

EXECUTIVE COMMITTEE

1001 WOODWARD AVE., SUITE 1400 • DETROIT, MI | GWEN MARKHAM, CHAIRPERSON

Executive Committee

Friday, January 23, 2026 | 1 p.m.

SEMCOG Office | 1001 Woodward Ave., Ste. 1400 | Detroit, MI 48226

Parking Validation

Bring your vehicle license plate number to SEMCOG. DO NOT PAY using the QR code in the garage

Meeting attendees parking at the 1 State Street Parking Garage (also known as the 1001 Woodward Garage) enter/exit using a pay-by-plate system – without a credit card. If there is a sign saying Badge Holders Only, or Lot Full, and attendant is present, tell them you are there for a SEMCOG meeting and that parking has been reserved. SEMCOG guests should disregard signage posted in the garage with instructions for visitors to scan a QR code. Instead, please bring your vehicle license plate number to the SEMCOG welcome/registration desk, where staff will assist you in entering your plate number for validation.

Transit rides covered for travel to and from SEMCOG meetings

A [Dart 24-Hour Regional Pass](#) (or reimbursement) will be issued to SEMCOG meeting attendees using public transit to attend meetings. These passes cover unlimited rides on both SMART and DDOT buses for a 24-hour time span. Customers can ride in any direction to locations in the suburbs and within the city of Detroit. Please see a staff member/meeting host or hostess for transit reimbursement or to acquire a Dart pass for travel to an upcoming meeting.

Please visit SEMCOG's [location](#) webpage for a map of alternative parking locations and driving directions.

Executive Committee Delegates: To ensure complete representation of the county or voting bloc you represent, be sure to communicate with your alternate and have them attend/vote if you are unavailable. If you need contact information for your alternate, please contact [Rebecca Osborne](#), Supervisor, Member Engagement, at 313-338-4701.

Agenda

12:30 p.m. – Registration and Lunch

1 p.m. – Executive Committee Business Meeting

A. Call to Order
Pledge of Allegiance
Approval of Agenda

B. Public Comment

C. Approval of Consent Resolution

1. Executive Committee minutes – December 5, 2025
2. Receipt of Financial Statements – November 2025

D. Report from Chairperson: Gwen Markham, Commissioner, Oakland County

E. Panel Discussion: Successes and the Future of Transit in Southeast Michigan

F. Report from Healthy Climate Task Force: Sheila Tomkowiak, Mayor, City of Grosse Pointe

3. Southeast Michigan Healthy Climate Plan

Action requested

The Executive Committee is requested to adopt the Southeast Michigan Healthy Climate Plan.

G. Report from Transportation Coordinating Council: William Miller, Commissioner, Oakland County

4. Transportation Performance Management (TPM) Safety Targets

Action requested

The Executive Committee is requested to approve the federally-required transportation performance management (TPM) targets for safety.

5. Recommended Approval of National Functional Classification Update

Action requested

The Transportation Coordinating Council recommends Executive Committee approval of 29 revisions to the National Functional Classification (NFC) of roads in Southeast Michigan.

H. Report from SEMCOG Executive Director Amy O’Leary

6. Legislative Update

I. Upcoming Meetings:

Executive Committee – Friday, February 27, 2026 – SEMCOG Office (Detroit)

General Assembly – Thursday, March 19, 2026 – The Icon (Detroit)

SEMCOG offers interpretation services, including language translation and signage for the hearing impaired, at public meetings upon request with seven days advance notice.

SEMCOG ofrece servicios de interpretación, incluyendo servicios de traducción de idiomas y señalización para las personas con discapacidad auditiva, en reuniones públicas si se pide con siete días de anticipación.

يوفر مجلس حكومات جنوب شرق ميشيغان (SEMCOG) خدمات ترجمة شفوية، وذلك يتضمن خدمات ترجمة لغوية ولغة الإشارة للمعوقين سمعياً، في الاجتماعات العامة بناءً على طلب إشعار مسبق مدته 7 أيام.



Meeting Minutes

Executive Committee

SEMCOG Office, 1001 Woodward Ave., Ste. 1400, Detroit, MI 48226

December 5, 2025

A. Call to Order

Gwen Markham, Commissioner, Oakland County, Executive Committee Chairperson, called the Executive Committee meeting to order at 1:01 p.m.

Pledge of Allegiance

Ms. Markham led the Committee in the Pledge of Allegiance.

Approval of Agenda

Ms. Markham presented the agenda for consideration and approval by the Executive Committee, noting that the agenda is now available electronically.

Motion by Michael Sedlak, Clerk, Green Oak Charter Township, to approve the agenda. The **motion** carried by voice vote.

B. Public Comment

Ms. Markham offered members of the public three minutes to comment on any agenda item. Two public comments were received on the following topics:

- State-of-the-art transit solutions to support the region's future transportation needs; and
- General comments on public transit and committee updates.

C. Approval of Consent Resolution

Ms. Markham presented the Consent Resolution for approval: Executive Committee minutes – September 26, 2025; and Receipt of Financial Statements – October 2025.

Motion by Chris Barnett, Supervisor, Orion Township, to approve the Consent Resolution items, as presented. The **motion** carried by voice vote.

D. Report from Chairperson: Gwen Markham, Commissioner, Oakland County

Ms. Markham provided informational updates on the following topics:

- A reminder for interested elected officials that the application window is open for the 2026 Taubman Fellows program; and

- Notification that SEMCOG's 2026 Member Outreach Meetings will be held in each of the region's seven counties, along with an overview of the topics to be discussed.

Ms. Markham then introduced SEMCOG Executive Director Amy O'Leary, who presented an action item for consideration by the Executive Committee: SEMCOG staff involvement in the 2026 MAC Work Program. After presentation, **Motion** by Diana McKnight-Morton, Trustee, Washtenaw Community College, to approve SEMCOG staff involvement in the Metropolitan Affairs Coalition's 2026 Work Program. The **motion** carried by electronic vote.

RESOLVED this fifth day of December 2025, THAT the Executive Committee of SEMCOG, the Southeast Michigan Council of Governments, approves SEMCOG staff involvement in the Metropolitan Affairs Coalition 2026 Work Program.

E. Report from Finance and Budget Committee: Robert Clark, Mayor, City of Monroe

Ms. Markham introduced Robert Clark, Mayor, City of Monroe, who presented an overview of SEMCOG's recent financial audit for the fiscal year ending June 30, 2025.

Mr. Clark then presented a request for the Executive Committee to authorize the Executive Director, or her designee, to establish a Health Care Savings Plan (HCSP) for employees, administered through the Michigan Municipal Employees' Retirement System (MERS).

Motion by Robert Clark, Mayor, City of Monroe, to approve a resolution to establish a Health Care Savings Plan (HCSP) for employees, administered through the Michigan Municipal Employees' Retirement System (MERS). The **motion** carried by electronic vote.

NOW THEREFORE BE IT RESOLVED this 5th day of December 2025, THAT the Executive Committee approves a resolution to establish a Health Care Savings Plan (HCSP) for employees, administered through the Michigan Municipal Employees' Retirement System (MERS).

F. Update from Healthy Climate Task Force: Sheila Tomkowiak, Mayor, City of Grosse Pointe

Ms. Markham introduced Sheila Tomkowiak, Mayor, City of Grosse Pointe, who provided an update on the work of the Healthy Climate Task Force, and notified Executive Committee members that they will be presented with the Healthy Climate Plan for approval at their January 2026 meeting.

G. Report from Transportation Coordinating Council: William Miller, Commissioner, Oakland County

Ms. Markham introduced William Miller, Commissioner, Oakland County, who presented 2050 RTP Amendment 25:5 and FY 26-29 TIP Amendment 25:5 (Full). After presentation, **Motion** by William Miller, Commissioner, Oakland County, to approve the 2050 RTP Amendment 25:5 and FY 26-29 TIP Amendment 25:5 (Full). The **motion** carried by electronic vote.

WHEREAS, the Transportation Improvement Program (TIP) supports this vision:

All the people of Southeast Michigan benefit from a connected, thriving region of small towns, dynamic urban centers, active waterfronts, diverse neighborhoods, premiere educational institutions, and abundant agricultural, recreational, and natural areas.

