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

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

**Gov. Whitmer's FY27 Budget Delivers on Promises to Improve Literacy, Save Michiganders Money, Protect Medicaid, and Fix Roads**

*Budget sets Michigan up for long-term success and helps more families 'make it' in Michigan*

**LANSING, Mich.** — Governor Gretchen Whitmer's eighth and final executive budget recommendation was presented today by State Budget Director Jen Flood. The budget doubles down on the administration's long-term priorities and delivers lasting results that will benefit all Michiganders. Amid national economic uncertainty caused by tariffs and deep federal cuts to Medicaid and SNAP, the budget lowers costs, protects access to health care, and makes other key investments to help more families live, work, and play in Michigan.

"Michigan is open for business and on the move, and this budget will deliver on the kitchen-table issues that make a real difference in people's lives," said **Governor Whitmer**. "My balanced budget proposal will build on our strong record of bipartisan success. It doubles down on shared, long-term priorities to create good-paying jobs, fix roads, save Michiganders money, and ensure every child can read, eat, and succeed. Let's work together to deliver another balanced, bipartisan budget on time and keep moving Michigan forward."

The balanced, fiscally responsible budget recommendation totals \$88.1 billion, including a general fund total of \$13.6 billion and a school aid budget totaling \$21.4 billion.

- From the Governor's first budget through her FY27 executive budget recommendation, the state will have paid down more than \$28 billion in debt.
- The state's rainy day funds have more than doubled since Governor Whitmer took office.
- The proposed \$400 million withdrawal in FY27 is 25% smaller than the estimate calculated by the Consensus Revenue Estimating Conference. Even after this fiscally responsible withdrawal, rainy day funds remain near their all-time highs.

"Governor Whitmer is focused on the everyday things that matter most to Michigan families—lowering costs, ensuring our kids can succeed, and protecting Medicaid," said **State Budget Director Jen Flood**. "We've shown that we can work together to pass balanced, bipartisan budgets, and I look forward to continuing that work with our legislative partners to get the budget done ahead of July 1."

**Saving Michiganders Money**

The budget will lower costs and put money back in people's pockets amidst rising national economic uncertainty with the Saving Michiganders Money Plan:

- Providing property tax relief to 335,000 seniors, saving households an average of \$345 a year through an expanded tax credit that refunds approximately 10% of their property taxes.
- Establishing a "back to school" sales tax holiday, saving families money as they shop for school supplies, clothes, and certain electronics.
- Continuing the Working Families Tax Credit, sending an average of nearly \$3,900 in tax relief to 665,000 families.
- Rolling back the retirement tax completely, saving 500,000 seniors an average of \$1,000 a year.

- Continuing tax exemptions on:
  - Tips (saving 300,000 workers \$400 a year),
  - Overtime (saving 500,000 workers \$500 a year),
  - Social Security (saving 40,000 seniors \$500 a year).
- Continuing free school meals for all 1.4 million public school students, saving families around \$1,000 per year, per child, and valuable time every morning. The budget recommendation also proposes making free school meals permanent in state law.

### **Quotes on Senior Property Tax Credit**

"Governor Whitmer has been a steadfast partner to Michigan's seniors, and her continued investment in older adults reflects a clear understanding of where our state is headed," said **Stephanie Winslow, Executive Director, PACE Association of Michigan**. "Michigan's population is aging rapidly, and the number of older adults who want—and need—to remain in their homes continues to grow. At the same time, seniors are facing mounting financial pressures, including rising health care costs and housing expenses. Steps like meaningful property tax relief are a critical tool to help older adults stay in their homes and communities, providing stability for our most vulnerable population. We are grateful for Governor Whitmer's leadership and her continued partnership in ensuring Michigan's seniors can age with dignity, independence, and the support they need in the communities they call home."

"For too many older Michiganders living on fixed incomes, rising property taxes and everyday costs are making it harder to afford the homes they've lived in for years," said **Paula D. Cunningham, AARP Michigan State Director**. "They need relief. They have worked hard, paid their dues, and deserve the security of staying in the homes they love. AARP strongly supports policies that protect older adults from being taxed out of their homes."

"We support Governor Whitmer's plan to provide property tax relief to older adults across Michigan," said **David LaLumia, Executive Director of the Area Agencies on Aging Association**. "The plan will help seniors keep more money in their pockets and we support its inclusion in the FY2027 state budget."

