



To: Amy Malmer, Executive Director, Metropolitan Affairs Coalition
From: Mike Compagnoni, Adam Wright, and Dusty Fancher, Account Lobbyists, Midwest Strategy Group
Date: 27 January 2026
Subject: Lobbying and Government Relations Activities Summary

Session Schedule

The legislature has returned to their regularly scheduled spring session in 2026 and will continue being in regular session through Spring Break in late-March and early-April. As a reminder, all introduced legislation in Michigan is valid for the full two-year session which will expire at the end of 2026.

We do expect to see the Governor's budget presentation for FY26-27 in early-February and an upcoming State of the State speech on February 25.

Upcoming 2026 Political and Policy Dates

We wanted to share a quick list of dates that are relevant to the political and legislative calendar for 2026:

- Feb 3: Special primary for the 35th State Senate Election
- Mar 28: Republican nominating convention (AG, SOS, University Boards)
- Apr 19: Democratic nominating convention (AG, SOS, University Boards)
- Apr 21: Filing deadline for partisan candidates for the August primary/November general
- May 5: Special general election for the 35th State Senate Election
- May 26-29: Detroit Regional Chamber Mackinac Policy Conference
- Aug. 4: Primary election date
- Aug 29: Democratic nominating convention
- Nov. 3: General election date (US Senate, Gov, AG, SOS, all state legislative seats, etc)

AG Opinion: Work Projects Move Unconstitutional, Courts Pause Spending

Attorney General Dana Nessel issued a [formal opinion](#) concluding that the House Republican led disapproval of roughly \$645M in work project funding was unconstitutional. Nessel determined that the provision of the Management and Budget Act allowing a single legislative committee to block previously enacted appropriations violates the Michigan Constitution's requirements for separation of powers, bicameralism, and presentment. She characterized the House Appropriations Committee's action as an impermissible "legislative committee veto," arguing that once the Legislature passes a budget and the governor signs it, the legislature's role ends, and the executive branch must carry out the law.

The opinion, which was requested by Senate Appropriations Chair Sarah Anthony (D-Lansing), is binding on state agencies unless overturned by the courts. Following its release, State Budget Office Deputy Director Kyle Guerrant informed department heads that the Whitmer Administration agrees with the Attorney General's conclusion and that the previously blocked work projects have been reactivated, allowing departments to resume spending after proper procedural steps. Nessel also emphasized that



the unconstitutional disapproval mechanism is severable, meaning the broader work project statute including the budget director’s authority and reporting requirements remains intact.

House Speaker Matt Hall (R-Richland Township) immediately vowed to sue, calling the opinion a politically motivated misreading of the law and warning that, without the committee’s oversight authority, Democrats would create unchecked “slush funds.” House Appropriations Chair Ann Bollin (R-Brighton Township) and Vice Chair Matt Maddock (R-Milford) echoed that criticism, arguing the statute represents a conditional appropriation framework and not a legislative veto. They accused Nessel of stripping the legislature of its rightful control over taxpayer dollars. A hearing was scheduled in front of Court of Claims Judge on Friday, January 16 at 10am – the case is before Judge Michael Gadola, a Gov. Sndyer appointee.

At the hearing, Judge Gadola listened to arguments from both sides, concluding that he will release a written opinion on the case. Additionally, he stated he was “still not inclined” to grant a Temporary Restraining Order (TRO) that would halt state spending while the case is handled. However, later on that Friday he reversed the decision and issued a restraining order as he evaluates the case.

Democratic leaders in both chambers strongly praised the original AG opinion, framing it as a necessary correction to an unprecedented and destabilizing move. Senate Majority Leader Winnie Brinks (D-Grand Rapids), House Minority Leader Ranjeev Puri (D-Canton), and Senator Sarah Anthony (D-Lansing) said the ruling provides a “lifeline” to local governments and nonprofits whose funding had been frozen, including programs tied to health care, housing, child welfare, and opioid response. Dozens of infrastructure grants to local governments have also been caught up in the proposal.

As background:

Michigan’s end-of-year 2025 legislative session was thrown into chaos following House Republicans’ decision in December to cancel work projects from the Fiscal Year (FY) 2024-2025 budget. The abrupt move by the House Appropriations Committee without any debate, invoked a rarely used statute, denied work project status to 78 budget items totaling \$645M. In many cases, these projects were partially spent or contractually obligated. House Speaker Matt Hall and GOP leaders framed the action as eliminating what they describe as waste, fraud, and abuse enabled by extended work project timelines, while Democrats and a few Republicans argued it retroactively undermined commitments made by the state. The move received an affirmative vote from all Republicans on the House Appropriations Committee, except for Rep. Ron Robinson (R-Utica) who voted “no” along with all Democrats on the committee.

