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CAPITOL NEWS UPDATE

WEEK OF JULY 28, 2025



FROM THE PARTNERS DESK

Maureen Watson-Bolger

The Legislature is hitting the one-month anniversary of missing the July 1st budget deadline. While Senate did complete and send over both School Aid and General Fund budgets, the House has only voted on school related budgets and has not yet taken a crack at a General Fund budget. School related groups have ramped up their calls for a budget as they are now one month into their fiscal year with no solid revenue estimates from the State. No action is expected until the Constitutional October 1 deadline and the possibility of shutdown looms.

The House failed to pass even policy bills last week when House Republicans didn't have a quorum of their own members and democrats held their support. Without enough Republicans present and voting at session, no legislation could get to 56 votes. Tension erupted between the caucuses with the Speaker ultimately punishing democrats for the lack of votes. The top Democrat on the Appropriations Committee was removed from his position and has not yet been reappointed.

Difficult relationships aren't the only barrier to getting the budget done. The expected revenue the Legislature has for FY 25-26 is also getting tighter by the day. In May the revenue projections decreased \$320 million from January's estimate. Now, further reductions are expected from the passage of the One Big Beautiful Bill at the Federal Level. Estimates range on the impact and are still being completed but none have been less than the \$677 million House Fiscal reported, and the Citizens Research Council has published an estimate of a loss of \$1.1 billion in revenue. (Other estimates from the State Budget Office and Senate Fiscal are not yet available).

At a time when Legislators were already looking for state revenue to divert to fund roads the loss of hundreds of millions to over a billion dollars will seriously strain resources making reductions more and more real. Whether it's in areas where the federal dollars were lost that the State can't afford to backfill or in new reductions driven by scarcity of dollars forcing a change in priorities at the State level, difficult budget decisions lay ahead in September.

SCHOOL GROUPS SAY BUDGET MUST HAPPEN, REGARDLESS OF ROADS PLAN: 'STOP PUTTING CONCRETE OVER KIDS'

Education leaders had a simple message for lawmakers during a Tuesday round table: come back to Lansing and pass a budget – now.

District administrators and statewide education advocates stressed the impact of the Legislature not reaching a budget deal by the July 1 deadline on local schools and students, saying lawmakers have forced educators to make impossible financial decisions without the necessary information.

Almost a month after the deadline, the lack of a budget is still a thorn in the side of the education community – but adding insult to injury, advocates said, is the renewed conversation among lawmakers and the governor's office about tying any budget to a road funding deal.

"We need a budget that is sustainable, significant, and one that invests in programs that serve Michigan's most vulnerable students. To be clear, we do not have a budget because of this manufactured crisis," Michigan Alliance for Student Opportunity Executive Director Peter Spadafore said. "The fact that the legislature broke the law and missed the deadline is not because of a lack of resources or outside factors. Holding up the budget to pave the way for a road deal is unacceptable, and every day that ticks by only makes the situation worse, and real consequences are already being felt across the state."

Some of those consequences, Spadafore said, include districts having to release or not renew agreements with contracted employees like literacy coaches or school resource officers, or being unable to fill vacancies in staff positions until a budget is passed.

"We are putting concrete over kids. It's been stated that we will not see a school budget until we see a roads budget," Van Dyke Schools Superintendent Piper Bognar said. "We are building roads on the backs of our children. Think about that. Think about your children being second place to roads. This is not potholes versus preschoolers here, we're talking about our most valuable resource in the state."

Spadafore said previous iterations of road funding plans have included methods to backfill losses to the School Aid Fund under sales tax changes, but as more and more legislative priorities depend on pulling money from schools, lawmakers have shuffled Michigan students to the back burner.

"Now it has become a situation where, as more and more dollars come out of the School Aid Fund to pay for higher education, to remove the sales tax on fuel, to pay for roads, to talk about paying for other non K-12 related functions, the policymakers here in Lansing have set up that false choice between roads and students, and that's why we're here to say, 'don't do that,'" he said. "Get the job done, get our budget done right, and then figure out what's left to cover up the other resources that are necessary. We've long since advocated that there aren't enough resources in the state to do everything, and I think that's becoming painfully clear as lawmakers continue to add to the list of their number one priorities and don't have the resources to cover them."

