STATE OF MICHIGAN

COURT OF CLAIMS

THE MICHIGAN HOUSE OF REPRESENTATIVES,

Plaintiff,

v

Case No. 26-000007-MB

DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET, et al,

Hon. Michael F. Gadola

Defendants.
_____ /

ORDER GRANTING PRELIMINARY INJUNCTION

Plaintiff filed a complaint for declaratory, mandamus, and injunctive relief on January 9, 2026. On the same day, plaintiff moved for a temporary restraining order and order to show cause why a preliminary injunction should not issue. On January 12, 2025, the Court ordered defendants to file a brief in response to the motion by 4:00 p.m. on January 14, 2025, and plaintiff to file a reply in support of its motion by 4:00 p.m. on January 15, 2025. The Court heard arguments on the motion on January 16, 2025. After consideration of the motion, responses, and replies, and the arguments of counsel during the hearing, the Court finds that the requisites for a preliminary injunction have been met and, therefore, GRANTS plaintiff's motion for a preliminary injunction.

The Court finds as follows:

1. On November 14, 2025, the State Budget Director sent to the House and Senate Appropriations Committees a list summarizing fiscal year 2025 line item appropriations that she

recommended be designated as work projects under MCL 18.1451a of the Management and Budget Act, 1984 PA 431, MCL 18.1101 *et seq*.

2. On December 10, 2025, the House Appropriations Committee exercised its authority under MCL 18.1451a(3) to disapprove $644.9 million in proposed work project designations.

3. Notwithstanding that disapproval, on January 7, 2026, defendant State Budget Office "activated" the spending codes for these disputed funds, authorizing the other defendant departments and agencies to begin encumbering or spending the funds immediately.

4. Plaintiff has demonstrated a likelihood of success on its claim that defendants' actions are in violation of MCL 18.1451a(3), and its claim that MCL 1845a(3) is constitutional as applied.

5. Plaintiff will suffer irreparable harm if defendants encumber, expend, or otherwise utilize those funds designated as work projects that were unencumbered within 15 days before the end of the 2025 fiscal year. This harm outweighs the harm an injunction may cause to defendants.

6. The public interest will be served by the entry of this preliminary injunction order.

7. A preliminary injunction is necessary to preserve the status quo while the Court resolves with finality the legal questions regarding the constitutionality of MCL 18.1451a(3).

Accordingly,

IT IS THEREFORE ORDERED that defendants' agents, officers, and employees are immediately enjoined from encumbering, expending, transferring, or otherwise obligating any of the $644.9 million in unencumbered funds associated with the specific line-item appropriations disapproved as work projects by the House Appropriations Committee on December 10, 2025.

This order does not apply to any funds that were encumbered by defendants by September 15, 2025.

IT IS FURTHER ORDERED that Defendants are ordered to preserve the status quo regarding unencumbered funds pending further order of this Court.

IT IS FURTHER ORDERED that pursuant to MCR 3.310(D)(2), no security is required as plaintiff is a public body acting in the public interest.

IT IS FURTHER ORDERED that this order is binding upon defendants, "their officers, agents, servants, employees, and attorneys, and on those persons in active concert or participation with them who receive actual notice of the order by personal service or otherwise." MCR 3.310(C)(4).

IT IS FURTHER ORDERED that this order shall remain in full force and effect until further order of this Court.

IT IS FURTHER ORDERED that plaintiff's request for a temporary restraining order is moot.

IT IS SO ORDERED. This is not a final order and does not close the case.

Date: January 16, 2026

Hon. Michael F. Gadola
Chief Judge, Court of Claims