disburse grants according to grant disbursement schedules; prohibits MDOC from disbursing funds if grant recipients do not meet disclosure requirements; requires grant agreements to include identifying information, descriptions of projects, tentative timelines, estimated budgets, ways grant funds will be used; authorizes MDOC to adopt MOUs with other departments to improve grant administration or oversight; requires grant recipients to respond to information requests; requires grants to be spent by September 30, 2030; requires MDOC to return funds if grant recipients do not submit required information; requires MDOC to post reports; requires the State Budget Office to compile LDSI information; prohibits MDOC from awarding additional funds to grant recipients that misuse funds; requires MDOC to refer misused grants for review following internal audit protocols.

FY 2024-25 Supplemental Boilerplate Items

ENVIRONMENT, GREAT LAKES, AND ENERGY

Sec. 301. Lead Service Line Replacement
Designates unexpended funds for lead service line replacement as a work project appropriation; requires funding to be used to remove and replace lead service lines.

Sec. 302. Great Lakes Remedial Action Plan Grants
Designates unexpended funds for Great Lakes remedial action plan grants as a work project appropriation; requires funding to be used to clean up and remediate emerging contaminants.

Sec. 303. Great Lakes Restoration Initiative - Au Sable River
Designates unexpended funds for Great Lakes Restoration Initiative as a work project appropriation; requires funding to be used to replace culverts in the Au Sable River system.

Sec. 304. Great Lakes Restoration Initiative - America the Beautiful Grant
Designates unexpended funds for Great Lakes Restoration Initiative as a work project appropriation; requires funding to be used to preserve and protect natural water habitats.

Sec. 305. Water Resource Programs - Coastal Zone Management Program
Designates unexpended funds for Water Resource Programs as a work project appropriation; requires funding to be used to preserve and protect Michigan's coastlines.

Sec. 306. Water Resource Programs - Dam Safety Programs
Designates unexpended funds for Water Resource Programs as a work project appropriation; requires funding to be used to improves oversight of high-risk dams and perform dam owner outreach.

Sec. 307. Energy Programs - Lake Michigan Circuit
Designates unexpended funds for Energy Programs as a work project appropriation; requires funding to be used to build vehicle infrastructure along Lake Michigan.

HEALTH AND HUMAN SERVICES

Sec. 351. Private Funding Authorization
Authorizes DHHS to accept monetary and nonmonetary gifts, bequests, donations, contributions, or grants from any private or public source to support departmental functions or programs, as specified by the source; authorizes unexpended private funding in the Demonstration Projects line to be carried forward and not lapse to the general fund. .

Sec. 352. Medicaid Capitation Rates
Requires DHHS to issue payments to Medicaid health plans implementing the capitation rates referenced in the October 10, 2024 DHHS actuarial rate certification report.

Sec. 353. Nutrition Education
Designates unexpended funds for Nutrition Education as a work project appropriation; requires funding to be used to facilitate nutrition education programs aimed at food assistance recipients.

Sec. 354. ARP – Home- and Community-Base Services Projects Fund (ARP-HCBSP)
Creates the ARP – Home- and Community-Based Services Projects Fund within the Department of Treasury; includes a boilerplate appropriation of $535.2 million Gross ($0 GF/GP) of state restricted ARP-HCBSP Fund ($254.6 million) revenues and federal match ($280.6 million) – where applicable – and specifies allocations; and allows for the expenditure of remaining funds after project completion, with notification to the legislature: designates unexpended funds for ARP-HCBSP Fund as a work project appropriation; requires funds to be used to enhance, expand, or strengthen home and community-based services and supports pursuant to section 9817 of the federal American Rescue Plan Act of 2021.

Sec. 355. ARP – Strengthen Public Health Infrastructure
Directs DHHS to expend $10.0 million in federal funding to support data modernization and improve critical public health infrastructure; designates unexpended funds as a work project appropriation; requires funding to be used to improve data modernization and infrastructure for public health.

Sec. 356. Federal COVID Emerging Infections Program
Directs DHHS to expend $2.7 million in federal funding to improve immunization record collection and data analysis and to update information technology systems; designates unexpended funds as a work project appropriation; requires funding to be used to improve data systems, analysis, and collection.

Sec. 357. Federal COVID Epidemiology and Laboratory Capacity
Directs DHHs to expend $61.0 million in federal funding for epidemiology and laboratory capacity for infectious diseases; designates unexpended funds as a work project appropriation; requires funding to be used to support epidemiology and laboratory capacity for infectious diseases.