The immediate fallout prompted a Senate Appropriations Committee hearing in December where nonprofits, schools, local governments, and others testified about the real-world impacts of the cuts. Groups described disrupted services for children with cancer, newborn and infant support programs affecting roughly 6,000 families, delayed school infrastructure and safety projects, and unpaid reimbursements for workforce and economic development initiatives already underway. Multiple organizations emphasized that they had entered contracts, ordered materials, or launched programs in reliance on signed grant agreements extending beyond a single fiscal year. Senate leaders, from both parties on the Appropriations Committee, argued that pulling funding after obligations were made



erodes public trust, destabilizes long-term planning, and weakens the credibility of the state budgeting process.

The Democratic-led Senate also acted quickly to pass a \$643M supplemental spending bill restoring all of the denied work projects. Senate Majority Leader Winnie Brinks (D-Grand Rapids) characterized the bill as a “clean supplemental” intended solely to undo the damage caused by the House action and make affected entities whole. She made clear that the Senate would not negotiate changes to the supplemental or proceed with major policy or economic development compromises until the funding dispute is resolved. Five Senate Republicans joined Democrats in supporting the supplemental. Those Republican Senators were Jon Bumstead (R-North Muskegon), John Damoose (R-Harbor Springs), Mark Huizenga (R-Walker), Ed McBroom (R-Vulcan), and Mike Webber (R-Rochester Hills).

Speaker Matt Hall rejected the Senate’s approach and sharply criticized both Senate Democrats and Republican senators who supported restoring the funding, accusing them of protecting insider-driven “pork” spending and secret slush funds. Hall claimed the Whitmer Administration failed to adequately explain the use of the funds, despite the administration stating it had provided hundreds of pages of documentation outlining the projects and warning of the consequences of denial. The Speaker also suggested organizations could reapply for funding in the future, though he acknowledged he could not say how much of the money had already been spent or provide a full list of impacted projects.

MDHHS Set to Launch Rural Health Care Initiative

Michigan has been awarded more than \$173M in grant funding through the new federal Rural Health Transformation Program, part of a \$50B investment to strengthen health care in rural communities nationwide over the next five years. This funding, announced by the Centers for Medicare & Medicaid Services (CMS) as part of awards to all 50 states, is intended to help expand access to care, support rural health workforces, modernize technology, and foster partnerships among rural providers. While the award marks a significant step forward for Michigan’s rural health system, details about next steps, such as specific program rollout, timelines for implementation, and how local partners and vendors can apply or participate, are still pending.

State officials and federal agencies are still developing guidance and application materials; however, more information will be made available to the public in the next few days. You can find more about Rural Health Transformation [here](#), and sign up for updates [here](#).

Relatedly, the House Appropriations Committee took recent testimony on the state’s plan for its Rural Health Transformation (RHT) Program. They raised questions as to how Michigan should distribute \$174M in federal RHT funds, focusing on whether parts of metropolitan counties should qualify as “rural” alongside Northern Michigan and Upper Peninsula communities. Republicans argued that the Michigan Department of Health and Human Services’ (MDHHS) broad definition unfairly pits sparsely populated, remote areas—where residents may travel hours for care and lack services like neonatal care—against more urban counties with closer hospitals, while Democrats countered that affordability and access barriers in southeast Michigan still justify eligibility. MDHHS argued that the definitions they



have adhered to are requirements from the Trump Administration’s Centers for Medicare & Medicaid Services.

Lawmakers from both parties agreed Northern Michigan faces more severe infrastructure gaps but also warned against excluding underserved pockets in metro areas. With none of the funds yet distributed and concerns that misallocation could jeopardize future federal funding, both sides acknowledged the need for a clearer, more consistent definition of “rural” moving forward.

‘Consensus Revenue Estimating Conference Results in Large Loss of Revenue

On Friday, Michigan hosted the January Consensus Revenue Estimating Conference (CREC) which sets the total available funding level for the governor ahead of the executive budget presentation in February. Michigan requires a balanced budget; so unlike the federal government, the state cannot spend more money than it has estimated will be collected each year.

The CREC panel finalized the revenue numbers for the state showing a \$980M decline in available general fund (GF) revenue compared to the May 2025 recommendation and a \$201M increase in school aid fund (SAF) revenues, or a net impact of negative \$779M.

This dynamic is driven less by a sudden economic downturn and more by recent policy decisions that reduce GF revenue, most notably the road funding package and a series of tax changes, which include exemptions for tips, overtime, and Social Security income. In effect, lawmakers are confronting a tighter general fund not because revenues are collapsing, but because a larger share of available dollars has been redirected or removed through deliberate policy choices.

That said, economic conditions are not neutral in this forecast. CREC officials also pointed to a cooling economy and softer-than-expected tax collections, particularly in business taxes, which account for a meaningful portion of the remaining revenue decline. While overall revenues are still projected to grow slightly year-over-year, that growth has flattened, limiting the state’s ability to absorb policy-driven revenue losses without tradeoffs.

