




Michigan Association of Superintendents & Administrators

# MASA Legislative Update

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## Summary

Michigan's 102nd Legislative Session began this week, with new members officially sworn in on Wednesday. The Capitol will now be in full swing until summer break. Governor Whitmer will hold her **State of the State address on January 25**, and her executive budget recommendation will be presented shortly thereafter, though a date is yet to be confirmed.

The MASA government relations team is already hard at work with lawmakers and will update all of you on legislation moving through the legislature.

As always, please [contact MASA](#) with any questions or concerns.

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## Democrats Introduce Policy Priorities

The first several bills introduced by the democratic majority upheld many of the promises they made on the campaign trail and set down their marker for priorities as the legislative session begins. Some of those introduced bills include:

- **Repealing the retirement tax** on Michigan seniors ([House Bill 4007](#)) – sponsored by Rep. Angela Witwer (D-Delta Twp) and Sen. Kevin Hertel (D-St. Clair Shores)
- **Expanding the Earned Income Tax Credit (EITIC)** ([House Bill 4002 and Senate Bill 3](#)) – sponsored by Rep. Nate Shannon (D-Sterling Heights) and Sen. Kristen McDonald Rivet (D-Bay City)
- **Expanding Michigan’s Elliot-Larsen Civil Rights Act to include anti-discrimination protections for sexual and gender identity** ([House Bill 4003](#) and [Senate Bill 4](#)) – sponsored by Rep. Jason Hoskins (D-Southfield) and Sen. Jeremy Moss (D-Southfield)
- **Restoring the prevailing wage law** ([House Bill 4007](#) and [Senate Bill 6](#)) – sponsored by Rep. Brenda Carter (D-Pontiac) and Sen. Veronica Klinefelt (D-Eastpointe)
- **Repealing the Right to Work Act** ([House Bill 4004](#) and [Senate Bill 5](#)) – sponsored by Rep. Regina Weiss (D-Oak Park) and Sen. Darrin Camilleri (D-Trenton)

MASA will be meeting with lawmakers as soon as next week to discuss the Association’s priorities, as determined by our recent member survey, including **protecting Student Aid Fund dollars and helping create a more equitable public education system.**

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## Committee Assignments Announced

This week saw the much-anticipated release of committee assignments from House Speaker Joe Tate (D-Detroit) and Senate Majority Leader Winnie Brinks (D-Grand Rapids). Below are rosters for committees of interest that we will be following closely:

**Senate Committee on Education:** Chair Sen. Dayna Polehanki (D-Livonia), Vice Chair Sen. Erika Geiss (D-Taylor), Minority Vice Chair John Damoose (R-Harbor Springs), Stephanie Chang (D-Detroit), Darrien Camilleri (D-Trenton), Kristen McDonald Rivet (D-Bay City), and Ruth Johnson (R-Holly)

**Senate Committee on Labor:** Chair Sen. John Cherry (D-Flint), Vice Chair Sen. Darrien Camilleri (D-Trenton), Minority Vice Chair Sen. Thomas Albert (R-Lowell), and Mary Cavanagh (D-Detroit)

**Senate Appropriations Subcommittee on PreK-12:** Chair Sen. Darrien Camilleri (D-Trenton), Vice Chair Sen. Dayna Polehanki (D-Livonia), Minority Vice Chair Sen. Lana Theis (R-Livingston), Sen. Kevin Hertel (D-St. Clair Shores), Sen. Veronica Klinefelt (D-Eastpointe), Sen. Mary Cavanagh (D-Detroit), and Sen. Thomas Albert (R-Lowell)

**Senate Appropriations Subcommittee on MDE:** Chair Sen. Rosemary Bayer (D-Northville), Vice Chair Sen. Veronica Klinefelt (D-Eastpointe), Minority Vice Chair Sen. Thomas Albert (R-Lowell), and Sen. Sam Singh (D-East Lansing)

**House Committee on Education:** Chair Rep. Matt Koleszar (D-Plymouth), Vice Chair Rep. Jamie Churches (D-Wyandotte), Minority Vice Chair Rep. Jamie Greene (R-Richmond), Rep. Nate Shannon (D-Sterling Heights), Rep. Lori Stone (D-Warren), Rep. Carol Glanville (D-Grand Rapids), Rep. Jennifer Conlin (D-Washtenaw), Rep. Kimberly Edwards (D-Wayne), Rep. Dylan Wegela (D-Inkster), Rep. Gregory Markkanen (R-Gogebic), Rep. Brad Paquette (R-Berrien Springs), Rep. Pauline Wendzel (R-Berrien), and Rep. Gina Johnsen (R-Kent)