Currently, to meet the deadline of their own fiscal calendar, school districts around the state formed their budgets for the upcoming school year around last year's per-pupil foundation allowance. However, administrators said, even if there was movement on a budget in recent weeks, the distance between House and Senate versions of what the School Aid Fund should look like only enhances the uncertainty.

"We're not just talking about the fact that we don't have a budget, but we're also talking about the fact that the proposals of the way that the budget would be allocated are significantly different, and we have not had a situation in Michigan where we have no categoricals," Michigan Association of Secondary School Principals Director Wendy Zdeb said of the budget House Republicans passed earlier this summer.

"That's a whole different mindset and a way of approaching it, and it's going to create winners and losers, because essentially, you're going to have districts that have a higher proportion of high-need students, that are English language learners, that are special education that have significant at-risk factors," Zdeb continued. "And if those factors aren't being accommodated by the budget, those districts probably aren't going to see the kind of funding that they have in the past to be able to support those students."

With the uncertainty and delay in the budgetary process, coupled with near-constant back-and-forth in the courts regarding President Donald Trump's sweeping changes to education at the federal level, Zdeb said members of her organization have reported that they're planning for larger class sizes and fewer individual course offerings this school year.

"We know parents don't want large class sizes," Zdeb said. "We know that parents want their kids to be able to have those individual course offerings that really meet their needs, and we can't provide that if we don't know what to anticipate in terms of funding. So, it's both a staffing and a programming perspective that's concerning to us."

Michigan Association of Superintendents and Administrators Executive Director Tina Kerr said funding questions at both the state and federal levels have the potential to create a perfect storm of devastation for public schools.

"In addition to the uncertainty in Lansing, we're dealing with uncertainty in the threat of funding cuts from Washington, D.C.," Kerr said. "The administration has proposed a budget cut for next year that would cut funding by 15% and there's no certain certainty that (the state Legislature) will avoid a government shutdown in September, (so) we're looking at a true nightmare scenario in September, the first full month of the school year, where Michigan public schools are looking and having no idea if they will receive state and federal programs or funding."

Many of the programs supported by state and federal funds, Spadafore said, help service the state's highest need students or ensure school districts can comply with statute and implement programs passed by the Legislature.

"I've talked to several of my members that they're waiting to sign contracts for things like safety, school resource officers, paraprofessionals, literacy coaches, things like that that have been specialized funding categories because there is such a large amount of daylight between what the Governor proposed, what the

House proposed, and what the Senate proposed," he said. "We have no idea how to budget for that, so money you may have typically earmarked for school safety and mental health, you now have to hold off to even know if that's going to be there in the budget."

As lawmakers continue to hold session with no attendance and no voting, or decline to come to Lansing entirely, the educators said making students a bargaining chip in the negotiations for a road funding plan stand to only prolong the process and put schools in the lurch come September.

"Public education was created to be the great equalizer, not a pawn," Bogner said. "We need to make sure that we are serving our students and again, not throwing aside our babies for roads. We need to put our resources into schools and keep that school aid money in our schools."

CITIZENS RESEARCH COUNCIL PROJECTS \$1.1B HOLE IN FY2026 BUDGET DUE TO FEDERAL TAX CHANGES

Lawmakers should be prepared to patch a billion dollar hole in the governor's executive budget proposal following federal tax and spending changes passed earlier this month, the Citizens Research Council of Michigan said in an analysis released Tuesday.

Its analysis focused on the effects of the federal budget bill signed into law on July 4. Between a reduction in Corporate Income Tax revenue and elimination of the insurance provider assessment as part of the Medicaid program, the shortage for the upcoming fiscal year was projected to be about \$1.1 billion.

"This will add an extra hurdle to a budget process already well-behind the state's typical budget timelines and still facing a major challenge in resolving partisan differences on the issue of how to add additional revenues for road infrastructure," the analysis states.

In its analysis, the Citizens Research Council noted the recent House Fiscal Agency report stating that the federal budget bill could result in a \$677 million reduction in revenue for the upcoming 2025-26 fiscal year. The HFA projected the revenue shortage would come from federal changes to what businesses pay in Corporate Income Tax. The shortfall would fall to \$46 million by the 2033-34 fiscal year.

