HOUSE FISCAL AGENCY

Budget Briefing: Legislature

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Briefing Topics

- Funding Sources
- Appropriations Areas

Legislature

- Michigan's legislature is a sovereign and independent branch of state government:
  - House of Representatives: 110 members elected for two-year terms
  - Senate: 38 members elected for four-year terms
  - Proposal 1 of 2022 was approved by voters to amend the State Constitution to change legislative term limits to a maximum of 12 years that can be served in either the House or the Senate, or a combination of both
  - Legislative Council: Maintains bill drafting, research, and other services (commissions and ombudsman positions)
  - State Capitol Historic Site: Oversees maintenance and restoration of state capitol building
- Enacts laws of Michigan, levies taxes, and appropriates funding from revenue collected for the support of public institutions and administration of the affairs of state government
- Initiates and considers amendments to the State Constitution, considers legislation proposed by petitions signed by voters, and considers proposed amendments to the U.S. Constitution
- Exercises oversight over the executive branch of government through administrative rules, audit processes, and committee hearings

Key Budget Terms

Fiscal Year: The state's fiscal year (FY) runs from October to September. FY 2026-27 is October 1, 2026 through September 30, 2027.

Appropriation: Authority to expend funds. An appropriation is not a mandate to spend. Constitutionally, state funds cannot be expended without an appropriation by the legislature.

Line Item: Specific appropriation amount that establishes spending authorization for a particular program or function in a budget bill.

Boilerplate: Specific language sections in a budget bill that direct, limit, or restrict line item expenditures, express legislative intent, and/or require reports.

Lapses: Appropriated amounts that are unspent or unobligated at the end of a fiscal year. Appropriations are automatically terminated at the end of a fiscal year unless designated as a multi-year work project under a statutory process. Lapsed funds are available for expenditure in the subsequent fiscal year.

Note: Unless otherwise indicated, historical budget figures in this presentation have not been adjusted for inflation.