Some of these revenue impacts have already been built into the budget based on cuts we saw last fall, but a large revenue gap remains, likely around \$300M. This will make the next several years of budget negotiations very tough with fewer general fund dollars available for grants, annual programing, and non-profits.

MI Universities Make Case for Increased State Investment

Michigan’s 15 public universities are making the case that higher-ed funding is one of the highest-return investments the state makes. A [new Michigan Association of State Universities report](#) shows universities generated \$45B in net new economic activity in fiscal year (FY) 2024, nearly 28 times the \$1.6B they receive in state appropriations and equal to 6% of Michigan’s total GDP. The sector supports 129,000 jobs statewide, including 64,000 net-new positions, while alumni who stay in Michigan generate an estimated \$89B in post-tax income and \$7.1B in state tax revenue. Research universities alone conduct



\$3.5B annually in academic research, underscoring the role campuses play not just in education, but in innovation, workforce supply, and regional economic stability.

University leaders used the release to argue that last year's one-time 3% funding boost should be rolled into base funding and built upon, noting that 85% of university budgets go to wages and benefits and that Michigan still ranks 41st nationally in per-student university support. They also pushed back on House GOP efforts to shift funding away from large research universities, arguing that research institutions are central to Michigan's healthcare, technology, and advanced-industry talent pipelines. While acknowledging short-term graduate employment challenges and the state's continued population loss, they pointed to growing pipelines like Michigan Reconnect, the Achievement Scholarship, and stronger university-industry partnerships as key to keeping talent in-state and ensuring higher education remains both affordable and economically productive.

Michigan Attorney General Sues Oil Companies

Michigan's Attorney General, Dana Nessel, announced she is suing large oil companies because of accusations that these companies are colluding against electric vehicles and renewable energy, which results in higher than necessary market prices in Michigan's energy supply. Michigan now joins a handful of other states in this endeavor. The announcement comes almost a year after Nessel first announced her intent to sue fossil fuel companies because of climate change.

An article written by Bridge Michigan can be found [here](#).

School Cell Phone Ban Clears Senate

Negotiated bills to limit cell phone use in K-12 schools easily passed the Michigan Senate after clearing the House the week prior. The bills ban cell phones during instructional time unless there is an emergency, a move broadly supported by education advocacy groups. [House Bill 4141](#), sponsored by Rep. Mark Tisdell (R-Rochester Hills) and [Senate Bill 495](#) (D-Livonia) passed 34-1 with Sen. Michele Hoytenga (R-Manton) voting no on both bills.

Leonard, Wortz Want Elimination of Data Center Tax Credit

State Rep. Jennifer Wortz (R-Quincy) and former Michigan House Speaker and current Republican gubernatorial candidate Tom Leonard have teamed up in support of rolling back the state's data center tax credits passed during the last legislative cycle. Wortz has been pushing for legislation which includes creating a one-year moratorium on data center development. The legislation also includes a repeal of both existing and pending state-level subsidies, tax incentives, and utility agreements. The bills are slotted for potential introduction soon.

Speaker Matt Hall has indicated he is not looking to take up repeal bills at this point. Gubernatorial candidate and Secretary of State Jocelyn Benson has also rolled out comments on creating data center regulations. She said there needs to be strong guardrails in place to ensure there is a rigorous and transparent review process in place for the planning of data centers.

Whitmer to Switzerland

Gov. Gretchen Whitmer (D-Michigan) was on an economic mission with a trip to Switzerland. While in the country, she was on a panel at the World Economic Forum in Davos discussing the future of electric vehicles (EV). During the speech she told the crowd she hadn't driven herself in eight years but is planning to buy an EV or hybrid when back to being a private citizen. Governor Whitmer's trips abroad for business attraction have brought consternation from Republicans in the state and this trip has been no different with complaints from Michigan Senate Republicans. President Donald Trump was also attending the event in Davos.

EV Fees Spike Under New Roads Deal

With the New Year, the cost of registering an electric vehicle (EV) in Michigan has spiked significantly under a roads plan agreed to by the legislature last year. Under the formula triggered by the road funding deal, annual registration fees for EVs are increasing from \$160 to \$267, while plug-in hybrid (PHEV) fees are going from \$60 to \$113. Those increases were on top of the state's base registration fees, which apply to all vehicles and vary depending on the vehicle's value. This is part of a quirk in how the gas tax was assessed on these vehicles. There have been legislative discussions on lowering these fees, as many lawmakers have stated that increasing fees on EV and PHEV drivers was never the intent

of the original deal and there should be parity between EV and internal combustion engine (ICE) vehicles. The bill has not advanced in the legislature to date ([SB 593](#)).

Michigan Faces "Critical Time" for Auto Industry

A report from the Detroit Chamber's automotive advocacy wing, MichAuto, suggested Michigan is at a major inflection point as the auto industry continues to face global change. The concern is escalating as Michigan prepares for its largest automotive celebration: The annual Detroit Auto Show, which returns to Detroit's Huntington Place from January 17th-25th. The auto industry accounts for about 20% of Michigan jobs and has a payroll of \$83B. Roughly 70% of automotive research and development in the world has roots in Michigan. The report warns Michigan must bolster its innovation economy or "be left behind." The report is [online here](#).