The lion's share of the Citizens Research Council analysis focused on the Medicaid and the Supplemental Nutrition Assistance Program.

It estimated that the federal tax law changes would also eat into about 40 percent of Michigan's General Fund revenue growth by fiscal year 2032.

Under the federal law, existing Medicaid provider taxes cannot be increased, and no new ones can be established. Michigan has four such taxes in place, for hospitals, nursing homes, health insurers and ambulance providers. Only the hospital and health insurer taxes would be affected by the federal law since they are above the 3.5 percent cap enacted by the federal law.

This would have a significant effect on the Michigan Quality Assurance Assessment Program, the largest provider tax in the state. The rate reduction of the provider taxes begins to be reduced in fiscal year 2029, from 5% and lowering by 0.5% increments yearly down to 3.5% percent in fiscal year 2032.

A portion of the provider tax known as the state retainer, which offsets General Fund dollars, would see a decline of \$21 million in 2029 before rising to \$63 million in fiscal year 2030, \$112 million in 2031 and \$165 million in 2032.

The amount of tax-supported Medicaid payments to hospitals would all begin to grow beginning in fiscal year 2029, with a reduction of \$221 million. This would rise to \$672 million in fiscal year 2030 and to \$1.16 billion in 2031 and \$1.72 billion in 2032.

"Faced with this new fiscal reality, state policymakers will have to make a major decision impacting Medicaid funding to hospitals in the coming years," the analysis states. "Policymakers will need to decide the extent to which hospitals will have to endure this Medicaid revenue loss through lower reimbursements."

General Fund spending would be necessary to avoid hospital payment reductions.

To hold hospitals harmless, \$66 million General Fund would be needed in fiscal year 2029 before growing to \$202 million in 2030, to \$348 million in 2031 and \$515 million in 2032.

This would amount to \$680 million General Fund needed by fiscal year 2032 to cover lost retainer savings and hospital reimbursements through the Michigan Quality Assurance Assessment Program to fully cover against losses.

For SNAP, states may have to pay up to 15% of benefits beginning in fiscal year 2028. This will depend on a state's SNAP error rate, which is determined each year by a quality control process that reviews a sample of SNAP cases to determine accuracy of eligibility and benefit amount determinations.

If the error rate were less than 6%, the state would not pay more. For states with an error rate between 6% and 7.99%, the state must pay 5% of the SNAP benefit share. When the error rate is between 8% and 9.99%, the state share rises to 10% and if a state's error rate exceeds 10%, the state must pay 15% of the SNAP benefits.

The cost to Michigan if it had to pay 5% of SNAP benefit costs would be \$155 million per year, which would rise to \$310 million if it had to pay 10% of the benefit costs and \$465 million if it had to pay 15%.

Michigan's SNAP error rate in fiscal year 2022 was 13% but fell to 10.7% in 2023 and 9.5% in 2024.

The analysis states the Legislature and governor's office have a tough task ahead to determine how it will address the shortfall in finalizing the budget this fall.

Developing a new consensus revenue estimate is needed, the Citizens Research Council recommended. Traditionally, the state holds revenue conferences in January and May while crafting a budget. In 2020 there

was also a rare August Consensus Revenue Estimating Conference due to uncertainty over revenues in the early months of the coronavirus pandemic.

The analysis also suggested holding back \$450 million from the General Fund to account for the likely loss of insurance provider assessment funding. Further, it said discussions on road funding need to be shaken up due to the changes in federal tax policy.

"For years since the onset of the COVID-19 pandemic, Michigan experienced an unexpected state revenue high driven largely by federal stimulus initiatives," the analysis states. "Michigan now faces an added budget challenge that will be particularly severe over the next few budget cycles. State lawmakers should get to work on developing a budget plan that takes into account these new realities."

Senate Appropriations Committee Chair Sen. Sarah Anthony, D-Lansing, in a statement said her office has been monitoring the actions of President Donald Trump's administration, which she called reckless.

"The recent report from the Citizens Research Council – projecting a more than \$1 billion hit to our state budget – confirms what we've feared all along: devastating consequences for families across our state," Anthony said. "While Speaker Hall follows Washington Republicans' lead in putting politics over people, Senate Democrats remain at the negotiating table, committed to deliver a fiscally responsible budget that ensures Michiganders do not bear the brunt of these dangerous federal cuts."