WHEREAS, SEMCOG is responsible for developing a long-range regional transportation plan and a Transportation Improvement Program that funds projects to implement the plan;

WHEREAS, the 2050 RTP was developed pursuant to the transportation planning provisions of Title 23 of United States Code (USC) Section 134 and Title 49 USC Section 5303;

WHEREAS, the 2050 RTP requires periodic updates to include projects not fully developed at the time the 2050 RTP was originally adopted, to take advantage of new funding and reflect changing priorities;

WHEREAS, SEMCOG is required to develop amendments to the FY 2026-2029 TIP pursuant to Title 23 of the United States Code (USC) Section 134;

WHEREAS, the 2050 RTP and FY 2026-2029 TIP were analyzed in accordance with 40 CFR 51 for air quality conformity and found not to exceed present and future emission budgets in all analysis years;

WHEREAS, the amendments to the FY 2026-2029 TIP are consistent with the 2050 RTP policies, were financially constrained to identified funding resources, and the amendment process actively encouraged public and agency review and comment;

WHEREAS, SEMCOG certifies that all projects funded in total or in part with State Transportation Economic Development Fund (TEDF) Category C funds are eligible for funding under PA 231 of 1987, as amended, and meet the goals and objectives of the program;

WHEREAS, General Program Accounts (GPA) are used to group smaller, routine transportation projects together in the TIP;

WHEREAS, when the total cost of projects programmed in a GPA equals or exceeds 115% of the GPA's currently authorized amount, that GPA needs to be amended;

WHEREAS, SEMCOG has determined that the amendment to the 2050 RTP and the FY 2026-2029 TIP conform to the State Implementation Plan for Air Quality as required by provisions of Title 40 Code of Federal Regulations (CFR) 51 and Title 23 CFR 450;

NOW THEREFORE BE IT RESOLVED, this 5th day of December, 2025 THAT the Executive

Committee of SEMCOG, the Southeast Michigan Council of Governments, approves the amendment of projects to the 2050 RTP and FY 2026-2029 TIP;

AND BE IT FURTHER RESOLVED THAT the Executive Committee of SEMCOG approves the amendment of the GPAs in the FY2026-2029 TIP;

AND BE IT FURTHER RESOLVED THAT the Executive Committee of SEMCOG submits this amendment to the 2050 RTP and the FY 2026-2029 TIP to the Michigan Department of Transportation, as designee for the Governor's Office of the State of Michigan, for review and transmittal to the Michigan Department of Environment, Great Lakes, and Energy; Michigan Department of Natural Resources; Federal Highway Administration; Federal Transit Administration; and U.S. Environmental Protection Agency.

Mr. Miller then introduced Beheshteh Makari, SEMCOG Planner, who presented an update to SEMCOG's Access to Core Services report and online tool.

H. Update from Economic Development Council: Brian Marl, Mayor, City of Saline

Ms. Markham introduced Brian Marl, Mayor, City of Saline, who provided an update on the work of the Economic Development Council. Mr. Marl introduced Karolynn Faulkner, SEMCOG Planner, who provided an overview of new SEMCOG placemaking resources. Ms. Faulkner then introduced David Struck, SEMCOG Planner, who presented an overview of the key strategies and goals included in the region's new Comprehensive Economic Development Strategy. Mr. Struck facilitated an input discussion on these strategies and goals.

I. Report from SEMCOG Executive Director, Amy O'Leary

Ms. Markham introduced Amy O'Leary, Executive Director, SEMCOG, who provided an update on the following items:

- Recent activity of the Regional Review Committee and SEMCOG's TAP Check Presentations throughout the region;
- SEMCOG's engagement on federal and State legislative issues;
- Promoting SEMCOG's upcoming Peer Groups meetings at the March 2026 General Assembly event;
- SEMCOG's holiday safety messages and encouraging local governments to share on their social media;
- Transit updates, including the RTA's new transit app and an upcoming panel discussion with the region's largest transit providers at the January 2026 Executive Committee meeting; and
- Upcoming SEMCOG events and training opportunities.

J. Upcoming Meetings

Ms. Markham reviewed the following upcoming SEMCOG meetings:

Executive Committee – Friday, January 23, 2026 – SEMCOG Offices (Detroit)
Executive Committee – Friday, February 27, 2026 – SEMCOG Offices (Detroit)
General Assembly – Thursday, March 19, 2026 – The Icon (Detroit)

K. Adjourn

There being no further business, the Executive Committee was adjourned at 2:43 p.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to be 'MS', is positioned above the name Michael Spence.

Michael Spence
Committee Clerk



Southeast Michigan Council of Governments

Income Statement

For Fiscal: JUL 2025-JUN 2026

Period Ending: 11/30/2025

Class	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Revenue					
401 - FEDERAL	3,453,311.00	3,453,311.00	127,118.77	396,830.88	3,056,480.12
402 - STATE ADMIN FEDERAL REVENUE	13,381,757.00	13,381,757.00	716,793.71	3,806,720.32	9,575,036.68
403 - STATE REVENUE	809,484.00	809,484.00	37,094.17	317,321.14	492,162.86
404 - OTHER REVENUE	783,069.00	783,069.00	35,063.83	141,488.96	641,580.04
405 - LOCAL REVENUE	3,068,736.00	3,068,736.00	57,395.44	1,604,207.95	1,464,528.05
406 - PASS-THRU MATCH	386,236.00	386,236.00	-	13,326.31	372,909.69
Revenue Total:	21,882,593.00	21,882,593.00	973,465.92	6,279,895.56	15,602,697.44
Expense					
501 - SALARIES	6,012,356.00	6,012,356.00	475,158.22	2,230,290.61	3,782,065.39
502 - CONTRACTS	5,296,146.00	5,296,146.00	104,905.31	530,020.18	4,766,125.82
503 - TRAVEL	205,434.00	205,434.00	15,479.44	96,327.59	109,106.41
505 - SUPPLIES	1,165,972.00	1,165,972.00	70,342.42	440,039.03	725,932.97
506 - OTHER	1,765,400.00	1,765,400.00	72,378.98	475,136.62	1,290,263.38
507 - FRINGE BENEFITS	4,509,267.00	4,509,267.00	304,653.63	1,615,795.00	2,893,472.00
900 - PT-FEDERAL	300,000.00	300,000.00	44,942.63	44,942.63	255,057.37
910 - PT-STATE	-	-	4,252.30	9,248.45	(9,248.45)
920 - PT-ST ADMIN FEDERAL	2,151,032.00	2,151,032.00	-	60,096.87	2,090,935.13
970 - PTM-ST ADMIN FEDERAL	476,986.00	476,986.00	-	13,326.31	463,659.69
Expense Total:	21,882,593.00	21,882,593.00	1,092,112.93	5,515,223.29	16,367,369.71
Total Surplus (Deficit):	-	-	(118,647.01)	764,672.27	

Sheila Tomkowiak, Co-Chairperson
Mayor, City of Grosse Pointe
Coleman A. Young II, Co-Chairperson
Councilmember At Large, City of Detroit

Southeast Michigan Council of Governments
1001 Woodward Avenue, Suite 1400
Detroit, Michigan 48226
(313) 961-4266
www.semco.org

DATE: January 23, 2026
TO: Executive Committee
FROM: Healthy Climate Task Force
SUBJECT: Southeast Michigan Healthy Climate Plan

Summary of action requested

The Executive Committee is requested to adopt the [Southeast Michigan Healthy Climate Plan](#).

Policy implications

Funded through the Climate Pollution Reduction Grant program (CPRG) by the U.S. Environmental Protection Agency (EPA), the Southeast Michigan Healthy Climate Plan is intended to spur innovation and economic growth while building more resilient communities. The Plan empowers local governments and partners to pursue the actions that best fit their community's needs and priorities—advancing a shared vision for a cleaner, healthier, and more sustainable future.

This Plan is the second of two key deliverables under CPRG, and identifies comprehensive measures to reduce climate pollution by 2050. It builds on the foundation set with the Priority Climate Action Plan (PCAP), adopted by SEMCOG in 2024, which identified implementation-ready opportunities to reduce climate pollution by 2030. The Plan's key focus areas are consistent with SEMCOG's plans and policies related to climate resilience, transportation, water infrastructure, and nature-based solutions. Together, these plans are intended to address the results of SEMCOG's Regional Greenhouse Gas Emissions Inventory, and will be integrated with future work related to infrastructure, environmental quality, and community development.

Background

The goal of the Southeast Michigan Healthy Climate Plan is to identify opportunities across sectors that will reduce greenhouse gas (GHG) emissions and enhance natural areas that capture climate pollution. Extensive stakeholder outreach, community engagement, and cross-sector coordination have been integral to this goal, and advancing a shared vision for a cleaner, healthier, and more sustainable future. Based on this engagement and extensive data analysis, the Plan outlines pathways to reduce emissions, improve energy efficiency, and support economic development across Southeast Michigan.

The Southeast Michigan Healthy Climate Plan was developed under the guidance and support of the Healthy Climate Task Force, comprised of representatives from government, business, non-profits, and community groups. The Task Force held nine meetings from October 2023 to December 2025, with several focus groups and community engagement opportunities occurring between task force meetings to engage subject matter experts and the public on the topics of energy, transportation, materials management, nature-based solutions, and community engagement.

The Plan represents a coordinated approach to climate action planning by connecting and uplifting existing local, regional, and State plans. Representatives from all levels of government and partner organizations in various sectors have been engaged in developing this plan, which is designed to build on their experience and integrate with their ongoing work.

