

CAPITOL NEWS UPDATE

WEEK OF MAY 24, 2021



McAlvey Merchant
& ASSOCIATES

WHITMER ANNOUNCES PLAN TO END K-12 FUNDING GAP IN STATE

Gov. Gretchen Whitmer announced a plan on Thursday to use a projected state budget surplus and funds from the American Rescue Plan to eliminate the K-12 per pupil funding gap between schools in lower and higher-income communities.

The plan addresses a nearly 30-year ongoing effort to equalize per pupil funding in Michigan. Whitmer's proposal uses \$262 million to increase funding in lower-funded districts to the same funding as higher-funded districts. She also plans to use \$402 million to increase overall per pupil funding by 4 percent (\$163/326 per pupil).

In addition, Whitmer's plan included:

- \$450 million over three years for districts to hire and retain more educators, psychologists, social workers, counselors, and nurses; and provide student loan debt relief for mental and physical health professionals in high-need districts.
- \$350 million to stabilize enrollment over 2 years for districts after COVID related unpredictability and pupil losses.
- \$500 million for school infrastructure and offset school district capital improvement costs.
- \$100 million to hire more guidance and career counselors.
- \$60 million for special education, including \$6 million for pre-employment training, a remote learning library expansion and hiring more qualified personnel.
- \$50 million to double funding for CTE and vocational and skilled trade programs.
- \$50 million for ongoing student mental health programs.
- \$41.5 million for literacy coaches, an increase of \$10 million from current law.
- \$20.4 million for at-risk students.
- \$12.2 million for English language learners.
- \$55 million to expand dual enrollment and early middle college programs.
- A 2% operational funding increase for community colleges.

The state's projected budget has a \$3.5 billion surplus, compared to a nearly \$3 billion deficit from the previous year. Her plan to end the K-12 funding gap, includes using over \$1.7 billion in unanticipated revenues to the School Aid Fund and over \$900 million for ongoing investments.

In the current fiscal year, school districts that receive the maximum foundation allowance get \$8,529 per pupil compared to school districts receiving the minimum per pupil funding at \$8,111. Today's gap of \$418 is far below the \$2,300 gap from the 1994-95 fiscal year.

MIXED SPIRITS BILLS SIGNED INTO LAW

Gov. Gretchen Whitmer signed a package of bills into law this week designed to reduce restrictions and make it easier for craft distillers and retailers to distribute and sell pre-packaged mixed spirit drinks.

The bipartisan legislative package included bills sponsored by Sen. Wayne Schmidt (R- Traverse City), Sen. Winnie Brinks (D-Grand Rapids), Sen. Jeremy Moss (D-Southfield) and Sen. Curt VanderWall (R-Ludington).

Currently under several different categories of laws in the state, the bills make the rules for spirit-based ready-to-drink cocktails even with wine or malt-based beverage distribution and sales – enabling them to be sold from any store that sells beer and wine, and making the excise tax more equitable.

Whitmer had pocket vetoed similar bills last year but signed the new versions of the bills this week at Long Road Distillers in Grand Rapids where she said the bills will help the craft spirits and liquor businesses in Michigan and create jobs.

“Ready-to-drink cocktails have experienced massive growth in the marketplace over the last few years and this legislation is a critical piece in ensuring that these products are able to compete on a level playing field,” Sen. VanderWall said

VACCINE REQUIRED FOR MACKINAC CONFERENCE GOERS

The Detroit Regional Chamber announced Thursday that people attending the Mackinac Policy Conference in September will be required to be vaccinated against COVID-19.

The chamber will also reduce attendance by more than 30 percent, and is asking attendees to bring face coverings, although masks are optional. It is also looking into a third-party technology company to verify conference attendee's vaccination status.

"The Mackinac Policy Conference will be among the first large high-profile events to occur as restrictions ease, and the Chamber as a business organization, has the responsibility to handle the event properly," said Sandy Baruah, president and CEO of the Detroit Regional Chamber.

Although there has been no indication that Governor Gretchen Whitmer's administration is going to use vaccine "passports" in the future, Republicans in the House have sponsored legislation which would ban COVID-19 vaccination passports which would require proof of vaccination status to access a public service or impose a penalty based on that status. The House did not vote on HB 4667 Thursday, as scheduled.

OUTDOOR COVID LIMITS TO END JUNE 1, INDOOR CAPACITY INCREASED

Gov. Gretchen Whitmer announced last week that as of June 1, Michigan will end all COVID-19 outdoor capacity and increase indoor venue capacity to 50 percent. In addition, almost all restrictions and limits are set to end on July 1.

