

**SENATE FISCAL AGENCY
MEMORANDUM**



DATE: July 22, 2026

TO: Members of the Michigan Senate

FROM: Kathryn R. Summers, Director

RE: Balance Sheets and a Summary of the Fiscal Year (FY) 2026-27 Initial Enacted Appropriations

The Legislature passed Senate Bill (SB) 878 (the general omnibus) and House Bill (HB) 5360 (the education omnibus) early on July 3, 2026. Both bills were presented to the Governor on July 14, 2026, and signed into law on July 21, 2026; no items were vetoed in either bill. This memo provides a summary of those Acts, along with balance sheets for General Fund/General Purpose (GF/GP) and School Aid Fund (SAF).

General Omnibus and Education Omnibus

The General omnibus budget is contained in SB 878, which was signed into law as Public Act (PA) 21 of 2026. The Act includes FY 2026-27 Part 1 (i.e., line item) Gross appropriations of \$52.3 billion and GF/GP appropriations of \$12.9 billion for State departments and budget areas. Funding for school aid, higher education, and community colleges is included in HB 5630, PA 25 of 2026, which includes FY 2026-27 Part 1 Gross appropriations of \$22.9 billion and GF/GP appropriations of \$1.2 billion.

Combined, the FY 2026-27 Part 1 line-item Gross appropriations for the entire State budget are \$75.2 billion. The combined GF/GP appropriations are \$14.1 billion. Like the FY 2025-26 budget, there are sizeable conditional boilerplate appropriations in both the Department of Health and Human Services (DHHS) and School Aid budgets for FY 2026-27 that are not reflected in the previous figures. Two boilerplate sections in the DHHS budget would provide another \$9.2 billion in gross appropriations if conditions are met. Eight sections in School Aid allow for additional appropriations if applications exceed specified levels (up to \$577.7 million if fully drawn), and longstanding language in Section 11 allows for all Federal funding that is received to be appropriated. Other budget areas include longstanding boilerplate sections that allow for appropriation upon receipt of funds, but those are generally much smaller amounts.

Table 1 lists the FY 2026-27 Part 1 Gross appropriation amounts by budget area. Table 2 lists the FY 2026-27 Part 1 GF/GP appropriation amounts by budget area. Included in the General omnibus, SB 878, are FY 2025-26 supplemental appropriations for various State budget areas, Michigan Natural Resources Trust Fund appropriations, and capital outlay. Tables 3, 4, and 5 summarize those supplemental appropriations.

Estimated Year-End Balances: General Fund/General Purpose

The FY 2025-26 and FY 2026-27 GF/GP balance sheet is outlined in Table 6 and is based on the May 2026 consensus revenue estimates and estimates for FY 2025-26 lapses and prior-year work project accounts that will not be spent. Comparing estimated FY 2026-27 GF/GP revenue to estimated expenditures shows a projected year-end GF/GP balance of \$8.2 million.

Estimated Year-End Balances: School Aid Fund

Table 7 provides the FY 2025-26 and FY 2026-27 SAF balance sheet using the May 2026 consensus revenue estimates. Comparing estimated FY 2026-27 SAF revenue to estimated expenditures shows a projected year-end SAF balance of \$13.9 million. Both GF/GP and SAF are structurally balanced for FY 2026-27.

The Senate Fiscal Agency website (<http://www.senate.michigan.gov/sfa/>) includes detailed decision documents for each budget area, and the Agency will publish a comprehensive report on the initial FY 2026-27 appropriations later this year. In the meantime, if you have any questions, please contact me at 373-2768 or ksummers@senate.michigan.gov.