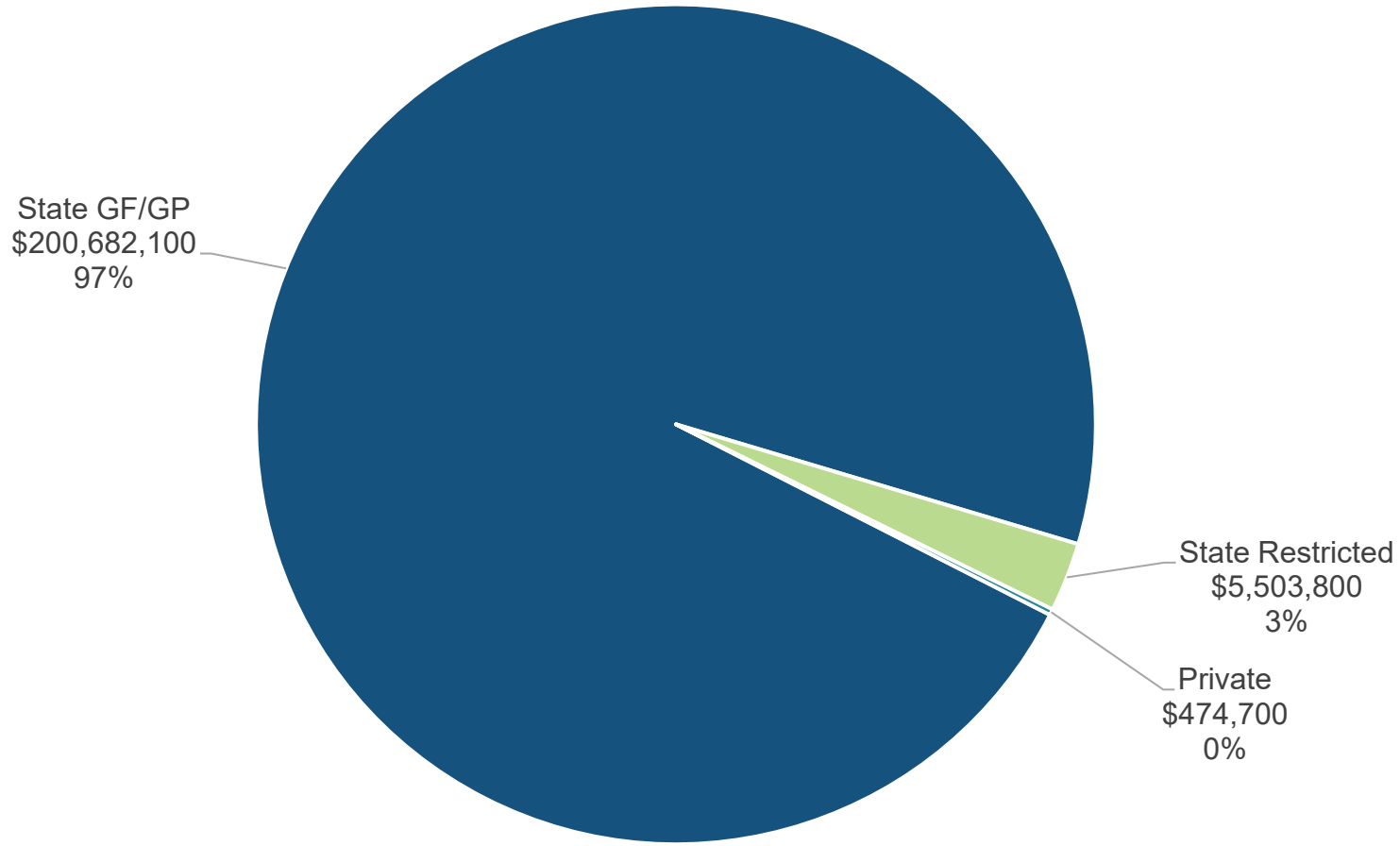
Funding Sources

FY 2026-27 Legislature Budget

Fund Source	Funding	Description
Gross Appropriations	$206,660,600	Total spending authority from all revenue sources
Interdepartmental Grants (IDG) Revenue	0	Funds received by one state department from another state department, usually for services provided
Adjusted Gross Appropriations	$206,660,600	Gross appropriations excluding IDGs; avoids double counting when adding appropriation amounts across budget areas
Federal Revenue	0	Federal grant or matching revenue; generally dedicated to specific programs or purposes
Local Revenue	0	Revenue received from local units of government for state services
Private Revenue	474,700	Revenue from individuals and private entities, including payments for services, grants, and other contributions
State Restricted Revenue	5,503,800	State revenue restricted by the State Constitution, state statute, or outside restriction that is available only for specified purposes; includes most fee revenue
State General Fund/General Purpose (GF/GP) Revenue	$200,682,100	Unrestricted revenue from taxes and other sources available to fund basic state programs and other purposes determined by the legislature