FY 2024-25 Supplemental Boilerplate Items

Sec. 358. Health Service Grants
Allocates funding to McLaren Northern Michigan for renovations to the emergency department to accommodate behavioral health patients; designates unexpended funds as a work project appropriation.

Sec. 359. Medicaid Health Plan Services
Allows DHHS to reimburse Medicaid health plans for any costs associated with capitated rates, amended capitated rates, accruals, or account payables that exceed other funds; designates unexpended funds for Medicaid Health Plan Services as a work project appropriation; requires funds to be used to financially support actuarially sound capitation rates for Medicaid health plans.

Sec. 360. Prenatal and Infant Support Program
Allocates $250.0 million in Healthy Michigan funding to Michigan State University for an established prenatal and infant support program for households with expectant mothers and very young children to improve health and economic stability; designates unexpended funds as a work project appropriation.

Sec. 361. State Psychiatric DSH Allowance
Designates unexpended funds as a work project appropriation; requires funding to be used to pay second and third year of a 4-year repayment plan back to the federal government.

JUDICIARY

Sec. 401. Status Offender Pilot Program
Requires SCAO to establish a grant program to award 5 eligible courts with grant funding for innovative, community-based diversion programs and services for youth charged with or alleged to have committed a status offense; designates funding as a work project appropriation.

LABOR AND ECONOMIC OPPORTUNITY

Sec. 451. Community and Worker Economic Transition Office
Designates unexpended funds for the office as a work project appropriation; funds would be used to provide grants to auto suppliers that are experiencing an industry transition.

Sec. 452. Michigan Office of Rural Prosperity
Designates unexpended funds for the office as a work project appropriation; funds would be used to provide grants to support community facility projects in rural communities.

Sec. 453. Legislatively Directed Spending Items
Allocates funds appropriated for Legislatively Directed Spending Items for 26 different programs and projects (see Table 1 at the end of this document for information on recipients).

Sec. 454. Legislatively Directed Spending Items
Allocates funds appropriated for Legislatively Directed Spending Items for 52 different programs and projects (see Table 2 at the end of this document for information on recipients).

Sec. 455. Legislatively Directed Spending Items
Allocates funds appropriated for Legislatively Directed Spending Items for 20 different programs and projects (see Table 3 at the end of this document for information on recipients).

Sec. 456. Legislatively Directed Spending Items – Work Project Authorization
Designates unexpended funds from the Legislatively Directed Spending Items line item as a work project appropriation; funds would be used for the purposes outlined in sections 453, 454, and 455.

Sec. 457. Community Development Block Grant – Disaster Recovery
Designates unexpended funds as a work project appropriation; funds would be used to support disaster recovery and resiliency efforts.

Sec. 458. Transmission Siting and Economic Development Program
Designates unexpended funds as a work project appropriation; funds would be used to establish apprenticeship programs for the utility industry, provide for weatherization of homes, and develop and leverage existing training programs for energy infrastructure workers.

Sec. 459. State Restricted Contingency Authorization
Appropriates up to $154.1 million in state restricted contingency authorization; authorizes expenditure of funds after legislative transfer to a specific line item.

Sec. 460. Prevailing Wage Fund
Appropriates funds in the Prevailing Wage Fund (which receives fees and fines imposed under 2023 PA 10) for the purpose of implementing prevailing wage provisions contained within 2023 PA 10.

FY 2024-25 Supplemental Boilerplate Items

Sec. 461. Federal HUD-CPD Community Development Block Grant Funding
Appropriates remaining federal funding from the Community Development Block Grant (CDBG) program that was provided to the Michigan Strategic Fund (MSF). Executive Reorganization Order 2023-1 shifted the CDBG program to MSHDA, beginning with program year 2023 allocations, but left CARES Act CDBG funding and prior year program allocations with MSF. This language would provide the necessary authorization to enable utilization of remaining federal resources for which projects are underway. Funds were intended to assist local communities prevent, prepare for, and respond to coronavirus and would be used to reimburse expenses not already covered with other federal or state funding.

Sec. 462. Federal Workforce Innovation and Opportunity Vocational Rehabilitation Funding
Appropriates federal Workforce Innovation and Opportunity Act (WIOA) vocational rehabilitation funding from prior years for the purposes intended, allowing Michigan Rehabilitation Services to spend federal carryforward funding from FY 2023-24 that already met state matching requirements.

Sec. 463. Community Enhancement Grants – Railroad History Museum
Requires $1.0 million of the Community Enhancement Grants appropriation to be awarded a railroad history museum in Durand to support property improvements.