/mw

c: Lori Dey, Senate Majority Staff
Tom Davis, Senate Republican Staff
Senate Fiscal Agency Fiscal Analysts

Table 1

FY 2025-26 and FY 2026-27 Part 1 Line-Item Gross Appropriations* (includes both ongoing and one-time appropriations)				
Department/Budget Area	FY 2025-26 Year-to-Date (YTD)**	FY 2026-27 Initial	FY 2026-27 Initial Change to FY 2025-26 YTD	
			Dollars	Percent
Agriculture and Rural Development.....	\$145,885,000	\$135,935,700	(\$9,949,300)	(6.8%)
Attorney General.....	127,200,600	127,437,3600	236,700	0.2
Capital Outlay	2,800	0	(2,800)	(100.0)
Civil Rights	28,689,700	29,444,300	754,600	2.6
Community Colleges	495,432,100	496,663,500	1,231,400	0.2
Corrections.....	2,163,994,500	2,197,337,000	33,342,500	1.5
Education	164,746,700	159,693,200	(5,053,500)	(3.1)
Environment, Great Lakes, and Energy.....	1,225,305,600	671,422,600	(553,883,000)	(45.2)
Executive.....	9,609,200	9,890,200	281,000	2.9
Health and Human Services	31,474,950,300	30,706,808,000	(768,142,300)	(2.4)
Higher Education	2,336,912,000	2,609,832,800	272,920,800	11.7
Insurance and Financial Services	80,806,400	82,333,800	1,527,400	1.9
Judiciary	389,621,700	377,620,800	(12,000,900)	(3.1)
Labor and Economic Opportunity	1,761,979,700	1,595,507,000	(166,472,700)	(9.4)
Legislature	232,522,100	239,318,300	6,796,200	2.9
Licensing and Regulatory Affairs	626,046,600	613,161,700	(12,884,900)	(2.1)
Lifelong Educ., Adv., and Potential	706,603,200	753,214,500	46,611,300	6.6
Military and Veterans Affairs	442,166,300	263,426,200	(178,740,100)	(40.4)
Natural Resources	586,043,700	571,929,700	(14,114,000)	(2.4)
Natural Resources (Trust Fund)	45,000,000	0	(45,000,000)	(100.0)
School Aid	21,101,522,300	19,808,444,500	(1,293,077,800)	(6.1)
State.....	294,983,000	300,237,300	5,254,300	1.8
State Police	1,013,410,600	947,957,000	(65,453,600)	(6.5)
Technology, Management, and Budget.....	1,879,309,800	1,726,718,400	(152,591,400)	(8.1)
Transportation	7,889,495,800	8,116,180,700	226,684,900	2.9
Treasury-Debt Service	89,881,000	97,479,000	7,598,000	8.5
Treasury-Operations	864,392,500	875,018,600	10,626,100	1.2
Treasury-Revenue Sharing.....	1,731,028,500	1,677,704,300	(53,324,200)	(3.1)
Total Gross Appropriations	\$77,907,541,700	\$75,190,716,400	(\$2,716,825,300)	(3.5%)

*Excludes boilerplate appropriations.

**Year-to-Date: As of July 22, 2026 (includes supplemental appropriations in PAs 21 and 25 of 2026).

See Table 3 for details on supplemental spending.

Table 2

FY 2025-26 and FY 2026-27 Part 1 Line-Item GF/GP Appropriations
(includes both ongoing and one-time appropriations)

