



Legislative Committee

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Meeting ID: 241 920 526 040

Passcode: ywvL7G

Tuesday, July 16, 2024 ▪ 10:30 a.m. – 12:00 p.m.

AGENDA

Members: Jim Fisher (Chairperson), Nora Balgoyen, Mark Bergsma, Jay Dunwell, Jeran Culina, Nate Henschel, Marcus Keech

Charge: *The Legislative Committee will educate legislators representing the 7-county region on workforce development programs and their impact on the local economy. The group will advocate for resources and goodwill with state and federal legislators. The committee's role is **Connections** and **Advocacy**.*

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| 1. Welcome and Call to Order | |
| 2. Approval of April 16, 2024 Minutes | Action Required |
| 3. Stronger Workforce for America Act and Trade Adjustment Assistance | Discussion Item |
| 4. Fiscal Year (FY) 25 Budget | Discussion Item |
| 5. Legislative Visits/Tours | Information Item |
| 6. Updates from Members | Discussion Item |
| 7. Other Business | |

Next Scheduled Legislative Committee Meetings:

October 15, 2024

November 12 or 19, 2024-TBD



Legislative Committee

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Meeting ID: 223 741 863 960 Passcode: tT4qDD

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Tuesday, April 16, 2024 • 10:30 a.m. – 12:00 p.m.

MINUTES

Members: Jim Fisher (Chairperson), Nora Balgoyen, Mark Bergsma, Jeran Culina, Jay Dunwell, Marcus Keech

Present: Jim Fisher, Jeran Culina, Mark Bergsma, Jay Dunwell, Jacob Maas, Angie Barksdale, Janette Monroe

Charge: *The Legislative Committee will educate legislators representing the 7-county region on workforce development programs and their impact on the local economy. The group will advocate for resources and goodwill with state and federal legislators. The committee's role is **Connections and Advocacy**.*

1. Welcome and call to order by Chairperson, Jim Fisher at 10:32 a.m.
Jim requested introductions from those in attendance.
2. Approval of January 30, 2024 Minutes **Action Required**
Motion – Mark Bergsma
Second – Jeran Culina
Item Approved by Vote – Motion carried.
3. Nomination of Nate Henschel, Community Affairs Manager, Consumers Energy **Action Required**
Jacob Maas reported that Nate was recently appointed to the Workforce Development Board in February 2024. Nate previously served on the legislative committee and has indicated an interest in re-joining the committee. Jacob asked for approval to support the nomination of Nate to serve as a member of the Legislative Committee. A formal appointment from the Chairperson of the WDB will be requested in May 2024.
Motion – Mark Bergsma
Second – Jay Dunwell
Item Approved by Vote – Motion carried.
4. Stronger Workforce for America Act and Trade Adjustment Assistance (TAA) **Discussion Item**
Jacob Maas, Chief Executive Officer reviewed the document provided in the packet which outlines proposed changes that could impact the effectiveness and flexibility of local workforce development efforts in Michigan. In addition, the document also outlines how the Michigan Works! Association is advocating for the reauthorization of the Trade Adjustment Assistance (TAA) program. Discussion took place and Jacob and Angie answered committee members' questions. Jacob also reported that he and a few other MI delegates are doing a fly-in to Washington, D.C. on May 2nd to meet with and address some of these concerns with Senators.
5. Michigan Works! Association (MWA) 2024 State Legislative Priorities **Discussion Item**
Jacob Maas, Chief Executive Officer reviewed the state legislative priorities document provided in the packet. Discussion took place and Jacob answered committee members' questions.
6. Michigan Works! Association (MWA) Legislative Day Recap **Discussion Item**
Jacob Maas reviewed that there was good turn out for the legislative visits, meetings with legislators between two days with about 20 meetings with legislators.

Discussion Item

7. National Association of Workforce Boards (NAWB) Forum Recap
Discussion did not take place.

Discussion Item

8. Legislative Visits/ Tours
Discussion took place on past, present and future legislative visits. Staff are currently working on scheduling a couple more visits/tours over the next several months.

Discussion Item

9. Update from Members
Angie Barksdale reported that she is attending the National Skills Coalition (NSC) Summit in May.
Janette Monroe reported that Milinda Ysasi has stepped down from serving on the committee.