House Appropriations Committee Chair Rep. Ann Bollin, R-Brighton, said she and her caucus have been reviewing the potential effects of the federal budget bill and the Citizens Research Council analysis is in line with what was expected.

The changes will require the state to reevaluate how taxpayer dollars are spent. Bollin said she believed by eliminating waste, fraud and abuse while targeting funding toward top priorities including roads, schools and health care, the state will be able to complete a structurally sound budget.

"I do think it's radically going to change things," Bollin said of the federal changes. "I think we will move forward with a plan that funds all of our top priorities."

Department of Technology, Management and Budget spokesperson Lauren Leeds in statement said the federal law is still under review.

"The State Budget Office will continue working with department and agency partners to fully understand the impacts of this legislation on the state and our residents," Leeds said. "We look forward to working with the Legislature to pass a balanced and bipartisan budget that prioritizes the core services that Michiganders rely on each day."

HOUSE, SENATE NOT TAKING UP EACH OTHER'S BILLS AMID LOW NUMBER OF PUBLIC ACTS

Since the legislative term started in January, the House and the Senate have delivered just six bills to Gov. Gretchen Whitmer's desk over the course of nearly eight months despite each chamber passing more than 100 bills that could potentially be considered by the other side.

Bipartisan bills are being caught up in legislative gridlock, a Gongwer News Service analysis showed.

A total of 145 bills passed the Senate, some of which House leadership has declared they are uninterested in pursuing. The House has taken up three Senate bills in committee so far this term.

The House has passed 152 bills. Of those, only 21 have been taken up by the Senate for a hearing.

Among those bills passed by the Senate are SB 1 and SB 2, which is the latest Senate version of legislation to expand the Freedom of Information Act to include the Legislature and governor's office, which some exemptions.

Hall previously has called the Senate FOIA bills watered down, adding he does not plan to take them up.

Only three Senate bills, other than those that have become public acts, have been heard by House committees so far this session. All three were introduced by Senate Republicans.

The first is SB 41, a memorial highway designation. Another, SB 71, would designate the Mackinac Bridge as critical infrastructure, while SB 303 would update the interstate medical licensure compact.

"There's kind of a logjam of bills that each chamber already has sent each others' way ... from the Senate Democrats' perspective, it's all hands on deck," Senate Majority Leader Winnie Brinks, D-Grand Rapids, said in an interview with Gongwer News Service.

Brinks said it has been frustrating to see the lack of movement so far this session compared to the high volume of items that were able to be worked on and moved last session under full Democratic control of the Legislature.

"It's just been a very frustrating first six months," Brinks said. "There could be a better record of working together to get things done."

It is also frustrating for other members, she said, who came to Lansing to get things done and see some priorities get across the finish line rather than seeing a long period of legislative gridlock.

With the budget being the top priority, she said her hope is that once that is complete there can be more collaboration between the two chambers.

Of the 21 House bills that have been heard by Senate committees, nine were taken up for testimony only by the Senate Appropriations Committee. The bills make up the House's \$3.1 billion road funding plan (HB

4180, HB 4181, HB 4182, HB 4183, HB 4184, HB 4185, HB 4186, HB 4187 and HB 4230), which Republicans said could be funded within the existing budget but drew questions from Democrats.

Several House bills that have been heard by Senate committees are ones with potentially broad bipartisan support.

Four bills heard by the Senate Civil Rights, Judiciary and Public Safety Committee are examples. The committee has heard bills that would eliminate the sunset on the sales and use tax exemption on firearm safety devices (HB 4025 and HB 4026) and a ban on nonconsensual creation or dissemination of AI-generated sexual images (HB 4047 and HB 4048).

The Senate Health Policy Committee has also heard four House bills in committee: HB 4101, HB 4103, HB 4104 and HB 4380, which deal with enacting a physical therapy licensure compact.

Two bills have been taken up by the Senate Local Government Committee: HB 4081 and HB 4090. The first bill would enable municipalities to divide land into additional parcels or tracts if the land met standards established by the municipality. HB 4090 is now PA 6 of 2025 and allows the state to convey a parcel of land that hosted the Mound Correctional Facility and the Ryan Correctional Facility.

Two memorial highway bills have been reported by the Senate Veterans and Emergency Services Committee and are waiting on floor votes.