### **Quotes on Back to School Sales Tax Holiday**

"Back-to-school costs can create real barriers for families, and a temporary sales tax exemption on school supplies helps reduce those inequities," said **Dr. Tonya Whitehead, President, Michigan PTA**. "Making clothing, classroom items, and technology more affordable helps ensure more students start the school year with what they need to learn and succeed."

### **Quote on Saving Michiganders Money Plan**

"The cost of living is crushing working Michiganders. We need to find ways to put money back in people's pockets, and that's exactly what Gov. Whitmer's plan for the EITC and retirement tax provisions will do," said **Ron Bieber, president of the Michigan AFL-CIO**. "Michigan's labor movement supports all efforts to put workers first and looks forward to finding a way to get them into this year's budget."

### **Every Kid Reads, Eats, and Succeeds**

In Michigan and across the country, too many students are falling behind on literacy. To set every student up for success, the budget recommends a historic, targeted investment—the largest in Michigan history—to help every child read. Additionally, the proposal continues record investments in education, setting students up to succeed from pre-K through postsecondary education:

## Literacy

- \$625 million to support student literacy and achievement, the largest one-time literacy investment ever, including starting early, training teachers, adopting proven curriculum, and getting kids the extra help they need:
  - \$181.1 million to make free pre-K for all available to an estimated 68,000 children through the Great Start Readiness program, saving families \$14,000 per year.
  - \$135 million to support students and parents with expanded before- and after-school programming.
  - \$100 million for high-impact tutoring to provide students with individualized, structured, evidence-based interventions, helping them catch up and get back on track.
  - \$100 million to provide grants to school districts, helping them purchase and implement high-quality literacy programs.
  - \$50 million to continue implementing LETRS training, which trains educators in the “science of reading”—including strategies like phonics— as an instructional method for use in classrooms statewide.
  - \$33 million to fund regional support for families of young children and expand the Michigan Learning Channel.
  - \$10.5 million to hire additional regional literacy coaches who assist teachers in developing and implementing instructional strategies for pupils in grades pre-K to 5. With this increase, total funding for literacy coaches is \$52.5 million which supports 420 coaches across the state, an increase of 327 coaches since the Governor took office.
  - \$7.6 million to support Literacy Essentials and comprehensive professional learning about the science of reading for educators at all grade levels.
  - \$7.6 million to support adult education and help more Michiganders get good-paying jobs.

## Quotes on Literacy

“I am excited that Governor Whitmer is putting Students First in her Executive Budget Recommendations,” said **State Superintendent Dr. Glenn Maleyko**. “I appreciate the strong partnership and positive collaboration with the Governor and her team as we work together on behalf of Michigan students. Her investment in literacy—which is the top priority of the Michigan Department of Education and the State Board of Education—is especially significant. Nothing is more important to our students and our state than improving literacy. Reading and writing are the foundation for long-term success, and I look forward to working with the Legislature through strong teamwork and shared responsibility to advance these priorities and continue improving student outcomes statewide.”

“Strong reading, writing, and communication skills provide the building blocks for everything that follows in a person's life,” said **Dr. Beverly Walker-Griffea, Director of MiLEAP**. “When children can read, write and communicate with confidence, they are better prepared to learn and pursue a lifetime of success. The Governor’s FY27 budget recommendation reflects a shared commitment to supporting children from the earliest stages of learning and throughout their lives to unlock the limitless potential of our children.”

“Reading, writing, and communication are crucial building blocks for academic success, and we need a comprehensive strategy to ensure every student has these foundational skills. Both the Governor and Dr. Maleyko recognize the importance of investing in early childhood, teacher training, effective curriculum, and getting kids the extra help they need to succeed,” said **Dr. Tina Kerr, executive director, Michigan Association for Superintendents & Administrators**, “Superintendents stand ready to put these proven strategies to work for kids in partnership with Governor Whitmer and Dr. Maleyko.”

“Intermediate school districts are laser focused on helping districts improve student outcomes—especially supporting all students to be strong readers, writers, and communicators,” said **Dr. John Severson, executive director, Michigan Association for Intermediate School Districts**. “By further investing in intensive professional development and coaching support, we ensure our educators and administrators are fully equipped with the science of reading to deliver world-class literacy instruction to every student in our state.”

“Ensuring that every child can read is essential to Michigan’s future, and our current results make clear how much work remains,” said **Jeff Donofrio, president and CEO, Business Leaders for Michigan**. As a bottom-10 state in fourth-grade reading, Michigan must stay focused on driving outcomes through proven curriculum, educator training and support, accountability, and sustained commitment over time. We are pleased to see the Governor’s proposed investments in literacy, and look forward to continuing our work on this vital component of educating young Michiganders.”