Department/Budget Area	FY 2025-26 Year-to-Date*	FY 2026-27 Initial	FY 2026-27 Initial Change to FY 2025-26 YTD	
			Dollars	Percent
Agriculture and Rural Development.....	\$77,496,400	\$72,145,400	(\$5,351,000)	(6.9%)
Attorney General.....	45,278,000	45,247,700	(30,300)	(0.1)
Capital Outlay	2,800	0	(2,800)	0.0
Civil Rights	25,463,200	25,931,900	468,700	1.8
Community Colleges	0	0	0	0.0
Corrections.....	2,128,211,700	2,161,279,600	33,067,900	1.6
Education	62,546,100	58,520,700	(4,025,400)	(6.4)
Environment, Great Lakes, and Energy.....	170,064,100	109,143,600	(60,920,500)	(35.8)
Executive.....	9,609,200	9,890,200	281,000	2.9
Health and Human Services	7,388,724,100	7,463,208,100	74,484,000	1.0
Higher Education	1,482,943,700	1,124,954,200	(357,989,500)	(24.1)
Insurance and Financial Services	0	0	0	0.0
Judiciary	276,073,800	278,940,600	2,866,800	1.0
Labor and Economic Opportunity	237,683,600	355,532,300	117,848,700	49.6
Legislature	216,585,700	223,083,000	6,497,300	3.0
Licensing and Regulatory Affairs	279,485,700	243,171,900	(36,313,800)	(13.0)
Lifelong Educ., Adv., and Potential	202,093,300	280,821,700	78,728,400	0.0
Military and Veterans Affairs	280,171,000	95,850,900	(184,320,100)	(65.8)
Natural Resources	73,009,400	63,286,800	(9,722,600)	(13.3)
Natural Resources (Trust Fund)	0	0	0	0.0
School Aid	73,151,100	57,984,900	(15,166,200)	(20.7)
State.....	11,969,100	11,929,200	(39,900)	(0.3)
State Police	647,935,100	609,783,300	(38,151,800)	(5.9)
Technology, Management, and Budget.....	574,052,200	499,967,300	(74,084,900)	(12.9)
Transportation	0	0	0	0.0
Treasury-Debt Service	89,881,000	97,479,000	7,598,000	8.5
Treasury-Operations	217,919,400	222,877,800	4,958,400	2.3
Treasury-Revenue Sharing.....	20,000,000	0	(20,000,000)	0.0
Total GF/GP Appropriations	\$14,590,349,700	\$14,111,030,100	(\$479,319,600)	(3.3%)

*Excludes boilerplate appropriations.

**Year-to-Date: As of July 22, 2026 (includes supplemental appropriations in PAs 21 and 25 of 2026).

See Table 3 for details on supplemental spending.

Table 3

Article 18: FY 2025-26 Supplemental Appropriations Senate Bill 878, Public Act 21 of 2026				
Department/Budget Area	Gross	Federal	Other Funds	GF/GP
Attorney General	\$800,000	\$0	\$800,000	\$0
Civil Rights	250,000	250,000	0	0
Corrections	0	0	0	0
Env., Great Lakes, and Energy	257,586,000	187,845,000	69,741,000	0
Health and Human Services	1,449,382,100	869,559,300	323,346,200	256,476,600
Insurance and Financial Services	1,400,000	0	1,400,000	0
Judiciary	6,000,000	6,000,000	0	0
Labor and Economic Opportunity	30,900,000	1,200,000	8,200,000	21,500,000
Licensing and Regulatory Affairs	39,700	39,700	0	0
Lifelong Ed., Adv., and Potential	44,360,000	43,860,000	0	500,000
Natural Resources	42,849,400	0	42,849,400	0
State Police	49,224,000	0	39,724,000	9,500,000
Technology, Mgmt., and Budget	35,833,400	100,000	100	35,733,300
Transportation	0	0	0	0
Treasury	5,170,000	0	5,170,000	0
Total Supplemental	\$1,923,794,600	\$1,108,854,000	\$491,230,700	\$323,709,900

Table 4

FY 2025-26 Michigan Natural Resources Trust Fund (MNRTF)				
Projects	Number of Projects	Total Cost	Local Match	Trust Fund
<u>Acquisition Projects</u>				
State-owned	5	\$38,100,000	\$22,500,000	\$15,600,000
<u>Local Government</u>	<u>10</u>	<u>17,856,300</u>	<u>7,590,300</u>	<u>10,266,000</u>
Subtotal Acquisition Projects	15	\$55,956,300	\$30,090,300	\$25,866,000
<u>Development Projects</u>				
State-owned	5	\$5,610,000	\$4,180,000	\$1,430,000
<u>Local Government</u>	<u>55</u>	<u>47,353,300</u>	<u>29,649,300</u>	<u>17,704,000</u>
Subtotal Development Projects	60	\$52,963,300	\$33,829,300	\$19,134,000
TOTAL	75	\$108,919,600	\$63,919,600	\$45,000,000