Sec. 464. Community Enhancement Grants – Concert of Colors
Requires $1.0 million of the Community Enhancement Grants appropriation to be awarded to the Concert of Colors to support a diversity, music, and arts festival that is free and open to the public.

Sec. 465. Community Enhancement Grants – Grosse Pointe Farms Seawall Project
Requires $1.0 million of the Community Enhancement Grants appropriation to be awarded to the City of Grosse Pointe Farms to support a seawall project.

Sec. 466. Community Enhancement Grants – St. Luke's Community Center
Requires $3.0 million of the Community Enhancement Grants appropriation to be awarded to St. Luke's Community Center in Flint to support infrastructure improvements.

Sec. 467. Community Enhancement Grants – Jewish Federation
Requires $4.0 million of the Community Enhancement Grants appropriation to be awarded to the Jewish Federation of Detroit to implement community safety measures.

Sec. 468. Community Enhancement Grants – City of Cadillac Culvert Repairs
Requires $1.9 million of the Community Enhancement Grants appropriation to be awarded to the City of Cadillac for permanent or temporary repairs that are necessary due to a failed culvert system.

Sec. 469. Community Enhancement Grants – Washtenaw County Road Improvements
Requires $1.0 million of the Community Enhancement Grants appropriation to be awarded to Washtenaw County for road improvements.

Sec. 470. Michigan Works! Skills Scholarships
Requires funds to be used by Michigan Works! agencies to provide tuition assistance for obtaining an industry-recognized credential or certification in a high-demand occupation; outlines tuition assistance eligibility criteria; requires reporting and program coordination.

LICENSING AND REGULATORY AFFAIRS

Sec. 501. Mobile Home Park Investigations and Enforcement
Authorizes LARA to hire up to 4.0 limited term employees to support investigation and enforcement activity related to unlicensed mobile home parks; designates unexpended funds as a work project appropriation.

LIFELONG EDUCATION, ADVANCEMENT, AND POTENTIAL

Sec. 526. Funding for Centro Multicultural la Familia
Requires funds to be allocated to Centro Multicultural la Familia to support lowering barriers to postsecondary education for disadvantaged youth; designates unexpended funds as a work project appropriation.

NATURAL RESOURCES

Sec. 551. Arctic Grayling Fish Passage
Designates unexpended funds for Arctic Grayling Fish Passage as a work project appropriation; requires funding to be used to replace road-stream crossings on state forest lands.

Sec. 552. Northern Michigan Ice Storm
Designates unexpended funds for Northern Michigan Ice Storm as a work project appropriation; requires funding to be used for reforestation of state forest lands impacted by the storm.

FY 2024-25 Supplemental Boilerplate Items

Sec. 553. Limited Term Employees for High-Speed Internet Infrastructure
Authorizes the department to add 9.0 limited term employees to facilitate installation of high-speed internet infrastructure on department-managed lands.

STATE

Sec. 601. Help America Vote Act
Designates unexpended funds for Help America Vote Act as a work project appropriation; requires funding to be used to support election security initiatives, including, but not limited to, election equipment upgrades, security and testing of voting systems, and election operation enhancements.

STATE POLICE

Sec. 651. Disaster and Emergency Contingency Fund
Requires funds appropriated for Disaster and Emergency Contingency Fund to be deposited into the fund.

TECHNOLOGY, MANAGEMENT, AND BUDGET

Sec. 701. Ambulance Service Providers
Requires proceeds received through litigation against, or bankruptcy proceedings involving, Wellpath Holdings and its affiliated companies or Grand Prairie Health Care Services to be used to reimburse ambulance service providers that are owed payments by Wellpath Holdings and its affiliated companies or Grand Prairie Health Care Services for services provided to the Department of Corrections during 2023 and 2024; requires amounts paid to be reduced if providers receive payment through litigation; requires money paid to providers to be returned to the state if providers receive payment from Wellpath Holdings and its affiliated companies or Grand Prairie Health Care Services.

TRANSPORTATION

Sec. 751. Employees for Aeronautics
Authorizes the department to hire up to 2.0 full-time employees for aeronautics programs.

Sec. 752. Critical Infrasturcture Project for Van Buren Charter Township
Allocates funding to Van Buren Charter Township for intersection safety improvements; designates unexpended funds as a work project appropriation.

Sec. 753. Critical Infrasturcture Project for Wayne County
Allocates funding to Wayne County for a rail grade separation project; designates unexpended funds as a work project appropriation.

