

Advocates' Guide to the Michigan State Budget Process in 2021

This year, Michigan's elected leaders will be responsible for making budget choices that position children, youth, and families to thrive throughout and after this pandemic and economic crisis. This one-pager provides an overview of the Michigan state budget process, how federal action will affect things this year, and how advocates can think ahead to advance the issues that matter.

Basics of the Michigan State Budget Process

There are just a few hard-and-fast rules governing Michigan's budget process every year:

1. The Governor must submit a budget recommendation to the Legislature each year within 30 days of the first day (always early-to-mid January) of the new Legislative session, or within 60 days during years when a newly-elected Governor is inaugurated.
2. The Legislature must then pass, and the Governor sign, a budget by October 1 (the new fiscal year) that is balanced with the estimated revenue available. Appropriations committees and subcommittees in the State House and Senate must review the Governor's recommendation.
3. The Governor and Legislature must "make adjustments" as needed if revenues or expenditures fall out of balance with budgeted amounts during a fiscal year.

For these reasons, state budget negotiations often begin in February and can last from June to the last day of September before a new fiscal year. A budget is passed like any other bill, subject to committees, conference committees, vetoes, line-item vetoes, and legislative veto overrides. How long all those steps take depends on the pressures of the moment, priorities of leadership, and relationships between elected officials. Supplemental budgets are passed at any and all times depending on immediate needs.

Federal Action Will Drive the 2021 State Budget Process

Repeated federal stimulus actions from last year have given state lawmakers a lot more budget decisions to make. In 2020, Michigan's Governor and Legislature reached four (4) major agreements from March to December, instead of the usual one or two. Now, Michigan's Governor and Legislature have already voiced priorities for spending newly-passed federal aid from December 2020, and the Governor has issues FY 2021-2022 recommendations just as work in Congress on more aid accelerates. That legislation, which will likely pass while legislative budget hearings are commencing, could inject billions of dollars into the state budget for spending.

What Advocates Can Do: Lead With What You Really Need

Our elected leaders are in a position to win critical investments for children, youth, and families if advocates focus on the long-term and hold lawmakers accountable for doing the same.

When communicating with elected officials, consistently remind them what kinds of support would be transformational for young people and families, and for your work, in addition to what will keep people afloat. Even though the Governor and Legislature will present detailed budget proposals in February, what they acknowledge as possible will soon change due to federal action.