The Plan covers eight counties in Southeast Michigan, including Lapeer County in addition to the SEMCOG region. The CPRG planning grant was awarded to the Detroit-Warren-Dearborn Metropolitan Statistical Area (MSA) which includes Lapeer, and SEMCOG has expanded the plan to include Monroe and Washtenaw Counties which are outside of the MSA. The State of Michigan's Department of Environment, Great Lakes, and Energy (EGLE) and Grand Valley Metro Council (GMVC) also received CPRG planning grants, and SEMCOG has maintained close coordination with both entities as each has been working to develop their respective plans.

The Plan addresses five key focus areas for reducing climate pollution, identifying opportunities and analyzing impacts related to actions that local governments can lead and support to:

- **Modernize Mobility Systems** by improving public transit services and infrastructure, increasing bicycle and pedestrian mobility options, and replacing Internal Combustion Engine (ICE) fleet vehicles with zero emissions equivalents and associated charging and fueling infrastructure.
- **Promote Efficient, Affordable Homes and Buildings** that significantly increase energy efficiency and replace fossil fuel heating/ cooling systems with zero emissions alternatives in existing residential, commercial, municipal, and industrial buildings.
- **Expand Local Renewable Energy Options**, particularly in ways that will directly reduce energy costs for low income and disadvantaged communities. This includes integrating on-site renewable energy systems with building retrofits,

helping to leverage other existing programs, and supporting communities in expediting larger-scale renewable energy projects.

- **Advance Clean Innovation in Industry**, integrating opportunities that align emerging technologies with the stated plans and commitments from industrial partners that address long-term sustainability and environmental social governance initiatives.
- **Manage Waste and Natural Resources Sustainably** by supporting systems that reduce and reuse solid waste, in addition to initiatives that increase the coverage and management of trees, wetlands, green stormwater infrastructure, improving their ability to sequester carbon emissions.

Through this process, three broad priorities have been identified as regional policies to advance this plan in Southeast Michigan:

- **Reduce greenhouse gas emissions** across sectors to achieve a cleaner environment, stronger economy, and more resilient communities for all residents.
- **Apply regional data analysis** to support local planning and policy development to increase funding opportunities, and to coordinate partnerships across sectors.
- **Increase awareness** on climate action issues by engaging local governments and the public to promote context-sensitive, community-driven solutions.

These policies create a framework for regional coordination and implementation strategies. A coordinated approach in these areas will not only support a thriving and connected region but position Southeast Michigan as a climate leader—developing a healthier, more sustainable, and more livable region for all.

Action by other committees

The Executive Committee voted in April 2023 to include the CPRG Planning Grant from EPA in SEMCOG's work program. The Executive Committee voted in February 2024 to adopt the *Healthy Climate Plan: Priority Climate Action Plan*. SEMCOG's Healthy Climate Task Force contributed a broad spectrum of knowledge and expertise in guiding the creation of this Plan, which has been prepared to meet the CPRG program's requirements.

Action requested

The Executive Committee is requested to adopt the *Southeast Michigan Healthy Climate Plan*.

Executive Committee Resolution
to Adopt the *Southeast Michigan Healthy Climate Plan*

WHEREAS, the *Southeast Michigan Healthy Climate Plan* supports the vision:

The people of Southeast Michigan benefit from a connected, thriving region of small towns, dynamic urban centers, active waterfronts, diverse neighborhoods, premiere educational institutions and abundant agricultural, recreational and natural areas.

WHEREAS, the observed and forecasted changes to Southeast Michigan's climate present complex challenges for the health of the region's communities, environment, and economy;

WHEREAS, climate pollution is a result of greenhouse gas emissions from a variety of sources, and natural areas function to capture climate pollution from the atmosphere;

WHEREAS, an inventory of greenhouse gas emissions for Southeast Michigan quantified the level of emissions from electricity generation, industry, transportation, buildings, natural and working lands, and waste management;

WHEREAS, working together as a region to reduce climate pollution and enhance natural areas will ensure that the region can provide a more resilient and thriving home for future generations;

WHEREAS, in July 2023, the U.S. Environmental Protection Agency's Climate Pollution Reduction Grant program provided funding to states and regional planning agencies across the country to develop climate action plans;

WHEREAS, in October 2023, SEMCOG convened a Healthy Climate Task Force comprised of members from government, nonprofit, and community organizations with the goal to identify and prioritize measures to reduce climate pollution and enhance natural areas;

WHEREAS, the Healthy Climate Task Force led a collaborative process to collect and analyze measures to decarbonize buildings and industry, modernize mobility systems, manage waste materials sustainably, expand renewable electricity generation, and optimize natural and working lands;

WHEREAS, the Healthy Climate Task Force has developed the *Priority Climate Action Plan* with near-term, implementation-ready measures to reduce climate pollution by 2030, meeting the requirements of EPA's CPRG funding and enabling funding opportunities for future implementation;

WHEREAS, the Healthy Climate Task Force has developed the *Southeast Michigan Healthy Climate Plan* with comprehensive, long-term measures to reduce climate pollution by 2050, meeting the requirements of EPA's CPRG funding and supporting opportunities for coordinated future implementation;

THEREFORE BE IT RESOLVED, this 23rd day of January 2026, THAT the Executive Committee of SEMCOG, the Southeast Michigan Council of Governments, adopts the *Southeast Michigan Healthy Climate Plan*.

BE IT FURTHER RESOLVED THAT the priority measures and relevant analyses included in the *Southeast Michigan Healthy Climate Plan* be integrated and incorporated into other regional planning efforts; and

BE IT FURTHER RESOLVED THAT the *Southeast Michigan Healthy Climate Plan* be encouraged and advocated through SEMCOG plan implementation activities, educational training workshops, and in coordination with other local and regional planning efforts.

ATTEST: _____ DATE: _____
Committee Clerk

Transportation Performance Management – 2026 Safety Targets

Establishing safety targets is part of SEMCOG’s performance-based planning process and required by federal transportation regulations. In the past, SEMCOG’s elected leadership had adopted the State’s annual targets while also encouraging MDOT to establish more aspirational targets. For a fourth year, SEMCOG is setting its own regional safety targets. SEMCOG’s desire is to set regional safety targets that are both data driven and aspirational, with the long-term goal of zero deaths and serious injuries by 2050.

Through our research of peer MPOs and consultation with SEMCOG’s Transportation Safety Action Committee, Transportation Coordinating Council, and other regional stakeholders, we developed regional targets for all five safety performance measures (Table 1) using a non-linear target setting methodology based on a similar approach from the Delaware Valley Regional Planning Commission (DVRPC).

Table 1
SEMCOG Safety Targets for Calendar Year 2026

Safety Performance Measures (5 year rolling average)	Baseline (2020-2024)	Target (2022-2026)
Fatalities	424.2	422.2
Fatality Rate Per 100 Million VMT	1.030	1.030
Serious Injuries	2,204.2	2,186.2
Serious Injury Rate Per 100 Million VMT	5.357	5.357
Non-motorized Fatalities and Serious Injuries	392.0	392.0

With a non-linear approach, initial targets are more conservative then gradually increase the closer we get to 2050. This approach is more realistic than a linear reduction method, which assumes a consistent reduction year-over-year. This is due to the time required to implement policies and actions from the new *Southeast Michigan Transportation Safety Plan*, adopted in June 2023, as well as new technologies and advancements in vehicles. Once these actions are in place, the corresponding reductions in fatalities and serious injuries should increase over time.

The following methodology was used for each target. First, the baseline for each measure was determined using the average of the last five years of available data, 2020-2024. Data from the Fatalities Analysis Report System was used for fatality related measures. The State of Michigan crash database was used for serious injury related measures. Vehicle Miles

Traveled (VMT) was calculated using data from the Highway Performance Monitoring System. This is consistent with federal guidelines for establishing baseline values.