“We need to raise the rigor in this state around what we expect for our students, and that starts with reading. That means making sure every educator is trained in the evidence-based science of reading and guaranteeing that every child learns to read,” said **Dr. Venessa Keesler, president and CEO, Launch Michigan**. “Michiganders need lifelong literacy, and rigor doesn’t stop with reading. It must continue to high school and guarantee students graduate ready for their futures. Launch Michigan fully supports this investment, thanks Governor Whitmer for her vision, and urges the state to get serious about raising expectations for Michigan students.”

“For many young people, out-of-school time programs are where learning truly comes alive—where literacy skills are strengthened, confidence grows, and curiosity is sparked in ways that connect to their interests and futures,” said **Erin Skene-Pratt, executive director, Michigan After School Partnership**. “Governor Whitmer’s budget recommendations recognize the importance of these opportunities in achieving statewide literacy goals and help ensure more Michigan youth have access to safe, engaging spaces that support reading, learning, and real-world skill building beyond the school day.”

“Every child deserves the chance to reach their fullest potential—and Michigan is where that promise is coming to life,” said **Ja’Nel Jamerson, Ed.D., President and CEO of the Flint Center for Educational Excellence**. “The state’s strategic investments in early learning, afterschool programs, family engagement, and school funding are empowering schools and organizations like the Flint Center for Educational Excellence to help place more children on a permanent pathway to success. Governor Whitmer’s continued, intentional focus on literacy will ensure that Michigan’s children, their families, and their communities are positioned to thrive for generations to come.”

“Expanding Pre-K for All provides the essential framework for children to develop the lifelong social and academic skills that will drive our state’s future success. By investing in early literacy, we provide our teachers with the evidence-based training and instructional tools needed to build a strong foundation for every student,” said **Lyndsay Carey, Director of Early Childhood Education, Marquette-Alger RESA**. “This commitment ensures that our youngest learners don’t just go to school but gain the critical literacy benchmarks necessary for long-term academic achievement.”

#### *K-12 Education*

- \$325 million to support school operations through a 2.5% increase in base per-pupil funding—an additional \$250 per student, for a total of \$10,300 per pupil. The per-pupil

funding recommendation represents a 31% increase since the Governor took office. These funds are invested into every student, in every school, to lower class sizes, buy new textbooks, and install the latest equipment in classrooms and science labs.

- \$200 million to continue free school meals for all 1.4 million public school students, saving families around \$1,000 per year, per child, and valuable time every morning. The budget recommendation also proposes making free school meals permanent in state law.
  - *This line item is also included above, in the Saving Michiganders Money Plan.*
- \$123 million to continue expanded support for special education students – a 7.3% increase in the state allocation.
- \$90 million, a 6% increase, to provide an increase in funding to support academically at-risk students, English language learners, career and technical education students, and students in rural school districts.
- \$300 million to support student wellness through continuation of mental health and safety grants to districts. The recommendation represents a twelvefold increase in mental health and safety funding since the Governor took office.
- \$125 million to reimburse districts with exorbitant transportation costs, allowing them to devote more resources to the classroom.
- \$30 million to support early learning partnerships, ensuring students and families access to high-quality early learning and updated GSRP programs statewide.
- \$20 million to reimburse eligible districts for dual enrollment costs, incentivizing districts to encourage more students to pursue college credit while still in high school.
- \$1.5 million increase for Early On services, bringing total funding to \$25.1 million. Early On is Michigan’s system that connects families of infants and toddlers from birth to age three who have, or are at risk for, developmental delays or disabilities with coordinated social, health, and educational services to support early development.

### Quotes on Free School Meals

“Free school meals support students’ health, focus, and ability to learn,” said **Dr. Tonya Whitehead, President, Michigan PTA**. “When children can count on nutritious meals at school, it reduces stigma, eases food insecurity for families, and helps students come to class ready to engage and succeed.”

“Michigan’s universal school meals initiative has been a resounding success, offering convenience to parents at all income levels and enabling schools to direct more resources to the core functions of educating our kids,” said **Monique Stanton, President and CEO of the Michigan League for Public Policy**. “It’s time to make this vital investment in children’s health a permanent fixture in our state budget.”

