



Smaller House Budget Passes, Finds \$3.4 Billion For Roads

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Almost two months past the statutory July 1 deadline, the House passed a \$54 billion omnibus budget bill today that, when added up with education budgets earlier this summer, totals more than \$78.5 billion, around \$3 billion less than the current year, \$5 billion less than the Governor's proposal and \$6 billion less than the Senate's.

With an advertised \$5 billion in cuts, [HB 4706](#) makes spending increases to only the budgets of the Legislature, Auditor General, Department of Military and Veterans Affairs and Transportation.

For Transportation, Hall fulfilled his commitment to find \$3.4 billion in additional revenue for the roads by putting out a record \$10.2 billion Department of Transportation budget, a spending plan that's more than \$3.3 billion higher than the Senate's \$6.9 billion transportation budget.

In a press conference this afternoon following the passage of [HB 4706](#), House Appropriations Majority Vice Chair [Matt MADDOCK \(R-Milford\)](#) took a moment to shake Speaker [Matt HALL \(R-Richland Township\)](#)'s hand, and thank him for allowing them to make real cuts to the budget.

Maddock said this budget is the result of looking at every line in the budget and determining if there was waste, fraud or abuse in that item.

The budget bill passed 59-46 with Rep. [Karen WHITSETT \(D-Detroit\)](#) being the only Democrat to vote for the bill.

The Department of Labor and Economic Opportunity (LEO) would be funded \$1.1 billion less, or a 46.7% decrease, the Department of Environment, Great Lakes and Energy (EGLE) would be funded \$200 million less than it was last year, or a 19.2% decrease, the Department of State would be funded \$69 million less or a 23.8% decrease, the Department of Attorney General would be funded \$38 million less, or a 29.6% decrease, and the Civil Rights Commission would be funded \$15 million less, or 53.4 percent.

These budgets were all mentioned in Hall's last press conference as budgets that had ballooned in size since former Gov. Rick **SNYDER**'s last budget.

Hall told reporters today that the House's budget process was transparent despite [HB 4706](#) never going through the Appropriations Committee or any subcommittees. He based

his opinion on the fact that he's held weekly press conferences, at which he made statements on how the process was going.

Also, Hall said there have been 137 hours of public hearings for the budget up to now. A big chunk of those hours came from the House Appropriations Subcommittee on Labor and Economic Opportunity (LEO), which took five-minute testimonies on dozens of earmark requests. This was the first known budget process where these legislative earmarks received any public scrutiny.

This budget includes \$100 million to cover 62 legislative earmarks, down from \$815 million in Fiscal Year (FY) 2024 and \$385 million in FY 2025.

House Minority Leader [Ranjeev PURI \(D-Canton\)](#) said after the vote that this was the least transparent budget process he's ever been a part of.

“(It’s) more than ironic coming from a speaker who prides himself on being very transparent. You have a number of individual caucus members on the Republican side who are very vocal about the need for transparency and due diligence last term, and just the hypocrisy, I don’t think can be emphasized enough right now,” Puri said.

Puri said House Democrats were given about an hour to see the budget bill before voting.

“I think that’s by design . . . if you have something that you are proud of, if you have ideas that you want to broadcast to the world, you don’t hide them (until) an hour before the vote,” Puri said.

“We’ve seen from the Speaker a desire to do pretty much everything but govern,” said Rep. [Alabas FARHAT \(D-Dearborn\)](#), who was formerly the minority vice chair of Appropriations.

When asked if the House passing a budget removes an obstacle in the negotiation process, Puri said no, adding that the only obstacle that exists is Hall.

Puri said Hall has never passed a budget on time, and he’s holding the institution hostage. He also said he thinks a government shutdown is still in play.

At a certain point while House Democrats were speaking to reporters, Maddock interrupted and he and Farhat debated before the press.

Last week, when a Democratic staffer interrupted Hall while speaking to the press, he walked away stating that the rules for press scrums would change if people yelled at one another.

Other standout aspects of this budget include:

- 4,300 unfilled FTE positions being eliminated
- The Department of State's budget requires the Auditor General to audit the Secretary of State's review process of voter rolls
- State workers would have to return to work in the office
- No taxes on tips or overtime
- Gets rid of Strategic Outreach and Attraction Reserve (SOAR) funding
- Bans AG from entering into lawsuits against the federal government, multi-state lawsuits or lawsuits against any oil or gas entity except on appropriation or legislative transfer
- Several budgets have added requirements for contractors and subcontractors to use the E-Verify system for all their employees to check on their work eligibility status, and a ban on use of state funds for diversity, equity and inclusion measures
- Several budgets require its department to maintain a publicly available scorecard website that tracks key metrics related to the department's performance
- Cuts to the Michigan State Police
- The Department of Corrections budget prohibits the use of state dollars to pay for gender reassignment surgery for prisoners. It also eliminates the authorization and funding for 695 FTE positions
- The Department of Health and Human Services budget removed \$26.4 million from the Medicaid budget for "assumed reductions related to changes in federal eligibility requirements."