Also, under the announcement, although bars remain at 50 percent capacity, an 11 p.m. curfew and 100-person limit on indoor dining capacity will be lifted June 1.

The announcement is a change from Whitmer's "Vacc to Normal" plan from several weeks ago, with Whitmer citing the U.S. Centers for Disease Control and Prevention's revised guidance for the change. The CDC said that fully vaccinated people are safe, maskless, in almost all activities. Also, that outdoor activities are safe for vaccinated and unvaccinated individuals.

MM&A BRIEFS

COVID CASES AT 8-MONTH LOW

The seven-day average for new COVID-19 cases in Michigan dropped to 800 this week, the lowest number since 761 new cases in September. Hospitalizations and the percentage of people tested for the virus who tested positive are also down. In addition, 58.5 percent of Michigan's population age 16 and older have had at least one dose of a vaccine as of Thursday, May 27.

CALLEY TO TAKE SBAM REINS AFTER FOWLER RETIRES

The Small Business Association of Michigan's current President Brian Calley will replace retiring CEO Rob Fowler at the end of the year as CEO and President.

Fowler has been with SBAM since 2000, becoming president and CEO in 2003. Calley took over as president in 2019 after his position as the lieutenant governor ended.

"Serving Michigan's small businesses for the past two decades has been my honor. While retirement is bittersweet, I'm extremely proud of what SBAM has become and the work we have achieved on behalf of small business owners. I have no doubt that SBAM's influence and effectiveness will continue growing under Brian Calley's leadership," Fowler said in a statement.

CALENDAR OF IMPORTANT EVENTS

June 2

Rep. Andrea Schroeder (R-Independence Twp.) Birthday Reception

Location: 8 a.m., Karoub Associates, Lansing

Rep. Julie Rogers (D-Kalamazoo) Rise 'n Shine Breakfast

Location: 8 a.m., Michigan Associates of Counties, 110 W. Michigan Ave. Suite 200, Lansing

Sen. Stephanie Chang (D-Detroit) Fundraiser

Location: 8:30 a.m., Michigan Beer and Wine Wholesalers Association, Lansing

120 W. Ottawa St., Lansing, MI 48933

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- June 2** **Sen. Dayna Polehanki (D-Livonia) for State Senate**
Location: 11:30 a.m., Midtown Brewing Company, Lansing
- Friends of Sen. Erika Geiss (D-Taylor)**
Location: 4:30 p.m., Michigan Beer and Wine Wholesalers Association, Lansing
- June 3** **Sen. Michael MacDonald (R-Macomb Twp.) Moving Macomb**
Location: 8 a.m., Karoub Associates, Lansing
- Rep. Pamela Hornberger (R-Chesterfield) for State Senate**
Location: 6 p.m., Shelby Gardens, 50265 Van Dyke Ave., Shelby Twp.
- June 7** **Rep. Sarah Lightner (R-Springport) Majority Fund Golf Outing**
Location: 9:30 a.m., Burr Oak Golf Course, 3491 North Parma Road, Parma
- June 8** **Rep. Alex Garza (D-Taylor) Happy Hour Reception**
Location: 4:30 p.m., Michigan Beer and Wine Wholesalers Association, Lansing
- Great Lakes First Fund with Guest Sen. Curt VanderWall (R-Ludington)**
Location: 5:30 p.m., Capital Prime, 2324 Showtime Dr., Lansing
- June 9** **Rep. Luke Meerman (R-Coopersville) Reception**
Location: Karoub Associates, Lansing p.m.
- Rep. Bronna Kahle (R-Adrian) Breakfast Reception**
Location: 7:30 a.m., Michigan Beer and Wine Wholesalers Association, Lansing
- Rep. Matt Koleszar (D-Plymouth) Summer BBQ**
Location: 4:30 p.m., Michigan Beer and Wine Wholesalers Association, Lansing
- June 10** **Rep. Andrew Beeler (R-Fort Gratiot) Reception**
Location: 8 a.m., TBD
- Sen. John Bizon (R-Battle Creek) CTE**
Location: 4 p.m., Tin Can Bar, 408 East Michigan Ave, Lansing
- June 11** **Rep. Phil Green (R-Millington) Fundraiser**
Location: 9 a.m., The Timbers Golf Club, 7300 Bray Rd., Vasser
- Kent County Treasurer Peter MacGregor (R) MAC PAC Fundraiser**
Location: 9 a.m., Scott Lake Golf & Practice Center, 911 Hayes Road North East, Comstock Park