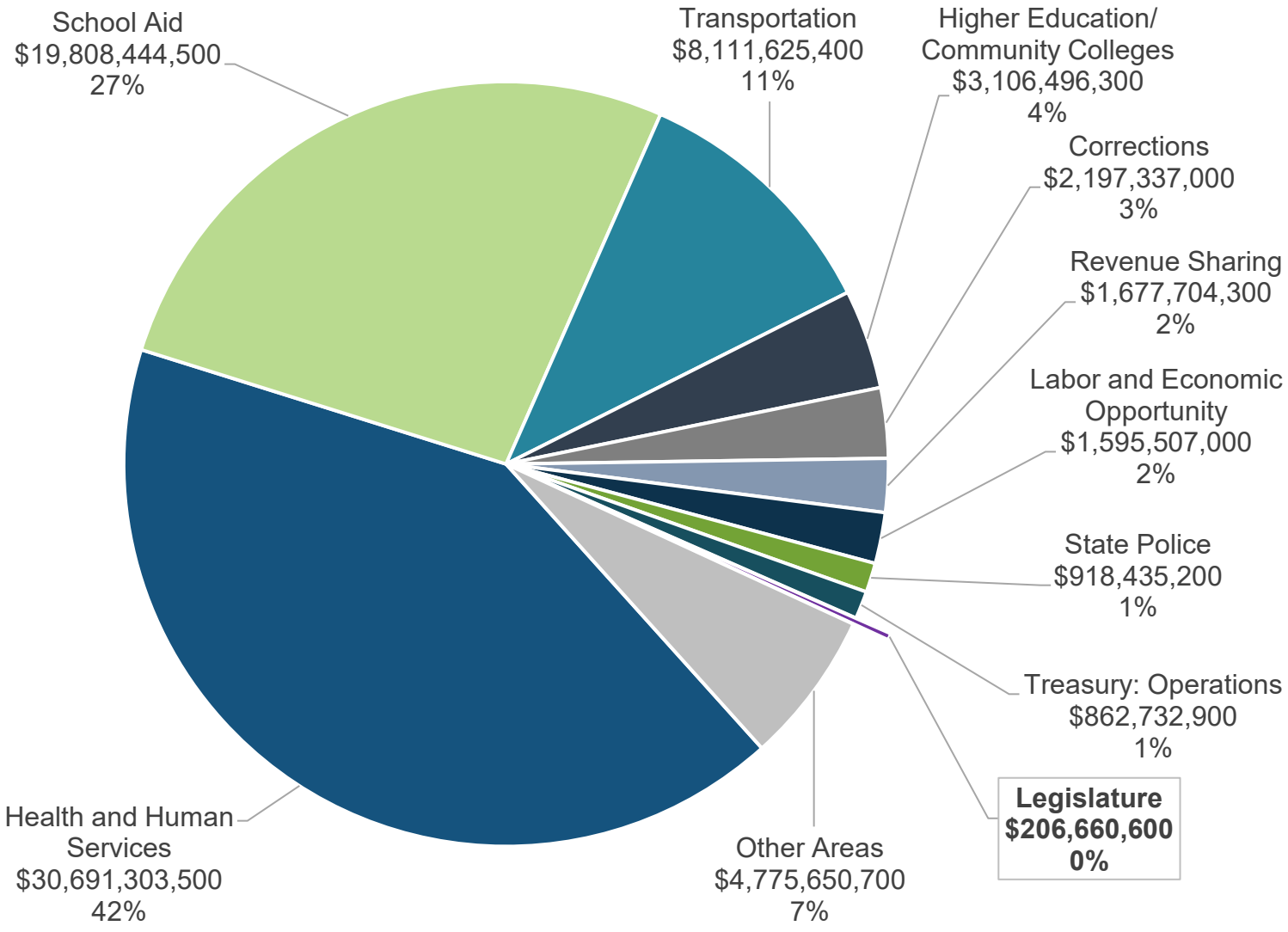
FY 2026-27 Fund Sources

Approximately **97%** of the **$206.7 million** Legislature budget is funded by General Fund revenue.