“We have an incredible opportunity to invest in our future by codifying Healthy School Meals for All,” said **Kyle DuBuc, Vice President of Advocacy and Communications at United Way for Southeastern Michigan**. “This proven, common-sense program advances goals we all share—supporting the health and well-being of our children, improving educational outcomes for our students, and providing meaningful relief for all Michigan families as basic expenses continue to rise.”

“Gov. Whitmer’s proposal will provide much needed financial relief for families across our state at a time when we’re getting hit with sticker shock from every direction,” said **Nicole Kessler, an Oakland County mother of a high schooler and a member of the Michigan Parent Alliance for Safe Schools**. “Families and parents are struggling to afford the basics and we’re asking our leaders and

policymakers for solutions. By providing free Pre-K for All, tax breaks for school supplies and school meals to every student, Gov. Whitmer is helping families save money.”

“Codifying school meals ensures Michigan students have consistent access to the nutrition they need to learn, grow, and succeed,” said **John Galacz, Board President of School Nutrition Association of Michigan**. “Ensuring that every student has access to healthy school meals is one of the most effective ways we can support learning, family stability, and student success, securing a healthier future for Michigan’s children.”

“Universal school meals are an incredible investment in our students — in their well-being, their health, and in creating a safe, reliable nutritional environment where they can learn and thrive,” said **Dan Gorman, Food Service Director for Montague Area Public Schools**. “They are also an incredible investment in the state of Michigan. Universal meals leverage federal dollars to support Michigan farmers, Michigan dairies, food manufacturers, and distributors, while providing meaningful work for the school nutrition professionals who serve our children every day. In my opinion, there is no better dollar the government can spend for the future of our state.”

### *Higher Education*

- \$2.2 billion to sustain university and community college operations—advancing Michigan’s Sixty by 30 goal of having 60% of working adults with a degree or skills certificate by 2030.
- \$532 million, and more than \$1.8 billion to date, for the Michigan Achievement Scholarship, which provides a tuition free pathway for full-time community college students through the community college guarantee, and up to \$27,500 for full-time students at public or private 4-year universities. More than 106,300 students have been awarded the Michigan Achievement Scholarship since its inception in 2024, and 128,000 students are expected to benefit each year once the program is fully implemented.
- \$67 million to expand Michigan Reconnect to adult learners ages 21 and older, giving adult learners a tuition-free pathway to earn an associate degree or skilled trades certificate. More than 66,500 students have enrolled in community college with Michigan Reconnect since it was created in 2021.
- \$60 million for ITEMS funding to support infrastructure, technology, equipment, maintenance, and safety improvements at the state’s community colleges and public universities.

### **Quotes on Higher Education**

“Thanks to Governor Whitmer’s leadership and commitment to building a strong economy through talent development and postsecondary attainment, the past 7 years of her term have been the most consequential for college access and affordability in the state’s history,” said **Ryan Fewins-Bliss, Executive Director of the Michigan College Access Network**. “Working with her bipartisan partners in the legislature, college degrees and certificates are now within every Michigander’s reach including those who have been traditionally locked out of higher education. I look forward to continuing this momentum toward our Sixty by 30 goal by fighting for every student to reach their career goals starting with our collective call to expand Michigan Reconnect’s eligibility to include students as young as 21.”

“Building on the proven success of Reconnect, Governor Whitmer’s investment to expand eligibility provides a critical on-ramp for working adults, displaced workers, and those returning to education,” said **Brandy Johnson, president of the Michigan Community College Association**. “Community and Tribal colleges are ready to help more learners gain skills and credentials that strengthen the workforce, expand opportunity, and meet the state’s evolving economic needs.”

## **Protecting Medicaid**

In the wake of devastating federal cuts to health care that have already raised premiums and could close hospitals and clinics, crowd emergency rooms, cut jobs, and kick hundreds of thousands of Michiganders off their health care, the budget recommendation takes decisive action to protect access to coverage and ensure the future sustainability of Medicaid, including:

### *Protecting Medicaid*

- \$780.4 million to stabilize Medicaid funding, protecting access to health care for eligible Michiganders through revenue generated from a mix of funding mechanisms, including:
  - \$232 million from bringing Michigan's tobacco tax rate in line with other Great Lakes states.
  - \$73.6 million from taxing vaping and non-tobacco nicotine products similarly to other tobacco products.
  - \$282 million from a tax on digital advertising across all media platforms.
  - \$192.8 million from updating the state's internet gaming, sports betting, and online gaming tax structure.
- \$150 million in efficiency savings identified in collaboration with stakeholders to address costs, accountability and resource effectiveness while maintaining sustainability of services.