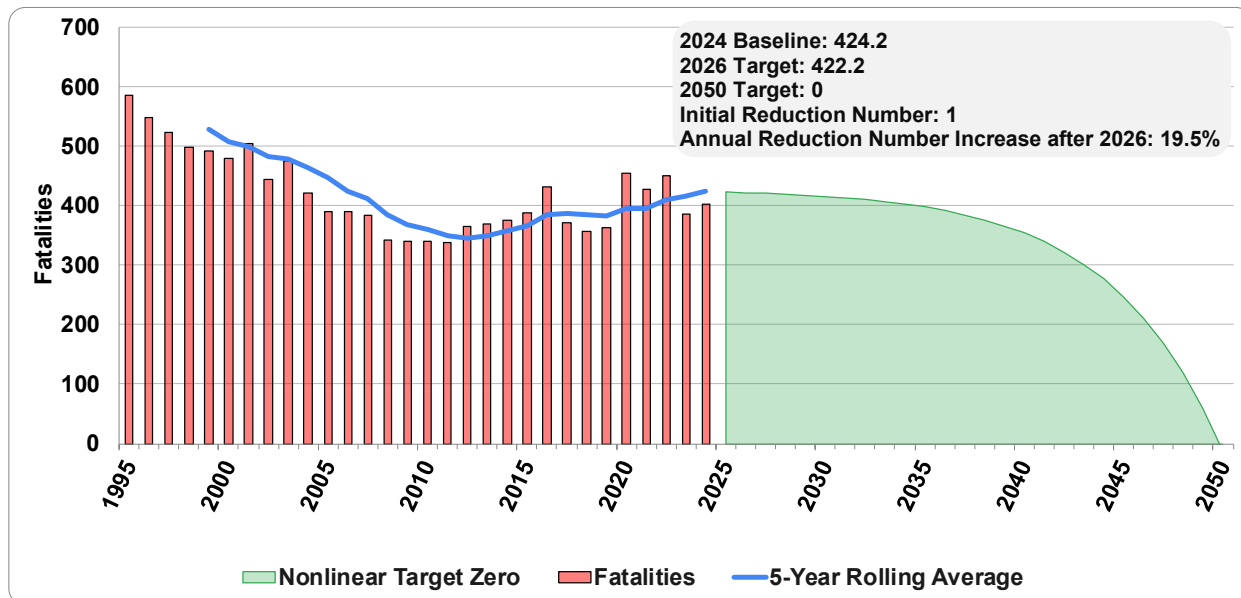
Next, to keep initial future projections realistic and achievable, an initial reduction number for 2025 and 2026 was determined for each measure based on the annual change in five-year rolling averages from the baseline years 2020 to 2024. Since we aspire to have reductions for each measure, only years with a reduction in the rolling average were considered.

The median reduction number from 2020 to 2024 was selected as the projected 2025 and 2026 reduction number for each measure. In cases of an even number of years with reductions, the lower of the two middle numbers was used. Reduction numbers were rounded to the nearest whole number for fatalities and serious injuries. For rates, reduction numbers were rounded to the hundredths place. In cases of no reductions in the past five years, the two initial reduction numbers were set to zero to maintain the baseline.

After the two initial reduction numbers were set, the annual reduction needed to be increased to reach zero by 2050. A consistent year-over-year percent increase in the reduction number was calculated for each performance measure, rounded to the nearest half of a percent. The following tables and charts show these values for each performance measure.

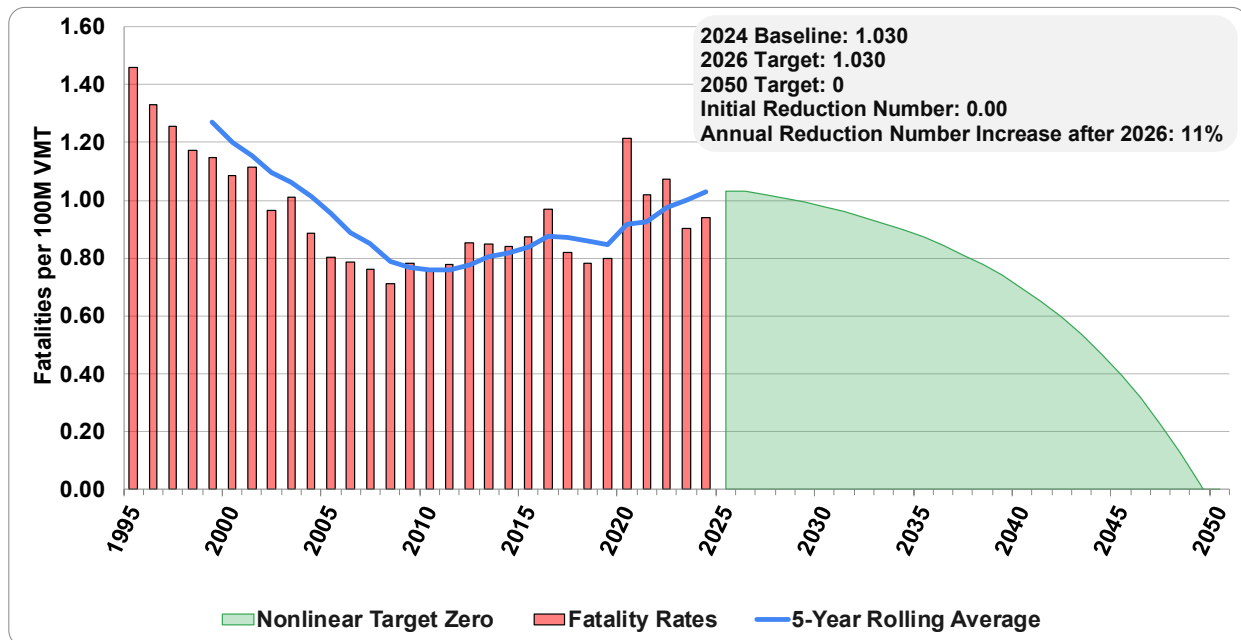
Number of Fatalities

Year	Annual Total	5-Year Rolling Average	Change from Prior Year	Nonlinear Target	Nonlinear Reduction	Reduction from Prior Year	Percent Reduction from Prior Year
2020	396	395.6	1				
2021	395	394.8	-0.8				
2022	411	410.6	15.8				
2023	417	416.6	6				
2024	424	424.2	7.6				
2025				423.4	1.0	1.0	0.2%
2026				422.4	2.0	1.0	0.2%
2027				421.2	3.2	1.2	0.3%
2028				419.8	4.6	1.4	0.3%
2029				418.1	6.3	1.7	0.4%
2030				416.0	8.4	2.0	0.5%
2031				413.6	10.8	2.4	0.6%
2032				410.7	13.7	2.9	0.7%
2033				407.2	17.2	3.5	0.8%
2034				403.0	21.4	4.2	1.0%
2035				398.1	26.3	5.0	1.2%
2036				392.1	32.3	5.9	1.5%
2037				385.0	39.4	7.1	1.8%
2038				376.6	47.8	8.5	2.2%
2039				366.4	58.0	10.1	2.7%
2040				354.3	70.1	12.1	3.3%
2041				339.8	84.6	14.5	4.1%
2042				322.5	101.9	17.3	5.1%
2043				301.9	122.5	20.7	6.4%
2044				277.2	147.2	24.7	8.2%
2045				247.7	176.7	29.5	10.6%
2046				212.4	212.0	35.3	14.2%
2047				170.3	254.1	42.1	19.8%
2048				119.9	304.5	50.4	29.6%
2049				59.7	364.7	60.2	50.2%
2050				-12.2	436.6	71.9	120.4%