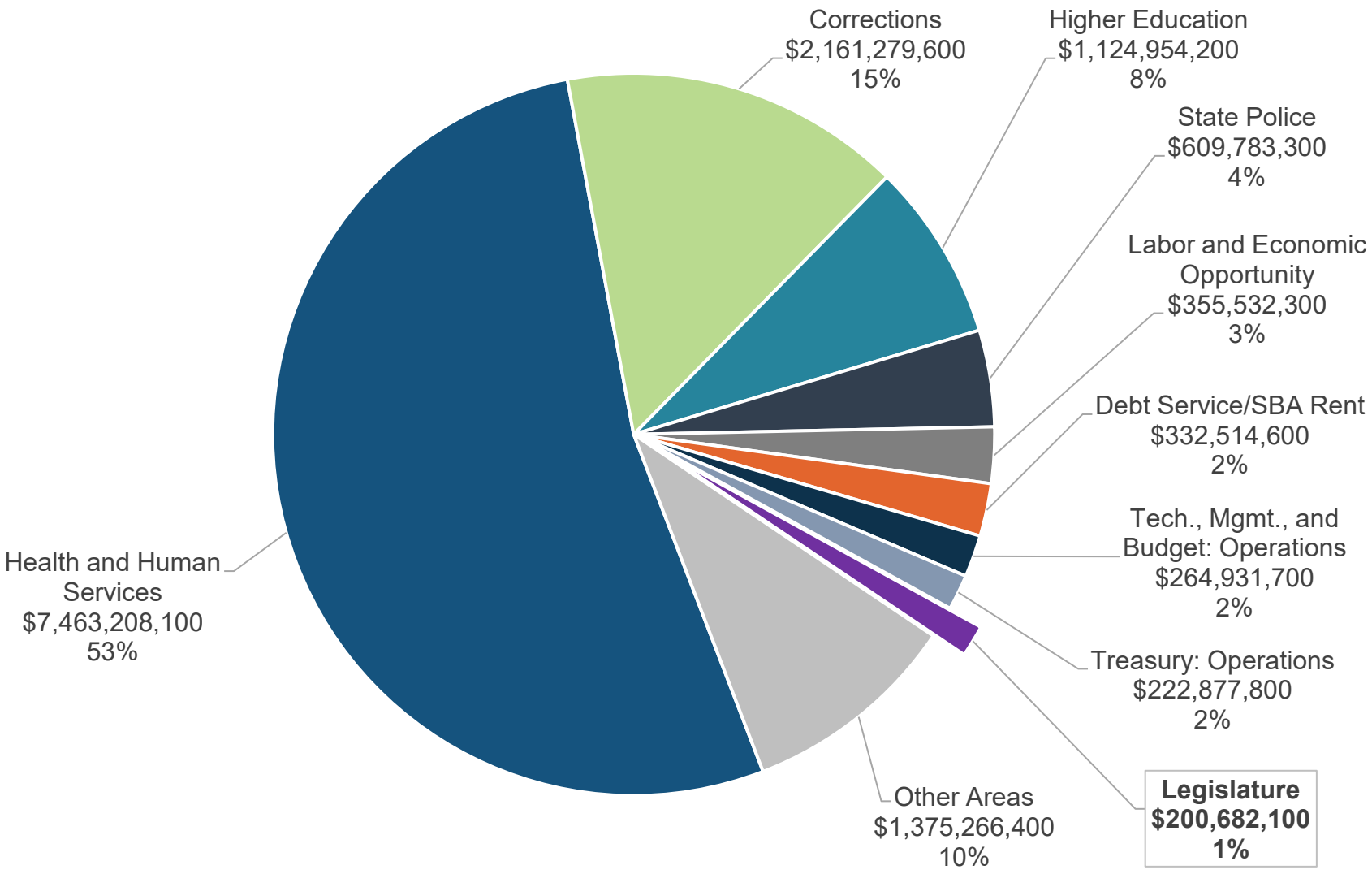
Legislature Share of Total State Budget

The Legislature budget represents less than **1%** of the **$74.0 billion** state budget (adjusted gross) for FY 2026-27.



