Department of Labor and Economic Opportunity (LEO)
2026 Federal Policy Change Report - Required by 2025 Public Act 22 Sec. 224

2025 Public Act 22, Sec. 224. The department must provide an annual report to the standard report recipients detailing federal policy changes that do, or are expected to do, any of the following:
(a) Affect the operations of the department, including reductions in federal revenue.
(b) Affect an industry, community, population, or other group regulated or served by, or that otherwise engages with, the department.
(c) Create a regulatory gap that could negatively impact the public.

Federal policy change	Division responsible for administering or interpreting change	Impact on Department's services or operations.	Impact on Department's revenue	Impact on Stakeholders	Number of people impacted by the policy change	Regulatory Gaps	Other Notes / links
Termination of the Digital Equity Capacity Grant Program. Terminated May 9, 2025	Michigan High-Speed Internet Office (MIHI)	MIHI had designed and begun to implement Michigan's Inclusive Training, Technology, and Equity Network (MITTEN) program using the digital equity capacity grant funds and had made subgrants to local and regional entities to support digital navigators and	Terminated $10.3M in funding from the Digital Equity Act (part of the Infrastructure Investment and Jobs Act (IIJA))	Termination of funding impacted an estimated 97 jobs and canceled 53 projects throughout the state. Projects would have impacted education, workforce, healthcare, cybersecurity, and civic engagement.	An estimated 43,500 people would have been served by the projects that were terminated.		

		regional capacity building.					
Broadband Equity, Access, and Deployment (BEAD) Revised Policy Notice (RPN). Release June 6, 2025.	Michigan High-Speed Internet Office	MIHI spent three years designing the subgrantee selection process for the BEAD program and conducted one grant round before the policy notice was released. Policy notice forced the state to change the program and operate a new grant application round.	MIHI incurred an estimated $3M in additional administrative funds to implement the RPN.	The RPN likely imposed tens of millions in costs on BEAD applicants including $1-$2 million in duplicative application, engineering, financial, legal, and administrative work, $20-$40 million in deferred provider cash flow and capital opportunity costs, and potentially tens of millions more in foregone project value.	Approximately 47,000 locations (homes and businesses) are still unserved/underserved by broadband infrastructure due to the revised policy notice and time delays in implementing the program due to its restructuring.		Recent guidance from NTIA provided long-awaited direction on roughly $92M of Michigan's outstanding BEAD funding, but we are still awaiting guidance on nearly $400M in remaining non-deployment BEAD funding awarded to Michigan. The recent guidance states, "Other uses of BEAD funding will be addressed in subsequent guidance," but it gives no date on when that may

				Taken together, a reasonable estimate is that the RPN imposed at least $20-$40 million in private-sector costs, with total impacts potentially exceeding $50 million.			be. LEO's MIHI office planned to use these funds to expand mobile broadband coverage in rural areas, connect community anchor institutions, address broadband adoption challenges, and several other uses in line with those stated in the Infrastructure Investment and Jobs Act.
Training and Employment Guidance Letter (TEGL) No. 23-19, Change (C) 3	Workforce Development (WD)-Talent Development Division (TDD)	TEGL 23-19, C3 provides updated guidance for validating required performance data submitted by grant recipients of USDOL workforce programs. The	There is not an immediate impact on funding, but future funding could be impacted if number of individuals served and services to those most in need are limited.	LEO-WD has been and will continue to provide technical assistance on the changes in TEGL 23-19 C3, and this change has required significant time and	This new requirement is primarily a concern for Wagner-Peyser (WP) Participants. In program year (PY) 2024, a total of 233,463 individuals participated in WP in Michigan. Michigan's management information system does not have electronic document	This guidance has created uncertainty and confusion at both the state and local level, as the source documentation for data validation does not consistently align with acceptable eligibility documentation.	

		primary concerns are the elimination of self-attestation as source documentation for date of birth (DOB) and low-income status at program entry. This will significantly impact the data validation process at the state and local level, as well as the ability of job seekers with the most barriers to receive services.		effort by the Michigan Works! Agencies to understand the impact on local document collection and storage requirements.	storage. Collecting, storing, and maintaining source documentation for Wagner-Peyser participants in compliance with TEGL 23-19, Change 3, is conservatively estimated to require 77,821 hours, equating to 9,728 business days (20 minutes per participant x 233,463 participants) and cost a minimum of $3,190,661 at the local, Michigan Works! Agency (MWA), level. This figure is based on a survey of wage and benefit rates conducted in 2024. These estimates do not include costs associated with state and local monitoring data validation compliance. The additional cost of ongoing file maintenance and storage, as required		

					in TEGL 23-19, Change 3, is unknown. Since WP has no eligibility requirements, producing a DOB document for WP participants serves only the purpose of complying with TEGL 23-19, Change 3.		
Workforce Pell (Expansion of traditional Pell to cover short term training programs provided under HR 1, OBBB Act) 91 FR 29254	Employment & Training (E&T) Operations/ WD Targeted Services Division (WD-TSD)	Costs to develop policy, procedure, compliance, systems development, and communications strategies.	No federal funding provided to implement program.	Benefit to students pursuing short term training and employers looking for trained workers. Training providers may incur costs to modify or develop eligible programs.	Unknown. LEO and MILEAP are working closely with existing and potential training providers to educate them on this opportunity as well as develop eligible programs.		
Medicaid Work Requirements effective 1-1-27. HR 1 One Big Beautiful Bill Act of 2025 (Public Law 11921)	WD-TSD	Will result in thousands of increased referrals of Medicaid beneficiaries subject to work requirement.	Significant increased costs to the state due to the minimally funded mandate resulting in increased number of E&T program referrals/participant	Will result in hundreds of thousands of Medicaid beneficiaries subject to requirements. Many	Between 300,000 and 700,000 Medicaid beneficiaries	None	Budget allocation received, planning and implementation phase has begun to enhance