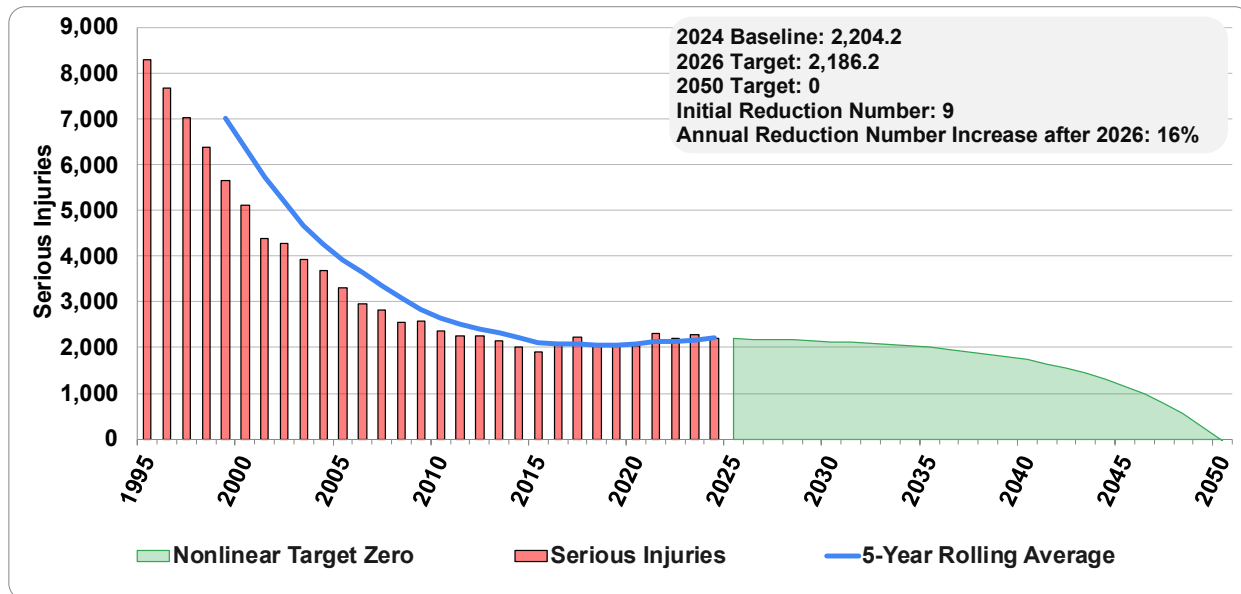
Rate of Fatalities per 100M VMT

Year	Annual Total	5-Year Rolling Average	Change from Prior Year	Nonlinear Target	Nonlinear Reduction	Reduction from Prior Year	Percent Reduction from Prior Year
2020	1.213	0.916	0.068				
2021	1.020	0.926	0.010				
2022	1.074	0.977	0.051				
2023	0.902	1.001	0.024				
2024	0.939	1.030	0.028				
2025				1.030	0.000	0.000	0.0%
2026				1.030	0.000	0.000	0.0%
2027				1.018	0.011	0.011	1.1%
2028				1.006	0.023	0.012	1.2%
2029				0.992	0.037	0.014	1.4%
2030				0.977	0.052	0.015	1.5%
2031				0.960	0.069	0.017	1.7%
2032				0.942	0.088	0.019	1.9%
2033				0.921	0.109	0.021	2.2%
2034				0.898	0.132	0.023	2.5%
2035				0.872	0.157	0.026	2.8%
2036				0.844	0.186	0.028	3.3%
2037				0.812	0.217	0.032	3.7%
2038				0.777	0.252	0.035	4.3%
2039				0.739	0.291	0.039	5.0%
2040				0.695	0.334	0.043	5.8%
2041				0.648	0.382	0.048	6.9%
2042				0.595	0.435	0.053	8.2%
2043				0.536	0.494	0.059	9.9%
2044				0.470	0.559	0.065	12.2%
2045				0.397	0.632	0.073	15.4%
2046				0.317	0.713	0.081	20.3%
2047				0.227	0.802	0.089	28.2%
2048				0.128	0.901	0.099	43.7%
2049				0.018	1.012	0.110	86.1%
2050				-0.105	1.134	0.122	688.3%



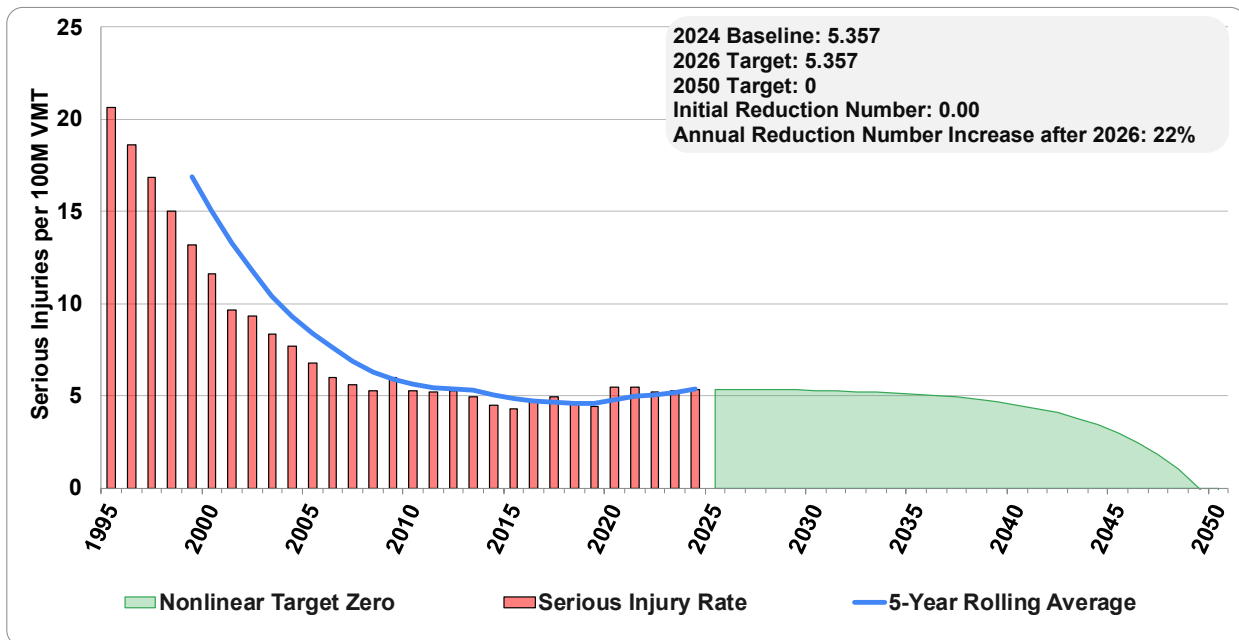
Number of Serious Injuries

Year	Annual Total	5-Year Rolling Average	Change from Prior Year	Nonlinear Target	Nonlinear Reduction	Reduction from Prior Year	Percent Reduction from Prior Year
2020	2,036	2,089.4	24.6				
2021	2,309	2,136.0	46.6				
2022	2,189	2,126.8	-9.2				
2023	2,276	2,168.2	41.4				
2024	2,211	2,204.2	36.0				
2025				2,195.2	9.0	9.0	0.4%
2026				2,186.2	18.0	9.0	0.4%
2027				2,175.8	28.4	10.4	0.5%
2028				2,163.6	40.6	12.1	0.6%
2029				2,149.6	54.6	14.0	0.6%
2030				2,133.3	70.9	16.3	0.8%
2031				2,114.4	89.8	18.9	0.9%
2032				2,092.5	111.7	21.9	1.0%
2033				2,067.0	137.2	25.4	1.2%
2034				2,037.5	166.7	29.5	1.4%
2035				2,003.3	200.9	34.2	1.7%
2036				1,963.6	240.6	39.7	2.0%
2037				1,917.5	286.7	46.1	2.3%
2038				1,864.1	340.1	53.4	2.8%
2039				1,802.2	402.0	62.0	3.3%
2040				1,730.3	473.9	71.9	4.0%
2041				1,646.9	557.3	83.4	4.8%
2042				1,550.1	654.1	96.7	5.9%
2043				1,437.9	766.3	112.2	7.2%
2044				1,307.8	896.4	130.2	9.1%
2045				1,156.8	1,047.4	151.0	11.5%
2046				981.6	1,222.6	175.1	15.1%
2047				778.5	1,425.7	203.2	20.7%
2048				542.8	1,661.4	235.7	30.3%
2049				269.4	1,934.8	273.4	50.4%
2050				-47.7	2,251.9	317.1	117.7%



