

Thursday, October 2, 2025

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FY '26 Plus 2: Better late than never, Legislature sleepwalks across the finish line

The 2025-26 fiscal year budget was finally put to bed after midnight days after the official start of the fiscal year and months after a statutory deadline earlier this summer as legislative leaders worked mostly behind the scenes for much of the week.

Thursday's session unfolded in the same way much of this week has, with lawmakers mostly waiting to take votes. At around 9:45 p.m. the House passed the general omnibus budget, [HB 4706](#) , but more action wasn't taken until after 1 a.m.

Unfortunately, the invocation given in the Senate when the upper chamber gaveled back in after midnight on Friday – "Dear lord, please help us pass this budget; amen" – didn't make a specific plea to a higher power for expediency. The Senate would eventually act on the budget bills a little after 1 a.m.

Although the Senate took action on [HB 4706](#) and passed [SB 166](#) , the education omnibus budget, after 1 a.m., it didn't take up the marijuana wholesale tax increase or the road funding bills until after 3 a.m.

When the amended road funding bills arrived in the House shortly after 4 a.m., carried by Senate Assistant Secretary Margaret O'Brian, the chamber erupted into applause. House members been waiting to take concurrence votes.

The snag which caught the Senate was approving budget implementation bills, particularly [HB 4951](#) , the 24% wholesale tax on marijuana. Around 2:30 a.m. House [Speaker Matt Hall](#), R-Richland Township, and [Rep. Alabas Farhat](#), D-Dearborn, were both on the Senate floor whipping votes for the legislation. The Senate

eventually passed the legislation as part of a long-term road funding plan (see separate story).

The House voted 101-8 on the general omnibus and 104-5 on the education budget. Both budgets cleared the Senate 31-5.

The bills are headed to the desk of [Gov. Gretchen Whitmer](#), who remained mostly sequestered in her office between the House and Senate chambers throughout the night, periodically pulling groups of lawmakers in for meetings.

Whitmer thanked the legislative leaders and mentioned her signature campaign issue to "fix the damn roads," is addressed through bills passed Thursday.

"I ran for office in large part because I wanted to fix the damn roads. Over the past seven years, we've made historic progress, fixing 24,500 lane miles and 1,900 bridges," Whitmer said in a statement. "With this budget, we're locking in a significant, bipartisan investment to fix state and local roads for decades to come, creating and protecting thousands of jobs in the process. I'm proud to deliver on my promise and look forward to driving on safer, smoother roads long after my time as governor."

Farhat said that although the budget process was ugly, in the end, the Legislature got both the appropriations bills and their implementation bills across the finish line.

"What's important is that we're able to put aside partisan differences when we're coming together in good faith," he said. "There were many moments throughout this process it looked like ... getting a budget that made sense for Michigan was out of reach, but I'm really proud that we were able to come together and get that done."

Senate Democrats praised the spending proposals that moved through the Legislature Thursday. Details of both bills were revealed later Thursday before being unanimously adopted by conference committees.

"This budget shows that we can work together across party lines and deliver for the people of Michigan," [Sen. Sarah Anthony](#), D-Lansing, chair of the [Senate Appropriations Committee](#), said in a statement. "This budget keeps people front and center by protecting health care access, investing in our schools, and making everyday

life more affordable. It also proves that we can come together, even when it's tough, to deliver a responsible, balanced plan that meets today's needs and keeps our state moving forward."

Hall said that much of the grind to get the budget across the finish line was due to negotiations over transparency on legislative earmarks.

"The reason the government shut down is because the Democrats didn't want to do this," he said. "We took it all the way up to the brink, and then they did it, and we're going to make it a permanent law change."

Passing transparency legislation will solve the problems the Legislature encountered in this year's 10-month long budget process, Hall said.

"We're going to disclose the pork spending," he said. "Once...this stuff is disclosed earlier in the process, I think it'll be a lot easier, because hopefully we won't see as much opposition and obstruction to the transparency. That was the hardest part."

Farhat, however, said the process was delayed because House Republicans didn't introduce their budget proposal until the end of August.

"That is an issue when you're trying to negotiate – not knowing the positions of the people on the other side of the table," he said. "But when the moment it happened, we saw serious conversations ignited right away."

Farhat said that the budget needed to be a less partisan process.

"We focus more on the issues that the working families and residents are asking us to focus on and less on political games," he said. "I hope everyone has learned a couple very important lessons from this process and that we use those to prevent being where we are right now. Uncertainty isn't good for Michigan."