		These individuals will be served by Michigan Works! Agencies with case management services.	s to Michigan Works! Agencies.	beneficiaries could lose benefits for lack of participation, if not otherwise exempt.			referral outreach, integrate systems, develop frontline resources for impacted beneficiaries referred to Michigan Works! Agencies.
Training and Employment Notice 09-25 Issued May 18, 2026	WD-TSD	U.S. Employment and Training Administration (ETA) temporarily not enforcing a number of federal regulations that will impact services to temporary and seasonal agricultural workers and employers.	If states adopt the suspension, they may see cost savings in the immediate future. However, that will have an adverse impact on formula funding in future allocations.	ETA is temporarily suspending enforcement of the provision of employment services provided via the One-Stop system.	Up to 97,000 agricultural workers and over 300 agricultural employers.	Currently "temporary", agricultural workers will see little to no enforcement of services and worker protection standards.	Agricultural workers already face heat stress, chemical exposure, physical strain, low pay, isolation, fear, and poor housing. Suspending requirements may worsen conditions for workers and employers alike.

U.S. Department of Labor (USDOL) Veterans' Employment and Training Service (VETS) Grant Officer (GO) MEMO 03-26: New Jobs for Veterans State Grants Eligible Populations: Surviving Spouses "In addition to the previously mentioned populations, the Consolidated Appropriations Act, 2026, also includes the following two new groups: surviving spouses of individuals who died while serving as members of the Armed Forces, and surviving spouses of	WD-TSD	Requires Jobs for Veterans State Grants (JVSG) staff to serve a new population and alleviates some screening for a pre-existing JVSG population as described.	Increased number of participants served with the same budget will likely limit the case management capacity for existing staff, depending on number of new customers to be served.	Both surviving spouse populations can now be served by LEO's Veterans' Employment Services ((VES) (JVSG program staff)).	Unknown, still researching the potential impact of serving this small but deserving population.	None identified at the moment.	GO Memo 03-26 Serving Surviving Spouses

individuals who died as a result of a service-connected disability."							
Training and Employment Guidance Letter No. 1023: Change 3: Rescission of Training and Employment Guidance Letter No. 10-23, Change 2: *Work Authorization Verification in Grant Programs Administered by the Employment and Training Administration*	WD-TSD, TDD, and Industry Engagement	Change 3 pauses Change 2 resulting in streamlined intake, eligibility, data validation, and documentation for the Workforce Innovation and Opportunity Act (WIOA) and related grant programs. Enhances equitable and timely access to career services and training.	Retention of formula and competitive funding based on participant eligibility for employment services and career training.	Fully rescinds the work-authorization verification requirement established under Change 2. Restores previous practices; grantees no longer need to charge participants for proof-of-eligibility processes.	Program participants regain broader access without stringent work-authorization verification. May include H-2A/B, CW-1 workers previously excluded. State/local grantees gain flexibility in determining verification practices.	Temporary regulatory change creates uncertainty	State monitor advocate & Agricultural & Foreign Labor Services are ready for changes as they occur

Executive Order 14238	Bureau of Employment Relations - Mediation Division	The scaling back of the federal mediators (FMCS) on March 25, 2025, was anticipated to create an increase in workload for MERC staff.	None	None	Unknown	None	
Full government shutdown in Fall 2025	Office of Rural Prosperity (ORP)	Delayed implementation of U.S. Department of Agriculture's (USDA) Community Facilities Technical Assistance and Training grant.		Delayed delivery of technical assistance services to Michigan's rural communities.	N/A	N/A	
H.R. 1	Office of Rural Prosperity	Creates new grant-administration responsibilities for ORP related to approximately $15 million in new federal funding to be administered by ORP.	Provides approximately $15 million in new federal funding to be administered by ORP.	Inflicts severe financial strain on rural hospitals by enacting significant Medicaid and Affordable Care Act	N/A	N/A	https://www.michigan.gov/mdhhs/assistance-programs/medicaid/rural-health-transformation-program

				funding reductions.			
Build America Buy America (BABA)	Office of Rural Prosperity	No direct operational impact for ORP.	No direct reduction in LEO revenue; the impact is primarily higher project costs and reduced purchasing power of existing federal funds.	Causes delays and higher costs for federally funded housing and infrastructure projects.	N/A	N/A	https://www.commerce.gov/oam/build-america-buy-america
Build America Buy America (Infrastructure Investment and Jobs Act, PL No. 117-58)	MSHDA administers several federal programs such as Community Development Block Grant (CDBG), HOME, and Housing Trust Fund	Increased data compilation and grant management system data entry by grantees to get reimbursed for expenditures. Additional staff time to collect and review/verify data accuracy. Waiver process with HUD is time consuming, complex, and	Cost to create and implement new process within electronic database.	Increased construction costs and time delays for contractors (re: sourcing and reporting)	Unknown As an example, the CDBG portfolio consists of approximately 40 grants annually which assist low- and moderate-income households with housing needs. Other U.S. Department of Housing and Urban Development (HUD) programs like HOME and Housing Trust Fund are also impacted by this policy but more challenging to quantify.	Inconsistent interpretations between interested parties causes delays in policy development. New complex process creates uncertainty in projects and makes resources less effective.	