In addition, MichAuto is advocating for Michigan to:

- Prioritize workforce development like Going PRO, a state training program for which the legislature recently reduced funding. Other goals include increasing the number of four-year degrees awarded and creating a pipeline to replace aging workers.
- Improve the state's business climate through tax and regulatory changes that make the state more competitive.
- Set long-term, sustainable economic development incentives.
- Add support for the industry transition to EVs and new manufacturing methods.

Somewhat relatedly, General Motors announced a \$7B loss largely from changes in EV investments (\$6B) and restructuring in China (\$1B). Ford Motors also said it would take a \$19B hit to shift its EV plans to gas-powered vehicles, while adding new energy storage systems to its EV battery lineup.



MPSC Approves Saline Data Center Timeline

The Michigan Public Service Commission (MPSC) unanimously approved the sped-up timeline for DTE Energy’s application to provide power for the massive OpenAI-led Saline Township data center. The meeting was held in a packed room with advocates yelling at the commissioners as the decision was made. MPSC Chair Dan Scripps said the approved order had enough conditions placed on it that he was comfortable with moving forward. The MPSC had set several conditions with a precedent in November and cited a number of stipulations that were added to the ex parte order. All three commissioners stated that there should be no costs passed on to utility customers. The project will potentially need nearly 1.4GW of power, which is around a quarter of DTE’s current baseload power delivery in the Southeast Michigan region. Environmental advocates are fearful that this accelerated approval will mean dramatic increases to ratepayer costs in the future and polluting energy sources, but the MPSC feels DTE is taking the risk as a standalone issue. Additional sections are below relating to data centers including opposition to the new tax credits for data centers and background on the public comments for the Saline facility.

Data Center Opposition Reaches Capitol as Lawmakers Introduce Tax Incentive Repeal

Before the approval by the Michigan Public Service Commission (MSPC), opposition to the data center development surfaced at the Capitol as lawmakers, community members, and Attorney General Dana Nessel rallied against proposed projects and the tax incentives supporting them. Protesters raised concerns about land use, energy demand, utility reliability, and transparency, while three bipartisan legislators introduced bills to repeal the 2024 law granting sales tax exemptions to data centers. The bills, sponsored by Representatives Jim DeSana (R-Carleton), Erin Byrnes (D-Dearborn), and Dylan Wegela (D-Graden City), were referred to the House Economic Competitiveness Committee.

At the rally, and before MPSC approval of the Saline Township data center, Nessel emphasized the need for public review and regulatory scrutiny, noting that while she is not opposed to data centers outright, residents deserve clarity on costs and impacts. Despite growing public resistance, supporters of repeal acknowledge the effort faces long odds in a Legislature that previously approved the incentives.

State Unveils Reliable Rides Playbook

The Michigan Department of Labor and Economic Opportunity (LEO) released its “[Reliable Rides: Connecting Workers to Jobs](#)” Playbook. The document reflects feedback from employers, labor organizations, training providers, research institutions, regional workforce leaders, and state government agencies. Together, partners identify shared problems and develop stakeholder-informed, consensus-based solutions that build and sustain a robust workforce in Michigan. The document highlights the need to continue to invest in programs that help remove barriers for workers and that help create certainty for both employees and employers.

However, the playbook does not include feedback from the state's transit agencies who provide services in all 83 counties or innovative solutions for businesses that many transit agencies in Michigan already provide. Further, LEO did not coordinate with the Michigan Department of Transportation (MDOT) on this project, which has further exacerbated the rift between MDOT and LEO on public transportation projects and planning.



Chatfield Aides Sentenced

Former House staffers Rob and Anné Minard were both sentenced to probation and restitution after pleading guilty to multiple felonies pertaining to campaign finance illegalities associated with disgraced former Speaker, Lee Chatfield (R-Levering). The sentences imposed against the Mindard's were part of a deal that had them pleading guilty for a specific sentence, which did not include a jail term. There was also agreement to testify against the former Speaker. Chatfield's trial is scheduled for next year.

Nessel Held in Contempt by House Committee

The House Oversight Committee determined that Attorney General Dana Nessel overstepped her bounds and interfered during the investigation into Traci Kornak, a personal injury lawyer and former treasurer for the Michigan Democratic Party, as well as during the investigation into an alleged campaign finance violation by the firm Bipartisan Solutions.

The House Oversight Committee found Nessel in contempt for not appearing to testify and moved to subpoena the Michigan Department of Health and Human Services for the record of a joint investigation between the Kent County Sheriff's Department and Adult Protective Services related to the insurance fraud case. The committee also subpoenaed documents related to Nessel's decision not to file charges in a case related to the alleged campaign finance violation.