## **Quotes on Medicaid**

"When Medicaid is secure, hospitals, health centers, and communities can plan for the long term," said **Denise Crawford, President & CEO of Family Health Center**. "That stability reduces costs, improves outcomes, and protects the most vulnerable among us, our friends, our neighbors, and our babies. Investing in a stable Medicaid program preserves coverage, prevents costly emergency care, and will strengthen the health and economic resilience of Michigan for years to come."

"The over 50,000 members of SEIU Healthcare Michigan provide healthcare in hospitals, nursing homes, and homes in every county of Michigan every day," said **Charlesetta Wilson, President of SEIU Healthcare Michigan**. "The devastating cuts of the OBBBA legislation passed by Congress will impact the care our members provide to the Michiganders who need it the most. We applaud Governor Whitmer's inclusion of a substantial investment in Medicaid—these are necessary resources in order for Michiganders to get the care they need. We look forward to working with the Governor, the Legislature, and health care workers to protect health care in Michigan."

"We applaud Governor Whitmer for prioritizing Medicaid in her budget," said **Monique Stanton, President & CEO of the Michigan League for Public Policy**. "At a time when the federal government is causing unpredictable economic shifts and slashing programs that help Michiganders stay afloat, we must focus on mitigating harm. Governor Whitmer's plan to stabilize funding for Medicaid is a much-needed step toward protecting health coverage in our state."

"Last summer, Congress enacted massive cuts in federal funding for Medicaid and other programs that support our most vulnerable citizens - people with disabilities, older adults, and working families," said **Alison Hirschel, Director and Managing Attorney of the Michigan Elder Justice Initiative**. "These Medicaid cuts also threaten to drive up healthcare costs for all of us and limit access to services in many communities. The Michigan Elder Justice Initiative (MEJI) strongly supports Governor Whitmer's efforts to protect Medicaid by responsibly proposing new revenues to help close the federal funding gap."

"We urge the Legislature to support Governor Whitmer's FY 27 budget proposal and protect access to

Medicaid coverage in the face of reduced state revenues and federal funding to Michigan,” said **Amy Zaagman, Executive Director of the Michigan Council for Maternal & Child Health**. “Protecting Medicaid access will require additional revenue and we fully support taxing tobacco and vape products that contribute to poor health and higher health care costs. Almost half of pregnant women and children depend on Medicaid. Let's do what it takes to put them first.”

#### *Implementing H.R. 1*

- \$186.6 million to prepare our state to meet new, burdensome federal requirements that make it harder to access food and health care:
  - \$94.3 million in increased SNAP administrative cost-sharing, which increased from 50% to 75%.
  - \$60.3 million for staffing, administration, and implementation oversight efforts to comply with new federal requirements and support beneficiaries.
  - \$30 million in workforce investments to help Michiganders maintain access to healthcare and SNAP, including \$25 million for workforce training and \$5 million to expand registered apprenticeship opportunities.
  - \$2 million to create a data-sharing platform to meet new federal H.R.1 requirements for Medicaid and SNAP while streamlining verification and ensuring efficient compliance.

#### *Supporting Healthy Communities*

- \$351.8 million to preserve and raise direct care worker wages, consistent with the Jan. 1, 2027 and prior year statewide minimum wage increases and provide paid sick leave.
- \$21.4 million directed to cancer prevention, smoking and vaping cessation, and mental/behavioral health support for Michigan children through the Healthy Michigan Fund from a portion of vape tax revenues.
- \$72.2 million to expand behavioral health care and capacity through the new state psychiatric hospital, which is anticipated to open in October.
- \$20 million in ongoing TANF funding to continue support for Rx Kids, ensuring families have the care and stability they need during the critical early stages of life. Rx Kids has helped more than 4,290 babies and their families since 2024. In total, \$286.5 million in state funds have been invested in RX Kids since 2024.
- \$116.2 million in funding to continue the Healthy Moms, Healthy Babies program which helps new and expectant mothers receive the care they need and reduce racial disparities in infant and maternal mortality. The program has supported more than 313,100 families since 2020.
- \$30 million in continued funding to support crime victims in light of declining federal funds .
- \$10 million to support nursing home staffing and improve care for nursing home residents.
- \$2 million investment in the autism navigator program to help individuals with autism and their families.