Another bill, HB 4065, sponsored by Rep. Joe Aragona, R-Clinton Township, would make it easier for Macomb Community College to obtain a liquor license for scheduled events at its conference space.

In the Senate, Sen. Paul Wojno, D-Warren, introduced a Senate version of the bill, SB 73.

The House bill passed its bill in March 101-7 and was sent to the Senate Regulatory Affairs Committee. The Senate has not taken it up.

The Senate bill was introduced in February and passed at the end of June, 35-1. It was sent to the House Regulatory Reform Committee.

"There's been a bit of a gridlock, but once that gridlock breaks, one of them is ready to go – either mine in the Senate or his over on my side," Aragona said of the legislation. "I would have brought his up by now if it was in Reg on my side and at least had a hearing. If nothing else, we could have brought more light to the situation."

Aragona had high praise for Wojno and his bill.

"Paul's worked hard on it, and he's done a great job," he said. "He represents Macomb County well. We work well together. He does well for Macomb County. He's a good guy, but hopefully we can get it done sooner rather than later. At this point, it's probably going to be something more for next season, unfortunately."

Aragona said the lack of movement is beyond partisan and speaks to the broken relationship between the chambers right now.

"It can't be a partisan thing," Aragona said. "Will Snyder had a bill that there's no deals cut or anything. I just looked at it. It's a good bill. Got sponsored by a member of the minority here, but it was a good bill, so took it up a couple of months ago, helped him get it off the floor here, sent it over to the Senate, and for some reason the Senate still isn't taking it up. ... I'm assuming leadership over there just doesn't like it because it's a House bill."

That discord, in Aragona's view, is rooted in leadership, but rank-and-file memberships are catching strays.

"When we're clearly sending Democrat bills over that aren't tie barred to Republican bills, I mean, how are you not taking up your own caucuses bill that are bipartisan bills," Aragona said. "If you're Winnie Brinks, you can't really look at Hall and say, how dare you send this bill over. ... For them to hold up stuff like that, that's not good governance."

House Speaker Matt Hall, R-Richland Township, said Democrats were at fault.

"I find it very perplexing how fractured Democrats are," Hall said. "It's the House Democrats and the Senate Democrats that are blocking. I put forward a plan to fix our roads without raising taxes but putting people above corporations. If you just stop doing all the giveaways to corporations, you can fix our roads without raising taxes ... whether it's on this, on the roads or on the proposed education, it's really throwing a lot of things into turmoil here in Lansing as we're trying to move forward on a proposed solution and important policies."

If the Senate had sense, Hall said, they would be voting on the big policy initiatives the House wants to pass.

"We're moving a lot of big things, and many are bipartisan, but these legislative Democrats are holding these things out for political reasons," Hall said. "And the public's going to suffer because of that."

House Minority Leader Ranjeev Puri, D-Canton Township, pointed to disfunction within the House Republican Caucus.

"They have a bigger vote cushion than we did last term, and yet they still are unable to get votes across the finish line," Puri said. "And I think the conversation should be about why we were in for a day of session, seven hours or something, of not a single vote actually getting across the finish line."

Sen. Sam Singh, D-East Lansing, said a large majority of bills the Senate has sent over to the House have some level of bipartisan support, so it is disappointing to see Hall's refusal to take up policy bills.

He pointed to the negotiations earlier this session to amend paid sick time and minimum wage laws, saying bipartisan work is possible when all parties are interested in coming to the table.

Singh took aim at Hall over the lack of negotiations on the budget, adding Senate Democrats have passed their budget proposals and stand ready to sit down, set targets and begin talks.

"There's a strong level of control from the speaker's office," Singh said, adding Hall is exerting a high level of control over what committees can move on from the budget to policy items.

He said his hope is that Hall at some point realizes that he needs to work with others to get things done and a more collaborative spirit can take hold in the Legislature.

"There's a point when people have to decide ... whether they want to govern," Singh said.

Rep. Matt Maddock, R-Milford Township, said during a recent appearance on WKAR's Off the Record that the less the Legislature gets done in Lansing, the better.

"Democrats aren't going to do anything good for Michigan," Maddock said. "The handful of bills that have passed have been nonpartisan."