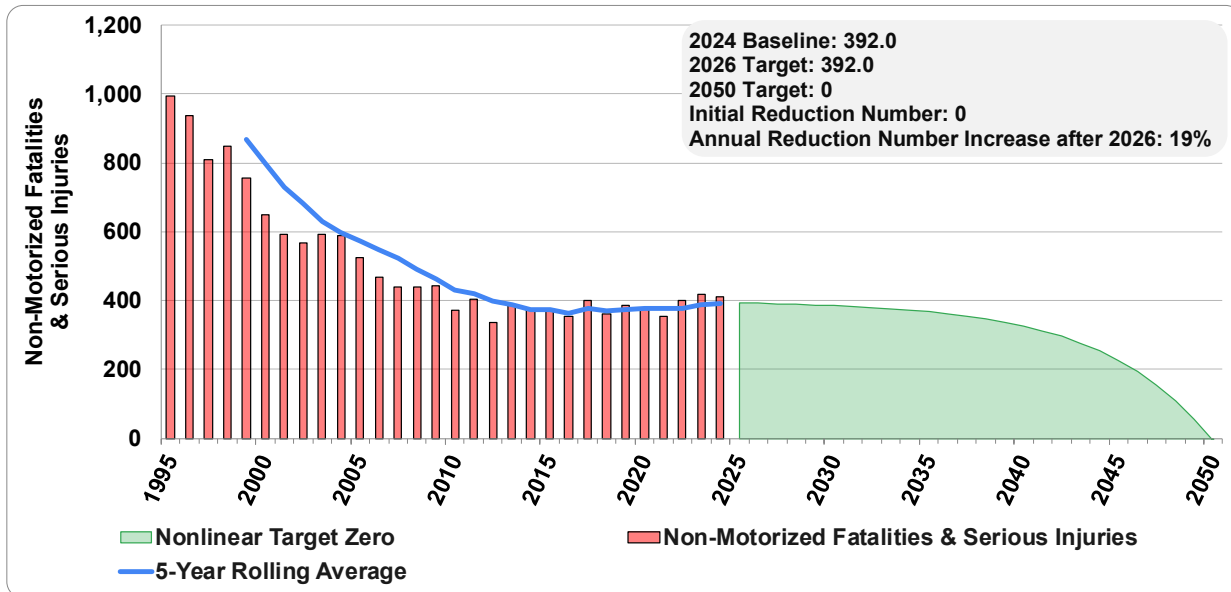
Rate of Serious Injuries per 100M VMT

Year	Annual Total	5-Year Rolling Average	Change from Prior Year	Nonlinear Target	Nonlinear Reduction	Reduction from Prior Year	Percent Reduction from Prior Year
2020	5.440	4.803	0.226				
2021	5.504	4.972	0.169				
2022	5.224	5.029	0.057				
2023	5.303	5.185	0.156				
2024	5.316	5.357	0.172				
2025				5.357	0.000	0.000	0.0%
2026				5.357	0.000	0.000	0.0%
2027				5.345	0.012	0.012	0.2%
2028				5.330	0.027	0.015	0.3%
2029				5.312	0.045	0.018	0.3%
2030				5.290	0.067	0.022	0.4%
2031				5.263	0.094	0.027	0.5%
2032				5.230	0.127	0.033	0.6%
2033				5.190	0.168	0.040	0.8%
2034				5.140	0.217	0.049	0.9%
2035				5.081	0.277	0.060	1.2%
2036				5.008	0.350	0.073	1.4%
2037				4.918	0.439	0.089	1.8%
2038				4.810	0.547	0.109	2.2%
2039				4.677	0.680	0.133	2.8%
2040				4.515	0.842	0.162	3.5%
2041				4.318	1.039	0.197	4.4%
2042				4.077	1.280	0.241	5.6%
2043				3.783	1.574	0.294	7.2%
2044				3.425	1.933	0.358	9.5%
2045				2.987	2.370	0.437	12.8%
2046				2.454	2.903	0.534	17.9%
2047				1.803	3.554	0.651	26.5%
2048				1.009	4.349	0.794	44.1%
2049				0.040	5.318	0.969	96.1%
2050				-1.142	6.500	1.182	2978.4%



Number of Non-Motorized Fatalities and Serious Injuries

Year	Annual Total	5-Year Rolling Average	Change from Prior Year	Nonlinear Target	Nonlinear Reduction	Reduction from Prior Year	Percent Reduction from Prior Year
2020	376	375.8	0.6				
2021	353	375.8	0.0				
2022	401	376.2	0.4				
2023	420	387.6	11.4				
2024	410	392.0	4.4				
2025				392.0	0.0	0.0	0.0%
2026				392.0	0.0	0.0	0.0%
2027				390.8	1.2	1.2	0.3%
2028				389.4	2.6	1.4	0.4%
2029				387.7	4.3	1.7	0.4%
2030				385.7	6.3	2.0	0.5%
2031				383.3	8.7	2.4	0.6%
2032				380.5	11.5	2.8	0.7%
2033				377.1	14.9	3.4	0.9%
2034				373.1	18.9	4.0	1.1%
2035				368.3	23.7	4.8	1.3%
2036				362.6	29.4	5.7	1.5%
2037				355.8	36.2	6.8	1.9%
2038				347.8	44.2	8.1	2.3%
2039				338.2	53.8	9.6	2.8%
2040				326.7	65.3	11.4	3.4%
2041				313.1	78.9	13.6	4.2%
2042				297.0	95.0	16.2	5.2%
2043				277.7	114.3	19.2	6.5%
2044				254.8	137.2	22.9	8.2%
2045				227.6	164.4	27.3	10.7%
2046				195.2	196.8	32.4	14.2%
2047				156.6	235.4	38.6	19.8%
2048				110.6	281.4	45.9	29.3%
2049				56.0	336.0	54.6	49.4%
2050				-9.0	401.0	65.0	116.2%



DATE: January 23, 2026
TO: Executive Committee
FROM: Transportation Coordinating Council
SUBJECT: Transportation Performance Management (TPM) Safety Targets

Summary of action requested

The Transportation Coordinating Council recommends Executive Committee approval of the federally-required transportation performance management (TPM) targets for safety. Transportation performance management is a strategic approach to make investment and policy decisions to achieve national performance goals.

Policy Implication

The performance area of safety is supported by policies in several of SEMCOG's plans, including the *2050 Regional Transportation Plan*, the *Southeast Michigan Transportation Safety Plan*, and the *Bicycle and Pedestrian Mobility Plan for Southeast Michigan*.

The Michigan Department of Transportation (MDOT) established annual statewide TPM targets after consultation and coordination with SEMCOG and other regional planning organizations throughout the state. In 2023 SEMCOG developed regional safety targets for the first time after consultation and coordination with the Transportation Safety Task Force, the Transportation Safety Action Committee, the Transportation Coordinating Council, and other regional stakeholders. SEMCOG used the same methodology for the fourth time to develop this year's regional safety targets.

SEMCOG will continue coordination with MDOT and local road agencies to plan and implement policies and projects that contribute to meeting the regional targets. This includes incorporating safety targets into the TIP project selection process with the Federal Aid Committees, continuing a regional public education campaign, and additional strategies from the *Southeast Michigan Transportation Safety Plan*, adopted in June 2023. The plan emphasizes the Safe System Approach and includes regional policies focused on safer people, roads, vehicles, speeds, and post-crash care, with the long-term goal of zero deaths and serious injuries by 2050. SEMCOG also received funds through the Safe Streets and Roads for All program to develop a safety analysis tool, conduct Road Safety Audits, and implement vulnerable road user demonstration projects across

the region. SEMCOG will continue to partner with local communities to seek out new funding opportunities for safety projects.

Establishing targets is part of SEMCOG's performance-based planning process and required by federal transportation regulations. Under federal rules, states that fail to meet or make significant progress toward these targets will be required to document actions the state will undertake to achieve their targets. If necessary, MDOT will formally address underperformance. There are no direct implications to SEMCOG for underperforming targets.

Background

Federal transportation legislation established a performance-based planning framework, performance measures, and target-setting requirements for states and regions. These focus federal funding on national transportation goals addressing:

- Safety,
- Infrastructure condition,
- Congestion reduction,
- System reliability,
- Public transportation,
- Freight movement,
- Economic vitality, and
- Environmental sustainability.

The federal rules on performance management measures for safety require establishment of annual performance targets. SEMCOG's annual targets are a minimal reduction from the baseline but gradually increase to reach the regional goal of zero fatalities and serious injuries by 20250. SEMCOG continues to work toward achieving greater annual reductions and reaching the zero goal as soon as possible.

Tables 1 and 2 provide a summary of the state TPM safety targets and the recommended regional targets. More details regarding the establishment of the safety targets can be found in the MDOT and SEMCOG letters attached to this memo.

Table 1
State Safety Targets for Calendar Year 2026

Safety Performance Measures (5 year rolling average)	Baseline (2020-2024)	Target (2022-2026)
Fatalities	1,107.8	1,094.7
Fatality Rate Per 100 Million VMT	1.165	1.100
Serious Injuries	5,758.2	5,744.5
Serious Injury Rate Per 100 Million VMT	6.049	5.772
Non-motorized Fatalities and Serious	749.2	789.8

Table 2
SEMCOG Safety Targets for Calendar Year 2026

Safety Performance Measures (5 year rolling average)	Baseline (2020-2024)	Target (2022-2026)
Fatalities	424.2	422.2
Fatality Rate Per 100 Million VMT	1.030	1.030
Serious Injuries	2,204.2	2,186.2
Serious Injury Rate Per 100 Million VMT	5.357	5.357
Non-motorized Fatalities and Serious	392.0	392.0

Action requested

The Executive Committee is recommended to approve the attached resolution establishing regional safety performance measure targets for 2026.

Executive Committee Resolution to Establish Regional Safety Targets

WHEREAS, establishing regional targets for safety performance measures is consistent with SEMCOG's vision for Southeast Michigan:

All people in Southeast Michigan benefit from a connected, thriving region of small towns, dynamic urban centers, active waterfronts, diverse neighborhoods, premiere educational institutions and abundant agricultural, recreational, and natural areas.

