

**FOR IMMEDIATE RELEASE**

February 5, 2025

Contact: [Press@Michigan.gov](mailto:Press@Michigan.gov)

Lauren Leeds, [leedsl@michigan.gov](mailto:leedsl@michigan.gov)

## **Gov. Whitmer's FY26 Budget will Lower Costs, Create Jobs, Improve Student Outcomes, and Support Seniors**

**LANSING, Mich.** — Governor Gretchen Whitmer's seventh executive budget recommendation was released today, once again prioritizing kitchen table issues that will benefit all Michiganders.

"My balanced budget recommendation for fiscal year 2026 doubles down on the kitchen table issues that make a real difference in people's lives," said **Governor Whitmer**. "This commonsense budget will lower costs, create good-paying jobs, grow our economy, improve academic results, and support Michigan seniors. Together, I know we can find common ground and deliver another balanced, bipartisan budget. Let's get it done."

The fiscally responsible budget recommendation totals \$83.5 billion, including a general fund total of \$15.3 billion and a school aid budget totaling \$21.2 billion.

"Governor Whitmer is laser-focused on the issues that matter most to Michiganders—economic development, lowering costs, and helping students learn," said **State Budget Director Jen Flood**. "This budget will make a real difference in the lives of families, children, seniors, and small business owners. Let's build on our record of passing six balanced, bipartisan budgets and I look forward to working with our legislative partners to pass a budget by the July 1 deadline."

The budget recommendation proposes a \$50 million deposit to the Budget Stabilization Fund, which would bring the rainy day fund balance to nearly \$2.3 billion by the end of fiscal year 2026, an all-time high and double the 2019 balance. Additionally, a \$50 million deposit into the rainy day fund for schools is proposed, which would bring the combined total in reserves to \$2.8 billion.

### **Lowering Costs**

The budget recommendation includes investments to lower costs and help Michiganders fight inflation, including:

- Continues the Working Families Tax Credit, which delivered an average of more than \$3,500 in tax relief to 650,000 families last year.
- \$676.1 million to continue providing universal pre-K through the Great Start Readiness Program to an estimated 57,100 children, including:
  - \$392 increase to the per child allocation, for a total of \$10,577 per student.
  - \$28 million in continued support for GSRP student transportation.
  - \$25 million to fund startup grants to attract new providers and classrooms.
  - \$61 million to continue expanding access to 3-year-olds through the Strong Beginnings program. This additional funding is projected to grow the program to nearly 4,000 children by 2029.
  - \$4.7 million increase for Early On services, bringing total funding to \$28.4 million.
- \$200 million to continue providing free school meals to all 1.4 million public school students, saving families \$850 per year.

- \$5 million to support the MiABLE program expansion, which helps Michiganders with disabilities save money without impacting their benefits eligibility.
- \$2.3 million to provide child care for approximately 700 children of Michigan National Guard members while their parents are on drilling status, supporting the Guard’s recruiting and retention efforts.
- \$3 million to provide financial literacy education services to Michiganders.
- \$1 million to ensure test fees remain capped at \$5 for low-income students taking high school courses for college credit, covering 34,350 exams.
- \$7 million to create affordability programs to help families struggling with their water bills.

### **Creating Jobs**

The budget recommendation proposes investments that will create jobs, grow our economy, rebuild roads and bridges, and improve Michigan’s infrastructure, including:

#### *Fixing Roads and Bridges*

- \$4.9 billion in total road funding, including federal, state and restricted funds.
- \$112.2 million to ensure Michigan matches all \$1.8 billion in federal highway aid.
- \$98.9 million to improve state and local roads, highways, and bridges across the state.
- \$767 million in total ongoing support for transit and rail programs.
- \$7.8 million to fund a study and pilot program of potential road usage charge options.
- \$10 million to install electric vehicle charging stations across the state.

#### *Workers and Small Businesses*

- \$10 million for Small Business Entrepreneurial Support Hubs to enhance a statewide network of service providers that offer comprehensive resources and critical support to Michigan’s small businesses.
- \$10 million to partner with employers to help meet their unique talent needs in industries like advanced mobility, semiconductor, aerospace defense and life science to attract, retain and connect talent with good-paying jobs.
- \$125 million to expand CTE programs in underserved districts and fund the “Future Ready” pilot program in middle schools.
- \$19 million to expand registered apprenticeship and apprenticeship readiness programs while offering training, wages, and credentials to employees.
- \$25 million to expand the existing employer assisted housing pilot program—leveraging investments from employers to fund a range of affordable housing projects.
- \$7.5 million to grow our workforce and empower workers to get good-paying jobs by removing barriers to work such as child care, transportation, tools for work and clothing needs.
- \$40.4 million to provide academic remediation, specialized tutoring, and enrollment into career and technical training or college, with the goal of assisting individuals with disabilities on a pathway to in demand jobs.