Table 5

Capital Outlay Planning Authorizations				
<u>University</u>	<u>Project</u>	<u>Total Cost</u>	<u>State Share</u>	<u>Institution Share</u>
Central	Brooks Hall Renovation	\$45,000,000	\$30,000,000	\$15,000,000
Ferris	Allied Health Sciences Building	29,500,000	22,125,000	7,375,000
Lake Superior St.	Center for Applied Science and Engineering	40,000,000	30,000,000	10,000,000
Michigan Tech.	Center for Convergence and Innovation	56,000,000	30,000,000	26,000,000
U of M – Dearborn	Computer and Information Science Building Renovation	40,000,000	30,000,000	10,000,000
Western	IF1 Knauss Hall Renovation and Addition	39,000,000	29,250,000	9,750,000
Subtotal Universities:		\$349,500,000	\$171,375,000	\$78,125,000
<u>Community College</u>	<u>Project</u>	<u>Total Cost</u>	<u>State Share</u>	<u>Institution Share</u>
Delta	Student Resource Center/Library (A-wing)	\$23,602,900	\$10,000,000	\$13,602,900
Jackson	STEM Remodel of James McDivitt Hall	45,000,000	22,500,000	22,500,000
Kellogg	Roll Health and Administration Building Renovation	15,400,000	7,700,000	7,700,000
Lansing	Energy and Utility Training Center	8,850,000	4,425,000	4,425,000
Montcalm	Student Success Center	5,874,600	2,937,300	2,937,300
North Central	Skilled Trades Education Pathways (STEP) Center	7,700,000	3,465,000	4,235,000
Oakland	Skilled Trades and Industrial Technology Building	126,500,000	27,000,000	99,500,000
Washtenaw	Center for Success and Innovation	48,775,000	12,193,700	36,581,300
West Shore	Administration & Conference Center Renovation	11,829,900	5,914,900	5,915,000
Subtotal Community Colleges:		\$293,532,400	\$96,135,900	\$197,396,500
TOTAL:		\$543,032,400	\$267,510,900	\$275,521,500
Capital Outlay Construction Authorizations				
<u>University</u>	<u>Project</u>	<u>Total Cost</u>	<u>State Share</u>	<u>Institution Share</u>
Eastern	Engineering and Technology Complex – phase II – Roosevelt Hall	\$42,500,000	\$30,000,000	\$12,500,000
Grand Valley	Blue Dot Lab	66,700,000	30,000,000	36,700,000
Michigan State ¹	Engineering and Digital Innovation Building	340,000,000	30,000,000	310,000,000
Northern	Northern Enterprise Center (college of business)	22,980,000	13,370,000	9,610,000
Oakland University	Science Complex Renovation Project	44,775,000	30,000,000	14,775,000
U of M – Flint	Innovation and Technology Complex	40,000,000	30,000,000	10,000,000
Wayne State	Wayne Law Classroom	46,000,000	30,000,000	16,000,000
Subtotal Universities:		\$602,955,000	\$193,370,000	\$409,585,000
¹ MSU previously received additional State support of \$30M SAF under PA 103 of 2023, which is stated in the bill				
<u>Community College</u>	<u>Project</u>	<u>Total Cost</u>	<u>State Share</u>	<u>Institution Share</u>
Bay de Noc	Manufacturing Hub and Safety Training Center	\$1,875,000	\$937,500	\$937,500
Kalamazoo Valley	Advanced Technical Wing Renovation and Expansion	39,000,000	19,500,000	19,500,000
Macomb	Mobility and Sustainability Education Center	59,980,000	26,349,300	33,630,700
Monroe	Renovation and Addition to Welch Health Education Building (HEB)	32,000,000	10,932,200	21,067,800
Wayne CCCD	Center for Virtual Learning and Digital Careers	11,564,200	5,782,100	5,782,100
Subtotal Community Colleges:		\$144,419,200	\$63,501,100	\$80,918,100
<u>State Agency</u>	<u>Project</u>	<u>Total Cost</u>	<u>State Share</u>	<u>Institution Share</u>
Department of Corrections	Capacity Realignment Project	\$154,300,000	\$154,300,000	\$0
Subtotal State Agencies:		154,300,000	154,300,000	\$0
TOTAL:		\$901,674,200	\$411,171,100	\$490,503,100