	(HTF) which requires BABA tracking and reporting for all project activities. These programs cover multiple divisions.	creates uncertainty for both MSHDA and stakeholders.					
HUD grant issuance cycle: no longer consistently released in early fall, for the next year. Some grant programs don't issue agreements until months into the fiscal year.	MSHDA divisions making federal grants.	Makes budgeting and planning (for internal and external stakeholders) very unpredictable	Federal notice of funding opportunities (NOFOs) and agreements typically bring "administrative" revenue. Unpredictable funding leads to further uncertainty.	Makes budgeting and planning very unpredictable and challenging.	It impacts the ability for state and local agencies to consistently build/retain staffing capacity due to the unpredictability of funding.	Internal and external partners can no longer predict when programs will begin.	
Federal Executive Orders (EOs) and contents of Federal grant agreements	All MSHDA divisions making federal grants.	To date, there have been 46 Federal Executive Orders issued. This introduces consistent	Difficult to determine given the constant amount of change.	Inconsistent federal instruction, complicated by lawsuits over the EO's and Grants, which	Unknown	Internal and external stakeholders receive inconsistent instruction.	Numerous lawsuits over EO's and the contents of grant terms (e.g., SAVE Act) bring

		uncertainty and inefficiency across MSHDA.		disrupts housing programs			unpredictability.
HUD Continuum of Care (CoC) FY26 NOFO	MSHDA - Homeless Solutions /Legal	N/A: MSHDA is a passthrough entity for the Balance of State CoC	N/A: MSHDA is a passthrough entity for the Balance of State CoC	Michigan receives over $100M in HUD CoC funding annually, primarily going directly to the CoC/homeless service agencies. Delays in the reissue of the NOFO and award of funds prolong timelines for funds to be distributed. This causes extreme uncertainty for Permanent Supportive	TBD: up to 4,000 families could lose their housing assistance – thus re-entering homelessness.	Although previous NOFOs centered on restricting permanent supportive housing and emphasizing transitional housing, future NOFOs may rebuild around similar contentious provisions. CoCs and providers must prepare for sudden shifts in funding priorities, capacity thresholds, and submission criteria.	Under the current state budget signed by Governor Whitmer includes $4m to fill a potential gap in funding.

				Housing (PSH) projects that rely on service funding to support tenant populations. This uncertainty is also deterring Low-Income Housing Tax Credit (LIHTC) investors making new PSH projects infeasible or extremely difficult to finance.			
21st Century ROAD to Housing Act	MSHDA - This comprehensive legislation was recently enacted with a wide range of	1. Reauthorizes the HOME program. 2. Streamlines the environmental	While many new pilot programs are viewed as positive, they are not presently in the HUD budget. Congress will need to appropriate funds going forward. This could have a positive impact as	This legislation has an impact on many stakeholders, developers, investors, financial institutions, local	Unknown	Unknown	Full impact of the legislation is still unknown. There are a few portions that require HUD to issue additional guidance within 180 days of the bill's enactment. We

	implications spanning almost the entire Authority.	review process 3. Simplifies manufactured housing requirements. 4. Creates a variety of Pilot programs (not currently funded by the HUD budget). 5. Prohibits large institutional investors from continuing to purchase	MSHDA would likely be involved in this new work.	communities and states.			are still awaiting additional guidance from HUD,

		large amounts of single-family homes					
EO 14151 Ending Radical and Wasteful Government DEI Programs and Spending	Economic Transition Office	Delayed implementation of MI Supplier Conversion Grant Program. At the time, the Office was unclear if the program would return. DOE review took nearly one full year and the program lost an entire year for the period of performance.	Federal funding freeze, unable to draw down from the $22.6M award.	Manufacturers unable to apply for critical retooling funds. The program was ultimately reauthorized, but the EO resulted in some initial provisions from our application (like community benefits plans, metrics tracking for Justice40 communities, etc.) being stripped. The federal delay also resulted	unknown	n/a	n/a

				in our office not being able to obligate state matching funds awarded for the program through the Make It In Michigan Competitive ness Fund prior to the House cancelling those funds as a work project. This created a higher burden for vulnerable manufacture rs to overcome to participate in the program. We know of several manufacture rs who were interested in applying but			

				ultimately chose not to due to the increased match obligations.			
H.R. 6644 21st Century ROAD to Housing Act (became Public Law 119-101 on July 11, 2026) reformed the Community Development Block Grant-Disaster Recovery (CDBG-DR) program ensuring long-term disaster recovery resources to better address the needs of households and businesses following major disasters.	Michigan Economic Development Corporation (MEDC) Place Programs & Services, Federal Programs	The U.S. Department of Housing and Urban Development (HUD) must create formal CDBG-DR regulations within one year. Existing programs continue, but MEDC will need to align internal administrative processes with HUD's new standards. We expect shorter timelines will require faster coordination.	No new or guaranteed revenue; however, the Act establishes a dedicated CDBG-DR funding mechanism and increases the predictability of future disaster recovery funding. Currently, the authorization sunsets three years after enactment on July 11, 2029, but congress has the ability to support continued funding for presidential declared disasters.	We expect there will be a positive impact on stakeholders as beneficiaries have faster and more predictable access to disaster recovery resources.	Unknown – may vary based on eligible disasters.	Unknown - pending formal updates from HUD.	Prior to the ROAD Act, CDBG-DR was funded through disaster-specific supplemental appropriations. The ROAD Act changed that by creating a long-term disaster recovery fund within the Treasury. Legislators at both the State and Federal level continue to advocate and support federal appropriations to the State of Michigan for CDBG-DR program to assist those