#### **Fixing Michigan’s Roads**

Since Governor Whitmer took office through the end of the 2025 construction season, Michigan has fixed more than 26,500 lane miles of road and nearly 2,000 bridges. The budget recommendation proposes investments to continue fixing the damn roads, powered by the biggest roads deal in state history that will fix state *and* local roads, which Governor Whitmer signed into law last fall alongside the FY26 budget. This budget includes:

- \$5.8 billion for roads, to save drivers time behind the wheel and money on repairs, while also supporting an estimated 30,500 good-paying construction jobs annually.

- \$1.6 billion in new sustainable funding to improve state and local roads; funding will be \$2 billion annually when fully implemented in FY30.
  - \$100 million to repair and replace local bridges.
  - \$100 million for public transit, including new transformational projects and local bus operations.
  - \$40 million for rail grade separation projects to improve safety and reduce traffic congestion.
- \$481 million increase for roads and bridges, with more than two-thirds supporting local roads.
- \$130.8 million increase in state and federal support for transit and rail programs, including a \$43.4 million increase in Local Bus Operating assistance for local transit agencies. This adds to the \$44.9 million FY26 increase for Local Bus Operating approved last fall, for a total of \$315 million – a combined 39% increase.

### Quotes on Roads

“This road funding plan includes new revenue and a long-overdue commitment to making sure dollars paid at the pump are invested back into the roads and bridges Michigan families rely on every day,” said **Operating Engineers 324 Business Manager Douglas W. Stockwell**. “Our 16,000 members stand ready to continue the work of rebuilding and maintaining this infrastructure across the state, creating safe roads and bridges, and good-paying jobs in the process. The 2026 state budget that includes this road funding is a good start, and we look forward to continuing to work with state leaders to keep investing in Michigan and raising road funding levels to where they need to be to fully restore our infrastructure and keep Michigan moving forward.”

“The road funding deal that Governor Whitmer signed into law will provide significant benefit to LiUNA members, through stable and high paying jobs,” said **Brent Pilarski, Business Manager, Michigan Laborers District Council**. “Additionally, by repaving roads and filling potholes, this legislation will benefit all Michiganders by reducing the auto related maintenance costs caused by crumbling and unsafe roads. While there is still more work to be done to fully fund Michigan’s public infrastructure, the 2025 road funding deal is an incredibly impactful step forward.”

“Last year’s bipartisan road funding deal was a historic step forward, and Governor Whitmer’s budget is turning that commitment into real dollars to fund and fix Michigan’s roads and bridges in communities across the state,” said **Rob Coppersmith, Executive Vice President of the Michigan Infrastructure and Transportation Association**. “These investments improve safety, create jobs, and strengthen Michigan’s economic competitiveness. This is real progress, but fully rebuilding our roads and bridges will require even more sustained, long-term investment in the years ahead.”

“The leadership shown by Governor Whitmer and the Legislature to prioritize investment in our decades-long road funding shortfall shows that in Michigan our leaders are working together to do big things that benefit our residents, visitors and overall business climate from the driveway to the highway,” said **Denise Donohue, CEO of the County Road Association of Michigan**. “It’s not an exaggeration to say that all 83 county road agencies are leaning into this year, ready to take on substantive new projects that will improve county primary and local roads *and* begin to address our serious, critical and load-restricted bridges across both peninsulas.”

“This is what smart, bipartisan leadership looks like,” said **Rick Becker, President of Michigan Paving**. “By working together, the Governor and Legislature delivered real structural change to road funding that strengthens state and local roads and sets Michigan up for sustained infrastructure investment.”

“We applaud Governor Whitmer for her leadership on the 2025 road funding package,” said **Scott Shogan, Senior Vice President of HNTB**. “This new sustainable funding will have an important impact on our economy and our industry, allowing local road agencies to improve safety and infrastructure conditions in our communities.”

### **Creating Jobs & Growing the Economy**

The budget recommendation proposes investments to create good-paying jobs, continue to grow and diversify Michigan’s economy, and build stronger, more vibrant communities, including:

