



STATE OF MICHIGAN
 STATE BUDGET OFFICE
 LANSING

GRETCHEN WHITMER
 GOVERNOR

JENNIFER L. FLOOD
 DIRECTOR

February 11th, 2026

The Honorable Sarah Anthony, Chair
 Senate Appropriations Committee
 Michigan State Senate
 State Capitol
 Lansing, Michigan 48909

The Honorable Ann Bollin, Chair
 House Appropriations Committee
 Michigan House of Representatives
 State Capitol
 Lansing, Michigan 48909

Dear Legislators:

SUBJECT: Supplemental Request 2026-1

Attached please find supplemental recommendations for fiscal year 2026 totaling \$1.1 Billion Gross (\$46.3 million general fund) which are summarized by department below.

<u>Department</u>	<u>GF/GP</u>	<u>Gross</u>
Civil Rights	\$0	\$250,000
Environment, Great Lakes, and Energy	\$0	\$238,586,000
Health and Human Services	\$42,365,400	\$696,665,800
Insurance and Financial Services	\$0	\$1,400,000
Labor and Economic Opportunity	\$1,000,000	\$152,300,000
Licensing and Regulatory Affairs	\$0	\$39,700
Natural Resources	\$0	\$33,849,400
State Police	\$0	\$7,724,000
Technology, Management and Budget	\$3,000,000	\$3,100,000
Transportation	\$0	\$0
Treasury	\$0	\$750,000
Total	\$46,365,400	\$1,134,664,900

If you have any questions regarding this request, please contact my office at (517) 335-3420.

Sincerely,

Jennifer L. Flood
 State Budget Director

Senator Sarah Anthony
Representative Ann Bollin
Page 2
February 11, 2026

Attachment

cc: Winnie Brinks, Senate Majority Leader
Matt Hall, Speaker of the House
Aric Nesbitt, Senate Minority Leader
Ranjeev Puri, House Minority Leader
Senate Appropriations Committee
House Appropriations Committee
Senate Fiscal Agency
House Fiscal Agency

Departments
JoAnne Huls, Chief of Staff
Tricia Foster, Chief Operating Officer
Zack Pohl, Deputy Chief of Staff
Kara Cook, Director of Legislative Affairs
Alex Coulon, Deputy State Budget Director
Heather Boyd, Office of Financial Management
Internal State Budget Office

Supplemental Letter # 2026-1**Boilerplate**

Sec. xxx. The state budget director shall take steps to ensure that all state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2, are expended by December 31, 2026, as required by law. Any state fiscal recovery funds that would otherwise lapse after September 30, 2026, are automatically reappropriated for the same purpose as originally authorized and available for expenditure through December 31, 2026, and any subsequent financial close out period.

Sec. xxx. (1) The state budget director shall take steps to ensure that all state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2, are expended by December 31, 2026, as required by law. The state budget director may reallocate appropriated funds for the purpose of fully utilizing state fiscal recovery funds that are in jeopardy of not meeting the expenditure deadline for reasons that may include, but are not limited to, completed projects coming in under budget or funds unable to be fully used by subrecipients. The state budget director shall reallocate any of the funds reallocated under this subsection to the programs or purposes specified in this section. Any funds reallocated are unappropriated and immediately reappropriated for the following purposes:

(a) To reclassify general fund/general purpose appropriations for payroll and covered benefits for eligible public health and safety employees at the department of corrections.

(b) To reclassify general fund/general purpose appropriations for payroll and covered benefits for eligible public health and safety employees at the department of state police.

(2) All applicable guidance, implementation, and reporting provisions of Public Law 117-2 must be followed for state fiscal recovery funds reallocated and reappropriated under subsection (1).

(3) The state budget director shall notify the senate and house appropriations committees not later than 10 business days after making any reallocations under subsection (1). The notification must include the authorized program under which funds were originally appropriated, the amount of the reallocation, the program, or programs, or purpose, and the department to which the funds are being reallocated under subsection (1), and the amount reallocated to each program or purpose.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 02/10/2026

Run Time: 5:12:06 PM

Supplemental Letter # 2026-1

Civil Rights

Appropriation Summary	Appn/Fund	FTEs
GROSS APPROPRIATION		250,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		250,000
Total federal revenues	FDRL	250,000
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	0
State general fund/general purpose	GFGP	0
CIVIL RIGHTS OPERATIONS	Appn/Fund	FTEs
Complaint investigation and enforcement	37425	250,000
GROSS APPROPRIATION		250,000
Appropriated from:		
EEOC, state and local antidiscrimination agency contracts	3206	250,000

Explanation

This supplemental request will allow Department of Civil Rights to expend additional funds received from federal Equal Employment Opportunity Commission based on an increase in reimbursement rate for closure of employment discrimination cases.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 02/10/2026

Run Time: 5:12:06 PM

Supplemental Letter # 2026-1

Environment, Great Lakes, and Energy

Appropriation Summary	Appn/Fund	FTEs
GROSS APPROPRIATION		238,586,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		238,586,000
Total federal revenues	FDRL	187,845,000
Total local revenues	LOCL	0
Total private revenues	PRIV	485,000
Total other state restricted revenues	STRS	50,256,000
State general fund/general purpose	GFGP	0
DEPARTMENTAL ADMINISTRATION AND SUPPORT		
Executive direction	11000	4,300,000
GROSS APPROPRIATION		4,300,000
Appropriated from:		
Federal funds	3000	1,300,000
Inflation reduction act	3185	3,000,000
WATER RESOURCES DIVISION		
Federal - Great Lakes remedial action plan grants	43200	1,162,000
Great Lakes restoration initiative	46350	6,500,000
Water quality programs	66700	1,331,000
GROSS APPROPRIATION		8,993,000
Appropriated from:		
Federal funds	3000	6,500,000
Infrastructure investment and jobs act fund	3180	2,493,000
REMEDIATION AND REDEVELOPMENT DIVISION		
Environmental cleanup and redevelopment program	42050	25,000,000
State sites cleanup program	65900	25,256,000
GROSS APPROPRIATION		50,256,000
Appropriated from:		
Cleanup and redevelopment fund	2236	25,000,000
State site cleanup fund	2736	25,256,000

