

CAPITOL NEWS UPDATE

WEEK OF JANUARY 4, 2021

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WHITMER ENCOURAGES SCHOOLS TO OFFER IN-PERSON INSTRUCTION

Gov. Gretchen Whitmer announced today that she is encouraging schools to begin offering some in-person instruction by March 1, and that it is now safe for K-12 students to return to classrooms.

The announcement comes after Whitmer's other announcement on Wednesday that Michigan will have opportunities for more people to get the COVID-19 Vaccine, including residents who are over the age of 65, teachers, and front-line workers.

Whitmer said she plans to include leaving the decision on reopening to local districts but requesting that districts provide some in-person instruction each week, along with maintaining safety protocols. Schools that do not offer in-person learning, however, will not be penalized.

Some schools in Michigan have only offered online instruction since March 15, 2020. In addition, the governor halted in person instruction at high schools on Nov. 15, then lifted this requirement before the Christmas break.

SENATE FISCAL AGENCY PROJECTING HEALTHIER BUDGET THAN PROJECTED

A report released by the Senate Fiscal Agency on Wednesday shows that Michigan has about \$1.4 billion more in its budget than projected in August. In addition, the August estimates represented a revision that was \$2.3 billion more than the May estimates.

Michigan ended 2020 with \$2.5 billion balance in the general fund, and \$1.2 billion in the School Aid Fund, which is \$811 million better than the August estimates.

The report shows that although the recession caused by the pandemic is unprecedented in the state, and employment fell sharply, both income and consumer spending increased, due to federal stimulus checks and supplements to residents collecting unemployment.

According to the report, there was "a less-than-expected economic decline related to the COVID-19 pandemic that boosted tax revenue, especially from individual income tax." This included taxes from unemployment checks, better-than-estimated sales tax, insurance taxes, and net corporate income taxes.

For 2021, the Senate Fiscal Agency is projecting a \$1.1 billion year-end general fund balance and an \$830 million year-end balance in the School Aid Fund. The Agency is saying there are a few anomalies which could change this including a difference in the way consumers handled the federal stimulus checks compared to past years, spending more than saving.

"Given the unprecedented changes in economic variables as a result of COVID-19 disruptions and the significant lack of timely information about other key variables, the current forecast suggests a significant number of risks and a large possibility for estimation error," the report said.

DEVOS RESIGNS AS EDUCATION SECRETARY

U.S. Education Secretary Betsy DeVos announced she is resigning effective today, Jan. 8 citing the impact President Donald Trump's rhetoric had in encouraging the attempted insurrection by his supporters at the U.S. Capitol on Wednesday.

"We should be highlighting and celebrating your administration's many accomplishments on behalf of the American people. Instead, we are left to clean up the mess caused by violent protesters overrunning the U.S. Capitol in an attempt to undermine the people's business. That behavior was unconscionable for our country. There is no mistaking the impact your rhetoric had on the situation, and it is the inflection point for me," DeVos wrote.

DeVos also wrote about her concerns for the children who are watching what is happening.

"They must know from us that America is greater than what transpired yesterday," she wrote. "To that end, today I resign from my position, effective Friday, January 8, in support of the oath I took to our Constitution, our people and our freedoms," she wrote.

DeVos became the second cabinet member, and one of several officials and staff members who have resigned since Wednesday including:

- **Elaine Chao**
 - the transportation secretary who is married to Senator Mitch McConnell of Kentucky
- **Mick Mulvane**
 - former acting chief of staff and most recently special envoy to Northern Ireland
- **Matthew Pottinger**
 - Deputy National Security Adviser
- **John Costello**
 - Deputy Assistant Secretary at the Commerce Department
- **Tyler Goodspeed**
 - acting chairman of the White House Council of Economic Advisers
- **Stephanie Grisham**
 - First Lady's Chief of Staff and former White House press secretary
- **Rickie Niceta**
 - Social Secretary
- **Sarah Matthews**
 - a deputy White House press secretary

DEMOCRATS CALL FOR BAN ON FIREARMS AT CAPITOL

Democratic legislators from Michigan have renewed calls for a ban on firearms inside the Michigan Capitol, with Senate Majority Leader Mike Shirkey saying he would support a ban on the open carry of firearms within the capitol, but not concealed carry.

The renewed debate comes after the U.S. Capitol was stormed during the Electoral College vote count on Wednesday, and after the state Capitol was closed Thursday as law enforcement officers investigated a bomb threat. The Michigan Department of Attorney General said a 48-year-old man from Charlotte had been arrested related to the threat.

HOUSE LEADERSHIP WANTS WHITMER TO RELAX BUSINESS COVID RESTRICTIONS

Incoming House Appropriations Chair Rep. Thomas Albert (R-Lowell) said that “before the Legislature can have meaningful conversations about the next steps in allocating federal COVID-19 relief funds,” Gov. Whitmer must begin talking about when the restrictions on Michigan’s economy will end.

"As the 101st Legislature prepares to convene next week, I am counting on the governor to be a full partner with lawmakers as mandated by our Constitution. I fully intend to employ the checks and balances required in our system of government. We will not simply hand over billions of taxpayer dollars to extend the current way of governing,” Albert said.

The Legislature and the Governor will need to revisit and resolve how the federal relief funds are allocated after Whitmer vetoed part of the \$465 million in supplemental spending which the Legislature appropriated for COVID-related needs last month. Her veto was related to the disapproval of a \$220 million allocation for the Unemployment Insurance Trust Fund. The veto also cancelled extended unemployment benefits, from a max of 20 to 26 weeks, for new jobless aid applicants.

MM&A Briefs

McCormack Re-elected Chief Justice

The Michigan Supreme Court justices unanimously voted to reelect Chief Justice Bridget McCormack to retain her leading seat for a second two-year term. McCormack was reelected as a justice in 2020 for a second eight-year term.

Laura Cox not seeking second term as Michigan Republican Chair

Laura Cox announced to her supporters this week that she will not be seeking a second term as Michigan Republican Party chair, as she had previously planned.

Cox notified supporters in an email on Wednesday. Challenger, and former chair, Ron Weiser is now expected to be elected at the state party convention in February along with his co-chair, Meshawn Maddock. Critics are attacking Maddock, however, for participating in the demonstrations in Washington D.C. on Wednesday.

Calendar of Important Events

Jan. 20 Sen. John Bizon (R) PAC fundraiser
Location: 8 a.m., Michigan Beer and Wine Wholesalers, Lansing