#### *Growing Our Economy*

- \$150 million to invest in public infrastructure and prepare sites in Michigan for future development or redevelopment, creating a statewide inventory of development-ready sites to attract investment and create jobs.
- \$59.4 million to continue business attraction and community revitalization programs to incentivize job creation, investment and revitalize blighted properties. In addition, \$15.7 million in continued funding supports entrepreneurship programming across the state.
  - Since 2019, \$476.7 million for business attraction and revitalization efforts have supported 22,300 projected jobs and leveraged nearly \$9.8 billion in private investment across Michigan communities.
  - \$100 million in total investments in entrepreneurs and innovators since 2019 has spurred \$12.6 billion in new industry investment and advanced Michigan’s position in key sectors.
- \$16 million in continued funding for the Pure Michigan campaign, which fuels tourism, supports local businesses, and strengthens Michigan’s economy. The Pure Michigan campaign has generated an estimated \$9.9 billion in ad-influenced visitor spending across the state since 2019.
- \$6 million to promote Michigan as a destination for special events, including national conventions, conferences, major sporting competitions or other significant events that feature Michigan to a national audience.
- \$5.3 million to coordinate port activity, administer grants, and position Michigan to attract federal and private investment through the establishment of a Maritime and Port Facility Office.
- \$2.3 million for the Office of Rural Prosperity to support economic growth and infrastructure projects in rural communities.
- \$4 million for the Rural Development Fund Grant Program to expand grant opportunities that enhance rural community infrastructure.

#### *High-Tech Jobs*

- \$8 million to support Michigan science, technology, engineering, and mathematics (MiSTEM) programs which will increase the number of students who are college- and career-ready upon high school graduation and promote degree attainment in STEM fields.
- \$5 million investment supporting the Office of Future Mobility and Electrification, advancing aviation and drone initiatives that drive innovation, economic growth, and workforce development.
- \$5 million to grow the maritime manufacturing sector and strengthen the state’s defense industry, creating good-paying jobs, fostering innovation, and attracting new investment.
- \$5 million to support the Michigan Office of Defense and Aerospace Innovation, advancing programs that foster innovation, create jobs, and grow Michigan’s defense and aerospace

industries.

#### *Workforce Development*

- \$429.1 million in continued funding for workforce development programs and grants, including training opportunities for youth, dislocated workers, and underserved populations, to build pathways into good-paying jobs.
  - Since 2019, these workforce development programs and grants have provided training and career services to more than 827,000 Michiganders.
  - Since 2019, \$93 million has helped more than 45,000 workers gain skills through apprenticeships and training programs.
- \$155.2 million in continued support for Michigan Rehabilitation Services, to help individuals with disabilities prepare for, obtain, and maintain employment.
  - Since 2019, Michigan Rehabilitation Services has supported more than 105,000 individuals with disabilities in securing or retaining employment.
- \$2.3 million to continue the Community and Worker Economic Transition program, assisting workers and businesses affected by industry shifts to connect with retraining, job placement, and economic transition resources.

#### *Vibrant Communities*

- \$50 million for the Michigan Housing and Community Development Fund to continue supporting the affordable housing needs of low-income households and revitalization of neighborhoods and downtowns. The budget recommendation also proposes statutory changes to be more flexible and responsive to the housing needs facing Michigan communities. These changes will allow the \$50 million ongoing investment to be used for a broader range of projects including neighborhood revitalization and infill housing development and better meet the acute housing needs facing the state. MSHDA has invested over \$9.7 billion in 67,220 housing units since FY20.
- \$10 million increase to support arts and cultural institutions that make Michigan communities unique and desirable places to work, live and raise a family. Since 2019, \$82 million has helped just over 1,580 arts and cultural organizations host events, exhibitions and programs, enriching communities across Michigan.
- \$1.5 million to preserve and enhance Michigan's designated museums, ensuring educational opportunities and public access to the state's cultural and historical treasures.
- \$750,000 for the Rural Heritage Partnership Program, which repairs and improves qualified historic buildings in small, rural communities statewide.

#### **Keeping Communities Safe**

The budget recommendation proposes investments to keep families and communities safe, improve veteran services, and protect and preserve Michigan's air, water, and land, including:

#### *Protecting Public Safety*

- \$1.7 billion to sustain revenue sharing to help counties, cities, villages, and townships ensure public safety and improve the quality of life for residents. Revenue sharing has increased by more than 31% since the Governor took office.
- \$85 million for offender success services, programming, and education to foster offenders' personal success, contribute to a safer prison environment, and maintain successful reintegration into the community. Since 2019, support for education, skilled trades, and career readiness programs for prisoners has resulted in over 40,000 program completions, greatly

