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| JANUARY 2026

Michigan's Work Project Showdown Escalates: Attorney General Declares House Cuts Unconstitutional

Michigan's late-2025 budget dispute over so-called "work project" funding took a dramatic turn this week after Dana Nessel issued a formal legal opinion concluding that the mechanism used by the House Appropriations Committee to cancel $645 million in previously approved spending is unconstitutional.

The opinion, released January 7, declares that the unilateral disapproval authority exercised by the committee violates both the separation of powers and the bicameralism and presentment requirements of the Michigan Constitution.

At issue is a provision of the Management and Budget Act—MCL 18.1451a(3)—that allows either the House or Senate Appropriations Committee to disapprove work-project designations made by the State Budget Director. In December, the Republican-led House Appropriations Committee invoked that authority to block the continued use of nearly $645 million in funding that had already been enacted by the Legislature and signed into law.

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In her opinion, Nessel concluded that this statutory "committee veto" impermissibly allows a single legislative committee to interfere with executive implementation of enacted appropriations, an authority the Constitution does not permit.

"The Legislature's role ends once an appropriation is enacted," the opinion explains. "Execution of the law—including the timing and administration of appropriated funds—is an executive function."

Why the Opinion Matters

While attorney general opinions are not court rulings, they are binding on state agencies unless overturned by a court. As a result, the practical effect is immediate and significant.

According to legislative and administrative sources, the State Budget Office plans to release the affected funds and has directed state departments to begin communicating with grantees about next steps. Several lawmakers have already publicly indicated that agencies will be reaching out with formal guidance.

At the time of publication, House Republicans had not announced whether they intend to challenge the opinion in court. Any such lawsuit would mark the next escalation in a dispute that has already strained relations between the chambers and intensified scrutiny of Michigan's budget process.

Severability Preserves Oversight—Without the Veto
Importantly, Nessel's opinion does not invalidate Michigan's entire work-project framework. Instead, it finds the committee disapproval mechanism severable, meaning the rest of the statute remains intact.

The opinion emphasizes that lawmakers retain meaningful oversight tools, including:

- Statutory criteria defining eligible work projects
- Strict timelines for designation
- Detailed reporting requirements to the Legislature

What lawmakers may not do, according to the opinion, is retroactively block executive implementation of appropriations without passing new legislation through both chambers and presenting it to the governor.

Political and Budgetary Implications

The ruling represents a major setback for House Republicans who framed the December action as a necessary fiscal safeguard against unspent balances and "slush funds." It also strengthens the position of Senate Democrats and the administration, who argued the cuts undermined commitments already made to communities, nonprofits, and local governments.

For Gretchen Whitmer and her administration, the opinion reinforces executive authority over budget implementation—particularly at a time when divided government has made traditional negotiations more fragile.

More broadly, the dispute has exposed how procedural tools can become high-stakes policy weapons in Lansing. What began as an arcane budget maneuver has evolved into a defining separation-of-powers fight that could reshape how future appropriations are administered.

What Comes Next

In the short term, attention will focus on how quickly departments move to restore funding and how grantees respond after weeks of uncertainty. In the longer term, the Legislature may revisit the work-project statute itself, seeking new oversight mechanisms that comply with constitutional requirements.

Whether through litigation, legislation, or negotiated reform, the work-project controversy has already left its mark. It underscores a central reality of Michigan's divided government era: process matters—and when it breaks down, the consequences can be just as significant as any line item in the budget.

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Policy Fault Lines for 2026: How Michigan's Divided Government Is Setting the Stage for Future Issues

As lawmakers closed the books on a turbulent 2025, attention inside the Michigan Capitol quickly shifted from what went wrong to what comes next. With a Republican-led House, a Democratic Senate, and Gretchen Whitmer entering the final stretch of her governorship, 2026 is shaping up to be a year defined less by sweeping legislation and more by sharp policy contrasts, strategic positioning, and fights over process as much as substance.

The result is a Capitol environment where priorities are clear—but consensus is elusive.

Education Takes Center Stage — From Different Directions

Education is emerging as the dominant policy arena for 2026, though leaders disagree on what reform should look like.

Leaders are expected to continue pushing for improved literacy, focusing on early reading interventions, tutoring, and accountability tied to student outcomes. Improving third-grade reading proficiency and addressing post-pandemic learning loss remain top priorities for many policymakers.

Leaders have also signaled the need for changes to the school funding structure and transparency. Property tax reliance, per-pupil funding formulas, and the balance between state oversight and local control are all likely to resurface as debate points.

Finally, curriculum reform is a hot topic, along with the possibility of a Michigan Education Guarantee.