#### *Growing Our Economy*

- \$54.8 million to continue Going Pro job training grants to businesses to support training for current and new employees in high-demand, skilled trades industries, resulting in an estimated 35,200 new hires and current employees trained.

- \$50 million to offer affordable child care to families of infants, toddlers, children with disabilities and children living in areas where child care is scarce, and improve cashflow for child care providers through prospective payments.
- \$39 million to streamline EGLE’s permitting process and increase transparency by digitizing and indexing department documents.
- \$3 million to support rural communities through rural prosperity grants and expansion of the Rural Development Grant Program, which supports projects that enhance rural community infrastructure, including job training, child care, housing, and utilities.
- \$10 million to grow Michigan’s population by retaining and attracting talent with strategic pilots and public engagement efforts, supporting a successful program to reverse population growth trends.

#### *Protecting Air, Land and Water*

- \$80 million to protect clean drinking water, including grants and low-interest loans to local communities to continue replacing lead service lines, installing stormwater management systems, and upgrading their water infrastructure.
- \$46 million to reinvest in our state parks – funding maintenance improvements and expanding access to outdoor recreation, ensuring Michiganders can experience the natural wonders of Michigan’s state park system, while granting free access to veterans.
- \$80 million to clean up contaminated sites, provide grants to local communities for waste management and bring Michigan in line with other Midwest states when it comes to out-of-state trash haulers.
- \$15 million to support the removal of state-owned dams to restore Michigan’s waterways.
- \$1.6 million to detect and respond to soil and plant diseases and infestations by increasing testing capacity and provide growers with localized data and expertise to best protect Michigan agriculture.

#### **Getting SMART on Education**

The budget recommendation continues historic investments in education, from preschool to postsecondary, including:

#### *K-12 Education*

- \$516 million to support school operations through a 4.1% increase in base per-pupil funding—equating to an additional \$392 per student, for a total of \$10,000 per pupil.
- \$202.4 million to continue expanded support for special education students – a 10% increase in the state allocation from adjusted current law levels.
- \$94 million to provide a 4.1% increase in funding to support academically at-risk students, English language learners, career and technical education students, and students in rural school districts.
- \$258 million to support the mental and emotional wellbeing of 1.4 million students through continuation of mental health and safety grants to districts.
- \$250 million to implement the Governor’s Students, Metrics and Results with Transparency plan to drive improvements in student outcomes. The SMART Plan would keep parents informed about the standing of their child’s school—increasing engagement with parents.
- \$23 million to provide additional literacy coaches and more instructional time to implement literacy improvements through the science of reading and meet new dyslexia requirements.

- \$75 million to continue historic investments to improve the educator talent pipeline by providing a tuition-free route to becoming a teacher through the MI Future Educator Fellowship and Student Teacher Stipends.
- \$50 million for Grow-Your-Own programs to provide resources to school districts to help staff get the education and training they need to become certified teachers.

#### *Higher Education & Workforce Development*

- \$84.4 million to fund a 4% ongoing increase for university and community college operations to enhance higher education learning and support Michigan's goal of 60% of working adults earning a degree or skills certificate by 2030. Since Governor Whitmer took office, Michigan's education attainment has risen from 45% to 51.8%.
- \$50 million investment in the Postsecondary Scholarship Fund to continue fully phasing in costs of the Michigan Achievement Scholarship, providing a tuition free pathway for full time community college students, and two out of three full-time students at public or private 4-year universities up to \$27,500 toward a 4-year degree. More than 56,000 scholarships were awarded in the 2024 fall semester and 100,000 students are expected to benefit once the program is fully implemented.
- \$15 million for the College Success Fund, which supports public and private universities and community colleges to improve student support and completion efforts.