TREASURY

Sec. 801. Tobacco Tax Revenue Distribution Appropriation Authorization
Requires revenue received under the Tobacco Products Tax Act related to Wayne County to be appropriated and distributed as required under the Tobacco Products Tax Act, 1993 PA 327.

Sec. 802. City, Village, and Township (CVT) Revenue Sharing and County Incentive Program
Specifies distribution to all CVTs that received a payment under Section 952 of article 5 of 2023 PA 119; eligible payment is equal to 100.0% of its FY 2023-24 eligible payment; any remaining amount is to be distributed according to one-third based on inverse taxable value per capita, one-third based on population, and one-third based on yield equalization; provides formulas for determining payments by type.

Sec. 803. Revenue Sharing Conditions
Outlines conditions under which cities, villages, and townships (Sec. 802) and counties (Sec. 804) receive revenue sharing payments.

Sec. 804. County Revenue Sharing Payments
Specifies distribution to all CVTs that received a payment under Section 955 of article 5 of 2023 PA 119; eligible payment is equal to 100.0% of its FY 2023-24 eligible payment; any remaining amount is to be distributed according to a formula based on taxable value per capita.

Sec. 805. Local Prosecutor Grants
Authorizes grants to be awarded to local county prosecutors to be used to reduce the average caseloads per attorney; specifies eligibility requirements; specifies grant distribution criteria; prohibits the department from using funds for administration; requires a report on counties receiving funds and amounts awarded.

REPEALERS

Sec. 1101. Treasury – Revenue Sharing
Repeals sections 949f, 952, 954, and 955 included in 2024 PA 121 and replaces them with sections 802, 803, and 804 of this bill.

FY 2024-25 Supplemental Boilerplate Items

Sec. 1102. Treasury – Local Prosecutor Grants
Repeals section 993 included in 2024 PA 121 and replaces it with section 805 of this bill.

Sec. 1103. LEO – Repeals Michigan Works! Skills Scholarships
Repeals section 1028 included in 2024 PA 121 and replaces it with section 470 of this bill.

Sec. 1104. MiLEAP – MI-ALMA Grant
Repeals section 1102 included in 2024 PA 121.

Sec. 1105. DNR Huron Waterloo Pathways Initiatives Border-to-Border Trail
Repeals section 1201 included in 2024 PA 121.

Table 1: Legislatively Directed Spending Items Sec. 453

Sec. 453	1	Allband Communications	$2,119,000
	2	American Legion Devereaux Post 141	1,000,000
	3	Barry County Brown Road River Crossing	2,537,600
	4	Blendon Township Water Infrastructure	920,000
	5	Calhoun County Law Enforcement Tasers	737,000
	6	Charlevoix Township Fire Truck	1,000,000
	7	City of Davison Road Infrastructure	4,400,000
	8	City of Flat Rock Fire Truck	1,000,000
	9	City of Ishpeming Fire Truck	900,000
	10	City of Marine City Guy Community Center	1,000,000
	11	City of Monroe Rail Grade Separation	500,000
	12	City of Rockwood Water Treatment Infrastructure	1,500,000
	13	City Sterling Heights Fire Truck	2,100,000
	14	Grand Rapids Art Museum	2,000,000
	15	Jackson Interfaith Shelter	1,000,000
	16	Kawkawlin Township Infrastructure	1,935,000
	17	Kent County Youth Agricultural Association	1,800,000
	18	Kirtland Community College Timber Harvester Simulator	100,000
	19	Lake Mitchell Sewer Authority Infrastructure Repairs	2,410,400
	20	Marquette Sawyer Regional Airport Infrastructure	3,000,000
	21	Macomb Township Boulevard Creation	2,500,000
	22	Mecosta County Harding Road Bridge Improvements	1,320,000
	23	Oakland-Macomb Interceptor Drain Drainage District	2,500,000
	24	Shelby Township M-20 Project	400,000
	25	Springfield Township Community Fire Protection Wells	900,000
	26	Troy School District (Smith Middle School Traffic)	421,000
		TOTAL	**$40,000,000**