10. Other Business – None

11. Adjournment at 11:30 a.m. by Jim Fisher. Next meeting is scheduled for July 16, 2024.

Recorded by: _____ Received by: _____

From: Ryan Hundt <hundtr@michiganworks.org>

Sent: Monday, July 1, 2024 11:24 AM

Subject: FY25 Budget Updates

Good morning, everyone. Please see below for the latest budget updates as lawmakers wrapped up a marathon session in Lansing last week. As always, please let us know if you have any questions:

Budget Negotiations and Passage

In a dramatic and intense late-night session that started Wednesday at 10am and ran through Thursday morning at roughly 5:30am, the Michigan Legislature passed the 2024-25 fiscal year budget, reflecting a series of intricate negotiations and partisan divisions. The budget, amounting to \$82.52 billion, despite last minute negotiations mostly surrounding the school aid budget and shifting money related to the teacher's retirement system (MPSERS).

The voting on the budget bills proceeded largely along party lines, with Senate Republicans providing crucial support for the immediate effect of the budget (procedural vote) but not casting any votes in favor of the actual budget itself.

The MPSERS Fight

The recent budget negotiations in Michigan have been marked by significant contention, particularly regarding the Michigan Public School Employees Retirement System (MPSERS) and school funding. The school aid omnibus budget, passed early Thursday morning, did not include an increase in per-pupil funding, maintaining the foundation allowance at \$9,608 per pupil. This decision came despite earlier proposals from Governor Whitmer and the House and Senate for increases of 2.5%, 2.25%, and 3.1%, respectively. Instead, the budget focused on reducing pay-in rates for K-12 districts into the state pension fund, aiming to free up approximately \$600 million in additional per-pupil funding statewide. The reallocation of funds to lower the MPSERS employer contribution cap from 21% to 15.22% has been presented as a significant win for school districts, although it left many educational organizations dissatisfied with the overall lack of direct increases in school funding.

A major point of contention arose from the handling of SB 911, which aimed to make the lowered cap on retirement contributions permanent. While the bill passed in the House, it was not transmitted to the Senate, leading to frustration and accusations of betrayal among House Democrats and education groups. Rep. Samantha Steckloff (D-Farmington Hills) voiced her anger on social media, highlighting the potential \$400 per pupil that could have been directed to school districts. House Speaker Joe Tate (D-Detroit) acknowledged the situation, emphasizing that the transmission process was ongoing and reaffirming his commitment to continued discussions on MPSERS reform. The failure to advance SB 911 has been sharply criticized by educational leaders, who argue that it adds insult to injury following the omission of a foundation allowance increase in the budget. Calls for a supplemental budget to address these issues have been made by various education groups who continue to prioritize the issue.

Links to the budget bills and the fiscal analysis:

[SB 747 – Omnibus Budget Bill](#)

[SB 747 – Fiscal Doc](#)

[HB 5507 – School Aid Omnibus Bill](#)

[HB 5507 – Fiscal Doc](#)

Department of Labor and Economic Opportunity (LEO)

The final budget for the Department of Labor and Economic Opportunity (LEO) for the 2024-25 fiscal year includes several Major Funding Initiatives.

- Housing Programs: Over \$100 million in new funding for housing initiatives under the Michigan State Housing Development Authority (MSHDA) including missing middle.
- Business Attraction and Community Revitalization: \$100 million (\$40.6 million General Fund) allocated, though the conference did not include the governor's proposed \$20 million one-time General Fund bolstering.
- Venture Michigan Fund: A \$60 million one-time deposit to support startups and the state's innovation system.
- Going Pro Program: Funding set at \$54.8 million (\$45.2 million General Fund), with the conference not including an additional \$20 million one-time General Fund proposed by the governor.
- Economic Assistance Initiatives: \$45.5 million in one-time General Fund for economic assistance to businesses locating to or expanding within the state.
- Community and Worker Economic Transition Office: \$2.5 million General Fund for 10 full-time employees, half the funding and staff requested by the governor.
- At-Risk Youth Funding: \$5.7 million for the Jobs for Michigan's Graduates program.
- 2.5M in rural prosperity grants.
- 1M for a MI Skills fund (but I they messed up the agreed upon boilerplate so we will have to fix that in the fall and likely try to ask to increase the total pot by a couple million).
- 45M for a Talent and Growth line item to support initiatives providing economic assistance to businesses locating or expanding in Michigan, specifically around workforce needs. Funding would also support development of customized talent solutions to help fill identified needs in certain industries including for likely things like business collaboratives.

Exclusions and Reductions

Several one-time items proposed by the governor were not included in the final budget, such as funding for the build-ready sites program, Michigan marketing initiatives, and community and neighborhood initiatives. The Senate's proposal for \$201 million in one-time grants was significantly reduced to \$12.5 million, with \$10 million for minority-owned business support.

However, the negotiations on a major Economic Development bill package was debated, but never saw a vote this week pushing a lot of conversation on investment into housing, public transportation, placemaking, strategic site readiness, and economic incentives to the fall where we expect more debate and a fall supplemental that is likely to include investments in these areas.