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 02/10/2026

Run Time: 5:12:06 PM

Supplemental Letter # 2026-1

MATERIALS MANAGEMENT DIVISION	Appn/Fund	FTEs
Energy programs	42210	4,125,000
Material management programs	46800A	8,054,000
GROSS APPROPRIATION		12,179,000
Appropriated from:		
Federal funds	3000	1,163,000
Inflation reduction act	3185	8,531,000
Infrastructure investment and jobs act fund	3180	2,000,000
Private funds	5000	485,000
WATER INFRASTRUCTURE	Appn/Fund	FTEs
Water state revolving funds	69300A	123,273,000
GROSS APPROPRIATION		123,273,000
Appropriated from:		
Infrastructure investment and jobs act fund	3180	123,273,000
ONE-TIME APPROPRIATIONS	Appn/Fund	FTEs
PFAS and emerging contaminants	T58519	39,585,000
GROSS APPROPRIATION		39,585,000
Appropriated from:		
Infrastructure investment and jobs act fund	3180	39,585,000

Boilerplate

Sec. xxx. Funds appropriated in part 1 for state sites cleanup program must be deposited into the state site cleanup fund created in the natural resources and environmental protection act, 1994 PA 451, MCL 324.20108c, from surplus funds in the cleanup and redevelopment trust fund in accordance with 1996 PA 384, MCL 445.573e. All funds in the state site cleanup fund are appropriated and available for expenditure to support the implementation of the cleanup of environmentally contaminated sites, in accordance with the natural resources and environmental protection act, 1994 PA 451, MCL 324.20108c.

Sec. xxx. The unexpended funds appropriated in part 1 for environmental cleanup and redevelopment program are designated as work project appropriations, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the projects is to provide contaminated site cleanup.
- (b) The projects will be accomplished by utilizing contracts with service providers.
- (c) The total estimated cost of the project is \$25,000,000.00.
- (d) The tentative completion date is September 30, 2030.

Supplemental Letter # 2026-1

Sec. xxx. The unexpended funds appropriated in part 1 for PFAS and emerging contaminants are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditure until the project has been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- a) The purpose of the project is to address emerging contaminants in drinking water.
- b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.
- c) The total estimated cost of the project is \$39,585,000.00.
- d) The tentative completion date is September 30, 2030.

Sec. xxx. The unexpended funds appropriated in part 1 for executive direction are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project is to support a ports program and implementation of the Michigan maritime strategy.
- (b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.
- (c) The total estimated cost of the project is \$3,000,000.00.
- (d) The tentative completion date is September 30, 2030.

Sec. xxx. The unexpended funds appropriated in part 1 for material management programs are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project is to support the Coal Combustion Residuals program.
- (b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.
- (c) The total estimated cost of the project is \$263,000.00.
- (d) The tentative completion date is September 30, 2030.

Sec. xxx. The unexpended funds appropriated in part 1 for energy programs are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project is to provide training residential contractors.
- (b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.
- (c) The total estimated cost of the project is \$4,125,000.00.
- (d) The tentative completion date is September 30, 2030.

Supplemental Letter # 2026-1

Sec. xxx. The unexpended funds appropriated in part 1 for executive direction are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project is to support stormwater management in the Ox Creek Watershed.
- (b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.
- (c) The total estimated cost of the project is \$1,300,000.00.
- (d) The tentative completion date is September 30, 2030.

Sec. xxx. The unexpended funds appropriated in part 1 for material management programs are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project is to replace high-emission vehicles.
- (b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.
- (c) The total estimated cost of the project is \$685,000.00.
- (d) The tentative completion date is September 30, 2030.

Sec. xxx. The unexpended funds appropriated in part 1 for material management programs are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project is to support a SMART manufacturing grant program.
- (b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.
- (c) The total estimated cost of the project is \$2,000,000.00.
- (d) The tentative completion date is September 30, 2030.

Sec. xxx. The unexpended funds appropriated in part 1 for material management programs are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project is to support a Heavy-Duty Vehicles program.
- (b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.
- (c) The total estimated cost of the project is \$4,406,000.00.
- (d) The tentative completion date is September 30, 2030.

Supplemental Letter # 2026-1

Sec. xxx. The unexpended funds appropriated in part 1 for material management programs are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project is to support food waste reduction.
- (b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.
- (c) The total estimated cost of the project is \$700,000.00.
- (d) The tentative completion date is September 30, 2030.

Sec. xxx. The unexpended funds appropriated in part 1 for Great Lakes restoration initiative are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project is to support work in the Detroit and Rouge River Areas of Concern.
- (b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.
- (c) The total estimated cost of the project is \$6,500,000.00.
- (d) The tentative completion date is September 30, 2030.

Sec. xxx. The unexpended funds appropriated in part 1 for Federal - Great Lakes remedial action plan grants are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project is to support Great Lakes Remedial Action Plan Grants.
- (b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.
- (c) The total estimated cost of the project is \$1,162,000.00.
- (d) The tentative completion date is September 30, 2030.

Sec. xxx. The unexpended funds appropriated in part 1 for water quality programs are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project is to provide grants to municipalities for sewer and stormwater infrastructure projects.
- (b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.
- (c) The total estimated cost of the project is \$1,331,000.00.
- (d) The tentative completion date is September 30, 2030.

Supplemental Letter # 2026-1

Sec. xxx. The unexpended funds appropriated in part 1 for water state revolving funds are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditure until the project has been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- a) The purpose of the project is to support drinking water and wastewater large-scale construction projects.
- b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.
- c) The total estimated cost of the project is \$123,273,000.00.
- d) The tentative completion date is September 30, 2030.

Sec. xxx. The unexpended funds appropriated in part 1 for state sites cleanup program are designated as work project appropriations, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the projects is to provide contaminated site cleanup at state owned properties.
- (b) The projects will be accomplished by utilizing contracts with service providers.
- (c) The total estimated cost of all projects is \$25,256,000.00.
- (d) The tentative completion date is September 30, 2030.

Explanation

This supplemental seeks \$25.3 million in state restricted authorization to utilize the available balance in the State Site Cleanup Fund remaining from the FY25 distribution of the Cleanup and Redevelopment Trust Fund. This funding will be utilized to address 58 sites that are environmentally contaminated and where the state is the owner or a liable party.

This request seeks \$25 million in state restricted funding available in the Cleanup and Redevelopment Fund from the accumulation of unclaimed bottle deposit revenues. This funding will be utilized to address contaminated sites throughout the state where there is no liable party to pay for remediation.

This request seeks \$39.5 million in federal authorization to utilize additional funding made available to Michigan from the EPA for water infrastructure updates centered on lead service lines. The additional allocation is from unused funding to other states from the Infrastructure Investment and Jobs Act that is being reallocated to Michigan.

This supplemental seeks \$3 million in federal authorization for the Executive Direction line to support competitive grants made to communities for port upgrades. Federal funds are made available through an awarded grant from the EPA.

This supplemental seeks \$263,000 federal authorization for the Materials Management Programs line to utilize non-competitive grant funding made available by the EPA for the Coal Combustion Residuals Permitting Program. Funding will be utilized to support ongoing permitting and compliance activities for the Coal Combustion Residuals program.