Table 6
General Fund/General Purpose (GF/GP)
Revenue, Expenditures, and Year-End Balance Estimates
(millions of dollars)

	Year-to-Date Incl. Suppl. FY 2025-26	Initial Enacted FY 2026-27
Revenue:		
Beginning Balance.....	\$240.6	\$661.6
<u>Ongoing Revenue:</u>		
CREC Revenue (Jan 2026).....	\$14,134.1	\$14,074.6
CREC Forecast Revenue Change (May 2026).....	\$227.9	\$94.2
CREC Forecast (May 2026)	\$14,362.0	\$14,168.8
<u>Other Ongoing Revenue Adjustments:</u>		
R&D Tax Credit	(\$100.0)	(\$100.0)
Revenue Sharing Payments + FDCVT	(\$627.2)	(\$627.2)
Restore ongoing revenue for tips, overtime (and move to one-time)	\$153.6	\$178.0
Ongoing restricted fund deposits into GF/GP	\$0.0	\$18.7
Savings from lower PPT reimbursement costs	\$50.0	\$50.0
Subtotal Ongoing Revenue.....	\$13,838.4	\$13,688.3
<u>Non-Ongoing Revenue:</u>		
Redirection of restricted revenue.....	(\$2.7)	(\$2.7)
Tax, tips, overtime one-time (for 3 years)	(\$153.6)	(\$178.0)
Public safety trust fund one-time (for 3 years)	(\$50.0)	(\$50.0)
SOAR lapse 5.20.26 to pay for Selfridge supplemental.....	\$152.0	\$0.0
VMF interest (\$35m); RAP interest (\$7.0m).....	\$42.0	\$0.0
Lapses from work project settlement 5.22.26	\$128.3	\$0.0
Lapse from Vista Maria.....	\$1.1	\$0.0
Work project lapses (eg, SOAR or others), SFRF underspend, known lapses.....	\$930.0	\$0.0
Savings from lower PPT reimbursement costs	\$123.6	\$0.0
Subtotal Non-Ongoing Revenue.....	\$1,170.7	(\$230.7)
Total Estimated GF/GP Revenue Including Beginning Balance.....	\$15,249.7	\$14,119.2
Total Estimated GF/GP Revenue Excluding Beginning Balance.....	\$15,009.1	\$13,457.6
Expenditures:		
<u>Ongoing Appropriations:</u>		
Initial appropriations	\$13,588.1	\$13,656.2
Subtotal Ongoing Appropriations.....	\$13,588.1	\$13,656.2
<u>One-Time and Other Appropriations:</u>		
One-Time Appropriations.....	\$526.5	\$454.8
Remaining non-caseload supplemental; one-time appropriations	\$292.3	\$0.0
Selfridge supplemental	\$152.0	\$0.0
DHHS caseloads	\$301.4	\$0.0
DHHS estimated lapse from \$100m cost offset	(\$32.2)	\$0.0
QAAP multi-year revenue accrual net zero.....	(\$270.0)	\$0.0
Community District Trust Fund GF payment.....	\$125.0	\$0.0
Use \$30m of lapse for FY 26 corrections healthcare costs.....	\$30.0	\$0.0
Shift CDTF to SAF	(\$125.0)	\$0.0
Subtotal One-Time and Other Appropriations.....	\$1,000.0	\$454.8
Total Estimated GF/GP Expenditures	\$14,588.1	\$14,111.0
Projected Year-End GF/GP Balance.....	\$661.6	\$8.2
Projected Year-End GF/GP Balance (Ongoing).....	\$250.3	\$32.1
Projected Year-End GF/GP Balance (One-time).....	\$411.3	(\$23.9)

