COMMUNITY ECONOMIC DEVELOPMENT
ASSOCIATION OF MICHIGAN

FY27 State Budget

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The FY2027 state budget, passed by the legislature on July 3, includes several investments impacting community and economic development priorities across Michigan. The $75.2 billion bipartisan budget maintains funding for affordable housing, small business support, rural development, and community revitalization efforts while introducing new resources to address federal H.R. 1 implementation requirements. Below we've summarized key LEO-related programs and funding allocations of interest to CEDAM members.

The language included in the Senate version of the bill that would have restricted the Michigan Housing and Community Development Fund (MHCDF) and Community Development Block Grant(CDBG) funds for narrow use was not included in the final bill. Thank you to the CEDAM members who reached out to their legislators and let them know the MI Neighborhood program is important to their work.

Funding for the Michigan Transition Office and the 21st Century Jobs Fund were also retained.

FY27 State Budget Highlights

- **Department of Labor and Economic Opportunity (LEO): $1.6 billion**, a **7.8% decrease** ($135 million) from FY26.

Housing Investments

- **Michigan Housing & Community Development Fund (MHCD): $50 million**, same as FY26 (no carve-outs).

- **Permanent Supportive Housing: $5 million**, same as FY26, to expand supportive housing services.
- **Continuum of Care: $4 million (new)** for eviction prevention, permanent supportive housing, rapid rehousing, other eligible Continuum of Care projects, and eligible public service activities under HUD's Continuum of Care competition and Youth Homelessness Demonstration Program.

Economic Development Investments

- **Michigan Small Business, Community Growth, and Entrepreneurship Support: $68 million**, same as FY26, to support various business and community development initiatives. Includes several specified allocations.
- **Business Attraction and Community Revitalization (BACR): $59.5M** for Business Attraction and Community Revitalization (BACR). $30M of the funds appropriated to BACR must be used to provide small business development. CDFI support is listed as a supported activity and is eligible to utilize the $30M.
- **Office of Global Michigan: $41.4 million**, a decrease of **$500,000** from FY26.
- **Arts and Culture Program: $8 million** in one-time funding, a **$685,000 decrease** from FY26.
- **Rural Readiness/Rural Development: $2M,** same as the previous year. Funds were transferred from the Department of Agriculture and Rural Development to the Department of Labor and Economic Opportunity
- **Office of Future Mobility and Electrification: $1 million**, same as FY26.
- **Rural Jobs and Capital Investment: No funding allocated for FY27.**
- **CDFI Fund: No funding allocated for FY27.**
- **Competitive Community Infrastructure Grants: No funding allocated for FY27.**
- **Volunteer Income Tax Assistance (VITA) Program: No funding allocated for FY27 for MEIC**. United Way of Marquette County did receive **$35K** for its VITA program.

Other Important Investments

- **SNAP & Medicaid Work Requirements: $54.3 million (new)** to increase staffing capacity and administrative support for implementation of H.R. 1's SNAP and Medicaid work requirements.

- **Tri-Share Child Care Program: $3.4 million**, same as FY26.
- **Michigan 2-1-1: $2.95 million** allocated from funds appropriated to the Community Service and Outreach Administration.