							communities in the State impacted by past and future major disasters.
AmeriCorps grants cancellation	Economic Transition Office (hosted a MI Healthy Climate Corps fellow through EGLE program)	Initial grant termination impacted work led by our Climate Corps Fellow.	Limited impact. Program was covered by AmeriCorps excluding a modest host site fee.	Grant termination temporarily paused work on our office's community-facing efforts.	Directly impacted Climate Corps fellows.	n/a	
USDA NEPA Regulations (NEW) - eCFR :: 7 CFR Part 1b -- National Environment Policy Act	State Historic Preservation Office (SHPO)	These new regulations may reduce the amount of time SHPO has to review projects which would increase the administrative burden on staff. The early coordination requirements	No fiscal impact.	This will reduce the amount of time Tribal Historic Preservation Offices (THPOs) have to review projects, adding to their already strained	Although SHPOs and THPOS staff numbers cannot be provided, there are 59 SHPOs and 235 THPOs across the US that would be impacted by this.	The U.S. Department of Agriculture's (USDA) engagement with SHPO will decrease through the use of Categorial Exclusions. The State, through the SHPO, will lose the opportunity to identify, evaluate and mitigate adverse effects on historic properties.	https://www.usda.gov/about-usda/news/press-releases/2026/04/07/usda-finalizes-historic-regulatory-reform-national-environmental-policy-act-final-rule

		while good in theory will increase the workload at the staff level.		administrative burden.			
Hiring Freeze - Presidential Memoranda (1/20/25)	SHPO	Hiring freezes and staffing reductions in federal agencies have made it hard for SHPO to be timely in the work we do. The National Park Service (NPS) contacts we have had over the past 18 months have changed several times, making it hard to know who to contact. The decrease in institutional knowledge and professional staff that are training in cultural	The hiring freezes over the past year have contributed to delays in grant awards from NPS.	These hiring freezes have had broad impacts on non-profits, local or state agencies who have applied for or are using federal funding.	No accurate number can be provided, but this will impact all non-profits, local governments and state agencies who apply for or are using federal funding.	Impacts to project timelines and the delays in the work that SHPOs and other state agencies are doing with the federal government.	https://www.whitehouse.gov/presidential-actions/2025/01/hiring-freeze/

		resource management have also complicated consultations with those federal agencies.					
Unleashing American Energy - EO 14154	SHPO	Weakens Section 106 of the National Historic Preservation Act's (NHPA) reviews and compliance. Effectively the State of Michigan, through the SHPO will have no or limited ability to provide input on impacts to historic properties on federally funded or permitted projects.	No fiscal impact.	Changes to the NHPA's 36 CFR 800 implementing regulations as a result of this EO will significantly impact the Cultural Resource Management (CRM) sector of the workforce. If implemented the work that consulting firms do for federal agencies and grantees will significantly decrease. The revisions also remove	SHPOs and THPOs staff numbers cannot be provided, but there are 59 SHPOs and 235 THPOs across the US that would be impacted by this.	The State of Michigan, through the SHPO, will have no or limited ability to provide input on impacts to historic properties on federally funded or permitted projects.	https://www.whitehouse.gov/presidential-actions/2025/01/unleashing-american-energy/

				the ability of the public and other stakeholders who may be impacted by federally funded projects from having a voice in the identification and evaluation of impacts to historic properties in their communities.			
Declaring a National Energy Emergency – Presidential Action (1/20/25)	SHPO	Weakens Section 106 of the NHPA's reviews and compliance. Effectively the State of Michigan, through the SHPO will have no or limited ability to provide input on impacts to historic	No fiscal impact.	This will cut out public comment and consultation with THPOs.	SHPOs and THPOS staff numbers cannot be provided, but there are 59 SHPOs and 235 THPOs across the US that would be impacted by this.	N/A	https://www.whitehouse.gov/presidential-actions/2025/01/declaring-a-national-energy-emergency/

		properties on federally funded or permitted projects. We have already seen some projects come to our office (Line 5 Pipeline) where this has been used.					
Temporary Pause of Agency Grant, Loan, and Other Financial Assistance Programs	SHPO	While this pause has since been lifted, in 2025 there was uncertainty regarding SHPO's annual Historic Preservation Fund (HPF) funding being awarded. There was a significant delay in receiving those funds, calling into question if we could continue to operate to the	There was and continues to be uncertainty around how federal grant funds are awarded. There are other policy and rule changes that are also adding to this uncertainty. SHPOs across the country depend on the annual HPF allocation to support the work that states are mandated to do under federal law.	These changes have had broad impacts on non-profit, local or state agencies who apply for or use federal funding.	Any non-profit, local or state agency who applies for or use federal funding.	Gaps in funding for critical programs for SHPOs and THPOs as well as non-profits, local and state agencies who apply for or use federal funding.	

		level we usually do.					
Updating Permitting Technology for the 21st Century – Presidential Memoranda (4/15/25)	SHPO	The implementation of technology in facilitating project reviews is generally a good thing. However, each SHPO has its own process at the state level that accounts for the unique circumstances of each state. If SHPO was required to utilize a federal system, it could add to the administrative burden at the staff level.	With the implementation of new technologies, it may require staff training and resources to use these systems. SHPO is already working over capacity and is not sufficiently staffed to handle this type of change.	Similar impacts will be felt by THPO's and other local and state agencies as they try to learn and integrate into a new system(s).	Any non-profit, local or state agency who applies for or use federal funding.	The implementation of technology in facilitating project reviews is generally a good thing. However, parts of this initiative will include requesting access to SHPO databases which include highly sensitive information related to archaeological sites. This data is protected by state law and is restricted to prevent looting of these sites.	https://www.whitehouse.gov/presidential-actions/2025/04/updating-permitting-technology-for-the-21st-century/