Budget Bill Timeline

The budget bills now head to Governor Whitmer's desk for her signature, which is expected to occur in late July. However, it is important to note that Governor Whitmer possesses the authority to line-item veto any specific project or spending within the budget. This ability allows her to make targeted adjustments before finalizing the state's financial plan for the upcoming fiscal year. The Governor's signature will mark the end of the budgetary process, setting the stage for the implementation starting at the beginning of the fiscal year on October 1st.

Policy Items

As part of the budget negotiations, and in an effort to get all of the Democrats to vote in favor of the budget, a number of bills moved during the late night session including several that were discharged from committee and voted on without receiving a committee hearing.

Data Centers (Sales and Use Tax Exemptions) – Legislation that would exempt sales and use taxes from enterprise data centers ultimately did not receive a vote despite being on the agenda this week. The bills, which might have the most bi-partisan support of any controversial legislation this session has divided both the Democratic and Republican caucuses. The Democrats are largely split based on union vs environmental lines with organized labor supporting the bill that they believe will create jobs and grow communities while environmental groups have concerns about water and energy needs from these facilities. The Republicans are largely split between those who believe in economic incentives versus those who oppose them.

Economic Development Bills Bumped to Fall

Despite wide support from local government, transit, economic development, and business groups, the House did not act on SOAR changes that were on the agenda again this week. Speaker Tate indicated that discussions are still ongoing and they will work to advance the bill in the future. The package would use \$600 million annually in dedicated Corporate Income Tax revenue during the next 10 years split between business attraction, transit, housing, and community revitalization.

Similarly, bills to exempt sales and use tax for Data Centers (HB 4906 and SB 237) did not advance this week largely due to push back from the environmental community. The bills have strong bipartisan support inside the House caucuses, but there are splits on environmental quality from some Democrats and Republicans splitting on support of tax incentives. Despite numerous amendments and attempts to safeguard water and energy resources, the bills ran out of time to be considered. It is likely these will be taken up in the Fall.

Senate Introduces Charter Transparency Legislation

Democratic Senators introduced a package of bills aimed to increase transparency for charter schools in Michigan. Specifically, the bills look to:

- Require that education management companies provide detailed financial reports that include spending by educational management companies and authorizers.
- Require that contracts with educational management companies include language requiring financial audit reports. This requirement would impact new contracts.
- Bar the lease or purchase of buildings from an educational management company. Additionally, a board of a charter school that purchases or leases a building must demonstrate fair market value.
- Require that charter schools and educational management companies follow a similar bidding process to that of traditional public school districts.
- Require that a representative of the charter school authorizer attend two school board meetings per year and present an overview of the work they are doing to provide oversight for the charter school.

These bills have been referred to the Senate Education Committee where we expect hearings potentially this fall.

Redistricting Commission Selects Senate Map

The state's Independent Citizen's Redistricting Commission (ICRC) met this week and selected a Senate map to redraw seats for the 2026 election. The map was chosen this week after multiple rounds of voting failed to reach a constitutional majority. The body moved into a round of ranked choice voting, which led to 43 votes for the [Crane A1 map](#).

ICRC staff will now send the map to the three-judge panel that ruled the 2021 Linden Senate map as unconstitutional because the commission drew Detroit's seats with race as a predominant factor, a violation of the 14th Amendment's Equal Protection Clause. The court has until late July to approve the commission's work, but for now, the commission's redrawing work has been completed.

Some notes on the [Crane A1 map](#):

- Detroit is divided between three districts, one of which might prove challenging for Sen. Mary Cavanagh (D-Redford Township), instead of the current eight districts.
- New open seats in suburban Wayne County, one anchored in Dearborn, the other in Canton Township.
- A reworking of northern and western Oakland County and northern Macomb County to produce a northern Macomb County-heavy district where no incumbent currently lives.
- Stability for four swing district incumbents: Sen. Darrin Camilleri (D-Brownstown Township), Sen. Michael Webber (R-Rochester Hills), Sen. Veronica Klinefelt (D-Eastpointe) and Sen. Kevin Hertel (D-St. Clair Shores).
- The opportunity for Republicans to pick up a seat with Sen. Rosemary Bayer (D-Keego Harbor) pushed westward into a more conservative and competitive district.



Ryan Hundt

Chief Executive Officer
Michigan Works! Association

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Our upcoming training sessions are filling up fast! [Check out the training event schedule](#) to learn more and register today.

Legislative Visits/Tours
West Michigan Works!