This supplemental seeks \$4.1 million in federal authorization for the Energy Programs line to utilize federal funding made available by the DOE for training residential contractors.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 02/10/2026

Run Time: 5:12:06 PM

Supplemental Letter # 2026-1

This supplemental seeks \$1.3 million in federal authorization for the Executive Direction line to support the Great Lakes Restoration Initiative program with federal funding made available from the EPA. Funding will be utilized to assist with stormwater management in the Ox Creek Watershed.

This supplemental seeks \$200,000 in federal authorization and \$485,000 in private authorization for the Materials Management Programs line. Funding is made available from the Volkswagen Settlement Mitigation Trust and a grant award from the EPA. Funding will be utilized to assist with the replacement of high-emission vehicles.

This supplemental seeks \$2 million in federal authorization for the Materials Management line as additional federal funding has been made available from the DOE through a SMART manufacturing grant.

This supplemental seeks \$4.4 million in federal authorization for the Materials Management Programs line to utilize additional federal funding made available through an awarded grant from the EPA.

This supplemental seeks \$700,000 in federal authorization for the Materials Management Programs line to utilize a grant awarded by the EPA to provide the food and beverage industry assistance with food waste reduction.

This supplemental seeks \$6.5 million in federal authorization for the Great Lakes Restoration Initiative line to utilize a grant awarded from the Great Lakes Legacy Act to support work in the Detroit and Rouge River Areas of Concern.

This request seeks \$1.2 million in federal authorization for the fourth year allocation to Michigan of the Great Lakes Remedial Action Plan Grants. The grant funding will be utilized to identify and address municipal systems with known impacts from emerging contaminants.

This request seeks \$1.3 million in federal authorization to utilize available funding for the Sewer Overflow and Stormwater Reuse Municipal Grants Program. The program addresses local governments' infrastructure needs for combined sewer overflows, sanitary sewer overflows, and stormwater management. Funding is available through the Infrastructure Investment and Jobs Act and the Americas Water Infrastructure Act.

This request seeks \$123.3 million in federal authorization to utilize additional funding made available to Michigan from the EPA for large-scale construction projects related to local drinking water and wastewater management. The additional allocation is from unused funding to other states from the Infrastructure Investment and Jobs Act that is being reallocated to Michigan.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 02/10/2026

Run Time: 5:12:06 PM

Supplemental Letter # 2026-1

Health and Human Services

Appropriation Summary	Appn/Fund	FTEs
<i>Full-time equated classified positions</i>		53.8
GROSS APPROPRIATION		696,665,800
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		696,665,800
Total federal revenues	FDRL	344,097,100
Total local revenues	LOCL	421,800
Total private revenues	PRIV	261,000
Total other state restricted revenues	STRS	309,520,500
State general fund/general purpose	GFGP	42,365,400

DEPARTMENTAL ADMINISTRATION AND SUPPORT	Appn/Fund	FTEs
Coordinated children's healthcare policy and supports	43417	1,000,000
GROSS APPROPRIATION		1,000,000
Appropriated from:		
State general fund/general purpose	1000	1,000,000

CHILDREN'S SERVICES AGENCY - CHILD WELFARE	Appn/Fund	FTEs
Adoption subsidies	30310	(3,486,300)
Child care fund	34150	19,234,200
Foster care payments	45250	(1,006,200)
Guardianship assistance program	46600	(283,500)
Strong families/safe children	66250	500,000
GROSS APPROPRIATION		14,958,200
Appropriated from:		
Capped federal revenues	3213	(40,900)
Federal funds	3000	(21,622,100)
Social security act, temporary assistance for needy families	3510	(8,007,100)
County chargeback	4209	823,400
Collections	5204	273,100
Foster children SSA	1593	100,000
State general fund/general purpose	1000	43,431,800

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 02/10/2026

Run Time: 5:12:06 PM

Supplemental Letter # 2026-1

PUBLIC ASSISTANCE	Appn/Fund	FTEs
Family independence program	42750	11,846,300
Food assistance program benefits	44800	(121,721,100)
State disability assistance payments	65650	(688,300)
State supplementation	65950	(215,600)
GROSS APPROPRIATION		(110,778,700)
Appropriated from:		
Federal funds	3000	(121,721,100)
Child support collections	1228	1,437,000
Public assistance recoupment revenue	1384	(258,000)
Supplemental security income recoveries	1452	(200)
State general fund/general purpose	1000	9,763,600
LOCAL OFFICE OPERATIONS AND SUPPORT SERVICES	Appn/Fund	FTEs
Contractual services, supplies, and materials	37830	1,033,000
GROSS APPROPRIATION		1,033,000
Appropriated from:		
Federal funds	3000	301,900
State general fund/general purpose	1000	731,100
BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS	Appn/Fund	FTEs
Behavioral health program administration	32050	(500,000)
Family support subsidy	42950A	382,500
Michigan clinical consultation and care	53520	500,000
GROSS APPROPRIATION		382,500
Appropriated from:		
Federal funds	3000	0
Social security act, temporary assistance for needy families	3510	382,500
BEHAVIORAL HEALTH SERVICES	Appn/Fund	FTEs
Autism services	31650	52,089,900
Behavioral health community supports and services	32044	8,300,000
Certified community behavioral health clinic demonstration	33935	0
Federal mental health block grant	43750	3,000,000
Healthy Michigan plan - behavioral health	47620	(66,512,000)
Medicaid mental health services	52700	25,903,200
Medicaid substance use disorder services	52800	(13,849,200)
Nursing home PAS/ARR-OBRA	56300	3,600,000

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 02/10/2026

Run Time: 5:12:06 PM

Supplemental Letter # 2026-1

GROSS APPROPRIATION **12,531,900**

Appropriated from:

Federal funds	3000	(11,843,000)
State general fund/general purpose	1000	24,374,900

STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES

Appn/Fund FTEs

<i>Full-time equated classified positions</i>		<i>53.8</i>	
Caro Regional Mental Health Center - psychiatric hospital - adult	33450		4,294,600
Center for forensic psychiatry	33650		12,719,400
Kalamazoo Psychiatric Hospital - adult	50550		3,601,800
Southeast Michigan state psychiatric hospital - psychiatric hospital - adult, children, and adolescents	10057	53.8	7,894,400
Walter P. Reuther Psychiatric Hospital-adult, children, and adolescents	69251		(20,096,200)

GROSS APPROPRIATION **8,414,000**

Appropriated from:

Federal funds	3000	(10,765,800)
Local funds	4000	0
Other state restricted revenues	1200	0
State general fund/general purpose	1000	19,179,800