Extension of Hiring Freeze – Presidential Memoranda (4/17/25)	SHPO	Hiring freezes and staffing reductions in federal agencies has made it hard for SHPO to be timely in the work we do. The NPS contacts we have had over the past 18 months have changed several times, making it hard to know who to contact. The decrease in institutional knowledge and professional staff that are training in cultural resource management have also complicated consultations with those federal agencies.	The hiring freezes over the past year have contributed to delays in grant awards from NPS.	These hiring freezes have had broad impacts on non-profits, local or state agencies who have been applying for or using federal funding.	No accurate number can be provided, but this will impact all non-profits, local governments and state agencies who apply for or are using federal funding.	Impacts to project timelines and the delays in the work that SHPOs and other state agencies are doing with the federal government.	https://www.whitehouse.gov/presidential-actions/2025/04/extension-of-hiring-freeze/

Department of the Interior Implements Emergency Permitting Procedures to Strengthen Domestic Energy Supply	SHPO	Will reduce the volume of Section 106 NHPA consultations on the Department of the Interior (DOI) funded projects as in an emergency they are only required to notify SHPOs and THPOs but do not need to consult as usual.	No impact.	This will cut out public comment and consultation with THPOs.	Numbers are not concrete, but it will impact 59 SHPOs and 235 THPOs across the US.	The State, through the SHPO, will lose the opportunity to identify, evaluate and mitigate adverse effects on historic properties.	https://www.doi.gov/pressreleases/department-interior-implements-emergency-permitting-procedures-strengthen-domestic
Improving Oversight of Federal Grantmaking - EO 14332	SHPO	These changes have the potential to change how we apply for and manage federal grants we are awarded from the NPS.	The changes could impact how we apply for our annual HPF funding in the amount of $1.4 million which supports SHPO operations. It could impact SHPO on what grants we apply for to support the work we do.	These changes will have a broad impact on any non-profit, local or state agency who is applying for or using federal funding.	No accurate number can be provided, but this will impact all non-profits, local governments and state agencies who apply for or are using federal funding.	Could impact the amount of federal funding available to entities in Michigan. The changes also allow the federal agency to rescind grant awards for very broad and inconsistent reasons even after a grant agreement is executed.	https://www.whitehouse.gov/presidential-actions/2025/08/improving-oversight-of-federal-grantmaking/

Removing Regulatory Barriers to Affordable Home Construction – EO 14394	SHPO	These new regulations may reduce the amount of time SHPO has to review projects which would increase the administrative burden on staff. SHPO may not see as many projects as federal agencies may consider certain actions as not being applicable to the requirements of Section 106 of NHPA.	No fiscal impact.	This could reduce the amount of time THPOs have to review projects, adding to their already strained administrative burden.	Although SHPOs and THPOS staff numbers cannot be provided, there are 59 SHPOs and 235 THPOs across the US that would be impacted by this.	Federal agency engagement with SHPO will decrease through the use of Categorial Exclusions or determining that projects are not subject to the Section 106 regulations. The State, through the SHPO, may lose the opportunity to identify, evaluate and mitigate adverse effects to historic properties.	https://www.whitehouse.gov/presidential-actions/2026/03/removing-regulatory-barriers-to-affordable-home-construction/
Department of Energy NEPA Procedures Revision	SHPO	These revised procedures for the National Environmental Policy Act (NEPA) in the U.S. Department of Energy (DOE) may reduce the amount of	No fiscal impact.	This could reduce the amount of time THPOs have to review projects, adding to their already strained	Although SHPOs and THPOS staff numbers cannot be provided, there are 59 SHPOs and 235 THPOs across the US that would be impacted by this.	DOE engagement with SHPO could decrease through the use of Categorial Exclusions or determining that projects are not subject to the Section 106 regulations. The State, through the SHPO, may lose the opportunity to identify, evaluate and mitigate	https://www.energy.gov/nepa/articles/doe-nepa-implementing-procedures-february-2026

		time SHPO has to review projects which would increase the administrative burden on staff. SHPO may not see as many projects as federal agencies may consider certain actions as not being applicable to the requirements of Section 106 of NHPA.		administrative burden.		adverse effects to historic properties.	
Proclamation 10895 & 10896 (February 10, 2025) – Section 232 Steel and Aluminum Tariffs (25%)	MEDC Market Growth and Attraction	Administrative functions were impacted by requiring staff to interpret the tariff and provide guidance to Michigan businesses.	No direct impact on revenue.	Steel and aluminum producers are supported while downstream industries face higher costs.	Nationwide impact across manufacturing sectors.	N/A	https://www.federalregister.gov/documents/2025/05/02/2025-07676/adoption-and-procedures-of-the-section-232-steel-and-aluminum-tariff-inclusions-process