Table 7

School Aid Fund (SAF) Revenue, Expenditures, and Year-End Balance Estimates (millions of dollars)		
	Year-to-Date Incl. Suppl. FY 2025-26	Initial Enacted FY 2026-27
Revenue:		
Beginning Balance	\$1,705.6	\$1,018.4
<u>Ongoing Revenue:</u>		
CREC Revenue (Jan 2026)	\$19,135.4	\$19,568.3
CREC Forecast Revenue Change (May 2026)	\$79.4	\$79.6
CREC Forecast (May 2026)	\$19,214.8	\$19,647.9
<u>Other Revenue Adjustments:</u>		
General Fund/General Purpose (GF/GP) Grant	\$46.2	\$33.5
Federal Ongoing Aid	\$2,407.7	\$418.3
Subtotal Ongoing Revenue	\$21,668.7	\$20,099.7
<u>Non-Ongoing Revenue:</u>		
Deposit into funds	(\$456.1)	(\$50.0)
Infrastructure and consolidation fund	\$183.4	\$0.0
School aid pupil support reserve fund	\$97.0	\$107.0
Transportation reserve fund	\$125.0	\$125.0
General pupil support reserve fund	\$0.6	\$0.6
Enrollment stability reserve fund	\$71.0	\$130.0
GSRP reserve fund	\$18.0	\$26.3
Use of other reserve funds	\$30.0	\$87.0
Additional one-time GF/GP	\$27.0	\$24.5
Subtotal Non-Ongoing Revenue	\$95.9	\$450.4
Total Estimated SAF Revenue Including Beginning Balance	\$23,470.2	\$21,568.6
Total Estimated SAF Revenue Excluding Beginning Balance	\$21,764.6	\$20,550.2
Expenditures:		
<u>Ongoing Appropriations:</u>		
Initial Baseline Ongoing K-12 SAF Appropriations	\$16,922.0	\$17,226.2
Initial Ongoing Investments	\$664.7	\$777.6
Ongoing GF/GP	\$50.1	\$33.5
Initial School Aid Federal Funds (estimated)	\$2,407.7	\$418.3
CREC estimated cost adjustments	(\$187.3)	(\$8.4)
Reconnect expansion	\$0.0	\$25.0
Fund Community Colleges with SAF	\$484.5	\$478.5
Partially fund Higher Education with SAF	\$850.8	\$1,144.9
Subtotal Ongoing Appropriations	\$21,192.5	\$20,095.6
<u>One-Time and Other Appropriations:</u>		
Initial one-time K-12 SAF Appropriations	\$1,217.3	\$884.0
Additional one-time		
Initial One-Time SAF Restricted Subfunds	\$27.0	\$0.0
One-Time Subfund Appropriations in K-12	\$0.0	\$462.6
Initial One-Time Community College Appropriations	\$11.0	\$18.1
Initial One-Time University Appropriations	\$0.0	\$69.8
One-Time GF/GP	\$0.0	\$24.5
Subtotal One-Time and Other Appropriations	\$1,259.3	\$1,459.0
Total Estimated School Aid Fund Expenditures	\$22,451.8	\$21,554.7
Projected Year-End SAF Balance (Total)	\$1,018.4	\$13.9
Projected Year-End SAF Balance (Ongoing)	\$476.2	\$4.1
Projected Year-End SAF Balance (One-time)	\$542.2	\$9.8