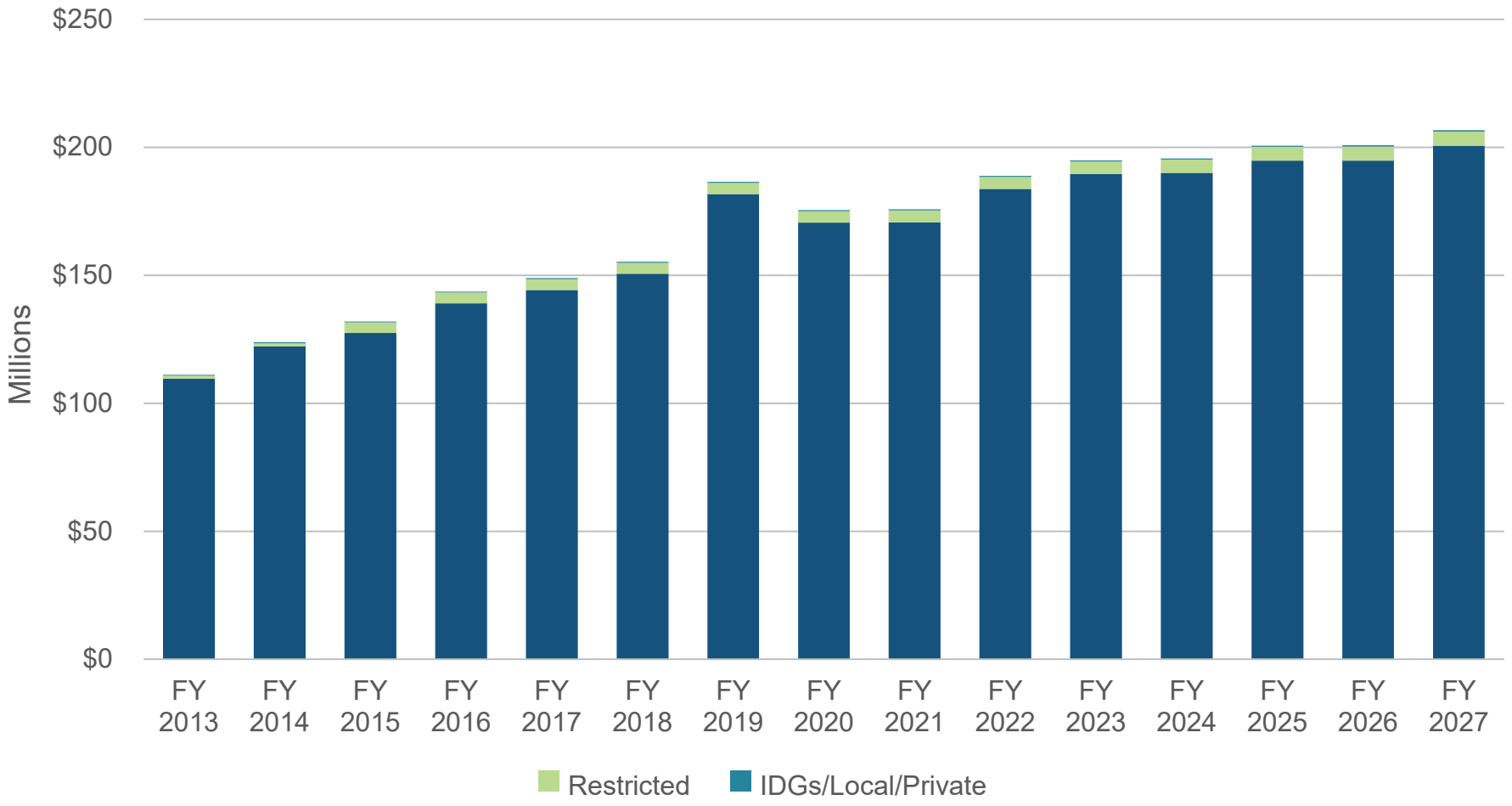
Legislature Share of Total GF/GP Budget

The Legislature budget represents about **1%** of the state's **$14.1 billion** GF/GP budget for FY 2026-27.



Legislature Funding History

Funding for the legislature has grown by **85.9%** since FY 2012-13, driven mainly by economic adjustments, and funding the State Capitol Historic Site renovation and maintenance fund in FY 2014-15, and funding spiked in FY 2018-19 for one-time purchase costs of the Senate parking garage for $18.0 million.



Appropriation Areas

Legislature Appropriation Areas

Legislature: House of Representatives operations, House Fiscal Agency, House automated data processing, Senate operations, Senate Fiscal Agency, and Senate automated data processing

Legislative Council: Maintains bill drafting, research, and other services; worker's compensation; national association dues; legislative corrections ombudsman; Michigan veterans' facility ombudsman; and the tribal legislative liaison