HEALTH AND HUMAN SERVICES POLICY AND INITIATIVES

Appn/Fund FTEs

Domestic violence prevention and treatment	40150A	195,700
Rape prevention and services	61400A	119,300

GROSS APPROPRIATION **315,000**

Appropriated from:

Capped federal revenues	3213	315,000
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LOCAL HEALTH AND ADMINISTRATIVE SERVICES

Appn/Fund FTEs

Local health services	51800	575,000
Violence prevention	68850	3,250,000

GROSS APPROPRIATION **3,825,000**

Appropriated from:

Federal funds	3000	575,000
Public safety and violence prevention fund	1678	3,250,000

FAMILY HEALTH SERVICES

Appn/Fund FTEs

Dental programs	39250A	0
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Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 02/10/2026

Run Time: 5:12:06 PM

Supplemental Letter # 2026-1

GROSS APPROPRIATION

0

Appropriated from:

Federal funds	3000	83,000
State general fund/general purpose	1000	(83,000)

CHILDREN'S SPECIAL HEALTH CARE SERVICES

Appn/Fund FTEs

Children's special health care services administration	35650	12,000
Medical care and treatment	52850	14,354,800

GROSS APPROPRIATION

14,366,800

Appropriated from:

Federal funds	3000	9,373,700
Private funds	5000	12,000
State general fund/general purpose	1000	4,981,100

HEALTH SERVICES

Appn/Fund FTEs

Adult home help services	30400	(3,924,400)
Ambulance services	31000	96,000
Auxiliary medical services	31800	(743,700)
Dental services	39270	4,361,300
Federal Medicare pharmaceutical program	43700	39,726,900
Federally qualified health centers	39478	30,112,200
Health plan services	47300	408,122,300
Healthy Michigan plan	47600	143,853,300
Home health services	48000	12,614,700
Hospice services	48250	47,744,700
Hospital services and therapy	48350	28,684,600
Integrated care organizations	49450	195,228,200
Long-term care services	51950	(48,484,300)
Medicaid home- and community-based services waiver	52650	(61,126,500)
Medicare premium payments	53150	(9,281,100)
Personal care services	58400	(8,900)
Pharmaceutical services	58550	47,801,000
Physician services	58600	(83,560,700)
Program of all-inclusive care for the elderly	59800	19,893,400
School-based services	63450	(34,850,800)
Special Medicaid reimbursement	64900	4,329,200
Transportation	67805	5,030,700

Supplemental Letter # 2026-1

GROSS APPROPRIATION		745,618,100
Appropriated from:		
Federal funds	3000	502,066,000
Local funds	4000	(401,600)
Private funds	5000	(24,100)
Michigan merit award trust fund	1154	12,999,900
Healthy Michigan fund	1487	(1,200,100)
Insurance provider fund	1561	0
Medicaid benefits trust fund	1910	(13,200,100)
Other state restricted revenues	1200	13,741,400
Quality assurance assessment tax	1902	292,650,600
State general fund/general purpose	1000	(61,013,900)

ONE-TIME APPROPRIATIONS	Appn/Fund	FTEs
<hr/>		
Medicaid work requirement grant	T65498	5,000,000
GROSS APPROPRIATION		5,000,000
Appropriated from:		
Federal funds	3000	5,000,000

Boilerplate

Sec. xxx. (1) The funds appropriated in part 1 for Medicaid work requirement grant shall be used for administrative costs directly associated with establishing systems and processes necessary to implement the work and community engagement requirements and other changes to eligibility determinations or redeterminations required by the 2025 Budget Reconciliation Act, Public Law 119-21.

(2) The unexpended funds appropriated in part 1 for Medicaid work requirement grant are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the work project is to implement the work and community engagement requirements and other changes to eligibility determinations or redeterminations required by the 2025 Budget Reconciliation Act, Public Law 119-21.
- (b) The work project will be accomplished by utilizing state employees or contracts with service providers, or both.
- (c) The total estimated completion cost of the work project is \$5,000,000.00.
- (d) The tentative completion date for the work project is September 30, 2030.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 02/10/2026

Run Time: 5:12:06 PM

Supplemental Letter # 2026-1

Explanation

This supplemental request attempts to achieve and/or accounts for the following:

FY26 caseload changes for Family Independence Program (FIP), State Disability Assistance (SDA), and State Supplementation Income (SSI).

FY26 caseload changes for Food Assistance Program (FAP).

Sexual Assault Services Program (SASP) and Federal Violence Prevention and Services (FVPS) grant authorization increase for FY26. SASP provides supportive services and crisis relief to victims of sexual assault. FVPS provides crisis services, shelter, training and more to those escaping domestic violence.

Aligns state restricted, federal, and local authority with projected revenue and expenditures in the State Psychiatric Hospitals. Shifts General Fund between psychiatric hospitals to align with current needs.

Recognizes increased costs of providing pre-admission screening and evaluation services to seriously mentally ill individuals who are seeking admission to nursing home facilities.

Accounts for anticipated increases in the cost of food at the State Psychiatric Hospitals for FY26 outside of what is included defined calculations.

Increases federal authorization in the Behavioral Health Community Supports and Services line for additional beds coming online at Psychiatric Residential Treatment Facilities. These facilities draw down Medicaid match.

Increases GF due to the loss of Medicaid revenue in the state psychiatric hospital system. Reduces federal authorization in a like amount to align with anticipated federal revenue.

Recognizes anticipated changes in Behavioral Health Services caseload.

Recognizes anticipated changes in Physical Health Services caseload.

Increases authorization in the Mental Health Block Grant federal fund in order to utilize the two simultaneous block grants for mental health. The department receives a new grant each year, with a time period of two years to utilize, thus always using year one of the new award and year two of the previous award.

Transfers federal authorization from Behavioral Health Administration to Michigan Clinical Care and Consultation (MC3).

Increases federal authorization in Local Health Services for eligible Medicaid match on department efforts to prevent the transmission of Hepatitis C.

Shifts authorization from General Fund to federal funds for Dental Programs. An employee was funded with General Fund, and a portion of their work is eligible for Medicaid match.

Corrects the budgeting of the FY24 Certified Community Behavioral Health Clinic (CCBHC) base General Fund savings and corrects financing in the CCBHC line.

Increases state restricted authorization in Violence Prevention for funding received via interagency agreement from the Department of Treasury to establish and administer a grant program to award funds to community violence intervention programs pursuant to PA 22 of 2025, Article 5, Sec. 959.

Increases capped federal authorization in the Strong Families Safe Children (SFSC) IV-B program due to increase in federal award.