#### **Supporting Seniors**

The budget recommendation prioritizes initiatives that benefit and support Michigan's seniors, including:

- Continues providing tax relief to Michigan seniors through the rollback on the retirement tax, which on average will put \$1,000 back into the pockets of 500,000 senior households when fully phased in for tax year 2026.
- \$2.9 million to expand the PACE program, which provides comprehensive medical, social and physical care for the frail and elderly population, by adding a total of 54 slots in Saginaw, Traverse City and Newaygo. Since October of 2019, enrollment in the program has grown from serving 3,000 individuals to nearly 5,500 seniors today.
- \$2.7 million to protect nursing home residents, supporting nine new positions to provide more timely and comprehensive oversight of Michigan's 424 nursing homes and acute and continuing care facilities. This adds to \$29 million already appropriated for this critical need.
- \$700,000 to enhance oversight of Homes for the Aged. This will support three additional positions to assure timely issuances of new licenses and renewals of existing licenses, routine inspections, and complaint investigations at Michigan's 342 state-licensed retirement homes and assisted living facilities.
- \$2 million to support services for Michiganders experiencing dementia.

#### **Protecting and Defending Michiganders**

The budget recommendation focuses on investments to protect and defend Michiganders, including:

- \$26 million investment to upgrade critical infrastructure at Selfridge Air National Guard Base to build Michigan's defense industry and attract new flying missions and aircraft, recognizing the \$30 billion that it contributes to the state's economy and the more than 116,000 jobs it supports.

- \$46.8 million in opioid settlement funds directed to reduce overdose deaths through prevention, treatment, harm reduction and recovery supports for those affected by the opioid epidemic.
- \$42.8 million from taxing vaping and non-tobacco nicotine products similarly to other tobacco products, with all revenues supporting smoking and cancer prevention, and youth mental and physical health, and access to healthcare.
- \$2.5 million to fund enforcement and compliance processes for the new tax on vaping and non-tobacco nicotine products.
- A 4% ongoing increase in revenue sharing to support police and fire, fix roads, and improve quality of life for residents.
- \$75 million for a Public Safety Trust Fund to address violent crime prevention through community interventions, and victim supports.
- \$21.3 million to invest in victim support services and offset the loss of federal and state restricted revenue to support services to more than 200,000 victims of crime.
- \$5.5 million to protect Michigan's food supply and help livestock farms prevent disease outbreaks like the bird flu by investing in biosecurity measures.
- \$8.5 million to improve Michigan's juvenile justice services by implementing reforms from the Task Force on Juvenile Justice Reform.
- \$5 million to establish a state veterans cemetery located in Crawford County, honoring Michiganders who served their nation in the armed forces.
- \$2.5 million to support behavioral health resources for first responders and public safety staff.
- \$2.5 million increase to the First Responders Presumed Coverage Fund, bringing the total investment to \$6.5 million. The fund, which has assisted more than 100 first responders, provides payment for wage loss and medical care expenses for those battling certain cancers.

### **Making Government Work Better**

To make sure government works efficiently and effectively to serve all residents, the budget recommendation calls for investments to modernize state government and save for a rainy day, including:

- \$46.2 million increase in the Information Technology Investment Fund to upgrade government information technology applications and modernize legacy systems to better serve Michigan residents.
- \$25 million in infrastructure improvements and maintenance for nearly 800 building complexes, 5,000 individual structures, and over 41.5 million square feet of state-owned facility space, saving taxpayers from footing the bill for expense repairs due to overdue maintenance.
- \$10 million to establish a self-insurance fund for DTMB-owned and managed facilities, helping to mitigate rising insurance premiums and market uncertainties.
- \$7.2 million to fund increased staffing and operating costs as trial courts continue to join the judiciary's statewide case management system.
- \$5 million investment in the Energy Efficiency Revolving Fund, which provides resources to support strategic investments by state agencies in clean energy technology, renewable energy, and initiatives that reduce energy consumption.
- \$15.2 million for staff and transition funding to operate and relocate to the state's new psychiatric hospital, which will serve Michigan children and adults, increasing capacity by 54 beds for a total of 264 beds.

- \$50 million deposit to the Budget Stabilization Fund, which would bring the rainy day fund balance to approximately \$2.3 billion by the end of fiscal year 2026, an all-time high, a doubling since the governor took office.
- \$50 million deposit into the rainy day fund for schools, bringing the balance to a total of \$550 million set aside to shield school funding from future economic uncertainty.
- From the Governor's first budget through her FY26 executive budget recommendation, the state will have paid down more than \$25.3 billion in debt.

# # #

*Copies and additional details of the Governor's recommended budget are available at [www.michigan.gov/budget](http://www.michigan.gov/budget). Join the conversation on X at #MiBudget.*