Federal Judge Blocks State Effort to Revoke Line 5 Easement

A federal judge ruled that Michigan does not have the authority to revoke Enbridge Energy's easement for the Line 5 pipeline in the Straits of Mackinac, finding that federal law governs interstate pipeline safety and operations. U.S. District Judge Robert Jonker determined that a 1992 federal law preempts state action and that Michigan's attempt to shut down Line 5 interferes with federal foreign policy and trade interests involving Canada. The ruling rejects arguments from Gov. Whitmer and state agencies that Michigan could terminate the decades-old easement under the public trust doctrine, concluding that decisions about the pipeline's location were made when the easement was granted in 1953. While acknowledging the environmental risks of a potential spill, the court emphasized that oversight responsibility rests with the federal government, as Enbridge continues pursuing permits for a tunnel project to house the pipeline.

Economic Concerns Drive Democratic Voter Priorities

A new poll of Michigan Democratic voters conducted by Ed Sarpolus of Target Insyght finds that practical economic issues are now the top concern heading into 2026. Inflation and the cost of living lead the list, with more than 60% of respondents citing them among their top three issues, followed by healthcare affordability and the overall state of the economy. Social issues such as abortion and voting rights ranked much lower, highlighting that voters are focused on day-to-day challenges that affect their families' financial stability and wellbeing. Sarpolus noted that candidates who prioritize these "bread-and-butter" concerns are more likely to resonate with voters and maintain support in upcoming statewide races. The margin of error is +/- 4.5%.

Senate Passes Transformational Brownfield Bill

Legislation that would revamp the state's transformational brownfield program passed the Senate with bipartisan support. [SB 723](#) would make changes to the state's Brownfield Redevelopment Financing Act,



which include an increase in the total amount of tax capture that could be disbursed for eligible projects, what qualifies as a transformational brownfield plan and adding various restrictions and transparency measures for plans.

The total tax capture over the life of the program would be increased from \$1.6B to \$3.5B. Individual projects would be capped at a maximum tax capture of \$300M after the bill's effective date. The yearly allowable tax capture to be committed or distributed would be \$80M. Another key provision added would require that tax capture amounts be increased by 25% over project requirements, with 40% of that going to the Michigan Housing and Community Development Fund, 40% to child care programs, and 20% to small business and placemaking initiatives. SB 723 includes transparency measures, bans stock buybacks for publicly traded developers capturing tax revenues, and allows tax capture to be canceled if jobs are lost in Michigan. Sen. Mallory McMorrow (D-Royal Oak) called these key improvements.

The bill passed 20-13, with most Democrats and three Republicans in support. Senate Democrats framed it as a tool for statewide economic development, but Speaker Matt Hall said the House will not take it up in its current form.

New Marijuana Tax Survives First Court Appearance

The Legislature's move to implement a wholesale tax on cannabis through a separate act rather than amending the Michigan Regulation and Taxation of Marihuana Act with supermajority votes doesn't violate the Constitution, a Court of Claims judge ruled. This is a major win for the bipartisan state road funding deal which hinges on \$420M in new revenue from the 24% wholesale on marijuana. Cannabis groups argued the move to pass another law to implement the wholesale tax was unconstitutional, the legislature avoided having to get a supermajority vote to amend the initiated law that legalized cannabis in the state. We do expect this decision to be appealed further in the future.

House Files Appeal Over 9-Bills Leftover from Last Session

The ongoing saga of nine¹¹ pieces of legislation stranded by a lack of action at the tail end of last session continues with the House Republican Majority filing an appeal to block the bills from being sent to the governor's desk. Both the Court of Appeals and the Court of Claims previously ruled the Constitution required the House to present the bills, with the Court of Appeals ordering the House to present them. In their appeal, House Republicans argued the Senate did not have standing in suing the House over the bills. Additionally, the House said by mandating they be presented, the court poses separation of powers concerns. The case will face the Supreme Court's 6-1 Democratic majority in its appeal but does raise questions of whether a new legislature can act on legislation passed in prior sessions.

DeSana Launches DOGE Michigan to Target Government Waste

Rep. James DeSana (R-Carleton) unveiled a new Republican-led task force, Department of Government Efficiency (DOGE) Michigan, to review state programs for inefficiency, fraud, and misuse of taxpayer dollars. The panel will examine Medicaid, SNAP, public education administration, and the overall size of the state workforce. The task force held its first meeting Wednesday and includes House Appropriations Chair Ann Bollin (R-Brighton), House Oversight Chair Jay DeBoyer (R-Clay), Rep. Steve Carra (R-Three Rivers), Rep. Jaime Greene (R-Richmond), Rep. Gina Johnsen (R-Portland), Rep. Joseph Pavlov (R-Kimball Township), Rep. Bill G. Schuette (R-Midland), Rep. Bradley Slagh (R-Zeeland), Rep. Rachele Smit (R-



Shelbyville), Rep. Donni Steele (R-Lake Orion), Rep. Jason Woolford (R-Howell), and Rep. Jennifer Wortz (R-Quincy), with no Democrats named as a part of the task force.