Proclamation 10947 (June 3, 2025) – Section 232 Steel and Aluminum Tariffs (increased by 50%)	MEDC Market Growth and Attraction	Administrative functions were impacted by requiring staff to interpret the tariff and provide guidance to Michigan businesses.	No direct impact on revenue.	Steel and aluminum producers are supported while downstream industries face higher costs. (Note: the UK remains at 25%.)	Large portion of global steel and aluminum trade.	N/A	https://www.federalregister.gov/documents/2025/06/09/2025-10524/adjusting-imports-of-aluminum-and-steel-into-the-united-states
Proclamation 10908 (April 3, 2025) – Section 232 Tariffs on Cars and Parts	MEDC Market Growth and Attraction	Administrative functions were impacted by requiring staff to interpret the tariff and provide guidance to Michigan businesses.	No direct impact on revenue.	Cost increases for consumers and suppliers.	Millions of imported vehicles and associated components were impacted.	N/A	https://www.federalregister.gov/documents/2025/04/03/2025-05930/adjusting-imports-of-automobiles-and-automobile-parts-into-the-united-states
Proclamation 11032 (June 1, 2026) – Section 232 Tariff Regime on Steel, Aluminum, and Copper	MEDC Market Growth and Attraction	Administrative functions were impacted by requiring staff to interpret the tariff and provide guidance to	No direct impact on revenue.	Downstream sectors face increased costs.	Widespread industrial impact across manufacturing sectors.	N/A	https://www.federalregister.gov/documents/2026/06/04/2026-11314/further-adjusting-the-tariff-regimes-for-imports-of-aluminum-

		Michigan businesses.					steel-and-copper-into-the-united-states
Small Business Administration (SBA) eligibility changes for 504 and 7(a) loan programs	MEDC Small Business Services	Administrative functions were impacted by requiring staff to interpret and provide guidance to Michigan businesses.	No direct impact on revenue	Small business owners applying for any SBA loan program must be U.S. citizens or U.S. nationals with their principal residence in the United States.	Widespread impacts on small businesses.	N/A	https://legacy.sba.gov/article/2026/03/09/sba-bans-foreign-nationals-accessing-sba-backed-loans
National Institutes of Health (NIH) policy on foreign subawards	MEDC Small Business Services	Administrative functions were impacted to update resource materials for Small Business Development Centers (SBDCs).	No direct impact on revenue.	Unknown	Policy rules apply to all new, renewal, and continuation awards	N/A	May 2025, the National Institutes of Health (NIH) announced that it would no longer be accepting new applications that request funds for foreign

							components using the traditional grant subaward/consortium structure. (See the May 8 memo on this topic.) On September 12, the National Institutes of Health (NIH) issued a Notice on the New Application Structure for NIH-Funded International Collaborations (NOT-OD-25-155) to provide additional direction on how international collaborations will be structured in applications under the new foreign subawards policy

							announced in May 2025.
Modification of eligibility for the Advanced Manufacturing tax credit 45X removing wind energy components as eligible. (One Big Beautiful Bill Act or OBBBA)	MEDC Federal Programs	Expanded advisory role.	No direct impact on revenue	Manufacturers of these components can no longer take advantage of this credit which negatively affects their revenue.	Unknown	N/A	
Essentially ending the 48C qualifying advanced energy project credit (OBBBA)	MEDC Federal Programs	Expanded advisory role.	No direct impact on revenue	Clean-energy manufacturers and developers are impacted. Existing awardees face higher pressure to meet strict timelines, while companies that intend to apply in later	Unknown	N/A	Pre-OBBBA, the pool of $10 billion of IRA funding would be increased by the amount of funds revoked from projects that initially received an allocation and certification but ultimately fail to meet certification requirements

				rounds no longer have access to new funding opportunities.			by not placing the project in service within two years of receiving certification. Under the OBBBA, however, any certification revocations would not increase the pool of available funding, eliminating the possibility of a third round of applications.
Termination of ARPA Equity Grant, UIPL 23-21, May 22, 2025	UIA	Loss of grant funds for the purpose of increasing equity in access and, when eligible, benefit receipt.	Loss of $1,384,515.58 in grant funding	The plain-language forms were ultimately implemented over a year late as a direct result of the cancellation, delaying easier-to-understand access for claimants —	All existing and future claimants, employers, and policy makers.	N/A	

				particularly rural users, people with disabilities, older Michiganders, and those without a college degree. The loss of the data platform limits UIA's ability to inform policy makers and external stakeholders on the impact of policy changes going forward, i.e. tax rates and trust fund stability.			

Termination of Tiger Team Grant, UIPL, 11-23, May 22, 2025	UIA	Loss of grant funding for the purpose of improving systems and processes resulting in improved equity and accessibility, timeliness and addressing work backlogs, fraud prevention and detection,	Loss of $2,848,124.54 in grant funding	Claimants and employers lose the benefit of faster, more accurate intake, and UIA's ability to reduce backlogs and improper payments is constrained.	Michigan's UIA approved 307,648 claims paying out $1.024 billion in benefits and served 249,255 contributing employers in its most recent reporting year — roughly the population touching the intake systems this funding modernized	N/A	
Federal government shutdowns	UIA	The UIA was only able to maintain operations and even continue work on our new system project development during this period due to a quarter carryover of prior year administrative funding, as well as current year state appropriated P	See departmental and operations impact.	50k active claimants at any given time, new claims, and UI liable employers.	UIA processes nearly 500k claims paying out over $1B in benefits and served almost 250k contributing employers annually.		

		& I funding. The UIA is very diligent in preserving UI funding from one fiscal period to the next due to the cyclical nature of unemployment spikes when excess UI funding is needed up front to gear up for the workload. Instability in funding threatens the agency's ability to mitigate a shutdown shorter than one quarter, and the agency would not be able to mitigate shutdowns exceeding 3 months.					

