

2026 Budget Proposed Budget - DRAFT

	2025 Budget	2025 Projected Actuals	2026 Proposed Budget
REVENUES			
IOLTA (Net of Services Charges)	\$ 15,016,000	\$ 17,004,737	\$ 14,885,852
IOLTA - Race/Ethnic/Gender/ATJ Related	\$ (1,324,454)	\$ (1,289,716)	\$ (1,759,494)
IOLTA - Supreme Court Historical Society	\$ (55,000)	\$ (57,756)	\$ (59,490)
Civil Justice System Access and Legal Self-Help	\$ 650,000	\$ 650,000	\$ 650,000
Eviction Diversion Program	\$ 1,182,500	\$ 4,587,260	\$ -
Filing Fees	\$ 61,000	\$ 61,164	\$ 65,000
Fellows and Other Contributions	\$ 50,000	\$ 67,500	\$ 75,000
Special Funds and Fundraising Support	\$ 105,000	\$ 606,928	\$ 105,000
ATJ Fund Contributions	\$ 1,375,000	\$ 1,489,168	\$ 1,376,000
MDHHS - Social Security Disability	\$ 600,000	\$ 975,000	\$ 975,000
Memorials, Tributes and Contributions	\$ -	\$ 78,779	\$ -
Legal Assistance Relief Program	\$ 500,000	\$ 500,000	\$ 580,000
Interest and Dividends	\$ 945,000	\$ 1,368,688	\$ 1,147,847
TOTAL REVENUES	\$ 19,105,046	\$ 26,041,751	\$ 18,040,715
ADMINISTRATIVE EXPENDITURES			
Personnel	\$ 1,018,905	\$ 790,868	\$ 1,222,131
Employee Taxes and Benefits	\$ 281,176	\$ 209,914	\$ 356,773
Accounting Fees	\$ 32,000	\$ 35,574	\$ 38,000
Legal Fees and Filing Fees	\$ 3,425	\$ 425	\$ 2,975
Other Professional Fees	\$ 60,000	\$ 126,954	\$ 130,000
Postage, Printing, Design and Marketing	\$ 11,000	\$ 3,829	\$ 10,700
Rent	\$ 45,025	\$ 45,025	\$ 45,592
Insurance	\$ 16,928	\$ 9,216	\$ 17,522
Telephone	\$ 5,125	\$ 3,588	\$ 4,097
Meetings, Conferences, Travel, and Training	\$ 58,583	\$ 37,415	\$ 68,229
Dues, Subscriptions, and Publications	\$ 14,641	\$ 17,253	\$ 25,494
Supplies	\$ 25,600	\$ 18,112	\$ 8,368
Program Evaluation and Support	\$ 90,000	\$ 40,495	\$ 60,000
Maintenance and Technology Services	\$ 67,103	\$ 110,706	\$ 119,116
Interest and Service Charges	\$ 32,400	\$ 71,591	\$ 73,200
Depreciation	\$ 9,554	\$ 7,775	\$ 9,834
TOTAL ADMINISTRATIVE EXPENSES	\$ 1,771,465	\$ 1,528,740	\$ 2,192,031
NET REVENUES AFTER ADMINISTRATIVE EXPENSES	\$ 17,333,581	\$ 24,513,011	\$ 15,848,684
GRANTS			
Civil Legal Services Annual Grants	\$ 2,320,000	\$ 2,257,488	\$ 2,821,860
IOLTA - Administration of Justice	\$ 1,000,000	\$ 475,444	\$ 1,000,000
Special Annual Grant Initiatives	\$ 5,350,000	\$ 4,831,561	\$ 1,350,000
Eviction Diversion Program	\$ 1,160,000	\$ 4,256,146	\$ 6,000,000
MDHHS - Social Security Disability	\$ 576,923	\$ 937,500	\$ 937,500
Civil Justice System Access Grants and Legal Self-Help Grants	\$ 650,000	\$ 650,000	\$ 650,000
ATJ Fund - Designated and Statewide Distribution	\$ 1,252,000	\$ 1,679,843	\$ 1,255,000
ATJ Fund - Grants (Endowment Distributions)	\$ 120,000	\$ 80,462	\$ 80,000
Legal Assistance Relief	\$ 480,769	\$ 560,770	\$ 560,770
Franck Funds	\$ 10,000	\$ -	\$ 10,000
Special Grants	\$ 10,000	\$ 607,647	\$ 25,000
TOTAL GRANTS	\$ 12,929,692	\$ 16,336,861	\$ 14,690,130
NET REVENUES OVER EXPENSE	\$ 4,403,889	\$ 8,176,150	\$ 1,158,554
Gain/(Loss) on Sale of Investments	\$ -	\$ (408,552)	\$ -
Unrealized Gain/(Loss) on Investments	\$ -	\$ 2,307,286	\$ -
PROJECTED TOTAL NET ASSETS		\$ 43,254,248	\$ 44,412,802

