



Funding and Policy Priorities January 2026

Funding Priorities:

\$6.5 million in additional funding for Essential Local Public Health Services

- **In 2023, Michigan committed \$75 million** to support essential local public health services. That investment reflected the Legislature’s recognition that a strong public health system is foundational to community safety, workforce stability, and economic resilience.
- **However, inflation erodes purchasing power over time.** The same dollar amount in 2026 will not buy the same level of services it did in 2023—staffing, laboratory costs, supplies, and contracted services all increase with inflation.
- **Based on standard inflation estimates,** maintaining the *same real funding value* as the 2023 investment would require **approximately \$81.5 million in 2026.**
- **This is not a program expansion.** It is a **maintenance adjustment**—simply preserving the Legislature’s original intent and commitment in real terms.
- **Without an inflation adjustment,** local health departments are effectively facing a cut, even if the line item remains flat. Over time, this forces difficult choices: fewer services, delayed prevention efforts, or staff reductions.
- **A modest inflationary adjustment protects prior investments** and ensures that essential services—like disease prevention, emergency preparedness, environmental health, and maternal and child health—remain reliable and consistent statewide.
- **Predictable, inflation-adjusted funding is fiscally responsible.** It reduces crisis-driven spending, improves planning, and helps stabilize a workforce that communities rely on every day.

\$7.3 million in additional funding for Children’s Special Health Care Services

- The Children’s Special Health Care Services (CSHCS) Program **supports children with complex medical needs** through care coordination, eligibility support, and access to medically necessary services.
- Local health departments are the frontline administrators of CSHCS and are **essential to ensuring families can navigate care systems effectively.**
- CSHCS enrollment increased from **29,680 children in 2012** to **51,393 children in 2025** - a growth of over **70%.**
- When FY13 base funding (\$5.5 million) is adjusted only for enrollment growth, the comparable base funding today would be **\$9.5 million.**
- Current base funding of **\$6.7 million** falls significantly short of maintaining even the same service level per child.



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- CSHCS base funding supports **CSHCS Nurses and Program Representatives**, who are essential to program delivery.
- According to the **Employment Cost Index for state and local government workers**, labor costs increased by **46.75% between 2012 and 2025**.
- When enrollment growth and labor cost increases are both considered, the estimated base funding needed to sustain services is approximately **\$14 million**.
- Reliance on **local discretionary funding is not sustainable** and diverts resources from other core public health services.
- **Underfunding** leads to staffing shortages, high caseloads, delays in services, and difficulty retaining experienced staff.
- Increasing base funding from **\$6.7 million to \$14 million** would:
 - **Stabilize** and increase staffing capacity
 - **Improve service access** and responsiveness for families
 - Allow local health departments to **manage growing caseloads** effectively
 - Enable LHDs to generate **additional billable revenue**, leveraging the state's investment
- Adequate base funding allows local health departments to **maximize billable services** rather than relying on local subsidies.
- **Strong care coordination** helps prevent costly complications, hospitalizations, and delays in care for children with complex needs.
- Investing upstream through CSHCS is **far less expensive** than crisis care, institutionalization, or long-term disability costs.
- The program represents **smart stewardship of public dollars**, not an added cost.

\$10 million in additional funding for children's lead screening and prevention services

- The universal lead screening mandate implemented in April 2025 expanded demand statewide, but **provided no new funding**, creating an unfunded operational burden for local health departments and laboratories.
- **Local health departments are legally responsible for follow-up**, including case management, family outreach, and environmental investigations—work that is staff-intensive and cannot be automated.
- **Universal screening has significantly increased report volume**, forcing local health departments to absorb more cases without additional personnel, training, or infrastructure.
- **Laboratories are processing far more tests**, increasing staffing, quality control, and compliance costs, while reimbursement rates have not kept pace with volume or inflation.



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- **Delays in laboratory turnaround and local health department follow-up** undermine the purpose of screening, because early intervention is what prevents harm.
- **This mandate shifts costs to local governments and laboratories**, entities that lack the ability to raise revenue to meet new state requirements.
- **Public health staff are already stretched thin**, and without funding, universal screening risks becoming a paperwork exercise rather than a meaningful prevention strategy.
- **To honor legislative intent and protect children**, the state must fund the local health departments and laboratories that turn test results into real action.



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Policy Priorities:

MALPH supports tobacco licensure for retailers and penalties for sale to minors

SB 462 - Tobacco: licenses; nicotine or tobacco products; require license to sell at retail.

SB 463 - Tobacco: other; minors that purchase, possess, or use tobacco products, vapor products, or alternative nicotine products; sunset criminal penalties and civil sanctions for.

SB 465 - Tobacco: licenses; requirement that a person hold a license to sell a nicotine or tobacco product at retail; create certain temporary exemptions to.

SB 466 - Tobacco: other; reference to 1915 PA 31 in the age of majority act of 1971; revise.

- Tobacco remains the **leading cause of preventable death** in Michigan.
- Youth who start using tobacco are more likely to become lifelong users, driving long-term health care costs.
- Licensing is a **prevention strategy**—it reduces initiation before addiction begins.
- A licensing framework gives **local governments tools to protect their communities**, including:
 - Enforcing youth access laws
 - Addressing retailer density near schools and playgrounds
 - Responding to community complaints
- Many Michigan communities want stronger controls but **lack the authority** without a licensing system.
- Licensing establishes **clear expectations** for retailers and **real consequences** for repeat violations.
- Without a license, the only penalties are fines—which some retailers treat as a cost of doing business.
- A licensing system allows for **suspension or revocation** when businesses repeatedly sell to minors.
- **Retail licensing is one of the most effective tools to reduce youth access to tobacco.**
- States with strong tobacco retail licensing have **lower rates of illegal sales to minors** because retailers are accountable and easier to monitor.
- Michigan currently lacks a uniform statewide system to track who is selling tobacco—making enforcement inconsistent and reactive instead of preventive.



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MALPH supports the passage of a new food law for Michigan

- Michigan's food law expired in December 2024.
- The food system operates **every day**, not in legislative cycles.
- Without an updated statutory framework, Michigan risks **inconsistent enforcement, confusion for businesses, and increased public health risk**.
- Foodborne illness outbreaks do not pause because a law sunsets.
- The Michigan Department of Agriculture and Rural Development has drafted a new food code, but it has not yet been introduced.