Item #5

First Name	Last Name	District	Visits	Counties
Thomas	Albert	18	3/12/2024 -Leg Day	Allegan (part of), Barry, Calhoun (part of), Ionia (part), Kalamazoo (part), Kent (part)
Aric	Nesbitt	20	3/15/2023-Leg Day	Allegan (part of), Berrien (part of), Kent (part of), Van Buren (part)
Winnie	Brinks	29	3/15/2023- Leg Day 5/18/2023 SE Svc Center 3/12/2024-Leg Day met with Staff	Kent (part of)
Mark	Huizenga	30	3/15/2023-Leg Day 3/13/2024-Leg Day	Kent (part of)
Roger	Victory	31	3/15/2023-Leg Day 3/12/2024-Leg Day	Allegan (part of), Ottawa (part of)
Jon	Bumstead	32	3/15/2023- Leg Day 3/13/2024-Leg Day	Muskegon (part of)
Rick	Outman	33	provided packet-3/13/2024-Leg Day	Ionia (part), Kent (part), Lake (part), Montcalm, Muskegon (part), Newaygo, Ottawa (part)
First Name	Last Name	District		
Joey	Andrews	38		Allegan (part), Berrien (part), VanBuren (part)
Pauline	Wendzel	39	3/13/2024-Leg Day	Allegan
Matt	Hall	42	3/15/2023-Leg Day need to reschedule visit	Allegan
Rachelle	Smit	43	3/14/2023-Leg Day 4/21/2023- Barry Svc Center 3/13/2024-Leg Day	Allegan, Barry
Gina	Johnsen	78		Kent, Barry, Ionia
Angela	Rigas	79	3/13/2024-Leg Day	Allegan, Kent, Barry
Phil	Skaggs	80	3/12/2024-Leg Day 6/10/2024-GR SE Roundtable	Kent (part of)
Rachel	Hood	81	3/15/2023-Leg Day 3/13/2024-Leg Day	Kent (part of)
Kristian	Grant	82	7/14/2023-SE Svc Center 3/13/2024-Leg Day 6/10/2024-GR SE Roundtable	Kent (part of)
John	Fitzgerald	83	3/15/2023-Leg Day 9/18/2023-NW Svc Center 3/13/2024-Leg Day 6/10/2024-GR SE Roundtable	Kent (part of)
Carol	Glanville	84	5/26/2023- NW Svc Center 3/13/2024-Leg Day 4/19/2024-Constituent Services on the Road (NW staff) 6/10/2024-GR SE Roundtable	Kent (part of)
Bradley	Slagh	85	3/15/2023-Leg Day 3/12/2024-Leg Day	Ottawa (part of)
Nancy	DeBoer	86	3/13/2024-Leg Day 5/10/2024-Holland Svc Center	Allegan (part of), Ottawa (part of)
Will	Snyder	87	3/3/2023 - Muskegon 3/15/2023-Leg Day 12/8/2023 - Scherdel 3/13/2024-Leg Day	Muskegon (part of)
Greg	VanWoerkom	88	3/3/2023-Muskegon 3/15/2023- Leg Day 4/28/2023 - Holland Svc Center	Muskegon (part of); Ottawa (part of)
Luke	Meerman	89	3/15/2023-Leg Day 3/12/2024-Leg Day	Kent (part of), Muskegon (part of), Ottawa (part of)
Bryan	Posthumus	90	3/13/2024-Leg Day	Kent (part of)
Pat	Outman	91	3/13/2024-Leg Day	Ionia (part of), Kent (part of), Montcalm (part of)
Graham	Filler	93		Ionia (part of), Montcalm (part of)
Curt	VanderWall	102		Muskegon (part of)
First Name	Last Name	District		
John	Moolenaar	MI-02	3/28/2023-NAWB 5/3/2023 - NSC 8/4/2023 - Barry Svc Center 3/25/2024-NAWB	Barry, Clare, Eaton (part of), Gladwin, Gratiot, Ionia, Isabella, Kent (part of), Lake, Manistee, Mason, Mecosta, Midland(part), Montcalm, Muskegon (part), Newaygo, Oceana, Osceola, Ottawa (part), Wexford (part)
Hillary	Scholten	MI-03	3/28/2023- NAWB 5/4/2023 - Muskegon Svc Center	Kent (part), Muskegon (part), Ottawa (part)
Bill	Huizenga	MI-04	pending 2024	
Debbie	Stabenow	MI	3/28/2023 - NAWB	
Gary	Peters	MI	3/28/2023 - NAWB	
Tim	Walberg	MI-05	5/3/2023 - NSC	
Congr. Bobby	Scott	VA	5/3/2023 - NSC	