




Michigan Association of Superintendents & Administrators

MASA Legislative Update

Brought to you by: 

January 27, 2023

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Summary

We hope those who attended our Midwinter Conference last week in Kalamazoo enjoyed the event and were able to take information and resources back to your districts. As January winds down, the Legislature is winding up. The Capitol was busy this week with the first sessions and committee meetings, **and our advocacy team had numerous introductory meetings with members to discuss our [legislative priorities](#).** As I'm sure you are aware, Governor Whitmer held her fifth State of the State address on Wednesday at the State Capitol. In case you missed it, **we live-tweeted during the address**

and sent [a special Legislative Update](#) with more detailed information on Wednesday night.

We do have a few updates to share with you from the rest of the week below.

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

House and Senate Education Committees

The House Committee on Education chaired by Rep. Koleszar (D-Plymouth) and Senate Committee on Education chaired by Sen. Polehanki (D-Livonia) held their first meetings this week. **Both meetings were organizational** – introducing the members who had been assigned to the committees and adopting the committee rules. We anticipate weekly committee meetings moving forward. In fact, **the House Education has already posted its meeting notice for next week and will hear from State Superintendent Dr. Rice and MSU professor of education policy, Katharine Strunk.**

During committee introductions, Sen. Polehanki shared her vision for the committee, stating they will **listen to educators first and include bonafide education research in committee decision-making.** We look forward to working with all committee members in the House and Senate to prioritize quality legislation for Michigan's education system and students.

The House Appropriations Subcommittee on School Aid and Education, chaired by Rep. Weiss (D-Oak Park) and Senate Appropriations Subcommittee on PreK-12, chaired by Sen. Camilleri (D-Trenton), **have not held formal committee meetings yet.** With the **governor's Executive Budget Recommendation scheduled for February 8**, we expect to see action soon from these subcommittees.

Earned Income Tax Credit Moves Through Legislature

The Earned Income Tax Credit bills, also known as the **Working Families Tax Credit**, moved through the Legislature on Thursday.

[Senate Bill 3](#) introduced by Sen. McDonald-Rivet (D-Bay City), had its hearing on Tuesday in the Senate Housing and Human Services Committee. The bill was voted out of committee and moved to the Senate floor for consideration. On Thursday, after the governor touted the proposal during her State of the State Address, **the bill passed in the Senate with a 27-11 margin**. Seven republicans joined the democrats to vote in favor.

[House Bill 4002](#) introduced by Rep. Shannon (D-Sterling Heights), is a similar bill moving through the House. The bill was heard in the House Tax Policy committee before being voted out to the House floor on Thursday. **The bill passed the House with a 100-8 vote** with the majority of republicans joining democrats to vote in favor.

The bills, which are identical, **expand the earned income tax credit to 30% from the current rate of 6% of the federal amount**. Previously, the legislation would have phased in the increase for the next few years, but the plan was tweaked to have the increase implemented sooner. **If signed into law, the Working Families Tax Credit of 30% would be applied in the 2023 tax year and 24% would be applied retroactively in the 2022 tax year**.

The Senate bill now moves to the House Tax Policy Committee and the House bill will be transferred to the Senate Housing and Human Services Committee. The bills must pass through the opposite chamber before their final arrival on the governor's desk for a signature. **At this point, the biggest question might be which bill is the one that is chosen for the governor's signature.**

Pension Tax Repeal Moves Through Legislature

Retirees with public pensions and a other retirement accounts could **potentially see tax relief** under two bills moving through the Legislature.

[Senate Bill 1](#) introduced by Sen. Hertel (D-St. Clair Shores), was heard and passed out of the Senate Finance, Insurance, and Consumer Protection Committee this week. **The bill passed the Senate with a 23-15 vote**, where a few republicans joined the democrats in favor. The bill now sits in the House Tax Policy Committee.

[House Bill 4001](#) introduced by Rep. Witwer (D-Lansing), is a similar bill moving through the House. The bill was heard and passed out of the House Tax Policy Committee this week. **The legislation passed the House with a 67-41 margin**. The bill now awaits a hearing in the Senate Finance, Insurance, and Consumer Protection Committee.

The pension tax relief plan is a legislative priority for the governor. The bills **restore the pension tax exemption** that was removed by Governor Snyder in 2011. **Public pensions will be entirely exempt from state income tax**. The plan originally had the exemptions phased in over the next few years, but republicans pushed for the plan to be implemented during the 2023 tax year in the Senate version of the bill.

The House version of the plan retains language for phased in exemptions over four years, with retirees able to claim deductions under tier system. **Both bills need to be passed by a two-thirds majority to take immediate effect and could be blocked by that margin in the Senate**. The bills move to their opposite chambers for consideration and one of the two bills will be chosen by leadership to go the governor's desk for a signature.

State of the State Address

The State of the State address was held in a traditional ceremony in the House chambers for the first time since the start of the COVID-19 pandemic. This was Governor Whitmer's fifth address where she outlined her administrations' priorities with education investments, economic development, and public safety among other topics.

Check out **MASA's special update from Wednesday night for me State of the State details** [here](#).

SRO Grant Awardees

Last week, **the list of schools receiving the School Resource Officer (SRO) grants was released**. The grant program, which was placed in the School Aid Fund Budget in 2022, totals \$25 million and requires a 50% match.

View the full list of awardees [here](#).

This Week's Introduced Bills (including bills introduced last week)

[House Bill 4037 \(Paquette\)](#) Rolls back the state income tax to 3.9%

[House Bill 4038 \(Paquette\)](#) Modifies substitute teacher requirements to allow substitute teachers who have a high school diploma and are enrolled in a department-approved educator prep program

[House Bill 4043 \(Schuette\)](#) Creates a learning loss recovery grant program
(This bill is similar if not identical to legislation introduced last year)

[House Bill 4044 \(Koleszar\)](#) Creates provisions related to the collection of union dues by public school personnel and the freezing of wages and benefits for certain public employees during contract negotiations

[Senate Bill 29 \(Anthony\)](#) Allows for five mental health absences for students

[Senate Bill 34 \(Camilleri\)](#) Restores certain prohibited subjects of collective bargaining

[Senate Bill 42 \(Hoitenga\)](#) Appropriates certain funds for rural district transportation