Tariffs, EV Transitions, and Talent Needs Shape Auto Industry Outlook

New federal data show U.S. automakers continue to absorb significant tariff costs on vehicles and parts imported from Mexico. Tariff payments topped \$1 billion for the fifth consecutive month in September, a dramatic increase from last year as the Trump administration enforces a 25% duty on non-U.S. content under the United States Mexico Canada Agreement (USMCA). Detroit manufacturers, which rely heavily on Mexico-based production, are urging federal officials to ease the burden as supply chains remain deeply integrated and difficult to shift quickly. Industry analysts note that uncertainty surrounding the upcoming USMCA review has slowed investment decisions, and smaller automakers report added pressure from steep, persistent duties. Mexican officials warn that the longer tariffs remain in place, the more strain they place on both countries' supply chains and economic ties.

Michigan's auto sector is also confronting broader structural challenges. Ford and SK On announced they will unwind their \$11.4B joint electric vehicle battery venture, reflecting slower than expected EV demand, high production costs, and shifting federal policy. Analysts say the breakup illustrates how automakers are reassessing timelines and capital commitments during a volatile market. A new report from MichAuto similarly urges Michigan leaders and companies to focus on innovation, talent development, and infrastructure improvements to remain competitive, particularly as China rapidly scales advanced and lower cost EV technologies. Industry leaders warn that Michigan's long-term position depends on attracting a digitally skilled workforce, strengthening education pathways, and investing across all powertrains as global competition intensifies.

See below for local press around this issue:

[Detroit Free Press: Michigan auto industry is in the fight for its life](#)

[Detroit News: Autos sector keeps racking up tariff costs from Mexico, new data shows](#)

[Ford, SK On to split joint venture as EV market grows cold](#)

MPSC Releases 2025–2026 Winter Energy Appraisal

The Michigan Public Service Commission released its [2025–2026 Winter Energy Appraisal](#), projecting increased statewide demand for both natural gas and electricity, with sufficient supply to meet anticipated needs. Natural gas consumption is expected to rise 3.3%, driven by double-digit increases in the residential, commercial, and industrial sectors, while natural gas used for power generation is projected to decline. Electricity demand is forecast to grow 2.9%, with the largest increases in residential and commercial use.

The report also highlights stable propane demand, ample propane and gasoline inventories, and moderate changes in price expectations across fuel types. Midwest residential propane prices began the season at \$2.17 per gallon, consistent with last year. Residential electricity prices in the region are expected to rise 6.3% in 2025, and gasoline prices are projected to average \$2.96 per gallon in 2025.



Distillate fuel usage continues a long-term decline, although diesel and heating oil prices remain above last year's levels. The appraisal notes no expected supply shortages across major energy categories.

Palisades Receives \$400M from DOE

The U.S. Department of Energy (DOE) has awarded \$400 million to support Holtec International's effort to restart the Palisades nuclear plant in Covert Township and build two small modular reactors (SMRs) on-site. The funding is part of a larger financing package that includes a \$1.52B DOE loan and \$1.3B from the U.S. Department of Agriculture, making Palisades the first shuttered nuclear facility in the country slated for full reopening. Governor Gretchen Whitmer praised the investment as a major step toward clean-energy expansion, job creation, and lower energy costs. Holtec estimates the new SMRs will produce enough power for 1.4M Michigan homes and support 900 full-time jobs in southwest Michigan, with Wolverine Power Cooperative already agreeing to purchase a portion of the plant's output.

MPSC Hears Strong Public Response on Saline Data Center Proposal

Nearly 1,000 people joined a virtual Michigan Public Service Commission (MPSC) hearing on DTE's request to fast-track approvals for powering a proposed data center in Saline Township, highlighting deep divisions over the project. Governor Gretchen Whitmer and several labor groups backed the development for its job creation and pledged support for strict environmental and ratepayer protections. Meanwhile, Senator Sue Shink (D-Dexter) and 22 other Democratic legislators urged the

commission to reject the expedited process, warning that the unprecedented 1.4GW power contract warrants full scrutiny. Public opinion appears mixed, with polling showing nearly half of respondents opposed to new data centers. Commissioners emphasized that their review is limited to utility issues, not environmental impacts, and acknowledged the unusually high volume of public interest, including nearly 5,000 submitted comments. Attorney General Dana Nessel also weighed in, calling for a contested case to allow greater transparency and oversight.

Robocall Legislation Moves in Senate Committee

The Michigan Senate's Committee on Finance, Insurance and Consumer Protection moved a package of bipartisan bills ([Senate Bills 351-355](#)) through the committee and to the Senate floor. The package, referred to as the Telephone Solicitation Act, is spearheaded by the Committee's Chair, Senator Mary Cavanagh (D-Redford Township) who has been working on this legislation with the office of Michigan's Attorney General. The bills attempt to create state-level regulations around unwanted spam texts or phone calls.