Transparency and Public Trust

Another emerging fault line centers on government transparency.

Senate Democrats are expected to renew efforts to expand public records access, including long-debated proposals to apply Freedom of Information Act (FOIA) requirements to the governor's office and Legislature. Advocates argue that public trust in state government hinges on greater openness, particularly after years marked by emergency powers, pandemic response decisions and complex budget maneuvers.

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House Republicans have expressed skepticism, cautioning against reforms they say could hinder candid internal deliberations or burden staff capacity. While transparency enjoys broad rhetorical support, translating that agreement into policy has proven difficult, setting up another high-profile but uncertain debate in 2026.

Property Taxes, Cost Pressures, and the Middle-Class Squeeze

With inflation and cost-of-living pressures still at the forefront of voters ' minds, property tax reform is poised to return as a significant issue.

House leaders have floated ideas aimed at tax relief for homeowners and businesses, particularly in communities facing rapidly rising assessments. Democrats, while acknowledging affordability concerns, are wary of reforms that could destabilize local government revenues or shift costs to the state budget without long-term offsets.

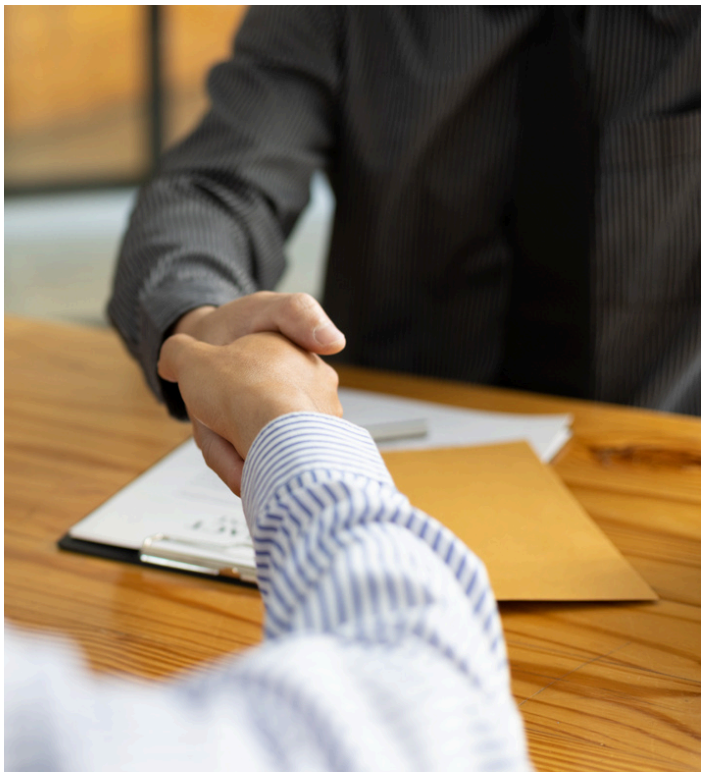
These debates are likely to intersect with broader conversations about housing supply, infrastructure investment, and local government finance—areas where agreement on the problem does not necessarily translate into agreement on solutions.

Health Care and Workforce Pressures

Health care costs and workforce availability are also expected to loom large in 2026, particularly as Michigan grapples with an aging population and ongoing labor shortages in critical sectors. Republicans are increasingly focused on cost containment, regulatory reform, and workforce participation policies, while Democrats continue to emphasize access, coverage stability, and systemwide investment. These conversations may intensify as federal policy changes ripple down to state programs, forcing Michigan lawmakers to make complex budget and policy choices.

Process as Policy

Perhaps the most significant storyline for 2026 is not tied to a single issue but to how policy decisions are made.
The late-2025 work-project controversy underscored how procedural tools can become policy weapons in a divided government. As trust between chambers remains strained,



lawmakers on both sides are expected to pay closer attention to process—committee authority, supplemental budgets, and statutory levers that can advance or block priorities without full legislative buy-in.
In that sense, 2026 may be less about landmark legislation and more about positioning, precedent, and power—with each branch and caucus seeking to define its legacy before the next election cycle reshapes the Capitol once again.

Looking Ahead

As Michigan enters 2026, the outlines of the debate are clear: education outcomes versus funding structure, transparency versus operational concerns, tax relief versus fiscal stability, and access versus cost control in health care. What remains uncertain is whether the state's leaders can move beyond entrenched positions to find durable compromises—or whether gridlock will continue to define Lansing's policy landscape.

Either way, the coming year promises to be consequential—not just for what gets passed, but for how Michigan's political institutions navigate divided government at a pivotal moment.