Hall said that the budget process showed that lawmakers should be having more conversations about what's being spent rather than just what cuts to make.

"It's just what are we cutting versus what was budgeted last year," he said. "What I want to do next year is really dig into the actual spend numbers and make sure we're cutting even deeper into those."

The bill funding the state's departments and agencies moved through the House easily around 9: 45 p.m.

It includes \$51.8 billion in gross funding for the state's departments and agencies. Of that, \$12.5 billion is General Fund.

It passed 101-8. [Rep. Gregory Alexander](#), R; Carsonville; [Rep. Timmy Beson](#), R-Bay City; [Rep. Steve Carra](#), R-Three Rivers; Rep. Jim DeSana, R-Carleton; [Rep. Phil Green](#), R-Watertown Township; [Rep. Jaime Greene](#), R-Richmond; [Rep. Brad Paquette](#), R-Niles; and [Rep. Dylan Wegela](#), D-Garden City voted against the omnibus.

About four hours later and after passing several budget implementation bills from the Senate, the House passed [SB 166](#) , the bill authorizing funding for Michigan's K-12 schools, community colleges and higher education.

The bill passed 104-5. Carra, DeSana, Paquette, Wegela and [Rep. Regina Weiss](#), D-Oak Park, voted no.

On the Senate side, Republicans [Sen. Thomas Albert](#) of Lowell, Sen. Joe Bellino of Monroe, [Sen. Jonathan Lindsey](#) of Coldwater, Senate [Minority Leader Aric Nesbitt](#) of Porter Township and [Sen. Jim Runestad](#) of White Lake voted no on both bills.

Hall said using School Aid Fund for community colleges and universities was important to sustaining higher education, though Democrats were uncomfortable with the shift.

"While we increase per pupil funding to a record high of \$10,050, that number remains well below the national average of \$17,700, and at the same time this budget shift hundreds of millions of dollars to higher ed dollars that could be allocated to do even more for our K-12 students," [Rep. Carol Glanville](#), D-Walker, said during a floor speech prior to the passage of [SB 166](#) .

The budget for universities relies on \$850 million from the School Aid Fund, up from \$461 million in the current year. Community colleges received \$493 million from the School Aid Fund, which is in line with recent years.

Still, Glanville said the School Aid Fund budget provided funding for important priorities, such as universal school meals, the special education foundation allowance, increased funding for English language learners and transportation in rural districts.

"We're giving our schools the flexibility they need at the local level to ensure that each individual child has the unique support they need to succeed," she said. "We've landed on a student focused agreement that we can all be proud of."

[Rep. Tim Kelly](#), R-Saginaw Township touted the additional funding for school safety and mental health included in the School Aid Fund budget.

"These are real, tangible improvements for families," he said during a floor speech.

Both chambers also passed several budget implementation bills during the marathon session.

Among them were [HB 4180](#) , [HB 4181](#) , [HB 4182](#) and [HB 4183](#) , which make changes to the state's fuel tax and redirect the funding to roads. The House concurred with the amendments made by the Senate early Friday morning.

The House passed bills modifying state fees and disbursement of funds including [SB 579](#) , [SB 577](#) , [SB 574](#) and [SB 578](#) .

[SB 579](#) , the Natural Resources and Environmental Protection Act, passed the House 104-5. Alexander, Carra, DeSana, Greene and Paquette voted no.

[SB 577](#) , water fees, passed 103-6. Alexander, Carra, DeSana, Greene, [Rep. Peter Herzberg](#), D-Westland, and Paquette voted no.

[SB 574](#) , tobacco settlement revenue, and [SB 578](#) , the Moveable Bridge Fund, passed 104-5. Alexander, Carra, DeSana, Greene and Paquette voted no.

The House also passed [SB 273](#) , which would amend yearly fees pesticide distributors and fertilizer manufacturers and distributors pay the state. It passed 107-2, Carra and DeSana voted no.

Finally, the House passed [SB 565](#) , which amends the Michigan Trust Fund Act to lapse money in the Local Government Reimbursement Fund at the end of the fiscal year back into the General Fund. It passed 102-7. Alexander, Carra, DeSana, Greene, Herzberg and [Rep. Veronica Paiz](#), D-Harper Woods; and Paquette voted no.

– By Elena Durnbaugh and Lily Guiney

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