- contributing to the state's record low recidivism rates and reduced offender populations.
- \$50 million to fund public safety revenue sharing grants to counties, cities, villages, and townships to enhance public safety and prevent violent crime.
- \$20.4 million support trial court programs that aim to address the underlying substance or mental health issues that contribute to criminal behavior by focusing on treatment and supervision as an alternative to incarceration.
- \$13.3 million to support in-service training for more than 18,700 law enforcement officers.
- \$6.7 million increase for Michigan's Public Safety Communications System, which keeps more than 2,630 public safety agencies across the state connected.
- \$2.5 million to continue the work of the statewide gun violence prevention task force focused on safety and prevention.
- \$1.9 million to maintain the Victim Support Program, which supports victims early in their interactions with the criminal justice system while also building partnerships with community organizations in support of victim advocacy. The Victim Support Program has served more than 4,600 individuals since the program began in 2020.
- \$1.7 million to support the OK2Say student safety program, which allows people to confidentially report potential harm or criminal activities directed at students, school employees, and schools.
- \$509,000 in continued support for firefighter training grants, helping local fire departments improve safety and emergency response through professional training.

#### *Veteran and National Guard Support*

- \$109.3 million to operate Michigan's veteran homes, which provide comprehensive care for veterans and eligible family members.
- \$11.2 million to the Michigan National Guard Member Benefit Fund, which expands existing resources for the National Guard Tuition Assistance Program to include support for the new childcare and health care programs supporting National Guard members.
- \$4.3 million in support of county veteran service grants, strengthening local veteran services and ensuring equitable access to benefits across Michigan.

#### *Safeguarding Our Air, Land and Water*

- \$42.4 million for drinking water and environmental health programs to safeguard public health. Since 2019, \$21.3 million has supported initiatives that monitor water quality.
- \$29.4 million to update and maintain the Michigan Department of Natural Resource's fisheries system, invasive species controls, and expand outdoor access.
- \$24.6 million investment in off-road trails improvements, and harbor and waterway upgrades and development.
- \$80 million to clean up contaminated sites and deposit funds in the Renew Michigan Fund, bringing Michigan in line with other Midwest states when it comes to out-of-state trash haulers.
- \$11 million for environmental stewardship through the Michigan Agriculture Environmental Assurance Program to promote sustainable farming practices. Since 2019, \$50.9 million has helped 2,663 farms adopt sustainable practices that protect soil, water, and natural resources.
- \$7.8 million for the qualified forest program to encourage private forestland stewardship and keep land in active use. Since 2019, \$9.3 million has funded initiatives that promote private forest stewardship, preserving 448,522 acres of Michigan forests and supporting long-term land

productivity.

- \$7.3 million for the Water Resource Division to expand oversight and monitoring of Michigan’s waterways and water infrastructure.
- \$6.5 million to acquire property in the Upper Peninsula, preserving 22,649 acres of forestlands in the Keweenaw Heartlands as a public resource.
- \$3 million for local conservation districts, supporting technical assistance and conservation programs in communities. Since 2019, \$11.8 million has supported local conservation districts, providing technical assistance and conservation programs to every Michigan county.
- \$2 million to identify vulnerable communities and support local adaptation strategies to reduce risk and costs.
- \$1.9 million for agriculture preservation easement grants to protect farmland. Since 2019, \$10.6 million has supported agriculture preservation easement grants, protecting 2,634 acres of farmland and helping sustain Michigan’s agricultural economy.
- \$5 million to support the Double Up Food Bucks program, helping families purchase fresh, nutritious foods and strengthen local food systems. Since 2019, \$19.8 million has supported families purchasing fresh, nutritious foods and strengthening local food systems.

### **Effective & Efficient State Government**

To ensure government effectively and efficiently serves all residents, the budget recommendation includes funding to modernize state government, including:

- \$35 million for continued investment in the Information Technology Investment Fund (ITIF) to modernize state systems and improve service delivery. Proposed FY27 projects include upgrades to business and special tax collections, natural resources asset management, pesticide regulation and licensing, and systems needed to implement federal H.R. 1 Medicaid and SNAP requirements.
- \$17.3 million for the statewide judicial case management system, including a \$2 million increase, as trial courts continue to join the system, bringing greater efficiency to court operations. Currently, 275 of 302 trial courts are actively using, or transitioning to, the system.
- \$18.8 million for the Department of Civil Rights to continue investigations into discrimination complaints. More than 12,000 civil rights complaints have been investigated and resolved since 2019.
- \$43.2 million to strengthen the Election Equipment Reserve Fund—enabling local election administration and lifecycle maintenance of election equipment.
- \$1 million to enhance the representation of residential utility customers before the Michigan Public Service Commission.
- \$509,000 to enhance the state’s firefighter training and storage tank safety inspection programs.
- \$491,100 to enhance financial oversight and accountability over LARA program areas through a new internal Compliance and Risk Management section within the department.

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*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.*