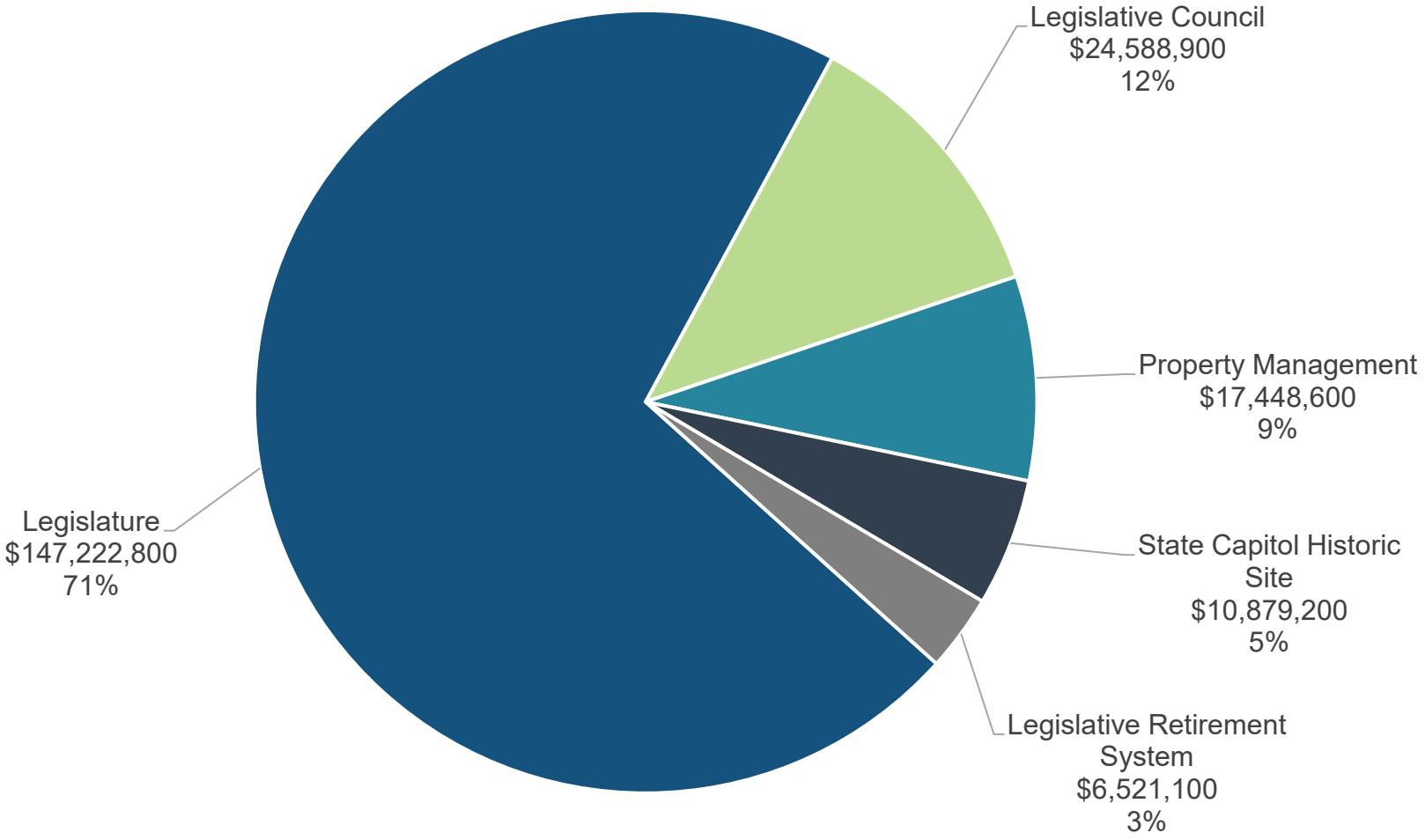
Legislative Retirement System: Provides funding for the Michigan Legislative Retirement System, a single-employer, public employee, defined benefit retirement plan and post-employment healthcare plan governed by the State of Michigan and established by 1957 PA 261

Property Management: Funding for lease costs, maintenance, utilities, janitorial services, supplies, taxes, and insurance for the Cora Anderson Building (House) and Binsfield Office Building (Senate)

State Capitol Historic Site: Management and operation of the Michigan State Capitol Historic Site; funds maintenance, repair, and restoration of the Michigan State Capitol Historic Site

FY 2026-27 Gross Appropriations

Approximately **71%** of the **$206.7 million** Legislature budget supports staff and administration of the two chambers of the legislature, which is funded entirely from General Fund revenues.



For more information about the Legislature budget:

HFA Resources

http://www.house.mi.gov/hfa/GeneralGovernment.asp

Contact Information

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