However, the legislation received opposition in committee from the state's business community and leading industry experts as the language, tried in various other states, does not address the true bad actors of unsolicited calls and texts and fails to reduce this type of outreach. Further, the language lacks clarity around definitions and includes a private right of action, proving in other states with this language to lead to a significant number of lawsuits for businesses in the state.

It is likely the package will see Senate floor movement by the end of this calendar year.

Citizens Research Council: Roads Deal May Not Be Enough



The road funding plan passed by the Legislature earlier this year is unlikely to fully deliver on the state's infrastructure needs, per the Citizens Research Council of Michigan (CRC). The CRC released a report evaluating the effectiveness of the funding plan, saying the package would be unlikely to meet the intentions set by the Legislature. The funding package is intended to provide \$1B in new road funding for the 2025-26 fiscal year and then increase to \$2B by the 2030 fiscal year, while also allocating money to a new Neighborhood Roads Fund. If the funding holds up (pending litigation on the 24% wholesale marijuana tax), the increase in funding would represent a 70% increase over the 2016 fiscal year low point for the state, making Michigan one of the top 15 best funded states, according to the report.

State Report Shows Positive Results from 2019 Auto No-Fault Insurance Reforms

Michigan's Department of Insurance and Financial Services (DIFS) released its required report on the 2019 no-fault auto insurance reforms, showing average premiums fell 18.8% from 2019–2024 (about \$357 per vehicle). Savings were driven almost entirely by a 44.7% drop in personal injury protection (PIP) premiums, partly offset by higher liability costs tied to new minimum coverage limits. The Michigan Catastrophic Claims Association assessment for new claims also fell by \$142. Wayne County saw the largest PIP savings (\$539), and seniors over 64 benefited most (21.5% average reductions), helped by the option to opt-out of PIP medical.

The 2019 reform legislation was a bipartisan effort to address Michigan's highest-in-the-nation auto insurance marketplace. The report also highlights how consumer choices shifted sharply: by 2024, 28.8%

of vehicles carried limited or no PIP medical coverage, and about 80% of drivers now hold at least \$250,000/\$500,000 in liability coverage, up from roughly 10% before reform. Uninsured rates rose only slightly and remained below what they likely would have been without reform. Insurer costs dropped 19.3% overall, including a 48.2% decline in PIP costs, with the new fee schedule accounting for nearly a fifth of those savings. While attendant-care access concerns emerged early on, the report finds most market issues have stabilized, with only about 1.7% of crash victims potentially experiencing gaps after exhausting their auto benefits.

Election and Political Update

Hope Declines to Seek Reelection

State Rep. Kara Hope (D-Delhi Township) has declined to seek reelection citing health issues. Rep. Hope had previously served as an Ingham County Commissioner and is now declining a potential 4th term in the State House citing health issues. The seat is considered safe for Democrats, having been consistently won by 8-10 points, and encompasses the southern part of the City of Lansing south to the Ingham country border.

EMILYs List Adds Michigan to \$15M Spend List

Progressive organization EMILYs List announced that it would focus the initial investments of its "State Power Plan" into Michigan. Other states on the list include Arizona, Georgia, Minnesota, Nevada, New Mexico, North Carolina, Pennsylvania, and Wisconsin. The funding will back pro-choice women running for governor, attorney general, secretary of state (SOS), their state legislature and state supreme court. In Michigan, EMILYs List has given its endorsement to current Secretary of State Jocelyn Benson in her



bid for governor; Oakland County Prosecutor Karen McDonald in her bid for attorney general, and about a dozen female state legislators in the Michigan Senate and House.

Posthumus Declines to Seek Reelection

House Majority Floor Leader Bryan Posthumus has opted to not seek reelection for a fourth term in the State House. By announcing now, Posthumus said he hoped it would give enough time to find a qualified candidate to fill the open seat. The 90th House District encompasses a large chunk of northern Kent County outside of Grand Rapids and is considered very safe for Republicans.

Gilchrist Officially Ends Gubernatorial Bid, Shifts to SOS Race

Lt. Gov. Garlin Gilchrist has officially dropped out of the race for governor and filed for the soon to be vacant secretary of state position. In the gubernatorial race, Gilchrist was running against current Secretary of State Jocelyn Benson, who has higher name recognition and a large cash-on-hand advantage. There are now four Democrats in the race, a high-water mark in recent years with. In addition to Gilchrist, other candidates include former Lottery Commissioner Suzanna Shkreli, former State Senator Adam Hollier (D-Detroit), and Ingham County Clerk Barb Byrum.

Deputy Secretary of State Aghogho Edevbie dropped his SOS bid citing the loss of a path to the nomination after Gilchrist entered the race and, in his video announcement, supported Gilchrist as the nominee. The Democratic nominating convention is only a few months away, scheduled for April 19. As a reminder, AG, SOS, and state university board roles are selected at their respective party's nominating conventions.

