PART I. OVERVIEW

Section I. The FY 27 Revised Budget

The 2026 legislative session began with projected sizable positive beginning balances in both the General and Special Transportation Funds. These balances are attributed to strong revenue growth that was reflected in the April 2026 consensus revenue estimates. Adjustments adopted pursuant to PA 26-68, the FY 27 Revised Budget, reduced the all-funds appropriated balance from $874.8 million to $248.1 million after recognizing the required revenue cap adjustment. The most significant change enacted in the FY 27 Revised Budget is the transfer of revenue related to the hospital tax and expenditures related to the hospital supplemental payments from the General Fund to a newly created, non-appropriated Hospital Supplemental Payment account. **Table 1.1** provides an overview of the changes in revenue and appropriations across all funds for the FY 27 Revised Budget.

Table 1.1 Development of the FY 27 Revised Budget
In Millions of Dollars

Components	General Fund	Special Transportation Fund	Other Appropriated Funds	All Appropriated Funds
	FY 27	FY 27	FY 27	FY 27
Base Estimates[1]				
Revenue	26,097.7	2,525.4	886.8	29,509.9
Appropriations	25,361.9	2,405.2	868.0	28,635.1
Beginning Balance	**735.8**	**120.2**	**18.8**	**874.8**
Budget Changes				
+Revenue	(855.6)	99.2	(14.6)	(771.0)
-Appropriations	(487.4)	4.8	(10.0)	(492.6)
Net Change	**(368.2)**	**94.4**	**(4.6)**	**(278.4)**
Final Budget				
Revenue	25,242.1	2,624.6	872.2	28,738.9
Appropriations	24,874.5	2,410.0	858.0	28,142.5
BUDGET BALANCE	**367.6**	**214.6**	**14.2**	**596.4**
Reserve Revenue Cap[2]	*315.5*	*32.8*	-	*348.3*
Balance after Revenue Cap	*52.0*	*181.8*	*14.2*	*248.1*

[1]Base estimates: Revenue according to April consensus revenue; Appropriations equal to FY 27 appropriations in the FY 26 and FY 27 biennial budget.
[2]Amount in the General Fund and Special Transportation Fund unavailable due to the 98.75% cap on estimated revenues the legislature can appropriate.

BUDGET GROWTH RATES & SPENDING CAP

The FY 27 growth rate for all appropriated funds, as revised by PA 26-68, is 3.5% over the FY 26 appropriation. The FY 27 Revised Budget is under the spending cap by $0.6 million. For a detailed calculation of the growth rates and spending cap, please refer to **Appendix C** and **Appendix E**.