Recognizes FY26 adjustments for Child Welfare caseload appropriations based on the following caseload projections:

Adoption Subsidies: 18,787

Guardianship Assistance Program (GAP): 1,039

Foster Care Payments: 7,311

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 02/10/2026

Run Time: 5:12:06 PM

Supplemental Letter # 2026-1

Recognizes private revenue from the American Academy of Pediatrics (AAP). Michigan's CSHCS program will assist AAP with its Blueprint for Change program, Phase 1 of which will focus on developing strategies to finance services and promote health equity for children and youth with special health care needs (CYSHCN).

Recognizes anticipated changes in Children's Special Health Care Services caseload.

Recognizes increased QAAP revenue for the year. A portion of quality assurance assessment program (QAAP) revenue from FY 2025 was received after the cutoff to recognize it as part of the FY 2025 accrual. This revenue will instead be recognized and available in FY 2026. As a result, this request increases QAAP by \$270M and reduces GF by the same in FY 2026. A related FY 2025 supplemental request proposes the inverse of this FY 2026 proposal (increasing GF and reducing QAAP by the same amount). Taken together, these adjustments net zero in both QAAP and GF over the two fiscal years.

Adjusts Home Health authorization to support the Centers for Medicare and Medicaid Services required change for Private Duty Nursing to ensure children under the age of 21 are entitled to services without limitation based on services, costs, or duration.

Adjusts restricted revenue authorization in FY26 to account for changes to tobacco revenues.

Recognizes CMS grant award to be used for administrative costs associated with establishing systems necessary to implement work requirements and other changes to eligibility redeterminations by H.R.1.

Recognizes anticipated changes in Family Support Subsidy payments.

Recognizes cost adjustment to support contractual income verification services provided through Equifax

Increases funding and staffing for the transition to the new Southeast Michigan State Psychiatric Hospital (SMSPH).

Adjusts authorization among various line items in the Health Services Section to account for transition of the MI Health Link program to the MI Coordinated Health (MIC) program in 2026. These adjustments reflect programmatic changes within historical MiHealth Link regions only (i.e. not statewide expansion).

Adjusts the special financing for Physical Health caseload.

One-time partial restoration of Autism Navigator program.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 02/10/2026

Run Time: 5:12:06 PM

Supplemental Letter # 2026-1

Insurance and Financial Services

Appropriation Summary	Appn/Fund	FTEs
GROSS APPROPRIATION		1,400,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		1,400,000
Total federal revenues	FDRL	0
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	1,400,000
State general fund/general purpose	GFGP	0

INSURANCE AND FINANCIAL SERVICES REGULATION	Appn/Fund	FTEs
Financial institutions evaluation	44250	1,400,000
GROSS APPROPRIATION		1,400,000
Appropriated from:		
Deferred presentment service transaction fees	1251	1,400,000

Explanation

This request for \$1.4 million of increased deferred presentment service transactions fees relates to contractual increases for the operation and maintenance of a deferred presentment database required pursuant to Section 22 of PA 244 of 2005. A similar increase is included in the fiscal year 2027 Executive Recommendation.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 02/10/2026

Run Time: 5:12:06 PM

Supplemental Letter # 2026-1

Labor and Economic Opportunity

Appropriation Summary	Appn/Fund	FTEs
GROSS APPROPRIATION		152,300,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		152,300,000
Total federal revenues	FDRL	1,200,000
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	150,100,000
State general fund/general purpose	GFGP	1,000,000
EMPLOYMENT SERVICES	Appn/Fund	FTEs
Private and occupational distance learning	59445	100,000
Wage and hour program	69150	100
Wage and hour program	69150	(100)
GROSS APPROPRIATION		100,000
Appropriated from:		
Distance education fund	1346	100,000
First responder presumed coverage fund	1539	0
STRATEGIC OUTREACH AND ATTRACTION RESERVE	Appn/Fund	FTEs
Michigan strategic site readiness program	54315	150,000,000
GROSS APPROPRIATION		150,000,000
Appropriated from:		
Strategic outreach and attraction reserve fund transfer to Michigan strategic fund	2658	150,000,000
MICHIGAN STRATEGIC FUND	Appn/Fund	FTEs
Arts and cultural program	31300	450,000
GROSS APPROPRIATION		450,000
Appropriated from:		
NFAH-NEA, promotion of the arts, partnership agreements	3281	450,000
ONE-TIME APPROPRIATIONS	Appn/Fund	FTEs
Office of future mobility and electrification	T56590	1,000,000
State historic preservation office grant program	T65803	750,000

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 02/10/2026

Run Time: 5:12:06 PM

Supplemental Letter # 2026-1

GROSS APPROPRIATION

1,750,000

Appropriated from:

State historic preservation, national park service grants	3285	750,000
State general fund/general purpose	1000	1,000,000

Boilerplate

Sec. xxx. The unexpended funds appropriated in part 1 for State historic preservation office grant program are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditure for the project under this section until the project has been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project is to support stabilization and rehabilitation of historic properties in rural communities.
- (b) The project will be accomplished by utilizing state employees, contracts, or both.
- (c) The total estimated cost of the project is \$750,000.00.
- (d) The tentative completion date is September 30, 2031.

Sec. xxx. (1) From the funds appropriated in part 1 for the Michigan strategic site readiness program, \$100,000,000.00 shall be used by the Michigan strategic fund to make grants to eligible applicants for improvements to strategic sites for which an end-user has not been identified, as provided for under section 88t(5) of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088t. Eligible applicants receiving funding under this subsection may enter into subgrant agreements with other entities as necessary and expedient to implement the improvements. Funds appropriated through this subsection must be used to make multiple awards. The Michigan strategic fund shall follow the application, evaluation, and selection criteria set forth in section 88t(5) of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088t, and the procedures and conditions set forth in the Michigan strategic fund act, 1984 PA 270, MCL 125.2001 to 125.2094.

(2) From the funds appropriated in part 1 for the Michigan strategic site readiness program, \$50,000,000.00 shall be used by the Michigan strategic fund to make grants to eligible applicants for improvements to strategic sites for which an end-user has been identified, as provided for under section 88t(7) of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088t. Eligible applicants receiving funding under this subsection may enter into subgrant agreements with other entities as necessary and expedient to implement the improvements. Funds appropriated through this subsection must be used to make multiple awards. The Michigan strategic fund shall otherwise follow the application, evaluation, and selection criteria set forth in section 88t of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088t, and the procedures and requirements set forth in the Michigan strategic fund act, 1984 PA 270, MCL 125.2001 to 125.2094.

(3) Up to 5% of the funds appropriated in part 1 for the Michigan strategic site readiness program may be used for the purpose of administering the activities authorized under these sections.