Table 2: Legislatively Directed Spending Items Sec. 454

Sec. 454	1	Ingham County Land Bank	$2,000,000
	2	City of Mason Fire Tanker and Equipment	600,000
	3	Ann Arbor Community Foundation Philanthropic Initiatives	1,000,000
	4	Grand Rapids Arican American Health Institute	500,000
	5	Mel Trotter Ministries	900,000
	6	Mosaic Counseling	500,000
	7	Kent School Services Network	1,000,000
	8	Sentencing Commission	750,000
	9	Living and Learning Center (Northville)	150,000
	10	Oakland County Health Network	500,000
	11	Oakland County Temporary Housing	500,000
	12	Michigan State Police – Local Law Enforcement Personal Protection Order Reimbursement	1,000,000
	13	Gleaners Community Food Bank	500,000
	14	Genesis HOPE	500,000
	15	City of Flint Haskell Community Center	500,000
	16	St. Mark Community Outreach Center	1,250,000
	17	City of Taylor Equipment and Infrastructure	1,000,000
	18	City of Ecorse Dora Gaines Park Improvements	200,000
	19	City of St. Clair Shores Nautical Mile Enhancements	1,000,000
	20	Chesterfield Township Water Infrastructure	500,000
	21	City of Grosse Pointe Park Schaap Performing Arts Center	1,700,000
	22	City of Manchester Industrial Park Infrastructure Improvements	404,000
	23	Ypsilanti Historical Society Museum Improvements	140,000
	24	Trinity Health Food is Medicine Program	500,000
	25	City of Eastpointe Fire Equipment	130,000
	26	Roseville Community Schools Science Facility Renovation	800,000
	27	Big Brothers Big Sisters of Southwest Michigan Facility Improvements	40,000
	28	Douglass Community Association (Kalamazoo) Upgrades and Improvements	1,000,000
	29	City of Kalamazoo Fire Equipment	500,000
	30	City of Huntington Woods HVAC Upgrades	85,000
	31	Say Detroit Programming	750,000
	32	Detroit Police Athletic League	500,000
	33	Lighthouse of Oakland County	1,500,000
	34	City of Livonia Non-Motorized Infrastructure Improvements	1,000,000
	35	Inkster Cultural Center	500,000
	36	Schoolcraft Community College Masonry Apprenticeship Center Improvements	750,000
	37	Huron Waterloo Pathways Initiative	1,000,000
	38	City of Ann Arbor Treeline Conservancy Program	1,000,000
	39	City of Jackson Ella Sharp Park Trail Improvements	750,000
	40	Goodwill Flip the Script Program	950,000
	41	MSHDA Owosso Affordable Housing Project	800,000
	42	Ingham County Water Projects	500,000
	43	Shiawassee County Animal Control	350,000
	44	Care Free Medical (Ingham County) Facility Improvements and Services	500,000
	45	City of Warren Public Safety Dispatch Center	900,000
	46	City of Sterling Heights Police Training Center Improvements	1,000,000
	47	City of Allen Park Fire Trucks and Equipment	1,301,000
	48	Bloomfield Township Police Equipment and Vehicles	1,500,000
	49	City of Hazel Park Fire Trucks and Equipment	2,500,000
	50	Beyond Basics (Farmington) Literacy and Tutoring Programs	1,000,000
	51	IT for Michigan Department of State IT Bridge and Tunnel Tolling	300,000
	52	Center for Civil Justice (Flint) Legal and Technical Assistance	500,000
		TOTAL	**$40,000,000**

Table 3: Legislatively Directed Spending Items Sec. 455

Sec. 455	1	Michigan Professional Fire Fighters Union Training Seminar	$1,200,000
	2	Freedom River (Brighton) Veterans Wellness Facility	300,000
	3	Cass Lakeside Community Association Algonquin Avenue Bridge	1,000,000
	4	City of Wayne Atwood Park Upgrades	210,000
	5	City of Livonia Rotary Park Pavilion Repair	300,000
	6	Launch Michigan (Lansing)	1,000,000
	7	Ingham County Lake Lansing Dam Repair	750,000
	8	Greater Grand Rapids Chamber Foundation Housing and Support Services	810,000
	9	City of Midland Flood Mitigation	10,000,000
	10	City of Romulus Fire Truck	1,000,000
	11	City of St. Clair Shores Public Library Renovations and Improvement	500,000
	12	City of Mount Clemens Lead Service Line Replacement	3,000,000
	13	Saginaw County Road Commission Building Compliance	1,200,000
	14	City of Lathrup Village Water Main Replacement	1,100,000
	15	Special Olympics Michigan Program Expansion	1,000,000
	16	Canton Township Michigan Avenue Innovation Network	380,000
	17	Wayne County West Road Project (Trenton)	10,000,000
	18	Muskegon County Housing Redevelopment	3,000,000
	19	Diversified Community Services Afterschool and Summer Programming	250,000
	20	Ypsilanti Downtown Development Authority Cross Street Bridge Replacement	3,000,000
		TOTAL	**$40,000,000**