Benson Sued for Discrimination, Also Gets Black Caucus Endorsement

Four current and former Black employees of the Michigan Department of State filed a racial-discrimination lawsuit against Secretary of State and gubernatorial candidate, Jocelyn Benson, along with her senior staff, alleging a pattern of unequal treatment, lack of clear personnel policies, and retaliation through performance plans, pay freezes, and in one case termination over alleged misuse of a state vehicle. The Department strongly denies all the claims and in the case of vehicle misuse, the employee's unusually high vehicle use triggered an HR and criminal referral. The state has said they will vigorously defend the case.

The lawsuit lands while candidate Benson has earned the endorsement of the Michigan Democratic Party Black Caucus and Detroit civil-rights leader Rev. Horace Sheffield following Lt. Gov. Garlin Gilchrist's exit from the primary race, putting her on a clearer path to the nomination.

Detroit News Polling Shows Tight Race for Governor

Michigan's three leading candidates for governor, Republican John James, Democrat Jocelyn Benson, and Independent Mike Duggan, are all locked into a close polling battle for the lead in the gubernatorial contest this November. In the three-way general election matchup, James leads with about 34%, while Benson is close behind at about 32%, and Independent Duggan trails with around 26% of voter support — a tight contest with James up by roughly 2 points over Benson and 8 points over Duggan. The poll was conducted by the Detroit News and had a margin of error of +/- 4.



Gilchrist nabs MEA Endorsement for SOS

In a major boost for his Secretary of State nomination, current Lt. Gov. Garlin Gilchrist received the endorsement of the Michigan Education Association (MEA). The MEA is considered a strong force in Democratic convention politics, likely giving Gilchrist a helping hand for the April nominating convention against the three other announced candidates. Gilchrist received the union's nod over the three other Democrats in the race: Ingham County Clerk Barb Byrum, former State Sen. Adam Hollier (D-Detroit), and former Michigan Lottery Commissioner Suzanna Shkreli.

As a reminder, the current Republican field of candidates includes Macomb County Clerk Anthony Forlini, former Michigan Republican Party operative Amanda Love and parental rights activist Monica Yatooma. Both parties will hold their nominating conventions for this role in late Spring.

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This move likely paves the way for the nomination for SOS Benson, with Genesee County Sheriff Chris Swanson the only other remaining Democrat in the race. Benson holds a sizable polling and cash-on-hand advantage.

Congressman Huizenga Files for Reelection

U.S. Representative Bill Huizenga (R-Zeeland) has officially announced he will seek re-election in Michigan's 4th congressional district. He is most likely to face State Senator Sean McCann (D-Kalamazoo) who has filed for the seat as well. This ends some months of speculation that Huizenga may have sought other office or retire as the seat he is in is increasingly swinging left. This is expected to be a competitive race in 2026, but Republicans typically have held a three to five point advantage in this traditionally conservative area that runs along the southwest coast of Michigan up to the Grand Rapids area.

Ranked Choice Voting Initiative Pulls Plug for '26

The group collecting signatures to get a ranked choice voting proposal before voters in 2026 is pausing its efforts as they are coming up short on the needed signatures to appear on the ballot. The proposal would have instituted extensive changes to Michigan's voting process. Organizers have said they intend to seek signatures for 2028.

Group Plans to Submit Signatures for "Money Out of Politics" Proposal

Supporters of the proposed plan to limit corporate contributions in Michigan elections have said they expect to submit hundreds of thousands of petition signatures by April to seek ballot inclusion for 2026.



Under the proposal, major corporations would be banned from making political contributions as well as large companies that hold or are seeking government contracts. It would also prevent corporate donors

from getting around the campaign finance law by donating to 501(c)4 and 527 accounts. It would also ban political contributions from companies that hold state and local government contracts exceeding \$250,000. The group needs to collect at least 356,958 valid voter signatures to obtain access to the November 2026 ballot.

State Sen. Victory for MSU Trustee

Term-limited State Senator Roger Victory (R-Georgetown Township) announced his campaign for the Michigan State University (MSU) Board of Trustees. Within hours of his campaign announcement, Victory received several endorsements from agriculture groups and has promised to be a voice for the industry on the board. Victory operates a very large vegetable farming operation, Victory Farms, in West Michigan. On a fun note, "Victory for MSU" is also the last line in the MSU fight song.

Greene Gets KMR Endorsement

Congresswoman Kristen McDonald-Rivet (D-Bay City) announced she endorsed Chedrick Greene to replace her in the State Senate (District 35). This highly competitive district that was left vacant when McDonald-Rivet won her congressional race now has an open primary and general election early next year. Greene worked as a district assistant for McDonald-Rivet while she served in the Senate. The endorsement was the latest in a string of endorsements he has secured during the Democratic primary for the open seat. The 35th Senate District includes an area along the I75 corridor with portions of Bay, Saginaw, and Midland Counties.