Although Maddock may be celebrating the lack of activity, his opinion may not be the guiding philosophy for the House Republican Caucus.

Hall, during a press conference last week, said House Republicans were trying to move legislation, but again, faulted Democrats.

"I just wish we had more good partners to work with," he said.

Aragona said that the quality of the bills was more important than the quantity.

"If we pass 20 bills, great. If we pass 200 bills, great. It should just be good governance," Aragona said. "We have a system set up that the bills, or I should say the laws, actually get signed. It's a slow and arduous process. ... I don't think it should be more or less. I think it should be quality, and it should be process."

HOUSE IMPLODES: FARHAT BOOTED AS DEM APPROPs LEADER AFTER GOP FAILS TO PASS POLICY BILLS

Thursday's House session ended with the lead House Democrat on budget issues kicked out of his post after House Republicans failed to get several bills over the finish line.

The change is likely to throw a wrench into budget negotiations, which are already tenuous nearly a month after the July 1 statutory deadline.

House Speaker Matt Hall, R-Richland Township, removed Rep. Alabas Farhat, D-Dearborn, as minority vice chair of the House Appropriations Committee

immediately following his no vote on a bill sponsored by House Republicans that would make changes to life without parole sentencing for 19- and 20-year-olds.

"This town is a f---ing mess," Farhat said to reporters after House session. "It's a f---ing mess in Lansing right now, unequivocally. ... I believe when you govern, you want to govern through consensus. And what we're seeing right now is this ideology being pushed where if a Republican works with a Democrat, contrary to the speaker is saying, then you've got to hate the Republican, and if a Democrat works a Republican, you've got to hate the Democrat. This is all being pushed to strangle negotiations. This is impacting our ability to do a budget."

The House spent seven hours in session on Thursday and failed to pass any bills.

Two bills went up on the board: HB 4141, which would ban students from using their cell phones in schools, and HB 4506, which would allow prosecutors to seek life without parole for 19- and 20-year-olds convicted of certain crimes and more time for resentencing hearings for current cases.

Both bills failed.

House Republicans had attendance issues on Thursday. Rep. James DeSana, R-Carleton; Rep. David Martin, R-Davison; and Rep. Pauline Wenzel, R-Watervliet, were not present. Several House Republicans said that DeSana was present in Lansing on Thursday, but he did not attend session because he felt that the House should be taking up other legislative priorities.

HB 4141 failed 53-45, though Rep. Mark Tisdell, R-Rochester Hills, said House Democrats assured him he had support.

"We thought we had the votes necessary, but I guess this was an opportunity for them to flex a little bit and jam us up for fun," Tisdell said. "I would have liked it to go up on the board when all of our members are here ... and I thought (I had) close friends on the other side of the aisle ... but it was just one of those days where politics prevailed in Lansing, which is like, lo and behold, there's gambling at the casino."

It smacked of some payback after Hall had his caucus oppose all bills late last year during Democratic control, but Democrats were unable to act because of attendance issues. Hall led Republicans in a walkout that left the House without a quorum because of the Democratic attendance problems. Democrats attempted to create a similar issue with quorum, but because 55 Republicans were marked as present for attendance and Minority Floor Leader John Fitzgerald, D-Wyoming, was on the floor, the chamber had the needed 56 members for a quorum.

Rep. Sarah Lightner, R-Springport, faulted her caucus.

"I'm so disappointed that we have members of our own caucus who were here today who chose not to come to session and do their freaking job," she said. "It's disgusting."

Lightner said she was supportive of a resolution that would dock legislators' pay when they are not in Lansing to vote.

"If we have to take action on our own member, we have to take action on our own members," Lightner said.

Lightner sponsored HB 4506, which went up for a vote twice. The first time it failed 55-42. It was reconsidered and put back up for a vote, and it failed 55-43. Farhat, who was excused from the vote the first time, voted no the second time.

Lightner said that Republicans made concessions to eliminate consecutive sentencing originally included in the bill to get Democratic votes, but House Democrats still voted against the bill.

"I am so mad and angry at lots of members in this Legislature today because they just slapped all victims in the face and give more respect to these pieces of crap than people that have lost their lives and the families of the victims that have lost their lives," she said. "It's sickening and disgusting, and I hope we can work through the process, get all our stinking members here and vote on good policy that actually prioritizes victims."