WHEREAS, SEMCOG, the Southeast Michigan Council of Governments, is the designated policy committee and Metropolitan Planning Organization for Southeast Michigan;

WHEREAS, SEMCOG coordinates eight Federal Aid Committees (FACs), one in each of the seven counties of Southeast Michigan and the City of Detroit. FACs are comprised of representatives of local governments, transit agencies, county road commissions, and MDOT, and charged with evaluating data and recommending projects for inclusion in the Transportation Improvement Program (TIP) that meet regional transportation goals;

WHEREAS, the *Vision 2050, the Regional Transportation Plan for Southeast Michigan* (2050 RTP), was developed pursuant to the transportation planning provisions of Title 23 of United States Code (USC) Section 134 and Title 49 USC Section 5303, and performance targets are consistent with 2050 RTP policies;

WHEREAS, SEMCOG has an adopted regional safety plan, *Southeast Michigan Transportation Safety Plan*, that embraces the Safe System Approach through regional policies developed to direct implementation focused on safer people, roads, vehicles,

speeds, and post-crash care, with the long-term goal of zero deaths and serious injuries by 2050;

WHEREAS, SEMCOG coordinates with local stakeholders and the Southeast Michigan Transportation Safety Action Committee to implement the *Southeast Michigan Transportation Safety Plan*;

WHEREAS, SEMCOG continues to conduct safety implementation efforts addressing regional safety issues, including a regional public educational campaign, conducting Road Safety Audits, providing local technical assistance to improve safety and performance of community corridors, and analyzing annual traffic crash data to identify key safety challenges and promote effective solutions;

WHEREAS, SEMCOG established new regional safety targets for the *Southeast Michigan Transportation Safety Plan*, as follows;

SEMCOG Safety Targets for Calendar Year 2026

Safety Performance Measures (5 year rolling average)	Baseline (2020-2024)	Target (2022-2026)
Fatalities	424.2	422.2
Fatality Rate Per 100 Million VMT	1.030	1.030
Serious Injuries	2,204.2	2,186.2
Serious Injury Rate Per 100 Million VMT	5.357	5.357
Non-motorized Fatalities and Serious Injuries	392.0	392.0

WHEREAS, SEMCOG coordinated the establishment of regional safety targets with the Transportation Safety Action Committee, the Transportation Coordinating Council, and the Michigan Department of Transportation (MDOT);

WHEREAS, SEMCOG's annual targets are a minimal reduction from the baseline but gradually increase to reach the regional goal of zero fatalities and serious injuries by 2050, and SEMCOG continues to work toward achieving greater annual reductions and reaching the zero goal as soon as possible; and

WHEREAS, SEMCOG will continue coordination with MDOT, FACs, and local safety stakeholders to address areas of concern, and prioritize planning and programming of projects that contribute to accomplishing the regional safety performance measure targets;

NOW THEREFORE BE IT RESOLVED, this 23rd day of January 2026, THAT the Executive Committee of SEMCOG, the Southeast Michigan Council of Governments, supports establishing regional safety performance measure targets for calendar year 2026; and

BE IT FURTHER RESOLVED, THAT SEMCOG will continue coordination with local governments, traffic safety partners, and MDOT to implement the strategies from the

Southeast Michigan Transportation Safety Plan to help achieve the shared vision of zero deaths and serious injuries by 2050, including continuing the regional education campaign, working with FACs to incorporate safety into the TIP project selection process, and encouraging transportation stakeholders to seek opportunities to implement transportation safety actions to accomplish the regional safety performance measure targets.

ATTEST: _____ DATE: _____
Committee Clerk

SEMCOG National Functional Classification Update

Proposed Changes

January 2026

ID	County	Community	Street Name	From Street	To Street	Original NFC	Proposed NFC
1	Macomb	Macomb Twp	Garfield Rd	21 Mile Rd	25 Mile Rd	Local	Minor arterial
2	Monroe	Ash Twp	Sigler Rd	Grafton Rd	US-24 Telegraph Rd	Local	Major collector
3	Monroe	Bedford Twp	Crabb Rd	US-24 Telegraph Rd	Sterns Rd	Local	Major collector
4	Monroe	Bedford Twp	Rauch Rd	Summerfield Rd	Secor Rd	Local	Minor collector
5	Monroe	Berlin Twp	Brandon Rd	Swan Creek Rd	Sigler Rd	Local	Major collector
6	Monroe	Erie Twp	Rauch Rd	US-24 Telegraph Rd	M-125 S Dixie Hwy	Local	Major collector
7	Monroe	Milan Twp	Sanford Rd	Plank Rd	Milan Oakville Rd	Local	Major collector
8	Monroe	Monroe Twp	Patterson Dr	Seventh St	M-50 S Custer Rd	Major collector	Local
9	St Clair	St Clair	Third St	Clinton Ave	Vine St	Local	Minor collector
10	Washtenaw	Dexter	Dan Hoey Dr	Dexter-Ann Arbor Rd	Baker Rd	Local	Minor collector
11	Washtenaw	Saline	Keveling Dr	Bemis Rd	US-12 Michigan Ave	Local	Major collector

ID	County	Community	Street Name	From Street	To Street	Original NFC	Proposed NFC
12	Washtenaw	Saline	Woodland Dr	Industrial Dr	Textile Rd	Local	Major collector
13	Wayne	Detroit	Beniteau St	Kercheval St	Mack Ave	Local	Minor collector
14	Wayne	Detroit	Campbell St	W Jefferson Ave	Fort St	Local	Major collector
15	Wayne	Detroit	Charlevoix St	Beniteau St	Dead end	Minor arterial	Local
16	Wayne	Detroit	Dragoon St	W Vernor Hwy	Fisher Service Dr	Other principal arterial	Minor collector
17	Wayne	Detroit	E Vernor Hwy	Beniteau St	Dead end	Minor arterial	Local
18	Wayne	Detroit	Fisher Fwy W Service Dr	US-12 Michigan Ave	W Vernor Hwy	Local	Major collector
19	Wayne	Detroit	Green St	Lafayette Blvd	Jefferson Ave	Local	Major collector
20	Wayne	Detroit	Livernois Ave	Fort St	Dead end	Other principal arterial	Minor collector
21	Wayne	Detroit	Livernois Ave	W Vernor Hwy	Fisher Service Dr	Other principal arterial	Minor collector
22	Wayne	Detroit	Lyndon St	Evergreen Rd	Rutherford St	Local	Minor collector
23	Wayne	Detroit	New W Vernor Hwy	US-12 Michigan Ave	W Vernor Hwy/Lacombe Dr	Local	Other principal arterial
24	Wayne	Detroit	Pembroke Ave	Schaefer Hwy	Meyers Rd	Local	Minor collector
25	Wayne	Detroit	Pembroke Ave	Berg Rd	Evergreen Rd	Local	Minor collector

ID	County	Community	Street Name	From Street	To Street	Original NFC	Proposed NFC
26	Wayne	Detroit	Puritan St	Lahser Rd	Grand River Ave	Local	Minor collector
27	Wayne	Detroit	Rutherford St	Lyndon St	Grand River Ave	Local	Minor collector
28	Wayne	Detroit	St Jean St	Kercheval St	E Warren Ave	Minor arterial	Local
29	Wayne	Taylor	Inkster Rd	Ecorse Rd	Van Born Rd	Minor arterial	Other principal arterial

DATE: January 23, 2026

TO: Executive Committee

SUBJECT: Recommended Approval of National Functional Classification Update

Summary of Action Requested

The Transportation Coordinating Council recommends Executive Committee approval of 29 revisions to the National Functional Classification (NFC) of roads in Southeast Michigan.

Background

Every ten years, after the U.S. Census is conducted and new urban boundaries are released, adjusted, and approved, FHWA requests that the Michigan Department of Transportation (MDOT) – in cooperation with appropriate local officials – initiate a review and update of the National Functional Classification (NFC) throughout the state. This review process identified 29 proposed revisions in the region: one in Macomb County, seven in Monroe County, one in St. Clair County, three in Washtenaw County, 16 in the City of Detroit, and one in the rest of Wayne County. No revisions were requested by Livingston or Oakland Counties. Details of the proposed changes are available in the attached table.

A road's NFC designation determines its eligibility for federal funding. Roads with a classification of arterial or collector, generally are eligible for federal funding through the federal Surface Transportation Program. Additionally, roads classified as principal arterials are part of the National Highway System (NHS) making them eligible for funding through the National Highway Performance Program.

Roads with an NFC designation of local generally have lower traffic volumes and include neighborhood roads. These roads are typically not eligible for most types of federal aid for road improvements.

The post-2020 U.S. Census review has resulted in 29 proposed NFC revisions in the region. Each revision has been proposed by local road agency and reviewed by MDOT and SEMCOG. The proposed changes will be official once approved by FHWA later this year.

Actions requested

The Transportation Coordinating Council recommends Executive Committee approval 29 revisions to the National Functional Classification of roads in Southeast Michigan.

Executive Committee Resolution
to Amend the FY 2026–2029 Transportation Improvement Program and
2050 Regional Transportation Plan for Southeast Michigan

WHEREAS, the National Functional Classification revision supports this vision:

All the people of Southeast Michigan benefit from a connected, thriving region of small towns, dynamic urban centers, active waterfronts, diverse neighborhoods, premiere educational institutions, and abundant agricultural, recreational, and natural areas.