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CAPITAL EXPENDITURES DETAIL			
Hardware	\$ 12,000	\$ 9,288	\$ 1,800
Software	\$ 20,000	\$ 9,989	\$ -
Furniture	\$ -	\$ 2,896	\$ -
TOTAL CAPITAL EXPENDITURES	\$ 32,000	\$ 22,173	\$ 1,800

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REVENUES

SOURCE	2026 Proposed Budget	EXPLANATION
IOLTA (Net of Services Charges)	\$14,885,852	Estimated IOLTA revenue based utilizing projected Fed Fund Rates and historical data.
Race/Ethnic (10%)	-1,759,494	This amount is 10% of estimated net IOLTA revenue. This is contra-revenue recorded as a liability.
Supreme Court Historical Society (5%)	-59,490	This amount includes funds payable to the Michigan Supreme Court Historical Society. AO 2021-3 capped their annual amount at the higher of 5% not to exceed a maximum of \$50,000 plus annual increased based on inflation. This is contra-revenue recorded as a liability.
Civil Justice System Access and Legal Self-Help	650,000	Revenue for Michigan Legal Help operations includes \$600k from SCAO and \$50k from SBM, consistent with FY25 funding.
Eviction Diversion Program	0	MSHDA CERA funding ends July 31, 2025. Utilizing IOLTA net assets to continue program.
Filing Fees	65,000	The statutory allocation for the Foundation's annual reimbursement for costs in performing its functions relating to P.A. 189 of 1993 is 1% of the legal services portion of the funds. This is based on SCAO's projection for 2026 revenue.
Fellows and Other Contributions	75,000	Fellows income budget is based on prior year actuals and increased contribution levels.
Special Funds and Fundraising Support	105,000	\$75K from SBM and LJAP donations estimated at \$30K.
ATJ Fund Contributions	1,376,000	Consistent with FY25 budget.
MDHHS - Social Security Disability	975,000	Based on FY2026 contract with MDHHS.
Legal Assistance Relief Funds	580,000	MSBF has been asked to administer a grant program to assist claimants with unemployment benefit matters. Approximately \$2.04M has been provided as part of two class action lawsuits, Saunders v. State of Michigan Unemployment Insurance Agency and Bauserman v. State of Michigan Unemployment Insurance Agency. A portion was utilized in FY2024; the remaining funds are recorded as Deferred Revenue on the balance sheet.
Interest and Dividends	1,147,847	Projected interest based on current year revenue.
TOTAL REVENUES	\$18,040,715	