Delays in annual funding	UIA	The UIA was able to maintain operations and even continue work on our new system project development during this period due to a quarter carryover of prior year UI administrative funding, as well as the state appropriated P & I funding. The UIA is very diligent in preserving UI funding from one fiscal period to the next, to enable the agency to adequately respond to a sudden increase in unemployment.	See departmental and operations impact.	50k active claimants at any given time, new claims, and UI liable employers.	UIA processes nearly 500k claims paying out over $1B in benefits and served almost 250k contributing employers annually.		

		The delays in the Federal Appropriations and the utilization of CR's makes it extremely difficult for the agency to adequately plan and budget our current year activities. If a reduction in funding were to occur mid-way through the year, it does not allow for adequate time for the agency to make program adjustments that would not be disruptive to our customers. Th e agency may require additional state funds to subsidize the					

		program until less disruptive measures could be implemented.					
Federal grants – Reduction to Above Base funding	UIA	Due to insufficient funding, DOL reduced the payout of funding for 'Above Base' activity. This reduction resulted in: For FY 2025, a reduction of $ 5,864,730 in administrative funding For FY 2026, A reduction to date of $117,314 in administrative funding	The reduction in funding required the agency to utilize various other funds available to us (Reed funds, CARES Admin funding, P & I funding). Although the agency is again diligently trying to preserve a carry-in for FY 2027, these supplemental funding sources have now been depleted.	Decreased ability for agency to respond to economic shifts resulting in an increase of initial claims.			

Office of Refugee Resettlement (ORR) funding for Unaccompanied Minor representation termination	Office of Global Michigan (OGM)	None at the moment. In the future, OGM's unaccompanied refugee minors or special immigrant juveniles (SIJ) caseload may increase by ~100.	No direct impacts. However, should the SIJ caseload increase, departmental costs associated with managing those cases would increase.	This funding termination greatly impacted OGM's partners and their ability to maintain staff and existing services. Additionally, the representation services the children received under this funding do not fall under the scope of other OGM federal funding programs/services.			
Multiple terminations of Temporary Protected Statuses (TPS) for several countries	OGM	The termination of TPS and work authorizations has increased the amount of technical assistance OGM provides	No direct costs.	These TPS terminations resulted in the termination of work authorization for ~21,400 authorized	About 21,400 authorized Michiganders lost their temporary status and therefore their work authorization.		

		to its partners. In addition, it has led to an increase in the time and resources it takes OGM staff to review and interpret executive actions relating to TPS and work authorization terminations.		Michiganders. Some of these individuals will be authorized for work under different immigration statuses but that number will be limited. Additionally, stakeholders have experienced uncertainty in how to interpret these executive actions and how to respond to their customers regarding the terminations.			

Office of Management and Budget Proposed Regulation for Federal Financial Assistance	Office of Rural Prosperity	Increases LEO's technical assistance workload while making it harder for small rural communities to access federally funded programs.	N/A	Provisions would disproportionately burden rural communities, including measures to eliminate fixed-amount awards, expanded grant termination authority, restrictions on salary cost recovery for tribal leaders and council of government executives, and new compliance mandates that are unworkable for small organizations.	N/A	N/A	https://www.regulations.gov/docket/OMB-2026-0034

HUD proposed rule: Guidance for Federal Financial Assistance (the "UGR").	All MSHDA divisions making grants of federal funds.	If enacted, the Rule overhauls the Uniform Guidance that underpins all federal grants. It is unclear based on the uniform guidance language what the new process for state formula allocated HUD grant awards and the respective timing would look like. It also implies additional oversight and auditing parameters will be implemented. It also increases the potential for line-item disallowances throughout the grant cycle (before/after)	Hard to predict: one of the proposed rules allows Fed agency heads to cancel individual grants otherwise authorized by Congress, or to disallow line-item costs, subjectively.	Federal grant making cycle rendered unpredictable; for example, the federal pre-audit audit guide may, under the new rule, be released after the due date for the audit.	Unknown The impact would be statewide and potentially result in a smaller number of grant participants.	The proposed rule cuts many sections of the existing grant regs, replacing them with nothing.	Lawsuits against the feds over the UGR mean that portions may or may not roll out in inconsistent intervals, and different rules for different States.

		instead of just reviewing "closed" would result in a higher risk for the state.					
Section 106 of the National Historic Preservation Act (NHPA) implementing regulations (36 CFR 800) changes	State Historic Preservation Office (SHPO)	This has the potential to significantly change how reviews under Section 106 of the NHPA of federally funded and permitted projects are conducted and the staffing we may need. Consultation with the State becomes discretionary, substantially weakening the State's voice in this process.	No impact.	Changes to the 36 CFR 800 regulations will significantly impact the Cultural Resource Management (CRM) sector of the workforce. If implemented the work that consulting firms do for federal agencies and grantees will significantly decrease. The revisions also remove the ability of the SHPO,	SHPOs and THPOs staff numbers cannot be provided, but there are 59 SHPOs and 235 THPOs across the US that would be impacted by this.	Changes to the 36 CFR 800 regulations will significantly remove the ability of the public and other stakeholders who may be impacted by federally funded projects from having a voice in the identification and evaluation of impacts to historic properties in their communities. This is also inclusive of SHPO's ability to consult on these projects.	https://ncshpo.org/2026/07/20/the-end-of-section-106-as-we-know-it/

				Tribal Historic Preservation Offices (THPOs), public and other stakeholders who may be impacted by federally funded projects from having a voice in the identification and evaluation of impacts to historic properties in their communities.			
Modernizing the Commission's National Environmental Policy Act Rules (Notice of Proposed Rulemaking (NPRM) (FCC 25-47) on August 7, 2025, under WTB	SHPO	May reduce the volume of Section 106 of the NHPA consultations on Federal Communications Commission (FCC) projects.	No fiscal impact.	This will cut out public comment and consultation with THPOs.	Unknown	The State, through the SHPO, will lose the opportunity to identify, evaluate and mitigate adverse effects on historic properties.	https://www.federalregister.gov/documents/2025/08/19/2025-15818/modernizing-the-commissions-national-environmental-policy-act-rules