WHEREAS, SEMCOG is responsible for developing a long-range regional transportation plan
and a Transportation Improvement Program that funds projects to implement the plan;

WHEREAS, the 2050 RTP was developed pursuant to the transportation planning provisions of Title 23 of United States Code (USC) Section 134 and Title 49 USC Section 5303;

WHEREAS, Section 470.105 (b) (1) of Title 23 of the United States Code states that “the State Transportation agency shall have the primary responsibility for developing and updating a statewide highway functional classification in rural and urban areas to determine functional usage of the existing roads and streets...” and that “The State shall cooperate with responsible local officials...in developing and updating the functional classification:

WHEREAS, SEMCOG, the Southeast Michigan Council of Governments, the designated Metropolitan Planning Organization for Southeast Michigan, is responsible for coordinating and approving National Functional Classification updates within the seven-county region;

WHEREAS, National Functional Classification system designations determine which roads are eligible for federal aid and a criteria for important planning activities:

WHEREAS, MDOT has initiated a statewide functional classification review of the entire highway system subsequent to the recent federal approval of updates to the state’s Adjusted Census Urban Area Boundaries;

WHEREAS, SEMCOG, in cooperation with MDOT has worked with the region’s federal-aid and transportation study committees to identify and recommend revisions to the National Functional Classification for 29 routes based on criteria specified by FHWA and MDOT;

NOW THEREFORE BE RESOLVED, this 20th day of January 2026, THAT the Executive Committee of SEMCOG, the Southeast Michigan Council of Governments, approves the proposed revisions to the National Functional Classification of roads in Southeast

Michigan for the purpose of making the region's road classification more reflective of how the overall highway system functions.

ATTEST: _____ DATE: _____
Committee Clerk



Congress Pushes to Pass New FY 2026 Funding. The federal government is currently operating under a Continuing Resolution (CR) that funds programs and operations at Fiscal Year (FY) 2024 levels until January 30th. After a 43-day shutdown last fall, Congress finished 2025 by passing three of the twelve annual appropriations bills. It has spent the month of January working to pass the remaining nine bills in a series of packages containing two to three bills each. The three bills passed in 2025 funded the Departments of Agriculture and Veterans' Affairs, as well as military construction. Congress passed the second package in January, prior to the Martin Luther King (MLK) Jr. holiday. The second package funded the Departments of the Interior, Energy, Commerce, Justice, the Environmental Protection Agency (EPA), the Army Corps of Engineers, and various science agencies. It included Congressionally-Directed Spending and Community Projects Funding, or earmarks. Before MLK Day, the House approved and sent to the Senate for action a third package that funds the Departments of State and the Treasury. The Senate will recess for the week of MLK Day while the House remains in session and is expected to take up the fourth package funding the Departments of Labor, Health and Human Services, Education, Transportation, Housing and Urban Development, and Defense, which is also expected to contain earmarks. Congress is handling the appropriations bill funding the Department of Homeland Security (DHS) on its own due to recent events involving Immigration and Customs Enforcement (ICE) agents. If the House is able to pass the DHS bill, that leaves the final week of January for the Senate to pass DHS and the third and fourth packages, sending all twelve FY2026 appropriations bills to the President to sign before the end of the month and avoiding a partial federal government shutdown. If negotiations break down on any of the bill packages or on DHS, Congress would be faced with passing a targeted CR or a limited shutdown for the departments and agencies funded by those bills.

Congress Faces Crowded Agenda in 2026. Once Congress finishes work on federal funding for FY 2026, it will immediately turn to the FY 2027 appropriations bills. President Trump's 2026 State of the Union Address is set for February 24th, after which, he could be expected to send Congress his budget request for FY 2027 officially kicking off the budget and appropriations process for the next fiscal year beginning October 1. Congressional offices are expected to open the process for submitting Congressionally-Directed Spending and Community Projects Funding requests sometime in March. Each office has its own process, with submission windows typically open for two or three weeks. As in recent years, project submissions must be accompanied by several examples of community support. Beyond budget and appropriations issues, lawmakers still need to tackle rising healthcare costs with the expiration of enhanced ACA tax credits, expiring surface transportation authorization, expiring Water Resources Development Act, permitting reform, trade policy questions tied to ongoing tariff litigation, and AI and tech regulation, all on a compressed timeline because of the highly competitive midterm election in November. This ambitious legislative agenda will unfold against a much broader foreign policy backdrop - the U.S. invasion in Venezuela, the ongoing war between Russia and Ukraine, uprisings in Iran and the Trump Administration's interest in Greenland - that could ultimately prevent Congress from addressing many of the domestic policy issues on the agenda.

Congress Continues Debating Healthcare Subsidies. The issue of extending Obamacare premium subsidies that expired at the end of 2025 was the primary driver of the federal government shutdown last fall. As a condition for reopening the federal government, Senate leaders pledged to vote on an extension at a later date. House leaders did not agree to a similar pledge for a vote. Subsequently, a group of centrist Republicans led a discharge petition to force a vote, which succeeded in passing a three-year extension of the subsidies in the House on January 8th. 17 House Republicans joined with Democrats to pass the extension. A bipartisan group of Senators has been working to reach a compromise agreement to extend the subsidies in some form, but with the open enrollment period set to end January 15th, and no deal on the horizon, hopes of an extension are beginning to wane. A deal would likely include an extension of the open enrollment period until March, but senators cannot find agreement on language regarding the Hyde Amendment, which prevents federal funding for abortion. Key senators have indicated they will continue negotiating during the January recess.

Telecommunications Permitting Reform Legislation Passes House Committee. On December 3, the House Energy and Commerce Committee approved H.R. 2289, the American Broadband Deployment Act, on a party-line vote. The bill significantly restructures how local governments may regulate the placement, construction, and modification of communications facilities in the public right-of-way and on locally controlled property. Local government organizations expressed concern that the legislation would preempt local zoning permitting for siting broadband infrastructure (cell towers, fiber lines). It also imposes federal deadlines, often referred to as “shot clocks,” setting strict 90-150 day deadlines for decision-making, and if deadlines are missed, the project is deemed approved. It could also limit counties' ability to negotiate and renew cable franchise agreements. The bill has not been introduced in the Senate and partisan disagreement over the legislation likely means the bill would not have enough support in the Senate to pass as a stand-alone measure. However, there remains a chance the legislation could eventually get included in a larger permitting reform measure.

House Committee Set to Take Action on Impaired-driving Technology. As Congress approaches the next surface transportation reauthorization ahead of the Infrastructure Investment and Jobs Act (IIJA) expiration at the end of FY 2026, impaired-driving prevention technology has become a key vehicle safety provision under consideration under the current authorization framework. The IIJA, enacted in November 2021, included a bipartisan “HALT” provision (Section 24220) directing the National Highway Traffic Safety Administration (NHTSA) to develop a federal motor vehicle safety standard requiring advanced, passive impaired-driving prevention technology in new passenger vehicles. NHTSA began this process with an Advance Notice of Proposed Rulemaking issued on Jan. 5, 2024, which received thousands of public comments. The agency continues to assess technology readiness, testing approaches, privacy considerations, and implementation timelines, though no final rule has yet been issued. Progress has occurred amid broader administrative transitions and recurring funding uncertainty at the Department of Transportation, which has affected regulatory timelines more broadly. In parallel, Congress is considering interim legislation introduced by Congresswoman Debbie Dingell. The DRIVE to HALT Drunk Driving Act (H.R. 6850), requires passive detection systems—such as advanced Driver Alcohol Detection System for Safety (DADSS) technologies and enhanced driver monitoring systems—to prevent dangerous behavior before a crash occurs. This approach aligns with SEMCOG’s commitment to implementing the Safe System Approach and utilizing innovative technology to reduce fatalities and serious injuries across our transportation system.



To: Amy O’Leary, Executive Director, SEMCOG

From: Mike Compagnoni, Adam Wright, and Dusty Fancher, Account Lobbyists, Midwest Strategy Group

Date: 15 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 that has yet to be publicly scheduled.

Upcoming 2026 Political and Policy Dates

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

- Jan. 16: Consensus Revenue Estimating Conference (CREC) - kicking off the state budget process
- 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

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 on the lawsuit is scheduled in front of Court of Claims Judge on Friday, January 16 at 10am – the case will be before Judge Michael Gadola, a Gov. Snyder appointee.

Democratic leaders in both chambers strongly praised the 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.

With litigation looming, the dispute now shifts from the political arena to the courts, where the constitutionality of the work project disapproval mechanism will ultimately be decided. It's unclear if the courts will allow agencies to continue to spend the dollars in question while the legal process moves forward or if they will freeze those funds until a conclusion can be reached.

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).

House Speaker Matt Hall (R-Richland Township) 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](#).

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 Minards 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 House Speaker Matt Hall (R-Richland Township) 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 Marijuana 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 9 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 11.4-billion-dollar 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

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 five Democrats in the race, a high water mark in recent years with; former Lottery Commissioner Suzanna Shkreli, former State Senator Adam Hollier (D-Detroit), Ingham County Clerk Barb Byrum, and Deputy Secretary of State Aghogho Edevbie, plus Gilchrist. The Democratic nominating convention is only a few months away, slated for April 19 - as a reminder AG, SOS, and State University Board roles are selected at their respective party's nominating conventions.

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-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.