(4) The unexpended funds appropriated in part 1 for Michigan strategic site readiness program are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project is to support strategic sites.
- (b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.
- (c) The total estimated cost of the project is \$150,000,000.00.
- (d) The tentative completion date is September 30, 2030.

Supplemental Letter # 2026-1

Sec. xxx. All funds received in the prevailing wage fund created in section 25a of 2023 PA 10, MCL 408.1125a, are appropriated for the purposes allowable under 25a of 2023 PA 10, MCL 408.1125a.

Sec. xxx. (1) The one-time funds appropriated in part 1 for office of future mobility and electrification shall be used to further the state's emerging aviation and advanced air mobility sector in alignment with Executive Directive 2025-4. Funds may be used for advanced air mobility infrastructure deployment to enable beyond visual line of sight operations, for efforts that further develop this emerging sector, and workforce development strategies to aid in this industry transition.

(2) The office of future mobility and electrification shall collaborate with other state departments, such as the department of military and veterans affairs and the Michigan department of transportation, on the implementation of this program. As necessary to improve the administration or oversight of any of the dollars appropriated under this part and part 1, the department may adopt a memorandum of understanding with another state department to perform the required duties under this section. Any grant money that is awarded to a state department is appropriated in that department for the purpose of the intended grant.

(3) In addition to the funds appropriated in part 1, federal funds received by the office of future mobility and electrification, or other state department, for the purposes of advancing the state's aviation and advanced air mobility sector, are appropriated for the purposes outlined in the federal grant award. Unexpended federal funds received under this section may be carried forward into the succeeding fiscal year.

(4) The unexpended funds appropriated in part 1 for the office of future mobility and electrification are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to support the emerging aviation and advanced air mobility sector.

(b) The project will be accomplished by utilizing state employees, or contracts with service providers, or both.

(c) The total estimated cost of the project is \$1,000,000.00.

(d) The tentative completion date is September 30, 2030.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 02/10/2026

Run Time: 5:12:06 PM

Supplemental Letter # 2026-1

Explanation

This supplemental recommends \$450,000 in federal funding for the Arts and Cultural Program which received an increased federal award to support arts programs, services and activities across the state. The Michigan Strategic Fund's annual federal award has been gradually increasing over the past few years. The requested increase in federal authority will ensure these federal dollars can be utilized in support of arts programs throughout the state.

This supplemental recommends \$750,000 in federal funding to foster economic development in rural communities through the rehabilitation of historic properties. The Michigan State Historic Preservation Office (SHPO) received a federal grant from the National Parks Service to expand the impact of and implement the Michigan Rural Heritage Partnership Program. SHPO will support stabilization and rehabilitation of historic properties in rural communities throughout Michigan. Anticipated applicants include local governments, public entities, economic development organizations, and non-profits. Eligible properties would include commercial, civic, mixed-use, and community-oriented properties in downtown cores, community corridors, and related areas. SHPO anticipates that 7-12 projects will be awarded through a competitive process, with awards ranging in size from \$30,000-\$100,000. Grant awards will require a 15% match.

This supplemental recommends \$150 million for the Michigan Strategic Site Readiness Program to support new public infrastructure investments and develop a state-wide inventory of development-ready sites to attract and promote investment in Michigan. This investment into public infrastructure across the state will position Michigan for important projects that will create jobs for Michigan residents. Revenue to support this supplemental appropriation is available from the Strategic Outreach and Attraction Reserve Fund, and is in compliance with the statutory requirements for the use and expenditure of this fund in its enacting legislation.

This supplemental recommends \$100,000 in state restricted funding (Distance Education Fund) to support the ongoing operation and maintenance related IT costs for the Michigan Post-Secondary Schools (MiPSS) System, which is an IT system that maintains all approval-related activities related to establishing private post-secondary education and training institutions as well as institutions' use of GI Bill benefits. During the last year, the MiPSS required several changes and enhancements to improve efficiency and effectiveness for internal and external users that resulted in IT project cost increases, requiring the need for this supplemental. Revenue to support this increase comes from the fund balance in the Distance Education Fund (approximately \$1.1 million). A similar request is included in the FY27 Executive Recommendation.

This supplemental recommends boilerplate to appropriate application fees paid when contractors apply for state project registration under PA 110 of 2024. The law went into effect in early April of 2025 to allow LEO to collect registration fees, but an appropriation is required to allow LEO to spend the fees for the purposes outlined in MCL 408.1125a. This language was included in the FY25 supplemental article of PA 22 of 2025. A supplemental is requested for FY26 to add the same language, allowing LEO to spend the fees that are collected under this newly enacted statute. The fiscal year 2027 Executive Recommendation also includes the same language for FY27.

This supplemental recommends \$1 million general fund to support the Office of Future Mobility and Electrification's work to further the state's emerging aviation and advanced air mobility sector in alignment with Executive Directive 2025-4. Funds may be used for advanced air mobility infrastructure deployment to enable beyond visual line of sight operations, for efforts that further develop this emerging sector and workforce development strategies to aid in this industry transition. The Office of Future Mobility and Electrification will collaborate with other state departments on this initiative. The fiscal year 2027 Executive Recommendation includes an additional \$4 million general fund for this effort.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 02/10/2026

Run Time: 5:12:06 PM

Supplemental Letter # 2026-1

Licensing and Regulatory Affairs

Appropriation Summary	Appn/Fund	FTEs
GROSS APPROPRIATION		39,700
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		39,700
Total federal revenues	FDRL	39,700
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	0
State general fund/general purpose	GFGP	0
OCCUPATIONAL REGULATION	Appn/Fund	FTEs
Bureau of professional licensing	32930	39,700
GROSS APPROPRIATION		39,700
Appropriated from:		
Federal funds	3000	39,700

Explanation

This supplemental adds \$39,700 of federal authorization for the Bureau of Professional Licensing. The increase will support the first year of a 3-year federal grant awarded to the department by the Federal Financial Institutions Examination Council for the State Appraiser Regulatory Agency Support Grant Program and will support costs associated with an appraiser IT project, expert review, and grant management. Additional authorization has been included in the fiscal year 2027 Executive Recommendation to provide for the second year of grant funding.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 02/10/2026

Run Time: 5:12:06 PM

Supplemental Letter # 2026-1

Natural Resources

Appropriation Summary	Appn/Fund	FTEs
GROSS APPROPRIATION		33,849,400
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		33,849,400
Total federal revenues	FDRL	0
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	33,849,400
State general fund/general purpose	GFGP	0

PARKS AND RECREATION DIVISION	Appn/Fund	FTEs
Recreational boating	61650	165,600
GROSS APPROPRIATION		165,600
Appropriated from:		
Michigan state waterways fund	1117	165,600