Farhat said he never agreed to vote for the bill, but he was engaged in conversations about it.

"Part of working in good faith is talking about how you make policy better. I think the difference is, when you have a caucus, that I represent, that I'm a member of ... that gets not even more than 30 second to read anything, when you have a process in which it's 'might is right' and you're in a spot, you have to vote, you have to be accountable to the positions you're put it, that's not how I operate," he said. "I'm not somebody who gets bullied, or bought, or pushed around. I'm somebody who came here to do serious things on their merits The policy is one I think we should continue to discuss ... but there was never an agreement."

Immediately after Farhat voted no, the House clerk read in a letter from Hall removing Farhat as minority vice chair.

"From what I can see, he's not getting the job done," Hall said at a press conference following session. "I've done a lot of deals with Democrats over the last several years. I always follow through on the things that I said I was going to do. ... We need somebody that is really going to represent the Democrats and somebody who can honor their commitments. That's what we want to get under the bipartisan budget."

Hall made it clear that he also removed Farhat for not agreeing to a deal on the K-12 education budget on July 1. He has not yet named a replacement. Hall picked Farhat for the minority vice chair role even though House Minority Leader Ranjeev Puri, D-Canton Township, recommended Rep. Will Snyder, D-Muskegon.

"We're going to interview some of the other legislative Democrats," Hall said. "Someone who when they make a commitment is going to follow through because that's critical to the budget process."

Hall said Democrats should empower Gov. Gretchen Whitmer to negotiate on their behalf.

"If Democrats were smart, they would follow her, because she's a lot more popular," he said. "If they were smart, they would follow her and support her on the budget, because I think she's demonstrated that she knows how to get it, and she knows how to work together."

Hall said that he offered House Democrats multiple deals on priorities their caucus wanted to see passed, but they rejected all of them. House Democratic sources speaking on background confirmed that Puri rejected several deals on Thursday to deny Republicans the votes they needed to pass legislation.

"We need to be asking why we were brought in to not have a single bill voted out," Puri said. "We waited around and twiddled our thumbs for hours and hours and hours. It was very clear early in the day that this wasn't going to go anywhere. ... There is just a really stubborn mindset in the speaker who refuses to understand that he is not the judge, jury and executioner of all things in Lansing. And until he realizes that he needs our help, things aren't going to get done."

Now that Farhat is no longer the minority vice chair of the House Appropriations Committee, it's unclear who will be part of negotiations in the House.

"I can tell you who's not – Ann Bollin," Farhat said, referring to House Appropriations Chair Rep. Ann Bollin, R-Brighton. "I got moved because I was someone who wanted to fight for values. What you see with the speaker is a consolidation of every aspect of power on this side of the chamber. You're seeing him handle the conversation. You're seeing him handle those things, and you're seeing him also pick who negotiate on behalf of Democrats, which he did, but not just negotiate what they're allowed to stand on for principle and what Democratic values they're allowed to defend.... There's a legislative process that has to play out that the speaker has shown an unwillingness to do this time."

CALENDAR OF EVENTS

- August 3** **Rep. Natalie Price (D) - Campaign Kickoff**
Lawson Park, 1300 Longfellow Ave, Royal Oak, 4 p.m.
- August 4** **Rep. Donni Steele (R) - First Annual Golf Outing**
Indian Wood Golf Course, 1081 Indianwood Road, Lake Orion, 8 a.m.
- Rep. Will Snyder (D) - In-District Sunset Cruise Fundraiser**
Aquastar Cruises, 560 Mart Street, Muskegon, 7 p.m.
- August 5** **Local Elections, 7 a.m.**
(Millage votes, municipal elections, other local proposals)
- August 12** **Sen. Joe Bellino (R) - Summer Bash**
Michigan Beer and Wine Wholesalers Association, 332 Townsend Street, Lansing,
8:30 a.m.
- August 15** **Rep. Sarah Lightner (R) - Grow MI PAC's 5th Annual Golf Outing**
Burr Oak Golf Course, 3491 N Parma Rd, Parma, 9 a.m.
- Rep. Mike Hoadley (R) - Hotdogs and Hot Rods**
Iron's Park - Large Pavillion, 335 Shrigley Street, West Branch, 5 p.m.

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