Docket No. 25-217							
2 CFR Part 200 Update	SHPO	These changes have the potential to change how we apply for and manage federal grants we are awarded from the National Park Service (NPS).	The changes could impact how we apply for our annual Historic Preservation Fund (HPF) funding in the amount of $1.4 million which supports SHPO operations. It could impact SHPO on what grants we apply for to support the work we do.	These changes will have a broad impact on any non-profit, local or state agency who is applying for or using federal funding.	No accurate number can be provided, but this will impact all non-profits, local governments and state agencies who apply for or are using federal funding.	Could impact the amount of federal funding available to entities in Michigan. The changes also allow the federal agency to rescind grant awards for very broad and inconsistent reasons even after a grant agreement is executed.	https://www.federalregister.gov/documents/2026/05/29/2026-10817/regulation-for-federal-financial-assistance
Termination of ARPA Program Integrity Grant, UIPL 11-23, May 22, 2025	UIA	None. Grant was terminated after costs were allocated. Grant provided funds to strengthen UI program integrity. Including ID Verification,	None, all costs were allocated prior to termination.	N/A	N/A	N/A	

		Fraud Prevention and Detection, and Overpayment Recovery.					
AmeriCorps initial grant terminations	MCSC and others	In April of 2025, all AmeriCorps grants were terminated.	All terminated AmeriCorps funds were reinstated in July 2025. Programs did not lose any funds.	Due to the terminations, all AmeriCorps members had to stop serving communities. When funds were reinstated, 96% of members who had their service paused were unable to return to service.	Upon termination of AmeriCorps funds and member ceasing service, approximately 67,000 people lost access to services. AmeriCorps members typically provided services related to literacy and academic achievement, college access, access to health care, disaster preparedness, parks and trail cleanup, financial literacy and housing.	AmeriCorps programs experienced challenges in member recruitment after reinstatement due to the lack of trust that service would not have to stop again.	11 of the 30 AmeriCorps programs operating in program year 2024-25 decided to end their AmeriCorps program and did not seek funding for the 2025-26 program year due to the uncertainty created by the grant terminations. In 2025-26 there were 20 programs funded. In 2026-2027 there are 22 programs funded.

Medicaid Work Requirements effective 1-1-27. HR 1 One Big Beautiful Bill Act of 2025 (Public Law 11921)	MCSC	Will result in thousands of increased referrals of Medicaid beneficiaries subject to work requirement.	MCSC will require additional funds to increase staff capacity to support this effort.	Some individuals will choose to meet requirements through community service. The MCSC is in conversation with DHHS to work in partnership to meet that need.	Unknown		
Department of Energy changes to TSED grant	E&T	Removal of all Community Benefits services for providing utility vouchers	Removing the Community Benefits portion of the grant would result in a $4M reduction if DOE does not approve our modification request to repurpose these funds	The Michigan communities impacted by this grant are those connected to the Helix-Hiple project which includes construction of a new power transmission line to support electric vehicle charging network. The	Estimated 2900 individuals	Unknown	E&T is in the process of submitting a modification request to the DOE. LEO requests DOE approval to reallocate $4M within the TSED award to expand industry-aligned training, paid pre-apprenticeships, and credential programs that strengthen Michigan's

				residents, employers and communities are in the following counties: Coldwater, Lee, Eckford, Butler, Girard, Clarence, Sheridan, Marengo, Clarendon, Tekonsha, Gilead, Bethel, Batavia, and Union City.			electricity sector talent pipeline. The modification updates SOPO objectives, removes outdated tasks, and increases participant access to employer-validated training pathways while preserving apprenticeship outcomes.
Delayed funding or significant policy changes that were eventually resolved/paused via litigation or congressional intervention.	E&T	Increased administrative burden of real-time navigation of rule/policy changes; lack of access to or clarity from FPOs/National Offices; delays in funding creates havoc and	Un/underfunded rule, program, or policy changes creating fiscal burden for states; negatively impacts state level funding accessibility based on time of year changes occur.	Creates havoc for local level stakeholders; increased un/underfunded burden because of increased participant demand for services.	Estimated 500,000 people, businesses, or communities.	Lack of fundamental support for state stakeholder discussions including training, technical assistance or guidance, in advance of regulatory changes; essential for change management.	

		uncertainty for local level partners and stakeholders.					
USDA's Cooperative award cancellation	ORP	Abrupt termination of executed award limits ORP's ability to deliver capacity-building services to rural communities with constrained resources.	Eliminates the entire $200,000 in federal funding under the USDA cooperative agreement, reducing available resources for ORP's capacity-building initiatives.	Eliminates a source of technical assistance for rural communities seeking to pursue much-needed funding opportunities.	N/A	N/A	
Proposed rule changes to federal Uniform Guidance Federal Register :: Regulation for Federal Financial Assistance	LEO	Impacts all areas of LEO that administer federal grants	If enacted, will increase the likelihood that federal grants are terminated abruptly, which would result in the loss of funding and services provided; having political appointees make final grant funding decisions could also	Less federal grant funding available in Michigan to provide programming and services; greater uncertainty for grantees	Unknown	N/A	

			result in LEO missing out on grants that were previously decided by peer review panels				