ONE-TIME APPROPRIATIONS	Appn/Fund	FTEs
Wildlife management	T69900	3,221,400
GROSS APPROPRIATION		3,221,400
Appropriated from:		
Game and fish protection fund	1112	3,221,400

RECREATIONAL LANDS AND INFRASTRUCTURE	Appn/Fund	FTEs
Fisheries infrastructure	C42335	7,000,000
Recreational trail repairs and improvements	C48789	817,700
Snowmobile trail development and maintenance	C88080	1,907,900
State game and wildlife area infrastructure	C88360	10,000,000
GROSS APPROPRIATION		19,725,600
Appropriated from:		
Game and fish protection fund	1112	17,000,000
Recreation improvement account	2362	817,700
Snowmobile trail improvement fund	2464	1,907,900

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 02/10/2026

Run Time: 5:12:06 PM

Supplemental Letter # 2026-1

WATERWAYS BOATING PROGRAM	Appn/Fund	FTEs
State boating infrastructure maintenance	C83620	10,736,800
GROSS APPROPRIATION		10,736,800
Appropriated from:		
Michigan state waterways fund	1117	10,736,800

Boilerplate

Sec. xxx. The unexpended funds appropriated in part 1 for wildlife management are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditure for the project under this section until the project has been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project is to support Michigan's participation in the Chronic Wasting Disease Research Consortium study.
- (b) The project will be accomplished by utilizing state employees, contracts, or grants.
- (c) The total estimated cost of the project is \$3,221,400.00.
- (d) The tentative completion date is September 30, 2030.

Explanation

The recently enacted transportation revenue package included an increase to the state's gasoline tax beginning on January 1st, 2026. The state constitution requires that 2% of gasoline tax revenues be deposited into the Recreation Improvement Fund. This supplemental request increases spending authority across several programs consistent with the revenue distribution of the Recreation Improvement Fund into other public recreation supporting restricted funds. The majority of funds will be used to address deferred public boating infrastructure and state recreational trail maintenance, improvement, and development needs. Similar adjustments associated with increased revenues for the Recreation Improvement Fund and its revenue distribution are also included in the fiscal year 2027 Executive Recommendation.

Secondly, this supplemental requests \$7 million in one-time state restricted authorization to support an estimated \$2 million in increased costs for the coolwater fish production facility being constructed at Wolf Lake State Fish Hatchery in Mattawan, Michigan, with the remaining \$5 million to be used for special maintenance needs at other locations to benefit fish management. These special maintenance needs include field facility renovation/replacement projects, as well as other high-priority fisheries infrastructure improvements. Revenue is available on a one-time basis from strong investment returns in the Game and Fish Protection Fund.

Thirdly, this supplemental requests \$10 million in one-time state restricted spending authorization for special maintenance needs to benefit wildlife management. These high priority capital improvement needs encompass priority state game and wildlife area infrastructure renovation and repair needs, including demolition of unsafe and unusable buildings and the abatement of hazardous materials located on public lands managed by the department. Additionally, this funding will be used to address critical infrastructure needs at Wildlife Division field offices, headquarters, and storage facilities. Revenue is available on a one-time basis from strong investment returns in the Game and Fish Protection Fund.

Lastly, this request seeks \$3.2 million in state restricted authorization from the Game and Fish Fund to support Michigan's participation in the Chronic Wasting Disease Research Consortium Study. The funding will be used to support a memorandum of agreement with a university and partners to implement the study, CWD testing, trucks and trailers to haul harvested deer, and to supply hunting-based food donation programs with venison for food banks.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 02/10/2026

Run Time: 5:12:06 PM

Supplemental Letter # 2026-1

State Police

Appropriation Summary	Appn/Fund	FTEs
GROSS APPROPRIATION		7,724,000
Total interdepartmental grants and interdepartmental transfers	IDGT	500,000
ADJUSTED GROSS APPROPRIATION		7,224,000
Total federal revenues	FDRL	0
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	7,224,000
State general fund/general purpose	GFGP	0

LAW ENFORCEMENT SERVICES	Appn/Fund	FTEs
Biometrics and identification	32250	700,000
Criminal justice information center	38750	1,550,000
Forensic science	40100	1,200,000
Grants and community services	45970	2,774,000
Training operations	67550	500,000
GROSS APPROPRIATION		6,724,000
Appropriated from:		
IDT, Michigan justice training fund	6860	500,000
Auto theft prevention fund	1216	2,774,000
Criminal justice information center service fees	1531	700,000
Michigan set aside fund	1567	1,400,000
Sex offenders registration fund	1424	150,000
State services fee fund	1445	1,200,000

INFORMATION TECHNOLOGY	Appn/Fund	FTEs
Information technology services and projects	16020	1,000,000
GROSS APPROPRIATION		1,000,000
Appropriated from:		
Criminal justice information center service fees	1531	1,000,000

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 02/10/2026

Run Time: 5:12:06 PM

Supplemental Letter # 2026-1

Explanation

This supplemental request increases state restricted authorization in the Grants and Community Services appropriation to align authorization with higher than anticipated Auto Theft Prevention Fund revenue. Additional authorization will allow the Michigan Automobile Theft Prevention Authority to increase grant awards to auto theft prevention teams, prosecutors, and non-profit organizations across the state.

This supplemental request increases state restricted authorization in the Criminal Justice Information Center appropriation to provide authorization for available Set Aside Fee revenues. Additional authorization will support the Clean Slate Initiative through final system build out, database management, and temporary help desk staff.

This supplemental request increases state restricted authorization in the Criminal Justice Information Center appropriation to align authorization with available Sex Offender Registration Fee revenues. Additional authorization will be used to maintain the Lexis Nexis system and other existing system operations.

This supplemental request increases state restricted authorization in the Biometrics and Identification appropriation to align authorization with available Criminal Justice Information Center Service Fee revenues. Additional authorization will be used for a one-time Automated Print Identification System record digitization project for the to allow for more efficient searching of older documents.

This supplemental request increases state restricted authorization in the Information Technology Services and Projects appropriation to align authorization with available Criminal Justice Information Center Service revenues. Additional authorization will be used to support necessary information technology system upgrades including eDaily, Statewide Records Management System, Michigan Incident Crime Reporting, the Crime Dashboard, and Statewide Network of Agency Photos.

This supplemental request increases intradepartmental transfer authorization in the Training Operations appropriation to align authorization with higher than anticipated Michigan Justice Training Fund grant revenue received from the Michigan Commission on Law Enforcement Standards.

This supplemental request increases state restricted authorization in the Forensic Science appropriation to align authorization with available State Services Fee Fund revenues. Additional revenue will be used to support necessary forensic science equipment upgrades and maintenance.