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ADMINISTRATIVE EXPENSES

CATEGORY	2026 Proposed Budget	EXPLANATION
Personnel		
Salaries and Wages	\$1,222,131	FY26 budgeted salaries and wages include 11 FTEs and salary adjustments based on a current compensation study.
Benefits and Taxes	356,773	Benefits and taxes are based on current benefits and estimated increases.
Accounting Fees	38,000	Estimate based on FY25 usage and increased rates.
Legal Fees and Filing Fees	2,975	Includes legal fees contingency and annual recurring filing fees.
Other Professional Fees	130,000	Includes additional upgrades to IMS IOLTA database, consulting fees for IOLTA compliance program, employment search fees, and a Raiser's Edge (donor database) consultant.
Postage and Printing	10,700	Estimated based on FY25 usage for annual reports and mailings.
Rent	45,592	A new lease agreement with annual adjustments based on annual CPI changes started Sept. 30, 2021. The budgeted amount for FY26 includes CPI of 1.03%.
Insurance	17,522	Includes D&O, general liability, and cyber security insurances.
Telephone	4,097	Estimated based on FY25 usage and increased staff.
Meetings, Conferences, Travel, and Training	68,229	This includes in-person and online trainings, conference registrations, and conference travel related to IOLTA and the ATJ Campaign.
Dues, Subscriptions, and Publications	25,494	Includes membership in Michigan Bankers Association, National Association of IOLTA Programs, Council of Michigan Foundations, and other similar entities.
Supplies	8,368	Standard office supplies including hardware and software below \$1,000.
Program Evaluation and Support	60,000	Program evaluation and support costs help assure accountability and effectiveness for annual legal services and other grants.
Maintenance and Technology Services	119,116	This includes hardware and software maintenance contracts, including IMS costs, Raiser's Edge costs, online grant management system, and accounting software.
Interest and Service Charges	73,200	This includes monthly checking and investment account account fees, and credit card processing for Fellows payments.
Depreciation	9,834	Based on future depreciation for current and anticipated fixed asset purchases.
TOTAL ADMINISTRATIVE EXPENSES	\$2,192,031	

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GRANT EXPENSES

GRANT TYPE	2026 Proposed Budget	EXPLANATION
IOLTA Civil Legal Services (70%)	2,821,860	Based on proposed 25% increase for annual legal services grants.
Administration of Justice (15%)	1,000,000	This is estimated based on prior spending and anticipated additional grants. More funding is available per AO2021-3.
Special Grant Initiatives	1,350,000	Sustaining Counsel and Advocacy Law Line in the amount of \$1.35M per year while we complete the business process analysis.
Eviction Diversion Program	6,000,000	Provides up to \$6M for sustaining eviction diversion efforts.
MDHHS - Social Security Disability	937,500	The FY26 budgeted amount is the amount of grants to programs, less administrative costs.
Civil Justice System Access and Legal Self-Help	650,000	Legal Self-Help funds are specifically designated for support of the Michigan Legal Help website and self-help centers. This includes expenditures for Michigan Legal Help operations in projected amounts of \$650,000 for FY25 and \$650,000 for FY26 from funds received for that purpose.
ATJ Fund - Designated and Statewide Distributions	1,255,000	The ATJ Campaign is a centralized effort and 100% of funds raised for operations are distributed to the legal aid organizations participating in the campaign.
ATJ Fund - Grants (Designated Endowments)	80,000	This amount is based on the assumption that all programs eligible for an endowment distribution of up to 5%, elect to receive their distribution.
Legal Assistance Relief	560,770	Amount to be disbursed to programs, less administrative costs.
Franck Fund	10,000	The Michael Franck Fund for Professional Responsibility was established in June, 1994. This is an estimate of potential grants to be awarded.
Special Grants	25,000	Currently estimating \$25K for LJAP
TOTAL GRANTS	\$14,690,130	

CAPITAL EXPENDITURES

TYPE	2026 Proposed Budget	EXPLANATION
Computer Hardware	\$1,800	Laptop costs for one replacement
Computer Software	0	NOTE: This purchase will move to Supplies if the Fixed Asset Policy is approved by the Board.
Furniture	0	
TOTAL CAPITAL EXPENDITURES	\$1,800	