**House Committee on Labor:** Chair Jim Haadsma (D-Battle Creek), Vice Chair Rep. Denise Mentzer (D-Mount Clemens), Minority Vice Chair Rep. Doug Wozniak (R-Shelby Township), Rep. Matt Koleszar (D-Plymouth), Rep. Amos O'Neal (D-Saginaw), Rep. Joey Andrews (D-St. Joseph), Rep. Jaime Churches

(D-Wyandotte), Rep. Dylan Wegela (D-Inkster), Rep. Mike Mueller (R-Genesee), and Rep. Tom Kunse (R-Clare)

**House Appropriations Subcommittee on School Aid and Education:** Chair Rep. Regina Wiess (D-Oak Park) and Vice Chair Jason Morgan (D-Washtenaw). A Minority Vice Chair has yet to be named.

All [House](#) and [Senate](#) committee assignments are listed on the Michigan Legislature website, except for House Appropriations Subcommittees, as those rosters have not yet been released in their entirety.

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## Consensus Revenue Estimating Conference

Today, the January Consensus Revenue Estimating Conference (CREC) was held, where the House and Senate Fiscal Agencies, together with the State Budget Office, released the latest state revenue numbers. These estimates will be used by the State Budget Office when crafting Governor Whitmer's Executive Budget recommendation. Overall, while there are expectations of an economic slowdown and decline in revenues, the forecasts are still positive for the short term and there was noticeable optimism that any slowdown would not be nearly as severe as previous instances.

Experts summarized that **state tax revenues are expected to decline by \$2.6 billion** in fiscal year 2022-2023, after the rise in revenues over the last two years. Additionally, **unemployment rates are projected to rise to 4.7% in mid-2024, before an expected decline to 3.9% by 2025**. The major risks associated with the downturn include elevated inflation rates, continued falling demands of auto sales, and construction job losses.

Top-line revenue estimates:

- According to the consensus estimates, we can expect an additional \$800 million in General Fund revenue and \$440 million more in the School Aid

Fund for fiscal year 2022-2023 (the current fiscal year) compared to May 2022 estimates.

- These increases are largely due to consumption and income tax revenue increases larger than what was projected last May.
- For fiscal year 2022-2023, the state increased revenue in the General Fund to a total of nearly \$14.8 billion and \$17.6 billion in the School Aid Fund.
- Specific to the School Aid Fund, the forecast does call for a 1.1% decrease in revenues from the previous year, but as stated above, the revenues are coming in higher than originally expected.
- For fiscal year 2023-2024, which lawmakers and the State Budget Office will begin working on soon, the state is projected to have a General Fund total of nearly \$15.1 billion and \$17.8 billion in the School Aid Fund.
  - This represents a 1.2% increase (\$400 million) in the School Aid Fund from the May 2022 estimates.
- For fiscal year 2024-2025, the state is projected to have a General Fund total of nearly \$15.5 billion and \$18.2 billion in the School Aid Fund.

Student **pupil counts are projected to continue to decline at the district level over the next few years.** The state is **projected to lose 5,283 students in the 2022-23 school year**, 6,000 students in 2023-24, and 5,200 students in 2024-25.

Today's CREC was the **kick-off to budget season** and the first of many presentations. The governor will be previewing her budget priorities, based on today's numbers, during her State of the State address on January 25 and **we anticipate her budget proposal in early February. The budget will be finalized on the numbers developed at the next CREC in May.**

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**ICYMI: Voucher Ballot Proposal Withdrawn**

The Secretary of State [announced](#) this week that **both ballot proposals submitted by the Let MI Kids Learn group that would have created a voucher-like program for education services were withdrawn**. This means the **proposals will *not* go to the Legislature** for approval or to the voters in 2024.

As we had always believed, the goal of the proposals had been to work around the governor's veto power and gain Legislative approval. Because both the House and Senate chambers have flipped to democratic control, it can be assumed that the organizers withdrew the proposals knowing the Legislature would not vote to advance them.

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## **This Week's Introduced Bills**

The following bills were also introduced in addition to the priority items listed above.

[Senate Bill 12 \(Polehanki\)](#) modifies requirements for the **retention of third grade students**.

[House Bill 4017 \(Witwer\)](#) **supplemental appropriations in the school aid act** for fiscal years 2021-2022 and 2022-2023.