Report ID: BUD-SUPLET-0047

SIGMA

Run Date: 02/10/2026

Run Time: 5:12:06 PM

Supplemental Letter # 2026-1

Technology, Management and Budget

Appropriation Summary	Appn/Fund	FTEs
GROSS APPROPRIATION		3,100,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		3,100,000
Total federal revenues	FDRL	100,000
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	0
State general fund/general purpose	GFGP	3,000,000
DEPARTMENTAL ADMINISTRATION AND SUPPORT		
State archives	41226	100,000
GROSS APPROPRIATION		100,000
Appropriated from:		
Federal funds	3000	100,000
ONE-TIME APPROPRIATIONS		
Gubernatorial transition costs	T67620	3,000,000
GROSS APPROPRIATION		3,000,000
Appropriated from:		
State general fund/general purpose	1000	3,000,000

Supplemental Letter # 2026-1**Boilerplate**

Sec. xxx. The unexpended funds appropriated in part 1 for gubernatorial transition costs are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project is to provide for executive office transition costs.
- (b) The projects will be accomplished by utilizing state employees or contracts with service providers, or both.
- (c) The total estimated cost of the project is \$3,000,000.00.
- (d) The tentative completion date is September 30, 2030.

Sec. xxx. Pursuant to section 352 of the management and budget act, 1984 PA 431, MCL 18.1352, there is appropriated from the countercyclical budget and economic stabilization fund created under section 351 of the management and budget act, 1984 PA 431, MCL 18.1351, to the general fund the sum of \$400,000,000.00. The annual growth rate for the current calendar year was estimated to be less than 0% at the most recent consensus revenue estimating conference. The amount appropriated in this section is less than the maximum allowed under section 352(2) of the management and budget act, 1984 PA 431, MCL 18.1352.

Explanation

This supplemental recommendation for the Department of Technology, Management and Budget (DTMB) includes the following:

First, \$100,000 in federal funding is included for a National Historical Publications & Records Commission (NHPRC) grant award to the State Archives of Michigan that will support onsite assessments of 24 local history organizations, including financial and professional support to a minimum of six projects, and a suite of resources on emergency and disaster planning.

Second, \$3 million General Fund is included to cover the necessary costs associated with the upcoming gubernatorial transition. This funding will support costs that include, but are not limited to, staffing, office space, contractual services, information technology, and security.

Third, \$400 million from the Counter-Cyclical Budget and Economic Stabilization Fund created in Section 351 of the Management and Budget Act, Public Act 431 of 1984, is requested to be appropriated for deposit into the General Fund.

Report ID: BUD-SUPLET-0047

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Run Date: 02/10/2026

Run Time: 5:12:06 PM

Supplemental Letter # 2026-1

Transportation

Appropriation Summary	Appn/Fund	FTEs
GROSS APPROPRIATION		0
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		0
Total federal revenues	FDRL	0
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	0
State general fund/general purpose	GFGP	0
ROAD AND BRIDGE PROGRAMS	Appn/Fund	FTEs
Local grade separation program	C43987	40,000,000
Rail grade separation fund	10075	(40,000,000)
GROSS APPROPRIATION		0
Appropriated from:		
Local grade separation fund	2137	40,000,000
Neighborhood roads fund	2548	(40,000,000)
PUBLIC TRANSPORTATION DEVELOPMENT	Appn/Fund	FTEs
Infrastructure projects authority fund	10058	(65,000,000)
Infrastructure projects authority program	C44987	65,000,000
GROSS APPROPRIATION		0
Appropriated from:		
Infrastructure projects authority fund	2136	65,000,000
Neighborhood roads fund	2548	(65,000,000)

Boilerplate

Sec. xxx. Funds from the neighborhood roads fund must be distributed and are appropriated to the local grade separation fund, comprehensive transportation fund, infrastructure projects authority fund, and the state trunkline fund, in accordance with this part and part 1 and section 13c of 1951 PA 51, MCL 247.663c.

Sec. xxx. At the close of the fiscal year, any unencumbered and unexpended balance in the neighborhood roads fund not previously allocated under sections (a) through (e) of section 13c(5) of 1951 PA 51, MCL 247.663c remains in the neighborhood roads fund and carries forward and is appropriated to local road agencies and the state trunkline fund according to section 13c(5) of 1951 PA 51, MCL 247.663c.

Sec. xxx. At the close of the fiscal year, any unencumbered and unexpended balance in the movable bridge fund remains in the movable bridge fund and carries forward and is appropriated for the purposes described in section 11g(3)(b) of 1951 PA 51, MCL 247.661g.

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Supplemental Letter # 2026-1

Explanation

This supplemental reflects several technical corrections to the enacted fiscal year 2026 department budget necessary to properly effectuate amendments to 1951 PA 51 included within the 2025 transportation revenue package. Requested changes include two net-to-zero re-appropriations to enable funds to be expended out of the proper funds receiving new distributions of revenue in accordance with the package. Specifically, \$40 million is appropriated from the Local Grade Separation Fund and un-appropriated from the Neighborhood Roads Fund as included in the enacted budget; and \$65 million is appropriated from the Infrastructure Projects Authority Fund and un-appropriated from the Neighborhood Roads Fund as included in the enacted budget.

Additionally, three new boilerplate sections are added to effectuate all of the new revenue distributions required under 1951 PA 51 as part of the package. These sections provide budgetary authority for the internal statutory distribution of the Neighborhood Roads Fund under Sec. 13c, year-end excess revenue distributions from the Neighborhood Roads Fund under Sec. 13c(5), and authority for any year-end unencumbered and unexpended balance in the Movable Bridge Fund for local bridge inspections as required in Sec. 11g of 1951 PA 51.

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Supplemental Letter # 2026-1

Treasury

Appropriation Summary	Appn/Fund	FTEs
GROSS APPROPRIATION		750,000
Total interdepartmental grants and interdepartmental transfers	IDGT	0
ADJUSTED GROSS APPROPRIATION		750,000
Total federal revenues	FDRL	0
Total local revenues	LOCL	0
Total private revenues	PRIV	0
Total other state restricted revenues	STRS	750,000
State general fund/general purpose	GFGP	0
TAX PROGRAMS	Appn/Fund	FTEs
Tax administration services	66950	750,000
GROSS APPROPRIATION		750,000
Appropriated from:		
Delinquent tax collection revenue	1253	750,000

Explanation

This supplemental requests \$750,000 in delinquent tax revenue for implementation costs to adjust tax collection information technology systems associated with the senior property tax credit proposal made as part of the fiscal year 2027 Executive Recommendation.

